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JOINT STAFF WORKING DOCUMENT

**Report on EU-Lebanon relations in the framework of the revised European
Neighbourhood Policy (2018-2019)**

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1. Introduction

The year 2019 marks the 40th anniversary of the European Union's presence in Lebanon and the strong and diverse cooperation demonstrates that the EU and Lebanon are key partners in a challenging region. The EU-Lebanon Association Agreement in force since 2006 and the EU-Lebanon Partnership Priorities¹ and Compact² (adopted in 2016) have provided a reliable framework for fruitful cooperation underpinned by policy dialogue and financial assistance. The approach is in line with the EU's European Neighbourhood Policy and the EU Global Strategy for Foreign and Security Policy.

In the reporting period, the EU played a leading role in the follow-up to the 2018 international conferences (Rome II³ and CEDRE⁴) to promote Lebanon's stability and security and strengthen its state institutions. In March 2019, the EU and the United Nations convened the Brussels III Conference on 'Supporting the future of Syria and the region'⁵ where the international community pledged a record sum of over EUR 8.3 billion to address the needs of the countries and people affected by the Syrian conflict. It also renewed support for the UN-led political process to end the crisis. The Lebanese delegation, led by Prime Minister Hariri, made a strong case for Lebanon's ongoing needs and challenges in that context.

Lebanon formed a new government in January led by Prime Minister Hariri. A programme of the new government, the ministerial statement of 15 February, emphasised the importance of economic reforms in line with CEDRE and 'Capital Investment Programme' commitments and recommitted to the policy of dissociation. The EU welcomed the statement and confirmed its support for the implementation of CEDRE commitments, including Lebanon's reform agenda.

President Aoun addressed the European Parliament in Strasbourg in September 2018. Commissioner for European Neighbourhood and Enlargement Negotiations Hahn visited Beirut in October 2018 and the High Representative for Foreign Affairs and Security Policy/Vice-President of the European Commission (HRVP) Mogherini visited Lebanon at the end of February 2019. They both reaffirmed the EU's commitment to Lebanon's stability, security and prosperity following the formation of a new government. During her visit, the HRVP also inaugurated the new premises of the EU Delegation in Beirut in the presence of Prime Minister Hariri.

¹ Decision No 1/2016 of the EU-Lebanon Association Council agreeing on EU-Lebanon Partnership Priorities.

² The European Union and Lebanon adopted a Compact which was annexed to the EU-Lebanon Partnership Priorities and sets out mutually agreed priorities for cooperation until 2020, focusing on fostering growth and job opportunities, governance and rule of law, regional stability, security and countering terrorism; see: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/lebanon-compact.pdf>

³ https://www.esteri.it/mae/en/sala_stampa/archivionotizie/approfondimenti/joint-statement.html

⁴ Conférence économique pour le développement, par les réformes et avec les entreprises (CEDRE), https://www.diplomatie.gouv.fr/IMG/pdf/cedre_statement-en-_final_ang_cle8179fb.pdf

⁵ <https://www.consilium.europa.eu/en/meetings/international-ministerial-meetings/2019/03/12-14/>

2. Security and countering terrorism

The security situation in Lebanon improved but remained fragile. International support for the Lebanese Armed Forces (LAF) remained strong. The authorities extended control in the areas surrounding Aarsal, contributing to more stability near the north-eastern border. The security situation in the Palestinian camps remained challenging and included violent flare-ups. Armed fighting in Mieh Mieh camp in October 2018 resulted in a number of casualties.

There was tension at Lebanon's southern border in December 2018. The United Nations Interim Force in Lebanon (UNIFIL) independently confirmed the existence of tunnels crossing from Lebanon to Israel, in violation of UN Security Council Resolution 1701. Lebanon filed a number of official complaints to the UN Security Council for breaches of its airspace by Israel. UNIFIL continued to chair tripartite discussions on the demarcation of the land border. Israel continued to construct a border wall in disputed areas. No progress was achieved on the disarmament of armed groups, as called for by UN Security Council Resolution 1559 and UN Security Council Resolution 1701.

In October 2018, the EU and Lebanon held high-level meetings on security and justice in Beirut. They took stock of achievements, including past and ongoing technical assistance projects, and explored ways of strengthening cooperation to address domestic and regional security challenges, including counterterrorism, while ensuring compliance with international human rights standards. In November 2018, the Lebanese parliament passed a new law on anti-money laundering / countering the financing of terrorism.

The EU committed EUR 34 million of the EUR 50 million it had pledged at the Rome II Conference. This included EUR 6 million committed in December 2018 in support of the LAF Model Regiment to reinforce the implementation of UN Security Council Resolution 1701 and restore effective government authority south of the Litani River.

Efforts continued to build capacity in the security agencies and assistance programmes switched to more thematic areas to reinforce intra/inter-agency cooperation. The EU assisted Lebanon to strengthen mechanisms to reinforce a criminal justice response to terrorism (notably under the regional programme Countering Terrorism in the Middle East and North Africa countries, CT MENA), develop a joint action plan to enhance cyber-security capacities and draft a national cybersecurity strategy. Integrated border management continued to be a priority. Bilateral and regional cooperation on chemical, biological, radiological and nuclear (CBRN) defence involved the creation of CBRN first-response units in LAF Land Border Regiments, and CBRN defence trainings. Under the regional EU CBRN Centers of Excellence Initiative, a training centre for CBRN emergency medical staff has been established. Support has been provided to the first responders in a CBRN incident and in the field of export control of dual use items.

In the context of the European Multi-Platform Action against Criminal Threats (EMPACT)⁶, the EU and Lebanon stepped up cooperation on the fight against illicit firearms trafficking. They held expert-level meetings on the implementation of firearms regulation and Lebanese stakeholders made a study visit to Spain in July 2018. The experts discussed the functions of

⁶ European Multi-Platform Action against Criminal Threats (EMPACT) is a platform that allows Member States to operationally develop the EU priorities identified in the EU Policy Cycle of the fight against organized crime 2018-2021.

a national firearms database and investigations of illegal trafficking, in particular purchases on the dark web.

In June 2018, the European Commission was given a mandate to open negotiations with Lebanon for an agreement on the exchange of personal data between Europol and the relevant Lebanese authorities. The first expert meeting was held in Brussels in December.

The EU and Lebanon advanced cooperation on criminal justice and the prevention of violent extremism (PVE). The EU provided support to operationalise the national PVE strategy, as adopted by the Council of Ministers in March 2018. It also contributed significantly to aviation security at Beirut International Airport, by providing equipment and training security agencies.

3. Governance, the rule of law and human rights

In July 2018, the EU Election Observation mission (EOM) presented its conclusions on the parliamentary elections of 6 May 2018, finding that they had been generally well-conducted. It highlighted the use of the new proportional system, voting by expatriates and increased voter secrecy as positive developments in line with the recommendations made by the 2009 EU EOM. It recommended stronger and better-implemented campaign finance rules, the adoption of temporary special measures to increase women's political participation and action to redress the unequal access to the media. It underlined the important role of Lebanon's Supervisory Commission for the Elections (SCE) in the interim period leading to the next elections in 2022, including following up on the EOM recommendations. In January 2019, the SCE presented its final report to the authorities, summarising procedural violations by media outlets and election candidates.

Lebanon's ranking in Transparency International's *Corruption perception index*⁷ improved in 2018 from 143rd to 138th out of 180 countries. The EU continued to support the public administration in fighting corruption through technical assistance, the simplification of procedures, strategic planning, and the modernisation of public procurement. In September 2018, parliament adopted the laws on protection of whistle-blowers and transparency in the oil and gas sector, in line with CEDRE commitments. The Access to Information Law has not yet been implemented. A ministerial statement of 15 February highlighted the importance of fighting corruption and a draft strategy on the subject is awaiting adoption by the Council of Ministers. The anti-corruption ministry that had been set up in 2016 was not included in the structure of the new government.

On municipality level, significant differences in socio-economic conditions persist between regions and have in some cases worsened since the start of the Syrian crisis. EU assistance programmes continued to support local governance, socio-economic cohesion, local job markets, and the delivery of services such as the water supply and solid waste management. Strategic political dialogue was enhanced at local level in order to reach agreement on responses and jointly work on new local development programmes. The EU continued to support Lebanon's efforts to decentralise its administrative system.

The members of the National Human Rights Institution and of the National Preventive Mechanism were appointed (in 2018 and 2019 respectively); the budget has not yet been allocated. In November 2018, parliament adopted a law creating a national commission to

⁷ <https://www.transparency.org/country/LBN>

investigate the forced disappearance of Lebanese citizens during the civil war. A LAF code of conduct and an Internal Security Forces hotline to report domestic violence were introduced in early 2019.

There are four female ministers in the new government, including the first female Interior Minister in the Arab world. A national strategy for women's economic rights was drafted, but has not yet been adopted. Parliamentary committees started discussing draft laws relating to gender based violence, child marriage, sexual harassment, paternity leave and social security, while amendments were presented to remove discrimination from electoral and labour laws. Lebanon maintained its reservations on the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and has not yet joined the 1980 Hague Convention on the Civil Aspects of International Child Abduction. Refugee women and domestic workers remained in vulnerable situations, subject to abuse and discrimination, with a number of cases arising in the reporting period.

Although the situation for lesbian, gay, bisexual, transgender and intersex (LGBTI) persons remained fragile, the Mount Lebanon Court of Appeals and the Military Court ruled in two separate decisions that consensual same-sex relations are not unlawful.

Freedom of association, expression and assembly, and a free press and media were generally preserved. Civil society organisations reported there was a shrinking space for freedom of expression. Several activists, citizens and journalists were interrogated and charged with alleged acts of criminal defamation, including arraignments by military courts, and bloggers and social media users were a particularly vulnerable group. Concerns were also raised about journalists being referred to criminal courts instead of publication courts.

In the high-level political meetings in October 2018, the EU and Lebanon discussed challenges related to judicial independence and reform, including delays in hearings. EU support addressed immediate and long-term institutional needs in prisons focusing on detention conditions, basic services, modernising legal aid structures and fighting torture and the ill-treatment of detainees. Ongoing EU assistance continued to expand the use of non-custodial measures, automate case management and address gaps in the protection of children and juveniles. The Law on Electronic Transactions and Personal Data (adopted in 2018) includes rules on the processing of personal data and establishes basic data protection principles and individual rights.

4. Fostering growth and job opportunities

4.1 Macro-economic issues

Economic growth in 2018 is estimated at 0.3%, following 0.6% in 2017. International Monetary Fund (IMF) and World Bank projections saw exports growing modestly while consumption was seen as contracting, despite a public wage hike. Investment was projected as receding likewise, as investors remained in a wait-and-see mode. After 8.6% of Gross Domestic Product (GDP) in 2017, the overall public deficit reached an estimated 11.1% in 2018, despite the government's commitment to consolidate by 1% of GDP per annum over five years. Public debt is estimated at 151% of GDP at end-2018. The government's draft budget for 2019 aimed at a deficit of 7.6% of GDP. Expenditure measures included freezing public employment and limiting public sector allowances and benefits. On the revenue side, it

provided for a more progressive income tax, a hike in taxes on interest income, as well as increasing custom and import tax revenue.

Economic growth in Lebanon remained subdued and the debt burden continued to rise. The economy remained vulnerable to shifts in deposit inflows on which the financing of the sizeable budget deficit indirectly depends. The current account deficit has been aggravated by the rise of imports of basic goods. Foreign exchange reserves of the Central Bank have gradually declined. USD 11 billion pledges made at 2018 CEDRE conference are on hold.

Banque du Liban (BdL) put the 2018 current account deficit at USD 12.4 billion, or 22.1% of IMF-estimated GDP. The IMF assumed a ratio of above 25% of GDP. While Balance of Payment data (BdL) indicated a rising goods trade deficit on the back of increasing imports, the bilateral trade deficit with the EU improved slightly. The services surplus increased modestly with the rest of the world as travel and transport services strengthened. Lower compensation of employees deteriorated the primary income balance, compensated only partly by stronger investment income. Secondary incomes saw a stronger surplus due to higher government and other transfers, while remittances continued to soften. The financial account surplus kept shrinking to USD 5.6 billion by end-2018. While Foreign Direct Investment (FDI) inflows remained broadly stable, net portfolio investment turned negative for the first time since 2011. Other investments are still in surplus but at the lowest level since 2010.

4.2 Private investment

Lebanon ranked 142nd in the World Bank ‘*Ease of Doing Business*’ index in 2019.⁸ In line with CEDRE commitments, it enacted laws on: insolvency and the legal framework for insolvency practitioners; judicial mediation; e-transactions and data protection, the facilitation of secured lending; and the setting up of a private equity fund. In January 2019, the Ministry of Economy and Trade published the final McKinsey⁹ report on Lebanon’s economy, which proposed reviving and overhauling its productive sectors. The study suggested developing a national vision focusing on improving tourism, knowledge economy, financial services, industry and agriculture by 2025, to boost GDP growth and generate job opportunities.

4.3 Infrastructure

4.3.1 Water and waste water

The quality and reliability of the public water supply remain low across the country, with frequent shortages and citizens incurring additional costs to finance alternative coping strategies. The wastewater network reached 60% of households, but only 8% of the collected waste-water was treated, which impacted negatively on public health and the environment. Major infrastructure projects financed by European financial institutions are expected to become operational as of 2021. In April 2018, parliament’s approval of the Water Code clarified roles and responsibilities and introduced the ‘polluter-pays’ principle, but the implementing decrees are still pending. The EU helped Lebanon to upgrade its water supply, wastewater infrastructure and the operational capacities of the public authorities.

⁸ https://www.worldbank.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf; see p.5

⁹ <https://www.economy.gov.lb/media/11893/20181022-1228full-report-en.pdf>

4.3.2 Energy

The electricity sector consumed 12% of the state budget. This contributed to the state's public debt which was around USD 1.8 billion a year. On 9 April 2019, the Council of Ministers adopted a new plan on electricity with the objective of reaching 24/7 coverage in the coming years, without subsidies or the need for additional private generators. Contrary to its commitments at CEDRE and outlined in the 15 February ministerial statement, the government postponed the reorganisation of sector oversight (including clarifications on the procurement of electricity generation) and the creation of an independent energy regulator. Lebanon has set targets of 12% renewable energy in the electricity and heat sectors by 2020, and 30% by 2030.

The EU encouraged electricity reform, the development of a long-term energy strategy and the transition to clean energy by promoting renewable energy sources and energy efficiency, and extending technical support to the Lebanese Petroleum Administration. Lebanon's second offshore licensing round for oil and gas was launched on 4 April 2019.

4.3.3 Solid waste

The International Solid Waste Management Association noted that the October 2018 law on integrated solid waste management did not take account of scientific and policy developments, especially the shift to a circular economy and resource management.

4.3.4 Transport

Lebanon continued to participate actively in the EuroMed programmes managed notably by the European transport agencies to share technical expertise in transport and implement the Regional transport action plan for the Mediterranean region (RTAP) 2014-2020 as adopted under the Union for the Mediterranean (UfM) framework. Furthermore, Lebanon also remained involved in the UfM process related to the establishment of the Mediterranean transport network (Trans-Mediterranean Transport network) and its extension to the European network (TEN-T.)

4. 4 Trade / agriculture / industry

In 2018, the EU accounted for 37% of Lebanon's trade, with exports worth EUR 7.2 billion and imports around EUR 0.5 billion. The trade balance in the EU's favour was therefore around EUR 6.7 billion.

The EU-Lebanon Joint Working Group on Trade and Investment, set up in 2017 in line with the Partnership Priorities and a unique feature in EU's relations with partners in the South Mediterranean region, held a number of meetings. These focused on topics that were identified as relevant for Lebanese export potential, such as food safety, rules of origin, pharmaceutical products and the possibilities of joining the Enterprise Europe Network (EEN). The EU provided Lebanon with technical assistance in all of these areas. Lebanon participated in a technical experts' working group meeting on industrial clusters policy (Barcelona, 3 December 2018) in the framework of the UfM, which shares good practices for Small and Medium-sized Enterprises (SME) development and implements a work programme on industrial cooperation. The EU continued to support the process of Lebanese accession to WTO and to the Agadir Agreement. In the latter case, the members of the Agreement (Egypt, Jordan, Morocco and

Tunisia) have ratified the protocol on accession of new countries, which is a meaningful step towards the Lebanese accession.

At the April 2019 meeting of the Joint Committee of the Regional Convention on Pan-Euro-Mediterranean preferential rules of origin in Brussels, Lebanon accepted amendments to the Convention that grant a favourable regime on rules of origin in sectors of economic interest to Lebanon. EU and Lebanon expressed their readiness to have the revised rules applied bilaterally if a regional agreement on the new rules is not reached. No cooperation in the field of competition and subsidies control has taken place.

An ongoing EU technical assistance project under the Private sector development programme (EUR 15 million) focuses on improving the quality of products along the value-chain in the wood and fruit and vegetables sectors and on strengthening the capacity of business intermediaries to increase competitiveness and market access. An EU twinning programme to enhance the capacity of the Ministry of Agriculture veterinary services started in October 2018.

5 Conservation of natural resources

5.1 Integrated maritime policy and the blue economy

The EU continued to support initiatives to improve Lebanon's coastal resources and marine biodiversity (i.e. species, habitats, and ecosystems), also addressing potential marine ecological risks. Under five ongoing EU-funded projects (total amount EUR 2.6 million) supporting the depollution and protection of the Mediterranean Sea, two grants were signed in June 2018 to support a study of two Lebanese coastal areas (Beirut and Tyr); and actions by two Lebanese environmental coalitions to reduce plastic litter on targeted beaches. Another initiative is supporting work to update of the strategic environmental assessment for offshore exploration and production activities.

5.2 Support for native forests and nature reserves

Five EU grants for a total of around EUR 1.7 million in support of afforestation activities, climate change mitigation and income-generating activities were completed in the reporting period, resulting in a total coverage of 156.5 hectares.

5.3 Climate action

Lebanon ranked 82nd out of 220 countries (and regions) for greenhouse gas emissions and contributed about 0.06% of global Green House Gas (GHS) emissions. The Environmental Protection Law remained its overarching legal instrument for environmental protection and management. 6 March 2019, parliament ratified the Paris Agreement (signed in 2016). The EU continued to support Lebanon's targets through several projects related to key sectors (e.g. energy, water, waste, industry, forests), and promoted sustainable consumption and production patterns that should lead to a more circular economy.

6. Education, research and innovation, culture

6.1 Primary/secondary education

The EU continued to support Lebanon's 'Reaching All Children in Education' programme (RACE II), which increased enrolment of Lebanese and Syrian children in public schools and non-formal education (NFE). The Ministry of Education and Higher Education (MEHE) regulated NFE, seeking to provide a pathway for out-of-school children into formal education. In 2018, 67 456 children and youth were enrolled in regulated NFE, with registration fees partially or fully subsidised. Lebanon took steps to prevent and protect children from violence and to provide a safe learning environment. It also launched an 'Inclusive Schools' pilot project to mainstream children with disabilities into public schools. Policy dialogue on education addressed prevention of student drop-out, under-achievement and the improvement of school information management systems.

In June 2018, under the EU Regional Trust Fund in response to the Syrian crisis, the EU approved a EUR 100 million programme (for school years 2018/2019 and 2019/2020) to improve access to, and retention rates in, formal public primary education and NFE programmes for all children in Lebanon. The programme will improve the quality of public education, inter alia through child-centred teaching and upgrading MEHE's capacity to collect data and monitor the quality of services. The EU also supported education of Palestine refugees. EU-funded regional projects improved access to higher education for both refugees from Syria and vulnerable host communities in Lebanon.

6.2 Higher education/TVET

The National strategic framework for technical and vocational education and training (TVET), developed with EU support, was adopted in June 2018. Under the eTwinningPlus scheme, 93 teachers from 27 schools cooperated in 45 projects with their peers in Europe and other neighbouring countries. As for participation in Erasmus+, in the reporting period five capacity-building projects involving Lebanese universities, two of them coordinated from Lebanon, were selected. 81 mobility projects linking European and Lebanese universities were selected, enabling 502 Lebanese students and staff to travel to Europe, and 311 Europeans to complete stays in Lebanese universities. In addition, six master's degree students received Erasmus Mundus full Master scholarships.

6.3 Youth

In 2018, 229 young Lebanese took part in Erasmus+ Youth (NFE) activities, such as mobility of young people and youth workers, volunteering and meetings with decision makers. Lebanese participants were also involved in the Erasmus+ Virtual Exchange project, which brings together young people from around the Mediterranean through activities such as exchanges and provides training for facilitators, professors and youth workers alike. As from 2018, Lebanese NGOs and young people are also eligible to take part in volunteering projects under the European Solidarity Corps.

6.4 Research and innovation

Cooperation was boosted by Lebanon's participation in the Partnership for research and innovation in the Mediterranean area (PRIMA), following the conclusion of the relevant

international agreement between the EU and Lebanon (entry into force in June 2018). In April 2019, an Implementing arrangement was signed between the European Commission and the National Council for Scientific Research-Lebanon, which sets out provisions for mutual assistance in case of audits, reviews and checks. The signature was a pre-condition for the EU to disburse funds to Lebanese participants in PRIMA and highlights Lebanon's firm intention to collaborate in key areas of water management and food production. In the reporting period, Marie Skłodowska Curie fellowships enabled 28 more Lebanese researchers to pursue their work abroad. Three Lebanese institutions have been involved in the scheme since 2014.

6.5 Culture and cultural heritage

Lebanon benefited from two EU regional programmes that supported its cultural policy reform, promoted investment and the development of cultural operators' business capabilities and the development of cluster initiatives in cultural and creative industries. Within the European Year of Cultural Heritage 2018, two initiatives focused on connection between European and Lebanese cultural heritage: the 24th European Film Festival and the promotion of the Umayyad itinerary as part of the Routes of El Legado Andalusi. In 2018, the EU organized the first European Theatre Festival in Lebanon while 2019 marked the 25th anniversary of the European Film Festival in Lebanon. The Cultural Heritage and Urban Development programme (2014-2019, EUR 21 million) constituted the main intervention of preservation and enhancement of the urban heritage of the cities of Tripoli, Byblos, Baalbek, Saida and Tyr.

7. Health

The EU remains the biggest donor to Lebanon, with a EUR 70 million health programme under the EU Regional Trust Fund in response to the Syrian crisis still ongoing. However, the public health system still faces major challenges. In 2018, around 1.5 million subsidised public healthcare consultations were provided to people in need, but 54% of households are still unable to afford the cost of care. This is significantly more than 2017, according to the Lebanon Crisis Response Plan (LCRP) for 2018.

8. Refugees

8.1 Syrian refugees

At the 2019 Brussels III Conference on 'Supporting the future of Syria and the region', the government of Lebanon, the EU and the UN recognised the challenges ahead in ensuring the protection of refugees and access to education, healthcare and livelihoods. The international community reaffirmed that the stay of refugees in Lebanon is temporary. It committed to maintaining support for both host communities and refugees, while reiterating the international law principles governing sustainable return, including the importance of the principle of *non-refoulement*.

Lebanon did not resume the registration of refugees while implementation of the March 2017 waiver of the residency fee renewal remained inconsistent. According to a December 2018 Vulnerability assessment,¹⁰ 73% of Syrian refugees are without a legal residency permit.

¹⁰ The Vulnerability Assessment for Syrian Refugees in Lebanon (VASyR-2018) was conducted jointly by the United Nations Children's Fund (UNICEF), United Nations High Commissioner for Refugees (UNHCR) and the United Nations World Food Programme (WFP). See: <https://www1.wfp.org/publications/vulnerability->

At Brussels III Conference, the international community recalled that affordable access to civil documentation is a key protection concern. Lebanon adopted three important policy measures in 2018. It made it easier for Syrian parents to register the birth of children in Lebanon, which is an essential step in preventing statelessness. Only one of two Syrian spouses requires legal residency to be able to register a marriage. Children who have turned 15 in Lebanon and are not in possession of a Syrian identity card or passport can now present a civil extract to secure residency.

At the Conference, the EU confirmed its previous year's pledge of EUR 560 million for 2019 and pledged the same amount for 2020 for Syria, Jordan and Lebanon. The EU Regional Trust Fund in response to the Syrian crisis remains one of the main EU instruments for helping Lebanon and other neighbouring countries to address the consequences of the Syrian crisis.

8.2 Palestine refugees

Palestine refugees in Lebanon (PRLs) continued to lack many basic rights and access to many aspects of social and economic life. A challenging financial situation (due to the withdrawal of funds by the United States and unmet pledges) complicated the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) in 2018 and raised uncertainty about its ability to deliver essential services throughout the year. The European Union provided additional funds to cover part of the funding shortfall. The 2019 planning figure for Lebanon for UNRWA in the LCRP was 180 000 PRLs. The EU is supporting UNRWA's efforts to improve efficiency and introduce other reforms, while working to identify solutions for a sustainable delivery of services to Palestine refugees.

The situation of undocumented ("non-ID") Palestinians in Lebanon, (i.e. neither registered as refugees with UNRWA nor recognised by the government) remained precarious. Of the more than 28 000 Palestine refugees from Syria (PRSs), 96% depended on cash assistance as their main source of income. The ministerial statement of 15 February reaffirmed the right of Palestine refugees to return and a willingness to continue the Lebanese-Palestinian dialogue and to guide action based on the unified Lebanese vision document (government approval of which remained pending). The reconstruction of Nahr el Bared camp continued, with ongoing EU support under the Instrument contributing to Stability and Peace.

9. Financial assistance

Since 2011, total EU assistance to Lebanon has amounted to over EUR 1.7 billion, of which EUR 316 million was in 2018 alone. Financial support for Lebanon 2017-2020^[1] (indicative allocation: EUR 186.5-227.9 million) continued in line with the Partnership Priorities. Two crosscutting areas have been identified: (i) complementary support for capacity building and (ii) for civil society. In 2018, assistance to Lebanon included EUR 84.5 million in humanitarian aid (mostly for Syrian refugees), in addition to EUR 231.5 million for development support of which from the European Neighbourhood Instrument^[2] (EUR 43 million), the EU Regional Trust Fund in Response to the Syrian Crisis^[3] (EUR 165 million),

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^[1] https://eeas.europa.eu/sites/eeas/files/lebanon_c_2017_7179_annex_en.pdf

^[2] Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument; OJ L 77/27

^[3] Commission Decision of 10.12.2014 on the establishment of a European Union Regional Trust Fund in response to the Syrian crisis, 'the Madad Fund'; C(2014) 9615 final

the Instrument contributing to Stability and Peace^[4] (EUR 22 million) to address the longer-term resilience needs of Syrian refugees and Lebanese host communities and EUR 1.5 million under thematic lines for Democracy and Human rights and Civil Society Organisations.

10. Concluding remarks

Since the modest beginnings of the EU's official presence in Lebanon in 1979, its cooperation with Lebanon has grown and diversified, as this report clearly shows. Cooperation ranges from promoting good governance and economic development to protecting the environment, working with the Lebanese Armed Forces and security agencies, strengthening borders and promoting the protection of human rights. Discussions on an EU-Lebanon Mobility Partnership did not lead to any progress in the reporting period.

Lebanon's ministerial statement of 15 February and the roll-out of its 'Capital Investment Programme' contain concrete elements that can guide future financial assistance and project planning. The EU will continue to support measures that link these elements to comprehensive sectoral policies. It will also support the prioritisation and sequencing of the reforms that Lebanon is expected to carry out, which are crucial to boosting the economy and maximising the benefits of future EU assistance. The EU-Lebanon Partnership Priorities and Compact, based on the Association Agreement, remain a solid guide to future relations. This report constitutes a basis for the review of the Partnership Priorities.

^[4] Regulation (EU) No 230/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument contributing to stability and peace; OJ L 77/1