



# Annual Report 2013



REPUBLIC OF LEBANON  
MINISTRY OF FINANCE



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# Annual Report 2013

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# Director's Foreword

## 2013: a year of challenges and initiatives



2013 was a difficult and complicated year for Lebanon. Indeed, the impact of the Syrian crisis, the burden of refugees, the public debt and security issues weighed heavily on the State. In addition to these difficulties, the regional scene was in transition and disturbance. This outlook has pushed us, institutes and training centers in the public sector, to think deeply, plan and to rethink otherwise our business in a more innovative way to address the following issues: is training still a priority? And what would training be in the mist of strategic plans and the absence of public policy? Does training meet the expectations of the civil servants concerned with the salary scales and their career? Is it necessary to complete training through access to information? How to achieve our plans in the absence of a public budget? How can we attain the desired value of public spending in our activities? Is it possible to keep our teams, trainers and experts?

As the saying goes, "What doesn't kill you makes you stronger"; and 2013 was an opportunity for us to launch new quality initiatives. The Institute has launched, for the first time, a specialized certificate in public procurement and has signed medium-term partnership agreements with the Régie du Tabac and others. It realized, thanks to the contribution of the Embassy of France, a step in the dissemination of the culture of the French language in the public sector and participated in tenders at the national level to strengthen capacities in financial issues. All this, in parallel with training programs that went on in the areas of public finance, customs and change management.

The year 2013 was also marked by increased cooperation between training institutes. At the regional level, the GIFT-MENA network assured exchanges between member institutes through study visits, missions and training sessions; and at the national level, the Institute has worked in collaboration with the Office of the Minister of State for Administrative Reform to launch the first national network of training.

In terms of research and publications, the year 2013 is notable by the new edition of the magazine "Assadissa" about public service and by the preparation of national studies on economic and financial education and public procurement, in addition to the launch of the first guide of the series "I want to know more," entitled "Why do we pay taxes?"

During this year, we have facilitated access to financial and economic information through training, the website, book fairs, and career orientation, and we have worked, despite difficulties, to be productive and efficient and maintain our position as a leading institute for civil servants and citizens.

We hope you enjoy reading our 2013 Annual Report!

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The Director of the Institute  
**Lamia El Moubayed Bissat**  
And the Team of the Institute

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# Second year of the “Institutional Development Plan”: Horizon 2015



For the second consecutive year, the Institute has continued to implement the “Institutional Development Plan Horizon 2015”, which was prepared with the support of the European team “Sigma” and included several proposals to strengthen the position of the Institute on the national level, develop the capacity of its staff, improve internal communication and modernize working tools to better serve the Ministry of Finance and financial officials in Lebanon.

The main objectives were

- Providing quality training services through the modernization of the organizational framework and tools.
- Coordinating and reaching integration with other national institutions.
- Connecting the broader, regional and international initiatives.

## Our role

As a center of excellence with extensive experience, the IOF supports capacity building in public financial management at national level

## Our mission

Contributing to the development of human resources and capacity in public financial management

Strengthening cooperation and networking, the transfer of knowledge and good practices

Promoting a culture of excellence and innovation in public sector

## Our strategy

Developing the necessary skills to support reforms in public finance management, customs and land registry and cadastre

Promoting knowledge transfer, transparency and access to information

Providing assistance and consultancy, upon request, in areas of expertise

Fostering networking and exchange, and encourage cooperation with other public training institutes

Maintaining an institutional management of high caliber, built on professional standards and a modern style of management

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<sup>1</sup>Sigma is a joint initiative of the Organization for Economic Cooperation and Development and the European Union, principally financed by the European Union. The preparation of this plan was handled by the expert and adviser Nicolas Dubois Adiritu Sanchez.

## Main achievements

- Concentrating the activities of the Institute **through the selection of projects and training activities**, as a training center specializing in finance and customs.
- Contributing to a **culture of training** and adult learning in the public sector in Lebanon and the region through a series of specialized programs.
- Developing scientific basis **for measuring the impact of training** with a model experiment to measure the impact of the program, to strengthen the capacity of economics teachers in public schools.
- Organizing a national conference **to promote synergies between training institutes in the public sector** and the launch of the national network.
- Implementing **modern electronic systems** for archive management, trainers' data, the Library of Finance and others.
- Designating managers **in the departments of the Institute**.
- Preparing and implementing an **"internal" training plan** to enhance the capabilities of the team and develop their skills.
- Developing the electronic accounting system.
- Completing **the website of the Institute**.
- Preparing the first draft of **a strategic plan for the Institute**.



Cooperation with training centers



Team work



SIGMA team meetings



SIGMA



### "Institutional development plan" 2012

The Institute of Finance Basil Fuleihan published its report on the "Institutional Development Plan" in early 2012, that was the result of a study prepared by an independent team of European experts "SIGMA", which covered the activities of the Institute, its performance, and approaches to work. Following this study, a work plan was developed for the Institute to adjust the training plan according to demand and supply in the Lebanese public sector. The success of this plan was revealed last year, mainly by discussing it with 75 representatives of the Ministry of Finance and government agencies, trainers, training centers and partners, and with the distribution of 180 copies of this plan to the persons concerned in addition to the development of the electronic systems; and the training of the Institute team and adaptation of the programs in public finance and customs programs and adult education.

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1842

Trainers

3500

Participants  
in the activities

120

Training sessions

8

New training  
requests

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# Training

Training



Public financial management



Customs and security affairs



Managing change



Financial and economic literacy



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# Training



The IoF preserved during the year 2013 its position as a center of excellence in terms of capacity building in the public sector on issues of public finance management, customs, administrative skills and training. For this the IoF was committed to the orientations of the “Institutional development plan: Horizon 2015” and relied on a clear action plan and on strategic partnerships. It has deployed a huge effort to update the training curricula, develop new projects and invent supplementary working tools..

## Main stages

- The IoF has been keen on organizing its annual Training of Trainers programs with more than 86 trainers in 6 TOT programs, general and specialized.
- The IoF has been facilitating the participation of its accredited trainers in many programs outside Lebanon, organized in collaboration with its regional and international partners.
- The TOT programs have been completed with the development of a methodology for the evaluation of the impact of training on the basis of the KIRCKPATRICK methodology with its four levels in order to determine a series of quantitative and qualitative indicators and test them on the program on “**promoting financial and economic culture of the teachers of economics**”.
- Cooperation with the “Régie des tabacs et tombacs” has led to the signing of a mid-term cooperation agreement for the execution of an integrated training plan.
- The first certifications in public procurement were launched in collaboration with the Chartered Institute of Purchasing and Supply CIPS-UK.
- The major stage of this year was the organization of the national conference on enhancing synergies amongst the public sector training services providers in Lebanon, which led to the establishment of the national network for the strengthening synergies between training institutes and schools.
- The IoF has preserved its special partnerships in Lebanon and abroad. It has worked on ensuring opportunities for exchange and cooperation through field visits and training, either through bilateral cooperation or through the activities coming under the GIFT-MENA network.
- As for the management of the training program, the IoF has accomplished the e-archiving project for the documents produced by its training activities. It has also started adopting software for the management of the trainers’ data.



### The Régie and the IoF launch a unique cooperation

The Administration of the Régie Libanaise des Tabacs et Tombacs and the IoF signed a cooperation agreement for the capacity building of the Régie staff in meeting the terms of the development program that it had already launched. The two teams prepared a mid-term training plan (2014-2015) along with a detailed training calendar for 2014 which included 27 training programs around 7 axes: the promotion of the culture of quality and institutional excellence, the promotion of leadership and administrative skills, specialized technical training, the culture of training and training programs engineering, IT and languages.

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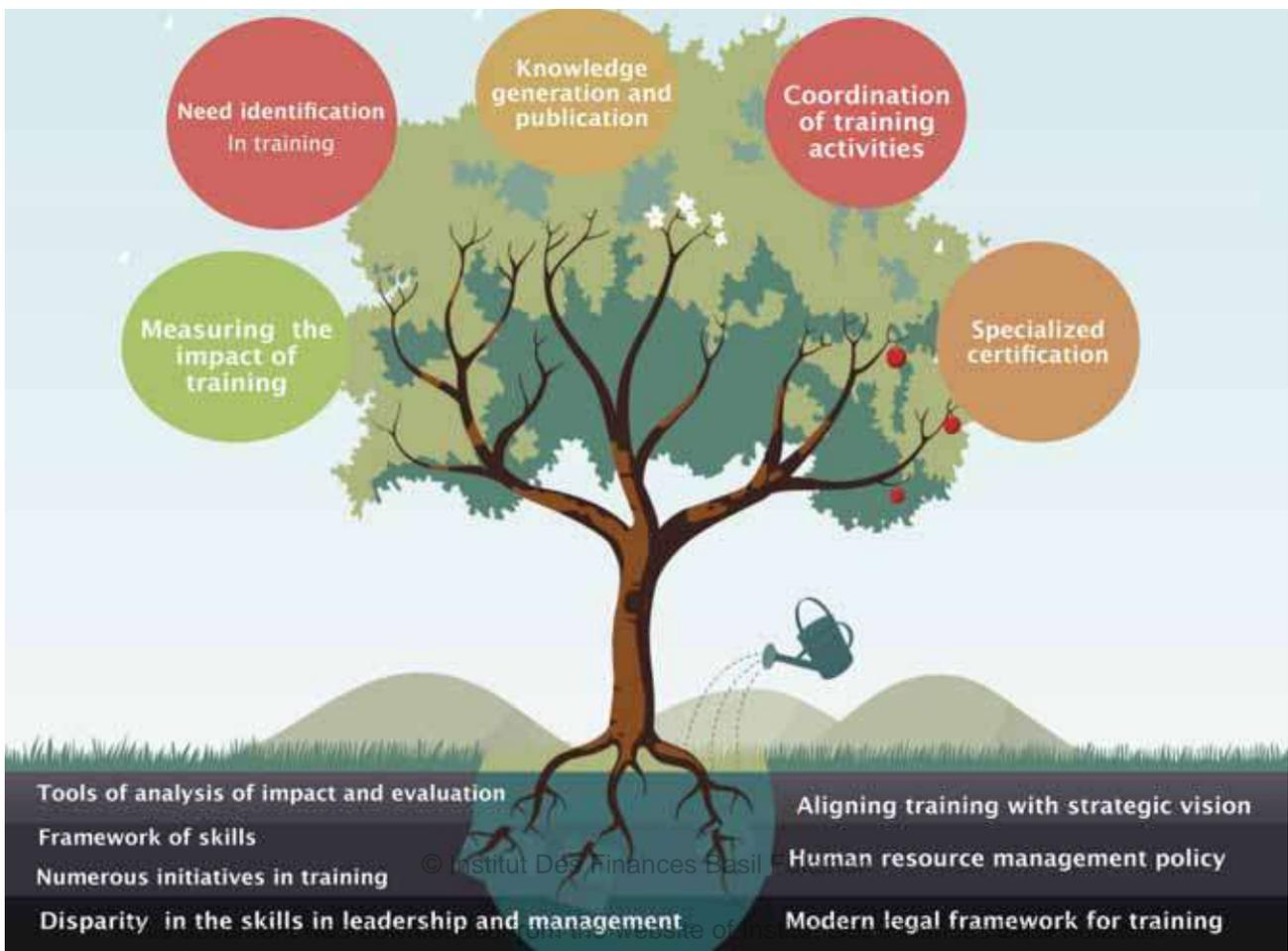
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“Learning is not about memorizing facts  
but knowing what to do with them”  
Roger Fritz

## The Training Calendar

The training calendar included around **54** training programs that were chosen according to the guidelines of the Ministry of Finance and the training needs and requests mentioned. The working team was able to achieve **75%** of the expected timetable and met **8** training requests from outside the timetable in spite of complex security, administrative and financial conditions. The calendar was launched during a workshop held under the sponsorship and in the presence of the Minister of Finance in February 2013. With the presence of **63** participants amongst directors generals and

senior officers of the Directorate General of Public finance, the Customs directorate, the Cadastre, the Régie des Tabacs et Tombacs and the Directorate of the National Lottery. The participants discussed during that meeting five basic subjects concerning capacity building and the conclusions of the working groups enriched the mechanisms used to determine the training needs, consolidated the cooperation and coordination frameworks between the different parties and promoted the intellectual production and research climate within the Ministry of Finance.



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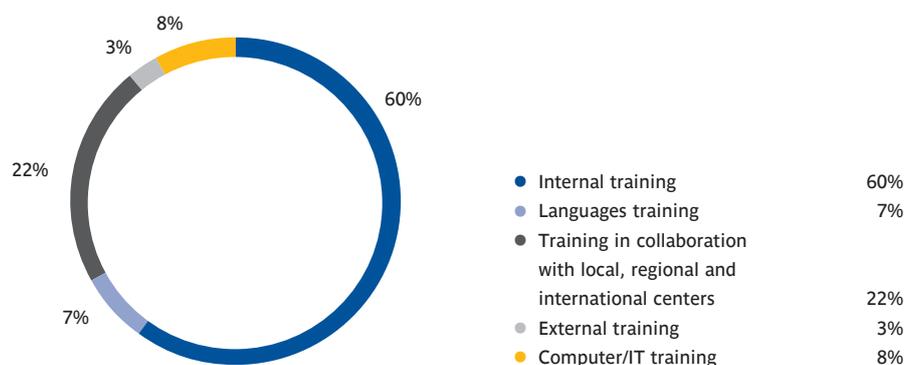
## Strengthening synergies between training institutes in Lebanon

In early September 2013, the IoF organized in collaboration with SIGMA, the OECD and the European Union, a national workshop at the Grand Serail which gathered more than **75** participants from the public sector, the international institutions and the private sector in order to discuss the main international trends in the field of human resources management and the ways to strengthen cooperation and coordination amongst training services providers in the public sector in Lebanon. This workshop led to the establishment of a national network of training institutes in Lebanon, which is expected to get its final form early 2014.

## Analysis of the 2013 figures

The total number of participants in the training activities for this year was **1842** trainees compared to **2388** in 2012. This decrease in the number of participants is due to many factors, including: the security situation in Lebanon, such as explosions and turmoil, the difficulty to ensure the resources necessary for training because of the delay in the transfer of the first batch of financial contribution reserved to the IoF until July 2013, the turmoil and lack of functioning in the public sector because of the claims for the adoption of the salary scale, in addition to the regional circumstances known by the countries of the region, which hindered the holding of a certain number of regional activities.

### Distribution of trainees by type of training



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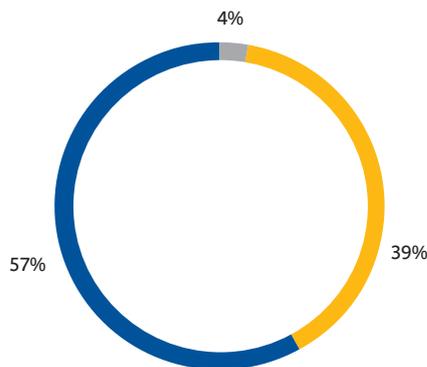
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There was a decrease in the level of participation of the MOF staff members from 1,119 to 725 participants in the training programs, while the participation of the administrations and public institutions remained steady with 1,054 participants against 1,120 in 2012. As for the participation from outside Lebanon, it did not exceed 63 participants against 155 in 2012, and

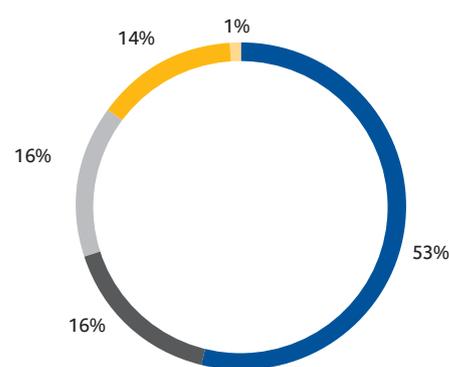
this is mainly due to the postponement of the regional congress of the GIFT-MENA network to early 2014 and the cancellation of the regional training programs of the World Customs Organization as well as the specialized regional conference on combating drug trafficking in airports due to the security situation.

Participants distribution by beneficiaries



- Participants from outside Lebanon 4%
- Participants from the Lebanese administrations 57%
- Participants from the MOF 39%

Participants distribution by MOF directorates



- Directorate General of finance 53%
- Directorate of Customs 16%
- Régie des Tabacs et Tombacs 16%
- IoF 14%
- Cadastre 1%

### Total trainees

	Computer training	Internal training	Languages training	Training in collaboration with local, regional and international centers	External training	Total
Directorate General of finance	62	229	72	22	2	387
Directorate of Customs	3	84	2	25	1	115
Cadastre	1	3				4
Directorate of Lottery						0
Régie des Tabacs et Tombacs	7	78	29		1	115
Procurements and finance administration project UNDP					33	102
Basil Fuleihan Institute of Finance	2	59		8	2	71
<b>Sub Total</b>	<b>75</b>	<b>453</b>	<b>103</b>	<b>55</b>	<b>39</b>	<b>725</b>
Public administrations	77	643	30	288	16	1054
Arab and foreign trainees		3		60		63
<b>Total</b>	<b>152</b>	<b>1099</b>	<b>133</b>	<b>403</b>	<b>55</b>	<b>1842</b>

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# Public Finance Management



During the year 2013, many initiatives took place for the building of the capacities of the persons concerned with the Public Financial Management in Lebanon and the region. The training programs included an integrated series of subjects starting from the preparation and execution of the public budget to the national accounts, with a particular stress on the issue of Public procurement. Meetings and activities constituted an interactive space rich with the experience of experts and partners in the field of modernization of the public finance administration.

Below are the main training stages on public finance management for 2013:

- Support to the Ministry of Finance of Lebanon in describing the new classification of the 2014 budget and clarify the main stages of budget execution and commitment control.
- Support to the Lebanese tax administration in the consolidation of the application and exchange of expertise amongst the tax compliance departments
- Shed the light on the main contemporary trends in the public accounts and discuss them with senior finance officials in Lebanon and in the region.
- Launch certificates and specialization programs in public procurement in Lebanon
- Organize the first training program in favor of the central organization on control and audit in Yemen.

## Main achievements

The total number of participants in the public finance management program reached **495** trainees for 2013 against **599** participants in 2012. This participation was registered in **23** training sessions and workshops compared to **10** sessions during the year 2012 which stressed the following issues:

- On the issue of public budget, the IoF has collaborated with the EFMS and the Directorate of budget and expenditure control at the Ministry of Finance to prepare and execute a series of workshops around “**the new classification of the 2014 draft budget**” in which **130** officials from the public sector participated.

### Training projects proposed or presented by the IoF

The IoF prepared during 2013 training programs for the State of Iraq on issues of “administrative accounting” and “taxes in the communication and oil sector”. But it was impossible to execute them for reasons related to the donors. On another hand, the IoF could win with the Knowledge Development Company the capacity building project for the municipalities in the field of public finance and public procurement which is funded by the USAID and will start early 2014. The IoF expressed its interest in the capacity building project of the Court of Audit in terms of audit, which is funded by the European Union and the project on management promotion in the public schools, in such a way that feedback on such initiatives is made during the first quarter of 2014.

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If one learns without thinking,  
one will not understand



Confucius

- As for the aspect related to the budget execution, the IoF collaborated with EFMS to organize two workshops: one on **“Introduction to budget execution”** which addressed **40** head accountants and accountants from the Treasury and public accounting departments and the other one about **“expenditure control”** in which there were **33** participants from the public sector in Lebanon.
- About the issue of taxes, the IoF has accompanied the project aiming at merging the Directorate of revenues and that of VAT through the training of **80** employees of the compliance units over **4** training workshops. The training sessions were an occasion to create a common language around the execution of the tax compliance policy and the standardization of procedures between the principle tax auditors and the auditors of all compliance units.
- Cooperation with the Association of Banks in Lebanon led to a workshop on **“the financial markets”** for the Public Debt directorate at the Ministry of Finance which included the theoretical dimension of the basic concepts of the economic indicators and the financial instruments, along with practical applications.
- On the issue of public accounting, the IoF organized two training programs about **“the public accounting tools and techniques”**. The first program was held in collaboration with the Islamic Development Bank and the Directorate of training center at the Ministry of Finance of Jordan, in Amman, with the participation of **20** Government officials from Tunisia, Yemen, Sudan, Jordan, Morocco, Palestine and Lebanon. During the year, a workshop was also head on public accounting and addressed a group of **35** participants from the Public Finance Directorate in collaboration with EFMS project at the Ministry of Finance in Lebanon.
- On the issue of control and audit, the IoF prepared a new training program on **“VAT audit of the of telecommunication companies”** for the central authority for audit and accounting in Yemen, with the participation of **12** officials concerned with the audit of telecommunication companies in Yemen.

### Training programs in public finance management

Activity	MOF	Lebanese administrations	From outside Lebanon	Total trainees
Prepare public budget in Lebanon - the new classification of the 2014 draft budget	12	130		142
TOT on “Expenditure control”	7			7
Workshop on “Expenditure control”	12	21		33
Expenditure control	35			35
Workshop on “Introduction to public accounting”			18	18
Regional training program on public accounting	2	23		25
Public accounting tools and techniques	40			40
Workshop on “Introduction to budget execution”	8			8
Workshop on “Financial markets”	80			80
Tax compliance	3	6		9
TOT on certification in public procurement	3	8		11
TOT on Strategic procurement	6	8		14
TOT - Think Tank on public procurement	1	21		22
Training program on procurement strategies		23		23
Certification in public procurement			12	12
<b>Total</b>	<b>216</b>	<b>249</b>	<b>30</b>	<b>495</b>

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## Special attention given to capacity building in public procurement

Based on the results of the national study on public procurement and the national capacity building strategy undertaken in 2012, the IoF prepared certificates and specialized programs to be launched for the first time in Lebanon, in addition to disclosing the standard bidding documents with the procurements guide appended. In 2013 there were also many achievements including the launching of a community of learning on public procurement on the website, the organization of initiatives for getting information about the major trends in the field of procurement at the international level and the main university degrees available.

Below are the main achievements:

- Closing of the “**project on capacity building in public procurement**” that was already implemented, in collaboration with the Italian Government as of 2010 with the participation of more than 70 officials from both the private and the public sectors and representatives from international organizations.
- Launching of the “**Certified Public Procurement Course**” in Arabic and English in collaboration with the Chartered Institute of Purchasing and Supply - CIPS in the UK and the execution of the first training session with the participation of **33** persons interested in procurements coming from **22** Government administrations in Lebanon, with a success rate reaching **50%**.
- Launching of the “**Strategic Procurement Program**” in English in collaboration with the CIPS and with the participation of **22** trainees who are specialized in procurement in the Lebanese public sector.
- Launching of the “**Community of learning**” in public procurement: it is a special page on procurement on the IoF website which facilitates access to information and includes a number of selected and rich reports, studies, Lebanese laws, references and training materials about the main issues related to public procurement at both national and international levels.
- The IoF published the standard bidding documents produced in collaboration with the Lebanese Ministry of Finance and testing during the years 2009-2011, along with a national guide appended, which explains the public procurement in Lebanon.
- Completing these initiatives with study visits: the first to Italy to check on the available Master degrees and the latest updating experiences at CONSIP. The second to the Kingdom of Morocco to look at the updating techniques. In addition to participating in the meetings of the public procurement network in the MENA region which is sponsored by the World Bank.
- Concerning sustainable procurement, the IoF exposed its experience in this field during the fourth roundtable on SPC (Sustainable Production and Consumption) in the Arab Region which was organized by the UNEP in Cairo in June 2013.
- Finally, the IoF presented a partnership with the ITC-ILO and the CRI to the tendering launched by the OMSAR for the development of public procurement systems in Lebanon through the funding of the European Union, however the group could not get the chance to win the tender.

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## Training outside Lebanon

During 2013, **21** officials and trainers participated in conferences and field visits held outside Lebanon, especially in the Arab and European countries.

### Training programs outside Lebanon in the field of public finance management

Activity	Organizer	Number of participants
Public Procurement for Better Public Funds Management (PPM)	IMF - CEF - Kuwait	2
Macroeconomic Management and Fiscal Policy	IMF - CEF - Kuwait	1
Regional Training Program on Public Accounting	Ministry of Finance - Jordan	2
Study visit: Capacity Building in Public Procurement	Moroccan Ministry of Economy and Finance	3
5 <sup>th</sup> Regional Meeting Task Force on Corporate Governance of State-Owned Enterprises in the Middle East and North Africa	OECD	1
6 <sup>th</sup> Annual Meeting of OECD-MENA Senior Budget Officials network	OECD	2
4 <sup>th</sup> Roundtable meeting on Sustainable Consumption and Production in the Arab Region	UNEP/ESCWA/ League of Arab States	1
Tunis Workshop of the Middle East and North Africa (MENA) Network of Public Procurement Experts	World Bank	1
Workshop for the community of practice dedicated to public procurement reform in the Middle East and North Africa		1
Study visit: Capacity Building in Public Procurement	CONSIP & AVCP - Italy	4
Study visit: Capacity Building in Public Procurement	TOR Vergata - SSEF - ITC-ILO (Italy)	3
<b>Total</b>		<b>21</b>

## Training orientations

- Continue the capacity building of the public sector employees in the field of public finance management by providing high quality programs.
- Build the capacities of the Lebanese experts and trainers by introducing them to the international best practices.
- Follow up the public procurement specialization program.
- Promote cooperation with partners in order to offer training services and specialized technical support at both national and regional levels.
- Work on facilitating access to information on the issues of public finance management and procurement through the website and the specialized publications.
- Publish the report on the situation of public procurement in Lebanon and prepare policy papers in public procurement.
- Contribute to the national debate on all public finance management.

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# Customs and security affairs



The lack of stability at the security and political levels in Lebanon and the neighboring countries have negatively affected the implementation of customs training plan for 2013 which made the IoF opt for a training strategy that is based on demand rather than on supply and the expand its circle of beneficiaries to cover all law enforcement bodies concerned with issues of anti-smuggling and protection of financial and economic interests.

The customs training timetable for this year included 13 subjects, four of which were executed. The total number of participants was 655 trainees, against 927 in 2012. This decrease in the number of participants is due to many factors including: administrative and security difficulties, daily concerns of the Customs authority, programming of twinning projects with the Italian side and the impossibility for the regional programs foreseen for this year to be implemented.

## Lebanon as a regional training hub for the World Customs Organization

Since 2006, Lebanon has been occupying a major position in customs training. In fact, it was chosen as a regional training center for the World Customs Organization. In spite of the efforts undertaken, the circumstances this year prevented the programs foreseen as part of the regional training plan for 2013 and which were due to be held in Beirut from being executed. However, Lebanon was present, through the IoF, in some of the regional meetings.

### Customs training programs

Activity	Number of sessions	Trainees from customs	Trainees from the Lebanese administrations	Total number of trainees
Investigation techniques in criminal psychology	4	27	71	98
Use and analysis of x-ray scanner picture	1	9		9
Radiation detection techniques	2	46		46
Workshop on counterfeit drugs	2	16	39	55
Imitation of hygiene, detergent and house care products	2	9	101	110
Market control techniques in collaboration with the Ministry of Economy and TAIEX	1		80	80
Workshop on money laundering and financing of terrorism	1	1	255	256
4 <sup>th</sup> session of the capacity building committee World Customs Organization			1	1
<b>Total</b>	<b>13</b>	<b>108</b>	<b>347</b>	<b>655</b>

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“A nation that has more knowledge  
is a nation that has more power”  
Alvin Toffler

## Main achievements

### Anti-smuggling and customs control

The IoF has given special attention to the issue of Anti-smuggling and customs control and has executed a series of training programs that gathered **409** participants from the Customs authority and the law enforcement agencies. The programs tackled: “**the use and analysis of x-ray scanner pictures**”, “**Anti-money laundering**” and the “**Investigation techniques**”, issue with **98** attendees from the Customs authority, the Internal Security Forces, the Lebanese Armed Forces, the Régie des Tabacs et Tombacs and other administrations.

### Commercial fraud and consumer’s protection

The partnership with the Ministry of Trade and Economy, the private sector and the rights holders led to the holding of a number of workshops around commercial fraud and counterfeit, which addressed **245** participants from all law enforcement agencies in Lebanon. These workshops contributed to the provision of data for introducing the design and specificities of genuine products and comparing them with fake

products, with a special focus on trafficking lines and channels. The workshops of 2013 tackled issues of counterfeit drugs, hygiene products, electrical appliances and other products which are detrimental to the health and safety of the consumer.

### Money laundering and financing of terrorism in collaboration with the Lebanese Armed Forces

The IoF organized in collaboration with the Lebanese armed forces (LAF) Directorate of training a seminar on the issue which shed the light on the criminal and economic dimensions of Money laundering and its relation with the financing of terrorism as well as the related economic and social risks, with a special focus on national legislations, international conventions and standards for fighting this crime. Political, economic and judiciary actors participated in this seminar, as well as senior officers from the LAF, the security agencies, the UNIFIL, military attachés, diplomats and representatives of international organizations.

## Training orientations

- Capacity building for the Customs authority staff according to the orientations and priorities of work of the Customs authority.
- Promote the space that is specially foreseen for exchange of expertise and experiences between law enforcement agencies on customs related issues.
- Cooperate with the private sector on the development of knowledge in all types of commercial fraud, organized crimes and methods of trafficking.
- Preserve the role of Lebanon as a regional training hub for the World Customs Organization and continue to coordinate with the WCO, the Abu Dhabi capacity building office and the regional representatives to prepare and develop training programs based on the training plans.



### 4<sup>th</sup> meeting of the capacity building committee

Lebanon participated in February 2013 in the 4th session of capacity building committee. This meeting focused on issues of customs performance standards and the influencing factors, cooperation and networking, in addition to human resources management and the role of the Customs in the world. This meeting was organized on the margin of the eighth informal meeting of the regional capacities building offices, regional training centers and vice’s chair offices and aimed at promoting the regional coordination mechanisms and exchange of views for a better use of available resources and expertise, in addition to promoting training plans and programs and the evaluation means adopted.

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# Managing change



The administrative and leadership skills programs constitute a rich space for discussion about leadership concepts, management of change, self-management, performance culture and other current issues. These programs are characterized by a dynamic style, new ideas, individual exercises, serious group debate, which adds to the individual expertise, new ideas and renewed perspectives in terms of following up the challenges that are faced by the Lebanese public sector.

## Specialized Meetings for Senior Lebanese Officials

Some 16 officials from 12 public administrations and institutions gathered in the program on “Specialized meetings for Senior Lebanese Officials” to be briefed about the main up-to-date trends on issues of State modernization and public finance management. These meetings were organized for the fourth consecutive year in collaboration with the ENA France and with the support of the French Institute and Fransabank. The 2013 group carried the name of “Jacques Delors” and was launched with the sponsorship and the presence of the French Ambassador in Lebanon and senior official audience.

The 2013 program was held under the title of “Trends and issues of financial management” and tackled four main issues:

- Public finance reform as an entry to State modernization
- Evaluate and attract customs and tax revenues
- Leadership and management of change
- The economic reality of corruption



### Summary of the Program

The specialized meetings for senior Lebanese officials in the Lebanese administration are a sort of specialized training program, result of the Lebanese French cooperation in the field of capacity building and aim at deepening the leaders' knowledge, developing their skills and informing them about the international best practices in public affairs management, especially the financial affairs. This program started in 2010 and gathered 74 Government officials, amongst judges, leaders, general directors of ministries and administrations, supervisory and military bodies. Most of the meetings tackled the issues of public finance reform, State modernization and culture of performance.

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## Administrative programs

The IoF organized **11** training sessions on various administrative issues with **218** trainees. These programs were an opportunity for introducing the main contemporary trends in issues of strategic planning and management, and for acquiring main skills in the field

of report preparation, representation of administration, time management, in-depth knowledge of modern management concepts such as emotional and social intelligence and the way to apply it at the individual and institutional levels.

### Management and leadership skills program

Activity	Number of sessions	Trainees from the MOF	Trainees from Lebanese administrations	Total number of trainees
Strategic planning from a gender perspective	1		20	20
Trends in leadership and management skills	1		18	18
Time and stress management and stress at work	2	11	47	58
Preparing and drafting administrative reports	1	17		17
Successful representing your ministry	3	2	57	59
Motivation and self-esteem	2	25		25
Emotional intelligence and its applications in the workplace	1	6	15	21
<b>Total</b>	<b>11</b>	<b>61</b>	<b>157</b>	<b>218</b>

## Languages and computer programs

Some **13** sessions were organized in IT with **152** participants. They tackled issues of preparation of

reports and Power Points presentations in different levels, as well as MS project.

### IT programs

Activity	Number of sessions	Trainees from the MOF	Trainees from Lebanese administrations	Total number of trainees
Microsoft Excel program - intermediate level	4	16	38	54
Microsoft Excel program - advanced level	4	13	39	52
Microsoft Word program - Intermediate level	1	15		15
Microsoft Word program - advanced level	2	15		15
Microsoft Power Point - advanced level	1	10		10
Microsoft project 2010	1	6		6
<b>Total</b>	<b>13</b>	<b>75</b>	<b>77</b>	<b>152</b>

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“ Beware of false knowledge;  
it is worse than ignorance ”  
George Bernard Shaw

Concerning the foreign languages training programs, **11** language sessions were held with **133** trainees. This year witnessed a special cooperation with the French Institute in Beirut through the signing of a cooperation agreement **in the framework of the project on the “Consolidation et développement de la francophonie au Liban”**, with the aim to prepare and organize training sessions in French in the financial and economic fields for all persons concerned in the public sector and to grant internationally recognized certificates (DELTA and DALF). A series of sessions of English were also organized in Beirut, Tripoli and Saida in collaboration with AMIDEAST.

#### Languages programs

Activity	Number of sessions	Trainees from the MOF	Trainees from Lebanese administrations	Total number of trainees
Pre-intermediate Business English	1	10		10
Intermediate Business English	1	10		10
Workplace: English & Conversation Intermediate B	1	8		8
Workplace: English & Conversation Beginner B	1	18		18
Workplace: English & Conversation Beginner A	1	21		21
Workplace: English & Conversation Intermediate	3	34		34
Le Français des finances	2	2	23	25
DELTA A2	1		7	7
<b>Total</b>	<b>11</b>	<b>103</b>	<b>30</b>	<b>133</b>

### Training trends

- Complete the training programs addressed to the senior staff members with a stress on the international best practices and new experiences.
- Promote the IT and languages training in all Lebanese regions and expand its scope upon request.
- Launch certifications in French language in collaboration with the French Institute.

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# Financial and economic literacy

Since 2009, the IoF has been striving to promote financial and economic literacy in Lebanon. It undertook a full national survey to determine the gaps, and devoted a number of programs to the development of knowledge amongst the teachers of economics in the public schools and amongst the Lebanese Youth. The IoF has been following closely the initiatives within the OECD financial literacy network INFE. The year 2013 witnessed the release of the first edition of “I want to know more” under the title “Why do we pay taxes?” as well as a series of activities under TEMPUS project.

## National survey on economic and financial education

During 2013, the national survey on economic and financial education was executed with the financing and supervision of the World Bank and aimed at measuring the knowledge of the Lebanese in terms of financial and economic affairs. This study is the first of its kind in the Arab world and its results are the main pillars

for the drafting of public policies and for the setting of a national strategy of financial and economic literacy for the future generations. Concerning the results of the study, the IoF organized six discussion sessions in which 85 experts and stakeholders participated, the recommendations shall be subjects of public policy papers.

### Focus groups in financial and economic literacy to draw out public policies

Activity	Number of sessions	Participants from the MOF	Participants from Lebanese administrations	Total number of trainees
Financial education in schools	1	2	12	14
Pension and social protection policies	1	4	12	16
Gender and financial integration	1	4	13	17
Financial protection for the consumerCitizenship, good governance and accountability	1	3	11	14
Banking and financial services	1	4	7	11
<b>Total</b>	<b>6</b>	<b>19</b>	<b>66</b>	<b>85</b>

## International Network for Financial Education

The IoF, as a member of the OECD International Network for Financial Education, has participated in the main activities organized by the Network in France, including:

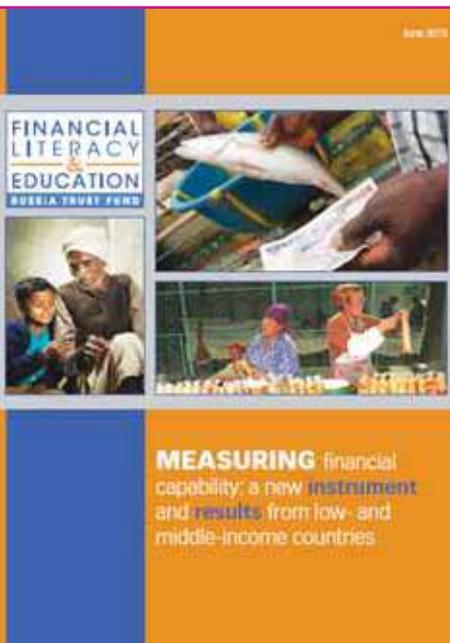
- The **OECD/INFE/GFLEC Global Policy Research Symposium to Advance Financial Literacy**, held on the 31<sup>st</sup> of October 2013.
- The **12<sup>th</sup> INFE meeting** in which the IoF presented its experience in this field, on the 30<sup>th</sup> of October 2013.

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“You have to look for knowledge, for knowledge does not look for anybody”  
Anatole France



## The annual meeting of the teachers of economics in public schools

In September 2013, the IoF organized, in collaboration with the Ministry of Education and Higher Education, and with the support of the Islamic Development Bank, the second annual meeting of the teachers of economics in public schools under the title **“The role of teachers of economics in promoting knowledge in economic and financial affairs amongst the Lebanese youth”**; **205** teachers and a number of Ministry officials participated in the meeting which was an opportunity for shedding the light on the results of the national study and discussing the main challenges and difficulties that are faced by the educational officials.

## Youth at the Ministry of Finance

The IoF was able to communicate with the Lebanese Youth by:

- Receiving a number of students for internships
- Organizing annual workshops under the title **“The Youth at the Ministry of Finance”** with the participation of **138** students from **7** universities and youth associations.
- Participating in Job Fair Exhibition at the American University of Beirut (AUB Job Fair).

### Special workshops for youth

The University	Date of the meeting	Number of groups	Number of students
American University of Beirut (AUB)	22-2-2013	1	23
AUST	22-3-2013	1	16
Antonine University - Baabda	12-4-2013	2	19
AUCE	26-4-2013	1	9
Antonine University - Baabda	10-5-2013	1	23
LOYAC association	17-5-2013	1	15
AUST	8-11-2013	1	12
MUBS	29-11-2013	1	21
<b>Total</b>		<b>8</b>	<b>138</b>

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## PACOME TEMPUS

The PACOME TEMPUS project, financed by the European Union, aims at supporting Lebanon and Morocco in establishing a national observatory for skills and jobs. This observatory will later allow studying the job market and guiding the universities towards new specialties which would promote the employment opportunities for youth. During the year 2013, many activities took place, including visits to Morocco, Vienna, Maastricht and Athens in order to be familiarized

with the methodology adopted in studying the market and the needs. These activities were completed with a conference held in Beirut at the Université Saint-Joseph (USJ).

The participants in this project from Lebanon are: the Ministry of Education and Higher education, the Lebanese University, the Université Saint-Joseph, the Chamber of Commerce and Industry and the Institut des Finances Basil Fuleihan.

## Orientations of the financial and economic literacy projects

- Paving the way towards launching a national strategy for the promotion of financial and economic literacy in Lebanon.
- Publish the results of the national survey and the public policy papers.
- Shed the light on the concepts of private funds management.
- Complete cooperation with the Ministry of Education for the capacity building of the teachers of economics.
- Continue the different initiatives addressed to the youth categories with the aim to support them in getting familiarized with the principles of public finance management and its relation with the concepts of citizenship.

### Why do we pay taxes?



### Development of financial and economic literacy tools

In the field of financial and economic literacy activities, the Institute prepared a booklet entitled **"Why do we pay taxes?"** which presents the main public finance principles through a cartoon between Lebanese young woman Jana and Lebanese young man Rabeih. This booklet is an introduction to the relationship that exists between the citizen and the public finance management and sheds the light on many of the issues that are not understood by many of the young people. The subjects it tackles include: public finance, public expenditure, public financial resources, public debt, public budget preparation, and the role of the municipalities in the execution of regional development projects. The IoF prepared the 2014 timetable which aims at raising awareness and educating through a pleasant and interesting style. A press meeting was organized for the presentation of the booklet, with the presence of a number of media officials and economic journalists, in a session that was characterized by an interactive atmosphere rich with discussions and exchange of ideas. A seminar on the booklet was also held within the framework of the 57<sup>th</sup> International Arab Beirut Book Fair with the participation of the former Lebanese ambassador in Washington Dr. Ryad Tabbara and the presence of a number of economists, education and media persons, and students.

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14  
Delegations

5  
Study visits  
outside Lebanon

55  
Participants  
in the training  
outside Lebanon

Cooperation with  
22  
Local and  
international  
organizations

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# Cooperation and Networking

Technical assistance and exchange of expertise

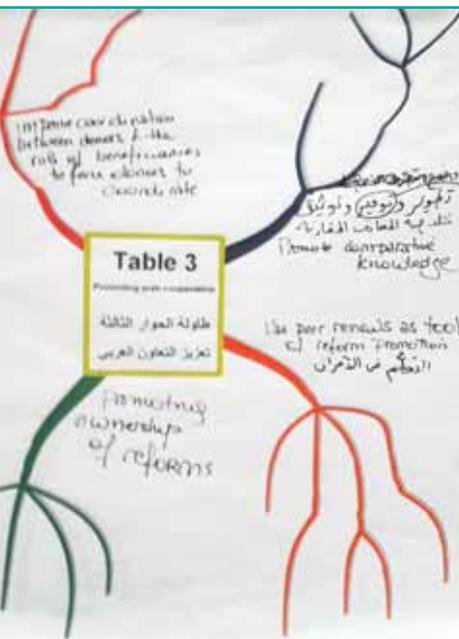
Partnerships and Networking

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# Technical cooperation and exchange of expertise



In line with its efforts to foster cooperation with Arab and international organizations and promote South-South cooperation, The Institute of Finance persevered throughout 2013, in providing capacity building and technical assistance services for civil servants in the region. New partnerships were developed with a number of institutions in Lebanon and the MENA region, with the aim of exchanging expertise and sharing national and international good practices. Among these partner institutions are the ESA, CIPS, ITC-ILO, and ENA.

These partnerships led to an outstanding collaboration between training institutes and helped foster partnerships among institutions within the GIFT-MENA network. This will be crowned by the hosting of the Arab Planning Institute of Kuwait of the Network's Annual Conference in early 2014.

The year 2013 was mainly characterized by an increasing demand on the Institute's training and technical assistance services from the ministries of finance in the region and their training centers, namely in Iraq, Kurdistan - Iraq and Yemen.

## Main Achievements Arab-Arab Cooperation

### Jordan

The Directorate of the Training Center of the Ministry of Finance of Jordan hosted the specialized regional training program on **"Public accounting"** with the participation of 20 senior Government officials from Lebanon, Jordan, Tunisia, Palestine, Morocco, Yemen and Sudan. This program was organized in the framework of the activities of the GIFT-MENA network, with the support of the Islamic Development Bank.

### Yemen

#### Training for a delegation from the Ministry of telecommunication in Yemen on VAT

A new training program on **"Tax audit and control for telecommunications companies"** was developed to be offered to the central audit and accounting body in Yemen. It aimed at providing the trainees with technical knowledge and practical skills, and contributed to the exchange of expertise with a number of institutions in Yemen.

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# “ Knowledge is power ”

Auguste Kant

## ★ Morocco

### A study visit on public procurement and missions to a number of public institutions

In the framework of the cooperation and partnership with ministries and training institutes in Morocco, the IoF participated in conferences and organized study visits to the Ministry of public service and modernization of administration, the national school for administration, the higher institute of administration, and the Directorate of administrative and public affairs of the Ministry of economy and finance, to exchange practices and discuss ways to foster relationships among training institutes in the region. Similarly, a study visit involving senior public officials from several countries of the region was organized, to **expose them to the advanced experience of the Kingdom of Morocco on the modernization of public procurement systems.**

## 🇮🇶 Iraq - Kurdistan - Algeria

### Training program in accounting for the Ministry of Finance in Iraq

The IoF developed a **specialized training program in public accounting**, addressed to the officials of the Ministry of Finance in Iraq. It also planned to host the specialized training program for officials of the Large Taxpayers Office at the Iraqi Ministry of Finance, which was developed by ADETEF-France.

It hosted a delegation from the Ministry of Finance in Kurdistan on a visit aiming at exchanging expertise and discussing future venues of collaboration and facilitated the participation of representatives of the Central Bank of Algeria in the study visit to the ITC-ILO.

## 🇧🇦 Bahrain

### Bahrain Institute of Public Administration

Among the partnerships that were developed in 2013 is a solid collaboration with the Bahrain Institute of Public Administration (BIPA). BIPA joined the Steering Committee of the GIFT-MENA network and played an active role in the **preparatory meetings of the annual conference of the Network**. The IoF was also invited to participate actively to the conference on **“The future of Public administration: between professionalism and leadership”** organized by BIPA in collaboration with the International Institute of Administrative Sciences (IIAS) and the International Association of Schools and Institutes of Administration (IASIA).

This collaboration will be crowned by a memorandum of understanding to be signed on the occasion of the annual conference of the network in early 2014.



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## Arab-Mediterranean Cooperation



### GIFT-MENA Network

Despite the turmoil in the region and the increasing challenges, the GIFT-MENA Network consolidated its role in 2013 as a renewed interactive platform for exchange of expertise and cooperation, with the support of the ADETEF - the cooperation agency of the French ministries of economy and finance.

The French Treasury continued providing support to the activities of the Network and its efforts towards developing capacities and exchange of expertise in collaboration with regional and international agencies.

The IoF, Secretariat of the network, worked on ensuring its sustainability through bilateral meetings with the French counterparts, as well as with the Arab and Euro-Mediterranean donor communities.

### Main activities of the GIFT-MENA Network

- Preparation of the Network's Fifth Annual Conference entitled "**Human Capital Formation in the Public Sector and the Challenge of building the State in times of crisis**", to be held on January 28-30, 2014 in Kuwait, tackling three main themes: (1) capacity building in time of crisis, (2) organizing supply and demand on training services, (3) cooperation for development and the role of the Arab development funds.
- Preparation of the Network Meeting, organized back-to-back with the annual conference on January 28, 2014 in Kuwait.
- Holding of the Steering committee meeting in June 2013, and preparation of the upcoming meeting to be held in the framework of the annual conference in January 2014.
- Joint organization with the training center at the Ministry of Finance in Jordan of the regional training program on "**Public accounting**", addressed to senior officials from public accounting administrations of Ministries of Finance of countries of the region.

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“We remain knowledgeable persons as long as we are still seeking knowledge, so if we think ourselves knowledgeable then we start being ignorant”

Ibn Qutaita

- Organization of a study visit to the International Training Center of the ILO (ITC-ILO) on the techniques of sustainable training at the economic, social and environmental levels, with the participation of **6** Government officials from **4** countries of the MENA region.
- Organization of a study visit to the Ministry of Economy and Finance of Morocco on public procurement reform and capacity building projects, with the participation of **7** senior Government officials from **5** countries of the region.
- Publication of the Arabic and English language proceedings of the network’s annual conference held in Tunisia in 2012 under the theme “**Training and cooperation for change**”.
- Organization of a number of activities including hosting delegations (Kurdistan), developing training programs (Yemen) and participating to international conferences in Lebanon and abroad (OECD-WB-IASIA-PREM).
- Encouraging new members and partners to join the Network, which currently gathers **48** members from **19** countries in addition to 17 partners from regional and international organizations.

### Specialized meetings for economic development: CHEDE-MED

For the third consecutive year, Beirut hosted in June 2013 one of the specialized meetings for economic development in Mediterranean countries - CHEDE-MED, under the theme “**Prospects of growth in post-war Lebanon and Syria**”. The meeting was held under the auspices of the Minister of Finance and in the presence of the Ambassadors of France, Italy and Spain, in collaboration with the French Embassy in Beirut, the Chamber of Commerce and Industry of Beirut and Mount Lebanon (CCIABML), Solidere, the Port of Beirut and the Municipality of Byblos. More than **70** leaders from the public and private sectors of France, Italy, Spain, Morocco and Lebanon discussed the challenges brought by the Syrian crisis, its impact on economic sectors, investment opportunities and employment in Lebanon and Syria.



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## Cooperation with the European Union



### Cooperation with OECD and SIGMA team

In the framework of the implementation of the “**Institutional Development Plan: Horizon 2015**” developed by the IoF with the support of SIGMA, and in an effort to promote communication and networking among Lebanese training institutions, a first meeting of training service providers in Lebanon was organized in September 2013, with the participation of the European Commission in Lebanon and a number of local partners and supporting donors.

On another note, the IoF maintained its active collaboration with the OECD, facilitating the participation of **18** of its trainers and staff members to **8** conferences, workshops and meetings held abroad.

OECD - World Bank Seminar on building financial capability in Africa and the Middle East	30-31 January 2013	Kenya
Fifth Regional Meeting Task Force on Corporate Governance of State-Owned Enterprises in the Middle East and North Africa	02-03 July 2013	Turkey
Meetings of the INFE Advisory Board and Expert Subgroups	20 October 2013	France
12 <sup>th</sup> Meeting of the International Network of Financial Education	30 October 2013	France
OECD Policy Research Symposium to advance financial literacy	31 October 2013	France
The 6 <sup>th</sup> Annual Meeting of the OECD-MENA Senior Budget Officials Network	25-26 November 2013	Qatar
4 <sup>th</sup> SIGMA Networking Seminar	2-3 December 2013	France
The Steering Group Meeting of the MENA-OECD Initiative on Governance and Investment for Development	3 December 2013	Morocco

### Collaboration with European universities

The IoF facilitated, in collaboration with local partners, the participation of its experts in **4** study visits to a number of institutions in Europe and the region, in the framework of the TEMPUS project. The project aimed at getting acquainted with mechanisms and techniques to monitor the needs of the labor market, detecting skills and relating them to the university studies.

	February 2013	Chaib Al Dakali University	Morocco
Workshop at Athens University of Economics and Business	March 2013	University of Athens for Economics and Business	Greece
Workshop at Institute for Advanced Studies (IHS) - Vienna	April 2013	Institute of Advanced Studies (IHS)	Austria
Workshop at Limburg Institute for Business and Economic Research (LIER/ROA) - Maastricht	April 2013	Limburg Institute for Business and Economic Research	Netherlands

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## France

In 2013, cooperation with France included training activities and programs and technical assistance missions and visits that involved French partner institutions.

The highlights of 2013 include:

- Missions undertaken in France and Lebanon in preparation for the annual conference of the GIFT-MENA Network.
- Mission and visits to discussion means to foster cooperation in public financial management capacity building for countries of the region, Participation to conferences and international events.
- Technical assistance to IoF team on the use of the GIFT-MENA new electronic portal.
- Joint organization with ENA France of the 4<sup>th</sup> edition of the meetings of senior civil servants.
- 3 grants offered to Lebanese officials to participate in programs and meetings held in France.
- Organization of a workshop animated by 3 representatives of the Ministry of State modernization, decentralization and public service, on modern developments in French public service gathering 31 representatives of the public sector training centers and institutes in Lebanon.
- Joint organization and financial assistance of the French Embassy to IoF projects, study visits and training programs,
- Organization of certified French language courses targeting civil servants in Lebanon and the signature of a Memorandum of Understanding with the French Institute,
- Meetings with officials from French institutions on topics related to public service, public finance and economic and financial literacy.

## Italy

In the framework of the cooperation with the Italian Embassy in Beirut, **two study visits** were organized, involving the Central Procurement Agency CONSIP, the Authority for Supervision of Public Contracts (AVCP), the University of Rome Tor Vergata, the International Training Center of the ILO (ITC-ILO) in Torino, the Higher School for Economics and Finance and the Ministry of Finance of Italy. Both visits helped consolidate collaboration and networking with Italian institutions involved in public procurement capacity building.

The IoF also facilitated the participation of **5 civil servants** in the International Master's program in public procurement management, offered by the University of Rome **Tor Vergata** and financed by the Ministry of Foreign Affairs in Italy.



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# Partnerships and Networking



In 2013, the IoF developed its cooperation ties with local partners from the public and private sectors, namely with the Chamber of Commerce, Industry and Agriculture in Beirut and Mount Lebanon, Fransabank, the Association for the protection of products and trademarks, in addition to a special and fruitful cooperation with the Lebanese Armed Forces, a number of Lebanese universities, as well as the Lebanese Parliament, the Court of Audit, the Ministry of Education, the Ministry of Economy and the Association of Banks.

## Local Partnerships

### Partnership with universities in Lebanon

The IoF participated in the preparation of the Third annual conference organized by the Faculty of Business at the Antonine University on “**The future of the Euro-Mediterranean Relations**”.

It also prepared for the launch of a specialized certificate in leadership and administrative development for senior officials at the Customs administration, in collaboration with the ESA.



### Cooperation with the Lebanese Armed Forces

- **The Third Regional Conference**

The IoF contributed to the organization of the Third regional conference on: “The Arab World 2013: Dynamics of change, security, economical, and good governance challenges” addressed to international officials and researchers.

- **Delegation visit from the Research and Strategic Studies Center**

The IoF hosted a delegation of officers from the Research and Strategic Studies Center at the Lebanese Armed Forces to get acquainted with the mission and activities of IoF in the areas of training, cooperation, communication, and publications. The visit was an opportunity to promoting existing collaboration with the LAF and examining future prospects of cooperation.

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“If knowledge is prohibited in the public sphere,  
so there is no use of it in the private sphere”

Malek Ben Ouns

## Regional Partnerships



### The Islamic Development Bank

For the third consecutive year, the Islamic Development Bank supported the organization of a specialized training program on public accounting, hosted by the training center of the Ministry of Finance in Jordan.



### The Arab Planning Institute

Two certified programs were organized at the Institute of Finance, the first tackled “**The development of Human Capital**” and was composed of two workshops on “**the Developmental Analysis of education**” and “**Development and Gender**”, and the second addressed “**International Cash Flows**” and was composed of two workshops on “**Public Cash Flows**” and “**Private Cash Flows**”. These workshops were animated by 8 experts from the Arab Planning Institute in Kuwait, with the participation of 49 participants from various Lebanese administrations and public institutions.

The cooperation between the two institutes led to the joint organization of the fifth annual conference of the GIFT-MENA entitled “**Human Capital Formation in the Public Sector and the Challenge of building the State in times of crisis**”, which will be hosted by the Arab Planning Institute at its headquarters in Kuwait in January 2014.



### The IMF's Middle East Center for Economics and Finance (CEF)

The IoF facilitated the participation of 7 of its trainers and staff members to the CEF training programs organized in Kuwait on various economic and financial topics.

The IoF also took part in the training directors meeting organized by the CEF in Kuwait to discuss the main developments related to training and capacity building in the countries of the region.



### Partnership with the Antonine University

The IoF participated in the Third International Conference on “The Future of the Euro-Mediterranean Relations: Evaluation and Development” by presenting the role of the State in building bridges of cooperation with the regional partners, and the situation of public finance in countries of the South. The conclusions stressed the importance of cooperation and the creation of an enabling environment for exchange of expertise, as well as the importance of capacity development in order to meet the needs of communities.

The conference was an occasion to highlight the case of the GIFT-MENA Network as a model for South-South cooperation—acting as a platform for knowledge transfer, exchange of expertise, promotion of partnerships among training institutes with the support of partners and donor community.

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## International Partnerships



### **The World Bank**

The IoF continued to coordinate efforts with the World Bank, as well as with its training institute, the WBI, on subjects related to public procurement, good governance, economic and financial literacy among others. In this context, it participated to several meetings, workshops and conferences related to public procurement reform held in Lebanon and abroad.



### **The United Nations Environment Program (UNEP)**

In the context of the sustainable public procurement initiative, the IoF presented the national plan and recommendations related to promoting sustainable public procurement in Lebanon, in the framework of the fourth roundtable on Sustainable Consumption and Production (SCP) in the Arab region, organized by the regional office of UNEP in Cairo in June 2013.



### **The International Training Center ITC-ILO**

A study visit to the ITC-ILO in Turin was organized in October 2012 to actively take part in the **Learning Link** program. The program aimed at introducing adult learning techniques used to develop the capacities of training providers.

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## Hosting delegations

In the framework of its local, regional and international activities, the IoF hosted several delegations and expert visits. Below are the highlights:

Delegation	Objective	Number of participants
Delegation visit from the Ministry of Finance of Kurdistan - Iraq	Introducing IoF/s mission and activities	3
Delegation of EU experts	Discuss potential cooperation on capacity building in public finance management	2
Delegation visit from the University of Rome Tor Vergata	Introduce the Master's program in public procurement management	2
Delegation visit from the Central oversight and control body in Yemen	Participate in the training program on "Tax audit of the telecommunications companies"	12
Delegation visit from the Research and Strategic Studies Center in the LAF	Introduce IoF mission and activities and examine potential opportunities for cooperation	8
Delegation of SIGMA experts	National workshop on promoting cooperation among training institutes in the public sector in Lebanon	4
Visit of an expert delegation from the Ministry of public service and modernization of administration in France	Follow up on the recommendations of the national workshop on promoting cooperation among training institutes in the public sector in Lebanon	2
Delegation visit from ADETEF	Technical support concerning the electronic platform of the GIFT-MENA	2
Visit of an expert from the Ministry of foreign affairs in France	Examine potential opportunities to foster cooperation	1
Visit of an expert delegation from the National center for public service in France (CNFPT)	Examine potential opportunities to foster cooperation	2
Visit of delegation of experts from the Chartered Institute of Purchasing and Supply (CIPS) in the UK	Implementation of the capacity building in public procurement project	4
Visit of experts' delegation from the Chartered Institute of Purchasing and Supply (CIPS) in the UK	TOT program on public procurement - 3 levels	3
<b>Total</b>		<b>45</b>

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## Agreements

The IoF signed 4 cooperation agreements with local and international organizations on diverse topics of mutual interest.

Institution	Topic	Date
Régie Libanaise des Tabacs et Tombacs	Ensure specialized training programs	December 2013
Lebanese American University (LAU)	Host one participant in the Leaders for Democracy Fellowship program	November 2013
French Institute of the French Embassy in Lebanon	Implement language courses in French	June 2013
Chartered Institute of Purchasing and Supply (CIPS) in the UK	Provide certificates in public procurement	November 2013

## Challenges

In the framework of the regional turmoil, the execution of the IoF regional activities has become more and more dependent on the resources made available by the donors, especially in light of the scarcity of resources, governments' orientations to control public expenditure and the lack of technical assistance offered by developed countries.

The unstable political, administrative and security situation prevailing in Lebanon is leading to a decrease in travel to Lebanon, and negatively impacting the regional and international activities of the Institute.

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“Try not to drown into information while you are seeking knowledge”

## The Way Forward

In the emerging context of crisis and change, policy-makers and human resources leaders are called to embrace the mindsets of economists and reallocate scarce resources, namely talents, with great efficiency, looking outward to take into account both the macro-economic perspective and microeconomic constraints. As such, MENA Governments and their respective civil service administrations need to join efforts to become more responsive to the current and future needs of their countries and citizens, placing a high priority on capacity development in their revised planning policies, from recruitment to performance evaluation.

Based on the above, the orientations for networking and partnerships are the following:

- Meet the needs for training in public financial management and other related topics at this particular time of change and political and administrative transformations in countries of the region.
- Mobilize resources and use them efficiently so that they meet the increase in demand for training and technical assistance in collaboration with local, regional and international partners.
- Promote participation in capacity building initiatives funded by donors in the region.
- Consolidate partnerships to provide specialized and certified training for civil servants in Lebanon and the region, and work on institutionalizing cooperation through bilateral agreements with training institutes.
- Promote communication with regional and international partners to ensure new and sustainable resources in support of the development, implementation and organization of regional and international programs.
- Foster dialogue with decision makers and international actors on the role and importance of the GIFT-MENA Network as a platform for capacity building and cooperation.
- Encourage member institutions of the GIFT-MENA Network to host specialized regional training programs, encourage exchange of trainers and trainees and organize study visits to exchange expertise and good practices.
- Encourage member institutions to use the new online platform.
- Create synergies among training institutions in the region through exchange, dialogue and sustainable partnerships.



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4

Issues of  
Hadith el Malia

5

Pamphlets for  
training programs

2000

Copies of Assadissa  
about employment in  
the public sector

Acquisition of

511

book

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# Communication and Publications

Communication and Publications



Scientific research



The Library of Finance



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# Communication and Publications



The activities undertaken by the Communication and Publication Department have had a major influence on the institute's policy of information delivery and knowledge dissemination to all citizens. The institute continues to activate and develop the communication strategy it has been using over the past few years, with the aim of improving its content and tools, to suit the need of the target groups.

The institution's efforts were focused on providing research and studies that tackles public finance management and aims to delineate possible and feasible solutions for the problems facing this sector. As part of the communication and publication plan, the institution intends to communicate and deploy the recommendations in these studies in order to improve the policy-making process and enhance participation and accountability in all matters relating to the management of public money.

## Main achievements

This year was exceptionally successful for the institute. In parallel to an integrated communication plan, the institute was able to increase its publications, which are of a scientific and practical nature. This year has also witnessed many noteworthy events aiming at making the results of the studies and researches available to policy-makers and concerned individuals through:

- ▲ Initiating a new publication series of policy briefs.
- ▲ Publishing "ASSADISSA"'s 4<sup>th</sup> issue that tackles the topic of "The civil Service at the Core of the PFM Reform", in addition to expanding the participation of external researchers and experts in the preparation phase as well as in the peer review activities.
- ▲ Launching an illustrative animated series "I want to know more", a pioneer initiative aiming to enhance the concept of citizenship and participation in Public Financial Management Reform starring to Lebanese citizens; Rabeh and Jana.
- ▲ Introducing the "Public Procurement and the Standard Bidding Documents" for government employees to improve their performance and bridge a bond between the public and the private sectors.
- ▲ Establishing a steady relationship with the economic and educational press in order to strengthen cooperation with local communities in the delivery of financial education.
- ▲ Improving the Institute's website and starting communities of learning.
- ▲ Ensuring sustainable publishing by attempting to place selected publications in book stores and specific points of sale at cost price.

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# Improving the credibility of scientific research

## The most important recommendations mentioned by the experts

As part of the institute's strategy to strengthen the credibility of its scientific research, five experts comprising research institutes, the Lebanese and American Universities, the Ministry of Finance, as well as the private sector, participated in the Advisory Committee's meeting of the journal. They were asked to discuss the upcoming theme on Civil Service at the Core of Public Financial Management Reform, suggest a list of potential authors and to assess the previously published issue of the journal. Moreover, the Institute engaged 5 external experts in its peer reviewed process.

### The recommendations of "Assadissa" journal's advisory committee:

In December 2013, the Advisory Committee of the journal held a meeting devoted to evaluating the journal's performance two years following its launch. The meeting concluded with the subsequent recommendations:

- ▲ Articulate the need for a journal, in Lebanon and the MENA region, dedicated to research within public financial management.
- ▲ Emphasize that research findings must be reported in a concise and lucid style to reach both decision-makers and the public at large.
- ▲ Initiate coordination with the relevant departments in universities, especially the Lebanese University.
- ▲ Activate the role of the Advisory Committee by involving more professors from the Lebanese University.
- ▲ Increase visibility and sustainability by attempting to supply "Assadissa" to bookstores for nominal prices, while distributing an executive summary for free.

### Policy Brief - a new initiative

In the context of developing a dissemination plan for research activities, the institute launched a new initiative that consists of issuing a series of policy briefs based on research findings in public financial management.

### Promoting scientific research and the Institute visibility on the local and Regional Platform

Accentuating its role as the center of knowledge for public finance topics and strengthening its presence on the local and regional research platform, the institute seeks to participate in conferences by presenting and publishing research papers, while solidifying its coordination with other research centers.

Within this context, the institute participated in the joint meeting of the International Association of Schools and Management Institutes IIAS-IASIA, submitting a paper titled "the experience of Lebanon in the introduction of standards of competence and competitiveness in filling senior government positions" and partaking in a round table, held in the same conference, to discuss "risks and strategies for the future". The meeting was held in Manama - Bahrain, from June 1 to June 6, 2013, under the title "Prospects for the future of public administration: the professionalism and leadership".

### The "Grant" Project to finance the printing of Scientific Research

The institute continues to adopt the initiative, launched in 2010, which aims to encourage scientific research and knowledge dissemination within the ministry of finance and other public departments by granting a fund limited to covering the cost of the design and printing house. In 2013, the Institute approved to print a second research and sent it to peer-review.

### The main challenge, according to the experts

For "Assadissa" to become an instrument in the formulation of public policy. The fact that very little reliable information is available to decision makers, necessitates that research findings be disseminated to policy makers and those who influence their decisions, such as the chamber of deputies, political parties and academia. Moreover, experts voiced the importance to satiate the academic staff in "Assadissa" work as a way to reach university students.



## Activate integration between publishing, communication, and media activities

### Building Sustainable Relationships with Economic and Educational Press

The Institute developed a plan to activate its relationship with economic and educational press in order to enhance cooperation on delivering financial education to local communities. A first gathering took place in December 2013 on topics related to the economic and financial literacy, and the booklet **“Why do we pay taxes?”** In addition, the Institute will proceed with this plan, through several gatherings and activities scheduled in the year 2014.

### Developing a marketing plan for the Institute’s publications

The Institute devoted special attention to developing integrated marketing plans for promoting its publications, with the objective of informing the targeted groups about the availability of the publication as well as inciting them to explore its content. The Institute integrated its first experience in this area by issuing the educational illustrative booklet **“Why do we pay taxes?”**

### Marketing plan for promoting “Why do we pay taxes?”

The Institute launched the comics’ booklet **“Why do we pay taxes?”** on December 6, 2013, and carried out a promotional campaign:

- ▲ Activities with youth-targeting economic and educational press, followed by extensive media coverage.
- ▲ Booklet signing by the Institute’s Director, Ms. Lamia Moubayed Bissat, at the 57<sup>th</sup> International Beirut Arab Book Fair. The ceremony was followed by media coverage.
- ▲ Roundtable discussion held during the 57<sup>th</sup> International Beirut Arab Book Fair, attended by former Lebanese Ambassador to Washington, Dr. Riad Tabbara. The event was followed by media coverage.
- ▲ **Nine** interviews with TV channels, radios, newspapers and websites including LBCI, Voice of Lebanon, L’Orient-Le Jour and Now site.
- ▲ Audio-visual material and reports about economic and financial literacy on several media stations, including New TV, Future, Annahar, Iktissad wa Aamal magazine and Modone site.
- ▲ Distribution of 2014 calendars inspired by the booklet.
- ▲ Electronic and paper promotional material.
- ▲ Making the booklet available in more than **700** points of sale in Lebanon.

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## Publication Production

### “Assadissa”: a journal specialized in Public Finance and State Modernization

Assadissa is a bi-annual journal focusing on Public Finance and State Modernization. The publishing of research papers requires the approval of the Advisory Board.

“Assadissa” Journal, issue no 4 October 2013: **“The Civil Service at The Core of PFM Reform”**

The issue sheds light on the conditions of public employment in Lebanon from a public finance perspective, encompassing public spending rationalization, economic growth, as well as better services and value for money. It provides recent reliable data on public employment in Lebanon and highlights reform undertakings applied regionally and globally. Renowned researchers and experts from the public and private sector, from Lebanon, the neighboring region and France, contributed to this issue.

### Studies and Reports

A booklet familiarizing youth with financial and economic matters: The institute prepared a booklet that included the **most prominent results of a study carried out on the extent of knowledge the Lebanese population** has about financial and economic issues. The study was held in order to provide a database that is used for the development of policies concerning the improvement of workshops and education programs. It was also used in the introduction of new initiatives that are used for the development of capacity building and training modules. This booklet was distributed to all economic professors in public schools during the second annual meeting with them.

### Publications under issue

- ▲ Preparation of a summary report for the national survey **“The Lebanese and Money”**: After completing all analytical and descriptive studies for survey results, the institute prepared a report handling the topic. The report was published in English on December 2013, and will be published in the Arabic language in 2014.
- ▲ Preparation of a comprehensive summary for the survey results (analyzed by gender, and age in English. The summary will soon be published in both Arabic and English.
- ▲ Preparation of a report entitled **“Professionalizing Public Procurement in Lebanon: Diagnostic Review and a Vision Forward”** compiling the findings of the situational analysis conducted by the Institute on the current status of public procurement in Lebanon and the needs for professionalization to address the capacity gap. It also includes the outcomes of discussions held with concerned stakeholders at the national level and with representatives of international organizations involved in the public procurement reform process, while highlighting the opportunities for Lebanon to align with international trends.

### Training manuals

In collaboration with Institut des Finances Basil Fuleihan, the Ministry of Finance launched the pilot version of the National Procurement Manual and the 5 Standard Bidding Documents for goods, works and services. The SBDs were prepared in collaboration with the International Training Center of the International Labor Organization, with the support of the World Bank, and were then disseminated by the Institute to procurement stakeholders, and discussed in cooperation with experts from the Ministry of Finance, the Court of Audit and the Office of the Minister of State for Administrative Reform (OMSAR).

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### Citizen's Guide

«**Why do we pay taxes?**» is the first issue of an interactive educational series of various tools that tackle financial and economic education. The series aims to disseminate the information and make it available for all citizens. The guide displays the most important principles of public finance through an illustrative dialogue led by two animated characters. To adjoin, it simplifies and elucidates the more advanced public finance concepts. A group of economists and experts have contributed to the preparation of the booklet. In addition, the Lebanese artist, Mazen Kerbaj, added his personal touch by constructing the main characters and implementing the necessary illustrations.

### Promotional material

- ▲ The Institute released a brochure “**Les jeunes et les finances**” published in French.
- ▲ The Institute also issued promotional material for its products and activities, such as capacity building in public procurement trainings and certifications, French language courses and the ENA program that targets high officials in the Lebanese public sector.

### Institute's Periodic Issues

The institute continues to issue its periodical publications. This year, it produced 4 issues of “**Hadith Al Malia**”, a bulletin that acts as a communication and interaction tool within the ministry of finance; allowing employees to express their views and concerns. It additionally helps build closer ties between all departments, and fosters a sense of belonging to the ministry. Moreover, in 2013, the institute celebrated the 50<sup>th</sup> edition of the bulletin by distributing a special issue highlighting specific turning points and shedding light on the major accomplishments that it went through in its journey since its first release in 1977. Furthermore, the annual report of 2012 was published in three different languages: of which only the Arabic version was available in hard copy. The Institute has also issued the usual **training calendar for 2013**, in Arabic of which **3,000** copies were distributed to partners in Lebanon and the region.

[www.institutdesfinances.gov.lb](http://www.institutdesfinances.gov.lb)

### Characteristics of the Institute's website

- ▲ Follow up on the Institute's latest news, activities, and trainings;
- ▲ Browsing and downloading all the Institute publications: citizen guides, training guides, “Assadisa” magazine, “Hadith Al Malia” bulletin, and latest reports and studies.
- ▲ Providing access to economic and financial news selected from the most influential local and international press.
- ▲ Communities of Learning in Public Procurement, and soon in capacity building and public finance management, customs, economic and financial literacy.
- ▲ Development opportunities and training programs abroad

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### Press Coverage

During 2013, **30** press releases were publicized in the Lebanese, Arab, and International press, as well as across **11** websites. The press releases covered the most significant training programs, conferences and initiatives implemented by the Institute.

### The newsletter

The Institute dispatches a regular newsletter to a large network of experts, colleagues, and partners from the public and private sectors, and civil society as well as non-governmental organizations. Eight newsletters were released in 2013 and distributed to **5000** different locations in Lebanon and around the world, in three languages.

### The Website

The website is a tool for the Institute to exchange knowledge and experiences in addition to sharing information about its activities, training services, and publication works. Moreover, this year a community of learning, specialized in public procurement, was added to the website, and more communities are being developed, tackling capacity building and public finance management, customs, in addition to economic and financial literacy.

## Book Fair

The Institute participated in the French and Arab book fairs:

- ▲ Salon du Livre Francophone de Beyrouth, held from the 1<sup>st</sup> to the 10<sup>th</sup> of November: the Institute showcased its most prominent publications, notably a brief paper in French about financial literacy among the youth.
- ▲ During the 57<sup>th</sup> International Beirut Arab Book Fair, the Institute launched its educational comics booklet, **“Why do we pay taxes?”**, along with a book signing ceremony and a roundtable discussion about economic and financial literacy.



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<b>Assadissa Journal</b>	Published 2 issues of Assadissa journal	<b>2014</b>
<b>Citizen's guide</b>	<ul style="list-style-type: none"> <li>▲ The preparation of a simplified series about the basic concepts of tax payment and calculations, in addition to other necessary information needed by the citizens.</li> <li>▲ Guide to Property Tax</li> <li>▲ Guide to Income Tax</li> </ul>	<b>2014</b>
<b>Market study analysis- Sustainable public procurement</b>	Issuance of a digital copy in Arabic and in English	<b>2014</b>
<b>Results of a survey on Personal and Public financial literacy among the Lebanese population</b>	Full technical Report of the Survey	<b>Beginning of 2014</b>
<b>Report analyzing Public Procurement survey results</b>	The report is in the designing phase and will be published in English and Arabic	<b>2014</b>
<b>New publication series documenting the history of public institutions, specifically those affiliated to the Ministry of Finance</b>	The preparation of a series of publications about the History of Customs	<b>2014-2015</b>
<b>Educational booklet about managing personal finance</b>	The Issuing of an educational booklet on “How to Manage Personal Finances aimed at strengthening the capacities of citizens in managing personal finances and planning for the future	<b>2015-2014</b>
<b>Conferences' proceedings</b>	Prepare reports about activities done by the GIFT Mena conference for the year 2014 (in each of the Arabic and English Languages)	<b>Beginning 2014 of</b>
<b>Policy briefs</b>	<p>Policy brief on Public Procurement</p> <ul style="list-style-type: none"> <li>▲ Research paper “Policy Briefing” about women and financial literacy</li> <li>▲ Research paper “Policy Briefing” discussing Lebanese and planning for the future.</li> </ul>	<b>Beginning of 2014</b>

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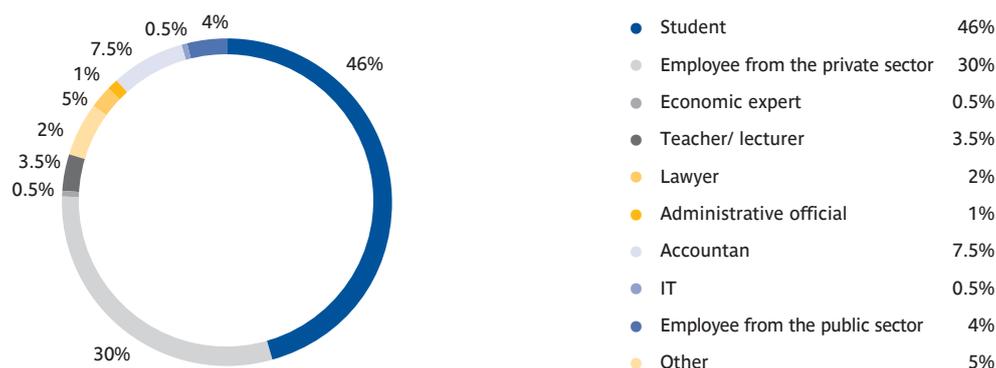
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# The Library of Finance: the center of references specialized in financial and economic Topics

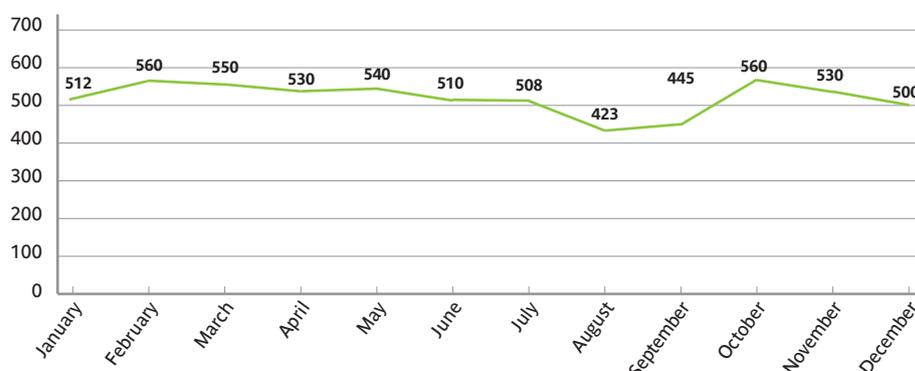
Today, the Library of Finance is considered to be one of the most specialized centers in Lebanon. The library provides electronic and paper references related to economic, financial, managerial, juridical, and other relative topics, to employees of the ministry of finance, economic experts, journalists, lawyers, university students, and researchers. The institute always strives to enrich the library with periodic publications by subscribing to electronic and paper based references.

During this year, the Library of Finance was able to sustain its average daily visits to approximately **21** visits. In addition, 1180 books were loaned to **500** beneficiaries. It's important to note that 46% of the visitors were university students, followed by 30% visits from employees in the ministry of finance, 20% visitors from business owners, lawyers, economists, auditors, and private and public sector employees

Visitors of the library by specialization



Monthly number of visitors



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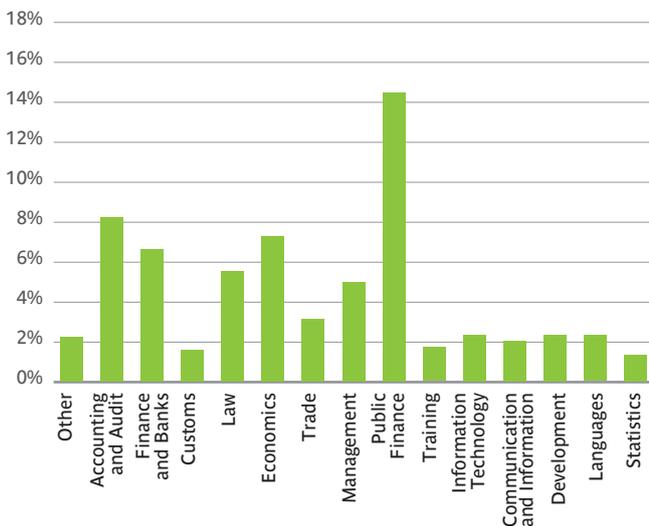


## In modernizing and refocusing the references

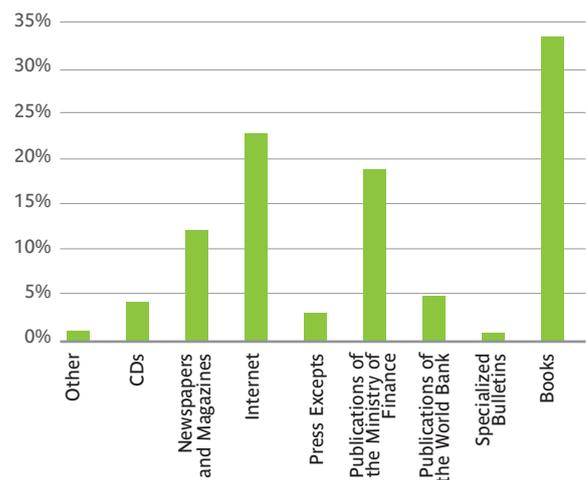
In 2013, the Library of finance received up to **511** new books and **60** reports and publications that were added to its possessions. Most of the new additions were donations from local and foreign institutions, notably from the International Monetary Fund, the World Customs Organization, the United Nations Centre for Media, and the ESCWA in Beirut. The Lebanese law was also renewed and became highly modified as of 01/07/2012.

Research activities and Accessibility to the books are considered the two most important motives to visit the Library of Finance, and they have acquired 33% of the visitors' concern and attention. As for research topics, references related to public finance were in the interest of 22% of the readers, followed by the threads of accounting and auditing at a rate of 13% and economic references at a rate of 11%, while customs threads recorded a low rate noted by 3%.

Interests of visitors by topics



Interests of visitors by type of references



### Electronic archiving for Contents of the Library of Finance

In order to facilitate access to information and research preparation, the Institute finalized the implementation of the project "the electronic archiving for Library of Finance contents". This project includes a survey of key information references located in the library, especially the title page and the index which were linked to the indexing system "Symphony". The new system that was implemented in 2013 will be linked to the website during the following year.

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During this year, the Institute established Hammurabi's electronic program which included all the issued legislations (laws, decrees, decisions...), ever since the first legislation until today. In addition, Hammurabi also included jurisprudence of the courts, advisory

opinions of the court of auditors, the different opinions of the members in the ministry of consulting and legislation, and studies and researches that tackle various legal topics. It's crucial to note that this program is continuously a subject to adjustments.

## Electronic Service of the Library of Finance

During 2013, the Library continued to expand its access to electronic services by sending the latest financial and economic news, articles selected for the electronic sites, and the most recent publications that arrived to the library in addition to the list of books that we already received. **150** news about **"what's new in the Library of Finance?"** were sent out, in addition to economic reports, periodic banking reports, and international e- newsletters to more than **4,300**

titles. Moreover, during this year, the institute began to prepare for a new design of the library's electronic bulletin. Moreover, the library continued to provide **"Press Releases"** services, which include articles and Economic Studies published in Lebanon, news regarding the services sector, public finance, and recent financial indicators. It also includes news related to the ministry and other necessary updates.

## Orientations 2013-2015

- ▲ Make the research's findings available and easy to understand for both decision-makers and citizens at large, so as to enhance public debate and improve the policy-making process.
- ▲ Republish the institute's research in local magazines and newspapers and ensure that **"ASSADISA"** is made accessible in bookstores and at a cost price.
- ▲ Benefit from the available GIFT-MENA network to expand Assadissa's pool of researchers and experts in PFM.
- ▲ Strengthen the Institute's visibility in the research circles at local and regional level.
- ▲ Reinforcing coordination with the economic and educational press that is youth - oriented by implementing a program of short-duration meetings around a preset topic.
- ▲ Review the Institute's branding and graphic identity.
- ▲ Develop marketing plans and strategies for the core publications of 2014.
- ▲ Promote digital communication through launching the Arabic version of the website and social media platforms.
- ▲ Reposition **"Hadith Al Malia"** bulletin.
- ▲ Encourage research creation within the Ministry of Finance through an initiative where grants are offered to fund the publication of scientific researches.
- ▲ Monitor and promote university and youth communication programs.

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Special training plan  
for IoF team

New archiving  
techniques

Electronic systems  
for contracts and  
transactions management

Launching of  
IoF new website

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# The Financial and Administrative Department

Main achievements



Sources of financing



Expenditure volume



Main activities



Financial and administrative orientations



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# The Financial and Administrative Department



The year 2013 was characterized by hard work at different levels in view of coping with the IoF work's requirements and the expansion of its activities. In this regard, and for the second consecutive year, the implementation of the "Institutional Development Plan: Horizon 2015" was accompanied with huge organizational efforts. As for the main achievements, they can be summarized by the audit of IoF accounts which is being undertaken by the Court of Audit, the automation process which affects now all IoF departments, the improvement of the paper and electronic archiving systems, and the enhancement of procurement procedures and the relations with the suppliers.

Moreover, the economic and security instability of the country, resulted in doubling the efforts to be able to execute the 2013 annual plan, in such a way that the IoF was able to preserve its usual productivity although it had been giving greater importance this past year to intellectual production compared to the previous years.

It is worth noting that the Financial and Administrative department prepared, as usual, early 2013 an annual financial and administrative plan which reflected its aspirations and was translated into a midterm budget for the years 2013-2014 and 2015. This budget was submitted to the competent Minister within the legal deadlines, in addition to the monthly financial reports and the internal audit operation of financial accounts.

## Main achievements

- ◆ Sending the IoF financial accounts for the years 2000 to 2012 to the Court of Audit for auditing.
- ◆ Automation of the Public Accounting using PIMS.
- ◆ The Library of Finance going online thanks to the Symphony Library Management System.
- ◆ Publication and dissemination of a Public Procurement guide and five national bidding documents.
- ◆ Providing Wi Fi service at the premises for all IoF guests.



### The Court of Audit audits the IoF accounts

According to the Lebanese rules and regulations, the IoF dispatched all its financial accounts for the years 2000 to 2012 to the Court of Audit for an ex post audit. It is worth noting that the IoF had proposed in 2007 a procedure for dispatching IoF accounts to the Court of Audit, however, the first request for audit was sent by the Court of Audit to IoF in 2013.

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## Available Credits

The IoF has three types of revenues, described as follows:

- ◆ Direct financial contributions made by the Ministry of Finance.
- ◆ Indirect financial contributions made by the Ministry of Finance.
- ◆ Donations and service contracts.

### Direct contributions

The Ministry of Finance (MoF) devotes, within its annual budget, a financial contribution based on the draft budget presented by the IoF to the Directorate of Budget and Expenditure control at the Ministry of Finance (ref. 1-8-2-113-14-3-3 assistance to public institutions - contributing to the expenses of the Institute of Finance).

Below is a table stating the total amount of direct contributions decided and those effectively disbursed during the last three years:

Contribution	2011 L.L.	2012 L.L.	2013 L.L.
The draft budget proposed by the IoF	2.422 billions	2.465 billions	2.470 billions
The financial contribution fixed according to the minutes of the annual meeting held with the Directorate of Budget and Expenditure control	2 billions	2 billions	2 billions
Amounts executed and carried forward from the previous year budget	31.074 billions	87.074 billions	265.699 billions
Amounts effectively disbursed	2 billions	1.400 billion	1.640 billion

The amount disbursed in 2011 includes a Treasury advance of 800 million Lebanese Pounds.

Since there have been, for the eighth consecutive year, no public budget laws adopted, and according to Law no 238 of the 22/10/2012, amounts were transferred to all administrations, however, the amounts effectively disbursed to the IoF reached **1.640 billion LL** out of the initial 2 billion amount decided and it was transferred in two batches as of the middle of this year by virtue of:

- ◆ The Decision of the Minister of Finance No 651/1 of the 05/06/2013 (Grant a financial contribution to the IoF of a value of **820,400,000 Lebanese Pounds**).
- ◆ The Decision of the Minister of Finance No 915/1 of the 14/08/2013 (Grant a financial contribution to

the IoF of a value of 820,400,000 Lebanese Pounds).

The transfer of the first payment to the IoF account was delayed with the Banque du Liban till the 27/06/2013 and the second transfer was made on the 17/09/2013, which was a real challenge for the team who had to adopt, during the first two quarters, a highly disciplined spending policy based on the twelve parts rule, which stipulated that the total expenditure should not exceed the amount of the contribution allocated by virtue of the last budget law issued i.e. the 2005 budget law which was **600 million** Lebanese Pounds.

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## Indirect Contributions

The Ministry of Finance (MoF) covers some of the costs related to the premises of the IoF directly since the lease contract is made in the name of the Minister of Finance and is an old one.

The following table describes the details of these costs during the last three years.

Indirect financial contributions	2011 L.L.	2012 L.L.	2013 L.L.
Costs of the rental of the six floors occupied by the IoF in the Order of Pharmacists building	410,074,101	410,074,101	410,074,101
Share of the IoF in the joint services costs of the building	88,251,384	54,304,855	Not available yet
Annual cleaning contract of the building	71,856,000	71,856,000	71,856,000
<b>Total</b>	<b>570,181,449</b>	<b>536,234,956</b>	<b>481,930,101</b>

## Donations and service contracts

As stipulated in its administrative and financial bylaws, the Institute of Finance collects some of its revenues through donations and service contracts that include specialized training programs at the local and regional levels.

The below table details the donations and service contracts undertaken by the IoF during the last three years:

## Projects executed through service contracts and managed by the IoF

Type and title of project	Funding party	Total amount of the donation/contract	Amount executed in 2010	Amount executed in 2011	Amount executed in 2012	Amount executed in 2013
Financial Oversight at the Lebanese Parliament	Westminster Foundation for Democracy (WFD)	34,491 US\$	11,995 US\$	3,050 US\$	4,800 US\$	Completed
Financial capacity building at the Lebanese Parliament	European Union	40,000 Euros		19,597 Euros	19,140 Euros	Completed
Survey Measuring the Level of Financial Literacy in Lebanon	The World Bank	82,930 US\$		49,758 US\$	33,172 US\$	Completed
The Regional Training Plan on Audit and Control	The Islamic Development Bank	43,000 US\$			42,383 US\$	Completed
Training program on "Tax Audit and Review" for Taxing Telecommunications companies	The World Bank (Public Finance modernization project) for the Central entity for oversight and accounting	12,025 US\$				11,984 US\$

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## Projects executed through donations and managed by the IoF

Type and title of project	Funding party	Total amount of the donation	Executed in 2011	Executed in 2012
Capacity Building of the Teachers of economics in the Public schools in Lebanon	The Islamic Development Bank through the Lebanese development network	150,000 US\$	21,662 US\$	54,371 US\$
Second stage of the project of capacity building in the field of sustainable public procurement (review of the study on the readiness of the Lebanese market in the issue of sustainable public procurement and preparation of a plan	UNEP through the UNDP	30,000 US\$		30,000 US\$

## Expenditures

The volume of expenditures as at 31/12/2012 reached **LBP //1,740// billion** from the MOF financial contribution, which represents 67.80% of the actual allocated IoF Budget, including appropriations contracted and carried forward from 2012 and which amounts to **LBP// 265,699,357//**.

It is worth noting that the total of appropriations contracted during 2013 reached **LBP// 1,843,556,576//**. This includes the following:

- ◆ Expenditures contracted, executed and spent **LBP//1,739,975,014//**
- ◆ Expenditures contracted, not executed and carried forward to the IoF 2014 budget **LBP//103,581,562//**



Spending was divided as follows:

Item	Title	Amounts required according to the 2013 draft budget - LBP -	Expenditure - LBP
11	Consumer goods	180,604,970	88,546,205
12	Consumer services	863,035,000	626,649,726
13	Allowances, salaries, wages	1,142,617,000	820,949,447
16	Miscellaneous	160,000,000	85,761,747
	<b>Total current expenditures</b>	<b>2,346,256,970</b>	<b>1,622,207,161</b>
226	Equipment	123,890,000	117,767,853
	<b>Total fixed assets</b>	<b>120,890,000</b>	<b>117,767,853</b>
	<b>Total</b>	<b>2,470,146,970</b>	<b>1,739,975,014</b>

## Main activities

### In finance

- ◆ The financial management of projects executed by the Institute through donations or service contracts signed with its local, regional and international partners, including the Italian Government grant, the International cooperation agency of the French ministry of finance and economy in the interest of the GIFT-MENA (of which the IoF holds the Secretariat). In addition to the service contract concluded with the Islamic Development Bank for the execution of a regional training session on **“Audit and oversight”**. Another contract concluded with the World Bank with the aim to train the staff of the Ministry of telecommunications of Yemen on taxation. The financial management includes donation acceptance, expenditure management, follow up of the

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Implementation and Drafting reports for each project.

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“ A book... if you look for it,  
it does not run away from you ”

- ◆ Preparation of the 2014 draft budget endorsed with all the justification documents, statistics and evidence appendices, in accordance with the MOF Circular no. 2254/12 dated 17/04/2013, relative to the general orientation required in preparing a draft budget.
- ◆ Continuation of the application of the new Accounting Software (PIMs. The PIMs was adopted as a standardized system for the Public accounting as of July 2013.
- ◆ Acquiring special software for managing incoming invoices, characterized by its ability to draw out different forms of statistical data and to financially manage contracts and tenders.
- ◆ Settlement the monthly obligations due to the National Social Security Fund (NSFF) for the year 2013 and obtaining financial clearance.
- ◆ Preparation of monthly financial reports.
- ◆ Sending all closing accounts to the Court of Audit (CoA), especially those that concern the years 2000 to 2012, upon a request by the CoA in this regard.
- ◆ Send all financial files and related evidence papers to the Court of Audit for the years 2000 to 2005 to be audited.
- ◆ Continue the financial audit on the accounts through continuous internal audit.

#### In administration

In addition to the routine administrative work, such as the **Annual Inventory** of publications, fixed assets, electronic equipment and hardware at the end of the year, the Institute persevered in implementing the office **automation plan** that it had drawn for itself as part of the Institutional Development Plan (Horizon 2015) and which includes documentation and archiving procedures, the paper archiving, the management of the Library of Finance, the financial management... In this context, the IoF was equipped with new and advanced computers by the Ministry of Finance. A new computer system for payment management was developed as well as another information system for managing the contracts concluded with the consultants or suppliers and the management of bidding files. The implementation of both systems started in July 2013. In addition to continuing the work on the development and updating of the IoF website...

#### Electronic inventory

Within the framework of automation efforts that started in 2012 and were completed in 2013, we recall that the management of the IoF publications and stationary stocks have been automated, meaning that the automated Publications management system takes care of stock management starting from the point of receipt of prints and publications from the printing house to the distribution, to the return of the remaining products to the stock.

In the same regard, the Financial and Administrative department undertook an in-depth study of the market in terms of specifications and prices that ended with the choice of a new software system for the automation of the fixed assets inventory, knowing that the purchase, application and adoption of the system starts early 2014.

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### In human resources

Since a while, the internal work at the IoF has been regulated and improved through the adoption of best practices in management. This effort led to increasing the coordination between the different departments as well as between members of the team. This was achieved through periodic staff meetings and team leaders meetings.

During the year 2013, the Internship Program was organized as to the organization of incoming internship requests and following up the interns' files. In this regard, there was a huge demand on internship at the IoF, especially during summer time, from the part of academic institutions such as the Saint-Joseph University, the Lebanese University and others.

On the other hand, the IoF administration worked during 2013 on building the capacities of the team through holding a series of workshops that tackled different subjects related to training and economic and financial literacy. In this regard, a **team building** session was held at Taanayel with work sessions on self-motivation and collective work. An introductory tour was also organized to Ecolodge village and its main charity and tourist activities and a participatory presentation was made of the environment program adopted by the association Arcenciel. During the session, the Taanayel monastery and its environmental activities were also introduced.

### The IoF team training

The IoF insists on having its team members participate in training sessions in the fields of their work inside or outside the IoF and in Lebanon or abroad. Below is a table of some of the activities in this framework:

Subject	Number of trainees from the IoF team
Assess the impact of training on capacity building project for teachers	6
TOT on the Certified Course in Public Procurement	2
TOT on Strategic Procurement Program	2
TOT - Think Tank facilitation	6
National workshop on strengthening synergies between training institutes in the public sector in Lebanon	5
Programs of scientific meetings devoted to senior officials in the Lebanese Public Administration in collaboration with the French National School of Administration - ENA	6
<b>Training programs in collaboration with local, regional and international organizations</b>	
Specialized meetings in economic development in the Mediterranean countries CHEDE - MED	8
GIFT-MENA Beirut conference: post crisis stage and growth opportunities for Lebanon and Syria	2
<b>Information systems</b>	
Microsoft Project 2001	2

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### Specialized training outside Lebanon

- ◆ 4<sup>th</sup> session du Comité de Renforcement des capacités, WCO, Brussels, Belgium, February 2013.
- ◆ Leadership et Management au féminin, ENA France, Paris, France, Mars 2013.

### Field visits for exchange of expertise

- ◆ Study visit in the framework of the Capacity Building in Public Procurement to the CONSIP, the Central Purchasing Body of Italy, Rome, Italy, May 2013.
- ◆ Study visit to the Moroccan Ministry of Economy and Finance in the framework of the Capacity Building in Public Procurement, June 2013, Morocco.
- ◆ Study visit to Italian training institutions involved in Public Procurement: the International Training Centre of the International Labor Organization (ITC-ILO) in Turin, the University of Rome Tor Vergata and the Scuola Superiore dell'Economia e delle Finanze in Rome, Italy, November 2013.

### External communication and representation of Lebanon

The IoF team has worked during 2013 on participating in seminars, work meetings and specialized sessions to which they were invited. This helped the IoF strengthen its presence worldwide and share its experience in all subjects related to its activities in Lebanon and abroad. We mention:

### Participation in regional and international conferences

- ◆ Congrès conjoint de l'IIAS-IASIA sur les **Futurs de l'administration publique: professionnalisme et Leadership**, June 2013, Morocco.
- ◆ Colloque de l'ADETEF, March 2013, Paris, France.
- ◆ 4<sup>th</sup> SIGMA networking seminar, December 2013, Paris, France.
- ◆ OECD-World Bank Seminar on building financial capability in Africa and the Middle East, January 2013, Nairobi, Kenya.

### Participation in specialized seminars and meetings

- ◆ Annual Meeting of training Directors, June 2013, CEF, Kuwait.
- ◆ Meeting of the INFE Advisory Board and Expert Subgroups: 12th meeting of the INFE OECD policy research Symposium to advance financial literacy, November 2013, Paris, France.
- ◆ Pacome meetings at the Institute for Advanced Studies (HIS).
- ◆ Réunion de clôture du CHED-MED, Novembre 2013, Paris, France.
- ◆ Women in Diplomacy, February 2013, Rome, Italy.
- ◆ Learning Link, ITC-ILO, October 2013, Turin, Italy.
- ◆ Meeting of the Steering group of the MENA OECD governance initiative, December 2013, Rabat, Morocco.
- ◆ Fourth Round Table Meeting on Sustainable Consumption and Production in the Arab Region, June 2013, Cairo, Egypt.



### Procurement operations

Along with the setting of the yearly procurement plan, 2013 was marked by the following activities:

- ◆ **Finalization** of the report on public procurement and publication of the **National Bidding Documents and Procurement Guide** according to the guidance of the Minister of Finance.
- ◆ Continuous application of the internal procurement procedures according to the annual procurement plan mentioned and working on developing them continuously on the basis of the best practices in Procurement.
- ◆ Technical assistance to the IoF team procurement-related issues.
- ◆ Preparing a complete study relating to the electrical infrastructure problems of the IoF premises, and setting professional recommendations in this regard. This study comes in line with the preventive maintenance policy adopted by the IoF.
- ◆ Preparing a complete study for the restoration of the cafeteria on the first floor of the IoF premises (serving trainers, trainees and IoF staff).
- ◆ Sourcing of the best solutions in terms of fixed assets management in compliance with the PIMS accounting system already operating at the IoF.
- ◆ Completing the final stage of the electronic archiving project targeting the Training department files.
- ◆ Executing all procurement operations in the framework of execution of donor-funded projects, according to the donor's procurement guidelines.
- ◆ Contracting with consultants and suppliers for the execution of projects that are either donor-funded or executed under service contracts.

## Annual procurement plan

In application of the best Procurement practices, the IoF Admin team, at the beginning of every year, translates its purchasing needs into an annual procurement plan, which is in line with the budget proposal.

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## Future Orientations

### In finance

- ◆ Developing in 2014 accounting tools and IT systems. It is a project that has as main goals the implementation of the general accounting system in its trial version and the quick access to **analytical accounting** according to global standards.
- ◆ Contracting a company specialized in public accounting to follow up on the implementation process of setting the new accounting systems for the IoF and check their efficiency and accuracy.
- ◆ Sending the closing of accounts for the 2013 budget to the Court of Audit within the deadline.
- ◆ Working on the execution of the 2014 draft budget based on financial contribution by the Ministry of Finance.
- ◆ Preparing a midterm draft budget for 2015 based on the instructions of the Ministry of Finance.
- ◆ Requesting an external audit of the Institute's 2009 to 2012 accounts by the external Audit firm Deloitte & Touche, knowing that this firm undertook in 2010 the auditing of IoF's financial data for the years 2000 through 2008 within the framework of a donation made by the firm to the IoF.

### In administration

#### Finalizing the automation projects

- ◆ Application of an IT system for managing incoming bills and settling payments to suppliers and trainers. Development and application of an IT system for managing the IoF trainers' database.
- ◆ Improvement of the IT system managing the publications' stock and adoption of a new system for the fixed assets management.

- ◆ Setting a Database Management System for the trainings and trainees, after the application of the IT system for managing the trainers' database in 2013 in its trial form.
- ◆ Setting a new Workflow system which integrates all IT systems mentioned above.
- ◆ Finalizing the updating and improvement of the library management system and linking it to the website.

#### Electronic archiving and organizing files

- ◆ Completing all electronic archiving of the Library's content and of the Training Department files, which started during the last two years.
- ◆ Completing the works of the organization and archiving of the paper files according to the rules followed in the archiving and documentation science.

#### Improving communication

- ◆ Continuous updating and improvement of the IoF Website.
- ◆ Promoting internal communication, through periodic meetings in addition to applying the best practices in management.

# Our Partners



## Local Partners

- | Lebanese Parliament
- | Civil Service Board
- | Central Bank of Lebanon (BDL)
- | The Court of Audit
- | The Office of the Minister of State for Administrative Reform (OMSAR)
- | Ministry of Education and Higher Education (MEHE)
- | Ministry of Interior and Municipalities
- | Ministry of Economy
- | The Lebanese Armed Forces - Center for research and strategic studies
- | The Lebanese Armed Forces - Directorate of education
- | The Régie des Tabacs et Tombacs
- | Saint Joseph University - Faculty of Economics (FSE)
- | Saint Joseph University - The Political Sciences Institute (ISP)
- | Saint Joseph University - Faculty of education
- | Lebanese University
- | Antonine University - Faculty of Business
- | Lebanese American University (LAU)
- | The Knowledge Development Company
- | The Lebanese Economic Association (LEA)
- | Brand Protection Group (BPG)
- | The Lebanese Banks Association (ABL) Association des Banques au Liban
- | Lebanese Association of Certified Public Accountants (LACPA)
- | The Arab Bank
- | FransaBank
- | BLC
- | Société Générale de Banque au Liban
- | American - Mideast Educational and Training Services (AMIDEAST)
- | National Commission for Lebanese Women (NCLW)
- | Chamber of Commerce Industry and Agriculture
- | Center for Airport security

## Regional Partners

- | The Technical Assistance Center of the International Monetary Fund
- | The Arab Fund for Economic and Social Development
- | The Arab Planning Institute of Koweit
- | The Islamic Development Bank (IDB)
- | The Islamic Research and Training Institute (IRTI)
- | The National Training Institute of Jordan
- | Directorate of the training center of the Ministry of Finance of Jordan
- | The Palestinian institute for public finance and taxes
- | The Institute of Finance of Yemen
- | The Institute of Finance - Directorate of administrative and public affairs at the Ministry of economy and finance - Morocco
- | Higher Institute of administration in Morocco
- | The National Institute of Administration of Morocco
- | The National School of Finance in Tunisia
- | The National Institute of administration in Tunisia
- | Institute of public administration in Bahrain
- | The Economic and Social Commission for Western Asia (ESCWA)
- | IMF - Middle East Center for Economics and Finance

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