

Lebanon

Technical Assistance in Fiscal Year 2021

Public Financial Management (June 29-July 1; July 27-29; March 15-21; January 11-April 30)

METAC organized, jointly with the Institute of Finance Basil Fuleihan, a workshop on PPP management. The objective was to develop further the capacity of government officials to analyze and report on PPP risks. Discussions focused on how the Ministry of Finance can play its role effectively in monitoring and assessing PPP projects, and how the IMF P-FRAM model can be used to assess the risks of a PPP contract and to analyze risks and report on them to the Minister of Finance and other stakeholders. Twenty participants from three agencies attended the event—Ministry of Finance, High Council for Privatization and PPPs, and Electricité du Liban. This multi-agency attendance allowed participants to better appreciate the respective role of each, and the criticality of cross-agency collaboration.

METAC held three webinars on medium-term budget planning, which was attended by 32 staff from the Ministry of Finance and six sectoral ministries and agencies. Participants underscored the potential of medium-term budget planning to strengthen predictability in the allocation and management of budget resources, and encourage results-based management. Participants also stressed the importance of strengthening Lebanon's current medium-term fiscal framework, in particular using fiscal rules, to increase budget transparency and improve linkages between economic perspectives and budget making. Finally, Lebanon can improve the transparency and efficiency of budget costing by introducing and unifying the use of costing parameter across government ministries and agencies.

METAC, jointly with the Institute of Finance Basil Fuleihan delivered a training to staff of the Lebanese MoF and SOEs on strengthening surveillance of SOEs. The training presented practical tools to better analyze and report on financial performance and risks of SOEs as well as good practices from comparable countries and peers. The training was also an opportunity to discuss a roadmap to take first actions to improve availability of financial data from SOEs to the MoF to strengthen its surveillance function and internal reporting.

METAC collaborated with the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) to provide input to their Lebanon monthly crisis monitoring dashboard. The center helped OCHA identify PFM and other key economic indicators, along with associated risks, likelihoods, and triggers, to feed into the monthly crisis monitoring dashboard. The dashboard is a tool aiming to monitor recent developments in Lebanon based on selected risks and associated indicators using available public data and information received from partners.

Revenue Administration (April 7-28; 18-31)

METAC assisted the Lebanese Tax Authority (LTA) on the management of its tax arrears, which stood at 173 percent of annual tax revenues collected by the LTA in 2019. Strategies were developed based on a segmentation of debtors and classification of debts. The assistance included an analysis of the impact of the COVID-19 pandemic and the on-going economic crisis on the stock of tax arrears. Several priority actions were recommended, including: (i) starting prioritizing the newest debts for follow-up as soon as possible; (ii) profiling large debtors; (iii) launching a new instalment scheme for all taxes; (iv) extending the role of tax auditors to assess taxpayers' net financial position and their capacity to pay, subject to audit.

METAC also assisted the LTA on how to identify, assess and prioritize compliance risks. A Compliance Committee has been established in the LTA with overall responsibility for the adoption of a Compliance Risk Management approach. In addition, given more recent economic turmoil caused by the ongoing financial and foreign exchange crises, assistance was given to develop specific compliance treatment strategies for previously compliant taxpayers who now present challenges to the LTA.

Statistics (June 1-12; August 6-7; April 19-30)

METAC assisted the Central Administration for Statistics (CAS) in addressing CPI continuity issues related to the COVID-19 crisis. The key outcomes included: (i) compiling the indexes for March, April, and May 2020; (ii) drafting a statement on the impact of COVID-19 on the CPI; and (iii) developing a plan going forward for the continued timely monthly release of CPI data.

METAC assisted the Central Administration of Statistics of Lebanon in incorporating new quarterly data into the estimation of the output and value added of financial institutions. This was done on a very short notice from the authorities to allow for timely production of quarterly GDP estimates, especially given the financial crisis that the country is going through.

METAC assisted the Central Administration for Statistics to compile institutional sector accounts for general government and the rest of the world.