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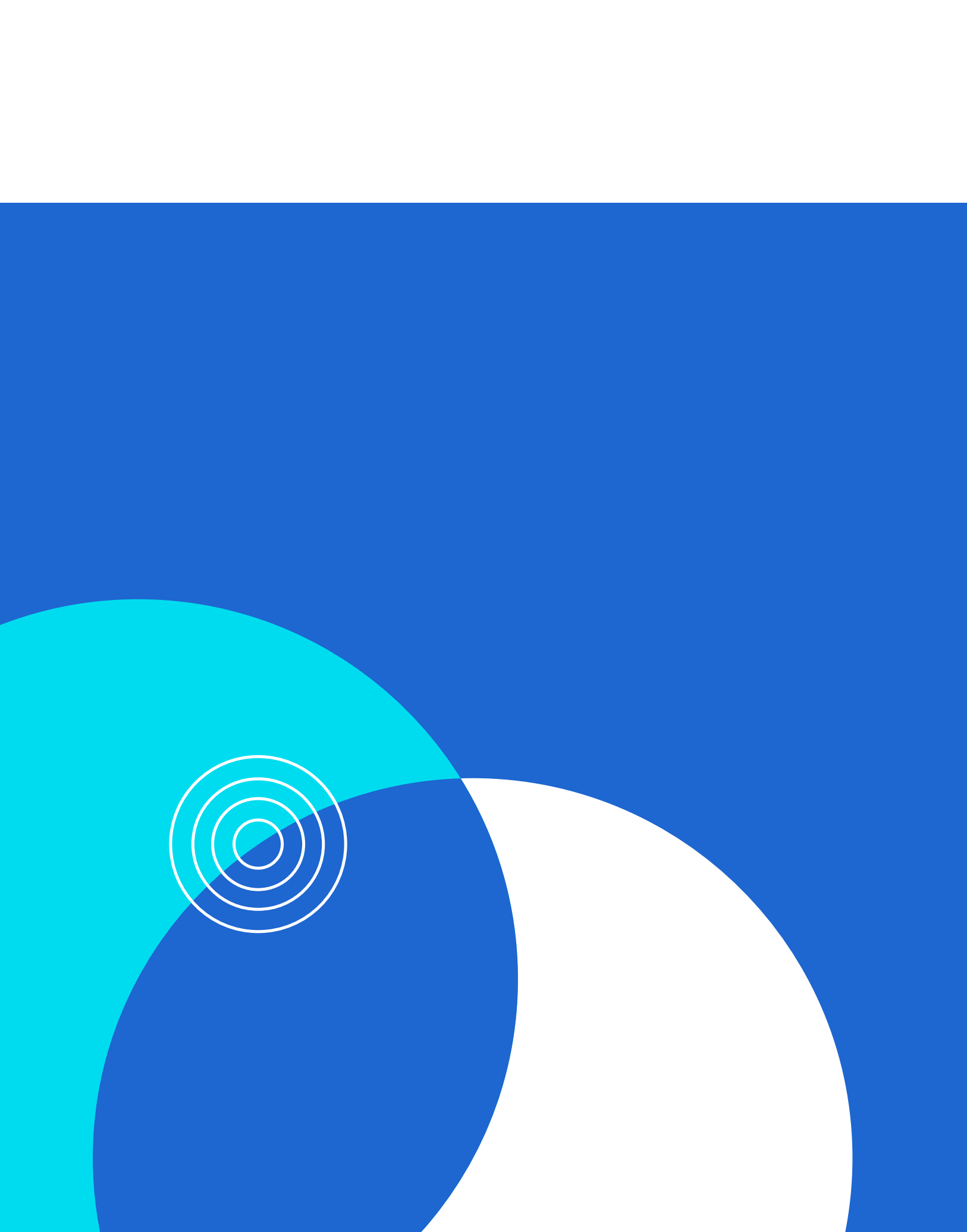


Funded by the European Union

Municipal Finance Assessments

Policy Advocacy Report
June 2022





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Table of Content

List of Acronyms	4
Background and Objectives	5
1. Scope and Methodology	6
1.1 Inception phase – planning and research	7
1.2 Development of municipal profiles	7
1.3 Development of standardised assessment methodology.....	7
1.4 Implementation of municipal finance assessment (data collection).....	8
1.5 Workshops for municipal officials on initial assessment findings.....	8
1.6 Assessment reports and policy report.....	9
1.7 Advocacy - national event to share findings.....	9
2. Findings	10
2.1 Institutional framework	10
2.2 Technical Assessment	14
2.3 Socio-Economic Assessment	15
2.4 Financial Assessment	16
2.5 Legal assessment	24
3. Recommendations	25
3.1 Recommendations for the selected municipal institutions.....	25
3.2 General recommendations for municipalities across Lebanon	26
3.3 Policy recommendations for DGLAC/MOIM.....	27
3.4 Recommendations for development partners	27
List of Appendices	28

List of Tables

Table 1: MERP Geographical Focus Area	6
Table 2: Overview of the assessed municipalities	7
Table 3: Municipality number of council members and employees	11
Table 4: Municipal council meetings held during 2020	13
Table 5: Year of established personnel policies	13
Table 6: Number of trained municipal employees	14
Table 7: Financial and Administrative Ledgers or Registers	15
Table 8: Municipal institution means of disseminating information and receiving complaints	17
Table 9: Automated applications used by municipal institutions	17
Table 10: Distribution of Independent Municipal Fund.....	22
Table 11: Efficiency of tax collection for the last five years.....	24
Table 12: Direct revenue per capita in 2020	25
Table 13: Municipal institution surplus/deficit ratio	26
Table 14: Current end-of-service indemnity liability until 2020.....	27

List of Graphs

Graph 1: Composition of municipal revenues in 2020 (in 000's L.L).....	21
Graph 2: ImF and Indirectly Collected Taxes versus Direct Taxes and other Taxes (in 000's L.L) – 2020	22
Graph 3: Composition of unions' revenues in 2020 (in 000's L.L)	23
Graph 4: Reserve funds in municipal institutions governed by PAL.....	28
Graph 5: Funds remaining from previous year (2020) in municipal institutions	29

List of Charts

Chart 1: Administrative and Financial Records Missing in Each Municipality.....	16
Chart 2: Municipal Budget Realization Rate in year 2020	19
Chart 3: Composition of municipal expenditure in 2020 (in 000's, L.L.)	25

List of Figures

Figure 1: Tyre District Strategic Plan	12
Figure 2: UCAF Strategic Plan.....	12



List of Acronyms

CoA	Court of Audit
DGLAC	Directorate General of Local Administrations and Councils
EU	European Union
EOY	End-of-Year
ImF	Independent Municipal Fund
IDEAS	Innovative Institutional Ideas
LED	Local Economic Development
L.L.	Lebanese Lira
MERP	Municipal Empowerment and Resilience Project
MFA	Municipal Finance Assessment
MOIM	Ministry of Interior and Municipalities
PAL	Public Accounting Law
SWOT	Strength/Weakness/Opportunity/Threat
UCAF	Urban Community of Al Fayhaa
UNDP	United Nations Development Programme
UN-Habitat	United Nations Human Settlement Programme
UoM	Union of Municipalities

Background and Objectives

The Municipal Empowerment and Resilience Project (MERP) is a joint initiative by the United Nations Development Programme (UNDP) and the United Nations Human Settlement Programme (UN-Habitat). The Project is implemented in partnership with the Ministry of Interior and Municipalities (MoM) and is funded by the European Union (EU) through the EU Regional Trust Fund in Response to the Syrian Crisis, the Madad Fund.

The Project aims to strengthen the long-term resilience of subnational authorities in Lebanon, as well as host communities, refugees, and displaced persons affected by the Syrian crisis. To achieve this, the Project engages in a three-pronged approach. MERP aims to 1. strengthen processes, procedures, and practices to enable Unions of Municipalities (UoMs) and municipalities to deliver effective and efficient services in a transparent and accountable manner; 2. empower UoMs and municipalities to facilitate local economic development (LED) and to deliver basic services that address the needs of both host and refugee populations through basic services and LED projects; and 3. support communities to engage in municipal processes and procedures to ensure that UoMs and municipalities are responsive to their needs. The Project's geographic areas of intervention are the Federation of Municipalities of the Northern and Coastal Matn, the Urban Community of Al Fayhaa, and the Union of Tyre

Municipalities, with a total of around ninety-one (91) potential partner municipalities (see Table 1).

The municipal finance landscape in Lebanon is known for its complexity and diversity. While some municipalities have relatively good financial positions and robust local public finance management systems and capacities, many, and in particular smaller-sized municipalities, face significant challenges.

Innovative Institutional IDEAS was tasked to work with different municipalities in the Al-Fayhaa, Matn, and Tyre Unions of Municipalities to conduct institutional and finance assessments. The Municipal Finance Assessment is a review of local institutional behaviour and performance over the past five (5) years. As such, it can be used by the municipalities as a management tool for performance improvement. The assessment process will also help the municipal council to identify areas in need of improvement and to formulate action plans to address specific shortcomings. In addition, the institutional and finance assessment includes an overview of the city or village which includes the political, economic, social, and demographic context within which the municipal institutional and financial systems function. Combined, the assessments also yield insights in relation to needed national policy reforms to support and strengthen municipal finance, as outlined in this report.

Table 1: MERP Geographical Focus Area

District	of Municipalities in the # District	Targeted UoM	Of Municipalities in # the UoM
Tripoli	4 (Tripoli, Qalamoun, Mina, and Tripoli)	Urban Community of Al Fayhaa	4 (Tripoli, Qalamoun, Mina, and Beddawi)
Matn	54	Federation of Municipalities of the Northern and Coastal Matn	33
Tyre	62	Union of Tyre Municipalities	55

1.

Scope and Methodology

The assignment was implemented over fifteen (15) months and involved conducting in-depth municipal finance assessments for nine (9) municipalities and two (2) UoMs in the Project's geographical focus area. The targeted municipal institutions that participated in the municipal finance assessments were divided into two groups:

Two (2) Unions of Municipalities:

The **Urban Community of Al Fayhaa** is governed by the Public Accounting Law (PAL) issued by Legislative Decree No. 14969/1963 and is under the direct oversight of the Court of Audit (CoA). Under this Decree, the Union is expected to submit periodic financial reports, in addition to the yearly financial accounting statements to the CoA. The **Urban Community of Al Fayhaa** is composed of four (4) member municipalities.

The **Union of Tyre Municipalities** is subject to Decree No. 5595/82, which sets the public accounting rules and regulations specific to municipalities and unions of municipalities. Under this Decree, the Union is expected to submit end-of-year financial statements to the corresponding administrative district manager (qaimaqam) or

governor (*mohafez*). There are two (2) deadlines in place for submitting the budget and end-of-year financial statements to the oversight agencies. The next year's budget must be submitted before the end of September by the Municipal Council and approved by the administrative district manager before the end of November of the current year. The end-of-year financial statement for the previous year must be submitted by the end of March. The Union of Tyre Municipalities is composed of fifty-five (55) member municipalities.

Nine (9) Municipalities:

The Tyre-Shabriha and Bickfaya-Mhaydseh municipalities are governed by the PAL issued by Legislative Decree No. 14969/1963 and are under the direct oversight of the Court of Audit (CoA). The seven (7) municipalities of Al Boustan, Alma El-Chaab, Beddawi, Deir Qanoun El Nahr, Nabay, Qana, and Tayr Debba are governed by Decree No. 5595/82. The number of municipal council members in each of the above-mentioned municipalities ranges between nine (9) and twenty-one (21) council members.

Table 2 below provides an overview of the assessed municipalities and their location.

Table 2: Overview of the assessed municipalities

District	of Assessments Conducted in the District	Targeted UoM	Targeted Municipalities in the UoM
Tripoli	Two (2)	Urban Community of Al Fayhaa	Beddawi
Matn	Two (2)	-	Bickfaya-Mhaydseh Nabay
Tyre	Seven (7)	Union of Tyre Municipalities	Al Boustan Alma El-Chaab Deir Qanoun El Nahr Qana Tayr Debba Tyre-Shabriha

The assignment involved the following tasks:

1.1 Inception phase – planning and research



Objective:

To establish an understanding of the assignment, including scope of work, objectives, timeline, resources, and monitoring and evaluation plan.

As part of the inception phase, a detailed desk review was conducted, including:

- Review of laws and legal framework, municipal finance literature, and previously conducted assessments. The goal was to ensure stakeholder buy-in and to highlight the overall feasibility of the assessments.

- Discussion with key stakeholders, focusing on the scope of the assignment and identification of data sources. The goal was to introduce the assignment and its scope and outline the expectations on how to assess the impact of the current crises on municipalities and municipal unions.

The outcome of this task was a comprehensive inception report that included the project scope of work, project principles, the proposed approach, and the communication plan.

1.2 Development of municipal profiles



Objective:

To understand the political, economic, social, and demographic context of each municipality. The municipal profiles included the following aspects:

- Location and physical characteristics.
- Demography.
- Education and health status.
- Labour force and economic activities.
- Sightseeing, religious sites, and amenities.

1.3 Development of standardised assessment methodology



Objective:

To introduce a systematic and rigorous assessment.

A comprehensive methodology for the municipal assessment was developed, taking into consideration the laws and regulations impacting the municipal performance ([See Appendix A](#)). The methodology includes several indicators, with an assigned weight for each, that are considered the cornerstones of the methodology. The assessment includes five (5) components:

A. Institutional framework

- Municipal management.
- Human resources.
- Systems and procedures.
- Best practices.
- Management of records and bookkeeping.
- Quality of document management.

- Responsiveness and transparency.

B. Information technology assessment

C. Socio-economic assessment

D. Finance assessment

- Financial management, including:
 - › Deviation from budget.
 - › Financial reporting.
- Financial capabilities, including:
 - › Revenues.
 - › Expenditure.
 - › Surplus/deficit ratio.
 - › Deferred liabilities.
 - › Reserve fund.
 - › Management of assets.

E. Legal assessment

- › Objection to municipal taxes.
- › Legal disputes.

1.4 Implementation of municipal finance assessment (data collection)



Objective:

Data is needed to make rational decisions and to evaluate the municipalities' performance in relation to management objectives. The collection of data is not an end in itself; rather it is essential for informed decision-making.

Data collection took place during the development of each of the eleven (11) municipal profiles and again during the conduct of the eleven (11) municipal finance assessments. A team consisting of several field coordinators conducted structured key informant interviews and focus group discussions, and reviewed administrative and financial data and records in the selected municipal institutions. In addition, several administrative and financial

documents needed for the assessments were provided by municipal officials based on the list of requested documents and information (See Appendices [B](#), [C](#), [D](#), [E](#), and [F](#)).

It is important to note that the conducted finance assessments were based on the budget documents and the end-of-year financial statements for five (5) years – from 2016 till 2020 – which were submitted by the municipal institutions to their respective oversight agencies. It is worth noting that by the time the assessments were under development, the end-of-year financial statements for the year 2021 were not yet finalised and approved by the municipal councils.

1.5 Workshops for municipal officials on initial assessment findings



Objective:

To present and validate the collected data to key stakeholders. Specifically, the workshops addressed:

1. Initial findings in every category.
2. Solutions and recommendations for weak points.

In total, eleven (11) workshops were conducted for municipal or union of municipality officials

to present and discuss the initial findings of the municipal finance assessments. These findings were discussed in detail with the municipal officials to ensure that recommendations and potential solutions would be supported and endorsed by the municipal decision makers.

“The policy report included recommendations regarding improvement of municipal performance, enhancing municipal revenues and good governance, and innovative technical solutions which can provide lessons learned to inform national policy.”



1.6 Assessment reports and policy report

Objective:

To provide the final assessment report for each municipality and overall policy recommendations based on the conducted municipal and union assessments.

1.7 Advocacy - national event to share findings

Objective:

To disseminate the findings of the conducted assessments– including best practices and recommendations – to the participating municipal officials and central government decision makers.

A national event was convened on May 9, 2022, under the patronage of the Minister of Interior and Municipalities. The objective of the event was to raise awareness regarding the conducted MFAs and support advocacy efforts at both the local and national levels regarding the importance of strengthening municipal finance systems.

The workshop brought together seventy-four (74) participants representing different stakeholders involved in local governance and municipal finance, including:

- Municipalities that participated in the municipal finance assessments. This includes the municipal president, together with the municipal staff responsible for the administrative and financial affairs of each of the eleven (11) participating municipal institutions.
- Municipal presidents of other selected municipalities.
- Ministry of Interior and Municipalities officials.
- Civil society organisations.
- International donor representatives.

At the end of the workshop, certificates were distributed to the eleven (11) presidents of the municipal institutions that were assessed ([See Appendix G](#)). In addition, [Appendix H](#) shows the baseline indicators, the project monitoring and evaluation (M&E) framework, and the M&E plan.



2.

Findings

The municipal institutions that underwent the municipal finance assessments have different characteristics, including:

- Two (2) different types of municipal institutions were assessed: two (2) were unions of municipalities and nine (9) were municipalities.
- One of the unions (the Urban Community of Al Fayhaa) is composed of four (4) member municipalities. It is governed by the PAL issued by Legislative Decree No. 14969/1963 and is under the direct supervision of the CoA. The other union (Union of Tyre Municipalities) is composed of fifty-five (55) member municipalities and is governed by Decree No. 5595/82.
- **Two (2) municipalities (Tyre-Shabriha and Bickfaya-Mhaydseh) are governed by the PAL issued by Legislative Decree No. 14969/1963 and are under the direct supervision of the CoA. The other seven (7) municipalities are governed by Decree No. 5595/82 and report to their respective governor or district manager (*qaimaqam*).**
- The number of municipal council members in each of the municipalities ranges between nine (9) = and twenty-one (21) council members.
- The size of the municipalities varies greatly: while some municipalities have no or one employee, some have tens of municipal employees.

Table 3: Number of municipal council members and employees

#	Name of Municipality	# of Municipal Council Members	# of Employees
1	Al Boustan	12	0
2	Alma El-Chaab	12	1
3	Beddawi	18	4
4	Bickfaya-Mhaydseh	15	9
5	Deir Qanoun El Nahr	15	2
6	Nabay	12	2
7	Qana	18	4
8	Tayr Debba	15	0
9	Tyre-Shabriha	21	39

2.1 Institutional framework

The institutional framework assessment of a municipality was based on seven (7) major components related to the municipality's administrative structure and management, including 1. Municipal management, 2. Human resources, 3. Systems and procedures, 4. Best practices, 5. Management of records and bookkeeping, 6. Quality of document management, 7. Transparency.

2.1.1 Municipal Management

Three (3) main topics were examined in order to evaluate the municipality's management capabilities: A. The existence of a mission, vision, and strategic plan, B. Projects partially or completely outsourced to others, and C. Municipal council meetings.

“The institutional framework assessment of a municipality was based on seven (7) major components related to the municipality’s administrative structure and management.”

A. Mission, vision, and strategic plan

A municipal mission statement describes the purpose of the institution and its overall intention, while the municipal vision inspires the community and the municipal employees to work toward achieving its specific objectives. In addition, the municipality’s strategic plan should specify how the municipality will allocate its resources in order to implement its vision.

None of the nine (9) participating municipalities have developed a mission statement, vision, or a strategic plan. However, the Urban Community of Al Fayhaa (Al-Fayhaa Sustainable Development Strategy)¹ and the Union of Tyre Municipalities (Elaboration of a Strategic Sustainable Regional Development Plan for The Caza of Tyre)² have both developed strategic plans.

“Municipal institutions can achieve strategic benefits from public-private partnerships (PPP) for specific projects or activities.”

B. Projects partially or completely outsourced to others

Municipal institutions can achieve strategic benefits from public-private partnerships for specific projects or activities. Such partnerships to develop, implement, and/or manage projects that serve the public can be both efficient and cost-effective, and can help enhance public institutions. The assessments discovered that none of the eleven (11) selected institutions work with the private sector to implement public-private partnership initiatives.

While all assessed municipal institutions collaborate with international donors in order to fund development projects needed in their regions, none of them track the types of projects that were completed by donor agencies or how the funds were spent on these projects.

C. Municipal council meetings

Regular municipal council meetings are crucial to ensure the smooth performance of the municipal administration. All municipal institutions’ council members attend council meetings on a regular basis. Table 4 shows the number of meetings conducted in 2020.

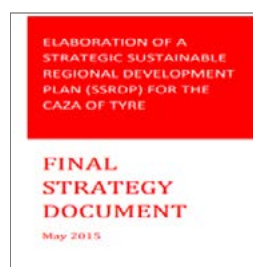


Figure 1: Tyre District Strategic Plan



Figure 2: UCAF Strategic Plan

Table 4: Municipal council meetings held during 2020

#	Name of Municipality or Union	Number of Meetings
1	Al Boustan	12
2	Alma El-Chaab	6
3	Beddawi	10
4	Bickfaya-Mhaydseh	15
5	Deir Qanoun El Nahr	7
6	Nabay	8
7	Qana	10
8	Tayr Debba	10
9	Tyre-Shabriha	12
10	Tyre Union	12
11	Urban Community of Al Fayhaa	20

2.1.2 Human Resources

The human resource assessment reviewed personnel policies and staff training of each municipal institution. The organisational structure of ten (10) of the assessed municipal institutions was outdated (See Table 5), despite minor amendments made by some of these institutions. Only the Tyre-Shabriha Municipality has a new organisational structure and personnel policies which have been approved by the municipal council and which will be implemented once authenticated by the central government. The job classifications for the positions that are included in the Tyre-Shabriha organisational structure are detailed in the new personnel policy.

The reliance on outdated organisational structures, personnel policies, and job descriptions that describe the job requirements and include minimal

staff qualifications is one key reason for the lack of qualified municipal employees typically experienced by municipalities in Lebanon. For example, a municipality whose personnel policy dates to the 1960s might have listed a minimum 5th grade education as the educational requirement for the position of health inspector or tax collector, but that educational level is no longer adequate to administer municipal affairs in the 21st century.

In terms of training, except for the employees of the two (2) unions and the Bickfaya-Mhaydseh and Deir Qanoun El Nahr municipalities, none of the municipalities reported that their employees attended financial or administrative trainings in the last five (5) years to enhance and develop their administrative and management skills. See Table 6 for an overview of the number of municipal employees who received training in the last five (5) years.

Table 5: Year of established personnel policies

#	Name of Municipality or Union	Personnel Policy Date	Last Update
1	Al Boustan	-	-
2	Alma EL-Chaab	1966	-
3	Beddawi	1995	1999
4	Bickfaya-Mhaydseh	1969	-
5	Deir Qanoun El Nahr	1999	-
6	Nabay	1996	-
7	Qana	1969	2021
8	Tayr Debba	2014	-
9	Tyre-Shabriha	1961	1999
10	Tyre Union	2005	-
11	Urban Community of Al Fayhaa	1984	2020

Table 6: Number of trained municipal employees

#	Name of Municipality or Union	Number of Existing Employees	Number of Authorised Positions	Number of Trainees	Trainees % of Total Employees
1	Al Boustan	0	0	0	0%
2	Alma EL-Chaab	1	10	0	0%
3	Beddawi	4	12	0	0%
4	Bickfaya-Mhaydseh	9	13	3	33%
5	Deir Qanoun El Nahr	2	8	2	100%
6	Nabay	2	7	0	0%
7	Qana	4	17	0	0%
8	Tayr Debba	0	2	0	0%
9	Tyre-Shabriha	39	70	0	0%
10	Tyre Union	8	29	2	25%
11	Urban Community of Al Fayhaa	68	586	50	74%
	Total	137	754	57	42%

2.1.3 Systems and Procedures

The assessment of systems and procedures at the municipal institutions reviewed the following three (3) aspects: workflows pertaining to municipal transactions, such as a citizen’s request for a construction permit; adherence to applicable laws and regulations when processing transactions; and use of standardised processes and procedures. The following is a summary of the findings:

- All municipal institutions register the incoming and outgoing transactions submitted to them.
- None of these institutions track the workflow process of the submitted transactions to evaluate the average time to complete each type of transaction.
- Only the Union of Tyre Municipalities and the Municipality of Tayr Debba use an automated document tracking system to automatically register the submitted transactions, but neither track the workflow of submitted documents.

“None of these institutions track the workflow process of the submitted transactions to evaluate the average time to complete each type of transaction.”

2.1.4 Best Practices

All assessed municipal institutions have implemented some managerial, administrative, and financial practices that reflect municipal best practices, such as: formation of different committees for procurement purposes, separation between tax assessment and tax collection, financial reporting compliance, and announcing the issuing of the taxpayer lists. In addition, several municipal institutions have taken specific initiatives which are worth mentioning and are noted below:

- The Urban Community of Al Fayhaa and the Union of Tyre Municipalities have both developed strategic plans for their regions.
- Bickfaya-Mhaydseh Municipality launched two (2) initiatives: the creation of the Bi Bickfaya volunteer committee, which is now in charge of organising the festivals in the municipality, and the Bi Clean initiative, which is related to the waste management plant which was built in 2016.
- The Municipalities of Nabay and Deir Qanoun El Nahr have started implementation of an archiving system to preserve their municipal documents electronically.
- Tyre-Shabriha Municipality implemented the Municipal Geographic Information System (MGIS) to effectively manage its financial resources.

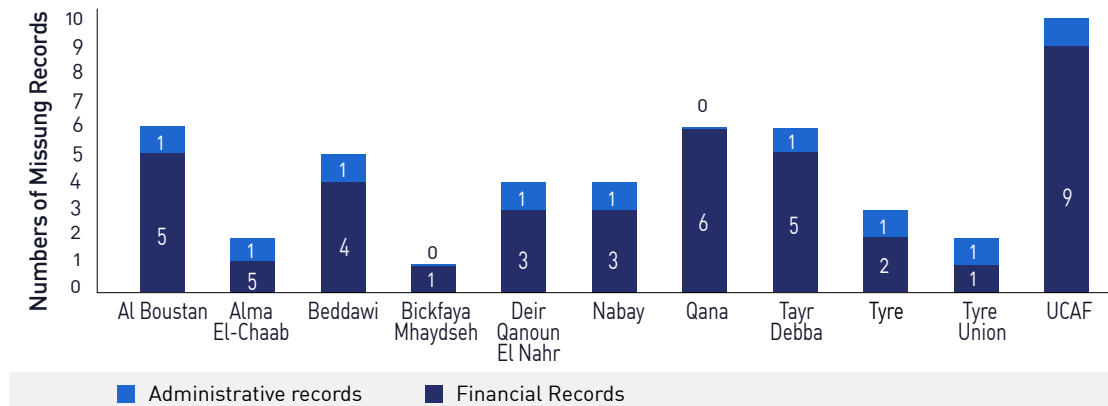
Finally, while laws and regulations governing municipal performance do not require that municipal institutions allocate funds to emergencies or crises, all eleven (11) municipal institutions that were assessed took exceptional measures in response to the COVID-19 pandemic and to limit the spread of the virus in their areas. Such measures included creating a committee to deal with the emerging crisis by inspecting commercial, touristic, and other establishments and monitoring their compliance with the conditions and decisions issued by the concerned authorities in order to prevent the spread of the epidemic, following up on positive cases, launching awareness and prevention campaigns, and enforcing hygiene practices.

2.1.5 Management of Records and Bookkeeping

Two (2) key issues were examined and evaluated to assess this component: management of records and bookkeeping. As per rules and regulations, the ledgers and registers outlined in Table 7 below are needed to properly manage the various municipal transactions.

Table 7: Financial and Administrative Ledgers or Registers

Financial ledgers	Expenditure ledger
	Revenues ledger
	Budget reserve ledger
	Daily accounting ledger
	Other receivables (trust fund) ledger
	Bank account register
	Payment orders register
	Construction permit register
	Receipt books register
	Ledger for employee salaries
Administrative ledgers	Administrative registrar
	Council decisions
	President decisions
	Minutes of meetings
	Complaints

Chart 1: Administrative and Financial Records Missing in Each Municipality

Source: Municipal institutions

As shown in Chart 1 above, the selected municipal institutions maintain most, but not all, of the required ledgers and records.

2.1.6 Quality of Document Management

All eleven (11) assessed municipal institutions have their municipal documents organised and stored on shelves and in cabinets; only the municipalities of Nabay and Deir El Nahr are in the process of implementing an automated archiving system.

2.1.7 Transparency

The public's right of access to information³ within municipal institutions, in addition to communication between civil servants and residents, is essential and enables a huge step towards better transparency. Table 8 below provides an overview of the type of communication channels used by the assessed municipal institutions to disseminate information and receive complaints from their citizens.

Table 8: Municipal institution means of disseminating information and receiving complaints

#	Name of Municipality or Union	Website	Social Media Page	Access to In-*formation	Complaint Box
1	Al Boustan	X	✓	X	X
2	Alma El-Chaab	X	✓	X	X
3	Beddawi	X	✓	X	X
4	Bickfaya-Mhaydseh	✓	✓	X	X
5	Deir Qanoun El Nahr	✓	✓	X	✓
6	Nabay	X	✓	X	X
7	Qana	✓	✓	X	X
8	Tayr Debba	X	✓	X	X
9	Tyre-Shabriha	✓	✓	✓	X
10	Tyre Union	✓	✓	✓	X
11	Urban Community of Al Fayhaa	X	✓	X	X

* Access to information was evaluated based on whether the municipal institution published the municipal budgets and end-of-year financial statements.

2.2 Technical Assessment

IT tools have become the foundation for day-to-day operations, and by and large, municipalities in Lebanon are using information technology to help them process information more effectively.

Both municipal unions are utilising their automated financial systems to track both their revenues and expenditure.

All municipalities except for Al Boustan, Alma El-Chaab, and Qana are using the municipal revenue system and the budget system for their daily financial transactions. However, only the Tyre-Shabriha Municipality has an accounting system adequate to not only manage the municipal funds, but also to ensure that funds available reflect the funds received and spent by the municipality.

Nabay and Deir Qanoun El Nahr have an automated archiving system, while the Union of Tyre Municipalities and Deir Qanoun El Nahr have an automated document tracking system.

Only Tyre municipality is using the Municipal Geographic Information System, a payroll system, and an automated messaging system.

Table 9 depicts the use of automated financial systems by the different municipal institutions assessed in the Project.

The assessed municipal institutions that have automated systems in place rely on private sector companies to maintain these systems. However, all of the selected municipal institutions do not have proper back-up procedures to ensure the safety of their municipal data.

Table 9: Automated applications used by municipal institutions

#	Name of Municipality or Union	Revenues System	Expenditure System	Accounting System	Other Systems (payroll, archive document tracking)
1	Al Boustan	-	-	-	-
2	Alma El-Chaab	-	-	-	-
3	Beddawi	X	X	-	-
4	Bickfaya-Mhaydseh	X	X	-	X
5	Deir Qanoun El Nahr	X	X	-	X
6	Nabay	X	X	-	X
7	Qana	-	-	-	-
8	Tayr Debba	X	X	-	X
9	Tyre-Shabriha	X	X	X	X
10	Tyre Union	X	X	-	-
11	Urban Community of Al Fayhaa	X	X	-	-

2.3 Socio-Economic Assessment

The performance and effectiveness of municipal institutions is impacted directly by national social and economic dynamics. Municipal institutions in Lebanon lack the institutional infrastructure to collect, analyse, and publish the data related to key indicators which are critical for local socio-economic assessment. Information related to the population at the city level – births, deaths, emigration, education, employment, etc. – is not available.

Although there is no legal requirement for municipal institutions to obtain demographic information, it is critical for these institutions to obtain such data to assist them in their development projects. None of the selected municipal institutions are collecting any of the above-mentioned data because of the limited human municipal capacity to perform these tasks on a regular basis. Therefore, it is critical for

these institutions to obtain key data periodically to stay updated about the demographics in their

municipal region and to better inform their local development plans.

2.4 Financial Assessment

The financial assessment of the municipality is based on eight (8) major components that are related to the municipality's financial management and financial capabilities.

The two components of the financial management are:

- Deviation from budget (budget realisation rate).
- Financial reporting.

The six components of the financial capabilities are:

- Revenues
- Expenditure
- Surplus/Deficit Ratio
- Deferred Liabilities
- Reserve Fund

1. Management of Assets

2.4.1 Financial Management

Two (2) issues were evaluated at the financial management level: deviation from budget (budget realisation rate) and financial reporting.

2.4.1.1 Deviation from budget (budget realisation rate)

The budget is a very important document because, if properly prepared, it will eliminate unnecessary expenditure, increase efficiency in the methods of

collecting revenues, and preserve the credit rating of the municipality. Municipal institutions tend to overestimate their budgets to facilitate and eliminate some cumbersome and bureaucratic steps. By overestimating the budget, the municipal executive branch has thus obtained the initial required approval to commit funds on procurements; although, in fact, the overestimation may exceed the revenues that are generated for the municipal treasury in that coming year. Sharp deviation from the budget shows a lack of proper financial management.

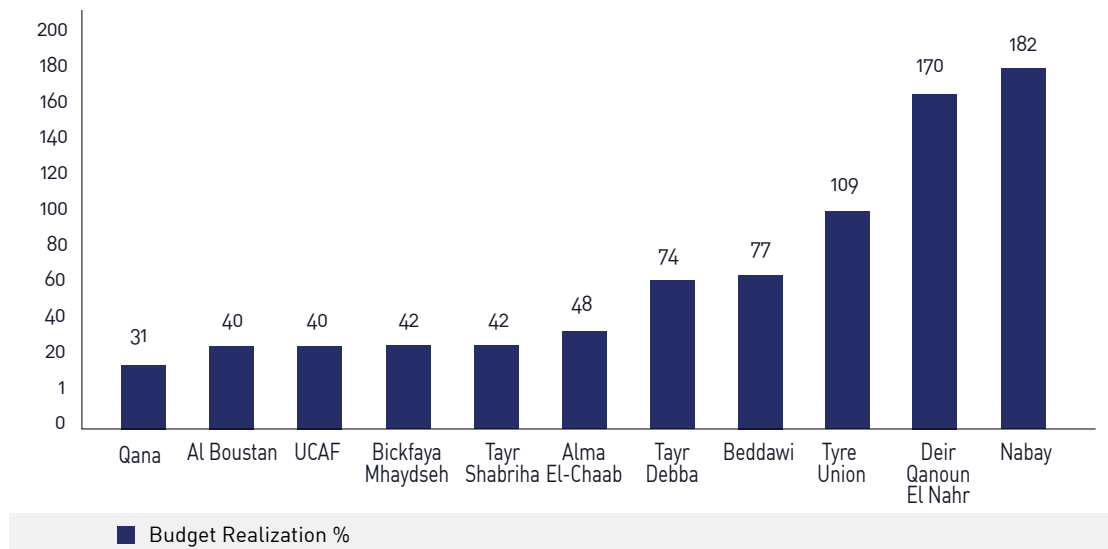
A key indicator of good financial management in a municipal institution is, therefore, the budget realisation rate. This is calculated as "total actual revenue" (based on the previous year's end-of-year financial statement) over "total budgeted revenue" for that same year. The lower the number is, the higher the budget deviation rate.

Chart 2 depicts the budget realisation rates for each of the eleven (11) municipal institutions.

2.4.1.2 Financial reporting:

Municipal institutions subject to the Public Accounting Law should prepare the end-of-year financial statement of the previous calendar

Chart 2: Municipal Budget Realisation Rate in year 2020



Source: Municipal institutions: budgets and end-of-year financial statements - 2020

year by the end of June, and the other municipal institutions should do so by the end of July. All eleven (11) municipal institutions have submitted their end-of-year financial statements to the regional governor or the district manager. The institutions that are governed by the PAL issued by Legislative Decree No. 14969/1963 (the Urban Community of Al Fayhaa Union, Bickfaya-Mhaydseh, and Tyre Municipality) should prepare the different quarterly financial reports and submit the end-of-year financial statements to the CoA by the end of June of the following year. Only Tyre Municipality prepares and submits the required reports (specified by Decree no. 6390/2011) and the end-of-year financial statement to the CoA.

It is important to note that none of the assessed municipal institutions are using the forms and tables provided by MOIM to assist them in budget preparation as stated in Appendix G of Ministerial Decision 667/2002.

2.4.2 Financial Capabilities

After analysing the financial management as outlined above, the assessments examined the municipal institutions' financial capabilities. This included:

- Revenues.
- Expenditure.
- Surplus/Deficit Ratio.
- Deferred Liabilities.
- Reserve Fund.
- Management of Assets.

2.4.2.1 Revenues

Municipalities:

Municipalities have diverse sources of revenues, composed of a wide range of taxes and fees for different transactions.

Article 86 of Legislative Decree No. 118/77 (Municipal Law) states that municipal revenues consist of the following:

1. Fees collected by the municipality directly from taxpayers, such as rental value taxes, advertisement taxes, use of public properties, construction permits, etc.
2. Fees collected by the central government, independent authorities, or public institutions on behalf of the municipalities and distributed directly to each municipality. These indirectly collected taxes are comprised of a 10% tax on phone bills and a 10% tax on electricity bills (Municipal Fees Law No. 60/88 - Articles 97 and 98). These indirectly collected taxes are

supposed to be transferred to the municipalities every three months.

3. Fees collected by the State on behalf of all municipalities, and deposited into the Independent Municipal Fund. The money collected by the central government is supposed to be distributed to the municipalities at the latest before the month of September of every year, based on specific criteria included in Decree No. 1917/1979 (Principles and Rules for the Distribution of the Municipal Independent Fund).
4. Financial aid and loans.
5. Revenues from municipal properties, including revenues from public properties managed by the municipality.
6. Fines resulting from violations of construction, traffic, public health, or any other municipal regulations.
7. Donations and wills include all funds gifted to municipalities, as well as those allocated to municipalities in the form of a donation or an estate.

Revenues from financial aid, municipal properties, fines, and donations are considered in the assessment as Other Revenues.

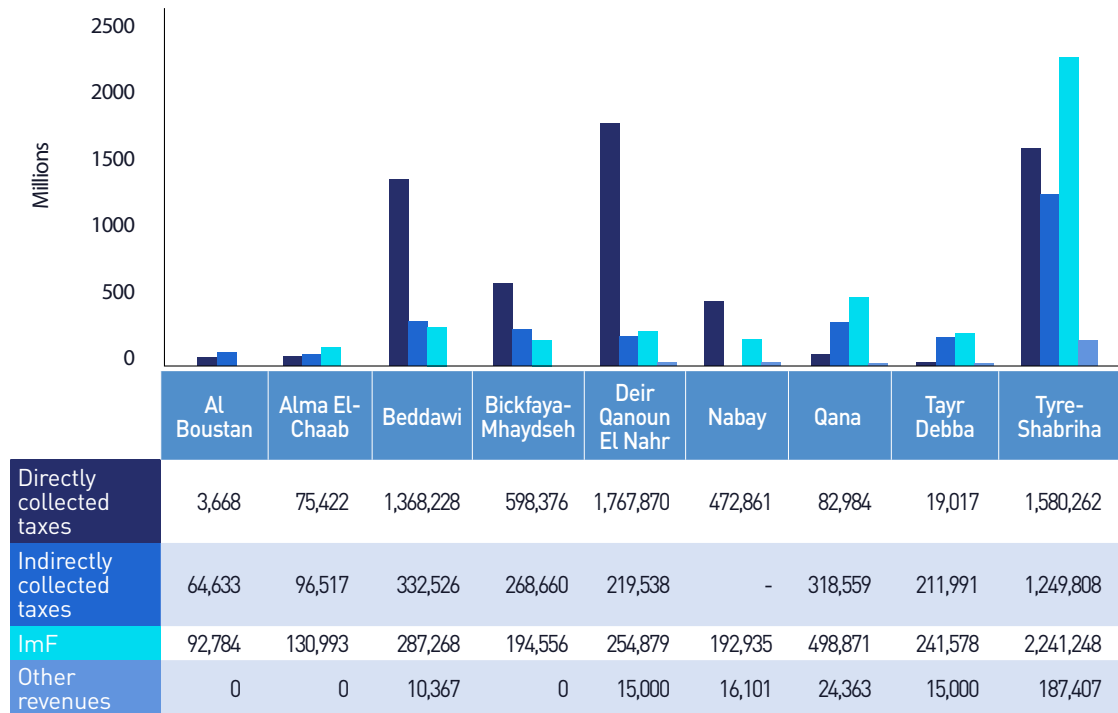
Graph 1 depicts the composition of municipal revenues in 2020. The directly collected taxes comprise 45.44% of the total revenues in the nine (9) assessed municipalities. This indicates the importance of the funds received from the directly collected taxes. Therefore, the municipalities' main challenge is how to increase the revenue from the directly collected taxes to meet the minimum urgent needs of their constituencies.

In addition, Graph 2 depicts the reliance on ImF and Indirectly Collected Taxes versus Direct Taxes and other Taxes. While the municipal revenue from the ImF to the nine (9) municipalities constitutes about 31.5%, the total amount of funds received from the indirectly collected taxes and the ImF constitute more than 52%. This indicates the importance of the funds received from the ImF and the indirectly collected taxes, and the large extent to which the municipalities' budgets depend on these funds.

The delay in the central government's disbursement of the funds and the irregularity of the payments are depriving municipalities/unions of timely and estimated funding needed to deliver services and encourage local development (See table 10).

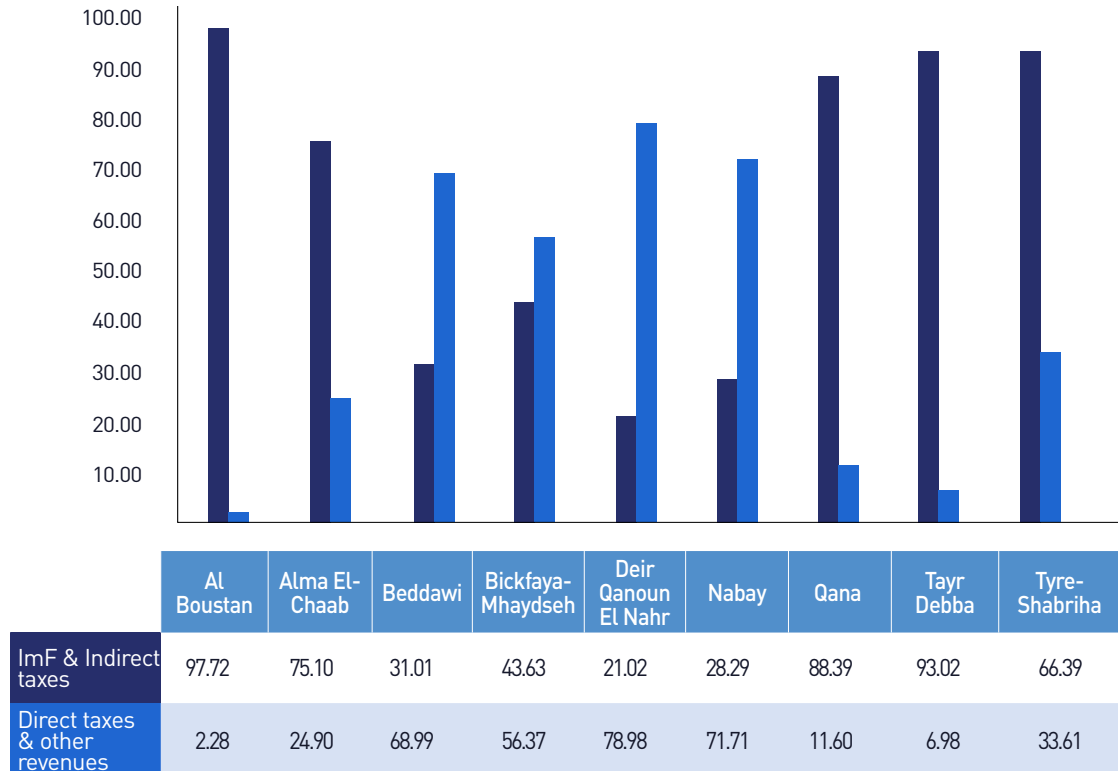
In addition to the delay in the disbursement of funds, the government has also chosen to transfer the funds in installments.

Graph 1: Composition of municipal revenues in 2020 (in millions L.L)



Source: Municipal institutions' end-of-year financial statements – 2020

Graph 2: ImF and Indirectly Collected Taxes versus Direct Taxes and other Taxes (in millions L.L) – 2020

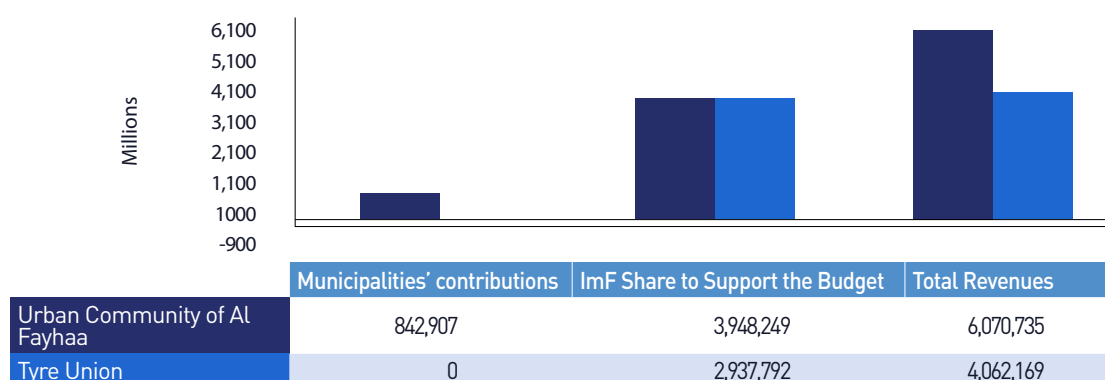


Source: Municipal institutions' end-of-year financial statements – 2020

Table 10: Distribution of Independent Municipal Fund

Years when the taxes were collected by the central government	Date when the fund was distributed as per decree published in Official Gazette	Decree Number
2015	27/10/2016	4352/2016
2016	18/01/2018	2170/2018
2017	25/04/2019	4579/2019
2018	29/10/2020	6941/2020
2019	23/07/2021	7998/2021
2020	Not distributed yet	Not Distributed yet

Source: Official Gazette Number: 51/2016; 3/2018; 23/2019; 42/2020; 30/2021

Graph 3: Composition of unions' revenues in 2020 (in millions L.L)

Source: Municipal institutions' end-of-year financial statements - 2020

Unions:

The key direct source of revenues for unions of municipalities is the membership fee which is calculated as 10% of the actual revenues from each of the union's member municipalities. In addition to the funds received from member municipalities, unions of municipalities also receive revenues from the following revenue items: loans, aid, revenues from public properties that are under the union's jurisdiction, allocations from the Independent Municipal Fund, and "other revenues." The "other revenues" category refers to the surtax on landline phone bills and electric bills, and revenues generated from rental fees, sports and cultural centres, slaughterhouses, popular markets, libraries, and grants. Graph 3 outlines the revenues of the Al Fayhaa and Tyre unions. It is important to note that the Union of Tyre municipalities does not collect the yearly membership fee from its member municipalities. Also, the Urban Community of Al Fayhaa is not collecting all of the members' fees. The lack of collecting the required revenues by these unions has a negative impact on the unions' capabilities to implement development projects in their regions.

Efficiency of tax collection

Each year, municipal residents must pay the rental value tax. This tax is the main direct tax collected by municipalities from households and firms. The

municipality is required to announce the generation of the taxpayer list in the Official Gazette. In addition, it should post the announcement on a bulletin board located at the municipality. The taxpayer lists for eight (8) municipalities that were assessed are updated on an annual basis. The Municipality of Qana does not update nor issue a taxpayer list. The president of the municipality and the municipal accountant did not know that taxpayer lists must be issued on a yearly basis.

Due to the importance of the direct taxes collected for municipal revenues, all nine (9) municipalities need to focus their efforts on increasing their tax collection. Table 11 below depicts the realisation rate of tax collection in 2020. It is clear that the economic and financial crises that are facing Lebanon have had a negative impact on the directly collected taxes in the municipalities in Lebanon. The tourism sector – which is critical for the Lebanese economy – is struggling and cannot attract international visitors, including municipalities' own expatriates. Efficiency of tax collection dropped significantly in 2020 in several of the Project's municipalities, such as in Bickfaya-Mhaydseh, Deir Qanoun El Nahr, and Nabay, and it is expected to drop even further in 2021.

Neither Alma El-Chaab nor Qana municipalities reported, in their end-of-year financial statements,

the realised taxes during the year. Instead, they reported the realised taxes as the collected revenues. Therefore, their tax realisation rate was assessed as zero.

Table 11: Efficiency of tax collection for the last five years

#	Municipality Name	2016	2017	2018	2019	2020
1	Al Boustan ⁵	-	-	-	-	49.65%
2	Alma El-Chaab ⁶	-	-	-	-	-
3	Beddawi	7%	7%	4%	5%	10%
4	Bickfaya-Mhaydseh	83%	83%	62%	55%	50%
5	Deir Qanoun El Nahr	73%	64%	56%	53%	18%
6	Nabay	59%	56%	49%	37%	32%
7	Qana ⁷	-	-	-	-	-
8	Tayr Debba	5%	5%	15%	5%	2%
9	Tyre-Shabriha	10%	11%	9%	6%	7%

Source: Municipal Source: institutions, end-of-year financial statements - 2020

Table 12: Direct revenue per capita in 2020

#	Name of Municipality	Direct Revenue	Population	Direct Revenue Per Capita
1	Al Boustan	3,668,000	3,000	1,223
2	Alma El-Chaab	174,886,000	5,000	34,977
3	Beddawi	1,368,228,000	70,000	19,546
4	Bickfaya-Mhaydseh	598,376,000	5,100	117,329
5	Deir Qanoun El Nahr	1,767,870,000	10,000	176,787
6	Nabay	472,861,000	4,600	102,796
7	Qana	82,984,000	15,000	5,532
8	Tayr Debba	19,017,000	5,500	3,458
9	Tyre-Shabriha	1,580,262,000	126,000	12,542
		Average		47,419
		Median		19,546

Sources: Population from selected municipalities, Direct Revenue from end-of-year financial statements - 2020.

Direct revenue per capita

Direct revenue per capita is the yearly collected direct revenues of a municipality divided by the total population registered within the municipality.

Table 12 below depicts the direct revenues collected per capita for each of the nine (9) municipalities assessed.

It is obvious that some of these municipalities have very limited direct revenues due to the

challenging socio-economic environment in their communities. Although Bickfaya-Mhaydseh has a resident population of only five thousand one hundred (5,100) people, the direct revenue per capita exceeds 117,000 L.L., whereas the revenue per capita in Qana, which hosts a significantly higher number of residents with at least fifteen thousand (15,000) people, is about 5,500 L.L. only. Table 12 below shows that the direct revenue per capita in Deir Qanoun El Nahr (176,787 L.L.) is relatively the highest compared to the average of direct revenue per capita in both the rural and

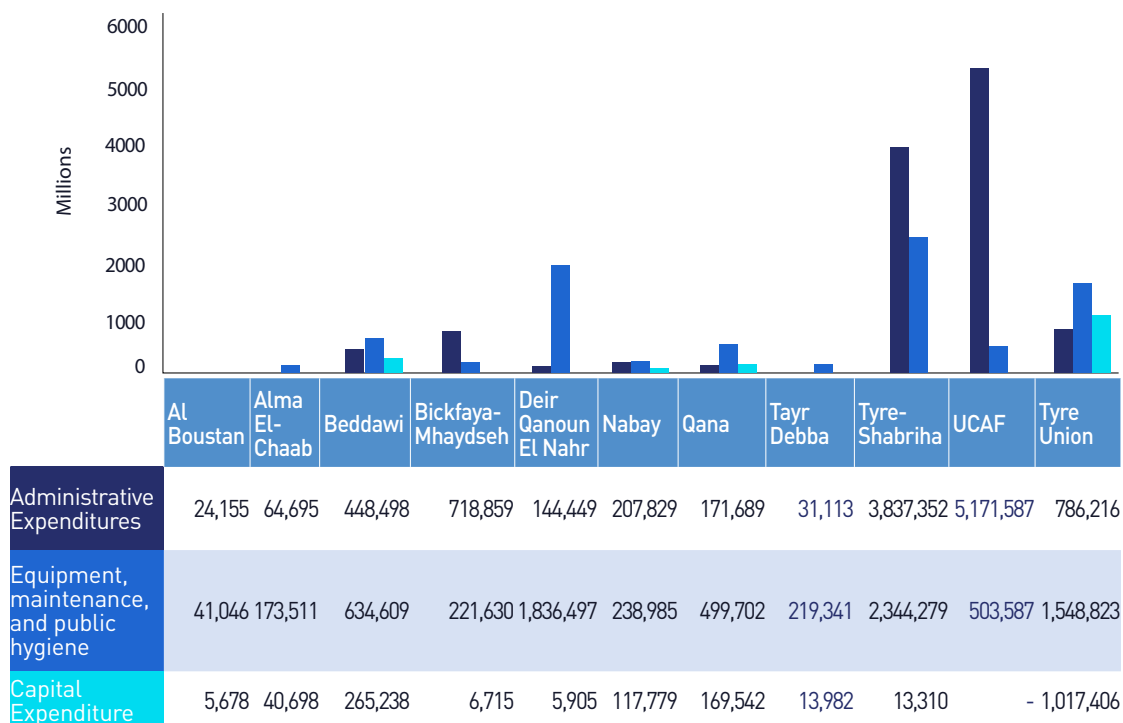
urban areas in the 9 selected municipalities, which is around 47,419 L.L.

2.4.2.2 Expenditure

In 2020, all eleven (11) municipal institutions were able to allocate a portion of their

budgets to equipment, maintenance, public hygiene, and capital expenditure, although most of their funds were spent on recurring administrative expenditures. Chart 3 below depicts the composition of expenditure of the selected municipal institutions in 2020.

Chart 3: Composition of municipal expenditure in 2020 (in millions, L.L.)



Source: Municipal institutions' end-of-year financial statements – 2020

2.4.2.3 Surplus/Deficit Ratio

The budgetary performance of a municipality must be examined as part of the financial assessment. A budget deficit is when expenditure exceeds revenues. If a deficit is not covered from its reserve fund, the municipal institution will face financial challenges and will need to borrow funds to cover the deficit. The opposite of a budget deficit is a surplus. It occurs when expenditure is lower than revenues. Continuous surplus over a period indicates a financially stable municipal institution that can engage in future commitments. The ratio is calculated as follows:

$$[\text{Revenues (X)} - \text{Expenditure (Y)}] / \text{Revenues (X)}$$

Table 13 provides an overview of surplus/deficit ratios of the assessed municipal institutions from 2016 to 2020.

Due to the economic and financial crises that are facing Lebanon, Article 32 of Law No 6/2020 (Budget Law 2020) limited all public institution expenses (including municipalities) to salaries, wages, administration, and necessary development and maintenance expenditures. Despite this law, several municipal institutions – such as the Tyre-Shabriha and Alma El-Chaab municipalities and the Union of Tyre Municipalities – had a budget deficit in 2020, and it is expected that even more municipalities will have a budget deficit in 2021.

2.4.2.4 Deferred liabilities

Liabilities are the debt and future obligations that arise during the organisation's operations. Two (2) main areas were examined in the municipal institutions regarding deferred liabilities:

- **Funds available to be paid to others:**

This category includes items such as the stamp tax, income tax that is deducted from employee salaries, and other taxes and fees which must be paid by the municipal institution to the central government or other entities.

All assessed municipalities and both unions have paid the stamp fees which were owed to the government, as required. However, none of the selected municipalities have paid the Ministry of Finance the taxes collected by the municipalities on behalf of the central government, such as the construction surtax (رسوم التعمير). The total amount due to the Ministry of Finance through the end of 2020 by the Municipalities of Bickfaya-Mhaydseh, Nabay, and Tyre was 112,579,000 L.L.

- **End-of-Service Indemnity:**

Current law requires municipalities and unions of municipalities to pay an end-of-service indemnity when employees retire. Four (4) out of the eleven (11) municipal institutions do not set aside funds for this purpose and instead they simply pay any

amount that becomes due out of that year's budget. Instead of having a separate fund or account for end-of-service indemnities to include both the municipal institution's required amount and the amounts deducted from employees' salaries, municipal institutions use current year funds to pay for the end-of-service indemnity for retired employees.

Alma El-Chaab, Beddawi, Qana, and the Urban Community of Al-Fayhaa union do not deduct end-of-service indemnities from the employees' salaries. Al Boustan and Tayr Debba municipalities do not have employees.

The municipal institutions deducted 289,772,000 L.L. as the employee share of the end-of-service indemnities from their employees' salaries (see table 14). Based on the existing salaries and number of expected work years remaining for each employee, the estimated amount of end-of-service liabilities for these institutions was 2,638,227,000 L.L. at the time of the assessments.

Table 13: Municipal institution surplus/deficit ratio

#	Municipality Name	2016	2017	2018	2019	2020
1	Al Boustan	9%	-152%	5%	73%	31%
2	Alma El-Chaab	1%	-90%	-1%	20%	-14%
3	Beddawi	17%	-13%	-57%	2%	25%
4	Bickfaya-Mhaydseh	46%	-13%	-24%	-8%	9%
5	Deir Qanoun El Nahr	1%	-33%	-5%	2%	10%
6	Nabay	73%	44%	50%	36%	6%
7	Qana	29%	-93%	-38%	-2%	-3%
8	Tayr Debba	-9%	-32%	-5%	25%	31%
9	Tyre-Shabriha	46%	-10%	-29%	-9%	-23%
10	Tyre Union	63%	-16%	-18%	-2%	-7%
11	Urban Community of Al Fayhaa	25%	-3%	-46%	19%	6%

Source: Municipal institutions' end-of-year financial statements

Table 14: Current end-of-service indemnity liability until 2020

Municipal Institution	Employee contribution deducted from salary as end-of-service indemnity (6%)	End-of-service liability (L.L.)
Bickfaya-Mhaydseh	90,513,000	273,275,000
Deir Qanoun El Nahr	18,856,000	110,400,000
Nabay	15,715,000	55,332,000
Tyre-Shabriha	108,802,000	1,976,605,000
Tyre Union	55,886,000	222,615,000

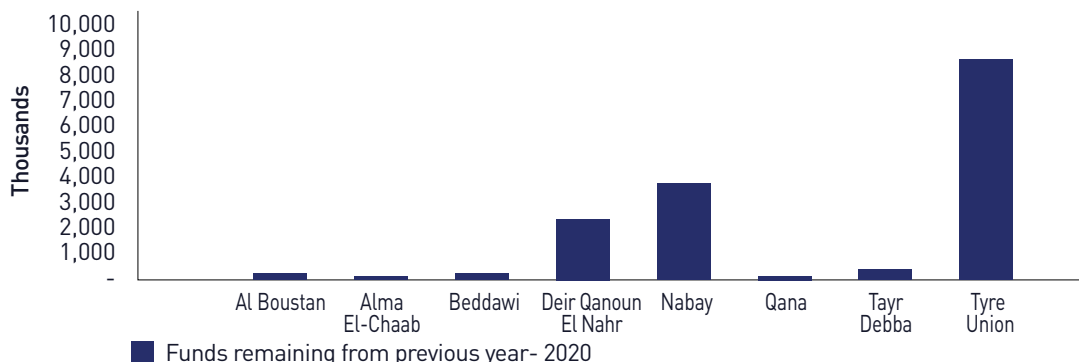
Source: Municipal institutions - Liabilities

Graph 4: Reserve funds in municipal institutions governed by PAL by the end of 2020 (in thousands, L.L.)



Source: Municipal institutions - end-of-year financial statements 2020

Graph 5: Funds remaining from previous year (2020) in municipal institutions governed by Decree No. 82/5595, (in thousands, L.L.)



Source: Municipal institutions - end-of-year financial statements 2020

It is important to note that all municipalities and both unions of municipalities wait until the last year of employment to set aside funds for an employee’s end-of-service indemnity. However, in case of the accidental death or disability of an employee, the municipality needs to pay the required indemnity to the employee’s family. For instance, Alma El-Chaab Municipality needs to pay a policeman his end-of-service indemnity this year. Two (2) employees in the Urban Community of Al Fayhaa will reach retirement age in 2022 and 2023, and the Union may not have sufficient funds to pay their end-of-service indemnities. For the rest of the municipal institutions, no current employees will reach retirement age in the next five (5) years.

2.4.2.5 Reserve fund

Municipal institutions that are governed by the PAL

The budget structure of the municipal institutions that are governed by the PAL issued by Legislative Decree No. 14969/1963 can put aside any end-of-year budget surplus in a separate fund called the Reserve Fund.

These funds can be used by the municipality to cover a budget deficit in future years.

Graph 4 below depicts the amount of funds available in the Reserve Fund for the municipal institutions which are governed by the PAL. While the municipalities of Tyre-Shabriha and Bickfaya-Mhaydseh had some reserve funds in their treasuries by the end of 2020, the Urban Community of Al Fayhaa did not have any reserve funds. However, both municipalities stated during the local workshops held at the municipalities that their reserve funds will be depleted soon due to the current economic and financial crises facing Lebanon.

Municipal institutions that are governed by Decree No. 5595/82

The budget structure and regulations of the municipal institutions that are governed by Decree No. 5595/82 do not allow them to put aside any budget surplus. The amount of funds obtained from any budget surplus is simply carried over into the next year’s budget.

Graph 5 below depicts the funds carried over to the next year's budget for the municipalities governed by Decree No. 5595/82. Besides the municipalities of Nabay and Deir Qanoun El Nahr and the Tyre Union of Municipalities, the other five (5) municipal institutions had barely any budget surplus in 2020 and will face a major challenge to meet their minimum required operational expenses.

2.4.2.6 Management of assets

Proper use of assets can enhance the ability of a municipality to provide better services to citizens. Land-based fixed assets are particularly important because of their value and their potential to be used to generate revenues. Effective management of such assets is necessary to ensure that risks are adequately identified and monitored. There are at least five such risks that primarily contribute to an organisation's failure to optimally manage

their assets: 1) not knowing what they have; 2) over maintaining or undermaintaining of assets; 3) improper operation; 4) improper risk management; and 5) sub-optimised asset management systems.⁴⁷

There are two (2) types of properties that municipalities own: municipal public property and municipal private property. In addition, the municipalities can manage the properties owned in common by the town's citizens (المشاع).

Among the nine (9) municipalities assessed in this project, the municipalities of Tyre-Shabriha and Bickfaya-Mhaydseh benefit from properties owned by central government agencies that are located within their municipal jurisdictions. In such cases, many municipalities across the country are imposing taxes on billboards that are used for advertisements, and the two (2) abovementioned municipalities are doing so and thereby increasing their revenues.

2.5 Legal assessment

In assessing legal issues at the eleven (11) municipal institutions, two (2) main issues were considered: objections to municipal taxes and whether the municipal institution is involved in any legal disputes.

2.5.1 Objection to municipal taxes

Citizens have the right to object to the municipal taxes assessed by the Municipality based on its taxpayer list on the condition that the objection is lodged within two (2) months starting from the date of its announcement in the Official Gazette (Municipal Fees Law No. 60/88 article 140).

All of the nine (9) selected municipalities do not register resident objections regarding tax assessments which they should be recording.

This issue does not apply to unions of municipalities because unions do not collect taxes.

2.5.2 Legal disputes

Some municipalities may have disagreements over their property borders with other neighbouring municipalities or individual property owners, which has led one or both parties to file lawsuits. Similarly, an individual can file a lawsuit against a municipality in case the latter did not comply with all the laws and regulations when conducting some form of municipal work.

The assessments found that existing pending legal issues do not constitute a financial burden for any of the assessed municipalities and unions.

The assessments found that there are existing pending legal issues in three municipalities (Beddawi, Bickfaya-Mhaydseh, and Nabay) and one union (Tyre Union of Municipalities); however, none of these pending legal issues will constitute a financial burden for those municipalities.



3.

Recommendations

Lebanon's financial and economic collapse is considered one of the worst globally since the mid-nineteenth century. The World Bank Lebanon Economic Monitor (LEM) stated in its Spring 2021 release that Lebanon is likely to rank in the top 10, possibly top three, most severe economic crises. Lebanon's GDP had plummeted from close to US\$ 55 billion in 2018 to an estimated US\$ 33 billion in 2020, a decline of 40%. The Lebanese economy deteriorated even further in 2021, and the estimated GDP was less than US\$ 22 billion as reported in the Fall release of the 2021 LEM report.

While a major reform plan must be implemented by the central government to put Lebanon on the path of recovery, municipal institutions can play an important role during this time to provide some social safety to their residents and meet the citizens' growing needs and demands in a transparent and accountable environment.

Unfortunately, the financial resources available for the municipalities are likely to be depleted simply to cover the expected raise in their employees' salaries and benefits; this will further strain their abilities to cover other operational and maintenance expenses, much less allow for them to invest in local economic development (LED). Therefore, municipal institutions today are facing a significant challenge to be able to increase their financial resources to meet even the minimum citizen needs during this period. These institutions cannot rely

solely on donor agencies in order to implement any necessary development projects without improving their administrative and financial performance. In reality, municipal good governance requires courageous and unprecedented steps to function in a more transparent, effective, and accountable manner, and municipal decision makers must lead their institutions into this process.

In fact, this could be a rare opportunity for international donors to encourage local governments in Lebanon to move forward on a path of enhanced good governance. If municipal institutions can proceed with implementing their administrative and financial processes in a transparent and effective manner, this will lead to more efficiency in tax collection and greater revenues to cover their growing expenses; donors at that point can provide assistance for these institutions to implement the needed development projects. From this perspective, this report offers the following recommendations.

“In reality, municipal good governance requires courageous and unprecedented steps to function in a more transparent, effective, and accountable manner, and municipal decision makers must lead their institutions into this process. ”

3.1 Recommendations for the selected municipal institutions

3.1.1 Institutional framework recommendations

1. Develop a written vision and then develop a strategic plan.
2. Issue tax rate decisions.
3. Announce taxpayer lists and late payment.
4. Adopt new procurement procedures (Law 244/2021).
5. Initiate emergency preparedness (wars, pandemic, natural disasters, etc.)
6. Maintain proper management of records and bookkeeping.
7. Improve the quality of document management through the utilisation of an automated archiving system.

8. Comply with Law No 28/2017 (right of access to information) to promote municipal transparency and accountability practices.

3.1.2 Technical (Information Technology) Recommendations

1. Develop an information technology (IT) strategic plan.
9. Update technical documentation and track software updates.
1. Implement and verify backup procedures, such as storing a second copy of the data backup in a safe location.
2. Upgrade and update financial and administrative software to include tools to generate user-friendly reports.
3. Routinely verify and test the back-ups of the municipal institution's stored data.
4. Implement an automated accounting system and generate accounting reports.
5. Implement an automated documents tracking system.
6. Implement an automated archiving system.

3.1.3 Socio-Economic Recommendations

1. Conduct a municipal survey to collect data related to demographic, socio-economic, health, cultural, environmental, and other key sectors.
2. Utilise the data collected from the municipal survey to improve planning, promote development projects, and attract funding.
3. Integrate all collected information into the municipal institution's database.

Financial Recommendations

1. **Prepare the budget based on recommended forms (Appendix G in Ministerial Decision 667/2002).**
2. Comply with the ministerial decision regarding the required formats for the budget and end-of-year financial statements.

3. Municipal institutions governed by the public accounting law (PAL) should prepare the financial reports to the CoA according to Decree No. 6390 dated September 24, 2011.
4. Invest in capital expenditure such as establishing roads, public gardens, playgrounds, water networks, etc., and new technology.
5. Integrate information and computer technology (ICT) tools to increase directly collected revenue, including geographic information system (GIS), automated messaging system, etc.
6. Prepare, update, and issue detailed a taxpayer list each year.
7. Implement the decision related to tax evasion Decree No. 1472/1 dated 27/09/2018 which prevents any public contracts being given to companies that do not have the required tax ID number. The decree specifies the mechanism of defining the "beneficial owner" (صاحب الحق الاقتصادي) as stated in Law No 74/2016.
8. **Municipalities must improve the collection of rental value taxes and benefit from the decrees issued by the state to improve their collection rate.**
9. The unions of municipalities should develop immediate plans to improve collection of funds due from the union's member municipalities.
10. Conduct periodic appraisals of the value of all of the municipal institutions' properties.
11. Track municipal institution's inventory and implement an automated inventory tracking system.

Legal Recommendations

1. Register resident objections on tax assessments in a separate register.
2. Follow the principles of objections based on Municipal Fees Law No. 60/88, articles 139 - 163.

3.2 General recommendations for municipalities across Lebanon

1. Implement specific activities, such as holding town meetings to discuss emerging problems, inviting civic organisation representatives and interested parties to serve on municipal committees, disseminating municipal financial and administrative decisions, etc. to promote municipal transparency and accountability practices and to comply with Law No 28/2017 (right of access to information).
2. Encourage the private sector to partner with unions and municipalities and jointly implement development projects. The private sector could potentially provide financing, but also operation, management, and technical expertise that would complement the knowledge and capacities of municipal authorities.
3. Establish a mechanism to follow up on and resolve complaints submitted by municipal residents.

4. Provide training for municipal and union employees on a regular basis, including training on the new procurement law.
5. Municipalities and unions should update their personnel policies and add to these job classifications and job descriptions tailored to the needs of their institutions.
6. Consider development of an automated municipal asset system.
7. Apply the Assets Accounting Law 8620/1996.
8. Increase the effectiveness of billing and collection.

3.3 Policy recommendations for DGLAC/MOIM

1. Request that the Ministry of Finance provide MOIM a monthly financial statement regarding the funds available in the ImF as per Article 3 of Decree No. 1917.
2. Distribute the independent municipal fund (ImF) money on a regular basis.
3. Inform municipal institutions how the deducted amounts from their shares of the ImF were calculated.
4. Operationalise the Municipal Observatory to identify municipal trends and needs and improve oversight.
5. Create a platform for municipal collaboration and communication to encourage and promote data and experience sharing between municipalities and unions of municipalities.
6. Modify Decree No. 1917/1979 to encourage municipal institutions to increase their directly collected revenues, such as enforcing the collection of a required minimum tax collection percentage.
7. Modify Legislative Decree No. 118/77 and Law 60/88 to allow municipal institutions to increase the directly collected revenues, such as readjusting the property rental value periodically (e.g., every five (5) years).
8. Develop mechanisms to encourage public-private partnerships at the municipal level based on Law No. 48/2017.
9. Develop guidelines to use a standardised chart of accounts for all municipalities based on Decrees 5595, 14693, and 6390.
10. Encourage municipal institutions to implement an automated donor grant tracking system.

3.4 Recommendations for development partners

1. Couple basic service delivery and local economic development programmes with strengthening of municipal systems in an accountable and transparent manner that will ultimately lead to more sustainable donor interventions.
2. Encourage and support partner municipalities to comply with administrative and financial rules and regulations to ensure good governance.
3. Ensure that donors' municipal beneficiaries are using an automated grant system.
4. Assist municipal institutions with transformation into e-municipalities, such as implementing online submission of citizens' documents with their online payments, and creating a system for online submission of municipal documents to oversight agencies, such as the municipal budget and end-of-year financial statements.

“Assist municipal institutions with transformation into e-municipalities, such as implementing online submission of citizens’ documents with their online payments, and creating a system for online submission of municipal documents to oversight agencies, such as the municipal budget and end-of-year financial statements. ”



List of Appendices

Appendix A: Major Laws Impacting Municipal Work

Appendix B: Participants in the Meetings

Appendix C: Municipal Questionnaire and Responses

Appendix D: Documents and Data Provided by the Municipalities

Appendix E: List of Projects to be Completed by the Municipal Institutions

Appendix F: IT Infrastructure Survey

Appendix G: Sample Certification

Appendix H: MERP M&E Indicators

Appendix A

Major Laws Impacting Municipal Work

	Title	Description	Type*	Number	Date
1	Accounting Principles in Municipalities	Accounting principles for municipalities not subject to the General Accounting law	D	5595	22-9-1982
2	Administrative Structure	Organisation of local governments (governorates and districts)	LD	1302	15-1-2015
3	Advertising Law	Procedures for advertisement license	D	8861	25-7-1996
4	Ministry of Interior and Municipalities	Chapter Four: The Directorate General of Local Administrations and Councils (DGLAC)	D	4082	14-10-2000
5	Amendment to Decree Related to the Construction Law	Amendment to Legislative Decree 148	L	646	11-1-2004
6	Central Disciplinary Board	Role and jurisdiction of Central Disciplinary Board	D	7236	8-5-1967
7	Central Inspection Board	Role and jurisdiction of Central Inspection Board	LD	115	12-6-1959
8	Civil Service Board	Role and jurisdiction of Civil Service Board	D	8337	30-12-1961
9	Assets Accounting	Management, storage, and accounting of assets	D	8620	6-12-1996
10	Financial Reporting	Financial reports and documents that must be submitted to the COA	D	6390	24-9-2011
11	Construction Law	Procedures for construction permits and licenses	LD	148	16-9-1983
12	Court of Audit	Role and jurisdiction of the Court of Audit	LD	82	16-9-1983
13	Electoral Law	Mechanism for electing members of parliament and municipalities	L	665	29-12-1997
14	Public Accounting Law	Management of public funds	L	14969	30-12-1963
15	Illegal Construction Settlement Law	Procedures for legalising unauthorised construction built prior to 1994	L	324	24-3-1994
16	Independent Municipal Fund Distribution	Principles of distribution of funds to municipalities	D	1917	6-4-1979
17	Law of Municipal Fees	Identification of municipal fees and procedures for collection	L	60	12-8-1988
18	Municipal Law	Establishment and responsibilities of municipalities and unions of municipalities	LD	118	30-6-1977
19	Ownership Law	Guidelines for real property ownership and its amendments	L	60	8-12-2006
20	Private State Property	Management of state property	Dcs	275	25-5-1926
21	Public Property	Management of public property	Dcs	144/S	10-6-1925
22	Urban Planning	Organisation of urban planning in cities and villages	LD	69	9-9-1983
23	Access to Information	Right of Access to Information Law	L	28	10-2-2017
24	Implementing provisions of Law No. 28/2017	Implementing provisions concerning the right to access information	D	6940	14-9-2020

* D = Decree; LD = Legislative Decree; L = Law; DCS = Decision

Appendix B

Participants in the Meetings

Participants:

Al Boustan Municipality

Mr. Adnan Al-Ahmad, President

Alma El-Chaab Municipality

Mr. Jean Ghafary, President

Mr. Sami Farah, Municipal Member

Mr. Hanna Zorob, Municipal Member

Mr. Robert Francis, Municipal Member

Ms. Gloria Gofari, Bookkeeper

Beddawi

Mr. Hassan Gemrawi, President

Mrs. Jihan Hanouf, Treasurer

Mr. Walid Nazer, Tax Collector

Mr. Khodor Ghemrawi, Contactor

Bickfaya-Mhaydseh

Ms. Nicole Gemayel, President

Ms. Leyla Nassar, Municipal Member

Mr. Elias Wehbe, Financial Manager

Deir Qanoun El Nahr

Mr. Adnan Kassir, President

Dr. Fatima Yassin, Volunteer

Mr. Hassan Hussein, Bookkeeper

Urban Community of Al-Fayhaa

Mr. Hassan Gemrawi, President

Ms. Dima Homs, Director

Mr. Nabil Al Rifaii, Head of Financial Unit

Ms. Roba Bisar, IT

Mr. Nizar Ahdab, Clerk in Financial Unit

Mr. Khaled Al Mir, Bookkeeper in Administrative Unit

Mr. Mohamad Al Masri, Treasurer

Nabay

Mr. Marwan Atallah, President

Mr. Walid Rammouz, Municipal Member

Ms. Maria Atallah, Account Manager

Qana

Mr. Mohamad Kreicht, President

Mr. Jawad Sleiman, Treasurer

Mr. Abdallah Adib, Engineer

Mr. Ibrahim Kreich, Volunteer

Tayr Debba

Mr. Weam Zeidan, President

Mr. Moussa Ezzdine, Accountant

Ms. Nouhad Megneyi, Bookkeeper

Tyre -Shabriha

Mr. Mohamad Dbouk, President

Ms. Lama Abed Rida, Head of Financial Department

Mr. Mahmoud Zeidan, Treasurer

Mr. Hassan Srouf, Engineer

Ms. Zouhour Faran, Bookkeeper

Ms. Roujin Jamal, Bookkeeper

Tyre Union

Mr. Hassan Dbouk, President

Mr. Mortada Mhana, Head of Administrative Section

Mr. Ali Kassem, Head of Financial Section

Ms. Jirah Khalifa, Bookkeeper

Appendix C

Municipal Questionnaire for the Municipalities



قائمة بالمستندات المطلوبة من البلدية

من أجل إنجاز دراسة التقييم البلدي، نتمنى على المسؤولين في البلدية تحضير المستندات المشار إليها أدناه في المرحلة الأولى، مع العلم ان شركة أفكار مؤسسية مبتكرة قد **تحتاج الى وثائق أخرى لاحقاً**. الرجاء عدم إرسال المعلومات التي تم تقديمها سابقاً لفريق عمل المشروع.

في حال وجود أي أسئلة، يمكن الإتصال بمكتب الشركة على الرقم ٠٥-٨٠٨١٣٤ أو من خلال البريد الإلكتروني التالي: abir.bouhadir@i2-ideas.com

معلومات عامة عن البلدية	
موقعها الجغرافي، إرتفاعها عن سطح البحر، بعدها عن العاصمة، معالمها السياحية (الأماكن الأثرية، المحميات الطبيعية، المزارات والأماكن الدينية، الخ..)	
ما هي مساحة البلدية؟	
المبنية:	مساحة المناطق (كم ²): المبنية/ الغير مبنية
الغير مبنية :	نسبة الطرقات (%): المزفتة/ الغير مزفتة
المزفتة:	المساحات الخضراء (م ²)
الغير مزفتة :	نسبة تغطية شبكة الصرف الصحي (%)
	نسبة تغطية شبكة المياه (%)
	ما هو عدد سكان البلدية وفقاً لدوائر النفوس؟
	ما هو عدد المقيمين في النطاق البلدي؟
	ما هو عدد اللاجئين السوريين؟
	ما هي الطريقة التي تتبعها البلدية لإحصاء عدد اللاجئين؟
	ما هو عدد المدارس والمعاهد التعليمية والفنية؟
	ما هو عدد الجمعيات والأندية الثقافية والاجتماعية والرياضية الخ...؟

معلومات عامة عن البلدية	
	ما هو عدد المؤسسات على اختلافها (التجارية، الصناعية، المهنية،...).
	ما هو عدد الوحدات السكنية ضمن النطاق البلدي؟
	ما هو عدد الوحدات غير السكنية ضمن النطاق البلدي؟
سكن:	عدد المكلفين وفقاً لجدوال التكليف
غير سكن:	
أسماء اللجان وعدد الأعضاء: عدد الاجتماعات:	تحديد أسماء وأعضاء كافة اللجان وتحديد عدد الاجتماعات لكل من هذه اللجان خلال العام المنصرم
	تاريخ الإعلان عن إصدار جداول التكليف الضريبية في الجريدة الرسمية للسنوات الخمس الماضية.
	من يقوم بجباية الضرائب؟
	من يقوم بتحديد القيمة التاجيرية؟
	ما هو عدد الاعتراضات على الرسوم البلدية.
	عدد الدعاوى المرفوعة على البلدية.
	عدد الدعاوى المرفوعة من قبل البلدية.
الرجاء تعبئة النموذج المرفق	لائحة بالمشاريع التي تنفذها البلدية مع جهات أخرى (منظمات دولية، منظمات محلية، أو قطاع خاص)
	عدد المشاريع التي نفذتها البلدية ضمن مناقصات عمومية أو استدراج عروض للمشاريع التي تفوق قيمتها عن العشرين مليون ليرة لبنانية خلال العام المنصرم.
	هل يوجد رؤية وإستراتيجية البلدية؟ إذا كانت الإجابة "نعم" يرجى تقديم المستندات الداعمة
	هل يتم تنفيذ المشاريع من خلال دفتر الشروط العام أو دفتر الشروط الخاص
	هل تنشر البلدية المعلومات للمواطنين؟
	عنوان الموقع الإلكتروني للبلدية.
معلومات متعلقة بالموارد البشرية للبلدية	
	هل يوجد توصيف للوظائف والمهام التي يقوم بها كل موظف؟

معلومات تقنية مختلفة	
هل من محفوظات في البلدية؟ كيف يتم تنظيمها؟	
أين تحفظ محفوظات البلدية؟	
هل تحفظ المحفوظات إلكترونياً؟	
هل يوجد سجل لأجهزة وأنظمة الكمبيوتر؟	
ما هي أنظمة المعلوماتية التي تستخدمها البلدية؟	
كيف تتم صيانة هذه الأنظمة؟	
هل يوجد سجل لصيانة أجهزة وأنظمة المعلوماتية؟	
هل يتم توثيق التعديلات التي تتم على أنظمة المعلوماتية؟	
هل يجيد موظفو البلدية استخدام الكمبيوتر؟ ما هو عدد الموظفين الذين يجيدون استخدام الكمبيوتر؟	
هل يوجد شبكة معلوماتية في البلدية؟	
هل تقوم البلدية بإجراء نسخ احتياطي (Back up) للمعلومات البلدية؟ وأين يتم حفظها؟	
هل تقوم البلدية بالتحقق من وجود المعلومات الاحتياطية والتأكد من امكانية استرجاعها؟	
معلومات متعلقة بالسجلات الإدارية - إذا كانت الإجابة "نعم" ، سوف يتم الإطلاع على سجلات	
هل يوجد سجل الصادر والوارد؟	نعم / كلا - عدد المعاملات وانواعها عام ٢٠٢٠:
هل يوجد سجل قرارات رئيس البلدية	نعم / كلا - عدد القرارات لعام ٢٠٢٠:
هل يوجد سجل قرارات المجلس البلدي	نعم / كلا - عدد القرارات لعام ٢٠٢٠:
هل يوجد سجل محاضر الجلسات	نعم / كلا
هل يوجد سجل عقود الإيجار	نعم / كلا
هل، يوجد سجل، الشكاوى	نعم / كلا

معلومات متعلقة بالسجلات المالية- إذا كانت الإجابة "نعم" ، سوف يتم الإطلاع على سجلات	
هل يوجد سجل شطب الموازنة- النفقات	نعم / كلا
هل يوجد سجل شطب الموازنة- الواردات	نعم / كلا
هل يوجد سجل حوالات الصرف	نعم / كلا - عدد الحوالات لعام ٢٠٢٠:
هل يوجد سجل الأمانات	نعم / كلا
هل يوجد سجل حركة المصرف	نعم / كلا
هل يوجد سجل الصندوق اليومي	نعم / كلا
هل يوجد سجل الإعتمادات المحجوزة	نعم / كلا
هل يوجد سجل الإيصالات	نعم / كلا
هل يوجد سجل رخص البناء:	نعم / كلا
عدد رخص البناء للثلاث الماضية: هل يوجد سجل المخزون وحركة المواد.	سكن: سنة ٢٠١٨: سنة ٢٠١٩: سنة ٢٠٢٠: نعم / كلا
هل، يوجد سجل، (بدهي أو الكتروني) لأصول، البلدية الثابتة؟	نعم / كلا
هل يوجد جدول رواتب الموظفين	نعم / كلا

Municipal Questionnaire for the Unions of Municipalities



قائمة بالمستندات المطلوبة من الاتحاد

من أجل إنجاح دراسة التقييم البلدي، نتمنى على المسؤولين في الإتحاد تحضير المستندات المشار إليها أدناه في المرحلة الأولى، مع العلم ان شركة أفكار مؤسسية مبتكرة قد تحتاج الى وثائق أخرى لاحقاً. الرجاء عدم إرسال المعلومات التي تم تقديمها سابقاً لفريق عمل المشروع. في حال وجود أي أسئلة، يمكن الإتصال بمكتب الشركة على الرقم 05-808134 أو من خلال البريد الإلكتروني التالي: abir.bouhadir@i2-ideas.com

معلومات عامة عن الإتحاد	
عدد البلديات وأسماؤها المنضوية في الإتحاد.	
ما هي مساحة اتحاد البلديات؟	
المبنية:	مساحة المناطق (كم ²): المبنية/ الغير مبنية
الغير مبنية	
المزفتة:	نسبة الطرقات (%): المزفتة/ الغير مزفتة
الغير مزفتة	
عدد السكان	
حجم مجلس الاتحاد	
أسماء اللجان:	تحديد أسماء وأعضاء كافة اللجان وتحديد عدد الاجتماعات لكل من هذه اللجان خلال العام المنصرم
عدد الأعضاء:	
عدد الإجتماعات:	
عدد الدعاوى المرفوعة على اتحاد البلديات.	
عدد الدعاوى المرفوعة من قبل اتحاد البلديات.	
لائحة بالمشاريع التي تنفذها اتحاد البلديات مع جهات أخرى (منظمات دولية، منظمات محلية، أو قطاع خاص) "آخر ثلاث سنوات"	
عدد المشاريع التي نفذها اتحاد البلديات ضمن مناقصات عمومية أو استدرج عروض للمشاريع التي	



	تفوق قيمتها عن العشرين مليون ليرة لبنانية خلال العام المنصرم. "آخر ثلاث سنوات"
	هل يوجد رؤية وإستراتيجية للإتحاد؟ إذا كانت الإجابة "نعم" يرجى تقديم المستندات الداعمة
	هل يتم تنفيذ المشاريع من خلال دفتر الشروط العام أو دفتر الشروط الخاص
	هل ينشر الاتحاد المعلومات للمواطنين؟
	عنوان الموقع الإلكتروني للإتحاد.
معلومات متعلقة بالموارد البشرية للبلدية	
	هل يوجد توصيف للوظائف والمهام التي يقوم بها كل موظف؟
معلومات تقنية مختلفة	
	هل من محفوظات في الاتحاد؟ كيف يتم تنظيمها؟
	أين تحفظ محفوظات الاتحاد؟
	هل تحفظ المحفوظات إلكترونياً؟
	هل يوجد سجل لأجهزة وأنظمة الكمبيوتر؟
	ما هي أنظمة المعلوماتية التي تستخدمها الاتحاد؟
	كيف تتم صيانة هذه الأنظمة؟
	هل يوجد سجل لصيانة أجهزة وأنظمة المعلوماتية؟
	هل يتم توثيق التعديلات التي تتم على أنظمة المعلوماتية؟
	هل يجيد موظفو الاتحاد استخدام الكمبيوتر؟ ما هو عدد الموظفين الذين يجيدون استخدام الكمبيوتر؟
	هل يوجد شبكة معلوماتية في الاتحاد؟
	هل تقوم الاتحاد بإجراء نسخ احتياطي (Back up) للمعلومات والاتحاد؟ وأين يتم حفظها؟
	هل، تقوم الاتحاد بالتحقق من وجود المعلومات الاحتياطية والتأكد من امكانية استرجاعها؟
معلومات متعلقة بالسجلات الإدارية - إذا كانت الإجابة 'نعم' ، سوف يتم الإطلاع على سجلات	
	هل يوجد سجل الصادر والوارد؟
	هل يوجد سجل قرارات رئيس الاتحاد
	هل يوجد سجل قرارات المجلس البلدي



	هل يوجد سجل محاضر الجلسات
	هل يوجد سجل الشكاوى
	معلومات متعلقة بالسجلات المالية- إذا كانت الإجابة "نعم" ، سوف يتم الإطلاع على سجلات
	هل يوجد سجل شطب الموازنة- النفقات
	هل يوجد سجل شطب الموازنة- الواردات
	هل يوجد سجل حوالات الصرف
	هل يوجد سجل الأمانات
	هل يوجد سجل حركة المصرف
	هل يوجد سجل الصندوق اليومي
	هل يوجد سجل الإعتمادات المحجوزة
	هل يوجد سجل الإيصالات
	هل يوجد سجل رخص البناء:
غير سكن: سنة 2018: سنة 2019: سنة 2020:	سكن: سنة 2018: سنة 2019: سنة 2020: عدد رخص البناء للسنوات الثلاث الماضية:
	هل يوجد سجل المخزون وحركة المواد.
	هل يوجد سجل (يدوي أو الكتروني) لأصول الاتحاد الثابتة؟
	هل يوجد جدول رواتب الموظفين

Appendix D

Documents and Data Provided by the Municipalities



قائمة بالمستندات المطلوبة من البلدية

من أجل إنجاح دراسة التقييم البلدي، نتمنى على المسؤولين في البلدية تحضير المستندات المشار إليها أدناه في المرحلة الأولى، مع العلم ان شركة أفكار مؤسسية مبتكرة قد **تحتاج الى وثائق أخرى لاحقاً**. الرجاء عدم إرسال المعلومات التي تم تقديمها سابقاً لفريق عمل المشروع. في حال وجود أي أسئلة، يمكن الإتصال بمكتب الشركة على الرقم ٠٥-٨٠٨١٣٤ أو من خلال البريد الإلكتروني التالي: abir.bouhadir@i2-ideas.com

ملاحظات	مستندات مطلوب تحضيرها من البلدية																		
	نسخة عن: <table border="1"> <thead> <tr> <th>عام</th> <th>موازنة</th> <th>قطع حساب</th> </tr> </thead> <tbody> <tr> <td>٢٠١٧</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>٢٠١٨</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>٢٠١٩</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>٢٠٢٠</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>٢٠٢١</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	عام	موازنة	قطع حساب	٢٠١٧	<input type="checkbox"/>	<input type="checkbox"/>	٢٠١٨	<input type="checkbox"/>	<input type="checkbox"/>	٢٠١٩	<input type="checkbox"/>	<input type="checkbox"/>	٢٠٢٠	<input type="checkbox"/>	<input type="checkbox"/>	٢٠٢١	<input type="checkbox"/>	<input type="checkbox"/>
عام	موازنة	قطع حساب																	
٢٠١٧	<input type="checkbox"/>	<input type="checkbox"/>																	
٢٠١٨	<input type="checkbox"/>	<input type="checkbox"/>																	
٢٠١٩	<input type="checkbox"/>	<input type="checkbox"/>																	
٢٠٢٠	<input type="checkbox"/>	<input type="checkbox"/>																	
٢٠٢١	<input type="checkbox"/>	<input type="checkbox"/>																	
<input type="checkbox"/>	لائحة بالأمانات (ضريبة الدخل، طوابع، توقيفات، صندوق الصرف من الخدمة، الخ...) المقبوضة والمدفوعة للسنوات الخمس الأخيرة.																		
<input type="checkbox"/>	لائحة بالمبالغ الموجودة في سجل صندوق الصرف من الخدمة للسنوات الخمس الأخيرة.																		
<input type="checkbox"/>	نسخة عن قرار تحديد الرسوم.																		
<input type="checkbox"/>	لائحة بأنواع جداول التكلفة وأوامر القبض التي تصدرها البلدية (رسوم القيمة التاجيرية، الإعلانات الدائمة، الإعلانات المؤقتة، أشغال الأملاك العمومية، الخ...).																		
<input type="checkbox"/>	لائحة بأملك البلدية الخاصة (أرقام العقارات ومساحة كل منها)																		
<input type="checkbox"/>	لائحة بتخمين أملك البلدية (قيمة التخمين، سنة التخمين، الجهة التي أجرت التخمين)																		
<input type="checkbox"/>	نسخة عن دليل المواطن أو عن طلبات المواطنين																		

<input type="checkbox"/>	٩	نسخة عن نظام الموظفين.
<input type="checkbox"/>	١٠	نسخة عن نظام الأجراء (في حال وجوده).
<input type="checkbox"/>	١١	نسخة عن نظام الشرطة (في حال وجوده).
<input type="checkbox"/>	١٢	نسخة عن ملاك البلدية.
<input type="checkbox"/>	١٣	لائحة بأعداد الموظفين في البلدية.
<input type="checkbox"/>	١٤	لائحة بأعداد المتعاقدين في البلدية.
<input type="checkbox"/>	١٥	لائحة بأعداد الأجراء في البلدية.
<input type="checkbox"/>	١٦	لائحة بأعداد الشرطة في البلدية.
<input type="checkbox"/>	١٧	لائحة بأعداد الشرطة والحرس الموقتين في البلدية.
<input type="checkbox"/>	١٨	لائحة بأجور العاملين في البلدية ووظائفهم وتاريخ مباشرة عملهم.
<input type="checkbox"/>	١٩	لائحة بالدورات التدريبية التي شارك فيها العاملين في البلدية خلال السنوات الثلاث المنصرمة.
<input type="checkbox"/>	٢٠	لائحة بعدد المهندسين العاملين في البلدية وإختصاصاتهم.

Appendix E

List of Projects to be Completed by the Municipal Institutions



- لائحة بالمشاريع التي تنفذها البلدية مع جهات أخرى (منظمات دولية، منظمات محلية، أو قطاع خاص): أي سنة وقيمة كل مشروع وأي جهة مانحة: (آخر ثلاث سنوات)

نوع المشروع (تأهيل، صرف صحي،...)	قيمة المشروع	تاريخ انتهاء المشروع	تاريخ بدء المشروع	الجهة المانحة

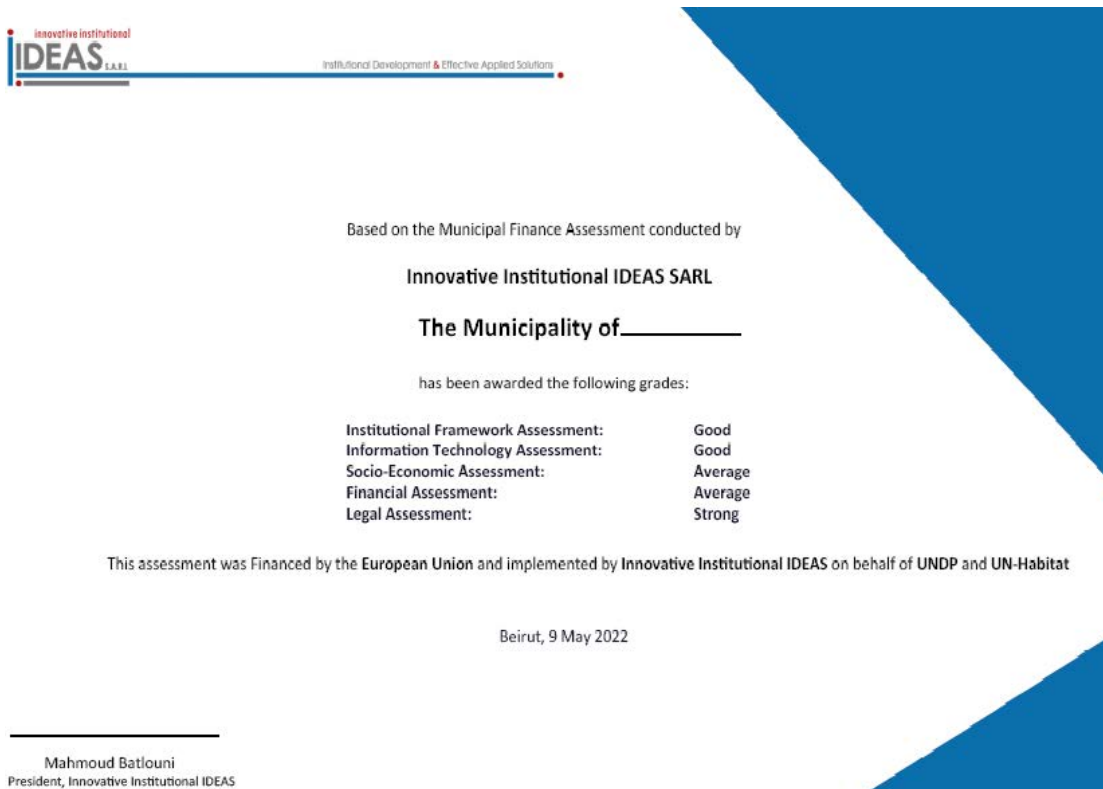
Appendix F

IT Infrastructure Survey

Does the union institution have an IT strategic plan?	YES/NO
Is there an IT department or is the union institution outsourcing the IT support activities to a third party?	YES/NO
Does the union institution have a local area network?	YES/NO
Does the municipality have a formal process for tracking hardware or software problems? (IT problems and failure log, software modification request form, data backup and retrieval procedures, etc..).	YES/NO
Does the municipal institution have automated financial systems (budget and revenue management systems)? Does the municipal institution use word processing and spreadsheet software? Does the municipal institution have an automated work process?	YES/NO
Does the municipal institution have a plan to upgrade and update the existing hardware and software?	YES/NO
Does the union institution have secure storage areas (locked rooms, locked file/server cabinets, limited access areas, etc.)?	YES/NO
Does the municipal institution have procedures in place to manage user passwords (such as requiring strong passwords and periodic changing of passwords)?	YES/NO
Does the data centre have sufficient electrical capacity and reliable business continuity features, such as a UPS, stand-by generators, and redundant power sources?	YES/NO
Is there a written data back-up plan created and adhered to?	YES/NO
Does the municipal institution perform backups on its data on a regularly scheduled basis?	YES/NO
Does the municipal institution routinely verify and test backups?	YES/NO
Does the municipal institution store a back-up copy outside the municipal building?	YES/NO

Appendix G

Sample Certification



Endnotes

- 1 <https://medcities.org/wp-content/uploads/2021/05/16.02.26-AFSDS-Review-Final-Report.pdf>.
- 2 <http://www.databank.com.lb/docs/Strategic%20Plan%20of%20Sustainable%20Development%20in%20Tyr%20Caza-CDR%202015.pdf>.
- 3 Law No. 28/2017 published 16 February 2017 (right of access to information) stipulates that the citizen has the right of access to information and documents available in the public institutions.
- 4 <https://www.lce.com/The-Five-Biggest-Risks-to-Effective-Asset-Management-1224.html>.
- 5 Al Boustan Municipality started collecting taxes in 2020.
- 6 Alma El-Chaab Municipality did not report, in the end-of-year financial statements, the realised taxes during the year; instead, it reported the realised taxes as the collected revenues. Therefore, the artificially inflated efficiency rate of 100% does not reflect the reality.
- 7 Qana Municipality didn't issue the taxpayer lists and the Municipality issued an invoice for everyone who paid his/her taxes; therefore, the amount of funds of tax collected is the same amount as that of taxes due. Therefore, the realisation rate cannot be considered as accurate.

