

FORUM: ADVISORY PANEL

QUESTION OF: Minimizing the Impact of the Economic Crisis in Lebanon

MAIN SUBMITTED BY: Switzerland

CO-SUBMITTED BY: Guatemala, Malaysia

THE ADVISORY PANEL,

Noticing that according to the United States Chamber of Commerce, international markets state 87 percent of economic growth of United States,

Being aware that the organization for Co-operation and Development states that there are 1.8 billion of middle-class consumers in Asia, and that the export to Asia can make more profits,

Expressing concern that the public debt in Lebanon has reached 171.67% of the gross domestic product (GDP) of Lebanon, one of the highest in debt to GDP ratios in the world,

Further recognizing that COVID-19 is worsening the economic situation Lebanon is facing by weakening the tourism industry, which is of high importance to the Lebanese economy,

Viewing with apprehension that Lebanon ranks 149 out of 180 countries on the Corruption Perceptions Index (CPI) that indicates public sector corruption,

Aware of Lebanon's widespread corruption that accounts for the loss of 2 billion US dollars in customs annually and the loss of citizens' trust in the government,

Affirming the efforts of Lebanese government to solve the issue of corruption in reference to the documentation of the National Anti-Corruption Strategy, Access to Information Law, and Anti-Corruption Law,

Conscious of the fact that the National Poverty Targeting Program (NPTP) was launched in 2011 by the Lebanese Government with technical and financial assistance from the World Bank which is a poverty-targeted social safety net program for the poorest and most vulnerable Lebanese families,

Main submitted by: Guatemala - **passed**

1. Requests the Lebanese government to reform its legislation in sections regarding corruption taking note of the United Nations Convention against Corruption (UNCAC) and international law through ways such as but not limited to:
 - a. strengthening the implementation of existing laws including the Anti-Corruption law, the Whistleblower Protection law, and the Access to Information law regarding corruption that could end the impunity to

corruption crisis among the public officials by:

- i. making the related documents of corruption laws widely accessible to the public,
- ii. ensuring that the steps of punishment to corrupted officials are transparent and accessible in order to end the exceptions,
- b. suggesting drafting laws that support preventing corruption through transparent transaction processes and the quick investigation of irregularities,
- c. requesting external auditing of relevant departments and branches of the Lebanese government by relevant UNOs with a focus on corruption if correct measures are not explicitly executed or if Lebanon falls into a deeper crisis in spite of visible effort;
- d. enacting more laws that ensure the judiciary branch its independence and capacity for its forensic investigations of the legislative and executive branch;

Main submitted by: Guatemala - **passed**

2. Recommends the creation of the governmental financial department screened by selected publics, companies, and governmental officials which deals with the assurance of the balance of payments, currency crisis, public finance, flow of money used in social welfares through ways such as but not limited to:
 - a. creating the Lebanese Anti-Corruption Council supported from the United Nations Office on Drugs and Crime (UNODC) through such as but not limited to:
 - i. handling and further investigating all reports of alleged corruption from citizens and government officials,
 - ii. releasing a publicly-available quarterly report of corruption in all levels of the Lebanese government through meetings regarding reports to current situation,
 - iii. documenting the transparent report constantly of the governmental finance management and exact usage of government budget including foreign investments, taxations, pensions, donations,
 - iv. gathering evidence for that may be relevant for the removal from office and prosecution of possible corrupt officials in Lebanese courts,
 - b. providing extensive reports of the political figures and governmental officials involved in corruption when evidence collected by the department shows the illegal action by:
 - i. dismissal of duties as soon as the individual's action is clear,
 - ii. levy a fine of \$10,000 for the corruption in addition to paying back the corrupted money to the government through the department,
 - c. improving the use of investments based on the records of money transfer which would help the government to solve the fundamental financial crisis by minimizing the unnecessary budget used;

Main submitted by: Guatemala - **passed**

3. Strongly suggests the Lebanese government to introduce a concrete economic plan incentivizing foreign investments and domestic entrepreneurship to be completed by the end of 2030 with measures including but not limited to:
 - a. once the inflation rate settles in at an acceptable value, suggest to lower interest rate to increase aggregate demand and to encourage borrowing and entrepreneurship,
 - b. advises closely documenting major economic indicators such as:
 - i. real and nominal GDP and growth,
 - ii. inflation rate and foreign exchange rates of the Lebanese Pound,
 - iii. national debt and hopefully reduction,
 - c. suggests fiscally conservative economic policy to be achievable without hampering growth significantly to limit the rate at which the country's public debt is growing, through increasing overall individual and companies' tax rates,
 - d. recommends the government to invest in diverse economic sectors such as quaternary and quinary sector;

Main submitted by: Switzerland - **passed**

4. Requests the improvement in generating more incomes, develop tax reforms regardless the implement due to vested interest, patronage and illegal relationship between legislators and wealthy people through ways such as but not limited to:
 - a. government considers increasing the personal income of citizens in Lebanon through ways such as creating more jobs for individuals to have opportunities to find respective income through ways such as but not limited to:
 - i. enlarge the job market in Lebanon with exact thorough market information and statistics collected by National Employment Office (NEO),
 - ii. introduce incentives for business to register the employees,
 - iii. revise and enforce the outdated labor laws, as well as laws related to employment of foreigners,
 - b. provide better career guidance to the young people regarding different jobs to encourage the young people to work in Lebanon through ways such as:
 - i. provision of internship and training opportunities for the young people to experience variety of jobs,
 - ii. provision of career guidance systemically along with education for awareness of different jobs in Lebanon,
 - c. calls upon the house to support Lebanon to develop fiscal rules to distort incentives reformed through ways such as but not limited to:
 - i. introduce the fiscal rules that give pressure to the country and individuals when the economy is overspend,
 - ii. consider limiting taxes to individuals for greater income through the development of fiscal rules;
 - d. introduce incentives for medium and small-sized enterprises that are evaluated as a proper business called three-year project to support financially by

government to recruit the employees

- i. subsidize them annually for three years
- ii. rates the business with transparency, prospect, fairness, and economic value
- iii. subsidize them annually for two years and if the business has the conspicuous progress which is having stable income by recruits after the three-years policy has done in order, provide them two additional years

Main submitted by: Switzerland - **passed**

5. Strongly requests the Lebanese government to allocate the investment in education so that people understands the seriousness of the economic collapse and that it works as a long term solution to economic crisis in Lebanon in ways such as but not limited to:
 - a. share critical information on social media and Social Networking Services of the government to ensure that more people can easily see with the contents including,
 - i. accurate status and data organized clearly regarding the economy crisis including funding loss and improvement,
 - ii. introducing solutions that individuals are able to participate and make changes to better improve the economic crisis of the country,
 - b. hold political campaigns for individuals to participate and alarm the politicians and bankers to be aware of the problem, as well as agree on scale of the vast losses and the areas of focus,
 - c. develop a new curriculum based on the sector priorities and market needs, especially for education regarding specialties through such ways but not limited to:
 - i. introduce career orientation through ways of creating national career orientation center,
 - ii. introduce more licensing system and education for specialists;

Main submitted by: Switzerland - **passed**

6. Urges the government to make quick decisions for preventing further collapse on economy by having stalled talks with International Monetary Fund (IMF), and developing the electricity sector through ways such as but not limited to:
 - a. promote communication with the IMF through ways such as but not limited to:
 - i. highly recommend policy regarding building labor market institutions, supporting workers for equality, freedom and protection,
 - ii. support the Lebanon government to build a foundation for funds for health and education,
 - iii. support restructuring negotiation between Lebanon and its private creditors in a collective effort to bring the country's debt back to a sustainable level,

- b. suggest the government to consider developing electricity sector to promote the communication and education through ways such as but not limited to:
 - i. put the law 462/2002 into action, which frees the political interference from the electricity sector regarding the production, transportation and distribution of electricity,
 - ii. governmental support provided to the Selaata power project for the development and improvement on the electricity,
- c. provide advices having precise government spending, spending public funds in a manner which promotes economic growth and prosperity, including investments into infrastructure including but not limited to:
 - i. transport facilities such as railroads and highways,
 - ii. powerplants, water purification plants and other infrastructure addressing issues in the electricity and water grid of Lebanon,
 - iii. re-building damaged infrastructure from the Beirut port explosion;

Main submitted by: Malaysia - **passed**

- 7. Strongly encourages the government to evoke an increase in its domestic demand, which as a result, enhances productivity and produces better outcomes for products that are generated, through ways such as but not limited to:
 - a. utilize devaluation which boosts demand of Lebanese for Lebanon's domestic market as applying devaluation lowers the value of domestic currencies relative to other countries' currencies through ways such as but not limited to:
 - i. promotes exports to become cheaper and increases domestic demand, and increase in domestic demands leads to enlargement of job market in Lebanon,
 - ii. fosters increase in cost of import products that leads encourages Lebanese to purchase goods from Lebanon's domestic market which increases competitiveness in Lebanese economy,
 - b. urges the government to primarily focus on the middle-class consumers who can be identified with their materialistic possessions and their success economically, and support the government to expand their domestic market internationally as 1.8 billion of middle-class consumers are situated in Asia,
 - c. strongly supports the government to boost domestic demand by providing services to both Lebanese and foreigners including tourism, higher level of education, and financial services.