

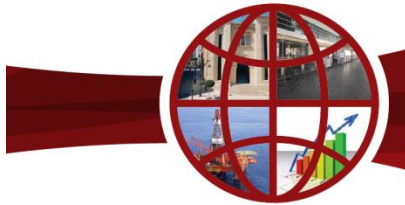


# MASHREQ NEWS

## LEBANON ECONOMIC MONITOR

A SLUGGISH ECONOMY IN A HIGHLY VOLATILE ENVIRONMENT

SPRING 2014



### New Report: “Sluggish Economy in a Highly Volatile Environment”

The Spring issue of the World Bank’s [Lebanon Economic Monitor](#) outlines the challenges facing the economy as a result of political and security uncertainties and the spillovers of the Syrian crisis. Security incidents have become increasingly more common and the volatile political environment is weakening consumer and investor sentiment and adversely affecting tourism, a central contributor to economic growth and employment in Lebanon. The influx of Syrian refugees to Lebanon persists, with those officially registered surpassing the 1 million mark. This phenomenon is posing significant fiscal, health and educational challenges. These challenges, and the lengthy political stalemate, weighed down on the economy. Real GDP growth is estimated at 0.9 percent in 2013, down from 1.6 percent growth recorded in 2006, the year of the conflict with Israel. This is the worst performance since 1999, the report noted. The difficult political and security environment significantly complicated macroeconomic policy-making but the financial sector remained resilient. Despite some progress on the political front, spillovers from the Syrian conflict, outstanding political uncertainty, and the volatile security environment pose significant challenges and tilt the balance of risks to the downside.

### HIGHLIGHTS



#### World Bank Reforms to Better Serve Clients and Increase Commitments

The World Bank Group is moving fast on two parallel tracks: Increasing annual financial commitments to countries to US\$70 billion and introducing internal Bank reforms to save US\$400 million over three years. The increased financial firepower represents unprecedented growth for the institution, WBG President Jim Yong Kim said. Outlining his vision at the joint World Bank-International Monetary Fund Spring Meetings, Kim said 50 million people need to be lifted from poverty annually to end extreme poverty by the targeted year 2030. This means one million people each week will have to be lifted out of poverty for the next 16 years. [More »](#)



#### Syrian Crisis: The Art of Resilience

The World Bank hosted on April 9 an art exhibition featuring 35 paintings by 15 Syrian artists who were given the time and space to work at an artist residence in Lebanon. “Their art gives us insights into what’s happening inside Syria now—that the conflict is not about statistics, it’s about people suffering each and every day,” said Jim Yong Kim, World Bank Group President. The exhibition also featured photographs that capture the regional scope of the Syrian crisis, as well as a lively discussion on the power of iconography and the role of entrepreneurship in surviving and maintaining a living in a context of conflict and displacement. [More »](#)



#### Leveraging Donor Financing for Poverty Targeting Project

The World Bank convened a donor conference on April 1, 2014 to introduce the [Emergency National Poverty Targeting Program](#), which aims to reach impoverished Lebanese households affected by the spillovers of the Syrian crisis and those under the extreme poverty line. In collaboration with the World Food Programme (WFP), the World Bank presented the 8.2 million grant-financed project which builds on a previous poverty targeting program. The WFP will provide technical assistance to implement an e-card food voucher system, while the UNHCR will provide parallel financing of US\$3 million. The meeting served as a platform to engage donors in the project and assess their interest in funding the e-card food voucher component.



#### What have Young People Gained from the Arab Spring?

The World Bank Group & Aljazeera Channel co-hosted a live discussion on the current situation of youth in the Middle East and North Africa (MENA) Region three years after the Arab Spring. The main objectives of the Panel included an assessment of the state of youth inclusion in the MENA region through a dialogue among young civil society activists, emerging policy champions as well as World Bank Senior Management. [More »](#)



#### Capacity Building for Staff of Implementing Agencies

Fifty-five staff from agencies implementing World Bank financed projects attended a 5-day procurement and financial management capacity building workshop organized in Beirut. The training covered procurement processing and contract management, with an emphasis on the legal aspects and challenges. The workshop longer-term objective is to enhance the portfolio procurement and contract management performance and create a platform of communication among the different implementing agencies.

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