**Tabulated Response to Comments on the Draft CPD Lebanon (2016-2017)**

**June 28, 2016**

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| **Comments from Norway** | **Status** |
| **1- Para No 1 (Programme Rationale)**:    Inequality in Lebanon is high and wealth is concentrated in the hands of the few (**X percent** is concentrated in the hands of 0.3 percent of Lebanon’s working population). | Changed in CPD to the following: The distribution of expenditure among the population is relatively unequal; while the bottom 20 percent of the population accounts for only 7 percent of all consumption, the richest 20 percent accounts for 43 percent and is six times higher. |
| **2- Para No 2 (Programme Rationale):****What is the source of those figures?** As a consequence, an estimated 170,000 Lebanese have been pushed into poverty.  | Footnote added in CPD: Economic and Social Impact Assessment of the Syrian Conflict, WB and UN, September 2013 |
| **3- Para No 3 (Programme Rationale):****Norway’s changes**: The **~~refugee~~ Syrian** crisis has **~~worsened~~ affected** the country’s **~~debt burden, already one of the highest in the world, and limited fiscal space for social investment~~ economic situation, despite annual contributions totaling around US$ 1.3 billion in humanitarian and development aid to Lebanon.** In the political sphere the divide between the two main coalitions has been marred by competing regional interests and brought national decision-making to a standstill. The security situation has become increasingly fragile, fuelled by sectarian **~~differences~~ rhetoric**, the threat of clashes and a growing disillusionment among Lebanon’s youth, especially in areas with high rates of poverty and large refugee populations.**Rationale for Norway’s change:** There is no doubt that the economic situation is dire, but there are no studies that we are aware of who link this to the refugee crisis. Also, we know of no such linkage between public debt burden and refugees. Here are comments to the wording: First, we would warn against implying that the refugees are responsible for the country’s debt or lacking management of public funds. Second, has the debt situation actually worsened and what is the source for this information? New loans from WB and others are now offered on better much terms than Lebanon would not normally have been able to enjoy as a middle-income country, were it not for the refugee crisis. Third, concerning fiscal space for investments, we have not seen reports that suggests correlation between the government’s fiscal space and the refugee crisis. Also prior to Syrian crisis, fiscal space was limited. | 1. Modification which replaces the “refugee crisis” with the “Syrian crisis” - done2. Using the term “negatively affected” instead of “worsened” – done 3. In 2015, total government debt has definitely resumed its upward trajectory from 133% of GDP in 2013 to 138% in 2015. 4. Spill-overs from the Syrian conflict, including the heavy refugee influx, coupled with the political polarization and lack of reforms, contributed to the declining trends in confidence, heavily weighing on growth prospects, which have slowed down from an average of 9% in 2007-10 to 1.8% in 2011-15.5. The fiscal and debt situation are definitely affected, especially in terms of their weight over GDP, ratios which permit international comparison. 6. Here are the suggested changes to the paragraph: The **Syrian** crisis has **negatively** **affected** the country’s **economic situation, including its debt burden and fiscal position, despite annual contributions totaling around US$ 1.3 billion in humanitarian and development aid to Lebanon.** In the political sphere the divide between the two main coalitions has been marred by competing regional interests and brought national decision-making to a standstill. The security situation has become increasingly fragile, fuelled by sectarian **rhetoric**, the threat of clashes and a growing disillusionment among Lebanon’s youth, especially in areas with high rates of poverty and large refugee populations. |
| Support beyond 2016 has still not been considered. It is therefore too early to include Norway in the list of donors.  | Done  |