

ATTACHMENT 1

STATEMENT OF WORK Lebanon Accession to the WTO

1. BACKGROUND

Lebanon was one of the original 23 signatories to the GATT 1947 (the predecessor to the World Trade Organization) but left the GATT in 1950. In February 1999, Lebanon submitted an official request for full accession to the WTO under Article XII of the Marakesh Agreement establishing the WTO. In April 1999, a Working party was established for Lebanon, which allowed Lebanon to become an observer to the WTO. In May 1999, the GOL established the National Committee to prepare and implement negotiation steps to secure Lebanon's accession to the WTO.

For any country to accede to the World Trade Organization (WTO), it has to undertake substantial reforms in many areas including the policy, legal, regulatory, and institutional frameworks in order to comply with WTO mandatory agreements. It also has to negotiate market access in the areas of goods and services with its trading partners who are WTO members. Such a process requires the collaboration of almost all the ministries within the country as well as the involvement of the private sector in order to develop adequate negotiation strategies and build the appropriate internal support for the accession.

The United States Agency for International Development (USAID) began providing assistance to the Government of Lebanon (GOL) in support of its pursuit of WTO Accession in May 2000. From June 2003 until the present, USAID provided technical assistance to the GOL to facilitate Lebanon's advancement through the accession process. The technical assistance project, which will end in August 2009, consisted of two phases, the initial phase of June 2003-October 2007 was funded by USAID and the second phase of November 2007-August 2009 is funded by the United States Department of State through the Middle East Partnership Initiative (MEPI).

Due to the complexity of the WTO accession process and the demands of WTO negotiating partners, technical assistance has remained flexible, allowing it to provide specialized support and programming that best match the evolving needs of Lebanon's Ministry of Economy and Trade (MOET) and promote continued progress toward WTO accession. Phase 2 of the program was built around four components: Technical Assistance for Accession; Capacity Building and Institutional Reform; Public Awareness and Advocacy; and Impact Studies.

Lebanon has made major strides in its WTO accession efforts over the past several years. Despite a high degree of domestic and international political turmoil, the GOL has taken part in six Working Party meetings and responded to all formal questions submitted prior to the latest Working Party meeting which took place in February

2009. Legislative reform has taken place and new laws enacted which conform to WTO guidelines. The GOL has made Initial Offers in a variety of areas, to include agriculture, goods, sanitary phyto-sanitary standards (SPS), technical barriers to trade (TBT), trade related intellectual property (TRIPS) and services. Improvements have been made in the expertise and capacity of GOL officials to participate in key trade agreement areas and the engagement and education of stakeholders outside of government has moved forward.

USAID technical assistance also supported the GOL in organizing and establishing an Enquiry Point for SPS Measures at the Ministry of Agriculture and in strengthening the capacities of the TBT Enquiry Point in general and notification procedures in particular.

During the Sixth Working party meeting, the Lebanese Minister of Economy and Trade highlighted the progress achieved by Lebanon in the area of legislation:

a) Enacted Legislation:

- Enactment of Implementing Decrees for trade remedies
- Removal of discriminatory tax exemptions on tobacco
- Removal of restriction on foreign persons to engage in import/export activities, and
- Removal of the import license for wheat and wheat derivatives
- Removal of ad valorem fees charged by Chambers of Commerce

b) Draft legislation:

- International Trade and Licensing Law
- Food Safety Law
- Law on Animal Quarantine
- Laws on Standard, Technical Regulations and Conformity Assessment Procedures
- Intellectual Property Laws on Trademarks, Geographical Indicators, and Industrial Designs
- Competition Law
- Removal the National Social Security Fund certificate requirement for traders

The GOL presented an official request to USAID for continued technical assistance to ensure that the accession process moves forward and that both the GOL and the Lebanese economy are prepared for post-accession implementation and realities. Technical assistance is needed in three main areas: continued technical assistance related to the accession process (working party preparation, legislative review, etc); post-accession training and capacity building for the GOL; and expanding public awareness of the WTO accession process and the potential benefits and challenges, especially the measures that will be needed to improve the competitiveness of the private sector.

2. TITLE

Support for Lebanon's Accession to the World Trade Organization (WTO).

3. OBJECTIVE

The main objectives of this task order are to assist the GOL in completing the process of acceding to the WTO, building the capacity within the GOL institutions to meet the obligations undertaken under the accession, introducing the necessary reforms to fully comply with all the WTO agreements, and building the internal support for WTO accession to ensure sustainability of the reforms and maximization of the benefits from accession.

4. STATEMENT OF WORK

There are four main tasks that need to be implemented to achieve the objectives of this technical assistance:

1. ***Task 1: Technical Support for WTO Accession. The Contractor shall, when and as required:***

- Assist the GOL in the technical understanding of the questions posed by other WTO Members, developing the answers and making the necessary changes. This could include the provision of legislative drafting support and briefing of relevant officials and private sector representatives about the legislative changes necessary. For example, the Contractor shall assist the Legal Drafting Groups to review drafts of the following laws:
 - a. International Trade and Licensing Law
 - b. Food Safety Law
 - c. Law on Animal Quarantine
 - d. Laws on Standard, Technical Regulations and Conformity Assessment Procedures
 - e. Intellectual Property Laws on Trademarks, Geographical Indicators, and Industrial Designs
 - f. Competition Law
 - g. Removal of the National Social Security Fund certificate requirement for traders
 - h. Any other pending legislation such as the Cable TV Law, the review of fees for commercial registration and certification of invoices (GATT, Articles VIII, III, and XI), and review of qualifications for import of pesticides, insecticides, human medicine and vaccines, pharmaceuticals and veterinary drugs (GATS).

- Provide the necessary advice to the MOET/GOL to conclude bilateral negotiations with other Member countries.
2. **Task 2: Assist the GOL in implementing the remaining key reforms to bring its foreign trade regime in conformity with WTO agreements. The Contractor shall:**
- Assist the GOL with meeting the obligations of the TRIPS agreement and also in addressing cyber piracy
 - Help the MOET in streamlining export procedures and assist with Customs Valuation, Pre-shipment Inspection and Rules of Origin
 - Provide assistance to comply with the various trade agreements, as needed.
 - Design and conduct special courses and briefings for Parliamentarians aimed at explaining WTO agreements and principles and sharing experiences of other countries that acceded recently to the WTO in order to facilitate the legal reform process and mitigate any possible negative social impact.
3. **Task 3: Provide support for building the capacity of the different institutions to implement the required reforms. This support would be provided through in-country and off-shore training, workshops, and on the job training. When and as required, the Contractor shall:**
- Assist in strengthening the capacities of the TBT Enquiry Point in general and notification procedures in particular.
 - Assist in the establishment and operation of an Enquiry Point for the Sanitary and Phyto-sanitary Measures (SPS) and providing the necessary training for the staff.
 - Assist the GOL in ensuring that the TBT and SPS Enquiry Points and Notification Authorities are fully operational, effective, applying best practices, and WTO compliant.
 - Help the existing Trade Remedies Unit and the Investigative Authority to strengthen processes and procedures
 - Help in the design/establishment of a WTO Unit that can provide trade policy advice and coordinate Lebanon's participation in the WTO. In addition, provide training and mentoring to the staff of this new WTO unit to ensure efficiency.
 - Review the structure of the National Committee (not currently operating) and suggest a streamlined committee structure and mandate that can create an effective trade policy review process with input from the private sector.
 - Collaborate with the United State Patent and Trademark Organization (USPTO) in providing training on Intellectual Property Rights (IPR), including judges.

- Provide in-country and on-the-job training, workshops, and seminars, and other training for the staff of the MOET, the WTO Unit, the TBT and SPS Enquiry Points, the Trade Remedy Unit, and the National Committee in topics relevant to their responsibilities. Topics for in country training may also include leadership development, business skills and strategic planning. The Contractor shall identify off-shore training events for the MOET staff. Topics to be covered include trade policy reform, GATT/WTO compliance, dispute settlement mechanism under the WTO, effective participation in WTO negotiations, economic theory, investment and trade promotion, international agreements, economic modeling and quantitative analysis, trade infrastructure and support services.

4. Task 4: Building Public Support for WTO Accession: The Contractor shall, when required, work with the MOET to advance the WTO accession process as an integral component of Lebanon's competitiveness and broader economic reform. This shall be implemented through:

- Development and dissemination of accurate informational materials on the WTO and sector impact. This could include continuing support on advocacy and awareness through the WTO Newsletter support and the MOET website to promulgate information updates on the WTO accession process in Lebanon.
- Communications to target audiences to elaborate on benefits and communicate supporting facts and arguments that resonate with the target audience; this includes data, statistics, impact analysis on the different groups including women, and comparative case studies of countries that have already acceded to the WTO
- Increased outreach to business community and the public on government efforts on WTO accession and reforms as well as the recommended measures to improve the competitiveness of the private sector to maximize benefits from the accession and mitigate risks faced by disadvantaged groups including women.
- Promotion of MOET services to businesses, such as the SPS Enquiry Point and MOET website
- Increased stakeholder engagement through the re-establishment of the National Committee for the Accession of Lebanon to build buy-in, transparency and credibility for WTO accession and private sector/competitiveness reforms
- Monitoring and evaluation

In addition to the four main tasks, there are two option tasks that may be required upon the request of the GOL:

- Provide advice on the revision and update of the required accession (ACC) documents, including ACC/5 if the GOL decides to resume talks about the services agreement.
- Help the GOL submit a fully revised offer on goods and services

The estimated cost of these two optional tasks is \$ 70,000.

5. EXPECTED RESULTS

The following are the results expected from this technical assistance:

1. All remaining necessary answers to Working Party questions are submitted to the WTO Secretariat
2. The following draft Laws passed by the GOL Parliament:
 - International Trade and Licensing Law
 - Food Safety Law
 - Law on Animal Quarantine
 - Laws on Standard, Technical Regulations and Conformity Assessment Procedures
 - Intellectual Property Laws on Trademarks, Geographical Indicators, and Industrial Designs
 - Competition Law
 - Removal of the National Social Security Fund certificate requirement for traders
3. GOL submits a fully revised offer on goods and service
4. Model laws in areas for which no laws currently exist provided to the relevant ministry (ies) and state body (ies)
5. The last Working Party meeting takes place and Lebanon accedes to the WTO no later than December of 2010
6. The GOL concludes bilateral agreements with a number of WTO members
7. Export procedures are streamlined and procedures related to Customs Valuation, Pre-shipment Inspection and Rules of Origin are implemented in accordance with WTO rules

8. Processes and procedures at the Trade Remedies Unit and the Investigative Authority are strengthened and implemented efficiently
9. A well functioning WTO unit established and the technical capacity of its staff upgraded so that the unit acts as the main GOL body that fully participates in trade negotiations and is responsible for trade policy formulation and compliance with WTO obligations.
10. The National Committee is restructured and operates efficiently with a clear mandate that guarantees an effective trade policy review process with input from the private sector
11. Procedures, guidelines and manuals will be developed for use by the WTO Unit and the National Committee to attain their new mission and goals
12. The TBT and SPS Enquiry Points and Notification Authorities are fully operational, effective, applying best practices, and WTO compliant.
13. Improved awareness of the private sector and Parliamentarians regarding the benefits and challenges associated with the WTO accession and any possible gender impact.

6. REPORTING REQUIREMENTS AND CONFIDENTIALITY

The Team Leader of the TA Contract shall report to the COTR in USAID as well as the Minister of Economy and Trade or any other person designated by the Minister and shall work closely with the MOET team for WTO accession and successful implementation of legal reforms.

All deliverables by the Contractor to the MOET under this Contract shall be the property of the MOET, shall be treated as confidential and shall be delivered only to USAID and to the Minister of Economy and Trade or any person designated by the Minister, in hard and electronic form. Also, a copy of all materials used as support or reference is to be submitted with each deliverable. Technical Directions during the performance of this task shall be provided by the Technical Officer (COTR).

7. METHODOLOGY, DELIVERABLES AND REPORTS

The contractor should be familiar with all reports prepared under the previous technical assistance provided to the GOL in the area of WTO accession (reports are available under the following website:

<http://www.economy.gov.lb/MOET/English/Panel/Trade/InternationalTradeAgreements/>

Upon the start of the technical assistance activity, the contractor shall have regular coordination meetings with the USAID and the Ministry of economy and Trade. The contractor is required to submit the following deliverables:

- The contractor shall prepare and submit to USAID the first annual work plan within 60 days of the chief of party's arrival. The first draft is due after 30 days of his/her arrival. The contractor shall also prepare annual work plans, which will describe services to be provided during each year to complete the tasks specified in this SOW. These plans shall be developed in close consultation with the MOET and shall be approved by the USAID project officer and the Ministry's coordinator. Each work plan shall include a detailed discussion of the type of tasks and corresponding TA and schedule for its delivery;
- The contractor shall deliver the draft and final reports, studies, reviews, assessments, action plans, laws and regulations listed under Tasks One and Two. The contractor shall present the draft documents to the MOET and USAID for discussion and incorporate any revisions into the final reports. Drafting of laws and regulations will be done upon the request of MOET. USAID will receive copies of these laws and regulations;
- The contractor shall submit a training needs assessment for the WTO unit, TBT and SPS Enquiry Points, and Trade Remedy Unit;
- The contractor shall prepare and submit to USAID and the MOET for their approval a comprehensive general training plan;
- The contractor shall prepare detailed annual training plans, including type of training, beneficiaries, and number of participants; this annual plan will identify the parts of the comprehensive training plan in the above bullet, that will be implemented within the year's time frame;
- The contractor shall implement the training plan upon approval by USAID and MOET;
- The contractor shall hold a series of seminars and workshops, as approved in the annual work plans;
- The contractor shall prepare and submit quarterly progress reports ;
- As part of the capacity building plan, the contractor shall develop work procedures, manuals, organizational mission statements, and policies for the WTO Unit, Enquiry Points, the Trade Remedy Unit, and the National Committee;

8. PERSONNEL

The staff proposed by the firm contracted to execute the tasks contained herein will be qualified by education and experience to provide technical expertise in the areas of international trade, macroeconomic and quantitative policy analyses, regulations, international trade agreements and treaties, management and institutional capacity building. All staff should have excellent teamwork and inter-personnel skills. All team members should be experts in their related field and be fluent in the English language. The contractor may propose additional staff if deemed appropriate to complete the tasks described herein. The prospective contractor should also include in its proposal the necessary administrative staff to support its activities in Lebanon; e.g., office administrator(s), translator(s), secretary(ies), assistant(s), etc.

The contractor shall recruit, field and support a team of qualified professionals, consisting of a mixture of international and locally hired experts. In addition to conducting assistance activities in the fields of WTO accession, WTO compliance, institutional development, policy reform and building public support, the team will organize and arrange for short-term training, workshops and seminars. Members of the contractor team will also possess extensive knowledge of institutional capacity building, trade policy, trade related legal issues, impact analysis and raising public awareness. For international experts, at least five years of their professional experience should be in relevant overseas experience. Before hiring the proposed local experts, the contractor shall obtain MOET's concurrence. All expatriates will be short term advisors in different specialized areas such as trade agreements, WTO compliance, macroeconomic analysis, customs, dispute settlements, anti-dumping, impact assessment, training, public awareness, and institutional development.

A. LONG-TERM LOCAL STAFF:

The team of long-term local advisors will include a senior legal advisor and a senior trade expert.

1. Senior Legal Expert and Chief of Party (COP):

It is envisioned that this personnel will be in field with the starting date of the project and until the end of the project.

The COP will have full responsibility for the timely provision of the TA described herein. S/he will coordinate with the USAID and the GOL to assure that the appropriate personnel are provided in a timely manner. The COP will also be responsible for the timely preparation and submission of required reports. S/he will also assure that all deliverables are provided in a timely manner. S/he will have the responsibility of managing and supervising the entire team and supervising the implementation of tasks

identified in this SOW. S/he will be responsible for ensuring that the contractor's staff maintains excellent communications and working relations with the GOL counterparts.

The following are the preferred minimum qualifications for successfully execute his/her responsibilities:

- A JD or LLM in law
- Legal work experience in: WTO rules, business policy, regulatory environment, and trade organizations
- At least twelve years experience dealing with legal issues related to trade
- A minimum of five years experience in designing policy reforms, especially in the trade area, implementing institutional building efforts and advising on such issues as GATT/WTO compliance;
- Previous strong management skills of a technical assistance activity and proven capability in supervising a team of expatriate and national experts involved in trade reform activities;
- A demonstrated familiarity with the social, political and economic aspects of the policy reform process in an emerging market economy; and
- Demonstrated experience in specifying short-term TA requirements and the scopes of work for activities related to trade policy reform and institutional building.

2. Senior Trade Advisor:

It is envisioned that this personnel will be in field with the starting date of the project and until the end of the project. This individual will be qualified by education and experience to assume the full responsibility for the implementation of Tasks 1 and 2. S/he will also work with the MOET to provide on-the-job training and specialized training in the WTO rules and international agreements. The preferred minimum qualifications are:

- A Ph.D. in economics or related fields, with extensive experience in international trade polices;
- Excellent negotiation skills and experience in an advisory capacity are essential;
- At least ten years experience dealing with trade issues;
- Knowledge of GATT/WTO rules and regulations is essential; and
- Has hands-on practical experience in trade related issues in support of trade policy making.

B. SHORT TERM EXPATRIATES:

Short-term expatriates will be provided to support the national experts in implementing the above four tasks. They will assist the MOET in its accession process and in drafting required legislation, as well as provide support for the newly established WTO Unit, enquiry points and trade units, and the National Committee. The short term expatriates shall cover the following illustrative tasks: WTO compliance, trade laws, human resource development, institutional development and institutional capacity building, export and customs procedures, legal trade issues, training, organization and management, public

awareness and communications, developing business processes, economic modeling and quantitative policy and impact analysis, competitiveness, trade promotion, marketing, trade services, and other areas related to international trade and the impact of WTO accession.

Short term expatriates should have at least an M.A. in their respective field, a minimum of twelve years of experience, with at least five years of overseas experience, and excellent negotiation skills and experience in an advisory capacity. The specific desired qualifications will be defined, as the required scope of work for each expatriate short-term expert is prepared.