



Àrea Metropolitana  
de Barcelona



# Saida Urban Sustainable Development Strategy

## Local Expert Team

Strategic Diagnosis Report

## Institutional and Legal Framework

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## 1.0 INTRODUCTION

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The present transversal issue "legal and institutional framework" looks at different axes that are closely related to the governance of the city. Governance is understood as the set of legal, formal, as well as informal legislative and institutional frameworks that govern the relation of the municipality of Saida with national (ministries, CDR, etc) and regional (union of municipalities) decision making institutions from one side, and its relation with its Lebanese and Palestinian residents, including the camps, and visitors of the city from the other side.

The descriptive review of the city reveals that Saida's ability to implement a strategy is hampered by ambiguous relations between the municipality and the abovementioned decision making institutions, and/or its lack of jurisdiction power over several issues that are crucial for the development of the city. An especially important issue in this respect pertains to the social and economic well-being of the residents of the Palestinian camps and their development.

The aim of the present report is to go further into studying how decisions are being made in Saida, to identify major impediments and to build on existing promising practices that need to be further developed. The study seeks to answer a set of questions such as: what is the role of Saida's municipality in the decision making process? What are the legal, administrative, and institutional limitations that are hindering good governance? How can the relation between the stakeholders in Saida be strengthened in order to create a participatory decision making process?

The methodology used in this report was composed of a triangulation between several sources of information. The working team reviewed several types of documents such as:

- Legal documents, e.g. the "Municipal finance study: final strategic framework" published by the Ministry of Interior and Municipalities (MoIM).
- The municipal budget for 2011- 2012
- Best practices in governance issues

The working team also met with a number of stakeholders, municipality officials, civil society members and legal experts to get more accurate and specific-to-Saida information. The collected information and ideas were used in a problem and objective tree analysis methodology during the working group meetings. Problem and objective tree analysis is a method of participatory planning that seeks to find solutions by mapping out the anatomy of the problem. It looks upstream at causes and determinants and downstream at consequences and effects.

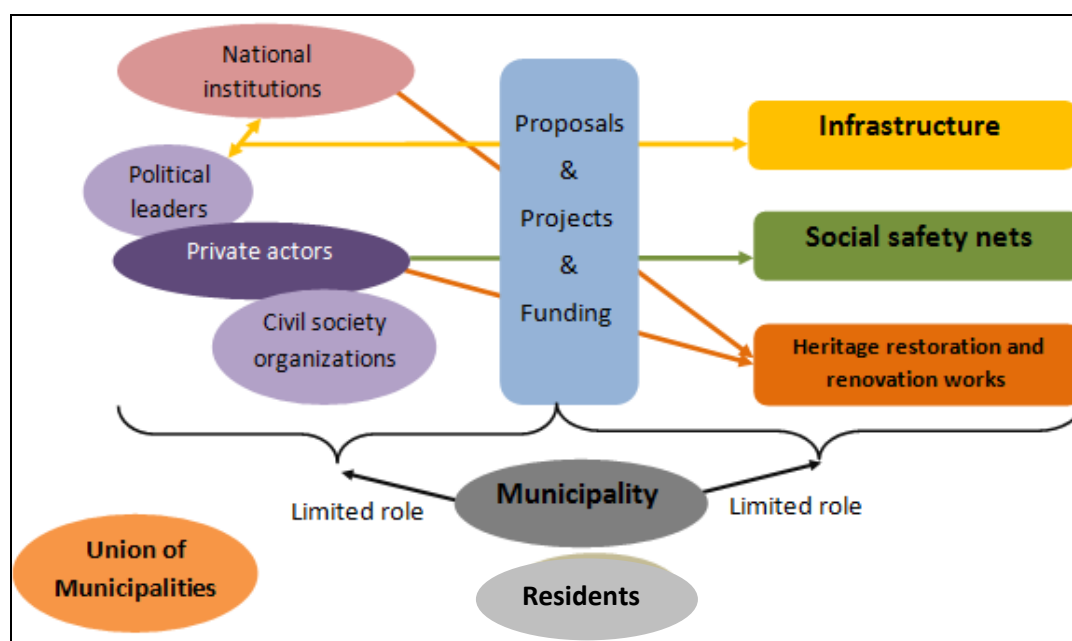
The report is composed of seven sections. Section (2) defines the problems and challenges related to the current mode of governance in Saida. Section (3) explains the team's means

of approaching the issue through an illustration of how the decision making process in the city should be transformed, presents the vision for the transversal issue and places it in the context of the overall vision for the city. Section (4) goes into more details regarding the tracks of investigation that the working team had decided to pursue; it identifies 5 tracks of investigation. Section (5) describes the key partners that the working team would need to cooperate with in order to achieve tangible progress in enhancing the current state of governance in the city. Section (6) concludes with a summary of the major points raised in the report and introduces some strategic guidelines for the next strategic planning phase.

## 2.0 PROBLEM DEFINITION/ANALYTIC READING

The current governance situation in terms of the decision making process in Saida can be described as a set of players, each performing a set of projects in a given direction, with the municipality approving of and supporting the interventions, but having a limited role in deciding upon them. Figure (1) below is a graphical illustration of the current process of decision making in Saida regarding the major interventions in the city, i.e. infrastructure, social protection and safety nets, and restoration projects.

**Figure 1: The current decision making process in Saida**



### Infrastructure

The national institutions such as the Council for Development and Reconstruction (CDR) and Ministry of Public Works, are either directly, or through cooperation with the political leaders of the city, implementing or planning to implement large scale infrastructure projects. Although this is part of the responsibilities of the national institutions in terms of

their application for the national master plan strategy, the municipality plays a minor role in deciding upon the types of projects, their locations, or their scale.

Implementation of such projects in Lebanon usually follows a political process of consensus decision making that distributes large infrastructure projects across regions, cities, religious communities, and political affiliations. This takes place as part of a "political game" that often reaches a complex equilibrium that distributes public spending across Lebanon. Political parties and influential political leaders in Saida usually play a central role in defending Saida's share in the national "pie" of projects. Furthermore, these Saida politicians work on providing funds from international donors and private investors to implement infrastructural projects. This process is part of Lebanon's known political economy system of dependency relations and clientelism, where local and national level political elite play an intermediary role between the local communities and the state.

### **Restoration and renovation works**

Apart from infrastructure implementation and planning, Saida has witnessed since the early 2000's significant efforts in reshaping Saida's old city and its vicinity through works of restoration and renovation. Decisions on such projects were made through two different processes. The first is related to public intervention through donor funds, such as the Cultural Heritage and Urban Development project (CHUD), funded by several international donors and implemented by CDR. The CHUD project that initially to work in Baalbeck, Tripoli (Trablous), Tyre (Sour), and Byblos (Jbeil), included Saida in its work plan thanks to political mechanisms similar to the ones described for infrastructure. Nevertheless, it did implement significant renovation works in the old city, which had positive impacts on that region. The second process of renovation works is driven by private actors in Saida such as the Hariri foundation, Zeidan foundation, 'Audi Foundation, Debbaneh family, etc. These actors are playing an active role in heritage preservation efforts, such as renovation and restoration of the old city and establishment of private museums. In both these processes, the role of the municipality is limited. More information on these processes is available in the Strategic Diagnosis Report for Transversal Issues #3.

### **Social safety nets**

Some foundations and civil society organizations are also working in the social arena, providing social protection services to the poor and vulnerable households. As a matter of fact, Saida is home to a large network of NGOs. This network of NGOs works with both Palestinian and Lebanese residents and is primarily composed of NGOs with a welfare approach to development. This network constitutes an important institutional base, including best practices of development, and has often acted as a substitute to public institutions and/or the municipality in tackling socio-economic issues. Coordination between this network and the municipality does exist, especially that several of the municipality council members have a civil society activism background. There is a positive potential for

the further development of this relation between the municipality and the civil society actors.

Overall, the development initiatives in Saida, although beneficial to the city overall, are being done in coordination with the municipality rather than higher level cooperation and consultation. This creates cases of repetitive and redundant interventions, inequality in the distribution of social assistance among the residents, and lack of efficient coordination between the various initiatives.

The residents are not effectively involved in the decision making process since the municipality itself, which is the only elected body in the city, plays a limited role in this process. The decisions are also not made with a regional development vision and thus the union of municipalities does not seem to be an active player that is consulted on developmental decisions.

In addition to the above political and institutional limitations, there is a range of legal and financial limitations that are hindering the municipality from acting as an independent and capable institution. In the absence of a national institutional and legal framework that incorporates the interests of municipalities into the decision making process, major policies, projects and interventions will continue to be made with little or no consultation with the municipal body. The later sections of this report will highlight the major legal and financial impediments that face the municipality of Saida, similarly to all large municipalities in Lebanon, and the changes that need to be made in order for the municipality to be able to take a central role in the decision making processes in the city.

### **3.0 POSITION AND GUIDING VISION**

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#### **3.1 Position**

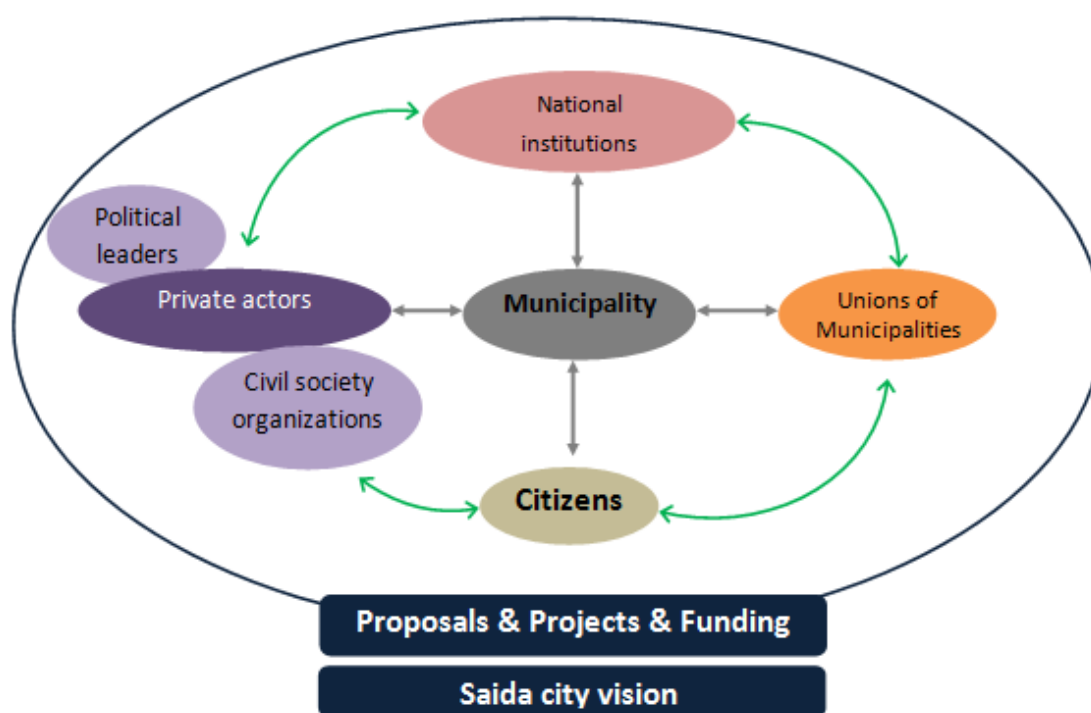
The team has adopted an institutionalist perspective in which participatory democracy plays an essential role. Participatory democracy is a process of deliberation based on efficient and effective cooperation between the various institutions in the city, via the creation of institutional networks that exchange information, knowledge, and experience, between the municipality and the socio- economic actors in the city. The aim is to broaden the local institutional base. According to Amin (1999), the institutional perspective is about who makes decisions and how. In a sphere of local action,

*"such deliberation might well lead toward very new institutional practice. For example, regional authorities — in the search for innovative ideas or unrecognized potential — could extend decision-making beyond the professional politician and draw in — perhaps through specialist committees — experts and representatives from the various professional and civic groups that make up local society. In addition, the principle of learning through social inclusion, taken seriously, might stimulate special effort to draw in minority and excluded*

*interests. In turn, special attention might be paid to how business is conducted, in order to allow full and proper debate, potential for creative decisions, empowerment of the dialogically disadvantaged, and open and transparent interaction with the public and other representative institutions." (Amin, 1999, 373)*

The working team envisages the possibility to create such deliberation and participatory democratic process in the governance of Saida. It expects that such a process could lead to a fundamental change in the decision making cycle from what has been described in the previous section (refer to figure 1) to what is illustrated in figure (2); the municipality is at the center of this institutional process, where it actively cooperates with a broad base of various stakeholders to achieve the goals set by its city strategic vision.

**Figure 2 The decision making process cycle that needs to be instituted in the city**

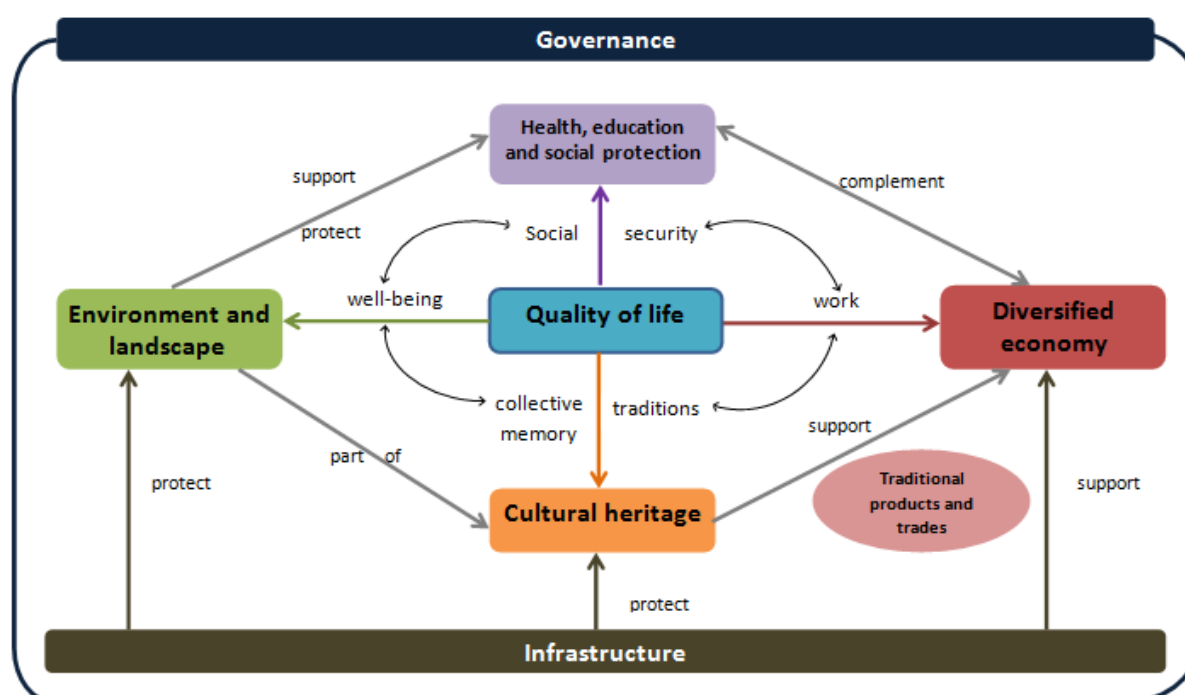


### 3.2 Guiding Vision

In a city where principles of good governance are implemented by its public and private institutions, and are supported by adequate infrastructure, the quality of life is at the center of the goals and efforts of all public and private actors and citizens. This quality of life is based on four pillars, preserved cultural heritage, adequate health education and social protection, a diversified economy, and protected environment and landscape. These pillars are interlinked and support each other (refer to the figure below).

Within this vision, Saida's governance should assert its strength of being a city of diversity and should thus follow a participatory democratic approach to include all its residents, being Lebanese or Palestinian, to be part of the city governance. Saida's governance system should also heed the fact that it has a valuable natural, historical and urban heritage that needs to be protected by the law. The city is to elaborate a clear framework of coordination at the regional level, and lobby for change in the laws and regulations allowing more independence of action for municipalities. Only through an institutionalist approach for governance can such a vision of the city be implemented.

Figure 3: Vision for Saida



## 4.0 TRACKS OF INVESTIGATION AND ANALYSIS

### 4.1 Financial resources of the municipality

Lebanese laws do not include any text which guarantees the municipalities the financial resources necessary for the accomplishment of their duties and or the role they ought to play.

In accordance with article 86 of the Municipal act, the municipality derives its revenues from two main types of sources, the taxes and fees collected directly from the taxpayers and those collected from the central government on behalf of municipalities. These can be further divided into (1) fees collected directly from taxpayers, (2) the independent municipal fund, (3) financial aid and loans, (4) revenues from municipal properties, including the total revenues of public domains related to the municipality, (5) fines, and (6) donations.



Regarding the local revenues collected directly from the taxpayers, the municipality has the right to collect 36 different types of taxes and fees, but only two fees actually form the largest share of the municipal revenues; the rental value fees and the construction permits. This trend is in fact the case for almost all municipalities in Lebanon, as the Municipal Finance Strategic Framework report mentions that 85% of local municipal revenues come from these direct fees. Also following the national trend, Saida's municipality direct revenues do not usually form more than 40% of its total revenues. At the national level, it is estimated that in 2005, direct revenues made up 43% of total revenues, and this figure decreased to 36.5% in 2008 (ICMA, 2011).

The second source of revenue for the municipality is the Independent Municipal Fund (IMF). The IMF usually forms another 40% to 45% of the municipal revenues. This is consistent with national level figures which report that IMF constituted 43% of municipal revenues in 2005 and 48% in 2008 (ICMA, 2011). However, as one of the interviewees informed the working team, this fund is unreliable "since there is no systematic payment procedure at the national level, and therefore, there are no clearly defined dates or amounts for the fund. Consequently, the municipality cannot request this payment or complain about delays since there is no frame of reference for the payment procedure." Actually, apart from the fact that there is no legal framework to regulate the IMF transfers, there is a number of factors that affect the amounts of the IMF, the mode of transfer and the means of its distribution that render it quite a volatile source of revenue, with a significant impact on the planning and budgeting process of the municipality. The Municipal Finance Strategic Framework report (2011) details these factors, and in what follows is a brief description of the major legal hindrances in this respect.

First, there is a series of withdrawals and deductions that are taken from IMF and transferred to government agencies. These expenses need not have direct or indirect benefits to the municipalities. Since 1993, the government has withdrawn four major types of expenses: (1) civil defense expenses, (2) money spent on villages that do not have municipalities, (3) public school fees, (4) CDR expenses, and other (5) miscellaneous expenses. The withdrawals made to civil defense, villages with no municipalities, and other miscellaneous activities are not authorized by the Municipal law (Decree-Law 118 of 1977), and the state's share of funding the civil defense is not stated by law. Furthermore, the municipality is neither consulted nor informed about any withdrawal that takes place from the IMF which, as stated in the Municipal law, is a trust fund. The institutional framework for these withdrawals needs to be re-examined and the municipality needs to be included in the decision making process pertaining to these expenses.

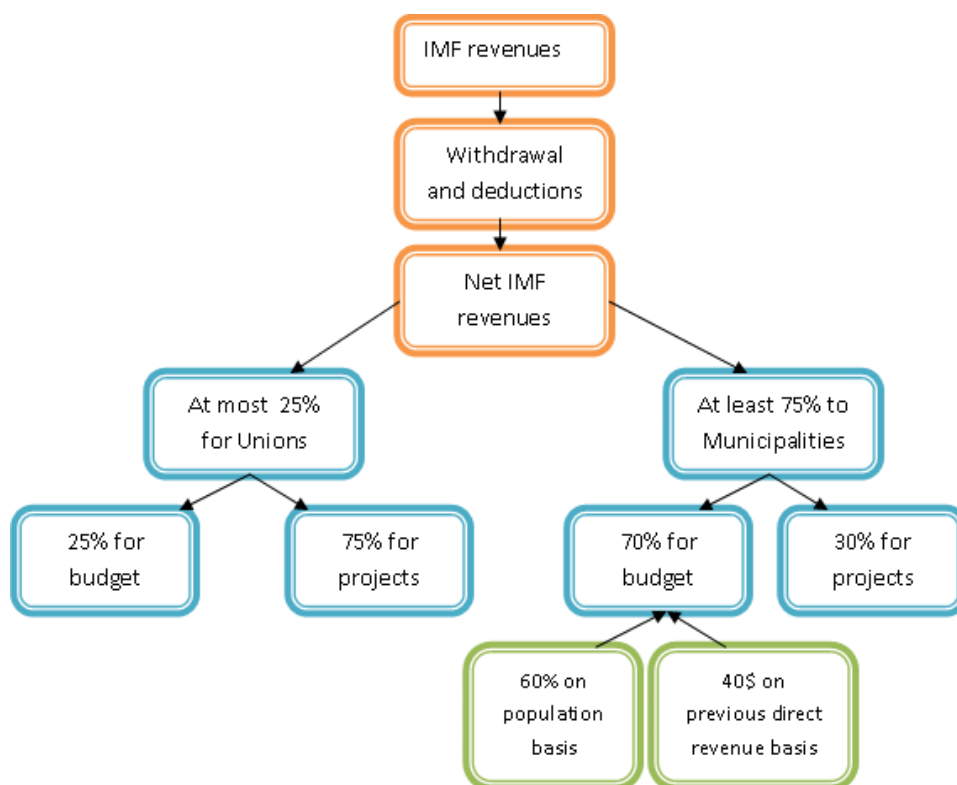
Regarding the deductions, according to Article 1 of Decree 1783 of 1991 which amended Article 4 of Decree 1917 of 1979, the expenses are deducted from the IMF are : (1) salaries, wages, and compensation for employees outside the cadre of the Municipal and Village Affairs Department; and (2) expenses for supplies, public works, and services that are

allocated to all municipalities. These expenses are jointly decided by the Ministers of Interior and Municipalities and Finance. The municipality is not consulted or informed regarding the expenses deducted from the IMF. In addition the use of two accounts , one to deposit the IMF revenues, and another to pay expenses, has reduced the transparency and comprehensiveness of the IMF revenues.

The Municipal Law (Decree-Law 118 of 1977) does not specify the criteria for distribution of IMF funds. In 1979, the government specified the criteria for distribution in a Decree (1917 of 1979). The following figure shows the distribution of IMF funds as per this decree. Since the decree is a regulation and not a law, government distributional decrees did not consider these criteria as binding criteria, but as mere advisory guidelines.

As depicted in the figure (4) below, 30% of the revenues to municipalities should be dedicated to development projects; however, this has never been followed at the national level, and thus neither has it been applied for Saida. In addition, the formula for the distribution of the remaining 70% as 60% on population basis and 40% on direct revenue basis has not been followed. The effective distribution has been 78% according population and 22% based on direct revenues. This forms a particular problem for Saida as the registered resident population is less than the actual number residents. Although a large number of people registered in Saida do not live there, the city hosts a large number of Palestinian resident population. This creates a serious issue for the municipality since the funds it gets are not sufficient for servicing its entire resident population.

**Figure 4: Distribution of IMF revenues as per Decree 1917 of 1979**



Source: Municipal Finance Studies Program – Final Strategic Framework (2011)

All these volatilities and inconsistencies with the revenues of the municipality are rendering it a financially incapable institution, highly dependent on donations and outside, public and private, investments for its development projects.

#### **4.2 Legal framework: hampering the actions of the municipality**

The legal framework governing the allocation of responsibilities and resources between the central government and the municipalities is the Municipal Act, Decree-Law 118, issued on June 30 1977 and it has been occasionally amended. There are several constraints facing the municipalities in this respect. The Municipal Finance Strategic Framework report (2011) mentions these constraints:

- Disparity between the yield of many municipal fees and their cost of administration
- The inability of municipalities to establish their own fees and rates
- The rate of service-related fees is not based on an assessment of the cost of providing these services
- The absence of legal options for collection and enforcement of municipal taxes and fees
- The absence of a voice for municipalities in decisions that impact their revenues.

After the working team's evaluation of the situation in Saida, the team confirmed that these constraints apply to Saida as they do all municipalities at the national level. For instance,

- There are some administrative fees that the municipality does not collect since their cost of administration exceeds the rate of the fee.
- The major source of direct revenue for the municipality are the rent taxes which remain at only 6.6% of total rent value for residential buildings and 8.5% of rental value for non-residential enterprises. The municipality does not have the power to change the tax rate.
- There are fees that are actually lump-sum amounts, which do not correspond to the value of the service being provided by the municipality. For instance, the municipality grants permission to enterprises of all types, sizes and locations, to make internal enhancements (such as redecoration, changing signs and renovation) at the cost of 20,000 LBP.
- Saida's municipality does not have the power to enforce the municipal taxes and fees; therefore, it has resorted to alternative methods to control the tax payments. For instance, when people seek the municipality to obtain inheritance documents, the municipality conditions them to pay all their outstanding taxes before issuing these documents for them.

At the time when the Municipal Act and other laws do not clearly define the scope of the financial and administrative independence of municipalities, they also set a number of significant limitations to this independence. Municipalities, especially the ones considered as large municipalities, of which Saida is part, are subject to extensive pre- and post-implementation audit requirements. For instance, Article 60 of the Municipal Act lists ten areas in which decisions must be authorized, i.e. pre-approved, by the Qaem Maqam; Article 61 lists 6 areas in which decisions are subject to authorization by the Mouhafedh (Governor); and Article 62 another 11 areas where decisions are subject to authorization by the Minister of Interior (ICMA, 2011). These audit requirements lead to delays in the implementation of municipal decisions, while do not necessarily reflecting higher degrees of accountability.

Undergoing these numerous administrative and financial pre- and post-implementation audit requirements can be heavily burdensome, where it requires substantial administrative capacity which is not present at the municipality and only hinders its ability to manage its affairs. Standard international practice often relies much less heavily on pre-implementation requirements and, instead, relies primarily on post-implementation ones to ensure legal compliance and accountability.

The Municipal Act broadly defines the areas of municipal authority without formally distributing responsibilities between the central and local governments. This is to say that municipalities are given broad authority to perform certain functions without however being formally responsible for fulfilling those functions. The areas of municipal authority include, but are not limited to, administration, finance, health, engineering, social services, the economy, education, and the arts. In fact, the interviewed financial officer at the municipality informed the working team that in order for the municipality to provide assistance, funds, or any other form of intervention in public schools, the public hospital in Saida, or any other public- or private-, for that matter, institution, it requires pre-approval from the corresponding ministry.

Significant legal changes need to be instituted in order for municipalities, Saida as well as all municipalities in Lebanon, to be able to better serve their communities. Therefore, the municipality of Saida should, in cooperation with other municipalities, lobby for such changes at the national level. Saida can build on its status as a large municipality with influential political support to pioneer such an action.

#### **4.3 Relationship with the Palestinian residents: from dialogue to action**

One of the promising practices that have been initiated in Saida is the Lebanese-Palestinian Committee on Dialogue and Development. The committee was established in 2007 after the Nahr Al-Bared events in North Lebanon were having serious impact on the situation in the Palestinian camps in Saida. It was initially created as an emergency committee to enhance the Lebanese- Palestinian dialogue in Saida. The emergency committee was later

transformed into a coordination committee and it was legalized as an organization with by-laws and work plans. Various sectors are represented in this committee and it has a number of sub-committees composed of Lebanese and Palestinians.

This experience has been quite a successful pioneer initiative at the local level; however, it needs to move from dialogue to taking action. In an interview with a representative from this committee, several lines of action were determined as to the steps that need to be taken to further work on institutionalizing and organizing the Lebanese-Palestinian relations in Saida. The municipality needs to play a major role in this process, where it can be the hosting agency for a similar committee which can be established as part of the municipality.

One of the pressing issues that need to be addressed in this respect is the legal status of the "grey areas" located on the outskirts of the camps. A recent report published by the UNDP and UN-HABITAT studies the issue of these areas in detail. The report defines these Adjacent Areas (AAs) as areas located in direct proximity or adjacency to the boundaries of the official Palestinian refugee camps, they are inhabited by a majority of Palestinian refugees, they are outside the official UNRWA camp status, and they do not witness provision of basic urban services by the state (public agencies and municipalities), UNRWA or other institutions. There are nine AAs in the Saida area, one around Mieh w Mieh camp and eight around 'Ain Al-Helwe camp. These areas are inhabited by around 2,400 households and 13,370 individuals.

The relationship between these AAs and the municipality of Saida is an overall good beneficial relationship. The municipality usually conducts monthly meetings with representatives of the PCs (Popular Committees) in 'Ain Al-Helwe camp as well as with UNRWA officials to discuss major issues regarding the Palestinian refugees in Saida and in 'Ain Al-Helwe camp. The municipality also offers assistance and support in obtaining permits from the original land owners to facilitate projects in these areas. As the Mayor of Saida explains, the municipality does not differentiate between Palestinians and Lebanese; however, the provision of municipal basic urban services in the camps and AAs is restricted by law.

The UN-HABITAT report details the situation in each of the AAs focusing on the status of basic urban services and the needs of the residents in these areas. This report can act as a reference document for intervention.

The borders of the camps fall within three municipalities in the Saida area: Saida municipality, Darb Al-Sim municipality, and Mieh w Mieh municipality. Since the largest part of the camps and AA's are within Saida municipality, it could lead a process of cooperate with the other two municipalities in the coordination of support and intervention in the camps and the AA's. In addition, the municipality can work with the UNRWA to build adequate infrastructure and integrate these areas into the development of the cities of Saida and the surrounding municipalities.

#### **4.4 The coordination and networking: towards a regional vision to development, strong institutional networks and participatory democracy**

##### **Union of Municipalities**

According to articles 133 and 134 of Decree-Law 118, the revenues of the union are derived from the following sources:

- 10% of the revenue of each municipal member based on the prior year actual revenue
- an additional percentage from the budget of the municipalities which benefit from a common project in an amount to be determined by the union and approved by the Minister of Interior and Municipalities; grants and loans
- a share from the independent municipal transfers for the unions (25%)
- central government contributions to the unions' budget
- personal grants and donations

As in the case of the IMF for municipalities, there is a series of withdrawals and deductions from the IMF for unions of municipalities, which also has similar effects of rendering these funds quite volatile and unreliable. In addition, the 10% of municipal revenues are rarely paid by the various municipalities to the union fund. All this is rendering the fund weak, which calls for cooperation from the municipalities on strengthening it by fulfilling their duties towards this fund and lobbying with national level agencies on enhancing the institutional and legal framework governing the transfer of funds.

Apart from coordination on financial resources, the municipalities of the union should be aware of the fact that municipality borders are becoming less and less relevant in terms of economic and social development. As a matter of fact, there is a high level of inter-connection between these regions. Many of Saida's original residents have moved to the surrounding cities, while Saida city continues to provide services from wastewater and solid waste management, to fire fighting and prevention.

Saida's decision makers should be aware that economic competition with neighboring municipalities is not going to benefit Saida in the short and long terms. Regional development should be based on cooperation as each of the two large municipalities of the union, Saida and Al-Zahrani, could diversify their activities and play different economic functions that would benefit the entire region. At the time when Al-Zahrani can be the industrial hub and commercial port manager, Saida can act as the center for auxiliary services that provide administrative, management, and education services including high knowledge skill companies such as freight service enterprises, and shipping companies, vocational training centers, and university level education. In other words, all the services that would support the Al-Zahrani industrial zone can be located in Saida. Note that, because of the limited area of Saida, an environmentally friendly vision based on heritage

preservation and economically supported by the tourism sector is not compatible with heavy industrial activity.

Furthermore, on the long term, tourism development in Saida should be planned while taking into consideration the positive impact of cooperation and integration that can be created between Saida as a coastal city and Jazzin and the Shouf area that have strategic plans to develop rural tourism, and are likely to develop tourism packages that could include visiting Saida's old city and archaeological sites.

Saida has vocation to be a regional capital city. Policy makers should heed the importance of that dimension and act as leadership for the region through initiating cooperation and strategic planning with neighboring cities and rural areas. The city should be open to its neighbors rather than opt for a utopian autarky system.

### **Local economic and social actors**

Saida enjoys a vital network of civil society actors as well as a large number of private initiatives from local foundations, organizations and individuals. This network provides the basis for building a culture of social inclusion and empowerment that can act as driver for economic creativity through integrating diverse social groups and individuals to realize their potential, which feeds into an overarching policy that stimulates regional entrepreneurship. This is what Amin (1999) called "mobilizing the social economy", and considered of great importance in regions suffering from structural unemployment and under-developed entrepreneurship, both of which are serious constraints to economic development.

Strengthening the cooperation between the members of Saida's local economic networks would encourage the fostering the skills, expertise and capabilities existing in the city. This would help in alleviating poverty, integrating vulnerable and social groups, encouraging young people to stay and work in Saida, reducing social conflict, etc.

This might involve subsidy support to households living in the old city to renovate their residencies. Linked together with microloans for them to develop small businesses, including tourism - oriented businesses, such action would benefit and accompany the city's effort for promoting its image as a city of cultural heritage and tourism.

## **5.0 KEY PARTNERS**

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In order for the USUDS team to intervene in enhancing the legal and institutional framework in the city, it will have to work in close cooperation with local and national stakeholders. As later presented in section 6, strategic objectives of the intervention are defined around four axes. Although local stakeholders and potential partners are expected to have a role in all axes of intervention, each one of them is expected to be more involved or a direct beneficiary in one of the axes.

Under the first axis: "Municipal action towards the integration of marginalized groups into the city services and economic development such as poor Lebanese families, and Palestinian refugees", the municipality can cooperate with the direct beneficiaries and partners

- The Saida Lebanese-Palestinian Committee on Dialogue and Development
- The Palestinian PCs in 'Ain el Helwe and Mieh w Mieh camps
- NGOs active in the Palestinian camps
- UNRWA
- NGOs in Saida working on socio-economic issues
- Private sector including micro-credit institutions willing to invest in supporting economic development in poor areas in Saida

Under the second axis: "The municipality coordinates its projects and works with the union of municipalities and vice versa", the municipality needs to cooperate with

- The union of municipalities, especially Al-Zahrani municipality as it is the second largest municipality in the union, and a has major industrial development perspective
- The seven municipalities directly adjacent to Saida, where many people originating from Saida have relocated their residence
- Political leadership that can help in bridging the efforts and enhancing the work of the municipal union

Under the third axis: "The municipality organizes and structures the tax base and tax collection in the city and its surroundings in cooperation with the union of municipalities", the municipality needs to work with

- The national independent municipal fund administration
- Tax payers, through public meetings and consultation mechanisms on the importance of accountability and tax collection
- The union of municipalities

Under the fourth axis: "The municipality lobbies with the national institutions for implementing, amending and/or developing a legal framework supportive of the vision"

- Political leadership in Saida
- Other municipalities in the country , especially larger and influential municipalities
- The Parliament
- Legal experts and lawyers in Saida



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## 6.0 CONCLUSION AND STRATEGIC OBJECTIVES

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### 6.1 Summary of Main Findings

This report discussed the role of Saida's municipality in decision making with regards to development projects within the city. It appears that within the current institutional and legal framework, the city's elected municipal representatives tend to play a secondary role. This is due in part to the very restricting legal framework, which hampers the financial independence and management capabilities of the municipality. This is also reflected in its socio-economic and political role as an institution in charge of local development. Within this context, various private actors have taken the lead in dealing with national and institutions to plan and provide funds for infrastructure projects, renovation projects, and social safety nets.

The perspective is not to enter in conflict with non-municipal local actors, but to enhance cooperation through mechanisms that would provide the municipality with a leading role. Indeed, such mechanisms that require institutional change should be planned for the long run, and are a *sine qua none* condition for enhancing the local development and improving the socio-economic conditions of the residents in Saida.

### 6.2 Strategic Objectives

Based on the diagnostic analysis of the abovementioned tracks of investigation, the USDUS working team suggests the following five axes of intervention:

- 1. Municipal action towards the integration of marginalized groups into the city services and economic development such as poor Lebanese families, and Palestinian refugees**

The municipality of Saida is aware of the infrastructure and services needed in vulnerable and marginalized neighborhoods of the city, including the old city and areas in and around the Palestinian refugee camps. For the latter areas, the municipality is not being able to fully intervene since there are legal constraints that hinder its involvement in the camps. At the same time, Saida's municipality is working in coordination with the network of welfare of associations in the city, including free schooling, and health services. This action should move towards direct programs for job creation and including poor neighborhoods into the renovation and infrastructure works and programs being implemented in the city. In other words, the municipality should create and support an institutional base for social and economic development and cooperation between all local actors, while focusing on creating an enabling business environment for innovative initiatives taken by residents in the mentioned marginalized areas.

- 2. The municipality coordinates its projects and works with the union of municipalities and vice versa**

As previously discussed, it is no longer feasible to think of development in Saida in the narrow sense that is restricted to the municipal borders of the city. The de facto social integration and interlinked economic activities require a parallel adequate conception of regional development. This can be done through the collective efforts of cooperation between the municipalities of the union. Developmental projects should be evaluated and implemented based on a regional view of development that will feed into the overall benefit of the entire region, in which Saida should act as a capital city.

**3. The municipality organizes & structures the tax base and tax collection in the city and its surroundings in cooperation with the union of municipalities**

Saida's municipality should be able to enhance its tax collection system, without hurting the poorest, in order to have the adequate resources to, at least, maintain its current infrastructure and services, as well as be able to implement new projects using its own funds. This might include the implementation of municipality - managed profitable projects. The working team is aware of the large legal constraints in this context, and therefore a lot of effort needs to be made in lobbying for legal changes, i.e. strategic objective 4 below.

In areas where there are no legal impediments, i.e. organization and coordination within the union of municipalities, Saida should initiate and lead a process of accountability with the other municipalities in the union in order for them to be aware of the importance of common funds and common action.

**4. The municipality lobbies with the national institutions for implementing, amending and/or developing a legal framework supportive of the vision**

Being one of the largest municipalities in Lebanon, and having strong networks with influential national-level policy makers, Saida could play a leading role in bridging municipalities together in order to lobby to changes in legislation. This includes the adoption and implementation of the decentralization law as well as numerous other laws pertaining to the finances and responsibilities of municipalities.

## 7.0 REFERENCES

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