

Reform, Recovery and Reconstruction Framework
Second Consultative Group Meeting: Co-Chairs' Statement

1. The second Consultative Group (CG) meeting of the Reform, Recovery and Reconstruction Framework (3RF) was held 27 July 2021 in hybrid format, co-chaired by the Government of Lebanon, Lebanese civil society, European Union (EU) and United Nations (UN).
2. The CG commemorated the 207 victims and thousands of injured in the explosion of 4 August last year. Many more lives were devastated as homes and businesses were destroyed. Testimony from a victim underlined the human tragedy.
3. The situation in Lebanon is worsening by the day through deepening political, economic, financial and social crises. More than half the population now lives below the national poverty line, unemployment is on the rise and an increasing share of households has difficulty accessing basic services like food and healthcare. A government should be formed without delay to implement the necessary reforms. Only then can the assistance offered by the international community, including under the 3RF, make a difference for people. Not taking this responsibility would deepen the crises and would have serious social and security implications.
4. Progress on reforms under the 3RF has been slow. The international community felt a lack of political responsibility to break the deadlock, especially considering the state of emergency Lebanon is in. CSOs called for a public debate and inclusive policy dialogue with the Government and committed to present concrete proposals to ministers at the 3RF table.
5. As committed to at the first CG, the 3RF Technical Team presented the state of implementation of the agreed priorities of the four 3RF pillars, namely *Improving Governance and Accountability; Jobs and Economic Opportunities; Social Protection, Inclusion and Culture*, and *Improving Services and Infrastructures*. Emergency Cash Transfers were made to 80,000 vulnerable people. Refurbished health facilities and emergency medical equipment benefitted some 200,000. A total of 94 public and 41 private schools were rehabilitated. Around 3,500 victims of the blast received legal assistance. But delays on some key activities under the 3RF, underline the need for more Government and Parliament responsiveness, especially on the exchange rate for development programmes, the Emergency Social Safety Net, implementation of the Lebanon Financing Facility priority programmes, port site clearance and reform, and addressing the collapse of service delivery starting with the electricity sector. Time is of the essence.
6. The CG was also updated on the formation of the Independent Oversight Body, which has been operational since June 2021, and which its members were present at the CG with observer status. The CG praised Lebanese civil society for their work on the ground and for their engagement with the 3RF, now representing 100 CSOs and businesses. CSOs emphasized that coordination structures and data collection is often too complex for CSOs to constructively take part.
7. The CG members agreed this meeting to be a call for action. A meeting will be held end of August to further discuss the following action points before the next CG to be held in October.
 - a. These essential reforms that require action on the part of the Government with input from CSOs and funding and technical assistance from the international community:
 - i. The international community repeated their call for justice and accountability through a transparent investigation into the causes of the explosion;
 - ii. Macroeconomic-fiscal reform was considered the most fundamental reform required to lessen the crises. With essential elements: exchange rate unification; an orderly exit from subsidy schemes; a Capital Controls law that ensures equal depositor treatment; forensic audit of the Central Bank; and Banking Sector reform.

- iii. Maximising the potential benefits of the IMF Special Drawing Rights due in September through a proper mix of consumptive, systemic and investing measures, decided after an inclusive public debate on the use of the SDR.
 - iv. A budget should be passed for 2021, and more importantly a budget should be prepared for 2022, including a strong programme on social protection, implementing the Emergency Social Safety Net (ESSN) programme and the National Poverty Targeting Programme (NPTP);
 - v. Independence of the Judiciary law should be passed with principles safeguarding independence reinstated, without further clauses to the contrary;
 - vi. The National Anti-Corruption Institution should be staffed and funded;
 - vii. The Public Procurement law secondary legislation should be passed and EDL's procurement be conducted within the frame of the Public Procurement law;
 - viii. Installing, staffing and funding a Supervisory Commission for Elections to oversee compliance with campaign spending limits and equal access to media.
- b. CSOs will engage with Government and international partners on the eight reforms mentioned above, as well as on an urban strategy for reconstruction and support for the disabled and elderly, in addition to their other activities under the 3RF. 3RF Secretariat will facilitate this contact. CSOs also requested more frequent updates from the Technical Team. CSOs will present their experience of inclusivity in the 3RF at the next CG.
 - c. The donor base should be widened, also for the LFF, especially to include Arab partners.
 - d. To facilitate implementation of critical site clearance and waste management inside and outside the port, three critical actions should be taken: operationalize interministerial committee for overseeing the management of waste resulting from the explosion; facilitate access to the Port for site assessments and resulting interventions; and allocate a suitable site for the disposal of non-recyclable rubble and other mixed waste.
 - e. Aid coordination should be strengthened, ensuring clear monitoring and transparent tracking of aid bearing the humanitarian-development nexus in mind. CSOs requested inclusion in implementation at sector level.
 - f. CG praised the Army for gathering data from the affected area. And CG encourages further coordination with CSOs to update data and avoid duplication. CSOs requested to work with the 3RF Technical Team and Central Inspection to transform IMPACT as a platform to be more inclusive for citizens and CSOs with oversight by international partners, also to protect beneficiary data.

The participants list is attached to this summary.

Attendees second Consultative Group meeting 3RF

Government of Lebanon

H.E. Dr Hassan Diab, Prime Minister

H.E. Zeina Akar, Deputy Prime Minister

H.E. Raoul Nehme, Minister of Economy and Trade

H.E. Ramzi Mcharafiyeh, Minister of Tourism and Social Affairs

H.E. Raymond Ghajar, Minister of Energy and Water
Mr Georges Adwan, Member of Parliament, Head of the Administration and Justice Committee
Mr Marwan Abboud, Governor of Beirut
Mr Antoine Choucair, General Director of the Lebanese Presidency
H.E. Gebran Soufan, Ambassador and Diplomatic Advisor to the Prime Minister
Mr Tony al-Hoyek, Advisor to the Deputy Prime Minister
Mr Haytham Sayyad, Advisor to the Governor of Beirut

United Nations

Ms Najat Rochdi, Deputy Special Coordinator for Lebanon, Resident and Humanitarian Coordinator
Ms Natalie Sarafian, Team Leader, Resident Coordinator Office

World Bank

Mr Saroj Kumar Jha, Regional Director of the Mashreq Department
Ms Mouna Couzi, Lebanon Finance Facility Programme Manager

Donors

H.E. Ralph Tarraf, Head of the Delegation of the European Union
H.E. Pierre Duquesne, Ambassador of France
H.E. Andreas Kindl, Ambassador of Germany
H.E. Nicoletta Bombardiere, Ambassador of Italy
H.E. José María Ferré, Ambassador of Spain
H.E. Hans Peter van der Woude, Ambassador of the Netherlands
H.E. Ian Collard, Ambassador of the United Kingdom
H.E. Dorothy Shea, Ambassador of the United States of America
Ms Maja Messmer Mokhtar, Chargée d'Affaires at the Embassy of Switzerland
Ms Mary Eileen Devitt, USAID Lebanon Mission Director
Mr Damien Sorrell, EIB Representative for Lebanon
Ms Gretchen Biery, Head of the Lebanon Office of the EBRD
Mr Khalil Dinguizli, incoming Head of the Lebanon Office of the EBRD
Mr Jamie Schnurr, Head of Development Cooperation at the Embassy of Canada
Mr Francois de Ricolfis, Head of the Regional Economic Section at the Embassy of France
Ms Alice Thomann, Deputy Head of Cooperation at the Embassy of Switzerland
Ms Roula Abbas, Programme Manager Civil Society at the Delegation of the European Union
Ms Estelle Akiki, Assistant to the Ambassador of Spain

Lebanese Civil Society

Anonymous speaker on behalf of victims of the 4 August explosion

Ms Asma Zain of the Lebanese League for Women in Business (LLWB)
Ms Sylvana Lakkis of the Lebanese Union of Persons with Physical Disabilities
Ms Zoya Rouhana of KAFA (Enough) Violence and Exploitation
Ms Ghada Jabbour of KAFA (Enough) Violence and Exploitation
Ms Mona Harb of Beirut Urban Lab
Ms Nada Zaarour of Green Mind
Ms Carine Tohme of the Lebanese Association for Taxpayers' Rights (ALDIC)
Ms Alia Farhat of the Lebanon Humanitarian & Development NGOs Forum (LHDF)
Mr Soman Moodley, Country Coordinator at the Lebanon Humanitarian INGO Forum (LHIF)
Ms Sophie Bloemeke, Research Assistant at Beirut Urban Lab

3RF Technical Team

Mr Christian de Clercq, UN Resident Coordinator's Office
Mr Stephan Massing, World Bank Senior Strategy and Operations Officer
Mr Jose Luis Vinuesa-Santamaria, EU Delegation Head of Section
Mr Khalil Gebara of the 3RF Secretariat
Mr Jaap van Diggele of the 3RF Secretariat

3RF Independent Oversight Body (observers)

Mr Julien Courson of the Lebanese Transparency Association
Ms Diana Menhem of Kulluna Irada
Ms Reem el-Dana of Kulluna Irada
Ms Roula Mikael of the Maharat Foundation