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News Bulletin X

July 2020

**BEIRUT BLAST AMID INCREASED CRACKDOWN
AND EXACERBATED CRISES IN THE ARAB REGION**

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Beirut Blast: 4 August 2020

Statement by Lebanese CSOs to International Organizations, the United Nations, and International Partners

Beirut Explodes

On August 4, 2020, Beirut was hit by the biggest explosion in its history, leading to more than 220 killed, seven thousand wounded, and tens of missing (according to the latest figures by the Ministry of Public Health) before the Lebanese army announced that it would stop the search for the missing in addition to causing disabilities and increasing the suffering of people with disabilities in general.

The explosion also led to billions of dollars in economic losses (the damages have not been surveyed yet) added to the accumulated losses of nearly US\$90 billion, as the country goes through a deep economic, financial, and social crisis, putting its economy on the brink of total collapse.

The social repercussions of the explosion are major. Around 300 thousands of families lost their homes, establishments, and livelihoods. The fragile food security situation brought about by the financial crisis and Covid-19 has become more precarious after the destruction of the granaries and all the imported goods stored at the port. The health sector faces a major crisis, due to the damage caused to three major private

hospitals in Beirut, who had to suspend their work, leading to a significant decrease in the capacity of the sector, which is dependent for the most part on private establishments. Furthermore, Covid-19 cases have been rising rapidly and warehouses storing the chronic medications distributed freely by the Ministry of Health and international organizations were destroyed.

These are some of the immediate consequences of the blast, awaiting the results of accurate scientific studies of the direct and indirect impact on the Lebanese economy, which was in the middle of an unprecedented crisis. Dollar exchange rates have been soaring as the country faces hyperinflation (inflation rates exceeded 50% a month over a period of 30 consecutive days). The collapse of the economy is accelerating and cannot be halted through the partial and ad-hoc interventions of a government, which faces its own and no-less dangerous political and institutional crisis.

A Political Crisis

The explosion was caused by the presence of 2,750 tonnes of Ammonium Nitrates, used in manufacturing fertilizers and explosives, at the Beirut port since 2014, without any attempts to move them despite warnings of the danger. Consecutive governments,

the Port of Beirut, customs and security forces had knowledge of the presence of dangerous chemicals at the port. The explosion, thus, was not an accident. It is a blatant crime whose responsibility falls on the political, security and administrative authorities overseeing the work of the port, appointed and protected by political forces. The blast was inevitable, waiting to happen whether by accident or on purpose. Regardless of the direct cause or the nature of the spark of this evil that fell upon Beirut, the real reason is that of all the crises that befell the country since the end of the civil war, the failed political class has been sharing the spoils and accumulating wealth. It contributed to the impoverishment of its people, denying them of their economic, social, civil, and political rights, and now, killing them directly.

Faced by massive issues, people in Lebanon have lost trust in the authorities and the current government, which they hold responsible for the explosion. There is absolutely no trust in any investigation by authorities that failed to solve much simpler crises or prosecute those responsible for the disasters afflicting Lebanon and its people. Those responsible for the catastrophe should not be in charge of the investigation of its causes or recovering from its effects, including receiving aid, managing relief operation, renovation, or reconstruction.





Recommendations

The Lebanese people responded immediately to this disaster. Hundreds of individual and collective initiatives and thousands of volunteers from all regions ran down the affected areas to provide assistance. The inaction and absence of state institutions was a reminder of previous crises. This comprehensive popular solidarity is Lebanon's true wealth. It is the one that must be built upon, strengthened, and provided with support to overcome this crisis far from the institutions of corruption, clientelism, and political parading. Accordingly, the civil society organizations signatories to this statement invite the international community to:

- Call for an immediate, impartial, independent, and transparent international investigation to determine the parties responsible and the causes of deaths and injuries. This shall enable the accountability of those responsible for the presence, transportation, storage, and handling of these materials in the port and the failure to take the necessary measures to ensure the safety and life of the Lebanese over the past years.
- Stand in solidarity with the Lebanese people and encourage their

governments to send humanitarian aid to the country, ensuring that it reaches actual beneficiaries through effective and neutral channels.

Call on the UN and INGOs to develop their cooperation and coordination, based on the wide network of national and local aid and development organizations providing aid to those in Lebanon. There should be more reliance on local organizations, associations, and initiatives to respond to relief and assistance needs in transparent ways. This support should neither be conditional nor related to untrustworthy state institutions. Support needs assessments conducted by the UN and CSOs and engage them along with local authorities and the private sector to provide assistance and implement reconstruction plans to ensure the needs of the most vulnerable and set safeguards against further cases of corruption.





Regional Updates

The rising challenges worldwide have enforced massive changes everywhere, including in the Arab region. The COVID-19 crisis has pushed for the collapse of healthcare systems in certain countries, and has troubled the education sector in most cases.

In **Tunisia**, the Corona Pandemic is still considered a threat, with about 1,488 cases. Indicators related to the economy, consumption, employment, investment, and growth saw a decline due to the pandemic. The impact on the private sector came as a result of the fragility of the industrial fabric, leading to some layoffs despite the exceptional measures by the state entailing a 6-month tax exemption. However, purchasing power deteriorated and many segments in the informal sector lost their income, although family loans and electricity, water, and internet bills were postponed. Moreover, violence against women saw a five-fold increase compared to the same period last year and victims were unable to find the needed support due to the closure of courts and health institutions focusing on Covid-19 patients.

In **Palestine**, the Pandemic hit the economic and social sectors, with productive

capacities dropping by 60% to 70%, due to lack of purchasing power and citizens steering towards their basic needs: food, cleaning products, protective material, and medical supplies. Around 45,000 workers lost their jobs, as economic establishments and agriculture incurred heavy losses.

The World Bank expects the Palestinian economy to shrink by at least 7.6% during 2020. The proportion of poor families increased to 64% in the Gaza Strip, and the rate of food insecurity among families reached 68%, or about 1.3 million people, while 80% of the population remains dependent on food aid. The pandemic also hindered the poor and marginalized communities from accessing social services in health and food security. Furthermore, domestic violence rates appear to be on the rise, along with increased discrimination against women generally, and poor families are no longer able to commit to their obligations and debts, increasing their vulnerability to legal persecution.

The lockdown has had a grave impact on the informal sector and self-employed workers in **Egypt**, especially due to social distancing measures and lower wages in various places. Many workers lost their primary or secondary employment, especially women

in the private sector, as the number of workers in some facilities was reduced. Some women had to leave their jobs due to the closure of schools, daycare centers, and sports clubs and the lack of alternatives for childcare. These economic pressures had an impact on society, which saw a high increase in violence against women and children, both quantitatively and qualitatively.

Yemen, a fragile state with a population of around 31 million, has been in the middle of a devastating war for the past five years. It has ripped apart many parts of the country and led to political and social divisions established on sectarian and confessional foundations, secessionist attempts, and a multiplicity of external interventions. The country's economy, already weak, and state institutions have been shattered, including the collapse of the health system.

Like the rest of the world, Covid-19 is spreading around Yemen, with 1,691 confirmed cases. However, these numbers only refer to cases discovered in governorate hospitals under the control of the legitimate government. Experts estimate that the true number to be in the tens of thousands. Notwithstanding, mortality rates in Aden alone (the temporary capital in the south) ranged between 20% and 28% of total

cases, the highest in the world according to the UN Secretary General.

The impact of Covid-19 on Yemen is catastrophic by all counts, especially as the country was classified by the WHO as the least prepared to face the epidemic (ranked 190 in the Global Health Security Index). According to the IMF, economic activity is expected to shrink by 3% in 2020, considering the lower domestic demand due to lockdown measures, which include school closures, a ban on public gatherings, closing border points, and restricting movement between cities.

The financial situation was exacerbated by the sharp decline in world oil prices. Despite the country being a small oil producer, oil is the main source of hard currency. The situation will increase the severity of the fiscal deficit. Foreign exchange flows, including remittances, decreased by 50% to 70% (amounting to \$3.8 billion in 2019), 90% of which was from the Gulf states. The stagnation of the global economy is reflecting negatively on the ability to import basic foodstuffs and medicines, and will lead to high prices and low worker salaries and income. It is accompanied by high inflation rates and prices of consumer goods, a decline in socio-economic reforms, and a decline in growth rates. The situation has also led to a



significant decrease in the pace of work and production, the stoppage of work in many economic institutions and companies, and the layoff of tens of thousands of workers, not to mention worsening irregular and daily work conditions, which has exacerbated unemployment and poverty. According to a report by UNICEF (June 2020), the war and Covid-19 are having a disastrous combined effect on the conditions and lives of Yemen's children. Most health facilities have stopped treating other diseases, including incurable diseases, and ailments of the elderly. The above factors will lead to a further deterioration in Yemen's sustainable development indicators.

The Yemeni government stands completely impotent in the face of the disasters of Covid-19 and the war, due to the fragmentation of the country, the intensification of the war, the collapse of the health system, and the complete cessation of activities in more than 50% of health facilities in all regions of the country (according to WHO and World Bank data). The remaining operating health facilities suffer from a shortage of specialists, devices, medicines, and medical supplies. Furthermore, 18% of Yemen's 333 directorates have no doctor. Thus, the Yemeni government has apparently focused on the international community in obtaining

support and assistance to tackle Covid-19. The World Bank provided a grant of \$26.9 million to finance the fight against the pandemic in Yemen. Likewise, the WHO, OCHA, UNICEF, MSF teams, and, of course, local medical authorities are exerting similar efforts.

Crackdown on free speech in Lebanon and Iraq

Since the eruption of the Lebanese revolution in October 2019, the two successive governments and security forces have adopted a violent response against dissent and increased the crackdown on civilian protesters and activists (see previous [bulletins on the Lebanese revolution](#)). In the past few months, there has been an increased amount of arrest warrants and summons of activists, including journalists, for charges related to freedom of expression. This July, prominent activist and lawyer Wassef El Harakeh was attacked and beaten by unknown men after finishing an interview at the radio station. Days later, it turned out that the security guards of the Minister of Social Affairs were behind the attack due to criticism Mr. El Harakeh made on the performance of the minister and calls for protests at the ministry.

To respond to the deterioration of the right to freedom of expression in Lebanon, 14 Lebanese and international organizations announced the formation of a [national coalition to defend free speech](#) in the country. These organizations have documented a severe rise in the attacks against freedom of expression since the 2015 protests, and more severely since 17 October 2019 with massive arrests and summons of activists for interrogation for social media posts.

In Iraq, the assassination of leading Iraqi activist, researcher and security expert Hisham Al-Hashimi shocked the country and the region. Al-Hashimi was a strong advocate for a free and liberated Iraq from gang groups, religious groups and foreign influence, especially Iranian. Following the unlawful killing of Hisham and many other activists, Iraqis and Iraqi civil society organizations (CSOs) called on supporters to sign on [an open letter](#) calling for, one a clear and full investigation of the assassination of Hisham Al-Hashimi and for a thorough and transparent selection process of the persons assigned to investigate; Two, public disclosure of the names of any party and/or individual(s) identified as part of the investigation for involvement in the unjust killings and the parties and/or groups that

delegated the order of the killing; Three, ongoing public updates on the status of the investigation to inform people of the steps and actions taken, and finally actual accountability and fair and just punishment to all identified persons in the killing of Al-Hashimi.



In the Aftermath of the HLPF 2020: Where Does the Region Stand?

Bihter Moschini, the Arab NGO Network for Development (ANND)

Five years after the adoption of Agenda 2030 and in light of the ongoing global pandemic, the 2020 High Level Political Forum (HLPF) took place from 7 to 17 July. All official sessions, side events and the 47 Voluntary National Reviews – with three from the region (Morocco, Syria and Libya) based on the theme of “[accelerated action and transformative pathways: realizing the decade of action and delivery for sustainable development](#)” were held virtually. This of course created challenges in terms of efficient and effective participation in the process, which had been criticized even during previous editions. But more important is the [failure to adopt a strong Ministerial Declaration](#) and VNRs to turn into mere public relations (PR) exercises. When given floor, major group representatives raised their criticisms – only within the two minutes dedicated to them, despite the key role they play in implementing and monitoring the Agenda 2030.

Actually, with lessons learnt on HLPF, expectations were not high, but another missed opportunity is no way a move towards the right track for achieving sustainable development. On the contrary, with now a +5 of Agenda 2030, [accelerated actions](#) must be the common practice, Ambition, Commitment and Action must be the reflection of the political will,

rather than remaining as mottos. This is particularly important as the COVID-19 became a genuine reminder for all, of the vulnerabilities of those left behind and the violations and multidimensional inequalities they face due to embedded structural development challenges. Global and regional assessments on SDGs show this blatantly.

At the global level, the [2020 Sustainable Development Goals Report](#) (SDGR) reveals that by 2020, and with the impact of COVID 19, we have around 71 million people pushed back into extreme poverty, and 1.6 billion people in informal economy, and thus with no income security, decent work conditions and social protection. At the healthcare level, we have hundreds of thousands of additional under-5 deaths and tens of thousands of additional maternal deaths, a surge in reports of domestic violence against women and children in many countries, millions of unintended pregnancies and drop in vaccine levels. Whereas quality gap between private and public schools was yet to be addressed in many countries, added to that the access to internet and digital divide between and within countries. Furthermore, as the SDGR 2020 notes, with around 1.57 billion children out of school, the global gains in reducing

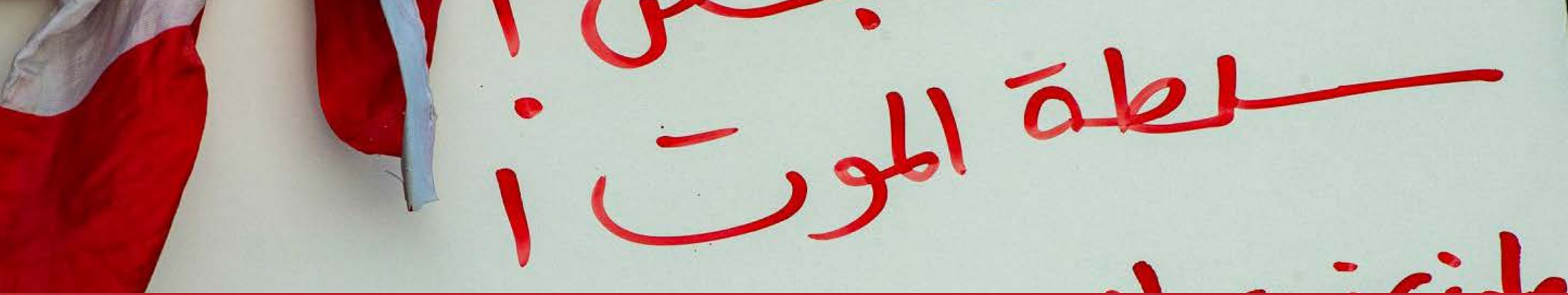
child labor are likely to be reversed for the first time in 20 years. Impacts on economy direct to the worst recession and require immediate recovery plans. Indeed, recovery programs, financial support initiatives and stimulus packages have been launched by several governments and supported by [international financial institutions](#).

At the regional level, the situation of the Arab region has continued to worsen, and the deterioration in SDGs progress is clear. [The Arab Sustainable Development Report 2020](#) warns that the region will not reach the SDG targets by 2030, and lags behind other regions on the global stage. As noted by the report, ***structural and entrenched barriers block transformation towards inclusive sustainable development in the Arab region and a shift in orientation and approach towards policy integration, environmental sustainability, and universal human rights with their emphasis on equality, justice, inclusion, fundamental freedoms and participatory politics is needed.*** Selected assessment on SDGs, are:



SDG1: NO POVERTY	Efforts to tackle poverty in the region have not adequately addressed multiple deprivations, rural-urban as well as subnational divides, or the accentuated vulnerability of different social groups. Integrating social and environmental dimensions in economic planning is necessary if governments are to make progress on SDG 1
SDG3: GOOD HEALTH AND WELL-BEING	Most health systems continue to focus largely on curative health services instead of primary and preventative care and pay little attention to the social determinants of health. The region as a whole needs to shift to a rights-based and multisectoral approach to human health and well-being, including through consolidating systems and services, enhancing the capacity and numbers of service providers, and addressing the economic, social and environmental dimensions of SDG 3
SDG4: QUALITY EDUCATION	The main challenges are weak quality, outdated teaching and learning methods, and inequitable access and infrastructure. Without re-envisioning education as a societal project to produce critical and innovative thinkers and citizens, the region will not be able to harness education's lifelong potential as articulated in SDG 4
SDG5: GENDER EQUALITY	Discriminatory laws and legal practices, discriminatory social and cultural norms, and structural barriers to gender equality remain entrenched, however. Women's economic participation is particularly behind, especially among young women. As a result, women often face constraints on their independence and full human rights, including to play an active role in decision-making, at home and in the public sphere
SDG8: DECENT WORK AND ECONOMIC GROWTH	Economic planning has been largely detached from social policies and governance structures that could increase equality and prosperity. Overdependence on oil, the dominance of low-productivity sectors and a problematic labour market further hamper efforts to move towards sustainable growth that safeguards the well-being of people and the planet. A shift in economic thinking and planning aimed at economic structural transformation is necessary for the region to move forward on SDG 8
SDG10: REDUCED INEQUALITY	Reducing inequalities requires reasserting the role of the State as the guarantor of equal economic and social rights, and implementing policies to equitably redistribute resources
SDG16: PEACE AND JUSTICE STRONG INSTITUTIONS	Weak rule of law, low adherence to universal human rights treaties and conventions, and the exacerbating conditions of conflict as well as occupation are detrimental to the ability of the Arab States to achieve SDG 16. Governance deficits, including a shrinking civic space, corruption and limited political participation for a number of social groups, hinder efforts to move toward sustainable development, and increase polarization, discrimination and inequality

The findings on SDGs progress in the Arab region echo many of the [structural challenges identified by the Arab NGO Network for Development](#) in its work towards monitoring and advocacy on Agenda 2030 implementation. It also has the same call of [Spotlight 2019](#), which reveals that the implementation of the 2030 Agenda is not just a matter of better policies. These structural challenges were elaborated further during the [side event organized by ANND at HLPF2020](#) with country cases from Syria, Egypt and Jordan. Furthermore, ANND members and partners from Syria and Morocco took part at the VNR sessions of the countries at HLPF 2020. [The Syrian Center for Policy Research](#) was given the floor to direct concerns to Syrian delegation who stressed the nexus between the peace and development:



“The country is moving in the opposite direction to the sustainable development, and ending the conflict in a fair manner is a prerequisite for the going towards sustainable development...the government has reallocated national resources to support the strategy of militarizing the conflict and subjugating the population, transforming domestic and subsequently external capabilities into wasting development and violating rights.”

Overall [the decade of action has become the decade of recovery](#). Nevertheless, with recovery from COVID-19 impacts becoming number one agenda item for many, we should not forget that mere focus on recovery from the *current* problems is limited. Efforts should be towards addressing the root causes of the multidimensional inequalities and injustices with comprehensive long-term development plans. Any parallel process dedicated to short term recovery from COVID-19 impacts can be better than today but not from before, thus Agenda 2030 commitments should be the umbrella framework paving the way ahead.

This requires firm commitment to:

- Putting poverty reduction at the center of policy responses rather than achieving growth and adopting effective redistribution policies as the primary

response plan and achieving universal social protection rather than targeted support programs.

- Putting people’s rights, justice and equality at the center of any planning, programming, implementation and monitoring; adopting inclusive and participatory approaches and aiming at leaving no one behind, empowering those left behind to identify needs and necessities.
- Enhancing international cooperation and providing funding and development assistance to those countries in need in responding to the COVID crisis; but taking into consideration that further loans provided instead of grants and increased blended finance remains as a key concern, as well as the increased role private sector plays, which should be monitored closely.



Lebanon in the Eye of the Storm

Ziad Abdel Samad, the Arab NGO Network for Development (ANND)

This article was prepared before the blast in Beirut but originally appeared on Transform Italia on 5 August 2020, available in Italian [here](#).

The Lebanese crisis has become more linked and even dependent on the regional impasse, especially following Hezbollah's entanglement in the Syrian war and around the region from Iraq to Yemen. The region has been witnessing major geopolitical transformations, which could change the map of influence drawn by the US after the Second World War and set after the Cold War. US influence and interests are starting to face a challenge from Russia and China, who joined the equation alongside Iran and its Syrian ally. Russia's establishment of military bases on the Syrian Mediterranean coast and China's attempt to access warm waters through Lebanon attests to that, not to mention the continuous Israeli occupation and its government's policies, as well as Turkey's novel role. Chinese companies, for example, offered to build gasification and power plants in two points on the Lebanese coast (Silaata and Zahrani), requiring the construction and equipment of seaports that may form the envisaged Chinese foothold on the Mediterranean. Recently, China and Iran announced a 25-year US\$400 billion deal (\$280 billion for oil and gas and \$120 billion for investments

in infrastructure). It will allow China to use Iranian lands to establish military bases and use Gulf ports for warships. Russia also agreed to deploy surface-to-air missiles (SS400) in Iran, in exchange for the use of Iranian airspace and ports. The above situation adds a security-military dimension to the transformations.

The US replied by imposing sanctions on Iran, Syria, and the Lebanese Hezbollah (the Caesar act that came into effect this July), on the one hand, and to escalate its political attacks through Iraq and Lebanon and military assaults in Yemen and Libya against the Chinese-Russian-Iranian alliance, on the other. And as the Iranians play the waiting game for the upcoming US presidential elections, hoping for a change in foreign policy, leading presidential candidate Joe Biden appears to be more inflexible regarding Iran, China, and Russia.

Amidst this regional and international reality, Lebanon finds itself in front of a complicated and multidimensional crisis. The country has been facing financial and monetary collapse brought about by a significant shortage in foreign currencies in an economy that is 70% Dollarized. Its banking sector is in the midst of something akin to an undeclared bankruptcy. Public debt has surpassed 170% of the GDP, at a

time when both the state treasury, the balance of trade payments, and the general budget suffer from a large deficit.

However, it is also a reflection of a deep and formidable economic crisis, above all, due to the disintegration of the real and productive economy and the shift to a form of rentierism dependent on the banking, financial, and real estate sectors, as well as tourism and other services. At its core, it is also a deep political crisis in the nature and structure of the regime, manifested in ineffective state oversight bodies, including Parliament. The consociational nature of governance transformed the Council of Ministers into a mini-parliament where all blocs are represented. The formula spread to all state institutions, judicial, administrative, and financial, disrupting their role and allowing the borrowing and spending without oversight. Between 2005 and 2015, for example, the state budget was frozen and never discussed in Parliament. The October 17, 2019 revolution was brought about by the financial crisis and the general deterioration of economic and social conditions that seriously threatens the livelihood of the population in Lebanon. Establishments had started to close shop, dismiss workers, or reduce their salaries. Inflation has led to a frantic rise in prices, pushing 50% of the population into poverty

and employment to more than 25%. Adding to the calamity and revealing some aspects of the structural imbalance in the Lebanese economy before the crisis, 55% of the workforce had been in the informal sector, and the unemployment rate for university graduates had reached 36% in 2018/2019. The financial crisis surfaced in August 2019. Local currency prices began to be manipulated, and banks imposed restrictions on financial transactions, a trend that escalated after October 17. The Revolution had called for the resignation of the government and the appointment of independent figures to reconstitute powers, though strengthening the independence of the judiciary and holding accountable for corruption those who wasted public money and caused this crisis. It demanded that measures be taken to recover looted public and private money and organize early parliamentary elections based on a new electoral law and the election of a new President. It also called for the implementation of the Taif Constitution in terms of establishing a civil state and the abolition of sectarianism.

Following the government's resignation, the political forces in power began a counter-revolution, suppressing activists by all available means, including the use of irregular militias (affiliated with their parties)



to attack protesters in their areas of political and confessional influence in a country whose political and administrative systems are built on sectarian power-sharing. The applied para-martial measures included the arrest and intimidation of activists and journalists in contravention of the law, as well as intentionally sending agents to the demonstrations to cause trouble.

These practices allowed the authorities to subdue the voices of the Revolution and appoint a puppet government whose members appear to be independent, but who owe their loyalty to those who appointed them. Moreover, the vote of confidence the government was unconstitutional, as all roads leading to Parliament had been blocked, and only some MPs managed to sneak in. The session started before reaching quorum, in clear violation of the Constitution. The government won confidence with a meager majority, based on a modest ministerial statement. It asked for 100 days to carry out the necessary reforms to surpass the crisis. However, Lebanon was closed immediately after that due to the Covid-19 pandemic that swept the world and led to significant changes in international relations, as European and American shut down entirely and refrained from international activity for some time.

In Lebanon, as in other countries, the pandemic was a lifesaver for the regime, which utilized it to entrench authoritarian tendencies, suppress the protests, and transform a health emergency into a state of security and political emergency to restrict freedoms.

The 100-day deadline the government requested to implement its promises passed without any accomplishment worth mentioning. Instead, Lebanon refrained from paying its dues to creditors abroad and at home, knowing that most of the internal debt was held by Lebanese banks that preempted the move by selling it internationally (to falcon funds) at 70 % of its value to protect their capital, which they had transferred to banks outside Lebanon. It should be noted that the overlap between the banking sector and the ruling political class is profound. For example, a report by the American University of Beirut experts had indicated that Lebanese politicians owned 30% of bank shares in the country. Thus, negotiations with the IMF became mandatory for Lebanon to receive aid or loans from the international community.

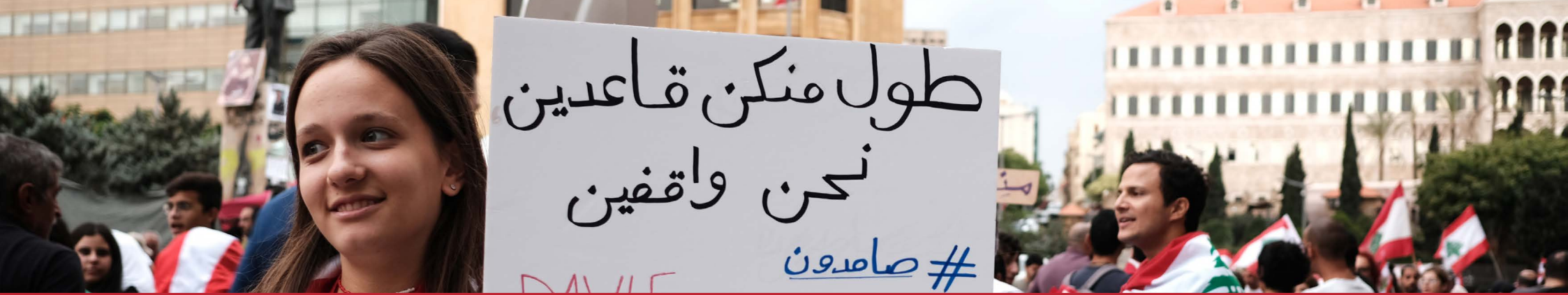
Since 2017, the IMF had been proposing a series of necessary “reforms,” and the CEDRE donor conference held in Paris in

2018 had proposed a package of financial, economic, and administrative reforms as a condition for obtaining the funding to save the country. Nevertheless, as a result of the confessional and partisan quota system, which benefits the powers that be and their cronies, the Lebanese political administration refused to carry out any reforms or measures to stop the waste in the public sector.

One key area is the reform of the electricity sector, including the establishment of power plants to save between one and a half and two billion dollars wasted annually. Furthermore, there is a growing need to control legal and illegal border crossings and stop tax and customs evasion and cross-border smuggling, which costs Lebanon about four billion dollars annually. Other required reforms include the restructuring of the public administration, which consumes 30% of the annual budget due to the political appointment of associates, on the one hand, and the inflation of public senior official salaries and allowances (7% of employees account for 50% of salaries, which sometimes reach 50 times the wages of ordinary employees). Furthermore, there is a need to stop waste in public facilities due to consensual contracts, contrary to international principles for

public procurement. Advice from Lebanese experts, on the other hand, focused on the need to increase taxes and fees that affect the rich through income taxes, taxes on companies and real estate inheritance, and adjusting the value-added tax to affect luxuries in the first degree (knowing that the value-added tax revenues constitute about 70% of the total tax revenue, which indicates the lack of justice in the Lebanese tax system).

Lebanon will not receive the support of the international community before seriously implementing the required reforms. However, instead of a genuine, participatory social dialogue, the government started a conflict with the banks, the political forces behind them, and the central bank over determining the losses and, thus, the responsibilities. In its recovery plan, the government called on the banking sector to recapitalize, using the tremendous profits from inflated interest rates at the expense of public finances, and to exempt the state from a significant portion of its debt. The banks, on the other hand, including the Central Bank and the political class, want the state to bear the majority of losses and sell its assets to ensure the necessary liquidity to get the economy moving again. In the middle ground, there is a growing call



to establish a recovery fund to collect all state assets, property, institutions, facilities, and begin a SWAP process following their valuation, turning the assets to money in the banks. However, amidst this back and forth in the regime, the absence of citizens and vulnerable social segments is palpable, including the poor and middle classes and the majority of the business community outside the circles of power and money united at the top of the financial and political hierarchy.

Between the internal impasse related to a comprehensive political solution and the regional deadlock and deteriorating situation with Russia and China's advance, the Maronite Patriarch called for Lebanon's neutrality. In the direct sense, this means that Lebanon should leave regional conflicts, including Hezbollah's retreat from Syria and other countries and its abandonment of the Iranian project in the region. The other camp must also give up its support to Gulf and US policies and adopt a policy of positive neutrality in international relations. The position from the Arab-Israeli conflict and rejection of implantation remains part of the Lebanese consensus, as well as membership in the League of Arab States and its Charter and the international community through the UN, its Charter,

and principles. However, the Patriarch's call is more about international law in its approach to neutrality than internal political transformation and choices. It comes at a point of escalating international conflict in the region and is limited to foreign policy solutions, without regard to the issues mentioned above.

Any solution to the current crisis should go back to the primary demands of the October 17 Revolution, the reestablishment of authority through the government's resignation, and forming a government with legislative powers to enact the necessary economic and financial reforms to survive the crisis. In addition, it should aim to reinforce the independence of the judiciary to enable accountability for corruption and apply mechanisms to recover the looted money. It should form an independent elections commission, adopt a new electoral law, and elect a new President of the Republic.

In this context, the October 17 Revolution called for the establishment of an independent, civil state with full sovereignty over its internal decisions and foreign policy, including the withdrawal from all regional axes on all sides; gaining control over a balanced foreign policy that respects its

national interests; and the state alone, as a representative of the Lebanese people, having the exclusive right to possess arms and decide over war and peace.

Can Lebanon surpass this situation, which is undoubtedly not temporary and has led to a multidimensional existential crisis requiring a comprehensive and subjective approach and whose burdens should be distributed on the various components of society in a fair manner?





The Arab NGO Network for Development works in 12 Arab countries, with 9 national networks (with an extended membership of 250 CSOs from different backgrounds) and 23 NGO members.


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