

Lebanon Reform, Recovery and Reconstruction Framework (3RF)

FRQUENTLY ASKED QUESTIONS

1. What is the purpose of the Lebanon 3RF?

The Lebanon 3RF is a response plan to help Lebanon address the urgent needs of the population affected by the 4th of August Port of Beirut explosion that killed over 200 people, injured more than 6,500 and destroyed thousands of homes and properties. It provides a costed and prioritized framework of key actions to support the recovery and reconstruction of Beirut. Based on in-depth consultations with government, civil society and donors, the 3RF aims to provide a common reference point and action plan on what needs to be done across various sectors over the next 18 months. The 3RF also sets out arrangements for the coordination, implementation and financing of recovery and, subject to reform progress, reconstruction priorities.

2. What is the geographic and thematic scope of the 3RF?

The 3RF focuses on the response to the 4th of August explosion and affected communities and businesses in the Beirut area. It therefore does not aim to respond to the wider development needs of the country. The 3RF identifies however a targeted set of reforms to facilitate or enable recovery and reconstruction and/or to address key governance challenges. Most of these reforms will have a national impact (e.g. adoption of a procurement law) and are thus relevant for the country beyond the recovery and reconstruction of Beirut.

3. Why does the 3RF contain two tracks? Are they sequential?

One of the innovations of the 3RF is to distinguish two types of priorities and related actions that are needed for: i) supporting the most vulnerable individuals, communities and businesses affected by the explosion (the people-centered recovery track – track 1); and ii) reconstruction of critical assets and services (the reform and reconstruction track – track 2). The inclusion of reform priorities under the second track recognizes that reconstruction (and associated financial support from various sources) will not be feasible nor sustainable without reform.

The two tracks are not sequential: work on reform should proceed in parallel with people-centered recovery. However, reconstruction should not proceed in the absence of reform (see below).

4. Does the 3RF suggest any conditionality for international support?

The 3RF proposes that urgent investment needs identified under the people-centered recovery track (“track 1”) are not based on ex-ante conditionalities in line with the conclusions of the Conference in support of the Lebanese people organized by France and the UN on December 2, 2020. This recognizes that urgent support beyond humanitarian assistance is needed to address the impact of the explosion on the most vulnerable, and that such support should begin early to ensure that a medium-term perspective is integrated from the start in order to avoid a situation of

extended humanitarian assistance. However, track 1 formulates a set of immediate policy actions that are expected to be taken by the Government of Lebanon to facilitate and enable recovery.

The 3RF highlights that support for reconstruction, i.e., investment priorities identified under track 2, should be conditional to satisfactory reform progress. This is why track 2 includes a set of reforms and institutional measures. What constitutes satisfactory reform progress and which reforms should serve as ex-ante conditionalities should be determined by the policy dialogue between the international community and the government in close consultation with civil society.

5. What are the estimated costs of recovery presented under the 3RF?

The 3RF estimates the priority needs of the people-centered recovery track in the amount of US\$584 million, of which US\$426 million are needed for the first year. The costs for the reform and reconstruction track are estimated at US\$2 billion. The widespread damage and large reconstruction needs will require mobilizing a mix of public and private resources through public-private partnerships.

	Track 1: People-Centered Recovery US\$	Track 2: Reforms and Reconstruction US\$
Pillar 1: Improving Governance and Accountability	4,750,000	4,325,000
Pillar 2: Jobs and Economic Opportunities	97,750,000	196,825,000
Pillar 3: Social Protection, Inclusion and Culture	174,800,000	1,018,330,000
Pillar 4: Improving Services and Infrastructure	306,870,000	781,888,612
TOTAL	584,170,000	2,001,368,612

6. How does the 3RF link to other development challenges/crises the country faces? How does it link to other strategies or development frameworks?

The 3RF does not aim to provide a framework to respond to the multiple crises the country faces notably the economic and financial crisis or the Syrian refugee crisis. The 3RF acknowledges the importance of macro-economic stabilization as a foundation for putting the country on a pathway for development and as a pre-requisite for medium-term reconstruction. The 3RF therefore includes a chapter on the macro-economic stabilization challenges but it does not identify a reform program or set of benchmarks on the matter. The 3RF does not replace or duplicate the Lebanon Crisis Response Plan (LCRP), which targets refugees and Lebanese host communities across the country.

The 3RF aims to adopt a different way of working where the government takes responsibility for delivering recovery and reconstruction, within the context of a strong development partner collaboration, engagement with civil society, and dedicated institutional, financing and monitoring arrangements. Governmental leadership needs to be underpinned by strong inter-ministerial coordination. The implementation of the 3RF can help to generate new approaches, lessons and experiences that can be relevant beyond the Beirut blast.

7. What is the relation between the 3RF and the French political roadmap and CEDRE?

There is a strong synergy between the policy actions and reforms identified in the French political roadmap and the 3RF. Likewise, many of the 3RF reforms are part of the wider CEDRE reform agenda. In addition, the 3RF puts the spotlight on important social reforms that are not included in CEDRE.

The 3RF will reinforce the reform and investment framework launched by CEDRE, notably by identifying sequenced, specific and targeted reforms at relevant sector level.

8. Why do we need to establish institutional arrangements for the 3RF? What is the link to existing arrangements?

Successful implementation of the 3RF will rely on a new partnership and inclusive institutional arrangements that bring all actors together and ensure strong coordination between the government – including strong inter-ministerial coordination –, international partners, civil society, and the private sector. A Consultative Group with the above-mentioned actors will serve as a platform for overarching strategic guidance, high-level policy dialogue and aid coordination across stakeholders and financing instruments. It will also facilitate the linkages between the political process and humanitarian and development activities to support an integrated approach to 3RF activities. Existing working groups would be leveraged to promote coordination across programs and sectors. Support from a Technical Team and Secretariat will be essential at all levels of the 3RF governance framework to promote technical coordination, ensure aid effectiveness and agree on monitoring and oversight arrangements. A civil-society-led independent oversight body will ensure strong monitoring, transparency, and mutual accountability.

9. How will the 3RF be financed?

Financing will build on existing sources that have been mobilized so far, including humanitarian assistance, adjusted and scaled-up assistance by bilateral donors, diaspora financing, and new forms of crowd funding.

The 3RF envisages a two-phase financing strategy for recovery and reconstruction. In the short term, international grant financing will be required to kick-start recovery and support urgent needs while advancing on essential reforms in parallel (phase 1). Once progress has been made on key reforms and macroeconomic stabilization, concessional loans and private finance can support reconstruction and help set Lebanon back on a path toward stability, growth, and sustainable development (phase 2). To support the recovery track and prepare for reconstruction the Lebanon Financing Facility (LFF) will be established.

10. What is the link between the 3RF and the Lebanon Financing Facility (LFF) for Reform, Recovery and Reconstruction. What type of financing is required to implement the 3RF?

The 3RF provides a costed priority framework and sets out associated institutional, financing and monitoring arrangements. The LFF provides a pooled financing mechanism that is one (but not the only) instrument to channel support to selected priorities under the 3RF. The LFF will focus on supporting priorities under recovery track 1 and reform or institutional strengthening measures under track 2. It is expected that some donors will reorient existing programs to target 3RF needs and/or channel additional financing to existing/new partners outside the LFF. Here, the overall 3RF coordination mechanisms can help ensure strong complementarity across all sources of financing. As laid out in the 3RF financing strategy, sources of financing beyond grant resources such as multi-lateral loans, private finance etc. will need to be mobilized to support reconstruction.

11. How will the 3RF engage and work with civil society organizations?

The development of the 3RF was undertaken in close consultation with civil society organizations. In addition, civil society plays an important role in the implementation of the 3RF at several levels: i) as party of the Consultative Group entrusted with strategic guidance, policy dialogue and aid coordination; ii) in the Oversight and Monitoring Body responsible for ensuring strong monitoring, transparency, and mutual accountability; and iii) as implementers of programs. The 3RF will ensure clearly determined criteria and consideration for the selection of civil society organizations for the various levels in order to ensure transparency and avoid any potential conflict of interest.