Inter-Agency Coordination
Lebanon

Inter-Agency Meeting

20 May 2022

Agenda

- **Brussels Conference Update**:
  - Inputs from GoL & NGO delegates, financial pledges

- **Onward Movements: context and coordination**
  - National
  - North Lebanon

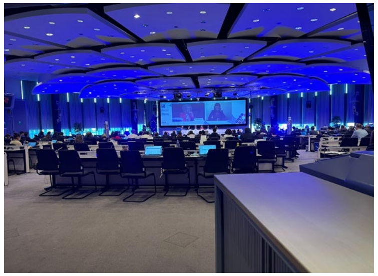
- **LCRP Business Continuity Plan Update:**
  - Impact of the Ukraine Situation: Lebanon Analysis
  - Post-elections context and impact on tensions
  - Amendments to the BCP

- **AOB**

Update from the Brussels Conference

Supporting the future of Syria and the region

Brussels VI Conference | 9-10 May 2022



Brussels VI Conference

Financial Pledges

The international community confirmed close to EUR 4.1 billion / USD 4.3 billion in funding to support humanitarian, resilience and development activities in 2022 for the Syria crisis response, which includes pledges towards the Syria Humanitarian Response Plan (HRP), the Regional Refugee and Resilience Plan (3RP), and the ICRC Syria Crisis appeals. This includes some re-confirmed pledges for multi-year funding previously announced.

		Pledges (US$)	Loans (US$)
London Conference 2016	2016	6.0 B	40 B
	2017 and beyond	6.1 B	
Brussels I Conference 2017	2017	6.0 B	30 B
	2018 and beyond	6.1 B	
Brussels II Conference 2018	2018	4.4 B	21 B
	2019 and beyond	3.4 B	
Brussels III Conference 2019	2019	7.0 B	21.0 B
	2020 and beyond	2.4 B	
Brussels IV Conference 2020	2020	5.5 B	6.7 B
	2021 and beyond	2.2 B	
Brussels V Conference 2021	2021	4.4 B	7.0 B
	2022 and beyond	2.0 B	
Brussels VI Conference 2022	2022	4.3 B	1.8 B
	2023 and beyond	2.4 B	

FEEDBACK ON B6C

On the organisation side:

- Lack of CSOs representation, in particular of LNNGOs and RLOs from Syria and the region
- Lack of meaningful dialogue and engagement during the DoD

On the policy side:

- EU remains committed to continue providing humanitarian support to Syria and the countries hosting Syrian refugees across the region, <u>in the absence of conditions to ensure voluntary, safe and dignified returns.</u>
- EU's policy vis a vis the Syrian regime remains unchanged: no reconstruction until a political solution is found to the conflict, in line with UNSCR 2254.
- Emphasis on the importance of maintaining cross-border assistance, while working to expand cross-line operations as well.
- Strong calls for justice and accountability, in particular from some MS (Netherlands, Sweden) and the US.

Inter-Agency Coordination Lebanon

LHDF
منتدى المنظمات الانسانية والتنموية غير الحكومية في لبنان

FEEDBACK ON B6C

KEY RECOMMENDATIONS FROM CSOS

1) Amplify and empower Syrian voices, within Syria and abroad

2) Advance the localisation agenda as key towards improved service delivery, within Syria and the region

3) Ensure protection of refugees, including access to legal residency and civil documentation, and access to basic human rights including health and education

4) Work towards enabling legal frameworks, allowing for refugee’s self-reliance

5) Promote durable solutions, including resettlement and other legal and safe pathways

Onward Movements: context and coordination

Updating the LCRP Business Continuity Plan

Country-Wide BCP Planning

- Originally developed to ensure **business continuity during COVID-19**
- Expanded through national Inter-Sector as well as a **series of regional workshops with partners**
- A **living document** that **assesses the impact of a set of ongoing and emerging risks on LCRP operations** and identifies prevention, preparedness and mitigation measures
- Looks at **seven risks**:
  1. Lack of containment of COVID-19 Outbreak
  2. Sharp deterioration in protection space and involuntary movements
  3. Increased social instability
  4. Supply gaps (including for fuel and electricity)
  5. Pressure on partners due to increasing needs
  6. Access gaps and closing operational space
  7. Operational risks linked to transfer values and currencies

Mainstreamed: potential impact of Ukraine situation and elections-related tensions

Kindly check the following link for the Best Practices Compendium: https://data2.unhcr.org/en/documents/details/88540

Inter-Agency Coordination Lebanon

LCRP BUSINESS CONTINUITY PLAN - 2021

Updated August 2021

EXECUTIVE SUMMARY

More than ten years into the Syria crisis, the continued large-scale presence of refugees in Lebanon and increasing vulnerability of both refugees and host communities is stretching local resources and service capacity. The unprecedented multi-layered political, economic and public health crises is undermining the subsistence capacity of already vulnerable populations, in particular women, girls and boys. Individuals and families are falling deeper into poverty due to currency depreciation, high inflation, rising food prices and loss of income. The COVID-19 outbreak have exacerbated the situation by reducing people's access to food, livelihood opportunities and other basic services. More recently, gaps in supply chains (including fuel and electricity) are also impacting the operational environment, including access to services for beneficiaries, while partners are facing increased pressure from local authorities and communities amid reduced state service provision and spiraling needs.

Within this context, it is critical to ensure continuity of LCRP operations. The Business Continuity Plan maps out the key operational risks that could have an impact in 2021. By better understanding the current and potential impact of these risks and putting in place prevention and preparedness measures where possible, partners will be better able to mitigate the impact of these risks. The Business Continuity Plan specifically aims to:

(a) Understand the context in which the LCRP operates, particularly in terms of the risks listed in this BCP.
(b) Understand the interaction between the context and LCRP interventions.
(c) Outline how partners can act on this understanding to minimize the negative impact on interventions and maximize the positive impact of operations based on risk mitigation.
(d) Outline what prevention measures can be taken to mitigate some risks.
(e) Ensure adequate preparedness measures are in place.
(f) Provide an overview of the response capacity and key constraints in-country.
(g) Outline coordination arrangements on the ground in the event of additional crisis

The key risks identified to have an impact on LCRP Operations in 2021 are[1]:

- **Risk 1: Lack of containment of COVID-19 Outbreak**
- **Risk 2: Sharp deterioration in protection space and involuntary movements**
- **Risk 3: Increased social instability**
- **Risk 4: Supply gaps (including for fuel and electricity)**
- **Risk 5: Pressure on partners due to increasing needs**
- **Risk 6: Access gaps and closing operational space**
- **Risk 7: Operational risks linked to transfer values and shift in currencies**

[1] In addition, a risk associated to renewed tensions with Israel is included in the South Lebanon regional action plan

Impact of the Ukraine Situation: Lebanon Analysis

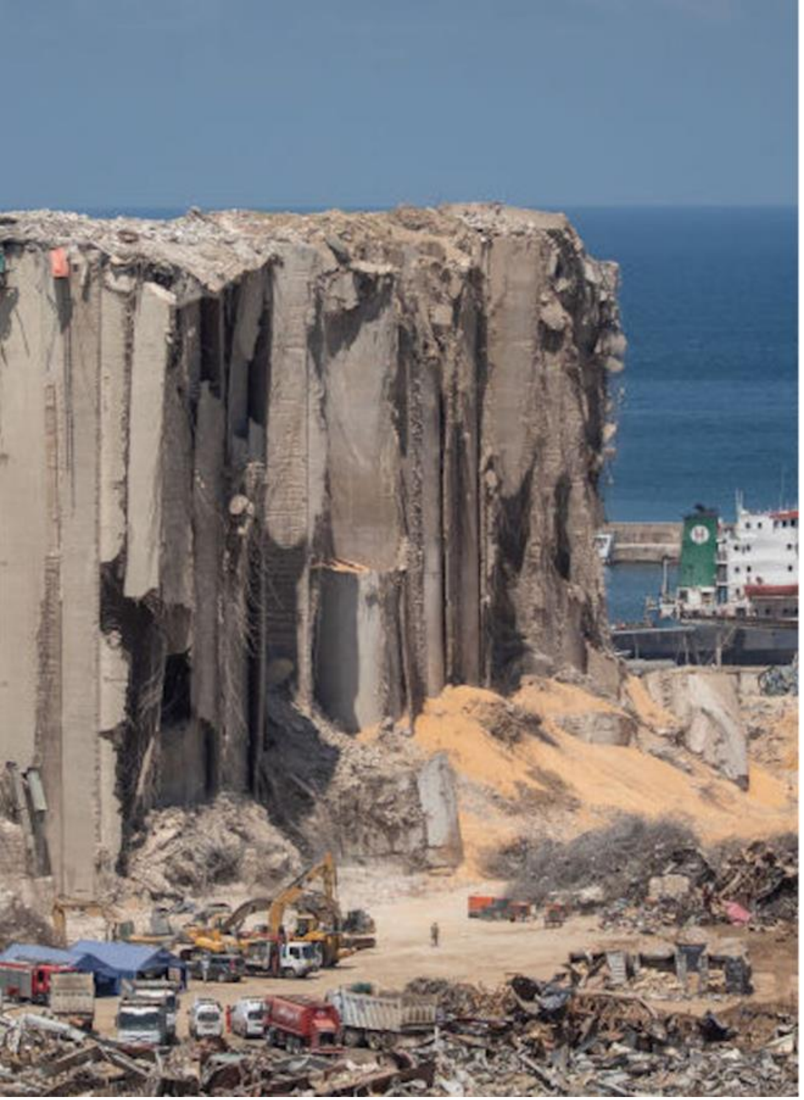
Impact of Ukraine situation: update to the BCP

For 2022, increase in food & fuel prices, with additional risks including food shortages may substantially affect the operating environment:

- **Risk 4 - Supply gaps (including fuel, wheat, electricity and water):** Challenges for partners with food stock availability, access to fuel, access to electricity, procurement challenges (compounded by increased prices of raw materials)
- **Risk 5 - Pressure on partners due to increased needs:** Hike in food insecurity, municipal capacity gaps

In addition:

- **Risk 2: deterioration in protection space and involuntary movements:** exacerbation of economic drivers for internal movement (evictions) / onward movement
- **Risk 6 - Access issues and closing operational space** linked to unmet needs



WFP
World Food Programme

SAVING LIVES
CHANGING LIVES

Impact of Ukraine Crisis on Food Security in Lebanon

May 2022

Agenda

- Wheat supply chain in Lebanon
- Bread subsidies removal scenario
- Implication of conflict on Lebanon
- Food availability
- Food prices

WFP World Food Programme

Overarching challenges

Availability of wheat in global market

High Food, Fuel and Shipping Prices

No grain reserve in Lebanon

Wheat subsidy scheme in Lebanon

WFP World Food Programme

Wheat supply chain in Lebanon

- **50,000 MT** monthly requirement of wheat grain
- **81% Ukraine, 15% Russia:** 96% source of grain
- **100,000 MT** local production per year (8,500 per month)

Small and frequent bulk shipments to both ports of 5-15,000 MT bulk vessel.
Limited bulk handling and uptake at the port, less than 4,000MT/day

No strategic grain silo in country

Aggregate storage capacity at millers 100,000 MT with a 40% stock at all time so far

Wheat import – subsidy in Lebanon

85% of wheat imports subsidized

SEP. 2019

APR. 2021

100% of wheat imports subsidized

Wheat remains the only commodity subsidized at the LBP 1,500 rate

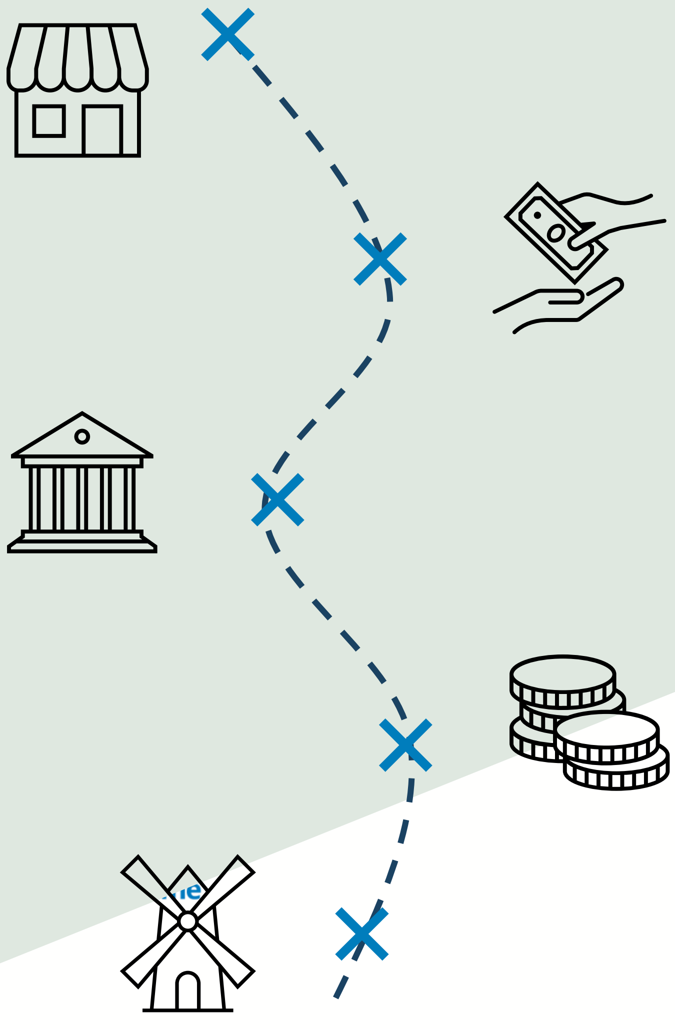
This costs the Central Bank:

USD 12 million *per month in 2020*
USD 20 million *per month in 2021*

The current cost of the scheme is expected to **further increase** *(Ukraine crisis)*

In parallel, the Central Bank's capacity to **maintain the subsidy mechanism is uncertain**

Wheat import – subsidy in Lebanon



The commercial sector is the sole importer of wheat in Lebanon

Importers deposit money (in LBP) at commercial banks to buy wheat from abroad

The Central Bank opens credit lines through a letter of credit for wheat importation

The Central Bank converts the LBP amount paid by importers to USD at a rate of LPB 1,500 (through the current subsidy mechanism)

Wheat enters Lebanese territory through both ports (Beirut and Tripoli) and is then delivered to millers

Bread Price Simulation

PROPOSED SCENARIO

- Nominal increase in the bread package price equal to the nominal increase in wheat price after the removal of the subsidy: the price of the package would increase by an average of **98 percent** across the three different package sizes.

Current Situation		After Subsidies Removal		
International prices in USD/Kg	Current price in LBP = (i.e. subsidized value at rate of LBP 1,507/USD	New price in LBP (unofficial rate of LBP 30,000 /USD)	Nominal increase in price of wheat in LBP/KG	% increase
0.56	**844**	**16,800**	**15,956**	**1891%**

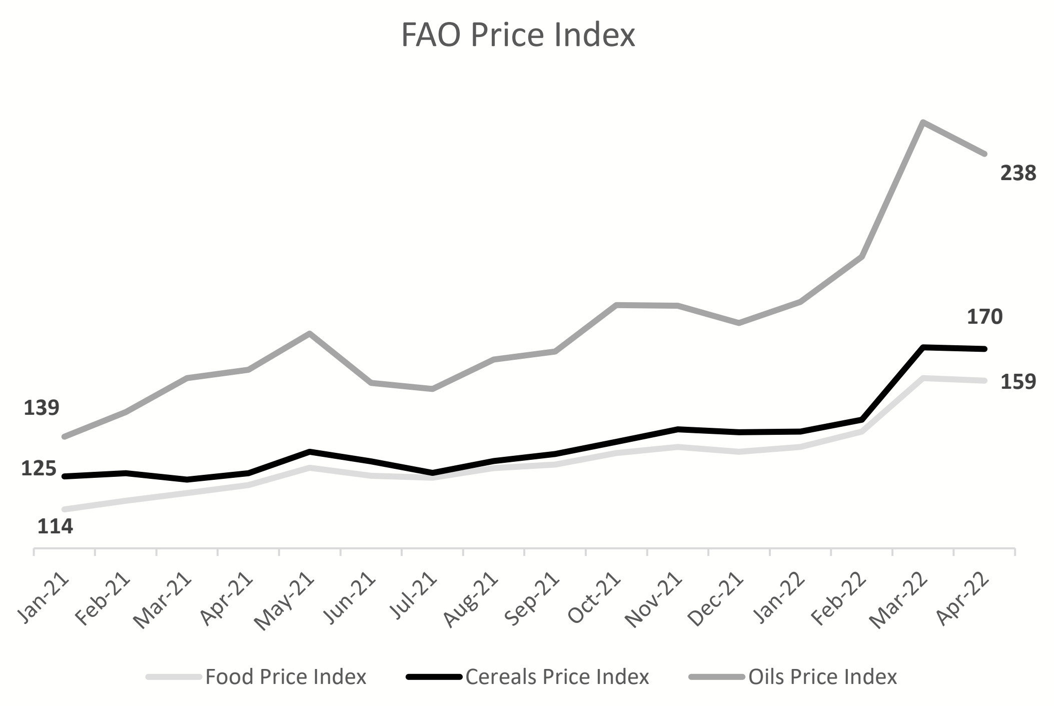
Bread Package	Current Cost	Weight	Simulated Cost (after removal of subsidy)	Percentage Increase in Price
Small Package	LBP 8,000	388 grams	LBP 14,000	75%
Medium Package	LBP 13,000	855 grams	LBP 27,000	108%
Large Package	LBP 16,000	1,095 grams	LBP 34,000	113%

- Removal of Bread Subsidy has the potential to increase the price of the food SMEB from LBP 662,000 (week of March 28) to LBP 859,000.

Source: International wheat price refers to US international Wheat (US No. 2, Hard Red Winter) – May 18, 2022, Prices
The above scenario assumed that the production of 1KG of bread requires nearly 700 grams of wheat flour, meaning approximately 1 kg of wheat. The scenario assume that the increase in wheat price is the only factor contributing to the increase in price of bread and that al other factors are fixed.

Impact of the Ukrainian Conflict on Food Supply and Prices

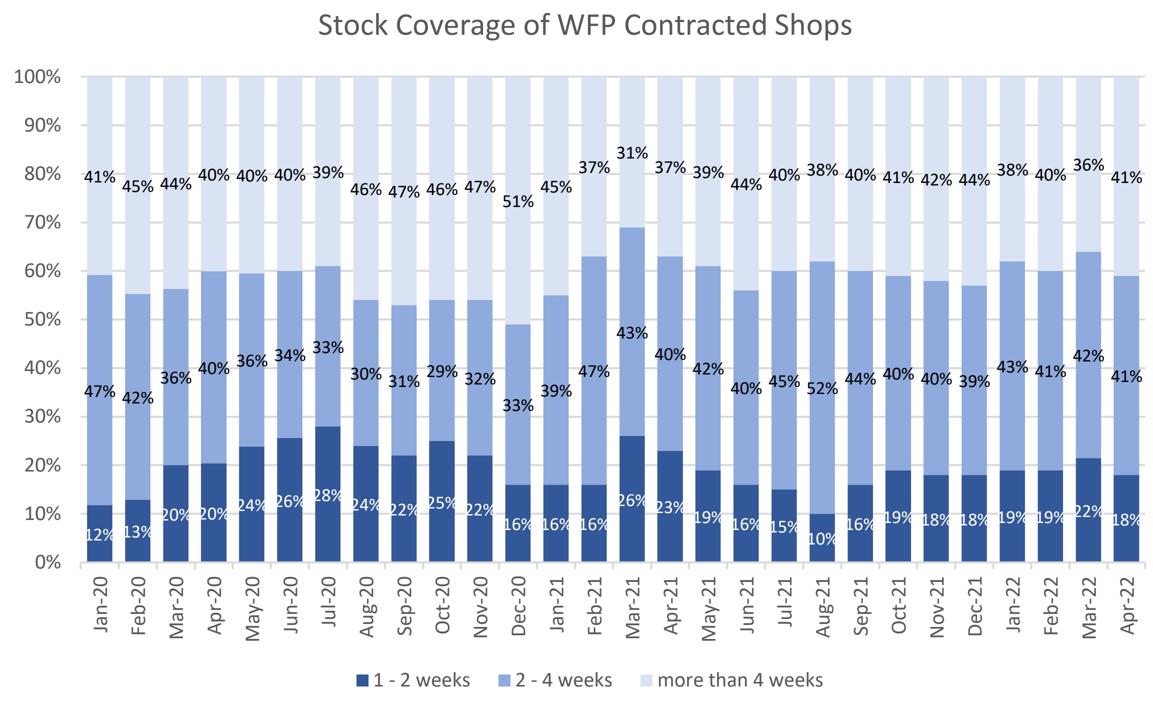
- 20-25% of the global wheat export not available in the market due to conflict/sanctions (Russia Federation or Ukraine ranked amongst the top three global exporters of wheat, maize, sunflower seeds and oil);
- Export bans/partial export bans by several countries;
- Availability of fertilizers and increasing cost might affect agricultural inputs;
- Increased fuel and shipping prices (shipping prices having increased x10 since covid19)
- FAO price index was already increasing throughout the past period. By March 2022, a new all-time high was reached. FAO Cereal Price Index and Vegetable Oil Price Index also registered all-time highs then. In April 2022, index stabilised for now.

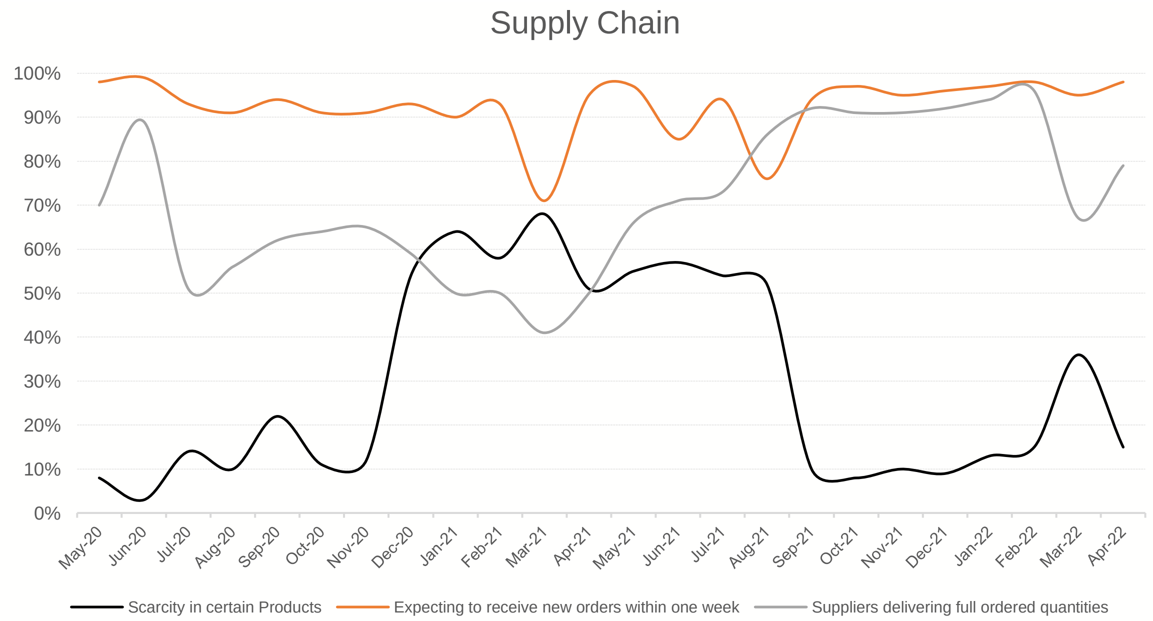


Source: FAO Price Index & WFP mVAM Data

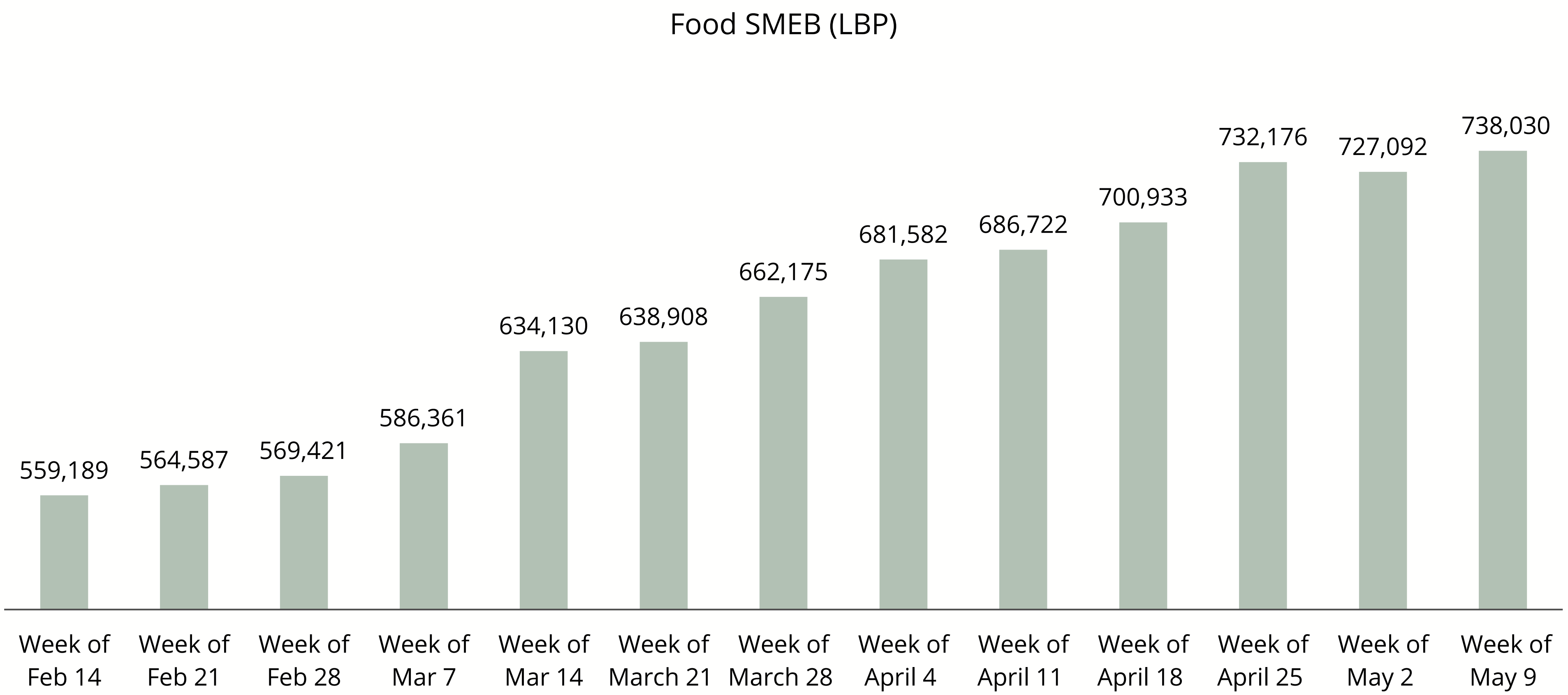
Food Stocks Availability & Supply Chain

- Food stocks availability affected by developments in informal market mainly.
- Highest drop in March 2021 when informal rate rapidly depreciated.
- Shops with more than 2 weeks of stock coverage nearly stable since May 2021 onwards. Slight drop in March 2022 (Ukraine conflict effect), which was reversed in April 2022.
- Scarcity in products increased in March 2022 (Ukraine Conflict), before improving again in April 2022. Previously stable since September 2021 (after peak of fuel crisis)
- Delivery of products within one week remains stable, as mainly affected by fuel availability.
- Suppliers delivering full ordered quantities dropped in March 2022 (Ukraine Conflict), before reversing again in April 2022. Previously stable since 2021 4th quarter





Analysis of Food Prices – local market



- Food SMEB increased by 31 percent on a weekly basis since the start of conflict.
- Increase lead by Sunflower Oil (90 percent), Sugar (51 percent), and Bread (42 percent).

Potential Impact on Beneficiaries

- The risk that higher import costs and increasing energy prices may translate into further price increases is concrete and would impact the poorest part of Lebanon population groups, including Syrian refugees;
- Decreasing availability of key commodities on the international markets and increasing agriculture production costs will also further affect prices both internationally and locally;
- With the increasing cost of goods and services, the purchasing power of vulnerable population groups will further decrease, and their ability to secure their essential needs will further decline;
- Food insecurity among Lebanese alone already increased to 46 percent in the second half of 2021;
- People's ability to continue coping amid such a volatile environment is worrying. By December 2021, more Lebanese families have been reporting access challenges to food, with 88 percent consuming less expensive food, 59 percent limiting portion size, and 39 percent reducing the number of meals;
- Families with an inadequate diet reached 33 percent by end of 2021, a more than 10 percent increase from the beginning of the year;

Source: WFP mVAM Data

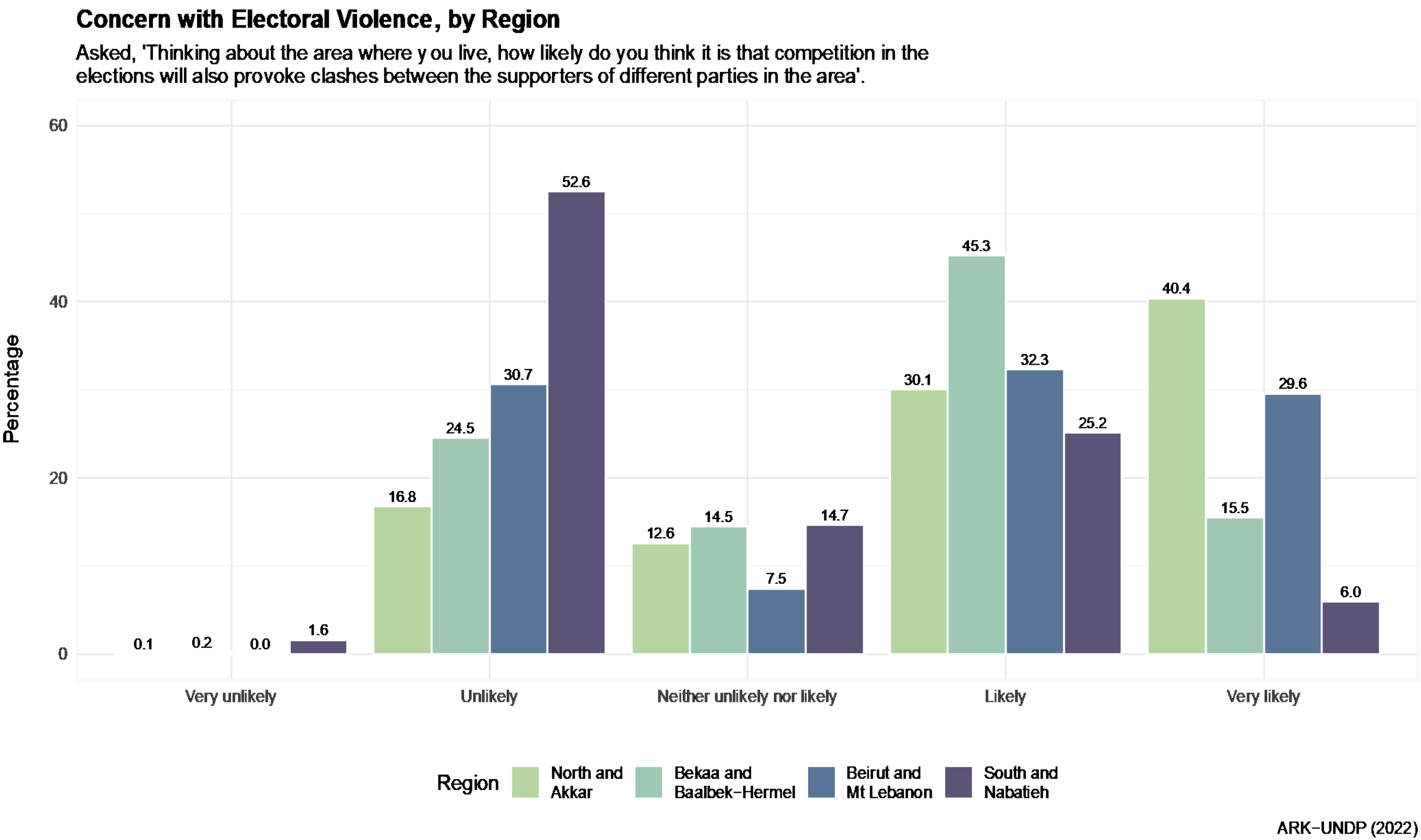
Tensions in the Post-Election Period

Post-elections context

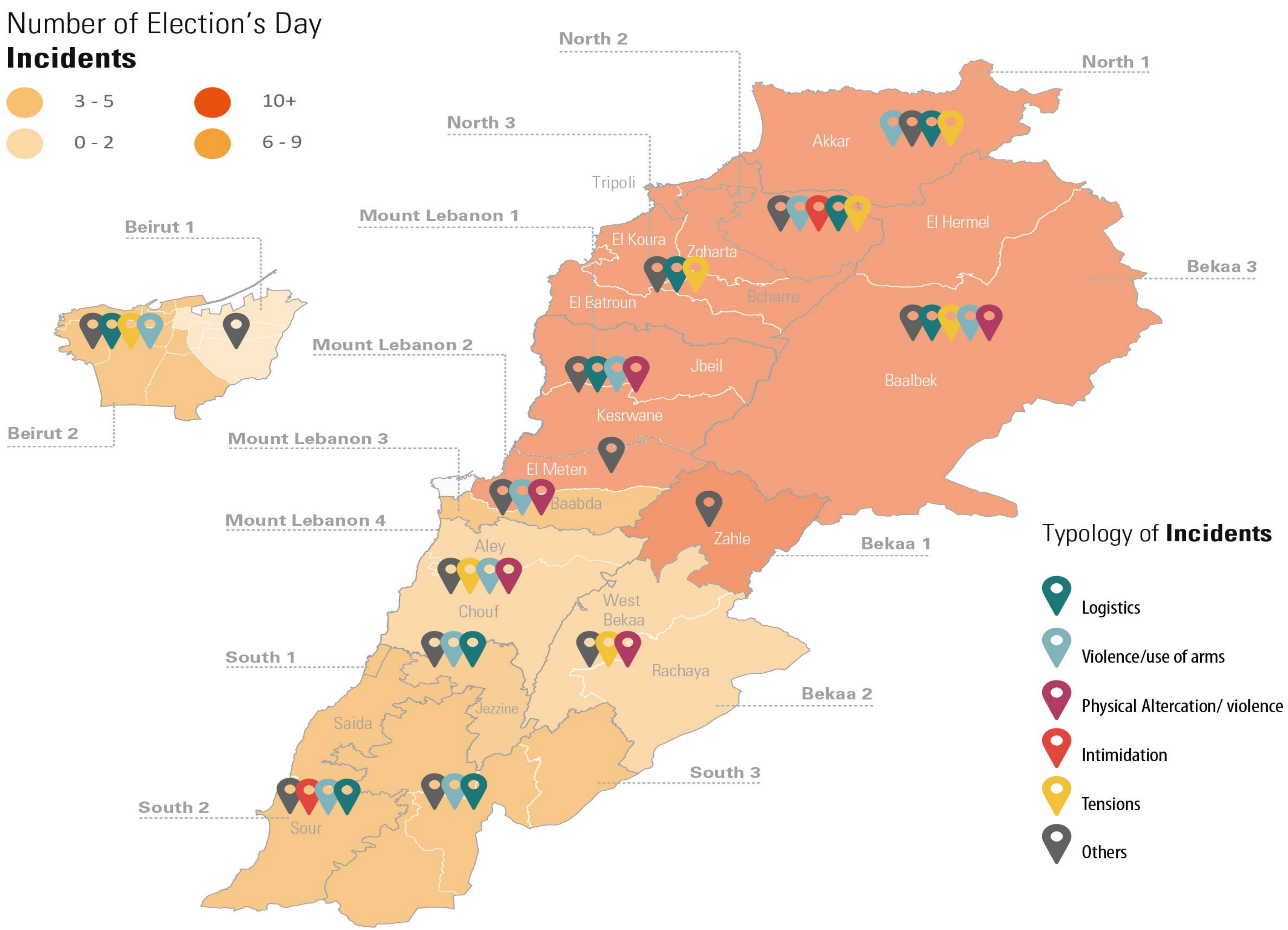
- For 2022, dynamics around the parliamentary elections could have an additional detrimental effect on factors under
  - **Risk 3 - Increased social instability** (including intra-communal clashes)
  - **Risk 4 - Supply gaps (including fuel, wheat, electricity and water)** (linked to removal of subsidies and gaps in institutional capacities)
  - **Risk 5 - Pressure on partners due to increased needs**
  - **Risk 6 - Access issues and closing operational space**

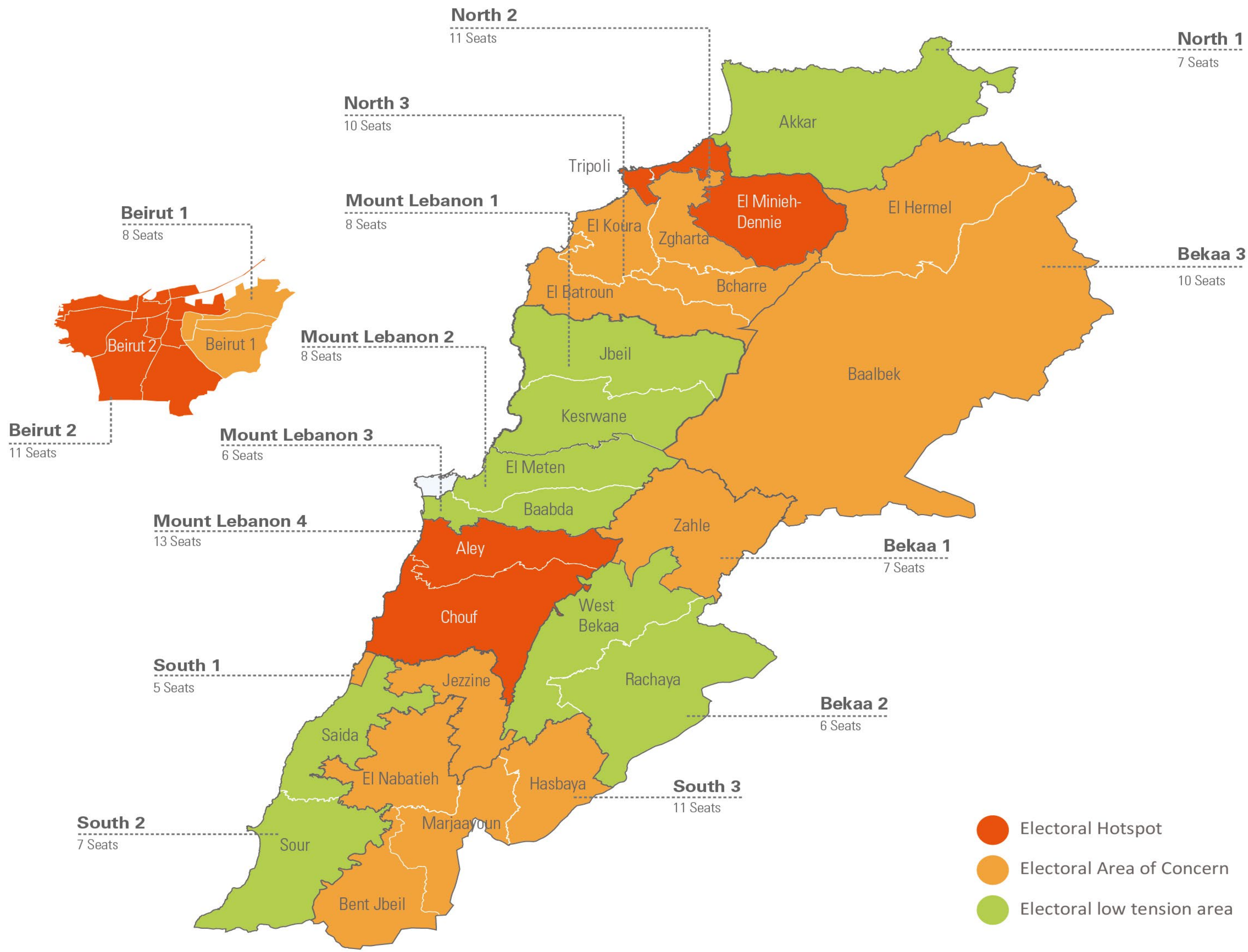
- Pre-elections analysis emphasized that we did not foresee a high risk of organized or major offline violence, however **micro-level insecurity and increasing incidents were expected** – Key areas of risk (Beirut II, Chouf, North II, Bekaa III)

Perception survey revealed that 58% of Lebanese were concerned about the threat of electoral violence



Incident Overview: Elections Day





North 2
11 Seats
North 1
7 Seats
North 3
10 Seats
Akkar
Tripoli
Mount Lebanon 1
8 Seats
El Minieh-
Dennie
El Hermel
Beirut 1
8 Seats
El Koura
Zgharta
Bekaa 3
10 Seats
El Batroun
Bcharre
Beirut 2
Beirut 1
Mount Lebanon 2
8 Seats
Jbeil
Baalbek
Beirut 2
11 Seats
Kesrwane
Mount Lebanon 3
6 Seats
El Meten
Baabda
Mount Lebanon 4
13 Seats
Zahle
Aley
Bekaa 1
7 Seats
West
Bekaa
Chouf
South 1
5 Seats
Jezzine
Rachaya
Bekaa 2
6 Seats
Saida
El Nabatieh
Hasbaya
South 3
11 Seats
South 2
7 Seats
Marjaayoun
Sour
Bent Jbeil
Electoral Hotspot
Electoral Area of Concern
Electoral low tension area

Analysis of elections-related tensions

- The overall electoral process took place in a generally calm and organized climate
- Second half of the day, the atmosphere was marked with a rise in electoral violations, low-scale tensions and intermittent escalations. However, no major security incidents were reported. Tensions and escalations mirrored the existing sectarian and political divides
- No widespread communal violence occurred and the use of arms was minimal
- However, the social media landscape was highly antagonistic sentiments as well as hate-speech during the election day at an even higher rate than the pre-elections phase
- Supporters took to the streets with motorcades and celebratory gunfire as results were informally announced in the late hours of the election day.

Tension risks for post-election period

- MEDIUM - **Direct physical and armed confrontations during post elections phase -** Key areas of risk include Bekaa, Aley & Chouf, Baalbek-Hermel, and some areas of Beirut/Beirut Southern Suburbs (Ain Remmaneh-Chiyah)
- HIGH - **Polarization between political parties.** Most likely, this will take place between EPPs and TPPs especially in Beirut 2, Mount Lebanon 4, and North 3.
- HIGH - **Political instability at macro-level** in the period prior to the new Government being formed. This could lead to delays in legislative work and reforms as well as the inability of security actors to ensure stability.
- MEDIUM - **Tensions and violence linked to the municipal elections.** This will likely have a medium to major impact on the operational environment as well as the scapegoating of refugees.

Business Continuity Plan: Prevention & Preparedness Measures

Prevention and preparedness measures identified for each risk, reviewed on an ongoing basis (national / regional inter-sector)

Examples:

- Re-deploy remote modalities to overcome movement restrictions
- Strengthened engagement of community leaders / communication of services that target across populations
- Cross-sectoral approach to eviction prevention & preparedness (referral pathways, guidance & training, housing stock assessments etc)
- Expanded monitoring of social media sentiment, enhancing communication strategies to combat fake news / hate speech and aid bias perception
- Expanded investment in domestic wheat production and storage (FSS / LH)
- Prioritized support to municipalities, including running costs (solar, SWM, wastewater). Prioritize clustering approach and encourage cross-municipalities cooperation for economies of scale.
- Develop contingency plans in the event of large-scale communication failures and banking collapse

AOB