

Supporting Lebanon's path of economic and democratic recovery

Adopted at the YEPP Council Meeting in Paris, France (22/04/2023)

Recognizing that:

- Lebanon has been suffering from one of the worst economic crises in the world and in its history since 2019, which has left most of the population under the poverty line, unable to withdraw their savings¹, collapse of the most basic public services, and a huge brain drain.
- The Lebanese pound has lost more than 98% of its value in the black market which led the government to raise the official rate to 15,000 LBP to the dollar which consists of a 90% devaluation².
- The world bank recently considered the Lebanese crisis as one of the “top three most severe economic collapses worldwide since the 1850s”, calling it a “deliberate depression is orchestrated by the country's elite that has long captured the state and lived off its economic rents”³
- The Staff Concluding Statement of the 2023 Article IV Mission of the IMF to Lebanon noted the limited progress in implementing the comprehensive package of economic reforms, set out in the Staff Level Agreement between the IMF and Lebanon and that without rapid reforms Lebanon will find itself in a never-ending crisis⁴.
- The gradual collapse of the banking sector has allowed Hezbollah to expand its financial arm within a country that has now turned into a cash economy. Hezbollah's financial arm Al Qard Al Hassan is not licensed by the BDL and cannot be pursued or held accountable by the judiciary⁵.
- Despite the crisis Lebanon's ruling elite showed a lack of will to engage in any reforms, transparency and to uphold the rule of law, blocked the establishment of an independent judiciary and carried on using state resources for private interests⁶. The latest highlight of this, was a 122 million USD deal by the Minister of Public Works to build a new terminal at Beirut airport without a transparent tender process⁷.
- Lebanese ruling political elite has meddled, stalled, and blocked the local investigation into the Beirut Port Explosion of August 4th, 2020. Human Rights Watch, Amnesty International, Legal

¹ <https://www.thenationalnews.com/mena/lebanon/2023/03/08/no-liquidity-in-lebanese-banks-says-chief-of-countrys-banking-association/>

² <https://apnews.com/article/inflation-international-monetary-fund-beirut-lebanon-business-6f7fb7e8bfa93ca23e6caaf47a61f8d7>

³ <https://www.worldbank.org/en/news/press-release/2022/01/24/lebanon-s-crisis-great-denial-in-the-deliberate-depression#:~:text=According%20to%20the%20World%20Bank,lived%20off%20its%20economic%20rents.>

⁴ <https://www.imf.org/en/News/Articles/2023/03/23/lebanon-staff-concluding-statement-of-the-2023-article-iv-mission>

⁵ <https://www.arabnews.com/node/2253591/middle-east>

⁶ <https://www.chathamhouse.org/sites/default/files/2021-06/2021-06-29-breaking-curse-corruption-lebanon-merhej.pdf>

⁷ <https://www.thenationalnews.com/mena/lebanon/2023/03/28/lebanons-million-dollar-airport-terminal-deal-in-the-hot-seat-why-the-controversy/>

27 Action Worldwide, Legal Agenda, and the International Commission of Jurists have documented
28 a range of procedural and systemic flaws⁸ in the domestic investigation that render it incapable
29 of credibly delivering justice, including flagrant political interference, immunity for high-level
30 political officials, and lack of respect for fair trial and due process standards.

31 • March 8th Alliance particularly Hezbollah, Amal, FPM and allies have since October 2022,
32 repeatedly, broken the constitution by breaking the electoral quorum thus preventing the
33 election of a new president of the republic, the first step on the road to upholding the rule of law
34 in crisis-stricken Lebanon.

35 • The upcoming local elections supposed to be held in May 2023, is a step towards upholding the
36 rule of law in the country, ensuring democratic principles are being respected and a chance for
37 the citizens to make their voices heard in the ballots.

38 **Acknowledging that:**

39 • Article 21 (3) of the Universal Declaration of Human Rights states that “The will of the people shall
40 be the basis of the authority of government; this will shall be expressed in periodic and genuine
41 elections which shall be by universal and equal suffrage and shall be held by secret vote or by
42 equivalent free voting procedures.”

43 • Article 25 (1) of the Universal Declaration of Human Rights states that “Everyone has the right to
44 a standard of living adequate for the health and well-being of himself and of his family, including
45 food, clothing, housing and medical care and necessary social services, and the right to security in
46 the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood
47 in circumstances beyond his control.”

48 • Without real structural, economic and financial reforms, the Lebanese economy will not be able
49 to recover prosper and the Lebanese peoples’ suffering will persist.

50 • A strong banking sector is a key component in any recovery plan of for the Lebanese economy
51 and there should not exist any unlicensed financial groups that cannot be pursued or held
52 accountable by the judiciary, especially those related to paramilitary groups. And that this does
53 not absolve Lebanese banks from their responsibility in the current situation and suffering of the
54 Lebanese people.

55 • A state cannot properly function without its head in this case the president of the republic and
56 that laws and constitutions must be upheld to ensure good governance.

57 • The state armed forces and security agencies should be the sole bearer of arms and the sole ones
58 in charge of the security of the country and the people and that the existence of a paramilitary
59 group undermines the state’s sovereignty and the laws and constitution.

60 • The establishment of a capable, independent judiciary is a core component in instituting a system
61 of good governance away from political interference.

⁸ <https://www.amnesty.org/en/latest/news/2023/01/lebanon-judiciary-farce-in-beirut-blast-investigation-must-end/>

62 • The investigation into the Beirut Port explosion should no longer be obstructed and that a fair,
63 impartial, independent investigation is a necessity to ensure justice to the victims and to the
64 people of Lebanon.

65

66 **YEPP calls on:**

67 • The European Union and EU member states to push forward for the implementation of UN
68 Security Council resolutions 1559⁹ and 1701¹⁰ for the importance they hold in establishing a
69 sovereign, capable, strong Lebanese Republic that upholds the rule of law over all of its citizens.

70 • The European Union and EU member states to sanction Lebanese politicians and entities who are
71 blocking the implementation of reforms and good governance tools and not upholding the rule of
72 law, breaking away from democratic principles including holding both presidential and local
73 elections, obstructing reforms and accountability, using the legal framework for a sanctions
74 regime targeting Lebanese individuals and entities adopted on 30 July 2021¹¹.

75 • The EPP, European Union and member states to push forward a resolution at the United Nation's
76 Human Rights Council for an international, impartial, independent investigation into the Beirut
77 Port explosion of 2020 after a year of blockage of the local investigation by the Lebanese ruling
78 elite.

79 • For the EU to adopt a united stance against Hezbollah's terrorist activities and stop the
80 differentiation between the organization's "military and political wings" which is an obsolete
81 differentiation to begin with.

82 • The European Union and EU member states to push the Lebanese Government to adopt and
83 implement a recovery plan that does not absolve neither the state, the central bank or the banks
84 from their respective responsibilities in the current crisis.

85 • The Lebanese government to prioritize and expedite the implementation of comprehensive
86 economic reforms as outlined in the Staff Level Agreement with the IMF to address the current
87 economic crisis, reduce poverty levels, and restore confidence in the Lebanese economy.

⁹ <https://digitallibrary.un.org/record/529421?ln=en>

¹⁰ <http://unscr.com/en/resolutions/1701>

¹¹ <https://www.consilium.europa.eu/en/press/press-releases/2022/07/26/lebanon-eu-extends-framework-for-targeted-sanctions/>