



# Lebanon Situation Report

June 17, 2022

## Background

The immediate background to the crises and increasingly dire humanitarian situation in Lebanon is summarized in Anera's last [Situation Report \(March 2022\)](#).

## Overview

Lebanon's economic situation has deteriorated into one of the worst economic depressions in the world.<sup>1</sup> The Lebanese pound has lost more than 95% of its value in under three years, and fuel shortages are creating ripple effects in the daily lives of the Lebanese population. The Lebanese government hopes a new loan deal from the International Monetary Fund (IMF) might pave the way for serious economic reform.<sup>2</sup> The IMF and the Lebanese government reached a contingent deal for a \$3 billion dollar loan to help Lebanon overcome the economic crisis and create an exit from its sovereign obligations.<sup>3</sup> The IMF detailed a list of reforms the Lebanese government must implement before the deal can be finalized including floating its currency's exchange rate, rehabilitation of the banking system, and improving governance, among others.<sup>4</sup>

Ensuring the closure of the IMF deal will be the biggest challenge for Lebanon's newly elected parliament. The results from the election revealed that Hezbollah, the biggest party in the parliament, fell three seats short of gaining an outright majority. Many of Hezbollah's biggest supporters lost their seats, most notably their largest Christian ally, the Free Patriotic Movement, effectively ending Hezbollah's parliamentary majority. The new parliament needs to convene quickly to form a new government, a process which took 13 months under Prime Minister Najib Mikati in 2021. With no coalition holding a political majority in parliament, instituting the reforms necessary for the IMF deal will take heavy negotiation and compromise to avoid political paralysis.

## Economy

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<sup>1</sup> [Lebanon Sinking into One of the Most Severe Global Crises Episodes, amidst Deliberate Inaction | The World Bank](#)

<sup>2</sup> [Lebanon, IMF Reach Breakthrough \\$3 Billion Loan Program | Bloomberg](#)

<sup>3</sup> [Fitch Ratings warns of elections' impact on Lebanese economy | The Washington Post](#)

<sup>4</sup> [Lebanon And The IMF | IMF](#)

After Fitch Ratings, a leading American credit rating agency, warned that forming a stable majority in government would face challenges and complicate economic reforms in Lebanon, the value of the Lebanese currency reached an all time low, trading at 35,600 pounds per American dollar on the black market (the unofficial but most widely used exchange rate). This means that purchasing power for Lebanon's population has once again decreased, with the minimum monthly wage of 675,000 pounds now worth just under \$19. The price of gas has also increased by over 25% from April to May<sup>5</sup>, with lines reported once again outside gas stations.<sup>6</sup> Inflation is also likely to worsen in the coming months as phone bills are predicted to be five times higher in July, and internet bills expected to nearly triple their current rate.<sup>7</sup>

### Electricity

Beirut once again plunged into darkness after Lebanon's general election as the country exhausted its last oil tanker from Iraq, brought in to ensure the election would run smoothly.<sup>8</sup> The population had to wait until the end of the week for another shipment of oil to come from Iraq for fuel. Lebanon signed a deal with Iraq in July 2021 for oil, however, that deal is set to expire next month, with no clear indication of whether Iraq will extend the agreement or whether Lebanon will be able to pay for the oil supplied from its neighboring country.<sup>9</sup> This comes at a time in which gas prices are already high globally due to the war in Ukraine. The electricity company Electricite du Liban also announced they will be rationing electricity to the population until another shipment of fuel comes to Lebanon<sup>10</sup>.

### Food and Water Security

On May 9, the World Bank approved a soft loan of \$150 million to Lebanon for food security with an unannounced interest rate (indicating it is most likely below market rate).<sup>11</sup> The loan is critical to stabilize the price of bread amid wheat shortages. Lebanon imports 75% of its wheat from Ukraine and Russia, so the war has worsened the already bad situation in regards to food security in Lebanon. The war is forcing Lebanon to seek alternative sources to continue importing wheat — inevitably at higher prices.<sup>12</sup>

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<sup>5</sup> [Lebanon Gasoline Prices | Trading Economics](#)

<sup>6</sup> [Lebanese currency drops to record low | Arab News](#)

<sup>7</sup> [Value of Lebanese pound drops to all-time low | Al Jazeera](#)

<sup>8</sup> [What Lebanon's Election Results Mean for Ending Its Crisis | Council on Foreign Relations](#)

<sup>9</sup> [The Politics Behind Lebanon's Collapsed Energy Sector | ISPI](#)

<sup>10</sup> [Escalating cost-of-living crisis hits Lebanese hard just days after parliamentary elections | Arab News](#)

<sup>11</sup> [World Bank grants Lebanon \\$150 million food security loan | AP News](#)

<sup>12</sup> [The Impact of Russia's Invasion of Ukraine in the Middle East and North Africa | CSIS](#)

There are also concerns that the Lebanese government might lift the subsidy for bread in an effort to conserve the central bank's dwindling currency reserves. The lifting of subsidies would significantly increase the price of bread for the population, 88% of whom now live below the survival minimum expenditure basket according to the United Nations.<sup>13</sup> The government has yet to make an official announcement over the speculations.<sup>14</sup>

On May 24, the Beirut and Mount Lebanon Water Establishment announced that they would begin severely rationing the amount of water available in coastal areas. The company said this change is due to limited electricity supply, the shortage in fuel, and the continuing depreciation of the Lebanese currency. The company also announced that if the economic situation continues to worsen, it will not be able to supply any water. The summer is also approaching, which increases the demand for water during the hot months. The pumping stations are currently operating at minimum capacity. Any malfunctions or damage in the facilities can only be repaired with hard currency (US dollars), which is not available to the water authority at the moment.<sup>15</sup>

### Medications and Hospitals

The worsening economic situation puts a strain on hospitals and pharmacies struggling to treat their patients. Cancer medications are badly affected by this shortage, with some patients skipping treatment altogether to avoid the high costs.<sup>16</sup> There is also a shortage of nurses and doctors at most Lebanese hospitals, who have left the country amid the turmoil to seek employment elsewhere. Rafik Hariri University Hospital, Lebanon's largest public hospital, is down to only 15 doctors. According to the Order of Nurses Lebanon, the nurses union, approximately 3,000 nurses have left Lebanon since the beginning of the crisis in October 2019.<sup>17</sup>

## Anera's Response

### Food Security

In order to combat food insecurity for vulnerable families in Mount Lebanon during the Eid Al-Adha holiday, Anera will provide 2kg of fresh beef to 8,625 families, totaling 43,125 individuals. Anera partnered with community-based organizations to identify vulnerable families living in poverty, persons with disabilities, women-headed households, and other vulnerable groups to distribute qurbani, an annual animal sacrifice in Islam during Eid Al-Adha. Anera will use trusted local vendors for the

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<sup>13</sup> [Lebanon: UN expert warns of 'failing State' amid widespread poverty | OHCHR](#)

<sup>14</sup> [World Bank grants Lebanon \\$150 million food security loan | AP News](#)

<sup>15</sup> [Beirut and Mount Lebanon Water Establishment announces rationing | L'Orient Today](#)

<sup>16</sup> [Escalating cost-of-living crisis hits Lebanese hard just days after parliamentary elections | Arab News](#)

<sup>17</sup> [Lebanon's hospitals are running out of medicine and staff in ongoing economic crisis | NPR](#)

slaughterhouse sites to increase the economic vitality of the local livestock market in Lebanon.

To help alleviate food insecurity for vulnerable individuals in Lebanon (which impacts nearly half of Mount Lebanon residents), during the month of Ramadan Anera partnered with Islamic Relief USA to provide 5,059 vulnerable families with food parcels and vouchers to buy fresh produce and groceries for the month from local supermarkets, reaching 25,295 individuals in Mount Lebanon. Anera prioritized reaching families living in poverty and women-headed households.

### **Livelihoods**

In order to respond to the needs created by Lebanon's economic collapse and COVID-19, Anera has refocused its youth cash-for-work programs to provide short-term paid employment opportunities (directly, if no paid employer-based internships are available) through programs that address humanitarian needs. Anera will target 2,500 out-of-school youth in formal and informal education through outreach activities which serve for the purposes of motivation and career advice. Anera will target an additional 10,253 through vocational training, non-formal education, and employability training, and around 800 will benefit from a cash-for-work program through February 2023.

### **Water, Sanitation, and Hygiene (WASH)**

We are continuing efforts to improve the WASH practices of refugees in Palestinian camps in Lebanon, with funding from UNICEF. Anera has focused on raising awareness through the use of mass media about menstrual hygiene and COVID-19 vaccines and safety measures.

### **Medical Donations**

In order to respond to the limited supply of medications in Lebanon, Anera, in collaboration with its partners, provided anticancer medicines, with total donations since January 2021 equaling \$4 million. This month, Anera received a shipment of immunomodulator cancer medications, which are otherwise out of stock in pharmacies and expensive when available, yet critical for cancer patients. Anera plays an essential role in supplying cancer medications; patients and their relatives are reaching out to Anera's medical donations staff as referrals for their support to secure these medications. Anera continues to work with all of its generous donors to increase the supply of cancer medicine to ensure sustainability in providing these treatments.

In addition, during May and June 2022 alone, Anera received more than 68 pallets of chronic and essential medicines, which are either locally out of stock or considered very expensive, given that Lebanon's Central Bank removed subsidies for medications. And in May 2022, Anera received and distributed a fourth shipment of hydroxyurea, a vital

medication to keep sickle cell disease patients from experiencing severe pain and complications.