

LEBANON

Statement by the Managing Director at the International Conference in Support of the Lebanese People

December 2, 2020

Let me begin by thanking President Macron for once again bringing us together, almost four months after the devastating explosion in Beirut. My thanks also to the United Nations, the European Commission, and the World Bank for spearheading the effort to put in place a framework to assist the Lebanese people with the pressing reconstruction and humanitarian needs.

We endorse the broad principles for reforms needed to restore macroeconomic and financial stability outlined in the Reform, Recovery, and Reconstruction Framework (3RF) presented today. We commit to do our part to help transform these principles into a viable reform program to restore the solvency in public finances; repair the banking system; rehabilitate loss making SOEs; strengthen governance, transparency, and accountability with comprehensive audits of key institutions, including the central bank; and expand the social safety net.

Regrettably, despite our multiple engagements at technical level on variety of issues over the last four months, in the absence of

an empowered government we have not gone very far in advancing the preparation of a comprehensive stabilization and reform program. Importantly, a coherent fiscal framework that can restore debt sustainability is still lacking, as is a credible strategy to rehabilitate the banking system.

We stand by the Lebanese people. We are committed to do everything possible to help them overcome the multiple challenges they face. We are encouraged by the support the world is demonstrating during today's meeting. And we look forward to swift resolution of any issues that are in the way of empowering a government with a strong mandate to reform the Lebanese economy. We are ready to support its vital mission.

Thank you.