

**REPUBLIC OF LEBANON**  
**Ministry of Economy and Trade**

**Lebanon Wheat Emergency Response Project**  
**(P178866)**

**DRAFT**  
**STAKEHOLDERS ENGAGEMENT PLAN**  
**(SEP)**

**April 13, 2022**

Version	Date	Description or Reason for Change
01	28/03/2022	Appraisal Version
02	13/04/2022	Negotiations Version

## Abbreviations and Acronyms

<b>BDL</b>	Banque du Liban/Central Bank of Lebanon
<b>CCIA</b>	Chambers of Commerce Industry and Agriculture
<b>CERC</b>	Contingency Emergency Response Component
<b>COVID-19</b>	Corona Virus Disease
<b>ESR</b>	Environmental and Social review
<b>ESCP</b>	Environmental and Social Commitment Plan
<b>ESF</b>	Environmental and Social Framework
<b>ESSN</b>	<b>Emergency Social Safety Net (Project)</b>
<b>ESS</b>	Environmental and Social Standard
<b>FAO</b>	Food and agriculture organization
<b>GASC</b>	General Authority For Supply Commodities in Egypt
<b>GDSCS</b>	General Directorate of Cereals and Sugar beet
<b>GBV</b>	Gender Based Violence
<b>GOL</b>	Government of Lebanon
<b>GM</b>	Grievance Mechanism
<b>IRI</b>	Industrial Research Institute
<b>LARI</b>	Lebanese Agricultural Research Institute's
<b>LC</b>	Letter of Credit
<b>MOA</b>	Ministry of Agriculture
<b>MOE</b>	Ministry of Environment
<b>MOET</b>	Ministry of Economy and Trade
<b>MOF</b>	The Ministry of Finance
<b>MOI</b>	Ministry of Industry
<b>MOIM</b>	Ministry of Interior and Municipalities
<b>MOL</b>	Ministry of Labor
<b>MOPH</b>	Ministry of Public Health
<b>MOPWT</b>	Ministry of Public Works and Transport
<b>NGO</b>	Non-Governmental Organization
<b>NPTP</b>	National Poverty Targeting Program
<b>PAP</b>	Project's Affected Populations
<b>PDO</b>	Project Development Objective
<b>PMU</b>	Project Management Unit
<b>POB</b>	Port of Beirut
<b>SEP</b>	Stakeholder Engagement Plan
<b>TPMA</b>	Third-Party Monitoring Agency
<b>UNHCR</b>	United Nations High Commissioner for Refugees.
<b>WB</b>	World Bank
<b>WBG</b>	World Bank Group
<b>WFP</b>	World Food Program
<b>WISC</b>	Wheat Import Supply Chain

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## 1. Introduction/Project Description

Lebanon's compounding crises pose long-term challenges for the country. In 2019, Lebanon faced an economic and financial crisis due to a stop in capital inflows, which led to systemic failures across the banking sector, debt, and the exchange rate. A shortage of United States (US) dollars in the market resulted in multiple exchange rates, as well as informal restrictions and control mechanisms on deposits held in US dollars and on transfers out of the country. The Port of Beirut explosion in August 2020 had significant negative economic impacts, including the loss of wheat silos, placing further strain on the economy and food security. The COVID-19 pandemic and subsequent lockdowns exacerbated the situation, directly affecting people's health, livelihoods, and food security.

Lebanon relies heavily on food import. In particular, 80 percent of wheat consumed in the Country is imported, of which 96 percent was imported either from Russia or Ukraine. The impact of the military conflict in Ukraine is reverberating across continents, particularly affecting the fragile economy and food security of Lebanon. As a result of the Ukraine-Russia crisis, grain prices are continuing to increase on global markets; wheat prices have already reached 50 per cent above early February levels. Current wheat reserves in Lebanon cover approximately one month of consumption, stored in 11 mills. As the country reels under anemic foreign exchange reserves, surging inflation and alarming poverty levels, more families will be struggling for mere survival if the food insecurity risk is not promptly addressed and mitigated.

The Emergency Response in Support of Wheat Imports Project (P178866) is proposed to address the issue of wheat security in Lebanon. It has the following Project Development Objectives (PDO): "to ensure the availability of wheat in Lebanon, in response to the economic impact of the Ukrainian conflict and to enable emergency access to affordable bread by poor and vulnerable households." It has a total duration of one year and a total budget of US\$150 Million Securing about 4-5 months of wheat supplies.

The Emergency Response in Support of Wheat Imports Project has the following 2 components:

**Component 1: Financing immediate wheat import needs and emergency bread access for targeted population groups (US\$ 147.5 Million)**

The component will finance immediate wheat purchases to avoid the disruption of imports in the short term, and its dire socioeconomic implications. This will be done in accordance with OP/BP 10.00 and the Instructions: Preparation of Investment Project Financing: Situations of Urgent Need of Assistance or Capacity Constraints.

While market conditions and price developments are difficult to anticipate in the following months, it is expected that the project would be able to help procure approximately 250,000 metric tons of wheat. This will allow maintaining food security for approximately 6.8 million Lebanese including close to 1.5 million refugees and asylum seekers over a period of 3 to 5 months. Procurement will aim to ensure regular and adequate monthly supply (on par with current levels) and avoid disruptions and shortages in wheat availability on the Lebanese market. It is particularly important, given the current global market and domestic financial pressures, to ensure continuity in wheat supply immediately after project effectiveness.

Procurement of wheat will be through private sector importers following commercial practices. MOET will sign Framework Agreements with selected wheat importers who comply with the World Bank eligibility requirements and meet the predefined qualification criteria, to act as intermediaries under this project.

The project will equally focus on safeguarding access to affordable bread for poor and vulnerable households, including refugees. These households will be targeted and selected, based on the combined

databases maintained by WFP (for poor Lebanese households identified under NPTP/ESSN Projects) and UNHCR (for refugees). If wheat availability is ensured in Lebanon and bread pricing policy remains unchanged, any systemic challenges to access affordable bread by vulnerable and poor households would likely be due primarily to economic/income constraints at household level. The complementary activities described under Component 2 will help inform the most effective and fiscally responsible solutions, but it is likely that they will have to rely on a close articulation with and further scaling up of targeted support through the social security net mechanisms. Such mechanisms are currently being implemented through the World Bank financed Emergency Social Safety Net Project (ongoing, and targeting the extreme poor), and through the Emergency Broad Coverage Cash Transfer Project (in the pipeline and designed to benefit a broader population group).

### **Component 2: Project management and capacity building (US\$ 2.5 Million)**

This component will finance all aspects of project management, including equipment and materials, compliance with fiduciary, procurement (including internal controls and auditing), and safeguards (environmental and social) requirements (including a citizen engagement mechanism and a strengthened GRM for better risk management)), monitoring and evaluation, and impact assessment, knowledge management and communication.

The component will specifically finance mechanisms to improve the mitigation of risks associated with wheat imports and access to affordable bread under Component 1. To address fiduciary risks and ensure the integrity of the wheat procurement process, it will finance semi-annual financial audits focused on participating importers. To address technical risks, such as misuse or misappropriation of project-financed wheat imports, the project will finance consultancy services and technical assistance to strengthen the role of the consumer protection agency under MOET and of Lebanon's Central Inspection agency, as well as third-party monitoring agency (TPMA), such as mobilization of Red Cross Volunteers with the Lebanese Red Cross/International Federation of Red Cross and Red Crescent Societies. At the same time, the project will finance high frequency 'Listening to Poor and Vulnerable Household Surveys', entailing data collection on bread prices and consumption for the poor and vulnerable households, by conducting random sampling and surveying (biweekly) using UNHCR and WFP beneficiary lists. This information will be triangulated at MOET level with information consolidated from the consumer protection agency, GRM, and WFP price monitoring system, and used to adopt appropriate remedies. All monitoring reports will be published on Central Inspection's IMPACT online platform.

The component will also support consultancy services and technical assistance that will strengthen MOET's capacity to manage the transition from the current wheat subsidy system to a more market-oriented system.

### **Component 3: Contingent Emergency Response Component (US\$0)**

In recognition of Lebanon's current significant vulnerability to shocks, a CERC with no funds is included in accordance with the World Bank policy on Investment Project Financing for contingent emergency response to an eligible crisis or emergency, as needed. This component will allow the GOL to request the World Bank for rapid reallocation of the project funds to respond promptly and effectively to an eligible emergency or crisis that is a natural or man-made disaster or crisis that has caused or is likely to imminently cause a major adverse economic and/or social impact. If the World Bank agrees with the determination of the disaster and associated response needs, this component will draw resources from the categories financing Components 1 and 2, and/or allow the GOL to request the World Bank to re-categorize and

reallocate financing from other project components to cover emergency response and recovery costs.

## 2. Brief Summary of Previous Stakeholder Engagement Activities

Initial stakeholders' identification and consultation was conducted during the preparation phase in March 2022 followed by consultations with mills owners at MOET on March 17, 2022. The parties that were present included MOET, 3 mills and the World Bank. The main outcomes of the consultation and key feedback are summarized below, and details are provided in [Annex 1](#).

- Millers pick the sellers through brokers. The brokers shop around based on requirements specified by the millers.
- Current wheat supplies are partly in the mills, partly in port. 3 vessels are on the way to Lebanon.
- 50,000 tons of wheat are in stock right now. The total storage capacity is 125,000 tons (silos and warehouses) which is worth 2 months of consumption. Imports are in the range of 50-60,000 tons per month.
- The annual import bill is in the range of 200-250 million USD.
- Bulgaria issued a ban on wheat export. Currently some wheat is coming from Moldova (6 tons) through the port of Constanta. Another shipment is coming from Romania. Another shipment coming through the Emirates (Ukrainian wheat that left before the conflict started). Indian wheat is very dusty (but impurities can be addressed by millers-they claim, but Lebanon never used Indian wheat previously); German wheat too hard (too much gluten), French wheat is too soft.
- Since Russian-Ukrainian war, the prices of wheat increased and fluctuated between 460-520 USD per ton.
- At the moment the importer still find wheat for purchase and there is no need for aggregation. Some level of aggregation is already taking place as big mills like "Crown" import for smaller mills.
- In summary, the importers/millers indicate that they can secure shipments for Lebanon, but because of substantial delays from the central bank, may not be able to purchase the wheat.

Due to the nature of the Project (emergency response) and the lack of time during the preparation phase, the consultations were limited to the mill owners. MOET is planning to implement additional stakeholder consultations during the Project implementation phase to ensure a more inclusive approach to take into consideration the views of the vulnerable groups including the poor and refugees (refer to Table 3).

## 3. Stakeholder identification and analysis

For the purposes of effective and tailored engagement, stakeholders of the proposed project can be divided into the following core categories:

- **Affected Parties** – persons, groups and other entities within the Project Area of Influence that are directly influenced (actually or potentially) by the project and/or have been identified as most susceptible to change associated with the project, and who need to be closely engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures;
- **Other Interested Parties** – individuals/groups/entities that may not experience direct impacts from the Project but who consider or perceive their interests as being affected by the project and/or who could affect the project and the process of its implementation in some way; and

- **Vulnerable Groups** – persons who may be disproportionately impacted or further disadvantaged by the project(s) as compared with any other groups due to their vulnerable status and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project.

### 3.1 Affected parties

The following stakeholders are of primary relevance given their interest and influence on the project for Component 1:

- **Lebanese and non-Lebanese Population:** All the Lebanese population is considered as affected party including the Lebanese and Non-Lebanese, the displaced populations including Syrian and other refugees.

### 3.2 Other interested parties

- **MOET:** That sets the flour and bread price control, protects the consumer and oversees wheat import supply chain, noting that MOET cannot have full control on wheat price for the latter is highly fluctuating, influenced by exchange market and by the current Russian-Ukrainian conflict. **The General Directorate of Cereals and Sugar Beet (GDCS)** has an oversight that all requirements are met at the mills for the production of flour for human consumption
- **The Parliament**
- **The Council of Ministers**
- **Commercial Banks** that facilitate the millers obtaining the dollars they need to satisfy Letters of Credits (LCs) for inbound cargo and as mills owners conduct all their transactions through them.
- **Ministry of Industry (MOI):** All mills and agroindustry registered with MOI; MOI can ban agroindustry products from exports. The MOI licenses the operations of companies within Lebanon. This constitutes issuing an initial operating license and then an annual renewal. In addition, the **Industrial Research Institute (IRI)** under MOI performs the weekly and biweekly tests on wheat on behalf of the GDCS.
- **The Ministry of Finance (MOF)** that is the government authority in Lebanon responsible for collecting customs duties and controlling the flow of goods in and out of the country. Its role being the institution directly involved in financial approvals and in debt management.
- **The Ministry of Agriculture (MOA)** that is responsible for the inspection of the wheat cargoes as they arrive, prior to discharge in the ports and agricultural production support for farmers. The Lebanese Agricultural Research Institute's (LARI) laboratory located in Fanar (under MoA) is mandated the inspection of wheat imports. All mills can be inspected by the Ministry of Agriculture to ensure standards are being met.
- **The Ministry of Public Health (MOPH)** that is responsible in the context of food safety; which includes environment, food, cleanliness, contamination, infestation, rodent issues etc. The MoPH also checks that all food workers must undergo medical health checks every three months at a public hospital.
- **Ministry of Environment (MOE)** that elaborates policies, strategies, plans and projects in all that relates to the safety of the environment and the sustainability of natural resources. It also prepares



laws, standards and norms.

- **Ministry of Labor (MOL)** is responsible for protecting the interests of workers in the Country and is dedicated to develop healthy work environment for higher production and productivity
- **Ministry of Public Works and Transport (MOPWT)** and in particular the Directorate General of Land and Maritime Transport that is responsible for setting, implementing and monitoring all policies related to land and maritime transport
- **Ministry of Interior and Municipalities (MOIM)** that is responsible for governorate, caza, municipalities, federation of municipalities and village matters.
- **Beirut and Tripoli Ports** that are used for the discharge of wheat.
- **Customs** that, in co-operation with the Ministry of Agriculture (MOA), approve the cargo and issue appropriate documentation
- **Association of Millers:** represents the 11 millers active in Lebanon. They are listed in the table below.

*Table 1: List of Millers active in Lebanon*

	MILL/IMPORTER	AREA
1	Assaf Modern Mills	Bchamoun, Mount Lebanon
2	Baraka Mills	Dora
3	Big Mills of the South	Sibleen, Mount Lebanon
4	Crown Mills	Corniche El Nahr, Beirut
5	Dora Flour Mills	Dora
6	Flour Mills of Bekaa	Bekaa
7	Lebanon Modern Mills	Corniche El Nahr, Beirut
8	Middle East Mills	Zouk
9	National Flour Mills	Tripoli
10	Shahbaa Mills	Ain El Sikke, Beirut
11	Société Industrielle du Levant/Bakalian	Quarantine, Beirut

- **Union of Bakeries:** represents all bakeries (around 200)
- **Chambers of Commerce Industry and Agriculture (CCIA):** As all businesses including agriculture related are registered with CCIA.
- **Lebanese Shipping Union**
- **Customs Clearance Agents**
- **UN Agencies such as World Food Program (WFP) and Food and Agriculture Organization (FAO) and United Nations High Commissioner for Refugees (UNHCR)**
- [Consumers Association](#)

### 3.3 Disadvantaged / vulnerable individuals or groups

The project may have a disproportionate impact on poor and vulnerable groups. People who do not know how to read or write to understand about the project may have limitations in participating and/or understanding the project information or participating in the consultation process. Other vulnerable groups who may be disproportionately impacted include women groups and female headed households, elderly, persons with disabilities, refugee communities and groups, and poor and vulnerable households as they may not be have access to affordable bread..

### 3.4 Summary of project stakeholder needs

The stakeholders' needs are summarized in the following Table

**Table 2: Summary of project stakeholders**

Stakeholder group	Language needs	Preferred notification means	Specific needs (daytime accessibility) meetings,
Commercial Banks	Arabic/English	In presence meetings/official correspondence	
Beirut and Tripoli Ports	Arabic	In presence meetings/official correspondence	Meeting to be conducted preferably during office hours
Customs	Arabic	In presence meetings/official correspondence	Meeting to be conducted preferably during office hours
Association of Millers	Arabic	In presence meetings	No specific preference
Bakeries	Arabic	In presence meetings	No specific preference
Lebanese Population	Arabic	Various Media	
Poor and Vulnerable Households	Arabic	Through specific NGOs such as WFP which works with vulnerable food insecure population in Lebanon, and UNHCR which works with refugees,	Door to door meetings or at municipalities
CCIA	Arabic/English	By emails, phone and website	Meeting to be conducted preferably during office hours
IRI	Arabic/English	By emails, phone and website	Meeting to be conducted preferably during office hours
LARI	Arabic/English	By emails, phone and website	Meeting to be conducted preferably during office hours
Union of Shipping and Customs Agents	Arabic/English	By email and phone	No specific preference
Ministries	Arabic	By phone and email	Meetings to be conducted preferably in Arabic during office hours
UN Agencies	English	By email	No specific preference
Consumers Association	Arabic	By phone and email	Meetings to be conducted in Arabic

#### 4. Stakeholder Engagement Program

In order to meet best practice approaches, the project will apply the following principles for stakeholder engagement: (i) Openness and life-cycle approach, (ii) Informed participation and feedback and (iii) Inclusiveness and sensitivity.

##### 4.1 Purpose and timing of stakeholder engagement program

MOET is planning to hold consultation meetings similar to the one held on the 17<sup>th</sup> of March 2022, throughout the Project bi-annually and conduct one or two focus groups discussions with a possibility of adding relevant stakeholders according to the needs of the project.

A precautionary approach will be taken to the consultation process to prevent infection and/or contagion, given the highly infectious nature of COVID-19.

##### 4.2 Proposed strategy for information disclosure

This section describes the information that will be disclosed, its format and the types of methods that will be used to communicate this information to each of the stakeholder groups.

**Table 3:: Proposed strategy for information disclosure**

Project stage	List of information to be disclosed*	Methods proposed	Timetable: Locations/ dates	Target stakeholders	Responsibilities
Before project activities begin	Project components, potential E&S risks, grievance mechanism, project duration	Meetings in communities or through NGOs	Before project activities begin	Poor and vulnerable groups and refugee communities	MOET

	Project components, Potential E&S impacts and risks, disclosure and dissemination of the GM	Meetings in communities or through NGOs Through specific NGOs such as WFP and UNHCR	Before Project effectiveness and throughout the Project	Poor and Vulnerable households	MOET
Project life cycle (During Project Preparation, before Project effectiveness and during project implementation )	SEP	Hybrid Meeting (Virtual /In presence)	Throughout implementation when updated	All Identified Stakeholders (when there is an update they will be informed)	MOET
	LMP	Hybrid Meeting (Virtual /In presence)	Before project effectiveness and potentially with the consultation of the ESMF	All project actors	MOET
	Following up on the demands of the stakeholders and their implementation	Hybrid Meeting (Virtual /In presence)	When there is a need and per the findings of the GM	All previous stakeholders and any new ones identified as relevant	MOET
Project implementation - Component 2	Findings of the socio-economic study conducted by the World Bank and the wheat subsidy reform transition under Component 2 of project	Hybrid Meeting (Virtual /In presence)	Once the socio-economic study has been finalized and the wheat subsidy transition communication campaign begins	All project stakeholders Focus groups discussions with vulnerable groups including poor and refugees in coordination with WFP and	MOET

	UNHCR
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*\*All information will be disclosed on MoET website*

### 4.3 Timelines

The SEP will remain in the public domain for the entire period of project development and will be updated if needed as the project progresses through its various phases, in order to ensure timely identification of any new stakeholders and interested parties and their involvement in the process of collaboration with the project including any feedback received from them that support successful project implementation. The methods of engagement will also be revised as needed to maintain their effectiveness and relevance to the project's evolving environment. Communication and feedback from stakeholders will be taken into consideration at each stage of this project.

## 5. Resources and Responsibilities for implementing stakeholder engagement activities

MOET appointed environmental and social focal point (civil servant assigned for the management of the E&S aspects of the project) will oversee the stakeholders' engagement activities as outlined in this SEP. The GM will remain under the management of the Customer Protection at the MOET who will also ensure it is adequately functioning.

The budget for the SEP is included in Component 2 of the Project.

The main contact persons are Engineer Georges Berbari, General Director of Grains and Sugar Beets ([gberbari@economy.gov.lb](mailto:gberbari@economy.gov.lb)) and Engineer Nadine Aoun, Head of Production Section at the MOET ([naoun@economy.gov.lb](mailto:naoun@economy.gov.lb)).

## 6. Grievance Mechanism

### 6.1 Existing Complaint Management Mechanism

The MOET has in place a formal mechanism for uptake of grievances which are handled by a dedicated office which includes 4 staff working in two shifts Monday to Friday from 8am to 3pm. The grievances are documented in a formal manner but timelines for handling and closing complaint cases are not specified, they depend on the nature of the complaint. As such a consumer complaint about the quality of a product may need laboratory analysis and, in this case, the process is rather lengthy.

The grievance mechanism aims to provide consumers with accessible, timely, effective and culturally appropriate opportunities to raise their complaints and concerns. It also aims to identify, propose, and implement fair and appropriate solutions in response to the complaints and concerns raised.

Below is the summary of the current **uptake channels** to register a grievance at MOET:

Enquiries or complaints can be raised through different channels:

1. By telephone on the following hotline: 1739 or +961 - 1 - 982360/1/2/3/4/5
2. By email on Info@economy.gov.lb
3. By using an online form provided on the Website: <https://www.economy.gov.lb/tickets/en/new-ticket>
4. Through an application that can be downloaded on the following link: <https://www.economy.gov.lb/en/services/consumer-protection/services-online/consumer-protection-complaint-mobile-application>

The aim is to resolve or respond to the enquiries within the same call where no follow-up is required. Where follow up/investigation is required the reply can sometimes take months. The enquirer will be answered back before closure of the complaint. All complaints/concerns and feedback are documented in a grievance log (see [Annex 2](#)).

MoET already established on its website a **complaints Log** and this log frame can be used without a need of adaptation. Four dedicated officers are mandated to collect complaints and they operate during the official working hours.

The grievance mechanism process can be summarized as follows<sup>1</sup>:

### ***Registration of complaints***

Once information that a grievance has been received is channeled into MOET from whatever source, it is entered into a digital register form (sample provided in [Annex 3](#)). The Grievance Register is populated by a MOET's Grievance Operator with the following information:

1. A unique reference number for the complaint;
2. The date and time at which the complaint was lodged;
3. How the grievance was first brought to the attention of MOET (uptake channel);
4. Information about the complainant (name, gender, telephone number and preferred contact details, their place of residence and address); complainant has the right also to raise the grievance anonymously;
5. A brief description of the complaint to include details of the location, people involved so that a timeline of events can be created;
6. The category of the complaint;
7. Time and date in which the complaint was closed/resolved;

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<sup>1</sup> Reference is made to interview with Mr. Tarek Youness, head of the consumer protection unit at the MoET

A grievance log can be automatically generated digitally. A dedicated software is used to input all the grievances. This software provides also the possibility to filter the grievances as per the operator's request (date, type, feedback of the complainant, etc. )

### ***Investigation***

If the grievance relates to a minor issue, then it is likely that the investigation can be completed directly. In all cases the grievance shall be investigated and an Investigation Report prepared and issued by the MOET. The manager of the consumer protection unit at MOET is responsible for delegating the investigation to relevant personnel based on the type of grievance received. He will review the investigation report and share it with the Director General who will share it with the Minister of the MOET. It is up to the Minister to take the final decision when important breaches are reported.

### ***Responding with a proposed resolution***

MOET will inform the person raising the grievance of the outcome of the Investigation Report and the proposed steps to be taken to resolve the grievance. However, the time frame can stretch over months in the current situation of shortage of financial means and human resources at the MOET.

The person raising the grievance will be informed about the resolution steps and feedback on his acceptance or non-satisfaction is recorded. If the person does not accept the resolution steps, then they will be able to appeal (see below).

The number of grievances received in 2019, and before the proposal of the Emergency Response in Support of Wheat Imports which is subject of this SEP, was 1,133 and in 2021 it was 774. Currently, most of the complaints concern the prices of goods and the invoices of the generators. The E&S focal point at the MOET will coordinate with the dedicated office in charge of handling grievances and will follow up on any complaints received which are relevant to the project and document in a GM log.

## **6.2 Adaptation of the GM**

In the frame of the Emergency Response in support of wheat imports, the GM can be adapted to respond better to the requirements of the ESS10. The GM should be amended as follows:

- Vulnerable groups shall be assisted to raise their grievances to the Beirut Bar Association, which can appoint voluntary lawyers to investigate such claims. The MOET can engage Non-Governmental Organizations (NGOs) who can also play a role in defending legal rights of vulnerable groups.
- A Referral pathway shall be used in case of complaints related to SEA/SH. The MOET can divert such complaints to relevant NGOs
- The person raising the grievance shall be provided with an acknowledgement within three working days from the point the grievance was first raised, in an appropriate manner. The acknowledgement of receipt shall contain information about the next steps in the procedure, target timeframe and the contact details of the person who can be contacted to follow up.
- MOET shall prepare a 'lessons learned' document that outlines the steps taken to avoid similar grievances from re-occurring in the future.



- The GM shall provide an appeal process if the complainant is not satisfied with the proposed resolution of the complaint. Once all possible means to resolve the complaint has been proposed and if the complainant is still not satisfied then they should be advised of their right to legal recourse.

## **7. Monitoring and Reporting**

Stakeholders will be kept informed as the project develops, including reporting on project environmental and social performance and implementation of the SEP and GM. The E&S assigned focal point at the MOET will be responsible for the monitoring and reporting of E&S aspects as specified in the ESCP.

## ANNEXES

### Annex 1: Minutes of Consultations on March 17

Institution/Organization	Participant
MOET (Consultant to the Minister)	Amer Mardam Bey
MOET (General Director of Grains and Sugar Beets)	Geryes Berberi
Big Mills of the South	Ahmad Hoteit
Lebanon Modern Mill	Bachar Boubess
Lebanon Modern Mill	Karim Boubous
Shahba Mills	Wael Shabarek
World Bank (TTL)	Irina Schuman
World Bank (Agriculture (Specialist)	Armine Juergenliemk
World Bank (Social Development Specialist)	Noushig Kaloustian (virtually)
World Bank (Senior Environmental Specialist)	Mohammad Kandeel
World Bank (Safeguard Consultant)	Linda Khalil (virtually)
World Bank (IFC)	Marcel Rached
World Bank (Senior Procurement Specialist)	Lina Toutounji

#### **Key notes and feedback from the participants**

- Pro-forma invoices get pre-approved by the importer's commercial bank, then goes to the central bank which supplies wheat importers with dollars at the official rate. Previously, it took 7-10 days for processing by the central bank, now it takes 3-6 weeks. After approval, commercial bank gets dollars at the official rate.
- Millers with large quantities have priority in processing. Three millers have not been paid as of now.
- Millers pick the sellers through brokers. The brokers shop around based on requirements specified by the millers.
- Current wheat supplies are partly in the mills, partly in port. 3 vessels are on the way to Lebanon.
- 50,000 tons of wheat are in stock right now. The total storage capacity is 125,000 tons (silos and warehouses) which is worth 2 months of consumption. Imports are in the range of 50-60,000 tons per month.
- If there is no storage availability in Beirut the shipments are sent to Tripoli, around 15 percent of shipments are stored in Tripoli.
- The storage at Tripoli Port cost 2 dollar/ton. The transportation from Tripoli to Beirut where most of the mills are located, costs 8 dollars/ton.
- The GOL does not factor in the devaluation of the national currency into the subsidy scheme. Millers would prefer the free market because they believe it is more transparent.
- Overall, the millers indicated that their capital decreased because all other expenses are paid in lira.
- 200-250 million USD – the annual import bill. The government is preparing a 50,000 tons' tender of wheat – that could be stored in a potential storage facility (400,000 tons – provided by the Ministry of Agriculture). Or that could involve several shipments. This would displace the private sector imports for about a month. Therefore, the importers asked to inform them in advance so they would be able to secure space in their mills. The MoET this way it has more clout with the Central Bank.
- The millers have a pro-rata distribution mechanism with the government. If a public tender is issued it is a question of timing. The main challenge is who would win the tender. Unlikely that too many would be interested. Bidders most likely to come from France, US, Germany; If coming from the US – delivery would take 2.5 months, by which time Lebanon would run out of stock.

- Bulgaria issued a ban on wheat export. Currently some wheat is coming from Moldova (6 tons) through the port of Constanta. \$465 / ton. 7,500 tons' shipment coming from Romania. Another shipment coming through the Emirates (Ukrainian wheat that left before the conflict started). Indian wheat is very dusty (but impurities can be addressed by millers-they claim, but Lebanon never used Indian wheat previously); German wheat too hard (too much gluten), French wheat is too soft.
- Since the war, the prices of wheat increased and fluctuated between 460-520 USD.
- The main issue now is the Central Bank. It is not a question of availability of wheat; it is rather a question of settling with the Central Bank
- If they take out the wheat subsidy, the bread price will likely increase threefold (in millers' opinion).
- Another substantial expense in the value chain is fuel.
- At the moment the importer still finds wheat for purchase and there is no need for aggregation. Some level of aggregation is already taking place as big mills like "crown" import for smaller mills.
- Aggregation on a larger scale is risky because the aggregator takes the risk with the central bank reimbursement. For offloading – capacity 1,500-2,000 tons per day (port can operate 24 hours per day, but overtime paid in dollars). Lebanon the only country in the world fumigating the trucks (millers say it does not make sense) by Yellowtech company. At silos, pest management is also pest management (fumigation, but not needed for short storage cycles). Only if wheat is kept in stock for over 3 months).
- Smuggling to Syria is 10-15% now which is lower compared to the pre-crisis period. Lebanese subsidized flour is very cheap, and without strict border control, it is smuggled to Syria.
- At the same time bread consumption is increased. People are eating more and more bread. A lot of industries depend on flour (pasta factories). Local wheat is not subsidized. So it is cheaper to get imports. Lebanese wheat is durum wheat (extract semolina) – this is exported e.g. to Italy for pasta preparation. Small volume.
- Locally 2 factories producing pasta are in operation; 2 more to be set up. They would go out of business if the subsidy was removed. Unclear what capacity they have (apparently, they are rather small).
- Scenario 1 – public sector procurement process, WB does a direct transfer to the suppliers.
- Scenario 2 – private sector suppliers; WB does a direct transfer to the suppliers. The question is who will do the tender in this case? The private sector is organized in an association (but does not have legal status).
- 6-7 importers in Lebanon, they distribute wheat to millers.
- In summary, the importers/millers indicate that they are able to secure shipments for Lebanon, but because of substantial delays from the central bank, may not be able to purchase the wheat.

## Annex 2: Grievance Registration Form used at MOET

مديرية حماية المستهلك استقصاء مركز تلقي الشكاوى											
قم التسجيل		00000/2022		التاريخ		3/21/2022 11:43:57 AM		المرشد		هبة نجدي	
هاتف		<input checked="" type="checkbox"/>		فاكس		<input type="checkbox"/>		بريد إلكتروني		<input type="checkbox"/>	
بروت وجبل لبنان		<input checked="" type="checkbox"/>		طرابلس		<input type="checkbox"/>		نبطية		<input type="checkbox"/>	
صيدا		<input type="checkbox"/>		البقاع		<input type="checkbox"/>		مستهلك / تاجر		مستهلك	
المستهلك											
اللقب		-		الاسم		-		العائلة		-	
العنوان		-		البريد الإلكتروني		-		هاتف (المنازل)		-	
هاتف (العمل)		-		التاجر		اسم المؤسسة		-		-	
النوع		-		اللقب		-		الاسم		العائلة	
العنوان		-		البريد الإلكتروني		-		هاتف (المنازل)		-	
هاتف (العمل)		-		تفاصيل الاستقصاء		لح شائبة او خدمات دون معايير مأكولات ومشروبات / اسماك		الحالة		<input type="checkbox"/>	
معلومات		<input type="checkbox"/>		نصيحة		<input type="checkbox"/>		شكوى		<input checked="" type="checkbox"/>	
تاريخ المعاملة		3/21/2022		ثمن		0		طريقة الشراء		نقدًا	
تصنيف		BA 09		جديد / مستعمل		مع كفاية		فاتورة		لا مستندات	
الممارسات التجارية		1		مستندات اخرى		مستندات		مستندات		مستندات	
اتصال / نصيحة / فعل											
تحول الى		تفاصيل		زيارة		هاتف		آخر		تاريخ	
الاجراءات المتخذة		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
النتيجة		تسديد المبلغ		تعويض		تصليح		تبديل		اخرى	
تاريخ اعلام المستهلك		الاسم		المبلغ		تفاصيل		تاريخ		تاريخ	

## Annex 3: Proposed Grievance Reporting Form and Register

Grievance Log	
Name of recorder	
Date last updated	
Version number	

Colour coding	
Ongoing	
Closed-out	
Appeal process	

		Recording Actions				Response Actions						Preventing Reoccurrences
Grievance Ref No.	Status (see colour coding)	Date received	Identity of the person/group raising the grievance	Summary of the grievance	Category of grievance (labor-related, procurement, SEA/SH, etc.)	Has a copy of the paper form been provided to the person raising the grievance? If yes, then add the date.	Who is leading the investigation of the grievance?	What was the proposed response?	Number of working days the response was provided:	Has the proposed response been accepted?	Was an appeal raised?	What actions were undertaken to prevent a re-occurrence of the grievance from occurring in the future?
1												
2												
3												
4												
5												