



LINKING CVA AND SOCIAL PROTECTION IN THE MENA REGION

LEBANON CASE STUDY

KEY TAKEAWAYS

Background: Since 2015, there have been concerted efforts to harmonise and streamline cash and voucher assistance (CVA) provided to severely vulnerable refugees in Lebanon. Assistance has been consolidated into large scale programmes for food and basic needs, jointly delivered by WFP and UNHCR. During this period, the poverty and vulnerability of the Lebanese population has steadily increased, highlighting gaps in the national social protection system which has low coverage of those in need, limited social transfers and no cash transfers. This has created political space to discuss development of social transfers for poor citizens. The Lebanon Crisis Response Plan (LCRP) also highlights the need for humanitarian actors to support affected Lebanese as well as refugees.

Linking CVA and social protection: While it is not possible to provide CVA for refugees through the national social protection system, there has been a growing focus from donors and international partners on how humanitarian CVA in Lebanon can be aligned with and help to strengthen the national social protection system for citizens. The starting point has been the National Poverty Targeting Programme (NPTP), the main safety net scheme for poor Lebanese. On behalf of the government of Lebanon, WFP provides a monthly food e-voucher to NPTP beneficiary households, which has gradually expanded coverage since 2014. This uses WFP's systems for voucher distribution for refugees, to achieve efficiencies and economies of scale and the transfer values for the two population groups are aligned.

MAIN LESSONS FROM THE LEBANON EXPERIENCE:

Political and legal aspects can enable or constrain this approach: There are legal and political barriers to the expansion of national social protection to refugees. However, the refugee crisis has also generated popular pressure from host communities that influenced political will to explore some form of transfers for citizens.

Entry points: there can still be entry points to build linkages between CVA and social protection in displacement contexts, even where national social protection systems are not well developed and where there are legal barriers to expansion of these systems to displaced populations. Humanitarian CVA at scale is providing an 'entry point' to support development of a system of social transfers for citizens, building on humanitarian systems and processes. As in other countries of the region, these actions have been primarily led by donors and UN agencies rather than NGOs.

There are risks as well as benefits to linking: While WFP's focus on the NPTP, as the 'natural counterpart' to basic assistance provided through the humanitarian sector can help to coordinate actors around a common goal, it is important to remember that the NPTP is only one element of an effective national social protection system. A focus on the NPTP must not be to the detriment of progress towards a broader national vision of a social protection floor.

Coordination across organisations and disciplines is needed: It is recognised that coordination between donors and international partners needs to be strengthened and strategic priorities collectively agreed with the government, to better support the social protection needs refugees and host communities. To this end a Lebanon Social Safety Net Forum was formed in 2019. There is also growing recognition that donors are a key player to drive a more structured and cohesive policy dialogue.

Progress requires a long term vision and financing across the nexus: Lebanon is one of the most indebted nations globally and it is unlikely that there will be 'fiscal space' to take over financing of the NPTP transfer in the short term. The engagement of development partners (EU Trust Fund) is an important step in the transition to developing longer-term systems, however actors must be realistic about the timeframe for continued support and eventual exit.

BACKGROUND TO THE CONTEXT

Lebanon has the highest ratio of refugees to national population in the world. It is estimated that up to 1.5 million Syrian refugees were residing in Lebanon in 2019. This protracted displacement and the lack of employment opportunities means poverty of refugee households has steadily increased.¹ The international humanitarian response to the crisis has grown year on year since 2011, and cash and voucher assistance (CVA) now represents over a third of the response to refugees.

Five years ago, up to 30 organisations were providing CVA to refugees for at least 14 different objectives. It was recognised that this fragmentation reduced the efficiency and effectiveness of assistance, and there have been concerted efforts since then to increase harmonisation and streamlining of CVA to refugees. Sectoral programmes have been consolidated into food vouchers and multi-purpose cash transfer for food and basic needs, managed by WFP and UNHCR. Donor finding has also become more coordinated around these programmes. These are implemented through a Common Card facility managed by WFP, and a common targeting approach managed by UNHCR. These UN programmes reach around a third of refugee households that are considered 'severely vulnerable'.² The Lebanese Red Cross (LRC) and some INGOs continue to provide small-scale multi-purpose cash (MPC) to refugees to fill gaps in this response.³ Several NGOs working as a consortium (CAMEALEON), led by the Norwegian Refugee Council, have assumed an independent monitoring, accountability and learning role on the MPC programme, separately funded by donors.

Poverty and vulnerability levels among the Lebanese population were already high relative to other middle-income countries and increased during the Syria crisis. The socio-economic impact of the refugee crisis on the poor (rising unemployment, decreasing wages, increased demand on public services), is reinforcing pre-existing structural challenges including weak governance, macroeconomic challenges and limited access to quality basic services and social protection.⁴ Factors hampering the effectiveness of the social safety net (SSN) system in Lebanon are well documented.⁵ There is low expenditure on social assistance, and poorly targeted subsidies make up the bulk of spending on safety nets. Programmes are not well coordinated and have low coverage of those in need. There are very limited social transfers and no cash transfers.

The Lebanon Crisis Response Plan (LCRP) acknowledges the need to assist affected Lebanese as well as refugees. Over time, this has adopted a medium-term framework and made efforts to align the response with national government strategies. While tangible opportunities to align assistance strategies for refugees and host communities in education and health exist, this has been more difficult to achieve for basic assistance, given the limited development of cash-based social protection in Lebanon.

The differences in assistance being provided to refugees and host populations is widely seen as unfair by poor Lebanese.⁶ The refugee crisis has raised questions about the adequacy of national safety nets in supporting vulnerable Lebanese households, creating political space to discuss development of cash-based social protection for citizens.

¹ Vulnerability Assessment of Syrian Refugees in Lebanon – (VASyR) 2017 and 2018

² Smith (2019a).

³ Agency RED (2019); Smith (2019b).

⁴ Smith (2019b).

⁵ Bastagli et al. (2018); Silva et al. (2013); World Bank (2015); World Bank (2005); Kukrety and Al Jamal (2016).

⁶ Discontent at the lack of social protection and the deteriorating economic situation culminated in a popular uprising in October 2019 (Ayoub et al., 2020).

LINKING CVA AND SOCIAL PROTECTION – THE STORY SO FAR

Social protection does not automatically extend to non-nationals in Lebanon and refugees, meaning it is not possible to provide CVA for refugees through the national social protection system. However, in the past five years there has been a growing focus from donors and international partners on how humanitarian CVA in Lebanon can be **aligned** with and be used to strengthen the national social protection system for citizens. Efforts are focusing on the National Poverty Targeting Programme (NPTP), the main safety net scheme for poor Lebanese, implemented with support from the World Bank. This has established a database of 43,000 households classed as 'extremely poor', through a proxy means test based on a survey administered by staff of the Social Development Centres (SDCs). Beneficiaries can access fee waivers for health and education services, funded by the government.

In November 2014, the World Bank began funding WFP to extend provision of its monthly food e-voucher for refugees to NPTP beneficiary households, to mitigate the impact of the refugee influx on poor Lebanese. This reached 10,000 NPTP households by 2017. It makes use of WFP's systems for voucher distribution for refugees, to achieve efficiencies and economies of scale. Staff of the government's SDC inform NPTP beneficiaries and undertake monitoring. The transfer values for the two population groups are aligned.

Since then, political support from the Government of Lebanon (GoL) and international donors to develop these linkages led to formal commitments set out in the Lebanon Partnership Paper, agreed at the Brussels II Conference in April 2018. The EU Trust Fund (EUTF) committed to a €52 million, 30-month programme with the objective to 'support social assistance to vulnerable refugees and host communities affected by the Syrian crisis in Lebanon', implemented by WFP. CVA to refugees is provided through the humanitarian system managed by the UN agencies, which is also being used to expand provision of e-vouchers to 15,000 poor Lebanese NPTP households. A €4 million technical assistance component aims to support development of the necessary human resources, systems and capacities of the government to complete their operational roles. The vision is that lessons and legacy systems from delivering cash assistance to refugees can contribute to development of a cash-based social transfer programme for vulnerable Lebanese.

In light of these developments, in 2019 DFID Lebanon commissioned technical assistance through its BASIC facility, to take stock of CVA and social protection in Lebanon and recommend options for how DFID's future investments could contribute to transition the cash response towards a 'social safety net-type approach'.⁷

During this period, Oxfam and Caritas have also implemented cash assistance for vulnerable refugee and host community populations, aiming to provide a safety net responsive to socio-economic shocks.⁸ In the case of Oxfam, this '**piggybacked**' on the SDC institutions, which were engaged in targeting. Oxfam has been using these findings to advocate with the Ministry of Social Affairs (MoSA) for the need to scale up social transfers for vulnerable citizens and for national systems to be shock-responsive.

⁷ DFID Internal report (2019).

⁸ CARITAS Lebanon (2019); Oxfam Lebanon (2019).

LESSONS FROM EXPERIENCE

LEGAL AND POLITICAL FACTORS CAN ENABLE AND CONSTRAIN THIS APPROACH

The Lebanon experience highlights the importance of considering legal and political enablers and barriers. Aspects of the Lebanon context can influence efforts to link CVA and social protection in the refugee response, both positively and negatively.

- On the one hand, the nature of the crisis means there are legal and political barriers to the expansion of the national social assistance programmes (under the NPTP) to refugees. On the other hand, the nature of the crisis also provided the opportunity to explore linkages – by generating the popular pressure from host communities and influencing political will.
- Another factor is the legal status of the NPTP. This remains an ‘Emanating Project’ of the government established by Cabinet Decree, and as such is not established by law. This could undermine future sustainability of the work being undertaken, if political support for the programme was to change.
- There is still reluctance to adopt cash modalities within the government, and the DFID study found that a key reason is concern about future financial sustainability and the social impacts that could occur if donor support ends before government has capacity to manage the programme.

ENTRY POINTS

The Lebanon experience highlights that there can still be entry points to building linkages between CVA and social protection in displacement contexts, even where national social protection systems are not well developed, and where legal barriers to expansion of these systems to displaced populations exist. In this case, humanitarian CVA at scale is providing an ‘entry point’ to support development of a system of social transfers for citizens, by i) ensuring equity in provision in urban areas where refugees and local residents live alongside each other and tensions may escalate, ii) providing ‘proof of concept’ and evidence to influence government and iii) building on systems and processes.⁹

Furthermore, while NPTP benefits do not automatically extend to non-nationals in Lebanon, the wider services such as health and training services that are run by SDCs can be accessed by refugees as well as Lebanese. As such, the SDCs constitute the backbone of social assistance delivery in Lebanon to both populations and present a major asset in terms of infrastructure and staff. Capacity building and strengthening of these institutions is therefore also identified as an important entry point for strengthening social protection provision, for both population groups.¹⁰

The discussion and activity in this space in Lebanon has been rather dominated by particular donors and UN agencies. This is partly driven by the political nature and thus locations of these discussions (taking place at international pledging events), and the consolidation of CVA for refugees under UN-led programmes, which has inevitably limited the entry points for other agencies such as INGOs and Red Cross and Red Crescent societies. Nevertheless, the programmes of Oxfam and Caritas, and the experiences of the Lebanese Red Cross (LRC),¹¹ suggest that these actors have valuable contributions to make to these discussions – from sharing evidence of pilots to advocacy to inform the design of any social protection system – providing they can be included in coordination fora.¹² There is also potential to explore more of an external monitoring and accountability role for INGOs in this space, through CAMEALEON.¹³

⁹ Gentilini et al. (2018); EUD (2018).

¹⁰ EUD (2018); Smith (2019b).

¹¹ A recent evaluation of LRC’s MPC programme recommended that LRC should engage in the discussions on social protection and CVA in Lebanon, given their role as auxiliary to the government (Agency RED, 2020).

¹² Currently only Oxfam is a member of the SSN Forum.

¹³ It has been proposed that CAMEALEON could facilitate a ‘lessons learned’ workshop from the humanitarian cash programme in order to explore how these can be applied to the NPTP programme.

BE AWARE OF THE RISKS AND LIMITATIONS AS WELL AS THE BENEFITS OF ALIGNMENT, AND BUILD THE EVIDENCE

The EUTF vision demonstrates how there is potential for CVA programming for refugees to contribute to national social protection (specifically NPTP) development. At the same time, DFID’s assessment highlighted various risks and challenges with this approach which must also be borne in mind:

- There are some concerns about the accuracy of the NPTP targeting method and capacities of SDCs to implement this consistently, making it difficult to know how the programme is performing in reaching the poor and whether this is the ‘right’ programme to support.
- The focus on the NPTP, as the ‘natural counterpart’ to poverty-targeted basic assistance provided through the humanitarian sector, can be important to coordinate actors around a common goal and avoid overburdening the national system with multiple simultaneous initiatives. However, any extreme poverty-targeted transfer programme developed under the NPTP is only one element of an effective national social protection system. There is a risk that this ‘reductionist’ vision and focus on the NPTP is to the detriment of progress towards a broader national vision of a social protection floor, with tailored transfers alongside access to services to meet a variety of needs. The Lebanese system does have the foundations for a social protection floor – in this respect, DFID’s study highlights the significance of UNICEF’s workstream, to support development of a national vision and strategic framework for social protection, including SSN, which is needed to inform the direction of SSN development in Lebanon.

A further consideration highlighted is the need to be clear, from the outset, on the purpose of alignment, i.e., on what is being ‘aligned’, and what the programme expects to achieve from this alignment. With respect to the EUTF programme, WFP is expecting that aligning the design features and the delivery systems can i) generate buy-in from the GoL on the need for a social transfer scheme for poor Lebanese, ii) influence the GoL’s position on use of cash as a modality in this, and iii) build certain operational capacities. DFID’s study highlights that these efforts to align the humanitarian CVA response with national systems must establish and measure clear indicators for effectiveness of these investments in terms of their ultimate contribution to national system development, in order to build evidence on the added value of these ‘alignment’ efforts. However, the EUTF concept note also discusses various other areas of alignment (such as alignment on targeting) without being clear on whether or how these will be achieved.

COORDINATION ACROSS ORGANISATIONS AND DISCIPLINES IS NEEDED, WHICH REQUIRES INVESTMENT AND LEADERSHIP FROM DONORS

Until recently, efforts have been somewhat hampered by limited coordination between donors and development partners.¹⁴ Besides creating confusion and inefficiencies, there is a risk that without strategic planning, such initiatives prioritise agency mandates and interests over what is best for long-term national system development, while also overburdening SDCs. It is recognised that coordination between donors and international partners needs to be strengthened and strategic priorities collectively agreed with the government, to better support the social protection needs of refugees and host communities. To this end, a Lebanon Social Safety Net Forum was formed in 2019, co-chaired by the EU Delegation and the World Bank, with the participation of UNHCR, UNICEF, WFP, Germany, United Kingdom and Oxfam. It can still be a challenge to overcome competing agendas between members in different areas of the ‘SSN’ space, but progress is being made. One challenge the group has faced is limited long-term social protection expertise within the group, being primarily humanitarian stakeholders.¹⁵ In this sense, the membership is not necessarily bringing together all relevant stakeholders.

There is also growing recognition among donors that they are a key player to drive a more structured and cohesive policy dialogue in support of social assistance in Lebanon. In 2019, DFID commissioned a dedicated role, with the aim of improving coordination of donors approaches to CVA and safety net development.¹⁶

¹⁴ EUD (2018); Smith (2019b) – for example, in 2019 many partners were considering or were already actively working with or supporting the SDCs, but with no joined-up strategy, leadership or information sharing.

¹⁵ UNICEF has invested in social policy expertise.

¹⁶ DFID (2019).

PROGRESS REQUIRES A LONG-TERM VISION AND LONG-TERM FINANCING ACROSS THE NEXUS

Experiences from establishing social transfer programmes globally highlight the need for realistic strategies and longer time horizons. Lebanon is one of the most indebted nations globally and it is unlikely that there will be ‘fiscal space’ to take over the NPTP transfer component in the short-term. Starting such an initiative also requires a realistic strategy for exit and handover of systems. A key factor behind creation of the EUTF programme supporting the NPTP was concerns that high levels of international humanitarian funding were unsustainable and there was a need to transition to development of longer-term systems to alleviate poverty. The EUTF contribution (30 months) can be considered an important step in the transition to developing longer-term systems, however the DFID study concluded that this is not sufficient to support meaningful national system development. Starting such an initiative without a realistic strategy for exit and handover risks doing harm if it sets an expectation for what cannot be continued. While persistent reliance on external donor support for social transfers is not advised and efforts to influence government commitment to assume responsibilities are commendable, experiences from establishing social transfer programmes globally highlight the need for realistic strategies and longer time horizons. The study recommends that DFID does not engage with the Lebanese system without a minimum commitment of five years.

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The Cash Learning Partnership

Building linkages between humanitarian cash and voucher assistance (CVA) and social protection (SP) has become an increasingly prominent topic over the past five years and the Middle East and North Africa (MENA) region has been at the centre of this evolution. The objective of this resource set (the crib sheet and 6 regional case studies) is to ensure that CaLP trainers and course participants in MENA (and elsewhere) have access to the most significant and relevant examples from the region on linking SP and humanitarian cash and voucher assistance (CVA). The resources cover Iraq, Jordan, Lebanon, Palestine, Syria, Turkey and Yemen. The crib sheet summarises the main activities (programmes, assessments and analyses, events and policy and coordination initiatives) of interest, highlighting key lessons learned, and signposting to related documentation. The in-depth country case studies focus on national experiences of linking CVA and social protection in Lebanon, Iraq and Yemen.

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