

Cash for Work: a meso-level impact analysis

Abbreviations & Acronyms

BDS	Business Development Services
CfW	Cash for Work
EDPU	Economic Development Policy Unit
EU	European Union
ESSN	Emergency Social Safety Net
EIIP	Employment Intensive Investment Programmes
GDP	Gross Domestic Product
I/NGO	International and National Non-Governmental Organisation
ILO	International Labour Organisation
LCRP	Lebanese Crisis Response Plan
LED	Local Economic Development
MoL	Ministry of Labour
MoSA	Ministry of Social Affairs
MPCA	Multipurpose Cash Assistance
MSME	Micro Small and Medium-sized Enterprises
PPP	Public-Private Partnership
TVET	Technical and Vocational Education and Training
UN	United Nations
USD	United States Dollar
YR 2	Youth RESOLVE 2

Background

The multifaceted compounding crises taking place in Lebanon since late 2019 have led to an increase in poverty and a significant reduction of income-generating and employment opportunities for both Lebanese and non-Lebanese residents. The crisis has had a dramatic impact on economic activities with GDP shrinking by an extra 10.5% in 2021 on top of a 21.4% decline in 2020.¹ In everyday life, this figure translates into extensive downsizing and closure of businesses, limited work possibilities, and households experiencing increased difficulties in meeting basic needs, including food. The 2022 Lebanese Crisis Response Plan (LCRP) estimated that as of last year, 3 million people required basic needs assistance, and nearly a quarter-million people commanded livelihood support. According to the UN Special Rapporteur on Extreme Poverty, 77% of households reported not having enough food or money to buy food, and 60% reported purchasing food on credit or borrowing money – with “many households having been forced to reduce the quantity of the food they consume”.²

In response to the dramatic degradation of living conditions among host and refugee communities, cash assistance programmes were intensified as of 2020. The beneficiary base was significantly extended with more Syrian refugees receiving cash for food and Multipurpose Cash Assistance (MPCA) and with the introduction of similar programmes directed at the Lebanese population –

¹ The World Bank (2022). *Lebanon's Crisis: Great Denial in the Deliberate Depression*. [online] World Bank. Available at: <https://www.worldbank.org/en/news/press-release/2022/01/24/lebanon-s-crisis-great-denial-in-the-deliberate-depression#:~:text=The%20LEM%20estimates%20real%20GDP>

² Olivier Schutter, UN special rapporteur on extreme poverty and human rights, on his visit to Lebanon on 1-12 November 2021: [Link](#).

such as the World Bank financed Emergency Social Safety Net (ESSN) programme and the expected ration cards. The intensification of cash assistance programmes also included Cash for Work (CfW) interventions that now target both the Lebanese and Syrian populations. Furthermore, the economic collapse and lack of investment capacity triggered the implementation of Employment Intensive Investment Programmes (EIIP), similar to CfW in many aspects.

Both CfW and EIIP approaches hire workers for an average of 40 days per assignment, thereby providing individual beneficiaries with short-term employment opportunities and, to a certain extent, contributing to the transfer of skills improving long-term employability³. However, CfW programmes are primarily devised as tools to deliver humanitarian aid and support local authorities with the provision of key basic services such as waste management and roads rehabilitation or cleaning, while EIIP are anchored toward long term local economic development (LED) through plans to rehabilitate or construct productive assets e.g. agricultural roads, lightening systems or water tanks.⁴ Still, both CfW programmes and EIIP are expected to contribute to social stability.⁵ Given the economic roots of Lebanon's persistent humanitarian crisis, CfW programmes are increasingly conceptualized as EIIP interventions⁶ and can constitute foundational blocks of a strategy that aims to strengthen the humanitarian-development-peace nexus towards a people-centred approach that factors in short and long-term perspectives to address the drivers of fragility and conflict.⁷

Against that background, the present paper prepared by the EU-funded Economic Development Policy Unit looks at the limitations and potential of CfW and EIIP initiatives from the perspective of practitioners, experts, local authorities and businesses collected through six Key Informant Interviews with local and international organizations and four Focus Group Discussions with municipalities and enterprises. Complemented by a rapid literature review tapping into the scarce body of evidence on CfW in Lebanon, this research led to the formulation of programme and policy recommendations to further improve project impact on local communities and their development.

Impact of Cash-for-Work projects at the meso level

Cash for Work projects allow for a significant, temporary improvement in households' income. CfW projects provide short-term employment opportunities, quick income generation for beneficiaries and skill-building options.⁸ CfW also shares the many benefits of other cash transfer programmes, including supporting the local economy and ensuring direct and flexible money transfers. As such, CfW became a crucial tool in the Syrian response and continues to be important within the current economic crisis context. Practitioners interviewed for the purpose of this research reported that, because of the lack of work options, people are increasingly interested in participating. Besides, in addition to offering a decent temporary income, CfW projects present

³ Food Security Cluster, Cash and Markets Working Group (2019). *Cash for Work (CfW) Guidance Note*; ILO (2020) *Employment Intensive Projects in Lebanon – Guidelines*.

⁴ ILO (2020). *Employment Intensive Projects in Lebanon – Guidelines*. Also, operationally, this difference is reflected in the share of labour wage out of the total intervention budget (ranging from 80 to 100 percent for CfW and between 35 to 50 percent for EIIP).

⁵ ILO (2020). *Employment Intensive Projects in Lebanon – Guidelines*.

⁶ *Ibidem*.

⁷ OXFAM (2019). *The Humanitarian-Development Peace Nexus: What does it mean for multi-mandated organizations?* Oxfam Discussion Paper.

⁸ Food Security Cluster, Cash and Markets Working Group (2019). *Cash for Work (CfW) Guidance Note*.

Disclaimer: *This final working paper was produced with the financial support of the European Union. Its contents are the sole responsibility of Oxfam (which hosts the Economic Development Policy Unit) and do not necessarily reflect the views of the European Union.*

a rare opportunity for some vulnerable populations to access payments in USD most of the time, since the devaluation of the national currency and gradual dollarization of cash assistance programmes as of July 2021⁹.

CfW projects as a tool to enhance vulnerable women's economic inclusion. With women's unemployment rate increasing from 14.3% (pre-2019 level) to 26% by September 2020¹⁰, women's inclusion in CfW projects has never been more desirable. Yet, this has proved particularly challenging since, in most cases, proposed CfW activities are linked to economic sectors with a predominantly male workforce such as construction and infrastructure rehabilitation – making them inaccessible and/or unattractive for women. In response to this, some approaches by international partners have focused on setting-up specific CfW schemes for vulnerable women through mobilizing women entrepreneurial initiatives and offering women both traditional and non-traditional job opportunities to facilitate their insertion in projects and on the labour market. For example, using a CfW methodology, UNICEF's skilling and employability package provides young women in Lebanon with skills development and paid training options, resulting in supported businesses successfully hiring some of their female trainees at the end of the programme – including in full-time, non-conventional positions (e.g., working as a kitchen chef).¹¹ Gender-sensitive CfW interventions therefore have been a valuable opportunity for women to overcome sociocultural barriers to employment while engaging in enhanced decent work environments – including childcare and additional gender-responsive provisions. This, and other women-friendly decent work project features of CfW interventions, were successful at boosting female presence (and empowerment) in programmes and achieving the gender balance set by implementers¹².

CfW projects that focus on women's economic participation tend to be more holistic and go further, through combining skill-building with business development services targeted at women income generating activities. This approach has been reported by implementing agencies involved in EDPU's research as CfW interventions bringing together standard, paid on-the-job training activities with business development support for women-led cooperatives and enterprises. Such projects cover the labour costs of businesses through CfW schemes to hire women staff, and payments to female workers are harmonized with CfW donor guidelines. The emphasis is put on improving women-led cooperative and business management practices through providing women employees with soft, technical and enterprise-building skills. The sustainability of these interventions is given particular consideration, especially regarding the capacity of women MSMEs to retain and employ female beneficiaries and maintain and grow commercial activities in the long-term.

CfW projects are designed to contribute to social stability: after the financial collapse of late 2019, programmatic features were adapted to mitigate exacerbated social tension. Prior to the financial

⁹ As of June 2022, CfW usually pays 7 USD/day and an additional 1 to 2.5 USD for transport, depending on implementing agencies. While some rare programmes were still disbursing cash in LBP until recently, this no longer appears to be a programming choice. The dollarization trend of CfW programmes is expected to remain and become the norm for the sector.

¹⁰ UN WOMEN (2020). WOMEN ON THE VERGE OF AN ECONOMIC BREAKDOWN, Assessing the differential impacts of the economic crisis on women in Lebanon: <https://www2.unwomen.org/-/media/field%20office%20arab%20states/attachments/publications/2020/10/lebanons%20economic%20report%20updated%201110%20fh.pdf?la=en&vs=2852>

¹¹ UNICEF Lebanon (2022). UNICEF project empowers female chefs in northern Lebanon: <https://www.unicef.org/lebanon/stories/unicef-project-empowers-female-chefs-northern-lebanon>

¹² Each CfW programme, in addition to showing specific percentage breakdowns between host communities and refugees, has a gender quota to ensure the proper representation of women in activities. The gender quota varies depending on the donor, while the kind of work activities proposed to female beneficiaries depends on the implementer.

Disclaimer: This final working paper was produced with the financial support of the European Union. Its contents are the sole responsibility of Oxfam (which hosts the Economic Development Policy Unit) and do not necessarily reflect the views of the European Union.

and economic crises of 2019, access to services and conflict over water and energy were key factors fuelling social tensions between Syrian refugees and the Lebanese host community. CfW projects were therefore designed to improve services provision and resources management at the municipal level, while offering employment opportunities mostly to Syrian refugees (70 to 100% of programme beneficiaries). As wages secured through these programmes were relatively low, Lebanese were less inclined and incentivized to participate in them. However, as of 2020, CfW projects had to adapt to new realities stemming from the crisis context and leading to exacerbated job competition and rising unemployment and stress among refugee and Lebanese communities. As a result, donors and implementing agencies involved in CfW planning started increasing the number of Lebanese beneficiaries, selected in coordination with municipalities to reach up to 50% of CfW projects participants in most cases. For example, some of the EU-funded Youth RESOLVE 2 ‘Quick Impact Projects’ (QIP) use CfW modalities designed through refugee and Lebanese youth-led needs assessments and community gatherings to contribute to social stability. In fact, municipalities, as well as experts and practitioners consulted in this research, explained how the involvement of Lebanese could potentially contribute to reduce social tensions around CfW and similar initiatives and perceptions of aid bias. In addition to reporting no tension between Lebanese and Syrians on its worksites, the ILO’s Employment Intensive Infrastructure Programme (EIIP) – which includes 11 infrastructure projects focused on generating employment through sustainable infrastructure development works – also showed that 55% of respondents to a Workers Survey¹³ agreed their level of trust in the other community had increased post-participation in the intervention (another 24% strongly agreed to that). Among EDPU research participants, more mixed opinions emerged regarding the situation in fragile or conflict-prone zones; yet, all felt that the social stability component of CfW remained relevant and was important to address in both CfW and EIIP programming.

Anecdotal evidence points to the fact that CfW projects may build the capacities of municipalities and improve the supply of local services. The role of municipalities is central to CfW projects: their support can be critical in conducting the initial community needs assessment, proposing concrete activities, and selecting beneficiaries. Additionally, municipalities’ role could be strategic for CfW initiatives since their involvement may allow for a smoother identification of necessary infrastructure rehabilitation and community service works. Some representatives from local institutions further stressed that, in addition to building their capacity and strengthening services, CfW projects – especially when initial design is coupled with community advocacy and lobbying efforts, as in YR 2 for the QIPs – had a noticeable impact on local populations’ living conditions by enhancing the area and quality of life of inhabitants. Infrastructure improvements provided by the ILO’s EIIP also have led to indirect benefits for the community, as in the case of Jbeil and Kfaraaka where road development increased both the number of visitors to and investments in these locations.¹⁴ However, this is far from being the case for all infrastructure development interventions and therefore, such an assessment cannot be generalised at this point in time. Finally, according to several research participants, one direct and observable effect of CfW projects is their strong impact on the local economy due to the injection of cash into markets. Yet again, considering the short-lived nature of CfW interventions, such benefits remain temporary as they are not part of an overarching, local sustainable development plan.

Municipalities encourage the development of EIIPs to sustain economic activity and incentivise local ownership and investment. Overall, municipality representatives reported a keen interest in

¹³ Consultation and Research Institute (CRI) and ILO (2021). *Final Report Employment Intensive Infrastructure Programme In Lebanon, Workers Survey & Perception Survey On Infrastructure Projects.*

¹⁴ *Ibidem.*

Disclaimer: This final working paper was produced with the financial support of the European Union. Its contents are the sole responsibility of Oxfam (which hosts the Economic Development Policy Unit) and do not necessarily reflect the views of the European Union.

taking part in project development and influencing programme conceptualization and direction from the start. However, certain municipalities noted that the temporary nature of CfW projects hinders their potential to engage, with the short duration of CfW interventions pushing some implementing agencies to resort to top-down approaches and limit contributions from municipalities (e.g., in supporting beneficiaries' selection and participating at the design stage). On the other hand, due to their strong, long-term infrastructure investment component, local authorities felt that EIIP could better leverage municipalities' active involvement in planning and elaborating interventions and, importantly, would lead to a more sustainable impact among their communities through smoother integration into LED strategies. Still, despite ongoing capacity-building efforts, municipalities often lack the knowledge and readiness to play the role of leading CfW or EIIP partners. This is why continuous skills and systems strengthening remains a key condition for the successful engagement of local authorities in these projects.¹⁵

Businesses contracted for the implementation of CfW projects benefit from capacity strengthening and better management practices. Contractors gain from training in entrepreneurial best practices provided by NGO partners (e.g. procurement, project management, international business standards) and are exposed to new, socially responsible ways of conducting business - including decent work principles. Business managers also use newly acquired skills daily with employees. Overall, enterprises consulted for this research reported that CfW projects allowed them to enhance their operations; create better, more long-lasting bonds with their staff; and increase their chances of securing commercial opportunities.

Conclusion and recommendations

This paper builds on a limited amount of evidence, therefore CfW interventions should be further -and regularly- evaluated in light of the current socio-economic and political context of Lebanon. There are, however, strong indications that CfW projects provide opportunities for municipalities and local communities' capacity building, on top of offering dignified humanitarian support. CfW also seems to contribute to alleviating some of the burdens among most vulnerable households. Yet, the short-term nature of CfW activities is an attribute that needs deeper reflection. Short-term actions, as underlined by several practitioners and experts, can create dependency and undermine sustainability.

The ability of CfW approaches to achieve long-term impact can be improved through strengthening the humanitarian-development-peace nexus perspective, by:

- 1- Increasing coordination between funders, implementing partners and the government on CfW and EIIP interventions to agree on a common understanding, pursue and deepen ongoing harmonization processes regarding transfer values and modalities¹⁶ attached to these programmes, and determine the most effective and efficient use of donor funding in such initiatives during critical and rapidly changing times.
- 2- Linking CfW programmes to decent work standards and local economic development plans, and gradually scaling-up operations to converge toward gender- and disability-responsive EIIP interventions with a significant productive investment component

¹⁵ Office III of the Directorate General for Development Cooperation of the [Italian] Ministry of Foreign Affairs and International Cooperation (2022), Lebanon Evaluation Report, <https://www.aics.gov.it/wp-content/uploads/2022/04/Final-Report-Progetto-Libano-ENG.pdf>

¹⁶ E.g. such as through the recently launched, UNDP-coordinated CfW Taskforce.

Disclaimer: This final working paper was produced with the financial support of the European Union. Its contents are the sole responsibility of Oxfam (which hosts the Economic Development Policy Unit) and do not necessarily reflect the views of the European Union.

(potentially implemented through localized Public-Private Partnerships). Strong decent work advocacy with CfW contractors, supported businesses and public institutions, alongside investment in productive assets and infrastructure, would boost local economic growth and recovery while creating quality job opportunities for the most vulnerable – including women and persons with disabilities.

- 3- Planning for more social impact through CfW by enriching the EIIP's *Local Resource Based Technology (LRBT)* approach of MoL and MoSA – which leverages the use of local labour, capacities and materials to develop infrastructure without negatively impacting cost, work quality nor the environment¹⁷ – with additional social procurement provisions (this also closely relates to observations on decent work and LED above). In fact, the social procurement dimension of CfW or EIIP would gain from being reflected in a next, possibly updated version of Lebanon's 2020 Guidelines on Employment Intensive Projects¹⁸, as this further contributes to building a fair economy and could lead to increased social stability. Thus, implementing agencies should be encouraged and guided to factor in social procurement in CfW/EIIP budgets and, to the greatest extent possible, cater from institutions or businesses with a clear social mission. Alongside this, to further nurture their contribution to social stability and peace, CfW implementers should better engage in intensive political and institutional dialogues with local authorities, private sector organizations and local communities to ensure ownership and fair governance of supported productive infrastructure.
- 4- Linking CfW to employability (skills training) and Business Development Services (BDS) programming, allowing for the graduation of workers towards stable employment. This component may either be fully integrated into the CfW/EIIP activities, as is the case of most CfW programmes targeted at women cooperatives and enterprises, or implemented through inclusive referral mechanisms and efficient coordination between local CfW, TVET and BDS actors as supported by Lebanon's National Livelihood Sector.

References

Consultation and Research Institute (CRI) and ILO (2021). *Final Report Employment Intensive Infrastructure Programme In Lebanon, Workers Survey & Perception Survey On Infrastructure Projects*.

Food Security Cluster, Cash and Markets Working Group (2019). *Cash for Work (CfW) Guidance Note*.

ILO (2020). *Employment Intensive Projects in Lebanon – Guidelines*.

Mercy Corps (2007). *Guide for Cash-for-Work Programming*.

Office III of the Directorate General for Development Cooperation of the [Italian] Ministry of Foreign Affairs and International Cooperation (2022), *Lebanon Evaluation Report*, <https://www.aics.gov.it/wp-content/uploads/2022/04/Final-Report-Progetto-Libano-ENG.pdf>

¹⁷ ILO (2020). *Employment Intensive Projects in Lebanon – Guidelines*.

¹⁸ *Ibidem*.

Olivier Schutter, UN special rapporteur on extreme poverty and human rights, on his visit to Lebanon on 1-12 November 2021. [Link](#).

OXFAM (2019). *The Humanitarian-Development Peace Nexus: What does it mean for multi-mandated organizations?* Oxfam Discussion Paper.

UNICEF Lebanon (2022), UNICEF project empowers female chefs in northern Lebanon: <https://www.unicef.org/lebanon/stories/unicef-project-empowers-female-chefs-northern-lebanon>

UN WOMEN (2020), WOMEN ON THE VERGE OF AN ECONOMIC BREAKDOWN, Assessing the differential impacts of the economic crisis on women in Lebanon: <https://www2.unwomen.org/-/media/field%20office%20arab%20states/attachments/publications/2020/10/lebanons%20economic%20report%20updated%201110%20fh.pdf?la=en&vs=2852>

The World Bank (2022). *Lebanon's Crisis: Great Denial in the Deliberate Depression* [online]. World Bank. [Link](#).