

# Lebanon's Social Protection System Suffers Amidst the Current War: Urgent Action Needed!

## Policy Paper

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Photo credit: Hicham Mustapha, September 2024



Disclaimer: This report was written by Cynthia Saghir from CAMEALEON, Farah Al Shami from the Arab Reform Initiative (ARI), and Diana Tonea from CAMEALEON. This publication was co-funded by the European Union. Its contents are the sole responsibility of the authors and do not necessarily reflect the views of the European Union.

## Executive Summary

This policy paper assesses Lebanon's social protection response to the ongoing war and provides recommendations for policymakers to further develop this response and later improve the shock-responsiveness and -resilience of the country's social protection system.

The war in Lebanon has exacerbated the existing economic crisis, leading to mass displacement and increased poverty. The social protection system, already fragmented and underfunded, is struggling to meet the humanitarian needs of the affected population. The emergency response has been inadequate and limited to cash transfers and in-kind donations reaching only a small portion of those in need.

Lebanon's social protection system primarily relies on poverty-targeted social safety nets, which offer limited coverage and are heavily dependent on international funding. These safety nets have been expanded in response to the war but their reach remains relatively narrow. This implies an urgent need for a more comprehensive and coordinated approach to address the crisis – an approach that involves immediate humanitarian assistance as well as longer-term social protection measures that strengthen the system's shock-responsiveness and -resilience. Linkages between the humanitarian and social assistance systems are also crucial for an integrated and sustainable approach.

The paper concludes that for Lebanon's social protection system to become more fit for purpose, universal social security schemes should be prioritized, followed by a plan that tackles the issue of being composed of a complex web of different programs and registries. The government must therefore take decisive action to secure additional funding through domestic resources, improve coordination among stakeholders, and expand the reach of social assistance programs so that vulnerable populations receive the support they need to cope with the current crisis, and have their wellbeing and livelihood constantly protected.

The following policy recommendations provide a roadmap for policymakers to take immediate action to address the present crisis and build a more inclusive and effective social protection system for the future, both considering the key gaps and challenges in this system, and capitalizing on key opportunities and leverage points:

- **Immediate Action:**
  - The government should open credit lines and allocate funds through the budget reserves to provide additional support to those affected by the war.
  - The government should develop financial mechanisms to facilitate the transfer of funds to social safety nets and the National Disability Allowance (NDA).
  - The government should vertically expand the reach of the social safety nets to include all those displaced and registered in the affected areas.
  - The government should horizontally expand the reach of the social safety nets by opening a dedicated online registration platform for the newly displaced.
  - The government should pass emergency decrees to allow for the channeling of internal budget allocations to the unified social safety net.

- The Ministry of Social Affairs (MoSA) should establish a two-way data-sharing protocol with humanitarian organizations to facilitate the expansion of social assistance.
  - Humanitarian organizations should align their response with existing social protection mechanisms and avoid creating parallel systems.
  - MoSA should establish a coordination body to ensure an integrated response between humanitarian assistance and social protection systems.
  - Donors should channel resources through existing systems and refrain from funding the creation of parallel humanitarian responses to avoid inefficiencies.
- **Mid-Long Term Solutions:**
    - The government should implement the National Social Protection Strategy (NSPS) and the pension law to establish a universal social security system.
    - The government should invest in improving its social safety nets to ensure they can effectively complement the universal social security system in times of crises and shocks.

## Introduction

Lebanon has experienced heightened conflict activity since October 2023, with a significant escalation as of 23<sup>rd</sup> September 2024. This has come particularly in the form of airstrikes in southern and eastern Lebanon, with several strikes also affecting Beirut, resulting in large displacements. As of the end of September 2024, approximately 5,500 casualties have been reported, including more than 1100 deaths.<sup>1</sup> Israeli bombardment and shelling have destroyed residential houses, shops, and civilian infrastructure, affecting daily life. Hostilities have also significantly impacted the livelihoods and well-being of the population living in the affected areas, who sought refuge all across Lebanon.

These events have led to the internal displacement of approximately 550,000 to one million people as of September 2024, as per initial Government estimates.<sup>2</sup> At the time of writing, the situation is very fluid, so figures are likely to evolve. Displaced people include Lebanese, and Syrian and Palestinian refugees. More than a third of them are children.<sup>3</sup> Earlier in the year, approximately 94 percent of the internally displaced population (IDP) originated from Bint Jbeil, Marjaayoun and Tyre districts from the South Lebanon and Nabatieh governorates;<sup>4</sup> however, displacement now is widespread.

The escalation of hostilities coincides with the protracted economic crisis in Lebanon that has forced the resident population to grapple with unemployment, high cost of living, deteriorating socioeconomic conditions, and deprivation since 2019, resulting in the multidimensional poverty rate exceeding 70 percent.<sup>5</sup> The rapid decline in the value of the Lebanese pound, losing 90% of its value between 2019 and 2022, has disproportionately impacted the poorest and most vulnerable, including female-headed households, people with disabilities (PWDs) and people of old-age, leading to their near elimination of savings.<sup>6</sup>

Social protection systems are, by nature, used to protect people from falling below the poverty line and protect them from shocks and risks during crisis and non-crisis periods. Lebanon's social protection system is highly fragmented. It has predominantly focused on the implementation of poverty-targeted social safety nets that provide narrow coverage to a small portion of the population, based on targeting algorithms. It has been

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<sup>1</sup> UN-OCHA. September 25 2024. Lebanon: Flash Update #28 - Escalation of hostilities in south Lebanon, as of 25 September 2024. <https://reliefweb.int/report/lebanon/lebanon-flash-update-28-escalation-hostilities-south-lebanon-25-september-2024>

<sup>2</sup> Quillen, S., & Marsi, F. September 26 2024. Israel attacked Lebanon live: No ceasefire with Hezbollah, Netanyahu says. <https://www.aljazeera.com/news/liveblog/2024/9/26/israel-attacks-lebanon-live-72-killed-in-latest-wave-of-israeli-attacks>. IOM puts the figure at 550,000 displaced.

<sup>3</sup> UN-OCHA. September 20 2024. Lebanon: Flash Update #27 - Escalation of hostilities in south Lebanon, as of 20 September 2024. <https://reliefweb.int/report/lebanon/lebanon-flash-update-27-escalation-hostilities-south-lebanon-20-september-2024>.

<sup>4</sup> UN-OCHA. September 25 2024. Lebanon: Flash Update #28 - Escalation of hostilities in south Lebanon, as of 25 September 2024. <https://reliefweb.int/report/lebanon/lebanon-flash-update-28-escalation-hostilities-south-lebanon-25-september-2024> ;

<sup>5</sup> World Bank. Lebanon Poverty and Equity Assessment 2024: Weathering a Protracted Crisis (English). Washington, D.C.: World Bank Group.

<http://documents.worldbank.org/curated/en/099052224104516741/P1766511325da10a71ab6b1ae97816dd20c>

<sup>6</sup> ILO. 2021. Vulnerability and Social Protection Gaps Assessment— Lebanon. <https://www.ilo.org/publications/vulnerability-and-social-protection-gaps-assessment-lebanon>.



characterized by employment-based contributory health insurance that was rendered dysfunctional by the economic crisis.<sup>7</sup>

Lebanon's two main social safety nets are the National Poverty Targeting Program (NPTP) and the Emergency Social Safety Net (ESSN), with the NPTP currently being phased out. Given the country's sizeable informal economy, how error-prone are targeting algorithms, and the fact that both safety nets do not cover refugees and migrants, Lebanon's social protection system is largely non-inclusive. Prior to the 2019 socioeconomic crisis, approximately 62.6 percent of Lebanese households were not receiving social protection benefits.<sup>8</sup> The past two years have witnessed considerable improvements in this system, including the introduction of the National Disability Allowance (NDA) – Lebanon's first universal social assistance scheme and the only one covering refugees, and the adoption of the National Social Protection Strategy (NSPS) and the Pension Law (319). Nonetheless, only the former saw the light so far.<sup>9</sup>

Since the beginning of displacement from the South of Lebanon in October 2023, Lebanon's social protection response has consisted of using its social safety nets to disburse one-time cash transfers. These transfers were largely insufficient, transient and not inclusive of all those impacted, and the response had only covered 25 percent of all humanitarian needs, as presented in the following sections. Following the escalation to a full-fledged war in September 2024, the number of afflicted people and the needs of the IDPs have exponentially increased, overwhelming existing capacities due to the sheer scale of displacement. Their needs are immediate and include access to safety, appropriate shelters, food, clean water and sanitation, bedding and clothing, healthcare, access to schooling and education services, and psychosocial support. The emergency response has, so far, failed to fully cater to these necessities. On October 1<sup>st</sup>, 2024, the Lebanese government together with the international community announced the need for US\$ 425 million for a comprehensive and effective response and admitted that it does not know whether, when, and how much of the amount will be secured.<sup>10</sup> This indicates that Lebanon's social protection system is struggling to meet its shock-responsiveness and -resilience potential.

The purpose of this policy brief is to assess the current response, provide concrete policy recommendations to support the immediate action required, and draw on lessons learnt to help devise a more shock-responsive and resilient social protection system.

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<sup>7</sup> ILO. March 2021. Towards a Social Protection Floor for Lebanon: Policy options and costs for core life-cycle social grants. Available at: [https://www.ilo.org/beirut/publications/WCMS\\_828592/lang--en/index.htm](https://www.ilo.org/beirut/publications/WCMS_828592/lang--en/index.htm).

<sup>8</sup> ILO. 2021. Vulnerability and Social Protection Gaps Assessment— Lebanon. <https://www.ilo.org/publications/vulnerability-and-social-protection-gaps-assessment-lebanon>.

<sup>9</sup> Arab Reform Initiative. April 12, 2024. Recent Social Security Reforms and New Pension System in Lebanon: Interview with ILO's Rania Eghnatio and Luca Pellerano.

<https://www.arab-reform.net/publication/recent-social-security-reforms-and-new-pension-system-in-lebanon-interview-with-ilos-rania-eghnatio-and-luca-pellerano/>

<sup>10</sup> <https://reliefweb.int/report/lebanon/flash-appeal-lebanon-october-december-2024-october-2024>

## Overview of Lebanon's Social Assistance Landscape

Given the history of Lebanon's social protection system and the related recent developments that have been briefly mentioned, the Lebanese social assistance landscape has been lately comprised of:

1. **The NPTP:** The NPTP is the government's main social assistance program, offering a variety of benefits to poor and vulnerable Lebanese households, including e-card food vouchers, as well as education and health support. While all Lebanese households can apply to the NPTP, eligibility for assistance, such as e-card food vouchers, is determined through a Proxy-Means Test (PMT) administered to each applicant household. The NPTP database includes around 150,000 applicant households, with approximately 43,000 households currently receiving benefits. In fact, 43,000 households carry the Hayat Card, entitling them to access free health and education services, of whom the poorest 15,000 households receive the e-card food voucher, which covers only 4.5 percent and 2 percent of all Lebanese households, respectively.<sup>11</sup> This is way below the estimated number of households living in extreme poverty or poverty, even based on the economic pre-crisis levels. Due to a shortfall in international funding and the plan to create a single registry, the NPTP is currently being phased out in 2024 and is expected to soon be consolidated with the ESSN into a single social safety net program.<sup>12,13</sup>
2. **The ESSN:** Established in 2021, the ESSN program aims to provide cash transfers and social services to the poorest and most vulnerable Lebanese households affected by the economic and COVID-19 crises, targeting approximately 93,500 households. The transfer value was aligned with the first phase of the NPTP, except that the ESSN also covered direct costs of schooling for approximately 87,000 students aged 13 to 18 who are currently enrolled in public schools and come from households living in extreme poverty. With a total budget of US\$ 246 million, it also includes provisions for rapid response in case of an eligible emergency.<sup>14</sup> By January 31, 2022, approximately 583,000 households had registered on DAEM, the program's online registration platform. As of February 2022, the World Food Program (WFP) began verification visits to 189,712 households that met the initial screening criteria, of which approximately 75,000 are currently receiving benefits.<sup>15</sup>
3. **The NDA:** The NDA is a universal social grant covering PWDs between the ages of 15 and 30 with a monthly allowance of US\$ 40 for a period of 12 months that was launched by the Ministry of Social Affairs in

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<sup>11</sup> [http://nptp.pcm.gov.lb/wp-content/uploads/2019/03/Characteristics-of-NPTP-Beneficiary-HHs\\_April\\_14.pdf](http://nptp.pcm.gov.lb/wp-content/uploads/2019/03/Characteristics-of-NPTP-Beneficiary-HHs_April_14.pdf)

<sup>12</sup> [https://x.com/HectorHajjar/status/1748346036513346025?ref\\_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Etweet](https://x.com/HectorHajjar/status/1748346036513346025?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Etweet).

<sup>13</sup> <http://www.pcm.gov.lb/Library/Files/TORR.pdf>

<sup>14</sup> <http://www.pcm.gov.lb/Library/Files/ESSN-%20SIA-AF2.pdf>

<sup>15</sup> <http://www.pcm.gov.lb/Library/Files/TORR.pdf>



collaboration with the International Labour Organisation (ILO) and UNICEF. The NDA currently covers the cost of disability and provides income support for approximately 20,000 PWDs.<sup>16</sup>

## The Lost Potential for a Shock-Responsive Social Protection System, as Revealed by Previous Crises

During the COVID-19 pandemic and follow-on 2019 economic crisis, some of Lebanon's social protection schemes saw several adaptations and shock-responsive measures. We define shock-responsiveness as the ability of a social protection system to adapt its programs to large-scale covariate shocks, thus responding to increased and crisis-specific needs. In times of crisis, countries that make use of such systems to mitigate shocks associated with conflict, climate disasters, displacement, or a rise in hostilities do so by vertically or horizontally expanding social assistance programs or by both types of expansion.<sup>17</sup> Horizontal expansion is defined as the shock-responsive adaption to temporarily include new beneficiaries, while vertical expansion refers to the temporarily increase of the transfer values, providing a top-up or prolonging the duration of an intervention to meet beneficiaries' additional needs.

For example, in 2022, the Lebanese government expanded the NPTP in response to the 2019 economic crisis and the growing financial needs of the poorest Lebanese households. The NPTP was horizontally expanded from 43,000 households to include 75,000 households. It was also vertically expanded by increasing the transfer value<sup>18</sup> and providing recipient households with monthly cash assistance of US\$ 20 per individual and US\$ 25 per household to meet additional needs, with a cap at US\$ 145 per month per household.<sup>19</sup> Countries can also opt to establish a new social protection-led program that piggybacks on existing systems and capacity.<sup>20</sup> An example such a program in response to the needs of those affected by shocks is the ESSN in Lebanon, which supplemented the NPTP. With the support of the World Bank, the government established the ESSN in 2021 to respond to the needs of poorest households amid the COVID-19 pandemic and the deteriorating economic circumstances. The NPTP was later scaled-up through the ESSN to provide cash transfers and access to social services to a total of 160,000

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<sup>16</sup> UNICEF. National Disability Allowance: Lebanon's first-ever social grant to provide income support to persons with disabilities. <https://www.unicef.org/lebanon/national-disability-allowance>.

<sup>17</sup> Smith, G. June 2021. Deciding when and how to link humanitarian assistance and social protection: guidance and tools for response analysis. Social Protection Approaches to COVID-19 Expert Advice Service (SPACE). [https://socialprotection.org/sites/default/files/publications\\_files/Deciding%20when%20and%20how%20to%20link%20humanitarian%20assistance%20and%20social%20protection.pdf](https://socialprotection.org/sites/default/files/publications_files/Deciding%20when%20and%20how%20to%20link%20humanitarian%20assistance%20and%20social%20protection.pdf).

<sup>18</sup> Prior to 2022, beneficiaries of the NPTP received educational and health benefits and others received cash assistance through e-card vouchers to be spent at WFP contracted shops.

<sup>19</sup> WFP. August 9 2022. WFP Lebanon: National Poverty Targeting Programme and Institutional Capacity Strengthening. <https://reliefweb.int/report/lebanon/wfp-lebanon-national-poverty-targeting-programme-institutional-capacity-strengthening-july-2022>.

<sup>20</sup> Smith, G. June 2021. Deciding when and how to link humanitarian assistance and social protection: guidance and tools for response analysis. Social Protection Approaches to COVID-19 Expert Advice Service (SPACE). [https://socialprotection.org/sites/default/files/publications\\_files/Deciding%20when%20and%20how%20to%20link%20humanitarian%20assistance%20and%20social%20protection.pdf](https://socialprotection.org/sites/default/files/publications_files/Deciding%20when%20and%20how%20to%20link%20humanitarian%20assistance%20and%20social%20protection.pdf).



extremely poor and vulnerable households. The transfer value of the ESSN is the same as that of the NPTP, except that the ESSN also covers direct costs of schooling.<sup>21</sup>

While these examples stand proof of Lebanon's safety nets' potential for vertical and horizontal expansions during shocks, one of the biggest challenges is that the current coverage remains inadequate to fully protect poor households from the impacts of economic crises, let alone other crises such a large-scale conflict inducing displacements. The safety nets were only covering the poorest 20 percent of the population, and the targeting system has left the majority behind. The lesson that should have been learnt and built on by the government of Lebanon is that shock-responsiveness and -resilience cannot be achieved by merely keeping non-contributory social assistance to means-tested programs or by introducing reactive and short-sighted social safety nets and humanitarian assistance programs.<sup>22</sup> The latter two can only be effective if they come to complement a universal social protection system that provides core life-cycle coverage, as many studies have shown.<sup>23</sup> Ideally, shock-responsive and -resilient social protection systems are those where universal social security schemes are put in place, social safety nets accompany them, and - in times of crisis, conflict, or shocks - the government has the financial and human resources that makes it able to: i) maintain the operations of its social security system, ii) expand the safety nets vertically and horizontally, and iii) supplement its response with humanitarian assistance. Coordination is also crucial to align these work streams for an integrated response.

## The Response to the Current War

To date, the social assistance and humanitarian response aimed at mitigating the impact of displacement and hostilities has mostly consisted of limited one-off cash transfers and in-kind donations. In November 2023, emergency cash transfers of US\$ 100 were disbursed through the NDA to 1,972 Lebanese individuals and 1,892 Syrian, Palestinian, and other refugees. The target population were children, and youth with disabilities aged 15 to 30 and registered with the NDA, across seven districts in the South and Nabatieh governorates, who were directly affected by the military attacks.<sup>24</sup> The single top-up transferred to Lebanese PWDs receiving the allowance is an example of the vertical expansion to support those affected by displacement and hostilities.

The response also made use of the social safety nets by both horizontally and vertically expanding them to include more beneficiaries. As result, a total of 30,524 households were assisted through the existing social safety nets in

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<sup>21</sup> World Bank. March 14 2023 Lebanon Announces Payment of Cash Transfers to Extreme Poor Lebanese households under AMAN. <https://www.worldbank.org/en/news/press-release/2022/03/14/lebanon-announces-payment-of-cash-transfers-to-extreme-poor-lebanese-households-under-aman>.

<sup>22</sup> Chiara Genovese. Arab Reform Initiative. The Potential of Social Protection to Transform Host-Refugee Relationships in Lebanon. May 2<sup>nd</sup>, 2023. <https://www.arab-reform.net/publication/the-potential-of-social-protection-to-transform-host-refugee-relationships-in-lebanon/>

<sup>23</sup> Global Coalition for Social Protection Floors. Global Demand for Universal Social Security. 2023. <https://www.socialprotectionfloorscoalition.org/2023/10/global-demand-for-universal-social-security/>

<sup>24</sup> Minister Hector Hajjar in a Press Conference on January 31<sup>st</sup> 2024: <https://fb.watch/pXb2tjujGg/?mibextid=HSR2mg>.



response to hostilities in the South. The total value of transfers allocated in January 2024 amounted to a total of US\$ 2.7 million across all districts of the South and Nabatieh.

The selected households were both active recipients and non-recipients but registered with the NPTP and ESSN as residents of the South and Nabatieh governorates, namely the following seven districts in the South: Hasbaya, Marjayoun, Bintjbeil, Nabatieh, Tyre, Saida, and Jezzine. In January 2024, the first of three one-off transfers was delivered to 18,640 Lebanese households. Another two one-off payments were made in June and July 2024 to a total of 11,884 poor and vulnerable Lebanese households registered in the Ministry of Social Affairs (MoSA)'s social safety net databases for the districts of the South and Nabatieh governorates.

Households that were already receiving assistance received US\$ 20 per person and a top-up of US\$ 10 for non-food needs, with a ceiling of US\$ 130 per household. New recipient households that were non-active recipients at the time of the economic crisis, received a maximum of US\$ 145, with the amount varying according to the family size. Of the US\$ 145, a core transfer value of US\$ 120 was intended to cover food needs amid a risk of food insecurity. The remaining US\$ 25 per household was meant to cover non-food needs under the basic assistance sector.

As of the 26<sup>th</sup> of September, social protection actors have been planning for additional top-ups and the WFP has pledged to support 10,000 displaced households that are registered in MoSA's social safety net database for districts of the South and Nabatieh governorates. Additionally, MoSA's Minister, Dr. Hector Hajjar, announced that the ministry will allocate a US\$ 1 million grant from China through the NPTP, targeting 10,000 displaced Lebanese households from the seven districts in the South, thus fulfilling WFP's latest commitment to use social safety nets to disburse cash.<sup>25</sup> In partnership with the ILO and MoSA, UNICEF has also announced that they will be providing emergency top-ups to more than 5,000 NDA recipients for a total of above US\$ 1.2million.<sup>26</sup>

On September 30<sup>th</sup> and October 1<sup>st</sup>, 2024, the Minister of Environment and Head of the Emergency Committee and National Disaster Risk Management (DRM) Committee<sup>27</sup>, Dr. Nasser Yassin, and the Minister of Social Affairs, Dr. Hector Hajjar made public announcements that could be synthesized as follows:

#### *Shelter*

- Out of the one million internally displaced Lebanese, 500,000 have been displaced only in the past 48 hours, which shows how quickly the crisis is evolving. 250,000 found shelter in refugee centers whereas the rest are either hosted by families and friends, residing in hotels or rented apartments, or homeless.

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<sup>25</sup> Minister Hector Hajjar on X/ Twitter on September 27<sup>th</sup> 2024: <https://x.com/MTVLebanonNews/status/1839569511638257802>

<sup>26</sup> <https://www.instagram.com/p/DAqMDedBY69/?igsh=MWEyamN1Y3BnN3E4bw==>

The National Disaster Risk Management (DRM) Committee in Lebanon is responsible for coordinating disaster preparedness, response, policy development, capacity building, and resource mobilization across various sectors to enhance the country's ability to manage and mitigate disaster risks.

- Many of the refugee centers need repair and maintenance, and many others are yet to open their doors for more IDPs.
- Shelter needs are expected to considerably increase as host families become unable to accommodate (new) guests, the savings of those in hotels and rented apartments run out, or the situation further deteriorates.

#### *IDPs' Various Needs*

- Currently, only 150,000 IDPs in refugee centers are receiving hot meals every day. A few more, in some refugee centers that are not yet counted given rapid developments, are also benefiting from this program.
- IDPs' needs are numerous and include shelter, food, clean water and sanitation, bedding and clothing, healthcare, access to schooling and education services, and psychosocial support, among others.
- Most of these needs are unmet or only partially met. Particular attention should be given to healthcare, knowing that many hospital employees are also internally displaced, and to education so that children and youth do not lose their academic year and future.

#### *International Aid*

- The international community is providing aid but not sufficiently, perhaps due to political reasons or the prevalence of wars in Ukraine and Gaza. Lebanon is facilitating the entrance of new donations as long as the donor is known.
- So far, monetary and in-kind donations are pledged by the UAE (US\$ 100 million), Saudi Arabia, Qatar, Kuwait, China, Egypt, Jordan, Turkey, and France. Donations from some of these countries are shy and symbolic.
- The Lebanese government launched a "Flash Appeal" through the United Nations (UN), calling donor governments to support, estimating Lebanon's current need at US\$ 425 million for a comprehensive and effective response.
- While some countries have begun to respond to this appeal, it is still not clear how much of the requested amount will be secured and when.

#### *Expectations and Planning*

- The Lebanese government does not have the capacity to respond to the current acute situation and the possible future scenarios, especially since winter is around the corner. The solution for this humanitarian crisis is a ceasefire.
- We are dealing with a complex emergency that affects all sectors and aspects of life. Ending it now is key to avoid compromising national security and social cohesion.

#### *Broader Measures to Support the Response*

- The government is developing a transparency and accountability mechanism to ensure the equitable distribution of aid on impacted populations.
- The government is working on providing local authorities with financial advances to increase their ability to participate in the response.
- The government is trying to equip the Ministry of Finance with the Personnel that it is missing and that it needs amid the current crisis.

In some of their statements, both ministers admitted that the government could have done a better job with planning, noting that a scenario of war should have been expected. However, the speed and intensity of the escalations and displacement were not anticipated. Aside from this, other measures to support the emergency response have been announced around the same time by the council of ministers and the National Social Security Fund (NSSF), notably:

- Asking the Ministry of Economics to tighten price controls in order to protect the consumers from current abuses and monopolies.
- Enacting a mechanism in the public procurement law to help expedite the purchasing of essentials for the crisis response.
- Finding disbursement mechanisms and providing financial advances to different ministries to ensure a faster and more efficient response.
- Dedicating a financial advance of around US\$ 200,000 to the NSSF for health coverage, maternity benefits, and family indemnities for the insured, especially those who are currently displaced or affected by the war. The NSSF is also collecting data on impacted people who lost their job, thinking of a solution for them.

### Gaps, Challenges, and Opportunities

Since September 23<sup>rd</sup>, 2024, the government of Lebanon has been struggling to effectively respond to the humanitarian crisis resulting from the war. The government does not have the personnel and financial capacity needed for an effective response. Instead, it is relying on international donors to provide aid and is struggling to make financial advances and exceptions while it does not have an approved budget for the year. The government is also grappling with the need to develop new mechanisms – for transparency and accountability, price control, public procurement, inclusion of local authorities, and reactivation of the NSSF – on the spot. All this could have been considered by a disaster and emergency response plan ahead of the surge of the war, preempting the current situation.

Against this backdrop, the scale of displacement and the resulting needs far exceed the current capacity to respond, with both State and non-State efforts proving largely insufficient at this time. The following section outlines the gaps and the challenges of the current social protection mechanisms in Lebanon, hinting to the opportunities for improvement that lie therein:

1. **Limited Coverage:** One of the biggest challenges of the Lebanese safety nets is that the current reach remains inadequate to fully protect poor households from the impacts of the economic crisis, let alone other crises such a large-scale conflict inducing displacements. The significant gap in social protection coverage persists due to insufficient sustainable funding and the limited eligibility criteria for social protection programs.<sup>28</sup> Even prior to the 2019 economic crisis, 63 percent of the poorest Lebanese were not covered by social protection,<sup>29</sup> and only 3.5 percent of population was benefitting from the NPTP.<sup>30</sup> In December 2023, the ESSN and the NPTP only benefited approximately 20 percent of the population,<sup>31</sup> whereas the portion of people living under the poverty line tripled from 12 percent 2012 to 42 percent in 2022.<sup>32</sup>
2. **Unsustainable Funding Source:** The social protection system in Lebanon is reliant on humanitarian assistance and international donor financing to fill in the gaps in coverage.<sup>33</sup> Both the NPTP and the ESSN rely on donor financing to disburse cash to the beneficiaries, and the transfer value and volume of beneficiaries of social assistance varies according to the donor community's commitment and disbursements. The government has yet to allocate funds to its social safety nets. In one example, the government pledged to transfer LBP 150 Billion or roughly US\$D 1.5 million from its annual budget to partially fund the NDA in 2024.<sup>34</sup> However, the sum allocated by the government cannot be transferred to the NDA because of the lack of a mechanism and legal framework to channel the funds. The ILO is working with MoSA to develop this channel to allow the government to transfer funds to the NDA, where a potential avenue that is being explored is that of Money Transfer Operators (MTOs). The method of using MTOs has historically been used by humanitarian organizations in Lebanon to reach their target population through cash assistance.<sup>35</sup>

In May 2024, the Presidency of the Council of Ministers (PCM) decided to allocate LBP 93 Billion or roughly US\$ 1 million to support those affected by the conflict in the South.<sup>36</sup> The sum is set to be channeled

<sup>28</sup> ILO. March 2021. Towards a Social Protection Floor for Lebanon: Policy options and costs for core life-cycle social grants. Available at: [https://www.ilo.org/beirut/publications/WCMS\\_828592/lang--en/index.htm](https://www.ilo.org/beirut/publications/WCMS_828592/lang--en/index.htm). Poverty had been rising even before the crises, increasing from an estimated 25.6 percent in 2012 to 37 percent in 2019.

<sup>29</sup> ILO. 2021. Vulnerability and Social Protection Gaps Assessment— Lebanon. <https://www.ilo.org/publications/vulnerability-and-social-protection-gaps-assessment-lebanon>.

<sup>30</sup> Human Rights Watch. December 12 2022. Lebanon: Poverty, Hunger Amid Economic Crisis.

<https://www.hrw.org/news/2022/12/12/lebanon-rising-poverty-hunger-amid-economic-crisis>.

<sup>31</sup> The CAMEALEON and ARI team used data from the ILO's surveys and collected data from various World Bank and WFP report to reach this approximation.

<sup>32</sup> World Bank. 2024. Lebanon Poverty and Equity Assessment: Weathering a Protracted Crisis. Washington DC. <https://documents1.worldbank.org/curated/en/099052224104516741/pdf/P1766511325da10a71ab6b1ae97816dd20c.pdf>.

<sup>33</sup> ILO. March 2021. Towards a Social Protection Floor for Lebanon: Policy options and costs for core life-cycle social grants. Available at: [https://www.ilo.org/beirut/publications/WCMS\\_828592/lang--en/index.htm](https://www.ilo.org/beirut/publications/WCMS_828592/lang--en/index.htm).

<sup>34</sup> Government of Lebanon. February 8 2024. Law 324: Citizen Budget 2024. <https://www.finance.gov.lb/en-us/Finance/BI/ABDP/Documents/Budget%202024.pdf>.

<sup>35</sup> Chehade, N., McConaghy, P., & Martin Meier, C. April 2020. Humanitarian Cash Transfers and Financial Inclusion: Lessons from Jordan and Lebanon. Working Paper. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/974621587749884009/humanitarian-cash-transfers-and-financial-inclusion-lessons-from-jordan-and-lebanon>.

<sup>36</sup> Taleb, W. May 30 2024. Families of south Lebanon victims to receive \$20,000 each. <https://today.orientlejour.com/article/1415613/families-of-south-lebanon-victims-to-receive-20000-each.html>.



through the Council of the South, a governmental body that has historically been politically affiliated, and would provide a compensation of US\$ 20,000 for the family of each martyr. Those severely injured from hostilities or with injuries that require ongoing treatments, would receive between US\$ 10,000 to US\$ 20,000.<sup>37</sup> Since the sum is not mentioned in the government's annual budget, it was presumably secured by opening a credit line from the government's treasury or from the budget reserves in the government's budget.<sup>38</sup> While the redress approach to compensate the families of the martyrs and those severely and/or permanently injured is an understandable step to support the affected population, allocating funds to a governmental body that is politically affiliated does not only deter inclusivity, transparency, and accountability, but is also indicative of the political will to support populations in a way that is not equitable. These funds could have essentially been channeled in a more transparent way through existing systems, namely the NPTP, ESSN, and NDA. Using existing systems and expanding on them prevents the waste of resources and additional bureaucracies and inefficiencies that can result from creating new structures, especially amid crises. Instead, building on existing systems nurtures the economies of scale and the economic multiplier effect. However, the reasons for not doing this could be political/ sectarian.

- 3. Transition Towards a Unified Social Registry:** The beginning of the war in the South also coincided with a decision by the European Union (EU), Norway, Canada, and Germany to phase out the NPTP and merge it with the ESSN using a newly unified social registry, in order to create a new targeted social safety net. The unified social safety net is funded by the EU, the World Bank, and other donor countries.<sup>39</sup> The Minister of Social Affairs held a press conference on January 19, 2024 announcing the reduction of funding towards the NPTP to US\$ 33.3 million and the initiation of re-verification process of NPTP beneficiaries, where the minister stated that the deadline for the unification of the social registry and the complete phasing out of the NPTP would take place in June 2024.<sup>40</sup>

The process of re-verifying households registered with the NPTP and the unification of the social registries took precedent over responding to the need of the those affected by hostilities and displacement. The unified social registry and the transfer of NPTP beneficiaries that passed the verification process to the ESSN is set to be finalized by the end of September 2024. Moreover, the re-verification of households, which consists of revisiting beneficiary and non-beneficiary households, is a costly process, where the funds allocated to operational costs could have been allocated to new social grants or the expansion of the NDA.

<sup>37</sup> Public Works Studio. August 2 2024. The Council for South Lebanon: What role does it play in the midst of the current Israeli War? <https://publicworksstudio.com/en/the-council-for-south-lebanon-2/>.

<sup>38</sup> Public Accounting Law. Decree 14969/1963 allows the government and parliament, to transfer funds from the budget reserve and open additional credit lines not accounted for in yearly national budgets. This allows the government to allocate funds in a discretionary and timely manner.

<sup>39</sup> Sherry, E. January 21 2024. حجاج يعلن احتمال توقف مساعدة الأسر الأكثر فقراً ويقتر بعجز وزارته جنوباً. Legal Agenda.

<sup>40</sup> [https://x.com/HectorHajjar/status/1748346036513346025?ref\\_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Etweet](https://x.com/HectorHajjar/status/1748346036513346025?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Etweet).

## Policy Recommendations

The conflict continues to escalate rapidly, leading to more displacement due to hostilities in the governorates of South Lebanon, Nabatieh, Baalbek El-Hermel, and the southern suburbs of Beirut. IDPs, which can amount to much more than the current total of 550,000 to one million, urgently need assistance to cope with the impacts and challenges of displacement and the resulting socioeconomic hardships. We therefore call on the government of Lebanon for prompt action to hedge this humanitarian crisis as well as to learn from past and current lessons for future disaster and risk management. We recommend for the government to:

1. **Open credit lines or allocate funds through the budget reserves:** Since funding constraints limit the disbursement of cash to the most vulnerable, the government should consider opening credit lines or allocating funds through the budget reserves from progressive and redistributive taxation as a viable option to deliver more support to those affected by the displacement in the South.
2. **Develop financial mechanisms for social assistance:** Since the financial mechanisms that transfer funds from the government's budget or its credit lines to social safety nets or to the NDA are not available, the government, with the support of international actors, such as the World Bank, WFP, ILO and UNICEF, should develop mechanisms to facilitate this process potentially through a collaboration with MTOs in Lebanon. Generally, the large-scale displacement also points to the need for a more universal delivery system that could potentially reach entire populations.
3. **Emergency Governmental Decree:** Pass emergency decrees that would allow the government to channel internal budget allocations to the unified NPTP/ESSN social safety nets.
4. **Vertical expansion of social safety nets using the existing social registry:** The government should expand the social safety nets to include forcibly displaced populations. It should consider vertically expanding the reach of both the ESSN and the NPTP through the newly unified social registry and disbursing cash to all those registered in the South, Nabatiyeh, Baalbeck El-Hermel, and Beirut's southern suburbs. The ESSN currently has registration data for over 583,000 households and the NPTP for over 150,000 households that initially applied, representing a total of 733,000 households and approximately 2.9 million people. We urge MoSA and the international community to consider immediately supporting all those displaced and already registered, initially with a one-off emergency cash transfer and potentially with more sustainable transfers.
5. **Horizontal expansion:** Due to the low coverage of the social safety nets, the single registry should open a dedicated online registration platform for the newly displaced through DAEM. As phone penetration is very high, this option could represent a major opportunity for a fast scale-up of the response that is geared towards those newly displaced and in-need of financial support. In addition, MoSA should partner with CSOs, national and international NGOs, and UN agencies to support the expansion through in-person registration - via local development centers - for those unable to do so online. Due to the scale of displacement, we recommend adopting a "no regret approach" and rather applying an almost blanket approach to those displaced and affected by the hostilities, instead of a targeted approach, which will take significant time and entails a high risk of exclusion errors.

6. **Data sharing:** MoSA should immediately establish a two-way data sharing protocol with humanitarian organizations to both: i) allow for a faster vertical expansion by sharing data with organizations that have the funding; and ii) receive referrals from humanitarian actors for the inclusion of the most vulnerable who would qualify for longer-term social assistance.
7. **Humanitarian organizations:** Access to safety and catering to the most essential basic needs should be the focus of the first-line humanitarian response, in line with humanitarian principles. However, the humanitarian community should still take into account the emerging safety nets of Lebanon when planning and delivering their emergency response. Humanitarian actors should seek a complementary role and strengthen existing capacities, as opposed to creating parallel systems that require an extensive roadmap for handover. Notably, both the in-kind and cash responses should consider options from aligning to partially and substantially integrating with social protection mechanisms. This could be done through actions such as aligning transfer values and in-kind packages with social assistance, collecting data that can be later used in the determination of their eligibility to access social assistance, supporting with legal documentation and access to civil documentation for those who lost them during displacement, contributing to the vertical and horizontal expansion of the NPTP and ESSN, etc.
8. **Coordination:** MoSA should establish, together with humanitarian and development donors, UN, and NGO representatives, a coordination body that can develop a mechanism for coordination between humanitarian assistance and social protection systems. This coordination body should also establish a de-duplication mechanism, data sharing agreements, and Memoranda of Understanding (MoU's) that would underpin the data governance for the entire humanitarian and social assistance nexus response. In addition, MoSA, the coordination body, and the National Disaster Risk Management (DRM) committee should establish a crisis response cell to coordinate joint efforts.
9. **Donors:** Donors should ultimately channel resources through existing systems and avoid funding the creation of parallel humanitarian responses, unless a clear humanitarian imperative necessitates it. Nonetheless, humanitarian programs should explore linkages with existing social protection schemes. Donors should also pressure the government to take full responsibility for meeting the needs of their population, considering that the government has already demonstrated the capacity to manage large-scale social protection programs.
10. **Lesson Learnt:** When this emergency situation is over, the government should immediately begin implementing the National Social Protection Strategy for Lebanon (NSPS)<sup>41</sup> and the pension law and investing in building the full infrastructure for a universal social security system, in addition to improving its social safety nets, as explained earlier. Having universal, core life-cycle social assistance that is mostly funded through domestic resources is imperative to ensure that social safety nets can play their complementary role effectively and can be fit to purpose, especially amid crises and conflicts.

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<sup>41</sup> [https://socialprotection.org/discover/legal\\_policy\\_frameworks/national-social-protection-strategy-lebanon](https://socialprotection.org/discover/legal_policy_frameworks/national-social-protection-strategy-lebanon)