

PROSPECTS

Improving prospects for forcibly displaced persons and host communities



LEBANON

Country Vision Note

Vision Note for a new Partnership

between the Government of Netherlands, IFC, ILO, UNHCR, UNICEF and the WB

Lebanon

1. Country Context

Lebanon has been at the forefront of one of the worst humanitarian crises of our time.

According to government and independent sources, up to 1.5 million Syrian refugees¹ are currently hosted in Lebanon, equivalent to a quarter of the Lebanese population.

Poverty and vulnerability levels are high in Lebanon. According to the 2018 Vulnerability Assessment of Syrian Refugees (VaSyR), 68 percent of the Syrian refugee families are living under the poverty line and 51 percent under the extreme poverty line; in addition, 88 percent of Syrian refugees have an average debt of USD 250 per capita.

Lebanon faces long-standing jobs challenges and the Syrian refugee crisis has had a significant impact on the Lebanese labor market. Even before the Syrian crisis, economic growth did not translate into sufficient job creation. With an employment growth elasticity of 0.2, Lebanon fared significantly worse than other countries in the region (the MENA average is 0.5).² Before the influx of refugees there was on average, 23,000 new entrants to the labor market annually between 2004 and 2007, while the formal job creation was just one-sixth this level. In addition, job creation has been concentrated in low-productivity activities that demand low-skill labor³ and more limited in higher productivity sectors such as communications, financial services, and manufacturing.⁴ A large reservoir of untapped human resources coupled

¹ As of September 2018, there are 952,562 Syrian refugees registered with UNHCR.

² World Bank (2012), “Republic of Lebanon—Good Jobs Needed: The Role of Macro, Investment, Education, Labor and Social Protection Policies”, December, Washington DC.

³ The main contributors to employment by order of importance were wholesale and retail trade, other non-tradable service sectors, and construction.

⁴ World Bank (2016). “Lebanon: Promoting Poverty Reduction and Shared Prosperity, A Systematic Country Diagnostic”. Middle East and North Africa Region.

with limited private sector job creation has led to high and long-term unemployment and pushed a growing number of workers to either migrate abroad, or engage in subsistence-level activities in the informal economy. In 2010, prior to the influx of refugees, already half of the Lebanese labor force worked in the informal sector.⁵ It is estimated that up to 44 percent of Lebanon’s tertiary education population has migrated abroad.⁶

The influx of refugees has resulted in a large increase in labor supply in Lebanon, with negative impacts concentrated in lagging regions – especially in the North and Bekaa – which already faced poor labor market outcomes. With few initial resources, extremely high levels of poverty, and with aid meeting less than 50 percent of household needs, Syrian refugees face a stark need to find income earning opportunities. But given their relatively low education levels, significant legal restrictions on sectors and occupations where they may work, most refugees are forced to work irregularly in the informal economy, where they accept sharply lower wages than host community members (the estimated wage gap is 50 percent).

2. Vision and Guiding Principles

Vision statement

The Vision for this Partnership is to reduce multidimensional vulnerabilities in Lebanon and increase social stability for refugee and host communities through a comprehensive and integrated strategy for improved resilience and self-reliance.

The joint partnership in Lebanon focuses on three sectors, namely: education, employability/employment, and social protection, and is underpinned by the following principles and approaches:

1. **INCREASING MULTIDIMENSIONAL RESILIENCE:** and benefit the most excluded households. It is now more important than ever to support national systems that can address all forms of vulnerabilities and to focus on promoting household ability to adapt to the worsening economic and protection environment in a way that reduces the impact of shocks and risk on the most vulnerable households and members. Given the range of challenges households face, the response must be multidimensional, providing an integrated response reflecting household need.

⁵ World Bank (2012), “Lebanon - Good jobs needed: the role of macro, investment, education, labor and social protection policies (MILES),” Report No. 76008-LB, December.

⁶ World Bank (2016) “Lebanon: Promoting Poverty Reduction and Shared Prosperity, A Systematic Country Diagnostic”. Middle East and North Africa Region.

2. **LINKING HUMAN CAPITAL TO PRIVATE SECTOR:** This partnership will pursue the link between human capital programming and private sector initiatives. This will be achieved by connecting education, protection, Technical Vocational Education and Training (TVET), skills, access to finance, and enterprise development to decent work opportunities.
3. **PUTTING PEOPLE AND THEIR PROTECTION AT THE CENTRE:** Programmes and activities developed within the framework of this partnership will seek to ensure – through mainstreaming and targeted action – that all beneficiaries, regardless of age, gender and diverse characteristics, have equal possibilities to enjoy their rights and develop their resilience and human capital.
4. **FOSTERING INNOVATION:** New cross-thematic ways of working will be developed with a focus on cutting-edge technology to identify promising solutions and develop scaling strategies. The partnership will also focus on engaging the private sector, including the start-up ecosystem, to work with vulnerable communities, including youth in new and innovative ways to identify and co-create more effective solutions to their challenges.
5. **PROMOTING SOCIAL STABILITY:** Specific effort will be made to ensure that all proposed interventions will not fuel tensions, but rather foster peaceful coexistence and social stability.
6. **STRENGTHENING NATIONAL INSTITUTIONS:** The partnership will place particular emphasis on empowering, capacity building and system strengthening of national and local institutions to promote ownership and help ensure sustainability.
7. **LEVERAGING CHANGE THROUGH AN EVIDENCE BASED PARTNERSHIP PLATFORM:** The partnership will pursue improved data and knowledge production, sharing and analysis, which will promote a stronger evidence base for improved programming, coordinated advocacy calling for national policy change and strengthened systems.

Aligned with the overarching principle of “leaving no one behind” of the 2030 Agenda for Sustainable Development, this partnership will mainly contribute to SDGs 1, 4, 5, 8, 10, and 17.

3. Sector Specific Challenges and Responses

Education

Access to Education for refugees remains a challenge. There are 625,222 school-aged Syrian refugees in Lebanon⁷, with 43 percent of the out of any learning opportunities (including both formal and non-formal programs). While Lebanon has made tremendous progress in enrolling Syrian refugee children into the public formal system with more than 220,000⁸ children enrolled, reaching 45 percent of the public student population, there are significant barriers to the enrollment of additional children due to the high inequity of the education system, including supply constraints in preprimary and primary, such as distance, transportation and availability of spaces in schools, and demand-side challenges such as child labor and early marriage for the intermediate and secondary education levels. Children with disability face additional challenges both to access education, and within education, to get good quality of services.

The large number of youth refugees in Lebanon has created significant demand for vocational and tertiary education. A challenge for service providers in this sector is to find low-cost, sustainable solutions to meet this demand in the public education, by offering flexible pathways to tertiary education that, at the same time, are sensitive to the realities of refugee communities: transportation cost, family pressure engage in informal labor at younger ages, and the education gap that affects academic eligibility of youth to resume their education.

Dropout rates for refugees and poor Lebanese are high. Refugees and poor Lebanese children are more likely to be overaged in their classroom and to drop out of school, especially at the lower and upper secondary education levels. Quantitative evidence points that children from the bottom Socio-Economic Status (SES) quintile, including refugees, face tremendous academic challenges and are nearly three years behind their peers in the top SES quintile in terms of learning and acquisition of science, reading, and math skills⁹. Qualitative evidence suggests these children are leaving school early to go to work or in the case of girls because of child marriage. Socio-emotional skills are key foundational skills necessary for success in life. They allow children to learn and apply how to manage their emotions, set and achieve positive goals, feel and show empathy for others, establish and maintain positive relationships, and make responsible decisions¹⁰. A recent study by the World Bank reveals that refugee children and poor Lebanese scored low on those foundational skills, affecting thus their self-affirmation and future orientation, their interpersonal relationships, and their employability prospects.

⁷ No Lost Generation: 2018 Brussels education conference report.

⁸ RACE PMU. MEHE data.

⁹ World bank, 2016. Lebanon PISA Brief.

¹⁰ CASEL Framework. <https://casel.org/what-is-sel/>

Objective: *To Support Reaching All Children with Education.* The World Bank, UNICEF, and UNHCR will continue to collaborate on education under the Government's Reaching All Children with Education (RACE) program and the Technical Vocational Education and Training national strategy. In doing so, support will be provided to increase numbers of vulnerable children in quality, integrated learning opportunities and strengthen capacity of the education system to deliver to all.

Through this partnership the following initiatives will be pursued:

Reaching the most marginalized out of school with non-formal education (NFE) and Payment Service Providers (PSP) in an integrated manner - Since girls and boys from the marginalized groups described above face different multiple overlapping deprivations, an integrated approach of complementary services that include case management and psychosocial support activities, contextualized learning programmes, life skills and mentorship, socio-emotional learning interventions, homework support, and household financial assistance, is more likely to have a greater impact and positive effect. The particularity of this approach lies within its flexibility and adaptation that is tailored to match children and young people's different needs and various contexts. This will therefore contribute to tackle the most vulnerable and hardest to reach children and young people in an integrated and comprehensive manner.

One aspect of the interventions will focus on the provision of contextualized non-formal learning programmes such as Basic Literacy and Numeracy (BLN) and other learning programmes with flexible duration, frequency, content and timing and complemented with specialized support services to children and young people with disabilities and working children and young people. In addition, children and young people at high risk of neglect, abuse, exploitation and violence will be supported through case management processes and Psychosocial Support interventions to help them build their resilience and improve their well-being. The approach will also have a strong social and behavioral change component by engaging caregivers and community to mitigate and prevent risks and vulnerabilities and will be linked to humanitarian social assistance.

In regards to youth, connected learning pathways can be explored as one means of bridging programmes between secondary and tertiary education, or blended programmes (online and face-to-face instruction) which can address issues of access, time constraints, and geographic limitations in a more flexible way. Furthermore, the development and provision of competency-based vocational training programmes, which respond to youth needs for self-resilience in Lebanon, as well as livelihood opportunities upon a voluntary return to Syria, could also be explored, and also developed by integrating life-skills based education programmes.

Support schools hosting refugees - Schools hosting large number of refugees, including double shifts, face increased strains on their infrastructure and equipment, increasing their operational cost for running and maintaining the school. Several initiatives could be explored to support in alleviating the cost of hosting Syrian refugees in the first and second shifts, such as partnerships with the private sector for the deployment of rooftop solar energy solutions in public schools to decrease electricity running costs and to fill in gaps from the energy grid. The execution of those solutions can be coordinated in accordance to the current PPP regulation in Lebanon.

Improving the access and quality of the TVET system - In partnership with ILO and UNICEF, Ministries of Education and Higher Education (MEHE), Labour (MoL), Agriculture (MoA), Social Affairs (MoSA), the National vocational Training Center (NVTC), key NGOs and private sector, in 2018 the Prime Minister launched the “**National Strategic Framework on TVET in Lebanon**”, which aims to identify the strategic directions for the improvement of TVET systems, increase enrolment, and to enhance the system and improve links with labour demand market requirements and the aspirations of all youth aged 12-21 years living in Lebanon. Since the launch, the main priority is the development of the TVET action plan under the National Strategic Framework (NSF) for 2018-2021 with MOSA, MOA, MEHE and MOL.

Support to the implementation of the TVET National Strategic Framework (NSF) would focus on the implementation of the NSF action plans and some of the key recommendations linked to the eight building blocks mentioned in the document, including reviewing and modifying the **qualification system**, developing **new competency-based curricula to be implemented in formal and non-formal settings**, and linking community-based economic opportunities with the necessary training and post-training support for all the youth populations in Lebanon. Supporting organizations already providing non-formal skills trainings with new competency-based, market relevant courses will improve the overall quality of TVET being provided.

Based on the above, Support of vulnerable youths’ employment outcomes will be pursued by looking to improve post-training support, employment services and ensuring private sector linkages to training providers. **Specific support to female job-seekers and training graduates and provide greater overall support of on-the-job-training, peer to peer mentorship, coaching and tailored Life skills** support as well as referral to income generation opportunities.

Employment and Employability

As Lebanon’s formal labour market fails to create decent jobs in the best of times, job creation will not simply come from increasing growth. Firms operating in Lebanon face a macro-environment, which raises risks, distorts the efficient allocation of capital, and biases against tradable sectors, along with a meso-and micro-environment where high transaction costs

undermine competitiveness¹¹. Therefore, expanding investment into labour intensive sectors (i.e. Construction and Agribusiness), along with targeted efforts at job creation to absorb excess labour and reach excluded populations, will be a critical priority in the short-term. However, short-term solutions¹² must be developed in ways that facilitate, and do not constrain, structural reforms and economic transformation.

Working conditions have further deteriorated due to limited economic opportunities, particularly for vulnerable women and youth. As a result of the Syria refugee crisis, economic activity has suffered, access to quality public services has shrunk, income has been reduced, and vulnerabilities increased, all of which further exacerbate developmental challenges that Lebanon had to contend with prior to the Syria crisis. These changes have likely further aggravated the pre-existing labour market challenges of high unemployment, rising informality and poor working conditions for both refugees and vulnerable Lebanese. The resulting impoverished circumstances of both communities are leading them to seek any form of income to provide for their families, including resorting to low quality and sometimes exploitative jobs and working conditions. The oversupply of Syrian labour in certain regions and sectors of the economy is leading to a “race-to-the-bottom” in terms of wages and working conditions, which puts pressure on vulnerable working-age Lebanese and is a key source of tension between the two communities; this despite the fact that laws already exist limiting non-Lebanese nationals’ engagement/employment in certain areas of the economy. Lebanese youth unemployment was already high before the crisis, an additional factor that often leads to social conflict

Addressing employment and employability in the context of protracted displacement requires a coordinated humanitarian and development approach. In Lebanon’s current context this means that short-term solutions like public works and market driven TVET are part of the equation, particularly for low and semi-skilled employment, but innovation and expansion of the private sector is needed over the medium to longer-term to generate sustained demand for decent jobs. This requires establishing an enabling environment that is conducive to private investment and inclusive towards the poor and vulnerable populations.

Objective: *To support the creation of decent jobs and the expansion of the private sector that will benefit poor and vulnerable Lebanese and Syrian refugees.* This will be achieved through investments, analytics, capacity building and advocacy in a wide range of areas namely: job creation in labour intensive sectors (i.e. construction and agribusiness); transferable skills for refugees upon return;

¹¹ The World Economic Forum’s Global Competitiveness Index ranks Lebanon’s macroeconomic environment 133rd of 137 countries, which have kept borrowing costs high for businesses. According to the World Bank Enterprise Surveys corruption is cited as a major constraint by 61 percent of firms, access to electricity (cited by 55 percent of firms); and lack of access to bank loans (cited by 41 percent of firms). Trade facilitation also stands out – more than 41 percent of exporters cited customs and trade regulations as a major constraint, a share that is almost twice the global average and 30 percent above the MENA regional average.

¹² As stated in the WBG’s *Integrated Framework for Jobs in Fragile and Conflict Situations* also emphasizes that.

access to finance and financial inclusion targeted at vulnerable communities; strengthening employability through digital technology (DT); the promotion of entrepreneurship within vulnerable communities, women and out of school youth; evidence-based diagnostics and capacity building that can enhance impact on access to decent work and improvement of infrastructure that enables markets (e.g. energy distribution¹³).

Through this partnership the following initiatives will be pursued:

Promote an employment-intensive approach to infrastructure development - The influx of refugees because of the Syrian conflict has further strained public infrastructure and services in Lebanon. The emphasis is on decent employment creation through the construction of locally prioritised infrastructure, maintenance and environmental works, providing short term employment opportunities (including cash for work) for refugees and host communities, boosting economic growth and contributing to resilience and social stability. Through this partnership, infrastructure development interventions would include rehabilitation of school buildings and water-related projects, agricultural roads and maintenance of secondary and tertiary roads, as well as environmental works. Furthermore, a dynamic needs assessment summarizing energy needs of vulnerable communities at the municipal level to inform and attract sustainable solutions (e.g. PPPs) that address energy constraints.

Provide a platform to develop a stronger referral system between the actors providing social assistance through the humanitarian cash programmes and the National Poverty Targeting Programme (NPTP), and TVET programmes, employers and entrepreneurs, with the aim of enabling recipients of assistance to transition into self-reliance.

Promote access to finance and financial inclusion for vulnerable communities through multiple initiatives around upscaling micro-finance institutions, cooperating with credit guarantee schemes, developing specific programmes that support capacity of Micro Finance Institutions, bankability of the MSMEs borrowers and promoting financial inclusion that ranges from microfinance, digital financial services and insurance.

Promote entrepreneurship within vulnerable communities and innovation through self-Employment and joint business ventures - Through this partnership, support will be provided to in-school and out-of-school vulnerable youth to choose self-employment and social

¹³ A recent study as shown that – beyond the core necessity of better access to electricity, the Syrian crisis has deepened the problem due to: (i) increased burden on an already deteriorating network; (ii) negative impact on quality of supplied power due to additional demand in some areas; (iii) indirect impact of additional power consumption of schools hosting displaced Syrians as well as municipalities/water establishments; (iv) damaged to distribution transformers and cables due to overload; (v) rise in non-technical losses and damage to distribution network due to the non-metered connections. Main findings extracted from: *Ministry of Energy and Water and UNDP. (2017). The Impact of the Syrian Crisis on the Lebanese Power Sector and Priority Recommendations.*

entrepreneurship as a career option. Furthermore, through the provision of creative and design thinking, business management training and incubation (coaching and access to financial services). This joint initiative will also support the establishment of: i) potential joint ventures between Syrian refugees and Lebanese; ii) business start-ups for Lebanese with employment opportunities for refugees.

Strengthen the digital technology (DT) ecosystem and upskill the workforce with market-relevant digital skills, directly linked to placement for income generating opportunities

-To reach these objectives, a Digital Market Placement Initiative will be established to (i) provide training on DT skills (ii) develop a “Your Digital Driver: (YDD) Platform that links private sector firms with a wide range of affordable and high-quality freelancers’ services and job seekers, who will benefit from DT skills trainings and improve employability - with remote work arrangements that can attract women and populations living in lagging regions; and (iii) strengthen the digital ecosystem.

Enhance productivity and working conditions within MSMEs

- There is a need to work with businesses to improve working and conditions and promote formalization and compliance. The partnership will enhance the employment capacity of existing MSMEs through training on improving working conditions and protecting rights of all workers, coaching to enhance productivity, and facilitating access to finance.

Promote evidence-based enhancing access to decent work

- The partners will continue advocating for reducing vulnerabilities, promoting access of all workers (Lebanese citizen and Syrian and Palestinian refugees) to decent work opportunities and conditions as well as legal documentation. National level research and studies will be carried out to guide this advocacy work and policy debates around work and economic strategies driven by inclusive growth.

(Social) Protection

The protection environment for the Syrian refugees is becoming more challenging, with rising host community fatigue and calls by political actors and segments of the public for increased efforts to speed up refugee returns. Municipal restrictions such as curfews and evictions, as well as verbal threats against refugees have increased over the past 1-2 years, while 73 percent of the Syrian refugees still lack legal residency. These factors limit refugees’ ability to move freely, including to and from schools, vocational trainings and jobs, without fear of being arrested and detained. The Syrian refugees who have not been able to register with UNHCR due to the Government’s suspension of registration in 2015 are in a particularly precarious situation since they cannot benefit from the waiver of fees for residency renewal and are thus only able to legalize their stay through an expensive sponsorship arrangement.

High levels of poverty and debt, coupled with limited livelihood possibilities and rising inter-community tensions over job competition, directly affect the refugees' resilience against exploitation and harmful coping strategies like survival sex, child labour, and early marriage. With 51 percent of the Syrian refugees below the extreme poverty line, and overall funding available to provide only half of them with multi-purpose cash, there is a risk that more refugees will feel compelled to resort to harmful coping strategies or return to Syria even though they may not yet consider it safe. The interrelatedness between legal status and residence, documentation, public opinion, and access to education and vocational training, livelihoods and assistance is experienced every day by refugees who, for example, are threatened with eviction due to not having the money to pay the rent or legal residence, and are forced to take their teenagers out of school and engage the family in exploitative work in order to survive.

Furthermore, Lebanon spends little on Social Safety Nets (SSNs) for its own population while subsidies crowd out needed expenditure on social programs resulting in a poor SSN system. Lebanon's main SSN consists of poorly targeted energy subsidies, which account for approximately 4.5% of the country's GDP and crowds out spending on much needed social and human development programs. In addition, capacity and institutional challenges at the central and local level have hindered the delivery of essential social services in Lebanon.

Objective: *Support the Government of Lebanon and its institutions to develop the national social protection system for Lebanese and non-Lebanese, while further enhancing the reach and efficiency of the complementary humanitarian safety net provided by international partners to ensure equal access for all and that no one is left behind and to build resilience against exploitation and other protection risks.*

A foundation for people's ability to enjoy protection, and access the social protection system and the services and social assistance transfers available, is having a legal status, valid residence and civil documentation to prove ones identity. In the absence of this, a person is at high risk of being invisible in the society, and excluded from the justice system, as well as being prevented from having equal and unhindered access to social services, health care and education, and to vocational and work opportunities. Ensuring that refugees are registered with accurate personal data, promoting the development of laws and policies that underpin the right of Lebanese and non-Lebanese (including refugees and stateless persons) to obtain legal documentation, and developing the capacity of the responsible institutions to efficiently provide this documentation are therefore key priorities for this partnership.

Another foundation for a society in which nationals and non-nationals alike can build their human capital and resilience, and peaceful coexistence is maintained between groups, is one in which all individuals have – to the extent possible based on the national policy – equal and non-discriminatory access to the social protection system; this also reduces the need for complementary systems that risk being perceived as favoring one group over another.

Against this background, a strategic priority of this partnership will be to strengthen the alignment and complementarity of the respective agencies' support to the Ministry of Social Affairs (MOSA) and its Social Development Centres (SDCs), all aimed at developing MOSA's capacity to function as the hub for a comprehensive social safety net programme and the SDCs' capacity to efficiently provide quality social services and individual case management to people in need, including persons with disabilities, children who are neglected or abused, and survivors of SGBV. Through joint and complementary activities, the partners will help MOSA further develop and deliver a package of social services (in child protection, SGBV, social care, psychosocial support, disability services) of good quality to vulnerable refugees and Lebanese visiting the centres, and information sessions about available humanitarian assistance programmes, and educational and livelihood opportunities. The capacity of the SDCs to serve as a safe and trusted venue for dialogue between community members and groups, including youth, and for fostering peaceful coexistence will also be strengthened. The roll-out of a technologically advanced online data and information management system in the SDCs, which will encompass a social registry and issuance of social service cards to all beneficiaries of the services, will help to strengthen the linkages between and complementary benefits of the different services and assistance programmes offered, and thus the overall development of the SSN system. MOSA will also be supported to develop a Monitoring and Evaluation system which, together with the online data and information management system, will strengthen the Ministry's capacity to efficiently administer, deliver and monitor the delivery of social services and assistance, and thus its accountability towards the beneficiaries.

Given the limitations of the current social safety net programme, and government policies restricting the full inclusion of refugees into the national system, it is essential to maintain a robust and efficient humanitarian social assistance system (multi-purpose cash assistance) to help the most socio-economically disadvantaged refugees meet their basic needs and stay resilient against exploitation, child labour, survival sex, evictions and involuntary returns. Another strategic priority of this partnership will thus be to maximize the alignment of the system for social transfers to vulnerable Lebanese within the National Poverty Targeting Programme (NPTP) and the multi-purpose cash assistance programme provided by humanitarian agencies for refugees through coherent vulnerability assessments, targeting methodologies and funding platforms. Moreover, it will be crucial to provide social assistance that focuses on the multiple deprivations that children/young people and their families' face, to reduce poverty and vulnerability in a more sustainable longer-term manner linked to inclusive education and employability.

The NPTP will need to be scaled up to provide income support and promote the livelihoods of the extremely poor Lebanese, by expanding the e-card food voucher as well as the NPTP 'graduation' program. The scale-up of NPTP is expected to have substantial positive impact on food security, reduction of poverty and the economy and job creation. By providing income support and employment opportunities to the poorest Lebanese households, the scale-up of the NPTP would

also contribute to defuse tensions between Lebanese and Syrian refugee and thus increase social stability.

Overall, the partners' support to the Government's development of a national social protection framework, with the involvement of the relevant ministries and authorities, will be crucial to guide Lebanon in the implementation of a holistic, integrated system. This will encompass complementary and converging efforts by the partners to increase the linkages between the aforementioned humanitarian cash and NPTP social assistance programmes and the other components of the social protection system, and with educational and vocational training as well as livelihood and employment opportunities. Strengthened linkages will in turn serve the overall objective of establishing a comprehensive social protection system in which one intervention builds upon, and complements the other towards the overarching goal of building human capital and resilience and fostering peaceful coexistence and social stability.