


THE CHALLENGING PATH OF
REFORMS IN LEBANON

**SOCIAL PROTECTION REFORM:
AN IMPERATIVE AMID THE
UNFOLDING CRISES**





This report is part of a series of reports produced by Maharat Foundation to track the progress of reforms highlighted in the Lebanon Reform, Recovery and Reconstruction Framework (3RF), which is part of a comprehensive response to the massive explosion on the Port of Beirut on August 4, 2020, launched by the European Union (EU), the United Nations (UN) and the World Bank Group (WBG).

On April 2023, stakeholders involved in the Reform, Recovery and Reconstruction Framework (3RF), agreed that it should be continued as a platform for inclusive policy dialogue and to make progress on implementing reforms to unlock international support for investments in reconstruction, considering that structural reforms are key to overcome this unprecedented crisis and return to the path of sustainable development. Moreover, the 3RF will not extend its focus on recovery efforts, as there are other coordination structures in Lebanon that are more capable of addressing recovery and humanitarian needs.

Maharat is a member of the Independent Oversight Board (IOB) which is comprised of civil society representatives providing broad oversight on 3RF implementation progress and use of financing.

REFORMING SOCIAL PROTECTION: A CRUCIAL STEP TOWARDS INCLUSIVE DEVELOPMENT

The compounded crises that plagued Lebanon in 2019 have further exposed the flaws and shortcomings of the social protection system. Indeed, the unfolding economic and financial crisis coupled with the outbreak of Covid-19 has heightened vulnerability amid the population and intensified the strain on livelihoods. The situation was aggravated by the Beirut port explosion which posed additional challenges for individuals in fulfilling their basic needs.

Over the last two years, the Lebanese government's approach to addressing this multilayered crisis has mainly focused on two social protection programs that relied on cash transfers and temporary assistance, namely the Emergency Social Safety Net (ESSN) and the Broad-Coverage Cash-Transfer (BC-CT), which is still to be implemented due to a lack of funding. The Emergency Social Safety Net (ESSN) also known as "AMAN" was approved by the World Bank in January 2021 but disbursement only started in March 2022. The objective of this three-year program was to provide cash transfers to families that had dropped into poverty as a result of the financial crisis and the pandemic. The program has a target of reaching 150,000 households and currently, around 80,304 households have received assistance. It was recently announced that current beneficiaries would receive an extension of 6 additional months. Furthermore, The World Bank announced on May 25, 2023, an additional funding of \$300 million for the Emergency Social Safety Net (ESSN) project in Lebanon. This additional funding will aim at "expanding the provision of cash transfers to poor and vulnerable Lebanese households and further support the development of a unified social safety net", according to the World Bank statement.

However, the accessibility to such social protection programs has raised questions. Indeed, many individuals expressed skepticism regarding the selection mechanism of the ESN program since a significant number of them have not received any assistance. This suggests that there is room for further improvement in the targeting of social protection programs.

The ESN aimed to expand the social safety net coverage provided by the existing National Poverty Targeting Programme (NPTP), a permanent program launched in 2011, implemented by the Ministry of Social Affairs (MoSA) and the Presidency of the Council of Ministers (PCM). The NPTP progressively expanded during the last two years as according to the Minister of Social Affairs, the number of Lebanese families benefiting from the NPTP increased from 36,000 in 2021 to 66,539 in 2023.

In parallel, the Lebanese government has started introducing rights-based social grants, starting with the "National Disability Allowance," launched by the Ministry of Social Affairs in Lebanon on April 26, 2023, in partnership with UNICEF, the International Labour Organization, and funded by the European Union¹. The program aims to cover the additional expenses associated with disabilities for persons with disabilities and facilitate their access to essential services. The program currently targets only 20,000 individuals and should thus expand its coverage to include all people with disabilities in Lebanon, estimated to be around 120,000, according to Sylvana Lakkis, the President of the Lebanese Union for People with Physical Disabilities (LUPD).

However, people with disabilities still lack adequate coverage in Lebanon. In this context, Lakkis highlighted, in an interview with Maharat-news that:

“ The environment lacks the necessary infrastructure to support people with disabilities, such as accessible transportation, and an inclusive education system, thus limiting the access of persons with disabilities to social protection ”

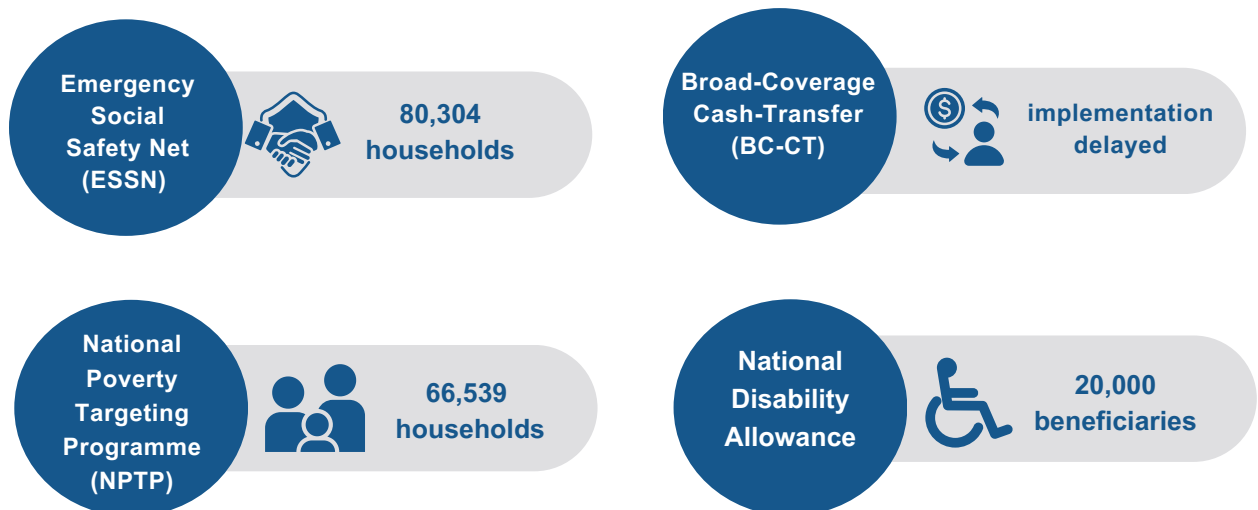
Sylvana Lakkis

1- International Labour Organization. (n.d.). Lebanon Country Profile. Retrieved from <https://www.social-protection.org/gimi/ShowCountryProfile.action;jsessionid=v2HGDAVDMHArLDdRtPFKqaoOIGL2ZxGTpX3KCXwQq2XIKwEukOK9!445242879?iso=LB>

Lakkis linked this issue to the absence of comprehensive social protection in Lebanon, which should encompass a complete set of rights, including healthcare, housing, social security, and elderly care which are not currently available. Lakkis also stressed the importance of involving associations representing people with disabilities in the planning and implementation process, aligning with the principles outlined in the Convention on the Rights of Persons with Disabilities.

Despite the existence of scattered social protection schemes and emergency responses, the absence of a comprehensive and overarching social protection scheme adversely affects numerous individuals, particularly women, children, the elderly and people with disabilities who rely on precarious income sources such as family support and informal employment². Hence, the recent adoption of the National Social Protection Strategy (NSPS) by the Council of Ministers constitutes an opportunity to establish a comprehensive and coherent social protection system with a longer term perspective. Indeed, the NSPS adopts two integrated approaches to social protection, one based on the lifecycle approach which addresses the various contingencies faced by individuals at different stages of life and the other based on five complementary and connected pillars, namely, access to financial services, social assistance, social welfare, social insurance and economic inclusion and labor activation³.

NUMBER OF BENEFICIARIES OF CASH TRANSFER PROGRAMMES IN LEBANON



2- International Labour Organization. (2020, December 23). "ILO's engagement on Social Protection Reform in Lebanon". Retrieved from https://www.ilo.org/beirut/media-centre/news/WCMS_765079/lang--en/index.htm

3- The Policy Initiative. (2022, September 12). Intentions are not enough: Lebanon must adopt the National Social Protection Strategy. Retrieved from <https://www.thepolicyinitiative.org/article/details/190/intentions-are-not-enough-lebanon-must-adopt-the-national-social-protection-strategy>

ENHANCING SOCIAL PROTECTION: THE ROLE OF THE SOCIAL PROTECTION COORDINATION FORUM (SPCF) AS PART OF THE 3RF WORKING GROUPS

The 3RF places significant emphasis on the improvement of the social protection system in Lebanon. This led to the establishment of a 3RF working group dedicated to social protection, namely, the Social Protection Coordination Forum (SPCF) which is a merger of two previously existing groups: The Social Safety Net partners forum which was co-chaired by the World Bank and the European Union, and the UN-SDG Joint Programme mechanism that was UN-only.

The SPCF holds multiple priorities for 2023 including the implementation of the National Social Protection Strategy, continuing the acceleration of the implementation of the NPTP and the ESSN, establishing and implementing social grants to address life-cycle vulnerabilities (social pension, disability allowance and child grant), and continuing the development of the social protection information system and household registry. Furthermore, the SPCF aims to introduce a pension system and reform health insurance arrangements for private-sector workers, while ensuring the financial sustainability of the National Social Security Fund.

Jaap Van Diggele of the 3RF secretariat, highlighted the role and achievements of the Social Protection Coordination Forum (SPCF), in an interview with [Maharat-news](#), stating that:

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The SPCF has helped international assistance to Lebanon in the field of social protection to be more coherent. By merging two cooperation structures, all main actors are now around the same table which helps align programmes, avoid parallel discussions, and strengthen advocacy for more effective support to social protection. It has helped accelerate the implementation of the National Poverty Targeting Programme and the Emergency Social Safety Net

Jaap Van Diggele

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Discussions within the SPCF, encompassing both formal meetings and side-meetings with several members, have led to advances in certain key areas outlined above. These include the development of a social protection information system, the introduction of a pension scheme and reform health insurance arrangements for private sector workers, while ensuring financial sustainability of the National Social Security Fund. These objectives align with the International Monetary Fund (IMF) indicative benchmarks.

It is also worth noting that the Ministry of Social Affairs has attended the meetings of the SPCF and has been entrusted with the leadership role. Jaap Van Diggele emphasized the fact that the establishment of an inclusive forum for these discussions is an achievement while noting that the focus of the SPCF would be “to support the implementation of the National Social Protection Strategy, recently approved by the Council of Ministers”.



PRIORITIES OF SOCIAL PROTECTION FORUM FOR 2023

- 1- Launch the National Social Protection Strategy and develop costed implementation plan (particularly for social assistance expansion) with financing plan to identify fiscal space (linked to budget) and support establishment of coordination structures.
- 2- Continue acceleration of implementation of NPTP/ESSN and alignment/merger of NPTP/ESSN, and its institutionalization.
- 3- Establish and implement Social Grants to address life-cycle vulnerabilities (social pension, disability allowance and child grant).
- 4- Continue to develop Social Protection information system/household registry (related to IMF indicative benchmark 25).
- 5- Strengthen linkages and referrals between social assistance programmes and social services
- 6- Introduce pension scheme and reform health insurance arrangements for private sector workers, while ensuring financial sustainability of the National Social Security Fund (related to IMF indicative benchmark 11).

CHALLENGES FACED BY THE SOCIAL PROTECTION COORDINATION FORUM (SPCF) IN ACHIEVING ITS OBJECTIVES

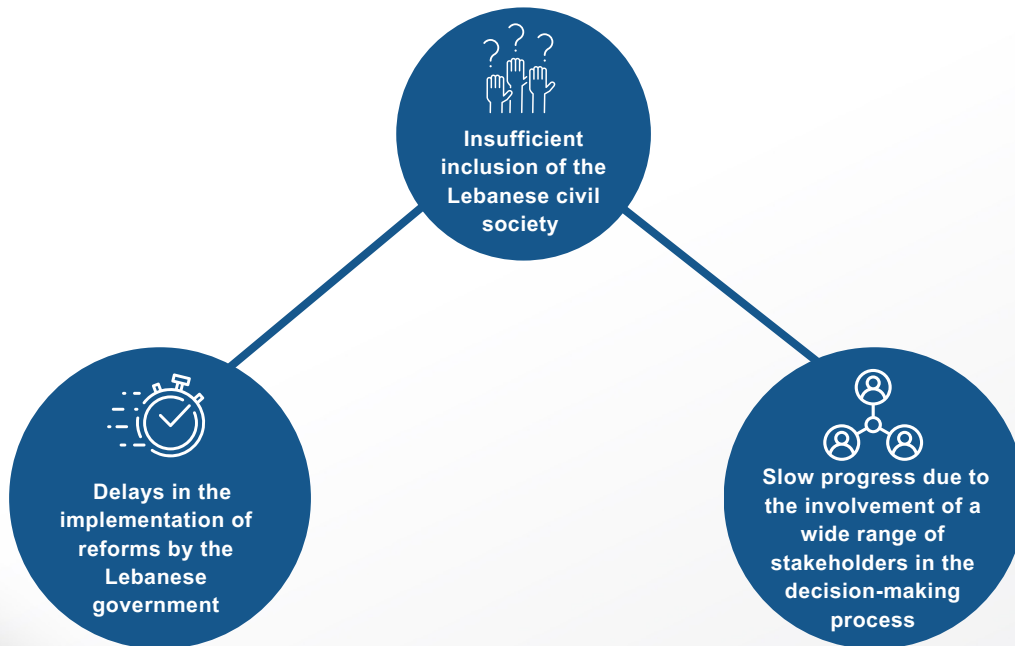
The International Labour Organization (ILO) points out that the system is characterized by a multiplicity of actors, mandates and funds, with limited integration and coordination. The notable challenges also include the lack of comprehensive and adequate benefits in addition to high levels of exclusion⁴. Hence the importance of the SPCF which constitutes a platform for dialogue between all relevant stakeholders.

However, according to Jaap Van Diggele, several impediments still prevent the progress of the SPCF in addressing the sector's needs, despite the existence of broad agreements and a clear formulation of those needs. This can be attributed to the involvement of a wide range of stakeholders in the decision-making process. Furthermore, the slow adoption of reforms on behalf of the Lebanese government has contributed to slowing down the pace of reforms. Indeed, the National Social Protection Strategy has recently received approval by the Council of Ministers despite being drafted more than one year ago.

The inclusion of the Lebanese civil society is another aspect that requires further improvement. This will contribute to amplifying the voices of people who require social protection. The CSO council for the 3RF has undertaken efforts to address this matter.

4- International Labour Organization. (n.d.). Lebanon Country Profile. Retrieved from <https://www.social-protection.org/gimi/ShowCountryProfile.action;jsessionid=v2HGDAVDMHArLDdRtPFKqaoOIGL2ZxGTpX3KCXwQq2XIKwEukOK9!445242879?iso=LB>

CHALLENGES FACED BY THE SOCIAL PROTECTION COORDINATION FORUM (SPCF) IN ACHIEVING ITS OBJECTIVES



CONCLUSION

The implementation of the National Social Protection Strategy is a vital priority amid the overlapping crises endured by the country considering that it builds on a sustainable, rights-based, universal and inclusive approach, shifting away from the fragmented and emergency schemes that have characterized the social protection strategy in Lebanon so far. Consequently, the Lebanese government should undertake efforts to effectively implement the National Social Protection Strategy, along the other priorities defined by the SPCF, without further delays.