


THE CHALLENGING PATH OF REFORMS IN
LEBANON

**SOCIAL PROTECTION IN LEBANON:
PROGRAMS FACING OBSTACLES AND A
COMPREHENSIVE NATIONAL STRATEGY
APPROVED**





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)

1- INTRODUCTION TO SOCIAL PROTECTION IN LEBANON

Lebanon suffers from a near-total absence of a social protection system. The successive crises have exacerbated the social challenges and highlighted the absence of a robust social protection system capable of addressing crises, ranging from the COVID-19 pandemic to the Beirut port explosion and the ongoing economic and financial collapse.


The social protection system has been part of the priorities of the Reform, Recovery, and Reconstruction Program (3RF) whose stakeholders agreed in April 2023 on the necessity to continue the program as a platform for inclusive policy dialogue on comprehensive policies and to make progress in implementing reforms to unlock international support for investments and reconstruction.

2- OVERVIEW OF THE SOCIAL PROTECTION SYSTEM IN LEBANON

Recently, on February 13, 2024, the Lebanese government approved the National Social Protection Strategy, marking the first of its kind in Lebanon. This strategy ensures the right of every individual to social insurance, education, and social protection, considering them fundamental rights for any citizen.

The strategy relies on five core pillars: social assistance, social insurance, financial support for access to services, economic integration and labor market activation, and social welfare.

While its provisions hold significant importance, this strategy has to face numerous challenges, particularly in terms of effectively monitoring its implementation and securing sustainable financing. Therefore, decisive measures must be implemented alongside the strategy to ensure comprehensive governance of the social protection sector.



Additionally, after almost 20 years of extensive efforts, the Parliament approved an amendment to Lebanon's social security system, transforming the current end-of-service indemnity system into a retirement pension system, which constitutes a fundamental change in the social security system. Additionally, it entails a comprehensive restructuring of the governance structure of the National Social Security Fund.

The law was published on December 28, 2023, and is expected to be implemented in 2026 if all goes according to plan. However, this presents several potential challenges, including delays in implementation, hindered progress due to political instability, lack of clarity regarding the financing mechanism, particularly amidst the economic collapse facing the country, and other challenges.

Maharat Foundation released a [detailed investigation](#) about the new pension system.

Despite the adoption of this reform which constitutes a component of the broader National Social Protection Strategy, many challenges confront the trajectory of laws and strategies in Lebanon, especially amidst the ongoing worsening financial crisis. This raises numerous issues regarding the ability to implement and take decisive measures to ensure social protection for all segments of society.


In addition, the Minister of Social Affairs in the caretaker government, Hector Hajjar, announced on January 19, 2023, that financial aid received by beneficiary families from the AMAN program (also known as Emergency Social Safety Net program) has been suspended until further notice. On the other hand, Hajjar pointed out that international donations, which fund the aid program to Lebanon's most vulnerable citizens, would be reduced in 2024 from 147 million dollars to 33.3 million dollars.

Maharat Foundation had previously issued several investigations about the [social protection system](#) in Lebanon and about [social protection programs in Lebanon](#).

3- CHALLENGES FACING LEBANON'S SOCIAL PROTECTION SYSTEM

Given the political landscape in Lebanon and the ongoing financial and economic collapse, the social protection system faces numerous challenges:

- **Slow Implementation of Laws:** The law “amending certain provisions of the Social Security Law and establishing a retirement pension system” was approved by Parliament on December 14, 2023, but its implementation is scheduled for 2026, if everything goes according to plan. This poses a significant challenge amidst the difficult economic conditions, especially with the National Social Security Fund (NSSF) unable to fulfill its role as before.
- **State Commitment to Enforcing Laws:** Due to the political context in Lebanon, another challenge lies in the political will to implement approved laws and prepare the necessary decrees for enforcement.
- **Budget Reduction for Service Ministries:** As a result of the state's financial collapse, the allocations for service ministries including the Ministry of Social Affairs were significantly reduced compared to their 2019 pre-crisis level in real terms.
- **Social Protection Programs Inadequate for Financial Crisis Reality:** Amid the financial collapse and continuous inflation, the value of aid provided diminishes, despite international financing efforts. For instance, the "AMAN" program reaches approximately 80,000 households at an average of US\$ 20 per individual for up to 6 household members, and US\$ 25 per household as a flat amount. Similarly, the Broad-Coverage Cash-Transfer (BC-CT) program, allocates US\$ 25 per individual within a household, with a top-up of US\$15 for each member above 65 years of age. The total benefit was capped at US\$ 126 per household.
- **Administrative Delays:** Administrative hurdles pose a challenge, delaying aid disbursement to beneficiary families of social protection programs. For example, the disbursement of "AMAN" program funds are suspended for families who have received aid for 18 months, but are still being disbursed for families who have not completed the 18 months, due to technical issues, as reported by Minister of Social Affairs Hector Hajjar. The same applies to the Broad-Coverage Cash-Transfer (BC-CT) program, postponed due to technical issues and political wrangling.
- **Legislative Delays:** Laws need constant amendment to facilitate families' access to support programs. Lebanon faces significant legislative delays, hindering the amendment of laws dedicated to social protection programs.

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- **Conflicts with Donors:** The World Bank conditioned its fund disbursement on Parliament's adoption of the loan agreement without amendments. However, after reviewing the agreement, Parliament added the clause "this agreement will be implemented based on a mechanism set by the Council of Ministers," delaying the payment process.
 - **Effective implementation of the National Social Protection Strategy:** Although the National Social Protection Strategy has been approved, its adoption alone does not guarantee effective social protection. It necessitates clear mechanisms for operation, funding, and sustainable implementation.

5- RECOMMENDATIONS

- **Providing suitable conditions for law enforcement and the ability to amend them:** It is essential to ensure institutional continuity by electing a president and appointing a new government to guarantee timely and effective law enforcement. Accelerating legislative processes to amend laws is also crucial, with the aim of upholding best practices for social protection provision.
- **Implementing the National Social Protection Strategy:** Despite the government's approval of the National Social Protection Strategy, numerous challenges hinder its implementation, ranging from effective management to securing sustainable financing, especially amidst the worsening financial crisis.
- **Initiating financial and economic reforms:** The social protection agenda is closely intertwined with financial and economic matters. It is crucial to begin implementing the financial and economic reforms requested by the International Monetary Fund to enhance the capacity to finance the implementation of laws and social protection strategies.
- **Merging the AMAN Program and the National Poverty Targeting Program** to unify and increase the effectiveness of social protection programs, avoiding duplication of assistance.
- **Engaging civil society:** Ensuring the active participation of civil society organizations in monitoring law enforcement, providing necessary recommendations, and enhancing transparency, access to information, and accountability.
- **Establishing and implementing social grants** to address life-cycle vulnerabilities (social pension, disability allowance and child grant).