

WHAT NEXT FOR LIVELIHOODS PROGRAMS IN LEBANON?

RESPONDING DURING ECONOMIC CRISIS AND COVID-19

POLICY BRIEF

MAY 2020

1. INTRODUCTION

Since 16 March 2020, Lebanon has been in a state of emergency in response to the COVID-19 pandemic. As of 20 April, Lebanon has reported 673 registered COVID-19 cases and 21 COVID-19 related deaths,¹ while nearly 90% of businesses, including companies, malls and restaurants have been closed.² Across the globe, similar public health measures – while attempting to contain the spread of the infections – have profound implications for the livelihoods of millions of people, especially for vulnerable and displacement-affected populations. Lebanon's situation is compounded because of the layering of the pandemic onto the ongoing economic and political instability experienced over the course of 2019 and 2020.

The combination of the economic, politic and health crisis creates particular challenges for Lebanon in supporting displacement-affected populations in the short- but also into the medium- and longer-term, as the country deals with – and will need to recover from – the crises. Ensuring access to livelihoods is a critical component of supporting people to achieve their preferred durable solution to their protracted displacement. This brief follows up on recent research conducted by the Durable Solutions Platform (DSP), in collaboration with the Lebanese Center for Policy Studies (LCPS), on medium-term approaches to Syrian refugees' protracted displacement in Lebanon, by taking a timelier look at the context and making practical recommendations as to how programmatic interventions can reinforce sustainable and lasting access to livelihoods to support pathways to achieving durable solutions livelihoods for displaced people from Syria.³

- 1 John Hopkins University. 2020. COVID-19 Dashboard by the Center for Systems Science and Engineering (CSSE) at Johns Hopkins University (JHU). <https://coronavirus.jhu.edu/map.html>
- 2 Daily Star Lebanon. 2020. Lockdown wreaks havoc on Lebanon's economy. <https://www.dailystar.com.lb/Business/Local/2020/Mar-17/502919-lockdown-wreaks-havoc-on-lebanons-economy.ashx>
- 3 Durable Solutions Platform and Lebanese Center for Policy Studies. 2020. 'Addressing Protracted Displacement in Lebanon: A Medium-Term Outlook for Syrian Refugees and Lebanese Host Communities.' <http://dsp-syria.org/sites/default/files/2020-02/DSP-LCPS%20report.pdf>

This paper from the Durable Solutions Platform (DSP), together with its three member organizations Danish Refugee Council (DRC), the International Rescue Committee (IRC), Norwegian Refugee Council (NRC), as well as Save the Children (SCI) and Mercy Corps (MC) reflects on the immediate impacts of the crises on vulnerable people's livelihoods, drawing on secondary data, DSP's recent research with LCPS and internal program data of these agencies to examine options for immediate adaptation and the medium-term planning that will be necessary to support livelihoods. It concludes by making a series of recommendations to the Government of Lebanon (GoL), United Nations (UN), international donors and NGOs.

This brief aims to spark a wider reflection and strategic dialogue among the Government of Lebanon (GoL), international donors, UN agencies and the wider community of NGOs on how livelihoods-focused policies and programs can support resilience and self-reliance for refugees and host communities in these exceptional times.

2. BACKGROUND

The economic situation in Lebanon has been deteriorating for many years but reached a crisis level in June 2019, with a mounting debt burden, large chronic fiscal deficits and a consistent capital outflow straining the Banque Du Liban's (BDL) foreign currency reserves.⁴ Widespread protests against the government began in mid-October as a result of the economic woes and Lebanon populations' daily and livelihoods struggles, which have only worsened since then. On 9 March 2020, the government defaulted – for the first time in its history – on a US dollar (USD) 1.2 billion Eurobond.⁵

While the official exchange rate has not changed, the Lebanese Pound has effectively lost 40% of its value since October 2019.⁶ At the time of writing, the Lebanese government is preparing an economic rescue plan in order to save Lebanon from the total financial collapse.⁷ With this plan, Lebanon would switch from the current fixed exchange rate system, where the USD to Lebanese Pound (LBP) exchange rate is fixed at 1515, to a floating exchange rate system. Because of this step, the exchange rate of the US dollar is increasing significantly in the black market. If this plan is approved, the Lebanese pound is likely to lose further value.

The currency fluctuations have led to dramatic price increases for basic goods, as Lebanon is mainly an import-dependent economy. Registered unemployment has spiked at around 40%, with around 300,000 people newly unemployed in the formal economy only.⁸ Unregistered, non-formal businesses are likely to be more heavily impacted though no official data exists on them. In October 2019, commercial banks started imposing discretionary capital controls, severely restricting foreign exchange withdrawals and transfers from abroad. Withdrawals from personal bank accounts are restricted, while transfer interruptions, ad-hoc controls and charges, as well as contradictory bank guidance affect business continuity across multiple sectors.⁹

As a result, numerous businesses had to stop their activities, lay-off employees or otherwise reduce their working hours or cut their salaries. Since October 2019 poor Lebanese, but also Syrian, Palestinian and migrants households have reportedly been seen sleeping on the streets or unable to afford their rents, a recent phenomenon and indicator of rising poverty rates.¹⁰ The World Bank estimated already in November 2019 that more than 50% of the Lebanese population could fall beneath the poverty line in 2020 if economic challenges were not addressed.¹¹

4 Blominvest Bank S.A.L. 'Balance of Payments.' Brite Indicators and Trends. <https://brite.blominvestbank.com/series/Balance-of-Payments-25335/>; Ministry of Finance. 2019. 'General Debt Overview.' <http://www.finance.gov.lb/en-us/Finance/PublicDebt/PDTS/Documents/General%20Debt%20Overview%20Updated%20as%2031%20August%202019.pdf>; Ministry of Finance. 2019. 'Citizen Budget Lebanon.' <http://www.finance.gov.lb/en-us/Finance/BI/ABDP/Annual%20Budget%20Documents%20and%20Process/Citizen%20Budget%202019en.pdf>

5 The Economist. 2020. For the first time, Lebanon defaults on its debts. <https://www.economist.com/middle-east-and-africa/2020/03/12/for-the-first-time-lebanon-defaults-on-its-debts>

6 Daily Star Lebanon. 2020. Lebanon draft crisis plan requires \$10 bln-\$15 bln and depositor contribution. <http://www.dailystar.com.lb/News/Lebanon-News/2020/Apr-08/504075-lebanon-draft-crisis-plan-sees-need-for-10-bln-15-bln-and-depositor-contribution.ashx>

7 See: T. Schellen. 2020. 'Leaked Lebanese government reform plan addresses lira peg head on'. The Executive Magazine. <https://www.executive-magazine.com/economics-policy/leaked-lebanese-government-reform-plan-addresses-lira-peg-head-on>

8 Naharnet Newsdesk. 2020. Report: Unemployment Hits 40% in Crisis-Hit Lebanon. www.naharnet.com/stories/en/269289

9 Lebanon Humanitarian INGO Forum. 2020.

10 Danish Refugee Council. 2020. Lebanon Advocacy Factsheet – 17 February 2020.

11 The World Bank. 2019. World Bank: Lebanon is in the Midst of Economic, Financial and Social Hardship, Situation Could Get

3. IMPACT ON THE POLICY ENVIRONMENT, INCREASING VULNERABILITIES AND CHALLENGES FOR IMPLEMENTING LIVELIHOODS PROGRAMS

THE IMMEDIATE IMPACT OF COVID-19

The shuttering of the public and private sector because of emergency measures has compounded the economic fragility of the country in the short-term. Reduced national production is likely to result in further dependence on imports of basic commodities, including food items and energy sources, with the risk of rapidly changing prices of these commodities and potential stock shortages. With tight restrictions on the US dollar, these imports are becoming both more costly and scarce. Imported food prices increased for the consumers, while some imported raw materials prices increased for businesses, such as construction materials. The global economic downturn is also likely to affect Lebanon's ability to respond to economic challenges, such as the availability of goods, price inflation and unemployment among others, and move towards longer-term growth. The most vulnerable individuals in the country will bear the brunt of these challenges.

The resulting loss of income-generation from the lockdown, combined with the rising cost of goods has decreased the ability of vulnerable communities to meet basic needs, especially vulnerable Lebanese, Syrian refugees, Palestine refugees from Lebanon (PRL) and Palestine refugees from Syria (PRS), but also other vulnerable groups such as migrant workers in the country. Preliminary analysis of the impact of COVID-19 isolation measures on households' standard of living in urban Beirut suburbs indicates that some of the poorest households are likely to fall below the survival threshold, with the inability to cover basic costs including food, hygiene items, water, gas, rent and public electricity.¹² A recent survey in informal tented settlements (ITSs) in the Bekaa and North Lebanon underlined the economic impact of the coronavirus on refugee communities, with 49% of respondents mentioning they stopped working because of the lockdown, and 71% of respondents reporting increased panic and/or stress as a result of the situation.¹³

Additionally, Lebanon's most socio-economically vulnerable population groups, including Syrian refugees, remain at an elevated risk of contracting COVID-19 itself. In many cases, poor standards of housing, overcrowding, limited access to water, lack of funds to purchase soap and other basic hygiene items all impact on their ability to follow health advice such as calls for 'social distancing' or frequent handwashing,¹⁴ while precarious economic situations make it more likely that vulnerable groups will seek informal employment opportunities, therefore increasing their risk of exposure.

worse. <https://www.worldbank.org/en/news/press-release/2019/11/06/world-bank-lebanon-is-in-the-midst-of-economic-financial-and-social-hardship-situation-could-get-worse>

12 Save the Children. Household Economy Urban Greater Beirut. Household Economy Analysis (HEA) of Low-Income Neighbourhoods. October 2019 – February 2020. Internal Paper.

13 Lebanon Protection Consortium. 2020. COVID-19: Concerns and needs of Syrian refugees in Informal Tented Settlements in Lebanon. <https://www.nrc.no/globalassets/pdf/reports/covid-19-concerns-and-needs-of-syrian-refugees-in-informal-tented-settlements-in-lebanon/04072020-lpc-covid-19-concerns-and-needs-of-syrian-refugees-in-its-in-lebanon.pdf>

14 See for example: R. Collard. 2020. 'You Can't Practice Social Distancing if You're a Refugee'. Foreign Policy. <https://foreignpolicy.com/2020/03/20/you-cant-do-social-distancing-if-youre-a-refugee/>

ADDITIONAL MEASURES AND RESTRICTIONS AFFECTING REFUGEES

Since the beginning of the Syrian displacement, the Ministry of Labor (MoL) has issued increasingly restrictive policies that have limited the scope of livelihoods interventions addressing the economic situation of refugees.¹⁵ Research by DSP shows that restrictions on the ability of Syrian refugees to access the formal labor market, the lack of registration options, limited access to civil documentation and work permits, combined with increased political and public pressure for refugees to leave, have steadily increased their vulnerabilities.¹⁶ At the time of writing, no new policies regarding Syrian refugees' work permits have been issued by the MoL, although the topic of flexible work permit has been under discussion, the International Labor Organization (ILO) and NGOs Summer 2019.

However, in an effort to limit the outbreak of COVID-19, the General Security Office (GSO) has halted the processing of residency and work permit applications. On 16 March 2020, the GSO announced that those whose residency and/or work permits expired from 11 March would be permitted to file for renewal after the emergency situation is over without incurring delay penalty fees. On 31 March, the GSO announced that it will stop receiving administrative requests in regional departments and local GSO centers until further notice. Application requests linked to renewals of temporary biometric residency cards can still be submitted to the GSO via Liban Post centers. However, this excludes refugee residency renewals based on the UNHCR certificate, and it is currently unclear as to the impact this measure will have on their freedom of movement and access to services.¹⁷

In addition to the general restrictions imposed by the national emergency declaration, many municipalities have imposed additional restrictions that target refugees – particularly Syrians. These include additional curfews,¹⁸ restrictions on access to villages and towns, financial penalties for not wearing masks or gloves, and confiscation of vehicles to limit movement options. As of 2 April 2020, at least 21 Lebanese municipalities had introduced discriminatory restrictions on Syrian refugees that do not apply to Lebanese residents as part of their efforts to combat COVID-19.¹⁹ These restrictions have had an additional impact on Syrians' ability to access cash, purchase essential goods or access healthcare. Widespread fear about outbreaks in informal settlements or among refugee populations risk exacerbating existing social tensions.²⁰

Moreover, refugees faced existing and ongoing barriers in accessing healthcare services, which can negatively affect their access to treatment and the broader COVID-19 response. Syrian refugees have concerns as to their ability to pay hospital fees in general and in particular during COVID-19, due to lack of livelihood options and therefore their ability to cover the cost of medical treatment. As the confiscation of identity documents for non-payment of hospital fees was already a relatively common practice before the COVID-19 outbreak, the risk that refugees will delay or avoid seeking medical attention in the event they display symptoms may increase. The ongoing lack of livelihood options mean that for many people access to transportation, to healthcare services and the ability to cover medical costs are now extremely limited. DSP's research already documented the numerous challenges in this regard, which are now compounded as a result of the economic crisis and the pandemic outbreak.²¹ In a recent study conducted with Syrian refugees living in ITSs in the Bekaa and North Lebanon, 34% of respondents reported barriers to accessing health services, primarily transportation challenges and financial constraints.²²

15 Durable Solutions Platform and Lebanese Center for Policy Studies. 2020.

16 Durable Solutions Platform and Lebanese Center for Policy Studies. 2020.

17 Inter-Agency Coordination Unit. Updates by the Protection Working Group, Lebanon. 2 April 2020.

18 In the municipality of Bent Jbeil in South Lebanon for example, NRC has reported that curfews are in place restricting refugee movement to two hours per day.

19 Human Rights Watch. 2020. Lebanon: Refugees at Risk in COVID-19 Response. Discrimination Risks Harming Syrians, Lebanese Alike. <https://www.hrw.org/news/2020/04/02/lebanon-refugees-risk-covid-19-response>

20 Lebanon Crisis Response Plan. 2020. Lebanon: COVID-19 Impact on Social Tensions. As Of 22 March.

21 Durable Solutions Platform and Lebanese Center for Policy Studies. 2020.

22 Lebanon Protection Consortium. 2020.

CHALLENGES FOR LIVELIHOODS PROGRAMS AND ACTIVITIES TO ADAPT TO THE ONGOING SITUATION

Livelihoods activities as part of the Lebanon Crisis Response Plan (LCRP) are structured around three outcomes reflecting priorities in terms of employment and income generating opportunities, workforce employability and institutional support.²³ The LCRP was only 55% funded in 2019, presenting a pressing challenge for the humanitarian response to meet acute and escalating needs of vulnerable communities.²⁴ Livelihoods was already an underfunded sector – the third least funded, at 43% in 2019, with basic assistance only funded at 46%.²⁵ Additional limitations, including short funding cycles, have also impacted the sectors' capacities to effectively respond.]

While the GoL has taken some initial measures to support citizens, this is not expected to be sufficient to cover the rising needs, especially of all vulnerable groups. At the time of writing, the GoL has developed a COVID-19 health response plan supported by the World Bank, which remains focused on the immediate public health requirements. From an economic perspective, the GoL has announced it will offer the poorest Lebanese households 400,000 Lebanese Pounds,²⁶ and the GoL is also developing a USD 450 million program with the World Bank to support the poorest Lebanese.²⁷ As the outbreak widens and poverty levels increase over the coming months, it is not clear whether these measures will be enough to support everyone in need.

In the meantime and for as long as emergency measures continue, displacement-affected populations have minimal access to any livelihoods, which translates to loss of income, increasingly higher expenses and resort to negative coping strategies. Anecdotal evidence is pointing towards vulnerable psychosocial problems brewing as food insecurity increases. For as long as access to livelihoods remain unavailable, people will face survival deficits, with access to cash increasingly critical for people to be able to stay above the survival threshold. Programmatic evidence is pointing towards increasing challenges for Syrian refugees to cover rental payments, which is leading to increased risks of evictions. While mediation from legal actors and emergency cash assistance (ECA) can mitigate those risks in the short term, the need for support will most likely amplify if refugees stay without income for an extended period.

The operational environment may also continue to deteriorate, particularly if inter- and intra-communal tensions increase and the number of COVID-19 cases spike. While no direct incidents have taken place to date, tensions are rising both online and offline, with mainstream and social media reporting on the criticality of ensuring preventive measures in informal settlements and collective shelters because of fears of an outbreak within the refugee communities.²⁸ Social cohesion is at risk of being further strained because of potential competition for the work that is available and in the immediate aftermath of any easing of restrictions. At the same time, the regulatory limitations on Syrians' access to formal work is likely to compound the challenge of adapting effective program responses to support people to resume or develop alternative livelihoods.

For organizations seeking to support refugees, continued restrictions on movement and gatherings will continue to negatively impact operations, including in regards to duty of care responsibilities towards staff and beneficiaries. In-person activities that gather several individuals, such as trainings or cash-for-work, are prevented by municipalities and more largely by health considerations and guidance. Individual in-person activities, such as legal services provision and

23 In practice they translate into the following activities, namely business support of small and micro- and medium-sized enterprises (MSMEs), support integrated value chain interventions, Cash for Work (CfW) interventions, vocational and skills trainings, awareness raising on work rights, job matching and retention interventions, among others. See: Government of Lebanon and United Nations. 2019. 'Livelihoods Sector'. Lebanon Crisis Response Plan 2017-2020. <https://data2.unhcr.org/en/documents/download/74868>

24 UNHCR. 2019. 'LCRP 2019 End Year Funding Update'. <https://data2.unhcr.org/en/documents/details/74000>

25 UNHCR. 2019.

26 About USD 150 at the black market exchange rate.

27 T. Perry and I. Abdallah (2020). Coronavirus compounds Lebanon's woes, many struggle for food. Reuters. <https://www.reuters.com/article/us-health-coronavirus-lebanon-poverty/coronavirus-compounds-lebanons-woes-many-struggle-for-food-idUSKBN21K1UN>

28 Lebanon Crisis Response Plan. 2020.

follow-up on protection cases, and work-based learning continue to be impacted by movement restrictions but also by public institutions and businesses closures. Once movement restrictions are lifted, it is likely that there will be a backlog of civil documentation requests to be processed, which in the case of refugees may present a logistical and resourcing challenge for relevant government authorities and NGOs providing legal services. Moreover, it will be important to follow up on legal residency cases when the GSO will reopen the offices.

Moreover, uncertainty in the banking sector remains an important challenge. Cash disbursement to beneficiaries is being either halted or rendered challenging as banks and money transfer agencies are finding themselves cash-strapped. The Cash Monitoring Evaluation Accountability and Learning Organisational Network (CAMEALEON consortium) recently reported barriers on access to ATMs which is increasing the pressure on economically vulnerable households.²⁹ In the Bekaa region, where 34,692 recipients of Multi-Purpose Cash Assistance (MCAP) reside, only 6 Banque Libano-Francaise (BLF) ATMs are currently accessible to refugees.³⁰ Banks in Lebanon have had irregular opening times and put in place ad-hoc controls and charges for several weeks, which has caused issues in maintaining operations for many NGOs, including their ability to process transfers to beneficiaries, to suppliers and to their own staff.³¹ These elements present tangible obstacles for the expected necessary scale-up in the COVID-19 response as well as concurrent humanitarian assistance.

Last but not least, there are fears that if donors redirect their funding away from livelihoods to support the COVID-19 response in the short-term, this may translate into further reductions in livelihoods interventions and funding in the medium-term. The impacts of both the economic crisis and COVID-19 pandemic will have dire consequences on the poorest and vulnerable in Lebanon, while recovering from the crisis will be challenging. Supporting vulnerable households with livelihoods intervention will be critical to help them re-gaining access to income generation to rebuild their resilience, together with the Lebanese economy, and ultimately provide them with self-reliance. The operational and financial capacity for NGOs to respond in the immediate- and medium-term livelihoods needs must be maintained.

4. WHAT NEXT FOR LIVELIHOODS SUPPORT?

With so many people at risk of falling below the poverty line and survival threshold, access to basic assistance and the safe resumption of livelihoods and income-generation activities are needed. With the existing restrictions on the economic life of the country in the short-term, the ways in which livelihoods actors adapt their programs now is key, as these adaptations will inevitably carry medium-term consequences on the sector. These adaptations have a direct impact on displaced Syrians' pathways to durable solutions, including potential negative consequences such as push factors for spontaneous returns or further protection concerns during protracted displacement. As things stand today, a number of unknowns and significant data gaps will need to be filled in order to support the most effective response from all actors.

PRIORITIZING CASH ASSISTANCE AND CASH-BASED MODALITIES

In the absence of options to support livelihoods, unconditional cash assistance will be key for households to survive. However, banking challenges such as limitations to access to bank accounts and ATM cards can make the delivery of unconditional cash assistance challenging in the current climate. When a cash-based modality is not possible or accessible, then other delivery mechanisms

²⁹ CAMEALEON Update. 7 April 2020.

³⁰ CAMEALEON Update. 7 April 2020.

³¹ Lebanon Humanitarian INGO Forum. 2020.

should be considered to meet basic needs. Voucher-based systems and in-kind distributions, especially in the event of overcrowded areas in forced isolation or quarantine, can be delivered by adhering to recently published guidance.³²

Supporting the move back into cash-based livelihoods intervention modalities to support entrepreneurs and micro, small and medium-sized enterprises (MSMEs) will be essential. This can help maintain MSMEs and avoid them definitely shutting down. It can also help maintain MSMEs' owners' and employees' income, mitigating immediate and longer-term effects of adopting negative coping mechanisms, and hopefully expediting livelihood recovery. This is particularly critical as well to maintain some kind of national production and delivery of products for consumption, especially in the agro-food sector.

These responses will need to be closely coordinated with the health response and local government actors – especially municipalities, who have played an important role so far, to ensure that public health standards, including appropriate social distancing, hygiene practices and personal protective equipment are in place.

DIGITAL LIVELIHOODS SERVICES AND OPTIONS

Shifting from in-person to digital livelihoods service delivery mechanisms more broadly. As activities cannot take place in-person, it is possible to move some activities to virtual spaces. For example, some vocational trainings can be conducted via online means, and in particular digital skills training. NGOs can facilitate internet access for participants. Findings from comprehensive study conducted by UNICEF in 2017 show that access to internet is less widespread among Syrians.³³ When asked on access to and use of the internet on a daily basis, Lebanese (77%) and Palestine refugees in camps (76%) responded more positively than registered Syrian refugees in urban areas (54%) or Syrian refugees living in ITSs (24%).³⁴ Across the population groups, of those who reported access to the internet, 97% accessed it usually on their mobile phones.³⁵ These findings could point towards a partly conducive environment for digitalization of services. However, questions remain on how relevant this can be for livelihoods as most households have only one smartphone per family, limiting usage for household members. Moreover, access to online training will increase households' communication expenses. Additionally, technical assistance to businesses could also be continued, with online technical support to business owners.

COHERENCE BETWEEN THE COVID-19 RESPONSE WITH LIVELIHOODS AND OTHER SUPPORT UNDER THE LCRP

Regular coordination between the COVID-19 response and ongoing assistance will be key to ensuring their complementarity. In this regard, it is important to note the reporting line of the COVID-19 response does cohere with existing channels – this should be used to ensure inter-sectoral coherence, including open and frank discussions of the impact of health measures on basic survival, access to livelihoods and other sector support.

Discussions should also focus on the **positive linkages** that can be made, including for example:

- **Supporting MSMEs to keep local livelihoods functioning to provide incomes and ensure that essential goods and services continue being delivered.** As households need local businesses to continue functioning for their own food security and resilience, it is critical to

32 See for example: World Food Programme. 2020. Recommendations for adjusting food distribution standard operating procedures in the context of the COVID-19 outbreak Version 2 – 13 march 2020. <https://www.humanitarianresponse.info/en/operations/south-sudan/document/20200319-covid-sop-food-assistance> and Inter-Agency Standing Committee. 2020. Interim Guidance on Scaling-up COVID-19 Outbreak in Readiness and Response Operations in Camps and Camp-like Settings (jointly developed by IFRC, IOM, UNHCR and WHO). <https://interagencystandingcommittee.org/other/interim-guidance-scaling-covid-19-outbreak-readiness-and-response-operations-camps-and-camp>

33 UNICEF. 2018. Multi-Sectoral Knowledge Attitude and Practice Study 2017. <https://www.unicef.org/lebanon/media/706/file/Lebanon-report-2-2.pdf>

34 UNICEF. 2018. See Table 10.6 on page 266.

35 UNICEF. 2018.

ensure that MSMEs are operating. They will present an economic foundation upon which livelihoods actors and the GoL can build to support the economy and people's needs, not least by paving the way for import-substitution efforts. Already with the economic crisis prior to the COVID-19 outbreak, imports had reduced and the demand for Lebanese products increased in the national market, in particular for agro-food products.³⁶ Going forward, it will be important to identify what capacities contribute to MSME survival and resilience that can be scaled up and replicated into livelihoods programming.

- **Support the scale-up of the public health response through the inclusion of skilled refugees, especially healthcare professionals.** With the immediate priority shifting towards containing the pandemic outbreak, mapping and resourcing a skilled healthcare workforce among refugees can support the effectiveness of the response, especially community health activities. Additionally, cash for work programming (CfW) could be adapted to support the GoL's public health response, for instance through cleaning and disinfecting campaigns, reception of people who need to be directed to the right care providers, hospital-related jobs such as porters and waste management among others.
- **Awareness-raising and practical support to private sector and municipalities on implementing public health regulations.** Building on its pre-existing relationships with private sector actors and municipalities, livelihoods programs implementers can raise the awareness of, and provide technical support to, private firms and municipalities on operationalizing public health measures in the workplace to mitigate COVID-19 once limited movement will resume. This might speed up the opening of businesses and enable people to return to work faster once movement can resume.

RECOVERY AND MEDIUM-TERM LIVELIHOODS SUPPORT

While meeting the most vulnerable people's necessities and containing the COVID-19 outbreak is pressing in the short-term, planning should start to facilitate the longer economic recovery in the country. Decisions on the public health response and associated basic assistance and livelihoods support will have longer-term implications for people's resilience and self-reliance, as well as for existing systems and structures of support. The path towards recovery must be integrated into discussions now, for instance by:

- **Ensuring the resilience of vulnerable households,** especially through self-employment programs, technical capacity building and job referrals, to help families generate an income from home. As indicative findings are pointing towards an increased need for psychosocial support (PSS), those interventions can be coupled with financial literacy and budget management to maintain resilience in this difficult period.
- **Supporting the resilience of MSMEs.** As Lebanon's economy is largely based on small and informal MSMEs, it will be a priority to help them not only survive this difficult period, but to develop resilience capacities allowing them to cope, adapt and better withstand future shocks and stresses. As mentioned above, MSMEs will present a certain economic foundation upon which livelihoods actors and the GoL can build to support the economy and people's needs, particularly as Lebanon cannot afford to remain so highly import-dependent. Research should be carried out to determine which capacities matter most for the resilience of these businesses. Policy measures by the GoL are required for those businesses to stay afloat in the recovery period, and to further allow their recovery and growth.
- **Setting out clear scenario and contingency planning for restarting access to livelihoods at the end of emergency measures,** as well as their longer-term sustainability need to start as early as possible. In the medium-term, supporting the graduation approach and the resilience of households and MSMEs should be prioritized.

³⁶ Danish Refugee Council, Labour Market Assessment, Bekaa and North Lebanon, April 2020

IDENTIFYING AND FILLING EMERGING DATA GAPS

Assuming that the response to the COVID-19 outbreak will continue over an extended period, understanding the gendered impact on access to livelihoods and household dynamics more broadly will be critical. Pandemics compound existing gender inequalities and vulnerabilities, increasing risks of abuse. There must be an urgent understanding of gender-specific impacts of the COVID-19 outbreak to better tailor interventions to the needs of vulnerable groups, including but not limited to:

- **Women and girls.** In times of crisis such as an outbreak, women and girls may be at higher risk, for example, of intimate partner violence and other forms of domestic violence due to heightened tensions in the household.³⁷ Early indications point towards an increase in reported cases of domestic violence in Lebanon as a result of quarantine.³⁸ Moreover, women are often found excluded and in disproportion with their male peers when it comes to economic, livelihood and income-generating opportunities.
- **Men and boys.** Early indications show that men are at higher risk of getting infected with COVID-19.³⁹ Moreover, in search for livelihood opportunities to generate an income for their families, men and boys may be more exposed to the disease. In the recovery period, families living at or below poverty line may feel more pressure to send children to work. In Lebanon, boys are more likely to be engaged in child labor than girls across all population groups, except in agriculture, where Syrian refugee girls have the more significant share of full-time child workers.⁴⁰ While child labor is likely to decrease in the short-term due to the government lockdown, vulnerable families are likely to plunge further into poverty, which may lead to an increase in child labor in the medium- to long-term.⁴¹
- **People with disabilities, underlying health conditions and the elderly.** Epidemiological analyses by WHO and the Centers for Disease Control showed that people who are at most risk death from COVID-19 include the elderly, chronically ill and immuno-compromised such as people with heart diseases, diabetes and respiratory diseases.⁴² The specific means of supporting livelihoods in a context of limited access and extended confinement for these populations needs to be assessed.

37 UNFPA. 2020. COVID-19: A Gender Lens. https://www.unfpa.org/sites/default/files/resource-pdf/COVID-19_A_Gender_Lens_Guidance_Note.pdf

38 Asharq Al-Awsat. 2020. Lebanon Sees Surge in Domestic Violence amid Quarantine. <https://aawsat.com/english/home/article/2226836/lebanon-sees-surge-domestic-violence-amid-quarantine>

39 P. Ball. 2020. Coronavirus hits men harder. Here's what scientists know about it. The Guardian. <https://www.theguardian.com/commentisfree/2020/apr/07/coronavirus-hits-men-harder-evidence-risk>

40 Save the Children. 2020. 'Child Labor in Lebanon: The Economic Crisis and the Compounding Impact of the COVID-19 Pandemic'. <https://lebanon.savethechildren.net/sites/lebanon.savethechildren.net/files/library/Child%20Labour%20Policy%20Brief%20-%20Final%2008042020.pdf>

41 Save the Children. 2020.

42 UNFPA. 2020.

5. CONCLUSION AND RECOMMENDATIONS

The Government of Lebanon, with international support, is stepping up its response to COVID-19. However, the impact of necessary restrictions combined with the fragile economic situation of the country means that Lebanon is likely to lag behind the speed and scale of what is needed to mitigate increasing vulnerabilities. Decisions on the immediate response will impact the medium-term and planning must integrate longer-term aspects as soon as possible, taken from a multi-sectoral perspective. DSP's research stresses how a medium-term approach towards protracted displacement is critical to ensure long-lasting benefits for host communities and Lebanon as a whole.

This brief has aimed to reflect the immediate impact of the economic and pandemic crises on vulnerable people's livelihoods, in order to spark a wider reflection and strategic dialogue among key stakeholders responding these issues. The current Lebanese government is going to face critical obstacles in meeting the needs of the most vulnerable Lebanese as the situation continues. The refugee response has been working on adapting programming approaches to support public health efforts in the country and ensure that the poorest individuals have ways to meet the most basic needs and protect themselves from the virus, not least through cash-based intervention modalities.

RECOMMENDATIONS

To the Government of Lebanon:

- **Ensure vulnerable populations, especially refugees but also migrant workers, are included in national strategies and responses to COVID-19.** Specifically, support must be made available to ensure that displaced people and marginalized populations are included in COVID-19 strategies, have access to relevant preventive and responsive services including humanitarian assistance, and are not victimized or dragged into populist political discourse.
- **Ensure continued access of humanitarian organizations** to individuals and communities in need in line with precautionary measures.
- **Provide an assistance package to the most vulnerable households to avoid negative coping mechanisms.** This will arm the most vulnerable, including women, children and people with disabilities.
- **Reduce credit risk for businesses.** The GoL and the Central Bank should explore the restructuring of loan payments schedules, providing low interest working capital with flexible terms to support businesses, the cancelling of fees or additional interest charges on late repayments as a result of the crisis.
- **Provide financial support or recovery subsidies to small businesses in order to support economic recovery.** Policies to support MSMEs to stay afloat during the recovery period are critical. These could for example include rent freezes or subsidies, relaxation in business registrations, allowing home-based income generation for refugees and financial assistance packages.
- **Urgently fill knowledge gaps about the vulnerability of poor Lebanese at national level.** In coordination with the UN, the GoL should generate evidence on the economic situation of vulnerable Lebanese households and assess the possible impacts of COVID-19 on them and on the total vulnerable population residing in Lebanon.

To the UN:

- **Maintain regular coordination and streamlining information between the livelihoods sector, other sectors and the COVID-19 health response.** For instance, the UN should coordinate contingency planning and mitigation mapping across sectors and in light of the

GoL planned distribution of assistance.

- **Support negotiations with commercial banks on banking services provided to humanitarian organizations** and share experience with NGOs, particularly focused on creating the enabling environment for rapid and regular disbursement of cash.
- **Leverage and attract international funding towards multi-sectoral measures** to prevent long-term impoverishment of Lebanese and refugee populations in Lebanon.
- **Explore opportunities for refugees to play a role in supporting the national COVID-19 response.** In light of movement restrictions and the resource-heavy response, UN agencies should explore opportunities to utilize existing capacities among the refugee populations, especially healthcare professionals, for instance for community-focused activities.
- **In coordination with the authorities, urgently fill knowledge gaps** about the vulnerability of poor Lebanese and refugee populations at national level, including their economic situation and the disaggregated possible impacts of COVID-19 on them.

To the livelihoods sector and implementers:

- **Rapidly expand the use of cash, vouchers and in-kind distributions** where possible to meet survival deficits – including to cover rent, food and hygiene items – and to support livelihoods and resilience.
- **Develop support for the integration of awareness-raising and technical implementation of public health measures to municipalities and the private sector,** to ensure that compliance with these measures in the workplace can facilitate livelihoods resumption at the end of restrictions.
- **Support businesses with adaptive business development planning.** The development community can help MSMEs adapt to a changing context by helping navigate market re-entry with bespoke services for financial inclusion, management, product development, marketing, sales, and market linkages.
- **Focus on businesses in the agro-food sector.** As agro-food imports might be disrupted and agricultural production reduced, a particular effort should be made to support businesses in the agro-food industry to help them maintain or resume their activities as disruptions in this sector can have severe food security implications, but also to build the agro-food capacity towards national food sovereignty and help overcome shortages caused by import restrictions and price increases.
- **Document collective learning on the capacities that contribute to MSMEs' resilience.** As MSMEs present a certain economic foundation upon which livelihoods actors and the GoL can build to support the economy and people's needs, and some number have managed to cope and adapt to complex shocks and stresses, documenting learning on the capacities that matter most to MSMEs' resilience is critical, so that the efforts can be scaled up and replicated into livelihoods programming.
- **Raise awareness at all levels to avoid stigmatization and ensure the protection of persons and communities who are suspected or confirmed to have COVID-19** from arrest and deportation, individual or collective eviction, discriminatory measures (including on movement), and any form of violence.
- **Identify potential linkages between other sectors and livelihoods.** Certain protection – or basic assistance – focused interventions may provide entry points for also supporting households' resilience via livelihoods programs, such as financial literacy and household budget management.
- **Continue to work towards addressing medium-term solutions,** including but not limited to harnessing the untapped potential in Lebanon's construction, agricultural, and environmental sectors, supporting decent work standards, and empowering local government institutions toward local economic development. In the longer-term, the hospitality sector presents a conducive economic sector to expand and include refugees into, as it brings together agriculture, digital skills, service industry, transportation and other sectors.

To international donors:

- **Take an integrated, rather than project-based, approach to funding support** across the board to vulnerable communities in Lebanon and commit to increasing funding support to the LCRP, including the livelihoods sector.
- **Ensure the integration of all COVID-funded projects with existing responses**, requiring a multi-sectoral response that considers and responds to the immediate and lasting impacts of public health measures.
- **Require the full integration of all vulnerable and marginalized populations, including refugees, in national COVID-19 response plans from the part of the GoL.** In supporting the GoL efforts to respond to the pandemic outbreak, donors should ensure that this support reaches all vulnerable populations in the country, including Syrian and Palestinian refugees, migrant workers and vulnerable Lebanese.
- **Encourage the adoption of relevant refugee-inclusive policies that would benefit Lebanon in containing the COVID-19 outbreak and support economic recovery efforts.** During this critical time, skilled healthcare professionals among refugee communities can play a positive role in supporting the GoL's efforts to combat the pandemic. Donors should encourage and support the inclusion of those individuals in response efforts. Additionally, donors should advocate for an easing of tight work regulations placed on refugees, for instance easing the work permit process, to facilitate economic activity.
- **Maximize the flexibility in existing and future contracts**, by enabling implementing actors to utilize current project funding in responding to the pressing needs on the ground, for instance through cash-based modalities and in-kind donations, even if they are outside of the scope of the project. Moreover, donors should ensure multi-year and flexible project durations, budgets and amendment processes.
- **Closely engage with and support NGOs to deal with the implications of banking regulations and the economic situation on programs.** Where possible, donors should be understanding of the programmatic challenges facing NGOs as a result of the banking system in Lebanon.
- **Support in identifying adaptive livelihoods programming measures and scale them up.** Businesses have been creative and found new ways to function despite the restrictions imposed by the crisis. The donor community should support identifying these measures by scaling them up and replicating them among other businesses.
- **Support the GoL to implement safety nets.** Donors should support the GoL to expand safety nets vertically, i.e. larger benefits to cover additional needs, and horizontally, i.e. including additional people. Donors should also promote agility through suspending conditionality and restrictions on use.



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