

## Action Document for EU Trust Fund to be used for the decisions of the Operational Committee

### 1. IDENTIFICATION

Title/Number	EUTF support to social assistance systems for vulnerable populations in Lebanon	
Total cost	Total estimated cost: <b>EUR 100,000,000</b> Total amount drawn from the Trust Fund: <b>EUR 100,000,000</b>	
Aid method / Method of implementation	Indirect management – Contribution Agreement with the World Food Programme (EUR 100,000,000)	
DAC-code	<b>16011</b>	<u>Sectors:</u> Social protection and welfare services policy, planning and administration
Derogations, prior approvals, exceptions authorised	Not applicable	

### 2. RATIONALE AND CONTEXT

#### 2.1. Summary of the action and its objectives

The **Overall Objective (OO)** of the action is to:

Strengthen the resilience of Syrian refugee and vulnerable host community households in Lebanon and improve their living conditions through direct assistance; and contribute to the establishment of sustainable social assistance systems for Syrian refugees and vulnerable Lebanese.

The **Specific Objectives (SO)** of the action are:

1. Vulnerable Syrian refugee and Lebanese households are able to meet their essential needs through direct transfers;
2. A shock response mechanism is established to provide support to vulnerable Lebanese population affected by the ongoing economic downturn.

With this action, the EUTF aims to contribute to the establishment of sustainable social safety nets in Lebanon. Support will be provided through the multi-purpose cash assistance programme (MPCA) for Syrian refugees as well as social assistance provided to vulnerable Lebanese via the food electronic voucher component of the National Poverty Targeting Programme.

Against a background of deteriorating economic conditions, the action aims to mitigate the impact that the economic crisis in the country is having on both refugees and vulnerable Lebanese and contribute to addressing underlying social tensions. This will be achieved inter alia by more than doubling the overall financial envelope compared to the previous action of the EUTF in this sector and the development of activities targeting specifically those most affected by the crisis.

The action ensures continuity and significant expansion of services provided under the ongoing EU Regional Trust Fund in Response to the Syrian Crisis (EUTF) action implemented by WFP. It also proposes a crisis modifier for NPTP, which temporarily applied, will allow more Lebanese households affected by the current economic situation to receive social assistance. This temporary instrument will respond effectively to the individual consequences of the current crisis, mitigate social tensions and support the transition from a short-term social safety net to a comprehensive and sustainable social assistance.

The action capitalises on the capacity-building assistance provided under the ongoing action in support of the NPTP and MPCA and contributes to their evolution as sustainable social assistance programmes. As part of a continuum encompassing the action adopted by the EUTF Board in December titled "EUTF support to Economic Development and Social Stability in Lebanon" and the ongoing Action Document on social assistance, it provides a comprehensive pathway from the provision of social assistance benefits and capacity-building measures to self-reliance for beneficiaries.

This Action builds on the approach adopted by the EU through the Communication "Lives in dignity: from aid-dependency to self-reliance", as regards the support given to forcibly displaced persons and vulnerable host communities in terms of access to protection services, education, health and job opportunities. In line with the "Guidance Package on Social Protection across the Humanitarian-Development Nexus (SPaN)", this intervention aims to implement the humanitarian-development nexus and reinforce links between humanitarian interventions and social protection to better meet the chronic and acute needs of crisis-affected populations, including refugees and their hosts, reduce humanitarian needs and ultimately, secure a path to sustainable development.

The action will contribute to the objectives of the Lebanon Crisis Response Plan (LCRP) and is aligned with the LCRP Basic Assistance sector strategy.

The EU-Lebanon Compact includes an EU commitment to "Support the Government of Lebanon in its response to the current humanitarian crisis. Increase support to the most vulnerable Lebanese and refugees".

The Joint Humanitarian Development Framework (JHDF) for Lebanon was developed by ECHO and NEAR/EUTF Syria teams in order to further define a comprehensive EU response to the Syrian crisis by coherently addressing humanitarian, mid-term and development priorities. JHDF prioritises support to basic needs/social safety nets through a transition from short-term emergency safety nets into a more systemic and longer-term poverty-alleviation mechanism. In line with the strategic direction of the JHDF, EUTF support should be used to: (i) provide social assistance to respond to recurrent and protracted crisis for refugees and vulnerable Lebanese populations; (ii) simultaneously contribute to the development of a long-term, social assistance programme targeting vulnerable Lebanese populations, in line with wider GoL and EU social protection support.

In addition, the Lebanon Partnership Paper agreed at the Brussels II Conference in April 2018 outlined the following joint commitment: "The Government of Lebanon and the international

community will also support the development of Lebanese social protection systems, with a particular emphasis on reforming and expanding the National Poverty Targeting Programme, drawing from the experience of humanitarian social safety nets, and emphasising a graduation approach into active labour market participation.” The Brussels III Conference in March 2019 reiterated the need to reinforce national systems for the response, to generate lasting benefit for hosting countries.

The action is in line with the Overall Objective of the EUTF "to provide a coherent and reinforced aid response to the Syrian crisis on a regional scale, responding primarily to the needs of refugees from Syria in neighbouring countries, as well as of the communities hosting the refugees and their administrations, in particular as regards resilience and early recovery". The Action will contribute to Specific Objective 2 of the current Results Framework<sup>1</sup>.

## 2.2. Context

### 2.2.1. Country context

Nine years into the Syrian crisis, Lebanon remains at the forefront of one of the worst humanitarian crises of recent times. The Government of Lebanon (GoL) estimates that the country hosts 1.5 million<sup>2</sup> of the 6.7 million Syrians who have fled the conflict since 2011 (including 918,974 registered with UNHCR as of 31 October 2019). The Syrian refugee population in Lebanon remains the largest concentration of refugees per capita in the world. Women and children account for 81% of the Syrian refugee population, of which 55,5% – with equal numbers of girls and boys – are under 18 years of age.

While the humanitarian response has been robust, the humanitarian situation of Syrian refugees remains precarious. As the crisis persists, refugees exhaust their savings and resources. They increasingly adopt negative coping mechanisms and thus become more vulnerable: According to the latest vulnerability assessment for Syrians (VaSyR 2019)<sup>3</sup>, the level of Syrian refugees spending less than US\$ 2.9 a day has increased from 51% in 2018 to 55% in 2019. 73% are spending less than US\$ 3.8 a day in 2019, compared to 68% in 2018, which indicates that Syrian refugees are becoming more economically vulnerable. Nine out of ten Syrian refugees adopt food-related coping strategies (such as restricting consumption or borrowing food) and 97% of refugee households are adopting crisis and emergency coping strategies.

Displacement, instability and poverty have intersected with economic stresses in Lebanon, creating a situation which has: i) challenged traditional gender norms; ii) been associated with increased rates of domestic violence; and iii) led women and children to pursue negative coping strategies to meet household needs such as child labour, foregoing education, and child marriage. The rate of child marriage among Syrian refugees in Lebanon is estimated at 24 % for girls aged 15 to 17 – an almost four-fold increase from before the Syrian crisis.<sup>4</sup>

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<sup>1</sup> Result #2 reads: "Syrian and host communities with better livelihoods and food access, through better employability prospects and improved financial and productive capacities". [https://ec.europa.eu/trustfund-syria-region/sites/tfsr/files/eutf\\_rf\\_2019.pdf](https://ec.europa.eu/trustfund-syria-region/sites/tfsr/files/eutf_rf_2019.pdf)

<sup>2</sup> UNHCR data portal <https://data2.unhcr.org/en/situations/syria/location/71>.

<sup>3</sup> Vulnerability assessment of Syrian refugees in Lebanon 2019: [http://ialebanon.unhcr.org/vasyr/files/vasyr\\_2019/VASyR%202019%20digital%20version.pdf](http://ialebanon.unhcr.org/vasyr/files/vasyr_2019/VASyR%202019%20digital%20version.pdf)

<sup>4</sup> UNFPA. 2017. *New Study Finds Child Marriage Rising Among Most Vulnerable Syrian Refugees*. Retrieved from <http://www.unfpa.org/news/new-study-finds-child-marriage-rising-among-most-vulnerable-syrian-refugees>

Social, economic and demographic data on Lebanese households is scarce. Timely collection of social, economic and demographic statistics is a difficult task in any environment, but it is all the more challenging in Lebanon where demography is directly linked to governance. Partly because of this challenge, the last official census was conducted in 1932, and the latest estimate of the population dates from 1964. From February 2004- April 2005 the Ministry of Social Affairs (MoSA), through the Household Budget Survey (HBS) 2004-2005 estimated extreme poverty in Lebanon at 8% of the Lebanese population while 28.5% are considered poor<sup>5</sup>. The second HBS was undertaken by CAS between September 2011 to November 2012. The survey estimated that overall poverty in Lebanon remained at 27%.

Even prior to the onset of the Syrian conflict and the inflow of refugees, poverty in Lebanon was significant, and the country's middle-income status masked a high degree of inequality. The arrival of the refugees placed a significant strain on resources and vulnerable Lebanese communities.<sup>6</sup> The impact of the Syrian crisis is exacerbated by the fact that most Syrian refugees are located in regions already having high poverty rates, deepening the vulnerability of the Lebanese in these areas as competition for jobs, services and resources increases.

Lebanon has a long tradition of hosting refugees. In a country with a current population of approximately six million people, about one in five is a Syrian refugee. Perceptions about Syrian refugees by the Lebanese population have been strongly influenced by the country's history, particularly related to the role of Palestinian militias in the Lebanese civil war. Consequently, the establishment of formal refugee camps has not been permitted. The majority of Syrian refugees have relocated to neighbourhoods where vulnerable host communities predominantly live. In the early years of the crisis, refugees were seen more as victims forced to flee from war. However, after nine years of protracted crisis and in a context of deteriorating economic conditions, concerns have been voiced about the potentially destabilising effect of the refugee presence. Consequently, the 2018 – 19 period has witnessed to increasing political polarisation and more explicit calls for refugee return<sup>7</sup>.

Lebanon remains politically and economically fragile. Political and confessional divisions as well as regional developments have limited then country's ability to build consensus on political issues and develop effective policies. Lebanon's economy has been subject to external and internal shocks. Growth, which reached an eight per cent high in the post-civil war reconstruction period, has slowed down sharply since 2011; it was estimated to be about 0.2 percent in 2018. The negative economic outlook has been compounded by a number of challenges, including deterioration in foreign direct investments, increase of current account deficit and public debt (which exceeds 150 per cent of GDP) and interest rates, with consequences for public debt service and investment. This has resulted in a cumulative reduction of net external assets; a source of concern given the current model of the Lebanese economy, which counts on cash flows from abroad. The negative economic outlook has driven other socio-economic challenges, such as unemployment, disparities in income and wealth distribution and increasing social tensions.

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<sup>5</sup> UNDP (2008), "Poverty, Growth and Income Distribution in Lebanon."

<sup>6</sup> Economic and Social Commission for Western Asia (ESCWA). 2016. Strategic Review of Food and Nutrition Security in Lebanon. Retrieved from <https://reliefweb.int/report/lebanon/strategic-review-food-and-nutrition-security-lebanon-enar>; World Bank. 2013. Lebanon: Economic and Social Impact Assessment of the Syrian Conflict. Retrieved from: <http://documents.worldbank.org/curated/en/925271468089385165/pdf/810980LB0box379831B00P14754500PUBLIC0.pdf>

<sup>7</sup> Syrian refugees in Lebanon; Eight Years On, CARE (2018)

From 2018, the Government began to prepare reforms aimed at reviving the economy. At the *Economic Conference for Development through Reforms with the Private Sector (CEDRE)* in April 2018, the Government set out a series of goals included in the *Vision for Stabilisation, Growth and Employment*. Despite efforts to reduce public debt, on 2<sup>nd</sup> September 2019, President Aoun, Prime Minister Hariri and Speaker of Parliament Berri declared a “state of economic emergency”.

### *Recent developments*

At the time of identifying the present action, the country has entered into a period of socio-economic turmoil. Popular uprisings have led to calls for drastic changes in Lebanese political landscape and for more accountable public authorities. Long-standing socio-economic pressures have combined with a fierce public outcry against corruption, with strikes breaking out across the country in an unprecedented manner since October 2019. The seriousness of the protests initially forced the Government to announce a list of 25 reform measures to address corruption and the socio-economic crisis, and subsequently resulted in the resignation of the Prime Minister. A new government was formed in early 2020, with a set of priorities explicitly linked to resolving the financial and economic crisis.

From an economic perspective, the uncertainty has increased the pressure on the Lebanese pound's peg to the US dollar; in the informal market, the currency has lost more than 30% of its official value, thus pushing up inflation. Business closures, strikes, workers lay-offs and pay-checks' cuts are regularly reported in a context of shrinking job market, employment dismissals<sup>8</sup> and reduced confidence. Limited liquidity in foreign currencies is expected to reduce imports of products, affecting consumption, local production, and further drive up the prices of consumer products. Prices of local products, which partly depend on imported material, are expected to increase.

As a consequence of the economic crisis, a wider segment of the Lebanese and non-Lebanese population is at risk of falling below the poverty line, and the livelihoods of those already living in poverty are expected to worsen due to inflation, a decline in employment opportunities and potential reduction in the provision of basic social services. This can further fuel tensions and social unrest between refugee and host communities. According to recent UNICEF analysis, the ongoing situation will most severely affect the poor (extreme poor and poor) Lebanese, Syrians and Palestinians who are already living at the margin. Vulnerable households in the low middle-income class would also be affected.

## **2.2.2. Sector context: policies and challenges**

### **Social assistance schemes in Lebanon**

Lebanon spends little on Social Assistance and Safety Nets (SSNs)<sup>9</sup> and its economic and social model is based on minimum state intervention justified in part by the objective of

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<sup>8</sup> 160,000 jobs were lost between 17 October and end of November 2019 and 10% of business have temporarily or permanently shut down, and a third of companies have reduced their salaries by 40% on average according to Info Pro research.

<sup>9</sup> Social assistance programmes sometime also referred to as Social Safety Nets (SSN) are non-contributory measures usually provided by the state, which are a component of larger social protection system, also encompassing fee-waivers, social insurance, social care, activities to improve employability etc . Social assistance/SSNs include cash and in-kind transfers targeted to poor and vulnerable households, with the goal of protecting families from the impact of economic shocks, natural disasters, and other crises.

guaranteeing a multi-confessional and open society. This approach, together with the conflicts Lebanon has experienced and related interruptions in public services provision, has contributed to the high reliance on private sector and non-governmental organisations in the delivery of services, including social protection.

As it is the case with many countries in the Middle East and North Africa (MENA), Lebanon's main social assistance programme consists of poorly targeted energy subsidies, which account to approximately 4.5% of the country's GDP; this effectively reduces opportunities for spending on much-needed social and human development programmes. Indeed, Lebanon's non-subsidy social assistance spending was below one percent of the country's GDP in 2013. Lebanon's non-subsidy social assistance programmes are numerous, duplicative and relatively small. In addition, capacity and institutional challenges at the central and local level have hindered the delivery of essential social services in Lebanon.

Key distinguishing features of social protection in Lebanon include:

- High involvement and reliance on the private sector, civil society and faith-based organisations;
- In health and education, high involvement of the private sector (reflected in the comparatively low social spending in both sectors), with implications for equity in the utilisation and quality of services in education and health for poorer and vulnerable groups;
- Low social insurance coverage of workers in Lebanon (less than 50% covered); no full pension plans available to the private sector, rather end of service agreements;
- Comparatively low social assistance spending, coverage and levels of support; fee waivers and education and health subsidies account for a significant share of social assistance programmes; limited social assistance in the form of in-kind transfers and no cash transfers; high reliance on NGOs for the delivery and administration of social assistance services<sup>10</sup>.

Two national plans adopted over the last decade aimed to outline specific policy gaps and actions to be taken moving forward on social protection, and social assistance/SSNs specifically: (i) Lebanon's 2007 National Social Action Plan Toward Strengthening Social Safety Nets and Access to Basic Social Services, and; (ii) the 2010 National Social Development Strategy (NSDSL). The GoL is currently working, with support from UNICEF and ILO, on the elaboration of a National Social Protection Framework, the conclusion of which is expected in the course of 2020.

The already stretched and weak public services have experienced additional pressure from the large influx of Syrian refugees in recent years. The crisis has raised questions about the adequacy of the national safety net in supporting vulnerable Lebanese households and communities that are hosting the refugees as well as about their role in providing support to refugees. Moreover, recent developments in social assistance and humanitarian provision have opened up discussions about potential opportunities for enhancing the coordination and alignment across humanitarian and social protection efforts.

Limited income support and constrained access to quality social services for the poorest and most vulnerable are exacerbating economic and social exclusion. Despite the coordinated multi-sectoral response by many partners and donors, enhanced as a consequence of the response to the Syrian refugee crisis, there remain significant gaps in essential service

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<sup>10</sup>ODI study, forthcoming

delivery. This is primarily due to the high variability of needs, structural problems and limited resources.

### **Multi-purpose cash assistance for refugees**

In 2016, USD 400-500 million (30-38 % of international assistance to Lebanon) was in the form of cash, or vouchers that could be redeemed for goods at pre-selected shops. Cash and voucher programmes developed around identified needs, and developed methodologies to meet them, for example food vouchers and “winterisation” cash transfers. Unrestricted or “multipurpose” cash transfers enabled refugees to meet priority non-food needs that span humanitarian sectors.

The coordination of cash transfers from multiple agencies has been challenging. At the end of 2016, DG ECHO and DFID jointly launched a call for proposals to promote a more accountable, efficient and cost-effective approach to cash transfers that could form the basis of a longer-term safety net, which other donors (particularly development donors) could also fund in the future. The call highlighted the principle that refugees should receive a single transfer from one agency onto the same delivery card, rather than the approach of multiple transfers from separate agencies onto different cards. This resulted in the establishment, in 2017, of the MPCA, which is supported by numerous donors and has since evolved in terms of effectiveness, efficiency and accountability.

### **2.3. Lessons learnt**

There is increasing recognition of the convergence in approaches between assistance provided during crises and social protection approaches in stable situations. There are similarities between the operational instruments used by development and humanitarian practitioners in fragile, conflict affected and displacement situations. The distinction between short-term emergency response and long-term development is becoming less clear-cut as humanitarian interventions are increasingly established for longer periods of time, to address protracted crises contexts<sup>11</sup>. The clearest overlap, and where most of the evidence to date is based, concerns cash transfers. These form the core of most social protection systems and are increasingly used in humanitarian response. The debate on linking humanitarian assistance for refugees with national social protection systems can nonetheless elicit polarising views<sup>12</sup>, especially where refugees represent a sizable share of the population resulting in competing narratives and little negotiating space among the multiple actors involved. The result might be the endurance of sub-optimal dual systems operating in parallel. The identification of workable pathways for framing potential humanitarian-social protection links hinges on establishing how collaborations may emerge around select programmatic functions, as well as the degrees of possible connection between national and international support within a given function.

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<sup>11</sup> "Social Protection across the Humanitarian-Development Nexus. A Game Changer in Supporting People through Crises". Reference Document, European Commission , 2018, available at: <https://europa.eu/capacity4dev/sp-nexus/documents/span-2019-summary-reference-document-social-protection-across-humanitarian-development>

<sup>12</sup> "Unbundled: A framework for connecting safety nets and humanitarian assistance in refugee settings," World Bank discussion paper, September 2019. Available at: <http://documents.worldbank.org/curated/en/970701569569181651/pdf/Unbundled-A-Framework-for-Connecting-Safety-Nets-and-Humanitarian-Assistance-in-Refugee-Settings.pdf>  
See also, "aligning humanitarian cash assistance with national social safety nets in refugee settings", UNHCR, 2018, available at: <https://www.unhcr.org/5cc011417.pdf>

MPCA and NPTP cater to different categories of population and the logic underpinning their design is different, given that the NPTP was conceived as a tool within a broader future social protection framework whereas the MPCA responds to the immediate needs of the refugee crisis. The protracted nature of the crisis, coupled with the current economic situation and the ensuing tensions, call for further reflection on the potential for alignment to a certain degree between the two systems. A transition or transformation of short-term emergency safety net into a systemic and longer-term poverty alleviation mechanism remains of the utmost importance. This transition requires collaboration between humanitarian and development actors, to move from a humanitarian to stabilisation response.

The development of the transfer mechanisms cannot be seen in isolation from the overall social protection framework in force at the country, whether for host or refugee populations. It is thus critical to ensure a comprehensive approach, taking into account the articulation among the various transfer and service schemes and with due consideration for exit prospects. While this becomes challenging in a context of rapid socio-economic transformation and uncertainty, it is vital to not lose sight of the needs for continued systems strengthening.

### **Lessons learnt in the context of MPCA implementation**

The launch of the MPCA in 2017 has been a game changer in several respects. The principles of efficiency, cost-effectiveness, accountability, protection, consistent governance and sound operational structure underwritten by the initiative are in fact essential elements placing the needs of beneficiaries at the centre of the response. Three years into its implementation, the MPCA has reached a level of maturity that has made it a global example of good practice in multi-purpose cash assistance, with improved levels of effectiveness, efficiency and accountability to affected populations, as well as an exemplary system for monitoring and evaluation, through third party monitoring. The key challenge for the forthcoming period is its transformation, from an emergency response mechanism to a social safety net fit for the actual protracted crisis context, as well as ensure links with access to services.

The Third-Party monitoring established in the context of the MPCA has played a critical role in assessing the achievements and providing room for further improvement of the programme. Research conducted (e.g. on accountability to affected populations, value for money and the longitudinal study of the impact of the programme) is expected to inform the next phase of the programme.

### **Lessons learnt in the context of NPTP implementation**

The NPTP programme constitutes a historic initiative to support the poorest and most vulnerable Lebanese. The e-voucher has been effective, as it bears significant impact on food consumption, dietary diversity and coping strategies. The effectiveness of the programme as a whole critically hinges on optimising its processes, notably as regards registration, beneficiary identification and information management over time.

Ongoing support has highlighted areas where processes could be improved: the development of comprehensive mechanisms for beneficiary data management, monitoring and evaluation and the development of a grievance redress mechanism –included in the technical assistance provided by the ongoing EUTF action –are crucial. The same applies for the selection and identification of beneficiaries. Communication with potential beneficiaries and with key stakeholders is also critical to the success of the programme.



Although the NPTP is listed in the government budget, and was introduced and originally regulated by Cabinet Decree, it is not established by law. This has implications for its continuation and sustainability over time. Since 2014, a law proposal has been discussed by Parliament. The proposal aims to institutionalise the NPTP project and make it an integrated programme within MoSA.

International donor financing has proved critical to the establishment of the NPTP and its maintenance over time. Mobilisation of domestic resources to fund the NPTP is critical for ensuring government ownership, tool/programme institutionalisation and continuity.

### **Prospects for exit from social assistance**

An essential component of any social protection system is a mechanism for exiting the beneficiaries from their dependence from social assistance benefits and providing pathways into self-reliance. Specific complementary schemes have already been introduced with direct linkages to NPTP and MPCA. In the case of vulnerable Lebanese, the NPTP includes a graduation component which however remains embryonic and will require further development. To this end, a pilot was proposed by the World Bank for NPTP beneficiaries. In addition, during 2018-2019, with the support of BMZ, WFP scaled-up its resilience building activities by providing livelihood opportunities for vulnerable Lebanese and Syrian refugees through Food for Assets (FFA) and Food for Training (FFT) projects. The Action document on economic development and social stability adopted by the EUTF Board in December 2019 establishes direct bridges with the NPTP and MPCA, through projects aiming at an effective and sustainable exit pathway (cf. below).

For Syrian beneficiaries, legal constraints coupled with competition for jobs at the Lebanese employment market, constitute a barrier to sustainable self-reliance pathways. In the current context of economic crisis, conditions are not conducive to sustainable livelihoods for either group of the population, while a continued economic downturn risks increasing the number of people in need of social benefits and prolonging their need for support.

#### **2.4. Complementary actions**

Since the onset of the Syrian refugee crisis in Lebanon, the EU has supported actions in provision of social services targeting Syrian refugees and vulnerable host communities, including system strengthening components.

The Action Document adopted in December 2019 "EUTF support to Economic Development and Social Stability in Lebanon" foresees five complementary projects that respond to local development challenges and opportunities by providing access to employment opportunities for vulnerable host communities and refugees, in permitted sectors, whilst emphasising a greater level of positive interactions between different communities. Two of these projects which are being negotiated aim specifically at the graduation and self-reliance of up to 7,000 households linked to the NPTP and MPCA programmes, respectively, in full complementarity with the present action. The projects can contribute to a revival of the economic growth potential, and reduce social tensions, in various communities hosting Syrian refugees, whilst also responding to the resilience needs of vulnerable refugees and host communities thus reinforcing the exit strategy from dependence on social benefits.

Through its humanitarian interventions, the EU has been supporting inter alia, the provision of basic assistance to Syrian refugees and has been pivotal in the establishment of the MPCA

programme. While humanitarian funding has been decreasing in recent years, DG ECHO maintains an important role in this sector while the MPCA is being transformed from an emergency response mechanism into a sustainable social assistance system.

The EUTF support to the health sector aims to increase the access to quality, equitable and affordable health services (service provisions and drugs) for vulnerable population in Lebanon while increasing the capacities of the health care system in progressing towards the achievement of the Universal Health Care. The programme “Reducing Economic Barriers to Accessing Health Services in Lebanon” is piloting the implementation of a Basic Package of primary health care Services (BPS) (including primary health care, mother and child care, reproductive and mental health as well as assistance to disable people) for both Syrian refugees and vulnerable Lebanese at an equitable, affordable and predictable rate, whilst strengthening key health institutions including the MoPH and targeted PHCCs. The best practices and lessons learned through the implementation of this model could be replicated by the MoPH for its long-term view and reform process towards a more accessible and equitable healthcare system.

The EU (ENI and EUTF Syria) has committed over €300 million to support access to formal and non-formal education of Lebanese children as well as refugee children from Syria, as well increasing the capacities of the Ministry of Education and Higher Education through public schools, pre-school activities and youth programmes. EU funds have also been used to rehabilitate schools, train teachers, raise awareness and provide educational supplies and school transport.

An ENI project aims at reinforcing the National Social Security Fund (NSSF); the project’s primary objective is to enhance the strategic, technical and institutional capacity of NSSF, improve the legislative framework and related quality of actuarial management and rationalise/modernise NSSF management methods. In 2018-2019, with EU financial and ILO technical support, CAS revived the Labour Force and Living Conditions Survey that assesses a range of variables for all communities living in Lebanon<sup>13</sup>. Data has been captured on a quarterly basis using a representative sample in all districts of Lebanon.

All these projects have the support of the Government of Lebanon, under the stewardships of relevant Ministries (Social Affairs, Economy and Trade, Interior and Municipalities, Agriculture, etc.).

Basic / food assistance is currently provided to Syrian refugees in Lebanon through multiple channels including in-kind food assistance, cash-based food assistance, multi-purpose cash assistance, cash grants to populations affected by seasonal hazards and emergencies and education specific cash grants). Multiple UN agencies (UNHCR, WFP, UNICEF, UNRWA) and NGOs ACF, ACTED, ICRC, LRC, RI) are involved in this sector. These actions are reported to the Basic Assistance and Food Security Working Groups under the Lebanon Crisis Response Plan (LCRP).

## **2.5. Donor co-ordination**

Coordination in the field of social assistance for Syrian refugees and vulnerable Lebanese has improved in recent years, though fragmentation persists, notably as regards assistance to Lebanese and response to the ongoing economic crisis in particular.

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<sup>13</sup> With the exception of camps and Informal Tented Settlements housing Palestinian and Syrian refugees

Following the joint ECHO/DFID initiative in 2016 for the harmonisation of cash assistance, five donors including the EUTF, ECHO and member states are supporting a single system for multi-purpose cash assistance (presented in this Action Document), which is underpinned by an independent monitoring and evaluation framework and governance structure. The programme's Steering Committee and ad hoc meetings is a key coordination mechanism.

The Basic Assistance Working Group is also a Forum for coordination among donors, UN agencies and NGO's active in the sector, and ensures harmonisation of practices under the aegis of the two main UN agencies operating in this field, namely WFP and UNCHR.

A multitude of humanitarian, development, and donor organisations have been investing in SSNs in Lebanon, whether through the provision of social assistance, or technical assistance and capacity building to MoSA and its SDCs. Recent renewed commitment to strengthening social protection in Lebanon has stemmed from: a) the growing recognition of the comparatively weak provision of social insurance and b) concerns for the wellbeing and livelihoods of both vulnerable Lebanese and refugees in the context of the Syrian crisis and current economic context. As interest increases in supporting SSNs and following the initial work of the Cash Task Force, key humanitarian and development partners to GoL have established a “Social Safety Net Partners Forum”, to ensure effective coordination across organizations at the strategy, operational and financing levels. The Forum is an informal group currently co-chaired by the EU and the World Bank, with the ambition to support a GoL-led structure. Recent discussions have focused on the impact of the economic downturn, potential mitigating measures and the link to the establishment of a sustainable social protection system. Donors have shown interest, especially regarding the emergency response though no additional resources have been mobilised yet.

UNICEF and ILO work on the development of the National Social Protection Framework. As NPTP will form a crucial component of the framework, close cooperation with the two agencies and active involvement in relevant consultations ensures synergies between the current action and the longer-term strategic planning of the Government.

The World Bank has been an important player in supporting the development of NPTP. In light of the economic crisis, it has provided analysis on possible scenarios in terms of impact and available mitigating measures, and is exploring the possibilities for a loan to provide emergency support to social safety nets through the NPTP. EUTF is collaborating closely with the WB, in view of identifying the optimal solutions for the emergency response and its bridging to the long-term development of the NPTP. The World Bank is also in the process of conducting a review of public finances (PFR), which is expected to identify the fiscal space for social protection measures beyond 2020.

The current crisis has reinforced coordination among stakeholders with the objective of comprehensive contingency planning that will propose mitigating measures for the operational challenges encountered by agencies and actions that will address the emerging needs of vulnerable Lebanese. It has also led to the adoption of a position paper by the UN concerning social protection that, following consultations, may act as a compass for future action in the sector. This exercise is led by the UN Resident Coordinator.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives/Expected Results**

The **Overall Objective (OO)** of the action is to:

Strengthen the resilience of vulnerable Syrian refugee and Lebanese households in Lebanon and improve their living conditions through direct assistance; and contribute to the establishment of sustainable social assistance system for Syrian refugees and vulnerable Lebanese.

The **Specific Objectives (SO)** of the action are:

**SO1: *Vulnerable Syrian refugee and Lebanese households are able to meet their essential needs through direct transfers***

**SO2:** A shock response mechanism is established to provide support to vulnerable Lebanese population affected by the ongoing economic downturn.

An indicative logframe reflecting all of the above is included in Annex 1.

## **3.2. Activities**

### ***3.2.1 Specific Objective 1: Vulnerable Syrian refugee and Lebanese households are able to meet their essential needs through direct transfers***

EUTF support will be pursued through two parallel activities:

- 1. Provision of social assistance to vulnerable Syrian households over the period 2020-2022 through the MPCA;***
- 2. Provision of social assistance to vulnerable Lebanese households in 2021-2022 through the NPTP.***

1. **MPCA (Syrian refugees):** Assistance to Syrian refugees will be provided in the form of multipurpose cash assistance delivered on a monthly basis, though the modality may be reconsidered on the basis of contextual changes. EUTF will complement the caseload covered by DG ECHO, EU member states and other donors.

The current economic crisis is exacerbating the vulnerabilities of the refugee population. In this light, the amount allocated for this activity has doubled as compared to the previous programming period. The selection of the beneficiaries will follow the same criteria established through the regular targeting exercise conducted by WFP and UNHCR.

The MPCA has been conceived as an emergency response scheme to address the needs of the refugees in the context of forced displacement and therefore the shock response is already built into the system. As we are moving from a humanitarian emergency to a protracted displacement context, it is important to put in place the processes that will allow the MPCA to be transformed into a more targeted social safety net for Syrian refugees, whilst addressing the needs of the most vulnerable. Against this background, discussions are ongoing concerning the review of the targeting mechanism to improve its effectiveness, as well as the transfer structure and value.

On the basis of the current structure of the MPCA, approximately 36,000 individuals will benefit monthly from the assistance. As the ongoing crisis is having an important impact on the vulnerable refugees, this figure may be increased, on the basis of needs. Consultations on the SMEB/MEB (which has been fixed since 2014) are expected in order to base it on the actual expenditure data gathered annually through the VASyR (Vulnerability Assessment for Syrians) exercise, and possibly adjusting the different and tailor-made amount of survival minimum expenditure basket/minimum expenditure basket (SMEB/MEB) depending on the size of the household. This will allow a better alignment between the transfer value and the needs of the households and optimise the use of resources. Research and relevant

consultations in the context of the programme Steering Committee and the Basic Assistance Working Group will continue throughout the year, so that the new system can be introduced as of the end of 2020 following the conclusion of the next Vulnerability Assessment for Syrians exercise (VASyr).

Relevant reflections are expected to feed into the NPTP model, as questions on targeting and transfer value are equally topical to the national programme. Cross-fertilisation between the two will be ensured through the Technical Assistance to be provided via WFP, which is in charge of implementing both programmes.

**2. NPTP (Vulnerable Lebanese):** The EUTF will continue and expand its support to the current caseload which is also supported by DE through the e-card food voucher pillar of NPTP. Pending a review of the transfer value, the caseload will increase slightly, so as to absorb those beneficiaries of SO2 that will qualify for transitioning into the regular programme.

Based on the planned vulnerability assessment for Lebanese, a review of the targeting mechanism is expected in the lifespan of this project, with support from the Technical Assistance component included in the ongoing action and with the cooperation of competent agencies. This will aim to improve the effectiveness of the targeting system and enhance the accountability of the NPTP. An assessment of the delivery modality and the benefits package is also expected to inform this action.

The mobilisation of domestic resources is vital for its transformation into a social safety net mechanism fully owned by the Government. Despite the adverse economic situation, this would signal the GoL's own commitment towards the sustainability of the programme. The disbursement of the annual contribution to the NPTP shall therefore be conditional on the approval of budgetary resources for the NPTP; budgetary allocations should increase on annual basis and ensure the gradual sustainability of the programme. Specific milestones will also be agreed regarding the review of the targeting mechanism.

WFP's expertise in the operationalisation of new modalities of assistance and operational models for Syrian refugees will be used to improve the NPTP based on best practices. Supporting and implementing programmes for both Syrian refugees and vulnerable Lebanese also ensures cross-fertilisation of learning. As the humanitarian response works towards a cohesive safety net and social protection approach to address the needs of refugees, it will learn from the initiatives undertaken by the NPTP, while the NPTP can draw on the different approaches adopted for the humanitarian response, including transfer modalities, targeting, entitlements and access to services.

***Specific Objective 2:** A shock response mechanism is established to provide support to vulnerable populations affected by the ongoing economic downturn.*

The activities under specific objective 2 are:

***Establishment of a shock response window for the provision of assistance to vulnerable Lebanese households affected by the economic downturn through time-bound, targeted transfers***

Considering the current economic crisis and increased cost of living which exacerbated the vulnerabilities of the Lebanese population, the implementing agency will initiate shock

response window of the NPTP, whereby limited duration assistance will be disbursed to those affected by the economic crisis. This constitutes an entirely new component, with a dedicated financial envelope, which will be developed in cooperation with MoSA and the Presidency of the Council of Ministers in order to address the needs emerging among the host population due to the economic crisis.

Beneficiaries will be included on the basis of clear and transparent criteria and a simplified selection procedure may be implemented to ensure the swift mobilisation of the assistance. These criteria will be established in consultation with GoL and the donor community during the preparation of the contribution agreement.

Those who were considered as poor in the pre-crisis period will likely be more vulnerable during the crisis and therefore people already included in the NPTP database (but who do not receive the food e-card due to resource limitations) are likely to benefit from this scheme; the programme will nonetheless be open to new beneficiaries who may not have applied, or have not been considered eligible for NPTP in the past and whose socio-economic situation has been affected by the recent economic downturn.

It is essential to; a) ensure that potential beneficiaries are duly informed of the programme and the application procedure; and b) establish the distinction between the emergency track, which is a limited duration assistance package, and the existing NPTP programme, which is open-ended, so as to avoid confusion among beneficiaries or the generation of long-term expectations. An elaborate communication campaign will be critical to this end.

It must be stressed that the emergency track does not consist in a scale-up of the NPTP but is rather the development of a shock –response arm that could be eventually integrated into the programme. Together with the technical assistance already provided under the ongoing action, the experience of the emergency track is expected to inform the design of the NPTP, including selection and identification of beneficiaries. The information on targeted households under this emergency window shall occur while emergency assistance is being provided, and those who are still eligible after applying the relevant proxy-means testing (PMT) formula using the updated household information could be included formally to regular track of NPTP (under Objective 1) at a later stage. The exact number of beneficiaries will depend on the agreed duration and transfer value; it is estimated that up to 20,000 vulnerable Lebanese households could benefit from this activity.

As the current crisis is economic and the intervention aims to tackle the economic vulnerability of the population, cash transfers, rather than the existing food voucher, could be considered as the appropriate modality as they allow beneficiaries to meet basic needs. This will be discussed with MoSA, whose prior agreement is necessary for changes in the delivery modality.

This track is informed by the urgent need to respond to the current situation, and this will be the quickest means to reach the vulnerable population. The specific parameters for the development of transfers' system will be agreed with the implementing agency and competent

authorities taking into account the results of vulnerability assessment(s) for the Lebanese population.

*Activities under both objectives are intended to be flexible and responding to contextual changes, in particular considering potential disruptions in economic activity. Therefore, should the need emerge to review the delivery modality, the transfer value or the architecture of the programme, this will be decided jointly with other donors and the implementing agency and approved as per relevant procedures.*

*EUTF support may be provided as a part of a multi-donor contribution; hence, the precise number of households to be covered will be defined during the process of negotiation (after adoption of this Action Document).*

### 3.3. Risks and assumptions

Risks	Risk Level (H/M/L)	Mitigating Measures
Increasing political opposition to the presence of Syrian refugees in Lebanon.	H	This risk is already being witnessed to a large extent. A change in the narrative of international partners (including EUTF partners) that moves to focus of conversations towards a greater recognition of Lebanese concerns, resilience, burden sharing, reciprocity and the temporary nature of Syrian displacement, as well as emphasising solidarity with the refugee situation, is expected to create greater traction in terms of entry points for evidence-based policy dialogue.
Increased social tensions due to deterioration of economic situation result in conflicts affecting host and refugee populations.	M	Improved social assistance delivery is itself a key mitigating strategy aimed at reducing social tensions, while improved communication on assistance packages will be critical in countering misperceptions.
Socio-economic and protection situation of refugees deteriorates.	H	EU Delegation will continue to advocate for Lebanon to adhere to obligations for refugee protection, as per international law. Continuous dialogue will take place with GoL during programme implementation, to ensure that a clear framework is established to safeguard refugee protection and livelihoods.
The banking sector is severely disrupted by the economic downturn and capital constraints.	M	Some disruptions in the banking sector have already been noted in the form of constraints in capital movements. The implementing agency has prepared a contingency plan in case of severe

		disruptions including a review, if necessary, of the delivery modalities.
The Lebanese pound is devalued, resulting in high levels of inflation and increased levels of poverty among populations in Lebanon.	H	Mitigating measures will need to be seen from a systemic perspective, notably through the introduction of macroeconomic stability measures. From an operational point of view, the implementing agency is already exploring avenues for overcoming the loss of purchase power due to the loss of currency value in the informal market.
Insufficient involvement of concerned Government Ministries and Departments.	M	EU Delegation will pursue continued policy dialogue with national authorities, emphasising the mutual benefits of the action for host communities and refugees.
Insufficient commitment to explore fiscal space for longer-term Government financing, to ensure the long-term sustainability of the NPTP.	M	While the negative economic circumstances are not conducive to domestic revenue mobilisation for social schemes, they constitute an important opportunity for systemic reforms.  The mobilisation of budget resources for the NPTP will be a precondition for increased contributions by the EUTF and part of the policy dialogue with the Government of Lebanon on reforms.
Continued institutional fragmentation in the social protection / assistance fields.	M	Consultations undertaken in the context of the National Social Protection framework should facilitate policy dialogue on a comprehensive approach. Its implementation is likely to require significant amount of time, as per international practice.
<p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>• Stable security conditions and political stability;</li> <li>• No further deterioration of the legal and protection environment for refugees;</li> <li>• The economic and financial situation of the country is stabilised and negative trends are reversed during the project implementation period;</li> <li>• Government remains committed to support the EUTF programme concept, including a commitment to policy dialogue on necessary long-term reforms and support to the most vulnerable populations living in Lebanon;</li> <li>• Commitment of all partners to coordinate activities in the social protection sphere;</li> <li>• Commitment to comprehensive vulnerability assessments/ analysis for all persons in Lebanon;</li> <li>• Commitment by GoL to explore fiscal space for longer-term Government financing under</li> </ul>		



Mitigating measures will be further defined in the actual project.

### 3.4. Cross-cutting issues

**Sustainability** is a guiding principle for this action. Building on the results of the support already provided by the EUTF and other donors, it aims to contribute to the development of sustainable social safety nets for all vulnerable populations in Lebanon. This is why the questions of targeting, transfer structure and value, the caseload size and funding sources mentioned above will be central in the implementation of both programmes. Ultimately, the objective is to align to the extent possible the support mechanisms for refugees and vulnerable Lebanese and ensure the latter programme can be fully managed and funded by the Government once the fiscal space has been identified and once the programme has reached the necessary levels of maturity.

The projects supported in the context of the action "EUTF support to Economic Development and Social Stability in Lebanon" will provide the bridging to sustainable livelihoods and exit strategy, as they aim to improve the livelihoods prospects for Syrian refugees and provide graduation opportunities for vulnerable Lebanese and NPTP beneficiaries, in particular. Furthermore, the EU will continue to advocate for an enabling environment whereby vulnerable Syrian refugees are able to find opportunities to be self-reliant, moving out of the extreme poverty. Although restrictions on sectors refugees are allowed to work continue to provide limited space for all actors in achieving such goal, the EU will continue its advocacy to this end.

The emergency track module of the Action aims to provide temporary shock response and help mitigate the impact of the economic downturn, thus preventing the loss of human capital. The experience and lessons learnt from the emergency track are expected to inform the regular NPTP programme, e.g. with regard to targeting, following an impact evaluation. The technical assistance that has been included in the ongoing Action aims to enhance the institutional capacity to MoSA and PCM in managing the NPTP and establish the processes and mechanisms necessary at central and SDC level that will allow the programme to cater effectively and efficiently for an increased number of beneficiaries, as well as a roadmap for the development of the programme.

Discussions on a large-scale intervention by the WB in support of the NPTP are ongoing; while their outcome is unclear, such an intervention, should it aim to contribute to the gradual scale-up and expansion of the system rather than a short-term response, could provide more fiscal space for the GoL to fully develop of the programme.

The above is consistent with the provisions of the Action Document adopted in June 2018, which stipulated that "an exit strategy will be considered that may be phased after 2 or 3 cycles of external support, anticipating gradually increasing levels of Lebanese domestic financing towards NPTP".

**Gender equality** and empowerment of women will be addressed through the provision of social assistance support to socio-economically vulnerable households, with the objective of reducing vulnerability and increasing resilience of all household members, including women and girls.

**Conflict sensitivity** underpins the rationale for this Action; it will directly address perceptions about the unequal treatment and provision of benefits between refugees and host populations. Furthermore, the Government of Lebanon will benefit through the improved provision of social assistance to its own population, not least during the unfavourable economic context.

**Social stability** is also a significant focus of this Action Document. The mitigation of the impact of the economic downturn and, in the longer-term, the reduction of inequality, can mitigate social tensions and facilitate political stability.

In line with the New European Consensus on Development, all the projects funded under this Action Document will integrate a **Rights-Based Approach (RBA)** in each step of the project cycle, from identification and formulation, through to monitoring and evaluation. This will ensure that the foreseen EUTF actions respect the key provisions of EU treaties with respect to the indivisibility of human rights, respect for human dignity and equality. RBA will be used to ensure that no one is left behind and, in-so-doing, address the primary objective of EU development policy: reduction and, in the long term, eradication of poverty.

**Transparency and accountability** will be addressed through the administration of the MPCA programme including existing governance and M & E structures (notably the third-party monitoring) in addition to safeguards that will further enhance transparency and accountability in the administration of NPTP that are being rolled out as part of the ongoing action.

### **3.5. Stakeholders**

The main beneficiaries of this Action are vulnerable Syrian refugee and Lebanese households that will benefit from the social assistance delivered and, indirectly, the Lebanese economic actors that will benefit from the injection of funds through the transfers.

The primary stakeholders of this Action are:

The *Ministry of Social Affairs (MoSA)* and the *Presidency of the Council of Ministers (PMO)* are pivotal actors, as they have a central role in the implementation of the NPTP. MoSA also plays an important role in its capacity as the Lebanon Crisis Response Plan (LCRP) lead Ministry.

*EU Member States and other donors contributing to the Trust Fund*, who, together with *other donors, IFIs, UN agencies and NGOs supporting humanitarian and long-term social safety nets in Lebanon*, will play a role in policy dialogue and coordination with Government counterparts.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Financing agreement, if relevant**

In order to implement this action, it is not foreseen to conclude a financing agreement with the Government of the partner countries.

The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures pursuant to Article 215 TFEU.

### **4.2. Indicative operational implementation period**

The indicative operational implementation period of this Action, during which the activities described in section 3.2 will be carried out, is 36 months. A possible extension of the

implementation period may be granted by the relevant AOSD, and immediately communicated to the Operational Board.

### 4.3. Implementation components and modules

#### 4.3.1 Specific Objectives 1 and 2 (single component): Indirect Management with the World Food Programme

The activities envisaged under this Action document may be implemented by World Food Programme in accordance with FR2018/1046 Art. 62.1 c). This implementation entails the activities as set out above under 3.2.1.

WFP is leading agency in the provision of social assistance in Lebanon as it has been providing assistance to Syrian refugees for their basic food and other essential needs since June 2012 and is in charge of the food e-card component of the NPTP.

The selection of WFP as the sole implementing agency is justified by their unique position as a lead agency in the development and implementation of both multi-purpose cash for vulnerable Syrian refugees and the national social assistance scheme for vulnerable Lebanese ; and is premised on their eligibility and expertise in the field, established presence in Lebanon and experience from collaboration with, and access to, relevant national authorities and stakeholders. The possibility to scale up existing operations and/or introduce new activities in light of contextual changes is considered a major added value.

Furthermore, by continuing its support to the World Food Programme, EUTF support will contribute to sustaining and furthering the achievements made by MPCA with DG ECHO/DE/UK/NO support and by NPTP with DE support.

### 4.4. Indicative budget

Components*	EU contribution (amount in EUR)
Specific Objectives 1 and 2: Indirect Management – Contribution Agreement with WFP	100,000,000
<b>Total</b>	<b>100,000,000</b>

\* Communication and visibility funds will be included in the various components

#### Funding breakdown

As a specific reaction to the current critical economic situation and linked to these exceptional circumstances, the budget of this action is more than double the amounts allocated to both Syrian refugees and vulnerable Lebanese as compared to the previous action adopted by the EUTF in this sector. The funding above will be concretely allocated with the aim of ensuring that it will benefit to an equal extent both Syrian refugees by providing support to the MPCA and vulnerable Lebanese by providing support to the NPTP, in particular covering the most vulnerable affected by the crisis. SO1:

In the case of the MPCA, the present action is expected to cover primarily 2021 and 2022. As the previously adopted action already provides support for 2020, funds will be mobilised only in case new needs emerge as a result of the current situation. The actual breakdown for the

2020-2022 period will be determined on the basis of needs, taking into account that the reviews in the MPCA are expected to impact on the caseload and the cost structure of the transfer.

As regards the support to the NPTP, needs for 2020 are covered by the previously adopted action. Therefore, the present action will cover 2021 and 2022. Needs linked to the ongoing crisis for 2020 and 2021 will be covered by specific objective 2 below, thereby ensuring an equilibrium between the support provided to Syrian refugees and vulnerable host communities.

#### **SO2:**

An additional amount will be allocated to support the NPTP in addressing of the most vulnerable affected by the current economic crisis, covering 2020 and 2021. The breakdown between the two years will depend on the timing of the launch, as well as the specific parameters of the programme. These decisions will be made during the negotiation of the present action with the implementing agency.

To ensure the sustainability and enhance the effectiveness of the programme, the commitment of the GoL and mobilisation of national resources in support of the NPTP is a prerequisite.

For this reason, disbursements for the regular NPTP caseload will be linked to progress made in areas where action is expected on the side of the GoL, in particular::

In 2021, :

- GoL budget should commit to mobilising adequate domestic resources via the national budget to support the NPTP, both at technical level and in support of the food e-card component;
- A roadmap for the revision of the targeting formula and selection mechanism is agreed among the key stakeholders;
- The Joint Accountability Framework is approved by stakeholders before the end of 2020; and,
- A Steering Committee for the programme comprising relevant stakeholders is in place before the end of 2020.

In 2022:

- GoL mobilises increased domestic resources in the GoL budget to support the NPTP.
- Satisfactory progress should be made in the review of the targeting mechanism.
- GoL has prepared the legal and regulatory framework transforming the NPTP into a national programme for approval by the Parliament.

For the mobilisation of funding as part of the shock response, an agreement on the criteria and mechanism for the selection of beneficiaries will need to be reached with GoL before disbursements can start. After the end of the first year of implementation, an assessment of the shock response component is expected to take place and its results should inform subsequent rounds of assistance.

It must be borne in mind that in both cases, the budgets encompass support costs and overheads for the administration of assistance including beneficiary / card management systems to support the delivery chain, both for MPCA and NPTP. EUTF support benefits from already established mechanisms for system delivery, as well as interagency

protection/referral structures. The level of overhead / administration costs will be negotiated following the adoption of the action, in line with global best practices in order to ensure a maximum level of financing can be allocated to the transfers.

The Action shall be designed with built-in flexibility, in order to respond to contextual changes that may necessitate adaptations in project design.

#### **4.5. Performance monitoring**

Monitoring shall be ensured primarily through EU Delegations in-country and in particular with the assistance of specific Trust Fund field and liaison officers posted within the EU Delegations. In addition, the EU Trust Fund has an independent Monitoring and Evaluation exercise to accompany all Fund programmes and ensure that targets are met and lessons learnt can be incorporated into other EUTF actions.

The purpose of the EUTF Syria Monitoring and Evaluation Framework is to assess, across various levels, the degree to which the Overall Objective of the Trust Fund has been achieved. Partners implementing this Action will comply with the ad hoc Monitoring and Evaluation Framework developed for the EUTF Syria as well as with the reporting requirements and tools being developed by the EU Trust Fund.

The implementing partner shall establish a permanent internal, technical and financial monitoring system for the Action and elaborate regular progress reports and final reports.

The European Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The monitoring and evaluation exercises noted above will represent milestones in the implementation of the activities. These regular assessments will constitute a basis for a possible decision of suspension or revision of activities, should the conditions on the ground not allow for their proper implementation.

#### **4.6. Evaluation and audit**

Overall, evaluation of the EUTF is mandated by the Constitutive Agreement of the Fund (article 13): “The Trust Fund and the Actions financed by it will be subject to the evaluation rules applicable to EU external programmes, in order to ensure the respect of the principles of economy, efficiency and effectiveness.” Detailed provisions for the Evaluation of EUTF-funded Actions are defined by the strategy for portfolio evaluations.

To support the fulfilment of the mandate of the EUTF reinforcing the EUTF capacity to bring a change in the cooperation area, the projects will carry out a number of evaluations.

Projects should carry out a final evaluation, and one external audit per year. A mid-term evaluation may also be considered. Whenever possible, evaluations will be jointly carried out by partners.

If necessary, ad hoc audits or expenditure verification assignments could be contracted by the European Commission for one or several contracts or agreements.

Audits and expenditure verification assignments will be carried out in conformity with the risk analysis in the frame of the yearly Audit Plan exercise conducted by the European Commission. The amount dedicated in the budget for external Evaluation and Audit purposes is EUR. Evaluation and audit assignments will be implemented through service contracts,

making use of one of the Commission's dedicated framework contracts or alternatively through the competitive negotiated procedure or the single tender procedure.

#### **4.7. Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. Beneficiaries, host communities and administrations in Syria's neighbouring countries, the European public, EU Member States and other stakeholders of the Trust Fund need to be informed about the EU's efforts as the leading donor in the Syria crisis response. Insufficient visibility of the EU's actions weakens the EU's political traction in the region and its standing in Europe. Unsatisfactory recognition of knowledge of EU assistance also has a potential to negatively affect the EU's political efforts to resolve the Syria crisis and its future role in a post-peace agreement transition.

Communication and visibility is an important part of all EUTF Syria programmes and must be factored in to underline the programme's importance at all stages of the planning and implementation. Each implementer is required to draw up a comprehensive visibility, communication and outreach plan for their respective target country/community and submit a copy for approval to the EUTF Syria Communication and Outreach Lead. The related costs will be covered by the project budgets. An additional grant allocation may be made available to support communications activities focused on social stability. The measures shall be implemented by the implementing consortium/ia, and/or contractors, and/or grant beneficiaries. Appropriate contractual obligations shall be included in, respectively, procurement and grant contracts.

In the case of this particular action, the development of a comprehensive communication and visibility strategy is critical in view of ensuring:

- (i) The dissemination of clear messaging around the content and targeting of the programme. This is an essential safeguard for the accountability of the project, a critical element in managing expectations and preventing false perceptions and part of its corporate communication. WFP has already worked on a comprehensive communications strategy, which will be further enhanced under the ongoing Action Document, especial as regards the shock response component.
- (ii) Clear messaging around the support that is provided by the EU at times of crisis to support both vulnerable refugee and host populations. The accurate depiction of the programme design and implementation modalities will constitute a mitigating measure against social tensions due to misperceptions. The implementing partner will be requested to provide a strategy that addresses different target audiences (GoL, refugees, host communities, civil society) effectively, through various communication channels.
- (iii) Communication with other stakeholders in order to ensure coordination and synergies among complementary actions.

The global objective of the EUTF Syria communication and visibility campaigns, and hence of the implementing partner, is to improve recognition, public awareness and visibility of the comprehensive and joint EU efforts to effectively address the consequences of the Syrian and Iraqi crises. This should be done by highlighting the Action's real-life impact and results among defined target audiences in the affected region but also vis-à-vis the general public, donors and stakeholders in the EU Member States. Within the context of this protracted crisis, it is increasingly important to strategically communicate the sustainability of the project's impact and the EU support, highlighting that the action also helps strengthen the host countries' national public service delivery systems and infrastructures beyond the current crisis.

The Communication and Visibility Manual for European Union External Action together with specific requirements for the EUTF Syria serve as a reference for the Communication and Visibility Plan of the Action and the relevant contractual obligations. According to the EUTF Syria's Visibility and Communications strategy all communication and outreach campaigns must be evidence-based, people-oriented and easily understandable. Regional outreach and communication must be conflict sensitive, strategic, do no harm and mindful of the differentiation in messaging for beneficiaries and stakeholders in each country of operation of the Action. The campaigns must place the beneficiaries at the centre and thus ensure adequate ownership. Messaging should have a human face, be empathic, honest, transparent, direct, unambiguous, neutral and conducive to a highly sensitive human and political environment, in addition to being gender-sensitive and gender-balanced.

Furthermore, campaigns should also include components of participatory and engaging communication, where the beneficiary becomes a key actor. This will support the EUTF Syria's programmes in promoting social cohesion, inclusion, dialogue and help mitigate tensions and misperceptions between refugee and host communities.

## ANNEX 1 - INDICATIVE LOGFRAME MATRIX (max. 2 pages)

The indicative logframe matrix will evolve during the lifetime of the action and can be revised as necessary: The activities, the expected outputs and related indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the Action, no amendment being required to the financing decision. The logframe matrix should be used for monitoring and reporting purposes: new lines will be added for including baselines / targets for each indicator at contracting or inception stage new columns may be added to set intermediary targets (milestones) for the output and outcome indicators whenever it is relevant, as well as to regularly update values (“current value”) for reporting purpose. The inception report should include the complete logframe (e.g. including baselines/targets). Progress reports should provide an updated logframe with current values for each indicator. The final report should enclose the logframe with baseline and final values for each indicator.

*Additional note:* The term "results" refers to the outputs, outcome(s) and impact of the Action (OECD DAC definition).  
*The present logical framework reflects the Results Framework agreed among partners concerning the MPCA.*

	<b>Results chain: Main expected results (maximum 10)</b>	<b>Indicators (at least one indicator per expected result)</b>	<b>Sources and means of verification</b>	<b>Assumptions</b>
	<b>Results chain: Main expected results (maximum 10)</b>	<b>Indicators (at least one indicator per expected result)</b>	<b>Sources and means of verification</b>	<b>Assumptions</b>
<b>Impact (Overall objective)</b>	The Overall Objective (OO) of the action is to strengthen the resilience of Syrian refugee and vulnerable Lebanese and improve their living conditions through social assistance; and contribute to the establishment of sustainable social assistance systems for Syrian refugees and vulnerable Lebanese.	<p>Livelihood coping strategy index (LCSI), broken down for the Syrian and Lebanese caseloads</p> <p>Annual Budget Allocated to the NPTP in the GoL national Budget</p> <p>Adoption of legal and regulatory framework transforming the NPTP into a national programme by the GoL</p>	<p>MoSA/WFP Outcome monitoring .</p> <p>GoL Annual Budget (published)</p> <p>Official gazette</p>	<i>Not applicable</i>



	<p>The specific objectives of the action are:</p> <ol style="list-style-type: none"> <li>1. Vulnerable Syrian refugee and Lebanese households are able to meet their essential needs through direct transfers;</li> <li>2. A shock response mechanism is established to provide support to vulnerable Lebanese population affected by the ongoing economic downturn.</li> </ol>	<p>MPCA: Food consumption score of <u>vulnerable Syrian households receiving monthly emergency assistance</u>, by gender of household head.</p> <p>Household Reduced Coping Strategy Index (CSI)</p> <p>Percentage of households not incurring new debts to meet basic needs</p> <p>Percentage of households with per-capita expenditure equal to or below the survival minimum expenditure basket.</p> <p>NPTP/Shock response window of the NPTP: Food consumption score of <u>Lebanese households receiving monthly emergency assistance</u>, by gender of household head.</p> <p><b>All components:</b></p> <p>Proportion of households able to access assistance in a safe and dignified manner without being subject to associated risks at programme sites, going to and coming back from programme sites.</p> <p>Number of beneficiaries who are informed about key aspects of the programme including awareness of their entitlement and how to reach WFP with complaints</p>	<p>WFP Food Security Outcome Monitoring</p> <p>Syrian caseload: VASYR (annually)</p> <p>MoSA monitoring (frequency tbd)</p> <p>WFP/MoSA monitoring</p>	<ul style="list-style-type: none"> <li>• Stable security conditions and political stability; prompt formation of a Government;</li> <li>• No further deterioration of the legal and protection environment for refugees;</li> <li>• The economy and the banking sector are stabilised and negative trends reversed in the course of project implementation period;</li> <li>• Government commitment to support the EUTF</li> </ul>
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<p><b>Other Results (Outputs and/or Short-term Outcomes)</b></p>	<p><b>Outputs</b></p> <p><b>Efficient and effective transfer of cash support to Vulnerable Syrian refugees</b></p> <p><b>Activities</b></p> <p>Monthly transfers through the WFP e-card system to the regular MPCA and NPTP caseloads</p> <p>Establishment of selection and identification criteria for emergency response window for Lebanese beneficiaries and eligibility process</p> <p>Monthly transfers through the WFP e-card system to caseloads selected under the emergency response</p> <p>Regular output and outcome Monitoring</p>	<p>Number of <u>poor Lebanese individuals</u> receiving assistance monthly with EUTF funds</p> <p>Number of <u>vulnerable Syrian refugees</u> receiving assistance monthly with EUTF funds</p> <p>Amount of cash distributed monthly to <u>poor Lebanese NPTP individuals</u> (US\$)</p> <p>Amount of cash distributed monthly to <u>vulnerable Syrian refugee individuals</u> (US\$)</p> <p>Number of <u>vulnerable Lebanese individuals</u> receiving emergency assistance with EUTF funds</p> <p>Amount of cash distributed monthly to <u>vulnerable Lebanese individuals</u> receiving emergency assistance with EUTF funds(US\$)</p> <p>Proportion of beneficiaries redeeming every quarter, disaggregated across the different components and target populations</p>	<p>Monthly beneficiary list, reported quarterly, Monthly Bank payment lists</p> <p>Bank reports</p>	
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