
**The Role of Financial Services to Mitigate Forced Displacement
Lessons from Lebanon and Jordan
Workshop, Beirut, February 20-21, 2019**

Day 2: Session 1

**Livelihoods Options for Low-Income
nationals and Refugees**

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LEBANON AND JORDAN ARE MULTI-CULTURAL

- **About 30% of resident populations are foreign-born (or descendants)**
 - Largest sub-group of foreign-born residents are refugees
 - Also large sub-group of foreign migrant workers
 - Overlap between refugees and migrants from Syria
 - Smaller group of foreign investors – 15-20% of Syrians are NOT poor
 - Conversely, 20-25% of nationals are low-income or poor

- **Significant similarities between national and FBR poor**
 - Competition for access to housing, services, and jobs highest at lowest echelons
 - Most work informally with minimal social safety nets
 - Nationality-based regulations and restrictions create uneven field of play
 - Displaced populations are economically more fragile

FOUR APPROACHES TO ENHANCE LIVELIHOODS

Partnership for Economic Inclusion: Janet Heisey

- Prospects of the Graduation Approach globally and in Lebanon

World Bank Group: Angela Elzir Assy

- The National Poverty Targeting Program and the Graduation Pilot

Mercy Corps Lebanon: Carron Beaumont

- Improved Networks for Training and Jobs and skills development

UN High Commission for Refugees: Ziad Ayoubi

- Comprehensive economic inclusion of refugees

April 17-27, 2017

Commissioned by World Bank Group and CGAP

Conducted by Trickle Up with support from UNHCR

Recommendation:

Lebanon should pilot a Graduation Approach project to complement the government's implementation by testing with Syrian refugees and Lebanese



GRADUATION APPROACH: A HOLISTIC PACKAGE

SEQUENCING

Extreme Poverty

Sustainable Livelihoods



MARKET / VALUE
CHAIN ANALYSIS

TARGETING

Start

Month 3

Month 6

Month 24

Month 36

CHARACTERISTICS

CONTEXTUALIZED

TIME-BOUND
18-36 months

PROVEN IMPACT
Robust testing via RCTs

SUSTAINABLE
Impact sustained after 7
years

COST-EFFECTIVE
1.33-4.33x ROI

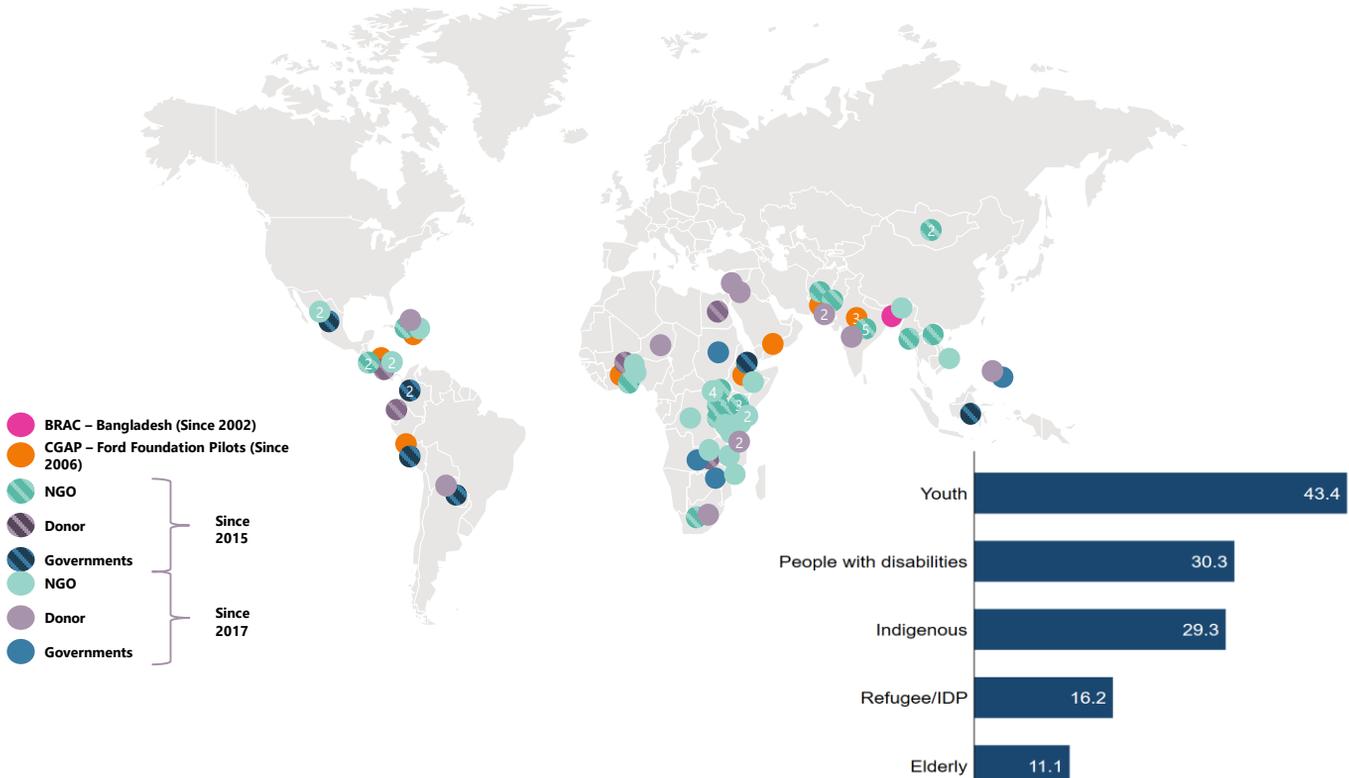
*5 connected components provide
ladder out of extreme poverty*



STRONG MOMENTUM

KEY TRENDS:

1. Increased government engagement: 35+ countries
2. Increased digitization
3. Adaptation to new segments and contexts





KEY ELEMENTS

1. Enabling Environment

- GoL committed to stimulating the economy through job creation (London & Brussels Conference commitments)
- GoL launching graduation project
- Graduation mentioned in 2018 LCRP
- Engagement of the poorest in municipalities

2. Good building blocks and parallel structures:

- Targeting the Poorest: NPTP and VASyR
- Food security and basic assistance stipends
- Livelihoods (though mainly for SMEs)

Added benefits:

3. Coordination Structure

- Lebanon Crisis Response Plan (LCRP) 2017-2020

4. Population characteristics

- Geographically concentrated and entrepreneurial

Challenges:

- Communication between NGOs/UN and central government were tense



REPORT RECOMMENDATIONS

1. Design and implement a complementary project to NPTP-G for refugees and Lebanese
 2. Pilot graduation to determine how structures and programs can be sequenced together to create a pathway out of poverty
 3. Design, implement, and document to make the case for scaling
- 300 households: 150 Lebanese + 150 Syrian refugees in extreme poverty
 - 24-month timeframe
 - Vulnerable governorates with high poverty rates: Akkar or Beqaa
 - Support refugee livelihood activities that don't compete with jobs for Lebanese (agriculture, construction, environment, home-based businesses)
 - Implement in locations with high poverty rates and limited livelihood initiatives



WORLD BANK GROUP
Social Protection & Jobs

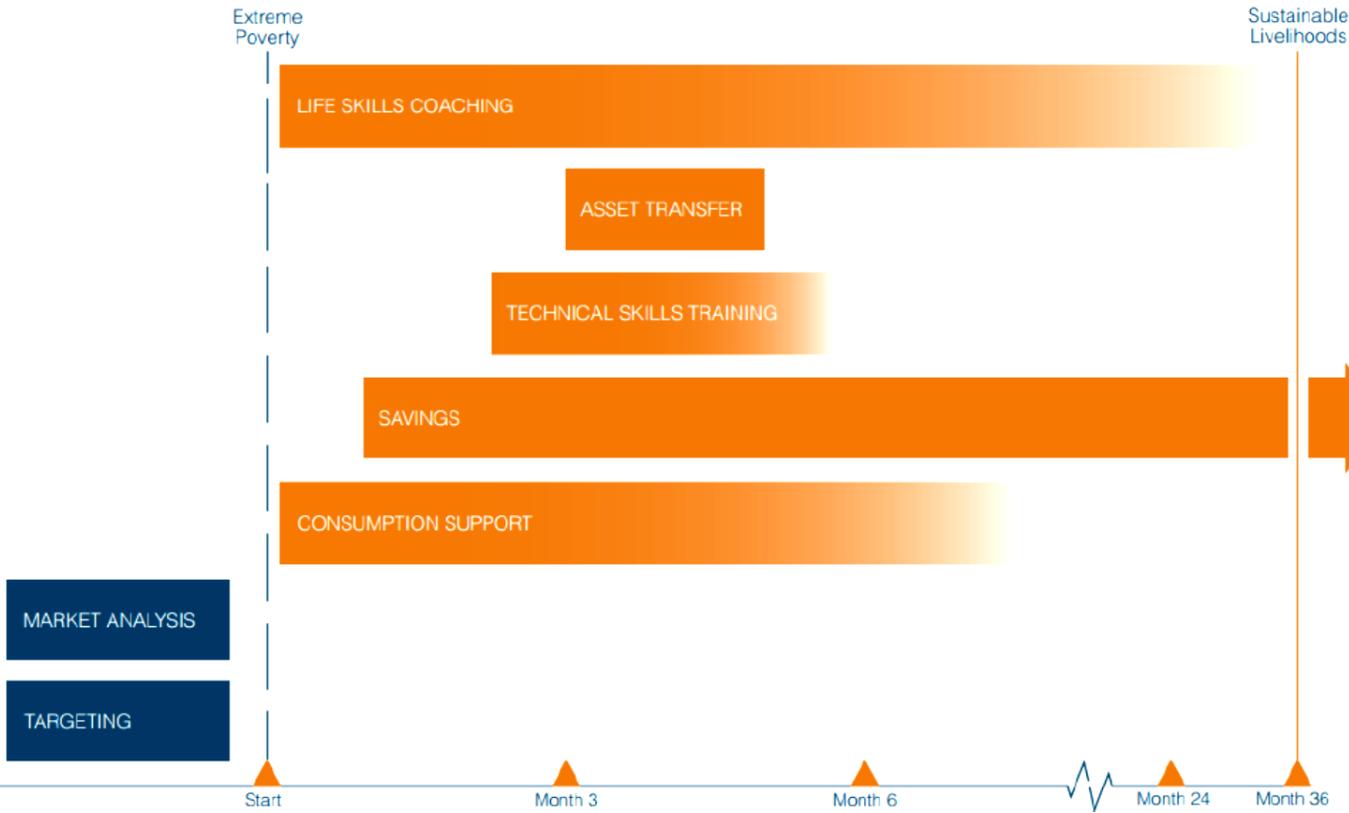
Lebanon National Poverty Targeting Program *Graduation Pilot*

Rene Leon Solano and Angela Elzir
Beirut, Lebanon, February 21, 2019

The Lebanon National Poverty Targeting Program

- Even prior to the Syrian conflict, poverty in Lebanon was significant and regional disparities acute:
 - 27% -approximately 1 million Lebanese individuals- living below the poverty line. Poorest regions being North Lebanon, and the Beka'a;
 - 8% -approximately 300,000 Lebanese Individuals- living in extreme poverty.
- NPTP is the **first poverty-targeted social assistance program** in Lebanon, launched by the GOL in 2011.
- Targets extreme poor Lebanese households based on a proxy-means testing mechanism.
- Managed by MOSA and the Presidency of the Council of Ministers, and implemented through 114 Social Development Centers across the country.
- Basket of benefits originally mainly consisted of:
 - Health coverage through a waiver of 10–15% for hospital co-payments;
 - Waivers for school registration fees and books public elementary, high, and vocational schools.
- 43,000 households beneficiaries
- 10,000 extreme poor are benefiting from the food voucher in the amount of \$27 per member for a maximum of 5 in the same HH (in partnership with WFP)

The CGAP/Ford Foundation Model: components & sequencing



Graduation pilot

- Based on the CGAP/Ford Foundation graduation approach, with slight modifications given country context (i.e.: modification in sequencing, etc.).
- Will benefit 675 HHs from among the poorest 10,000 HHs, effectively embedding the graduation pilot into the NPTP.
- Will be implemented in the two regions with the highest concentration of the targeted beneficiary HHs, and will benefit at least one rural and one urban area
- Will target women
- Will finance the design and implementation of a robust Monitoring and Evaluation (M&E). This includes the development of a rigorous yet easily manageable Client Monitoring System (CMS), as well as the launching of a robust impact evaluation.
- Will partner with a commercial bank for the savings component and hopefully the bank will have services catered to the targeted population

Progress and challenges to date

Progress:

- Market analysis underway and will soon be completed
- Baseline survey currently being fielded
- Service delivery firm being selected

Challenges:

- Design challenges: (i) targeting itself - to have demonstration effect, you would target those closest to insertion but not the case here; (ii) measurement - graduation from what to what and when can we define that an individual has graduated (hence savings thresholds); (iii) impact on savings could be seen down the road given food voucher and not cash
- Impact evaluation design – resistance in the randomization process
- Targeting women caused some challenges given social norms and culture
- Given innovative feature of the project, capacity if very limited for implementation
- Political economy (changes in government, long caretaker status, etc.)
- Costly package could limit its potential for large scale up

INTAJ and FORSA programs

Improved Networks, Training and Jobs (INTAJ)

April 2016-March 2018

- Bekaa and North Lebanon
- Skills and Job Placement; MSME support; Solid Waste Management and Recycling Value Chain

Target: Lebanese

Fostering Resilience and Strengthening Abilities (FORSA)

Dec 2017-Dec 2019

- Bekaa, Chouf, Jezzine, Saida
- Skills and Job Placement; MSME Support; TVET support

Target: All nationalities

Achievements (Skills and MSME Support)

INTAJ

- 139 skills courses --> 2252 trained (50% male/female) --> 654 secured employment (47% female /53% male)
- 122 businesses supported --> 173 jobs created at program end, and a further 110 jobs by Dec 2018 (283 jobs so far)

FORSA:

- 44 skills courses --> 708 trained (42% Syrians, 36% Lebanese, 22% Palestinian) --> 230 individuals secured employment (FTE 127 jobs).
- 68 businesses supported -->227 jobs supported (FTE: 200 jobs).

What have we learned?

Skills Training/ Job Placement

Understand the portfolio of employment and seek to improve this

Jobs are not all accessible for all sexes

Self employment does not just happen

Protection must be integrated into employment programming

Creating Employment

Appropriate BDS and finance services required for MSMEs

Market information is lacking

Selection criteria / process is essential for success

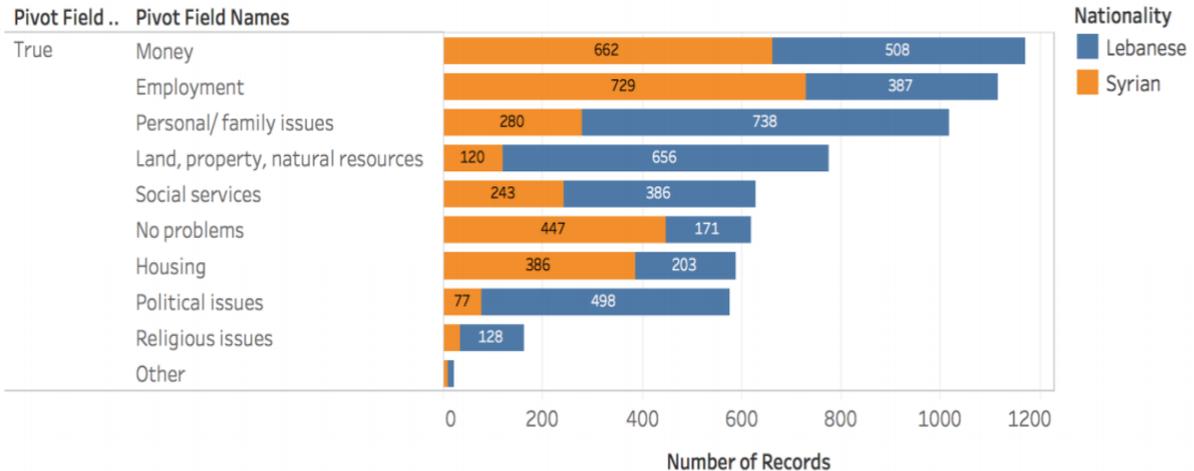
Limit potential market distortions

Identifying businesses in marginalised areas is challenging

Understand knock on effects of support in terms of employment created

RECOVER Baseline Report 2018 - Understanding Perceptions of Lebanese Host and Syrian Refugee Communities in Lebanon

Most frequent dispute drivers - overall



- 71% Lebanese agreed that they lose on an economic level when the other gains economic profits (compared to 36% for Syrians).
- 72% Lebanese agreed that job opportunities for the other nationality will lead to decreased opportunities and salaries for themselves (compared to 43% of Syrians).

It is essential to not only look at increasing livelihood opportunities for low-income individuals - but also look at:



Addressing discrimination in the workplace, ensuring decent working conditions, and enabling access to social protection mechanisms (incl. savings, insurance etc) for workers.



Mainstream protection into livelihood initiatives and ensure there is access to functioning conflict resolution mechanisms - which have the capacity to respond in cases of exploitation or abuse.

65
million
persons

145
Countries
signed 51
convention

50%
Countries
declared
reservations

75
countries
grant refugees
the right to work

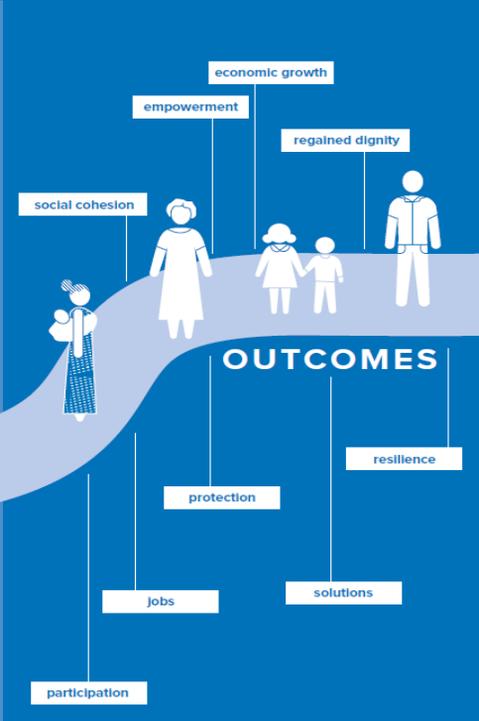
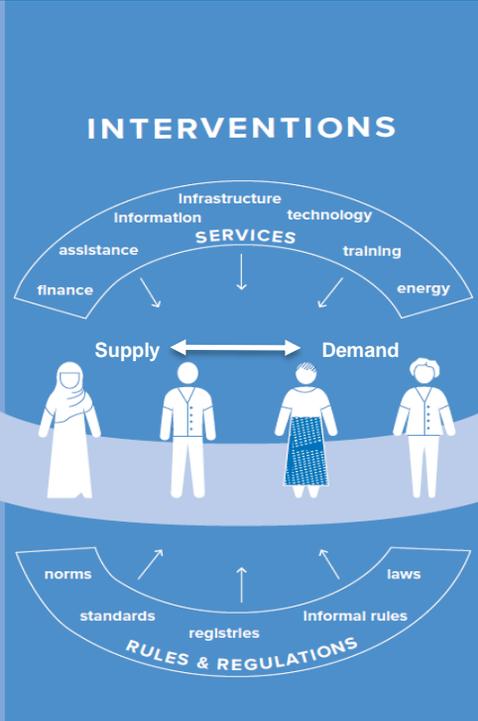
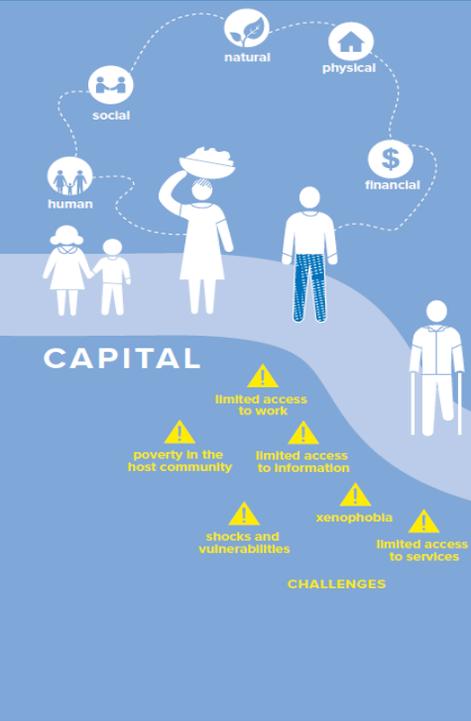




- 1- Ease pressure on hosts
- 2- Refugee self-reliance
- 3- 3rd countries solutions
- 4- Conditions in countries of origin

“Economic Inclusion means enabling refugees to provide for themselves and be net contributors to economic development as consumers, workers and entrepreneurs. It is one of the most important keys to enhancing protection and unlocking solutions for refugees”

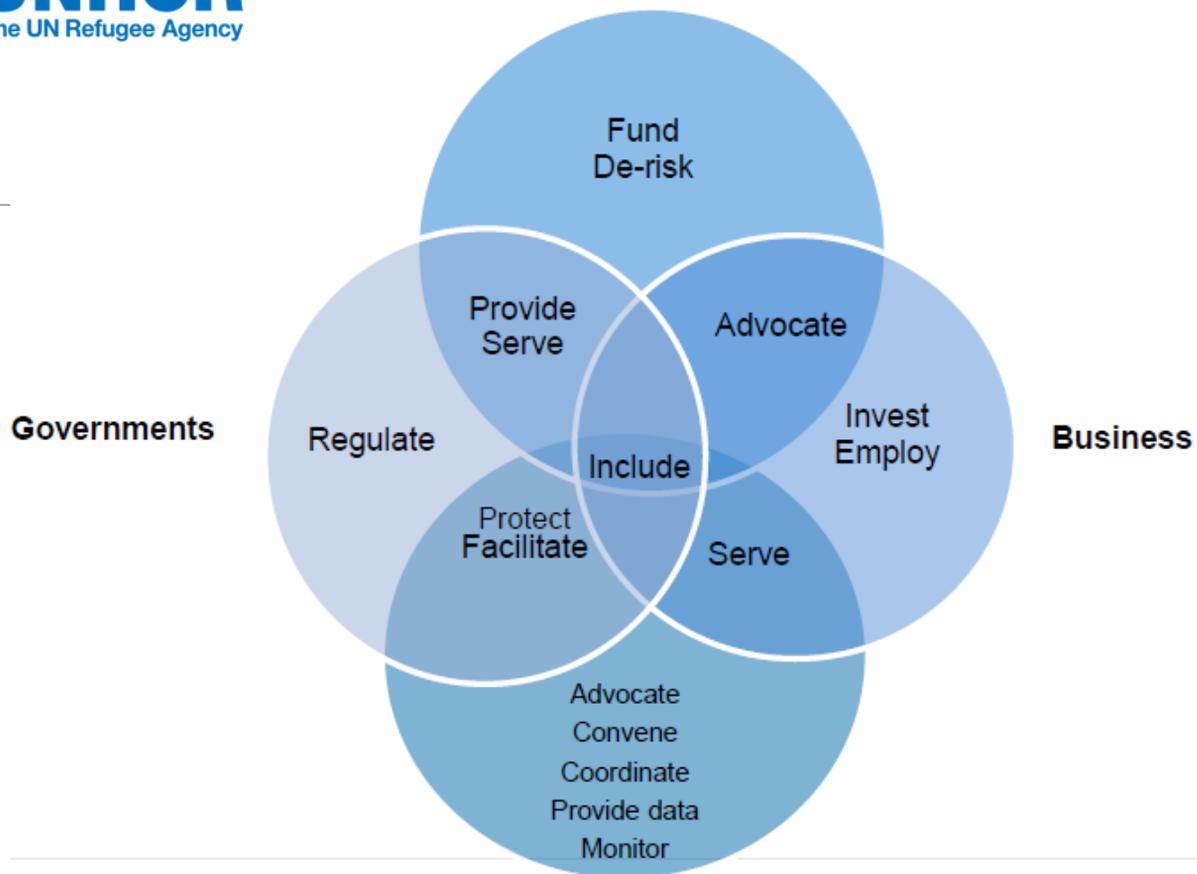
Filippo Grandi, UN High Commissioner for Refugees



Financial needs at different phases of displacement

	Arrival	Initial phase	Stable	Protracted
• Survival cash for food, housing, medical services and to repay debt during escape	✓			
• Saving products	✓	✓	✓	✓
• Remittances		✓	✓	✓
• Micro credit for consumption		✓	✓	✓
• Health Insurance			✓	✓
• Micro credit for Business			✓	✓
• Mortgage/ home improvement loans				✓
• Transactional accounts for cross-border payments				✓
• Pension plans				✓
• Transferable credit history				✓

Development actors



UNHCR & Humanitarian

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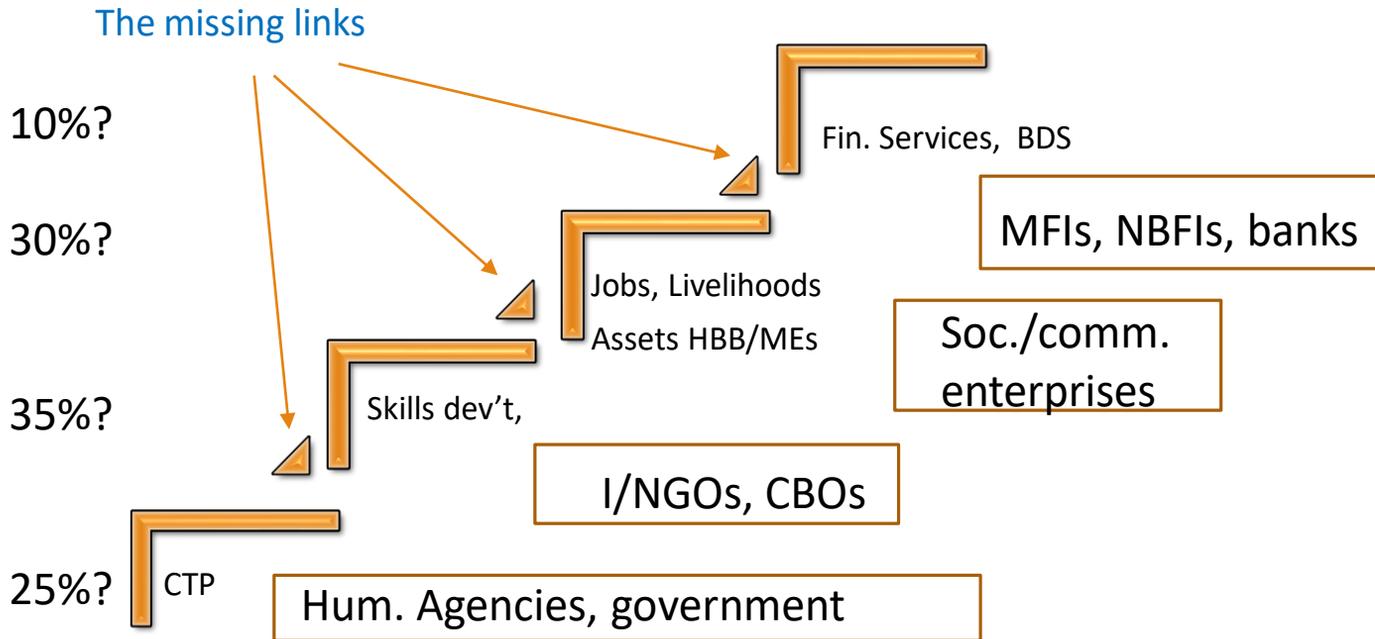
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GRADUATION AND SEGMENTATION

Market



QUESTION FOR THE AUDIENCE

How do we facilitate upwards movement on the graduation ladder?

1. Better understanding/data on how upward mobility happens (we don't yet know enough about the potential of graduation)?
2. Better linkages among service providers (we work at the different steps, but don't know what others are doing and do not cooperate)?
3. A more conducive policy framework for inclusion of all residents (we understand what needs to be done, we are working at different levels, but we are restricted in efforts to offer equal services to all)?

Open [sli.do](#) and vote for your TOP priority

How do we facilitate upwards movement on the graduation ladder?

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Better data on upward mobility



Better linkages among service providers



More conducive policy framework



PRIORITIES FOR FINANCIAL INCLUSION?

Inclusive financial services can support the employment of Syrian refugees in permitted sectors

- Syrians: Residency permit and 3 sectors only
- I/NGO: training and BDS; seed capital to Lebanese owned businesses
- Social/comm businesses incl. 'old Syrian businesses': job opportunities

Derisking could increase finance to home-based businesses – especially for women

- Both Lebanese, migrant worker and refugee women often prefer and engage in home-based businesses
- Too small to formalize and cannot be monitored in practice
- Generates income; can contribute to social cohesion

Flexible sponsorships could increase access to regulated work and finance for all foreign-born residents

- Non-Syrian refugees and migrant workers: residency permit + work permit/kafala
- Businesses and cooperatives can be kafeels, but expensive and difficult
- Flexi-permits would increase state revenue and reduce irregular stays

QUESTION FOR THE AUDIENCE

How do we facilitate increased financial inclusion?

1. Better linkages to existing and new employers of Syrians?
2. Advocacy to permit/not regulate (financing of) home-based businesses of all residents?
3. Advocacy to pilot flexible work permits for all (enabling more finance to legal residents)?

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How do we facilitate increased financial inclusion?

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Better linkages to existing and new employers of Syrians?



Advocacy to permit/not regulate (financing of) home-based businesses by all residents ?



Advocacy to pilot flexible work permits for all (enabling more finance to legal residents)?

