

WHO WE ARE

Leadership, organization, and history

WHAT WE DO

Projects, products, and services

WHERE WE WORK

Countries and regions

UNDERSTANDING POVERTY

Global data and statistics, research and publications, and topics in poverty and development

WORK WITH US

Jobs, procurement, training, and events

NEWS[Where We Work](#)**BRIEF** | JANUARY 12, 2021

Lebanon Emergency Crisis and COVID-19 Response Social Safety Net Project (ESSN)



1. What is the ESSN Project?

The ESSN is a US\$246 million 3-year project that will provide cash transfers and access to social services to extreme poor and vulnerable Lebanese populations affected by the economic and COVID-19 crises. The objective of the ESSN is to arrest the increase in extreme poverty and to preserve the human capital of 13 – 18 years old children enrolled in public schools, through the provision of cash transfers and access to social services. The ESSN also aims to build a sustainable national social safety net (SSN) system in Lebanon. The ESSN will scale-up and enhance the Government of Lebanon's (GOL) National Poverty Targeting Program (NPTP). The NPTP is Lebanon's main poverty-targeting social assistance program launched in 2011 with financial and technical assistance from the World Bank. The ESSN project is financed through a US\$246 million World Bank low-interest long-term maturity loan.

2. What is the difference between the ESSN and the NPTP?

The ESSN is the World-Bank support to Lebanon's NPTP, building upon the successes and learning from the implementation challenges over the past 10 years. The ESSN introduces a larger scale coverage as well as new added features and improvements to the NPTP, namely: (i) moving from e-card food vouchers to cash transfers; (ii) preserving human capital of children at risk of dropping out of schooling by covering all costs of education, and supporting other vulnerable groups including the elderly, persons with disabilities, women-headed households among others; (iii) investing in SSN delivery systems such as the development of a National Social Registry (see Q6.) The ESSN will assess the eligibility of households already in the NPTP database, other households in the Inter-Municipal Electronic Platform for Assessment, Coordination and Tracking (IMPACT) database, and any new applications received. This will help unify the databases of poor households in Lebanon and therefore pave the way to create a National Social Registry.

3. What is the extreme poverty level in Lebanon and how many people fall under this level?

This site uses cookies to optimize functionality and give you the best possible experience. If you continue to navigate this website beyond this page, cookies will be placed on your browser. To learn more about cookies, click here.



Based on World Bank estimates of GDP growth and inflation rates in the first half of 2020, extreme (food) poverty rate reached 22 percent, and the overall poverty rate was 45 percent. This translates into approximately 1.7 million people (350,000 households) falling under the poverty line, of which 841,000 people (156,000 households) are under the food poverty line, among which 12 percent are female-headed households. More recent estimates or projections of poverty are not available due to the lack of survey data.

4. What are the components of the ESSN Project?

The ESSN project will provide cash transfers and access to social services to extreme poor and vulnerable Lebanese populations affected by the economic and COVID-19 crises through four components:

- Component 1 (US\$204 million) aims to arrest the increase in extreme poverty by providing cash transfers to extreme poor and vulnerable households through a pre-paid electronic card; This will cover an estimated 147,000 households.
- Component 2 (US\$23 million) aims to combat risk of children dropping out of school through top-up cash transfers that cover the costs of general and vocational education; This will cover an estimated 87,000 children (ages 13-18) belonging to households covered under Component 1.
- Component 3 (US\$10 million) aims to strengthen the capacity and systems of the Ministry of Social Affairs (MOSA) and its Social Development Centers (SDCs), and increase access to quality social services for poor and vulnerable households from different population cohorts including refugees;
- Component 4 (US\$9 million) supports the creation and strengthening of social safety net delivery systems including building a National Social Registry, a Grievance Redress Mechanism, and Outreach and Communications functions.

5. Who will benefit from the ESSN Project and how much assistance will beneficiaries receive?

Direct project beneficiaries include (i) extreme poor and vulnerable Lebanese individuals and households and (ii) vulnerable girls and women, elderly, people with disabilities, survivors of domestic violence, children and youth at risk of dropping out of school, among other vulnerable groups. Specifically, the beneficiaries are:

- 147,000 extreme poor Lebanese households equivalent to approximately 786,000 individuals will receive cash assistance for one year under Component 1. Eligible households will receive a monthly transfer of LBP 100,000 per household member (capped at 6 members), plus a flat amount of LBP 200,000 per household. Example: a family of 6 members will receive a monthly benefit of LBP 800,000. The benefit amount represents about 38.2 percent of the monthly consumption expenditure of the beneficiaries from the bottom 8th and 29th percentiles, which is much higher than the global and upper-middle income country averages for social assistance.
- All households among the 147,000 that have children between the ages of 13-18 years will receive a top-up cash transfer to cover the direct costs of schooling. The top-up cash transfers have been calculated to be sufficient to cover expenses including school registration fees, parents' council fees, school textbooks costs, transport and school uniform expenses, and computer equipment and/or internet connectivity to enable remote learning. For students in the vocational stream of education, the project will cover the additional costs of the required technical equipment. Hence, 87,000 children will each receive between LBP 1,235,000 and LBP 1,921,920 (depending on grade and type of education) for the scholastic year 2021/22. School fees will be paid directly to the respective schools.
- 100,000 individuals from vulnerable households will benefit from specialized social services at MOSA SDCs, as well as at contracted service providers.
- MOSA social workers at the central level and at the local SDC levels will benefit from capacity building activities or programs to better carry out their functions.

This site uses cookies to optimize functionality and give you the best possible experience. If you continue to navigate this website beyond this page, cookies will be placed on your browser. To learn more about cookies, click here.

6. What is a social registry and why is it important?



To be able to meet the growing and multiple needs of the population for social protection and social assistance programs, Lebanon needs to develop a national SSN system that can respond to future shocks. A key feature of such a system is a national integrated social registry, which would serve as a gateway for people (individuals and households) to be considered for inclusion in one or more social programs based on an assessment of their needs and living conditions. Such a social registry could reduce transaction costs and increase access for citizens, produce cost-savings and efficiency of user programs (by reducing duplication), and serve as a powerful platform to coordinate social policy. In the absence of such a system, response to needs will remain scattered, inefficient and unable to effectively identify and reach vulnerable households who require critical support.

7. Does the ESSN support displaced Syrians and other non-Lebanese vulnerable groups?

Although cash transfers under Components 1 and 2 will benefit Lebanese households only, displaced Syrians and other non-Lebanese vulnerable groups will benefit from the social services offered under Component 3 (US\$10 million) to poor and vulnerable households regardless of nationality or legal status. In parallel to the ESSN, displaced Syrians benefit from a large-scale humanitarian cash transfer program implemented by UN agencies, with financial support from donors.

8. How is the cash transfer value of Component 1 determined?

The monthly per capita transfer value is determined at a value equivalent to the food component of the “Survival Minimum Expenditure Basket” (SMEB) estimated by the World Food Program as a benchmark of what extreme poor households require to purchase from local markets to meet their basic survival food needs. Currently, the monthly average food SMEB countrywide is equal to LBP 100,000 per capita. In addition, to account for fixed costs and economies of scale incurred by households for non-food basic household expenditures, a monthly flat amount per household is set at LBP 200,000.

9. What currency will beneficiaries be paid in? What exchange rate is utilized by the Project?

Per GOL decision, beneficiaries will receive all their cash-based assistance in LBP. The conversion rate for the loan funds is based on a preferential rate obtained for this project and equal to 1.6 times the BDL Sayrafa electronic platform of LBP3,900 per US dollar. Benefit levels have been set in LBP to ensure that they are sufficient to meet basic food and non-food needs of households based on current local market prices. The real value of the LBP-denominated benefits is further assured by the inclusion of a clear and well-defined benefit adjustment mechanism that will account for any increases in local prices (that may be caused by a further depreciation of the exchange rate, or other inflationary factors) to periodically adjust benefit amounts. Paying benefits in LBP would also better align with other government and humanitarian programs in the country that pay benefits in the local currency, which would allow possible alignment and consolidation/ harmonization of programs in the future.

10. How are the foreign exchange and inflation risks mitigated in the Project?

To mitigate the foreign exchange and inflation risks, the benefits in Lebanese pounds will be reviewed quarterly, or at more frequent intervals if required, by the World Bank and the Project Central Management Unit (CMU), in collaboration with WFP to ensure that the Lebanese pound benefit purchasing power is unchanged from one month to another.

11. How will beneficiaries redeem their assistance?

Eligible beneficiaries will receive a pre-paid card, issued by a financial service provider, which will be uploaded every month with the transfer value. Beneficiaries will be able to cash out the amounts transferred to the pre-paid cards in LBP at automated teller machines (ATMs), as well as to pay digitally for purchases in a network of food shops. The project will explore the possibility of making cash-out possible at some or all the money transfer operators (MTOs) to expand payment options to beneficiaries. The project will also explore piloting of the opening of bank accounts for a selected number of beneficiaries to maximize the longer-term benefits of financial inclusion.

This site uses cookies to optimize functionality and give you the best possible experience. If you continue to navigate this website beyond this page, cookies will be placed on your browser. To learn more about cookies, click here.

12. How will the beneficiaries be identified and selected?

Beneficiaries will be selected from applicants in the National Poverty Targeting Program (NPTP) database (more than 150,000 applicants), as well as households from the IMPACT database (approximately 105,000 applicants). All applicants must undergo a verification process involving a household visit where easily verifiable and measurable information is collected that allows the computing of a household “poverty score”. Households whose score is below the extreme poverty line will be deemed eligible to receive benefits under the ESSN. As of March 2020, it is estimated that there are 156,000 Lebanese households below the extreme poverty line. The Project will select the extreme poor households from across the entire country and not from specific regions.

13. What is the targeting methodology employed by the ESSN?

The ESSN Project utilizes a hybrid targeting methodology, combining the Proxy Means Testing (PMT) methodology to identify extreme poor households, and categorical targeting to prioritize socially vulnerable groups within the group of extreme poor households. Eligible households will thus have to satisfy two conditions: (a) their verified PMT scores will be below the eligibility cut-off corresponding to the extreme poverty line; and (b) they will belong to pre-defined socially vulnerable categories – including households with members with a disability, households with any elderly members, households with any children (ages 0 – 17) and female-headed households. The PMT methodology involves generating a ‘poverty score’ for each assessed household based on their wealth, assets, demographic characteristics that are correlated with poverty. Households below the extreme poverty cut-off score will be deemed eligible for the transfers (if they also belong to any of the socially vulnerable groups listed above), while those above the cut-off will not be eligible for cash transfers.

14. Are there any conditions on the households for use of the cash transfers?

The provision of cash transfers under Component 1 is unconditional and unrestricted: eligibility is based on the assessment of household poverty status and recipient households can decide on expenditures and prioritization of needs. However, education cash transfers for students at risk of dropping out under Component 2 will be contingent on student registration/enrollment in the relevant grade. This condition will be monitored by the project for the payment of school fees and parent’s council fees. Thereafter, the use of monthly top-up cash transfers to cover education-related expenditures will not be strictly monitored, nor will benefits be withdrawn if children do not attend school. However, if the latter takes place, this will trigger follow-up at the school level as well as by social workers to encourage children to attend school.

15. What are the implementation arrangements under the ESSN?

The institutional and implementation arrangements of the project involve several GOL ministries and entities:

- Inter-ministerial Committee for Social Affairs (IMC): Chaired by the Prime Minister, this committee will be in charge of high-level coordination, collaboration, and transparent oversight of SSN programs. The IMC for Social Affairs will be supported by a Technical Committee, chaired by the Minister of Social Affairs and acting as the Secretariat to the IMC on Social Affairs.
- Expert Advisory Group will be established to provide guidance to the Technical Committee on the ESSN project. The group will consist of local experts from academia, think-tanks, and civil society in the fields of poverty and social policy.
- Central Management Unit: The current NPTP Central Management Unit (CMU) at the Presidency of the Council of Ministers (PCM), which was established in November 2008, will act as the Project Management Unit (PMU). The CMU will be responsible for two main functions: managing and housing the targeting database and managing the fiduciary aspects of the ESSN (procurement, financial management, M&E functions, and audits).
- MOSA: The MOSA through its NPTP Unit will carry out the verification of beneficiaries by its NPTP social workers, oversee registration and card distribution and conduct necessary follow-up, development, delivery, and oversight of the social services packages and links with the households receiving the cash transfers—through its SDCs and/or

community centers/NGOs; and implementing and managing a robust GRM system. The MoSA will be represented at the IMC and the Technical Committee.

- MEHE: The MEHE will be responsible for providing monthly data on gender- and age-disaggregated attendance and quarterly academic performance of the students supported by cash transfers under Component 2. MEHE will be represented at the IMC and the Technical Committee.
- WFP: The GOL will contract out WFP for the implementation of the cash-based assistance parts of Components 1 and 2, based on its experience in the implementation of the NPTP.

16. What are the transparency, oversight, and anticorruption measures under the ESSN?

- Communication: The project includes a dedicated communications sub-component to ensure that intended beneficiaries and the public at large understand the objectives and target population of the ESSN. This will ensure that applicants are fully aware of the processes used to determine eligibility. The communications activities will also ensure that beneficiaries are fully aware of the amount of cash transfers due to them every month so they can claim the full amount of their entitlements and report any discrepancy.
- Grievance Redress Mechanism (GRM): A robust and fully functional GRM has been included as a key project sub-component and is a disbursement condition. A firm will be hired to develop a set of systems and procedures aimed at resolving complaints, queries, and requests at the national and local levels through MOSA and MEHE. Multiple channels for receiving complaints will be used. Each Ministry would have GRM focal points who will oversee monitoring the GRM at the local levels.
- Targeting and Eligibility Verification: The targeting approach focuses on identifying extreme poor Lebanese households across the entire country and not in specific regions. This is chosen deliberately to maintain the focus on including all the extreme poor in the country and to avoid favoring any specific regions/groups over others. All applicants will be verified using the same PMT methodology to access eligibility below the extreme poverty line.
- Third Party Monitoring (TPMA): An independent TPMA will be recruited to verify the eligibility of beneficiaries under Components 1 and 2 and to confirm that payments have been made to end beneficiaries. The appointment of the TPMA is a disbursement condition. The TPMA will collect monthly data and report quarterly. Reports of the TPMA will be publicly disclosed to ensure complete transparency in the implementation of the program.
- Financial Management: Fiduciary reporting from the WFP, project quarterly unaudited interim financial reports (IFRs) showing comprehensive breakdown of expenditures, and external audit TORs will be expanded to include verification of the project's IFRs and cross validation with the data from the TPMA reports.
- Engagement of Stakeholders and Consultations: An Expert Advisory Group composed of local experts from academia, think-tanks, and civil society in the fields of poverty and social policy will be established to provide guidance to the Technical Committee on the ESSN.

17. How will the ESSN mitigate the fiduciary risks related to targeting and payments? How will it ensure payments will go to those who are eligible?

The fiduciary risks will be mitigated through the following measures:

- For Components 1 and 2, the CMU will contract WFP to implement the cash transfers. Funds will be channeled from the World Bank through the Ministry of Finance treasury account to the WFP and then to Financial Service Provider who will upload the cards on a monthly basis. The WFP will submit quarterly financial reports 30 days after the end of each quarter in form and content acceptable to the World Bank.
- A Third-Party Monitoring Agent (TPMA) with terms of reference as acceptable to the World Bank will be hired to carry out a verification and periodic recertification of:
website beyond this page, cookies will be placed on your browser. To learn more about cookies, click here.

- Eligible beneficiaries under Components 1 and 2 of the Project;
- Eligible beneficiaries to receive social services under Component 3 of the Project;
- Perform a technical audit of project implementation, including, inter alia: cash transfers, accuracy of payments carried out by WFP under Components 1 and 2; and confirmation of receipt of cash transfers by beneficiaries under Components 1 and 2; confirmation of receipt of registration fees by public schools on behalf of the beneficiaries; and activities carried out by MOSA under Component 3 including household visits.
 - The CMU will contract an independent private external auditor to perform an annual external audit.
 - The CMU will produce the project's consolidated IFRs for submission to the World Bank within 45 days at the end of each quarter.
 - A Project Operations Manual (POM) describing and detailing the project implementation, stakeholders' responsibilities, procurement and financial management policies and procedures, satisfactory to the World Bank, will be adopted prior to loan effectiveness.

18. How is gender mainstreamed in the ESSN and gender-based violence (GBV) risks taken into account?

The ESSN project identifies the need to ensure that female-headed households can access cash transfers given the vulnerabilities they face including food poverty. Hence, the project development objectives and indicators include specific targets for female-headed households. In addition, the targeting mechanism includes weighted criteria for female-headed households, and the expansion of digital payments is expected to benefit women's access and overall financial inclusion. Another gender gap identified is the high percentage of boys dropping out of secondary school to engage in income-generating activities. Hence, Component 2 provides financial incentives to households and the project will monitor boys' attendance and completion rates in secondary school. To mitigate against the risk of Gender-Based Violence (GBV) or sexual harassment (SH), the implementing agency will prepare a GBV Action Plan and hire a GBV specialist. A Grievance Redress Mechanism (GRM) will be in place to provide channels to report Sexual Exploitation and Abuse (SEA)/SH complaints.

19. What is the expected poverty impact of the ESSN?

Simulations conducted by the World Bank using nowcasted Household Budget Survey (HBS) 2011/12 data show that the scale up will reduce the extent of extreme poverty from 21.8 percent in the post-crisis simulation for 2020 to 9.5 percent, reflecting about more than 12-percentage points decrease in the extreme poverty rate. If perfectly targeted, the scale-up will result in a reduction in the poverty gap from 13.9 to 9.2 percent, and the extreme poverty gap from 5.6 percent to 3.6 percent.

20. Are other donors supporting the NPTP/ESSN?

Grant support from donors namely from the EU and Germany (approximately US\$40 million) will enable an expansion of the NPTP from 15,000 (1.5% of the Lebanese population) to approximately 50,000 beneficiary households (this would further increase coverage by 7%). With the roll out of the ESSN, nearly 200,000 households in total will receive with direct cash transfer, corresponding to 27% of the Lebanese population.

21. How were the views of the stakeholders reflected in the ESSN?

The ESSN was designed jointly and in close collaboration with the GOL, development partners and stakeholders. The World Bank organized information, consultations and feedback sessions with activists and experts from local civil society organizations (CSOs), think tanks, national and international NGOs working on public policy and development / humanitarian assistance in Lebanon on the design aspects of the project. An Expert Advisory Group consisting of local experts from academia, think tanks, and civil society in the fields of poverty and social policy has been introduced into the design of the project.

22. What will happen after the ESSN financing ends? How will Lebanon's SSN system be sustained?

Ultimately, the GOL will need to finance its national SSN program from its own resources. This will require reprioritization and reallocation of budgetary resources towards SSN and social protection, away from ineffective and inequitable programs. Given the extremely difficult fiscal situation, such domestic financing will take several years to materialize. The World Bank is preparing a Public Finance Review that will inform the creation of the necessary fiscal space. The ESSN, as well as grant financing from donors, aims to help Lebanon finance the short-term emergency needs for a safety net for extreme poor and vulnerable population. The ESSN is also supporting the development of the back-bone systems for delivering SSNs to ensure sustainability.

23. Should a cash transfer program such as the NPTP/ESSN constitute the only social protection response to the multiple crisis Lebanon is facing?

No. Cash transfers are a form of social safety nets that aim to mitigate the impact of economic crisis on the poor and vulnerable by providing them with a basic income support. And by keeping children in schooling, SSN programs such as the ESSN help preserve the human capital of a generation. However, in a crisis such as in Lebanon, other groups of the population such as the middle class are impacted and will also need support. Social protection programs, including old-age pensions, universal health coverage, and even unemployment insurance are among the types of programs that Lebanon needs to strengthen or develop. Even before the current crisis, reforms were critically needed in the National Social Security Fund, the public pension schemes, the End-of-Service Indemnity, and the health insurance system. The reforms of these program must be included within a fiscal program that is financeable and equitable to reach all segments of the population.

RELATED

WORLD BANK

US\$246 Million to Support Poor and Vulnerable Lebanese Households and Build-Up the Social Safety Net Delivery System- Press Release

Lebanon Emergency Crisis and COVID-19 Response Social Safety Net Project (ESSN)

Lebanon Emergency Crisis and COVID-19 Response Social Safety Net Project (ESSN)- Fact Sheet

Emergency Social Safety Net Project- Video

The World Bank in Lebanon

The World Bank in the Middle East and North Africa

About
Data
Research and Publications
Learning

News
Projects and Operations
Countries
Topics

FOLLOW US



NEWSLETTER

Enter email to subscribe...



This Site in: ENGLISH ▾

Legal | Privacy Notice | Site Accessibility | Access to Information | Jobs |

Contact

REPORT FRAUD OR CORRUPTION