



Feasibility Study for Piloting Graduation Programs in Lebanon

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trickleUP

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ACRONYMS

Comprehensive Refugee Response Framework	CRRF
Consultative Group to Assist the Poor	CGAP
Government of Lebanon	GoL
International Labour Organisation	ILO
Lebanon Cash Consortium	LCC
Lebanon Crisis Response Plan	LCRP
Minimum Expenditure Basket	MEB
Micro, Small, and Medium-Sized Enterprises	MSME
Microfinance Institution	MFI
Ministry of Economy and Trade	MoET
Ministry of Education and Higher Education	MEHE
Ministry of Energy and Water	MoEW
Ministry of Interior and Municipalities	MoIM
Ministry of Public Health	MoPH
Monitoring and Evaluation	M&E
Ministry of Social Affairs	MoSA
Monitoring, Evaluation, Research, and Learning	MERL
National Poverty Targeting Programme	NPTP
National Poverty Targeting Programme-Graduation	NPTP-G
Non-Governmental Organization	NGO
Partnership for Economic Inclusion	PEI
Proxy Means Test	PMT
Survival Minimum Expenditure Basket	SMEB
United Nations	UN
United Nations Development Programme	UNDP
United Nations Population Fund	UNFPA
United Nations High Commissioner for Refugees	UNHCR
United Nations International Children's Emergency Fund	UNICEF
Village Savings and Loan Association	VSLA
Vulnerability Assessment of Syrian Refugees	VASyR
World Food Programme	WFP
World Health Organization	WHO

EXECUTIVE SUMMARY

As host to the largest number of refugees per capita in the world, including an estimated 1 to 1.5 million Syrians in 2017, Lebanon is in need of economic development initiatives that enable the poorest households to become self-reliant¹ and contribute to local economies. Since 2012, the World Bank estimates that Lebanon has incurred losses of US\$13.1 billion² and poverty rates have risen by six percent.³ The most recent figures estimate that more than 1 million Lebanese, or approximately 25 percent of Lebanese nationals, live below Lebanon's national poverty line, with 10 percent living in extreme poverty.⁴ Similarly, 76 percent of Syrian refugee households live below Lebanon's national poverty line and 58 percent are severely socio-economically vulnerable, living below the survival minimum expenditure basket.⁵ Now in its seventh year, the Syrian crisis continues to strain Lebanon's resources and public services, and the ongoing influx of refugees threatens to push more Lebanese into poverty.

In spite of these challenges, Lebanon is well suited to offer a comprehensive response through the Lebanon Crisis Response Plan (LCRP), a well-coordinated civil society and government mechanism through which the Government of Lebanon (GoL), United Nations (UN) agencies, and others proactively support basic assistance, food security, and livelihood development for vulnerable populations, including poor Lebanese nationals and Syrian refugees. Implementers of the LCRP have used poverty databases to identify 3.3 million people in need, and have targeted 2.8 million people, including 1.5 million vulnerable Lebanese and 1.5 million displaced Syrians with appropriate support services.⁶ Those living in extreme poverty have been stratified into different economic categories and offered cash assistance for both food and basic commodities, among other support services. Digital solutions are being utilized to streamline delivery to both populations.

In order to promote local development and market systems, and to create income-generating opportunities, reduce unemployment rates, and protect vulnerable people against shocks and risks, nearly 61,000 individuals have also been targeted through the LCRP's livelihoods sector operational response plan.⁷ Notwithstanding these efforts, as is common in these crisis situations, many of the poorest Lebanese nationals and Syrian refugees remain excluded from these responses. Many existing livelihood programs target Lebanese small and medium enterprises, or provide vocational training only, without sufficient market linkages. Similarly, there is a limited understanding of market opportunities for the poorest Lebanese or Syrian refugees. As a result, the most vulnerable populations lack sufficient information, skills, and assets to engage effectively in the labor market.

In response, beginning in 2016, the GoL's Ministry of Social Affairs (MoSA), in collaboration with the World Bank, began adapting its existing social assistance program for the poorest and most vulnerable Lebanese to more intentionally encourage livelihood development of this population. In 2018 MoSA's National Poverty Targeting Programme (NPTP) will incorporate the **Graduation Approach**,⁸ a sequenced and time-

¹ Self-reliance is the social and economic ability of an individual, household, or community to sustainably meet its essential needs.

² World Bank. 2013. *Lebanon - Economic and social impact assessment of the Syrian conflict*.

³ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

⁴ Ibid.

⁵ UNHCR, UNICEF, and WFP. 2017. *Vulnerability Assessment of Syrian Refugees in Lebanon 2017 (VASyR 2017)*.

⁶ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

⁷ Ibid.

⁸ The term "Graduation Approach" describes any carefully integrated, well-sequenced and closely monitored set of time-bound interventions designed to push households to move beyond food insecurity and extreme poverty into sustainable livelihoods.

bound series of livelihood and social protection interventions, into its programming. MoSA's Graduation pilot, NPTP-G, will target 675 of the poorest Lebanese households with a series of interventions that aim to link the NPTP's safety nets to employability opportunities.⁹ Organizations responsible for implementing the LCRP are eager to leverage lessons learned from the NPTP-G pilot to explore how the Graduation Approach can be used to benefit the poorest members of the host and displaced communities in the future.¹⁰

In April 2017 Trickle Up conducted a study to determine the feasibility of expanding upon this initiative to use the Graduation Approach as a pathway by which both poor Lebanese nationals and Syrian refugees can be more effectively included in livelihood responses and economic development programs. This paper examines the Graduation Approach as a viable solution to enable under- and unemployed Lebanese and Syrians living in extreme poverty to reduce dependence on dwindling aid resources, become self-reliant, and actively contribute to local economies, while building skills and experience among the Syrian population that would prepare them to return to Syria when the crisis is over.

Trickle Up recommends leveraging the existing systems and structures outlined in the LCRP to streamline the delivery of services through a Graduation Approach lens to ensure that the poorest households receive the appropriate support at the appropriate point in their development. Currently, the operational response plans for basic assistance, food security, and livelihoods presented in the LCRP are comparable to many of the components included in the Graduation Approach. By targeting Lebanese and Syrians living in extreme poverty and sequencing these interventions in an intentional and time-bound manner, a Graduation project would maximize impact on beneficiaries. Specifically, the following LCRP structures would easily support implementation of the Graduation Approach. See Annex I for a full summary of recommendations.

- **Targeting the Poorest.** Use the poverty databases designed for the NPTP and the Vulnerability Assessment of Syrian Refugees (VASyR) to identify Lebanese and refugees living in poverty, respectively.
- **Food Security Programming and Basic Assistance.** Utilize the e-card food voucher offered by MoSA to provide Lebanese participants with consumption support; support should be topped-up to ensure the amount and duration are sufficient. Continue to fund consumption support for Syrian refugees through the food security and basic assistance programming outlined in the LCRP, and use the Common Card to streamline delivery.
- **Livelihood Programming.** Leverage the existing high quality training opportunities to build relevant and necessary technical skills to support participants' successful engagement in livelihood opportunities.

Trickle Up proposes implementing a 24-month Graduation pilot (the Graduation Approach in Lebanon Pilot) for 300 participants (150 Lebanese nationals and 150 Syrian refugees), at an estimated cost of US\$1.7 million for implementation or US\$2.3 million, inclusive of research and learning. Based on evidence from previous pilots, it is reasonable to estimate that Graduation Approach participants would earn at least US\$1.33 for every US\$1 invested,¹¹ thus increasing their incomes by at least one third and graduating them out of extreme poverty and into self-reliance.

⁹ World Bank. 2018. *Lebanon: The National Poverty Targeting Program (NPTP): Towards Productive Safety Nets*.

¹⁰ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

¹¹ Banerjee, A., Duflo, E., Goldberg, N., et. Al. Development Economics. A Multi-faceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries. *Science*. May 15, 2015. Vol. 348, Issue 6236, 1260799.

The pilot project will help Graduation implementers determine how best to coordinate and deliver Graduation activities, and will allow them an opportunity to improve targeting mechanisms, adapt service delivery, improve coordination with other organizations, and hone the optimal sequencing of activities to most effectively move people living in extreme poverty to self-reliance. Once funding has been secured for the pilot, the funder(s) can proceed with identifying a Coordinating Partner to lead the initiative. Throughout the pilot, and in anticipation of the opportunity to scale activities in the future, Trickle Up recommends close coordination with the GoL, the NPTP-G, and similar initiatives being implemented by the non-governmental organization (NGO) community, to explore opportunities for collaboration and scale strategies for the Graduation Approach in Lebanon Pilot.

1. INTRODUCTION

In January 2017, the World Bank Group launched a project to conduct analytical work examining the role of financial services to manage the Syrian refugee crisis in Lebanon. The project is financed by the State and Peace-Building Fund, the World Bank's largest, multi-donor trust fund designed to finance innovative approaches to development challenges in regions affected by fragility, conflict, and violence. The project's development objective is to enhance the knowledge of policymakers on the role of financial services to manage economic instability in Lebanon impacted by the Syrian refugee crisis. Activities aim to improve the capacity of policymakers (national and local authorities), market players (including financial service providers), and regulators to make informed and evidence-based programming decisions.

On April 17-27 2017, Trickle Up, NGO dedicated to the economic empowerment of the poorest and most vulnerable populations and with expertise in the Graduation Approach, in conjunction with the World Bank Group, the Consultative Group to Assist the Poor (CGAP), and in close coordination with UNHCR, the United Nations Refugee Agency, conducted a 10-day field trip to Lebanon. The purpose of the assignment was to map and assess existing programming related to social protection and economic development for populations affected by the Syrian conflict and ongoing regional instability, and to assess the feasibility of using the Graduation Approach, a sequenced and time-bound series of livelihood and social protection interventions, as a poverty alleviation strategy for the poorest Lebanese nationals and Syrian refugees. The research team met with donor institutions, financial institutions, United Nations (UN) entities, international relief and development organizations, national and regional NGOs, and Syrian refugees.

1.1 Graduation Overview

The Graduation Approach is a household-level intervention that has proven effective in supporting extreme poor and vulnerable populations to achieve sustained income, asset gains, and increased financial inclusion, initiating their progress out of poverty. The approach, first used by BRAC in Bangladesh, is a carefully sequenced, multi-sectoral intervention that targets the poorest households and provides a social assistance package to ensure basic consumption; skills training; asset transfer or employment opportunities; financial inclusion through financial education and access to savings; and mentoring to build confidence and reinforce skills. The interventions are time-bound (generally 24-36 months) to support people as they move from cash assistance to sustainable livelihoods, while ensuring cost-effectiveness and avoiding long-term dependence. The Graduation trajectory continues even beyond the interventions. Access to markets, financial inclusion, and livelihood opportunities, and an effective social protection support system that helps strengthen participants' social capital and connections, help to ensure that participating households do not return to poverty after they graduate.

The Graduation Approach has a strong evidence base and has been tested in various countries, contexts, and with different implementing institutions. Beginning in 2006, CGAP and the Ford Foundation supported 10 pilots in eight countries (six with randomized control trials) to test the feasibility of the approach in widely-varying contexts and assess whether household-level impacts would be as strong as those seen with BRAC in Bangladesh. These studies, as well as ongoing research on the BRAC program, demonstrated that Graduation reliably leads to successful income gains, increased savings, greater food security, and improved health and happiness. Just after the end of the program, all outcome areas (consumption, assets, income and revenue, physical health, mental health, political involvement and women's empowerment) improved in the treatment group (compared to the control group). One year after the program ended, all the effects on economic variables were still statistically significant, and usually similar to or larger than at the end of the program. There was no evidence of mean reversion in the per capita consumption, food security, or assets; and the gains in financial inclusion, total time spent working,

income and revenue, and mental health in the treatment group also remained positive and statistically significant.¹²

Often seen as a stepping-stone to financial inclusion, the Graduation Approach encourages, or in some cases requires, participants to save. Across the six studies, savings increased significantly, especially in programs with mandatory savings. In Bangladesh, where participants engaged in savings groups, household savings increased ten times more than comparison households. This gain was sustained two years after program activities ended. Estimates pooled from studies in Ethiopia, Ghana, Honduras, and Peru indicate that Graduation households saved 156 percent more than the comparison group; two years after program activities ended, savings balances were 85 percent greater than comparison households.¹³

The Graduation Approach is relatively costly on a per-household basis but highly cost-effective, with every US\$1 invested in participants resulting in earning from US\$1.33 to US\$4.33 across the six evaluated projects. More than 50 Graduation-style scale-ups and adaptations are now underway in nearly 40 countries worldwide, including nearly a third implemented by governments, typically through targeted economic-inclusion-focused programs within national social protection systems. Graduation for refugees is being implemented in four countries (see Section 4.1).

2. ECONOMIC AND SOCIAL CHALLENGES IN LEBANON IN THE CONTEXT OF THE SYRIAN CRISIS

2.1 Defining Poverty in Lebanon

As is common globally, poverty and extreme poverty in Lebanon have been defined and measured through various mechanisms and are presented differently depending on the context. While definitions of poverty for Lebanese nationals and Syrian refugee populations are similar, they are not identical. The national extreme poverty line for Lebanese is US\$2.40 per person per day, while poverty is defined as US\$4.00 per person per day. The poverty line for Syrian refugees living in Lebanon is slightly lower, at US\$3.84 per person per day, while a line for extreme poverty is not frequently used. Instead, as is common in refugee settings globally, socio-economic vulnerability for Syrian refugees is often measured using the Minimum Expenditure Basket (MEB) and the Survival Minimum Expenditure Basket (SMEB). In Lebanon, the SMEB for a family of five is US\$435 per month, equivalent to US\$2.90 per person per day; the minimum expenditure basket is US\$565, or US\$3.77 per person per day. All three of the figures used to measure poverty and severe poverty among Syrian refugees in Lebanon lie between Lebanon's national extreme poverty line and poverty line. See Table 1 for an overview of these calculations.

¹² Banerjee, A., Duflo, E., Goldberg, N., et. Al. Development Economics. A Multi-faceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries. *Science*. May 15, 2015. Vol. 348, Issue 6236, 1260799.

¹³ Ibid.

Table 1: Definitions of Poverty in Lebanon

Lebanese		Syrian Refugees		
Extreme Poverty	Poverty Line	Poverty Line	Survival Minimum Expenditure Basket	Minimum Expenditure Basket
US\$2.40/person/day*	US\$4.00/person/day*	US\$3.84/person/day**	US\$2.90/person/day	US\$3.77/person/day
			US\$435/household/month***	US\$565/household/month****

* The study most commonly used to define extreme poverty and poverty in Lebanon is the 2007 national report, *Poverty, Growth and Income Distribution in Lebanon* by the UNDP and MoSA. The study relies on expenditure data from the 2004/2005 National Survey and uses a money-metric poverty measure.¹⁴ While the aforementioned poverty lines are cited in the Government of Lebanon’s 2018 *Lebanon Crisis Response Plan, 2017-2020*, and therefore used in this report, more recent data is available from the Lebanon Household Budget Survey (2011/2012), which was implemented by the Central Administration of Statistics, with financial and technical support from the World Bank. This survey defines the extreme poverty line in Lebanon at US\$5.70/person/day and the poverty line at US\$8.50/person/day.¹⁵

** The 2015 Vulnerability Assessment for Syrian Refugees (VASyR) uses a food consumption score to measure poverty among Syrian refugees in Lebanon. This score continues to be used in VASyR 2017.¹⁶

*** The SMEB represents the monthly expenditures for a family of five, to cover basic expenses required to survive, including a minimum caloric intake of 2,100, rent for an informal tented settlement, minimum water consumption, and an element of debt repayment.¹⁷

**** The MEB includes expenditure on the expenses included in the SMEB, plus more nutritious food, rent a more formal settlement, hygiene items, cooking fuel, basic clothes, transport and communication costs, and debt repayment.¹⁸

2.2 Impacts of the Syrian Crisis on Lebanon

Since 2011, Syria has been engulfed in a civil war. With a pre-war population of 23 million, it is estimated that the war has killed 470,000 people, displaced 6.3 million people internally, and led over 5 million people to flee, of which close to 95 percent have sought safety in neighboring Lebanon, Turkey, and Jordan.¹⁹ Today, due to this and other conflicts, Lebanon is one of the highest per-capita refugee-recipient countries in the world. In addition to the nearly 312,000 Palestine refugees in Lebanon, many of whom have lived in refugee camps since the 1950s, as of October 2017, the Government of Lebanon (GoL) estimates that the country is host to 1.5 million Syrians, including nearly 1 million registered with UNHCR.²⁰ This represents approximately 25 percent of Lebanon’s national population.²¹

Resources and infrastructure. After 15 years of civil war, Lebanon’s infrastructure was left ravaged; roads, water networks, and drainage were inadequately maintained and left in disrepair. Today, in spite of the GoL’s prioritization to rebuild the country’s economy through a large-scale regional infrastructure project,

¹⁴ Oxfam and Issam Fares Institute of American University Beirut. 2016. *Poverty, Inequality and Social Protection in Lebanon*. https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/rr-poverty-inequality-social-protection-lebanon-200116.pdf.

¹⁵ World Bank. 2018. *Lebanon: The National Poverty Targeting Program (NPTP): Towards Productive Safety Nets*.

¹⁶ Oxfam and Issam Fares Institute of American University Beirut. 2016. *Poverty, Inequality and Social Protection in Lebanon*. https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/rr-poverty-inequality-social-protection-lebanon-200116.pdf.

¹⁷ UNHCR, UNICEF, and WFP. 2017. *Vulnerability Assessment of Syrian Refugees in Lebanon 2017 (VASyR 2017)*.

¹⁸ Ibid.

¹⁹ UNHCR. 2017. *Syria Emergency*. Accessed April 2017. <http://www.unhcr.org/en-us/syria-emergency.html>.

²⁰ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

²¹ Ibid.

municipalities' institutional and financial resource base remain weak,²² and Lebanon continues to struggle to provide basic services, including water, electricity, and roads, to all its citizens. The rapid influx of refugees has further burdened Lebanon's already limited resources and infrastructure.²³

Economic growth. Prior to the Syrian conflict, Lebanon's GDP growth had already dropped from around nine percent per year between 2007 and 2010²⁴ to one percent in 2015/2016.²⁵ The World Bank estimates that Lebanon has incurred losses of US\$13.1 billion since 2012, of which US\$5.6 billion pertains to 2015 alone.²⁶ Trade, for example, especially in the agriculture sector, has been adversely affected, largely because of the closing of the Syrian land border with Jordan in 2014. Prices for raw materials, most of which are imported, have increased due to added costs of transporting them by air. Decreased tourism and lack of job opportunities has also had a negative impact.²⁷

Micro, Small and Medium-Sized Enterprises (MSMEs). MSMEs account for 90 percent of active enterprises in Lebanon and employ 50 percent of the working population; however, they contribute only 27 percent of total revenues. Data from the Ministry of Finance suggests that 96 percent of all MSMEs have fewer than four workers. In particular, MSMEs face constraints related to Lebanon's challenging business environment and limited access to funding (while 53 percent of all firms report having a bank loan, the share of small and medium enterprise loans as a percentage of total banks' loans is only 16 percent).²⁸

Social stability. The World Bank states that poverty rates in Lebanon, already high pre-crisis, have risen by six percent over the past five years, most adversely affecting those living in Northern and Eastern governorates.²⁹ An estimated 170,000 Lebanese people were pushed into poverty because of the crisis.³⁰ Wages have been negatively affected as many displaced Syrians are willing to work for 25 to 50 percent of the salary offered to Lebanese. Some communities have seen unemployment rates almost doubling their pre-crisis levels.³¹ Additional causes of tension between host communities and Syrian refugees include overcrowding, saturation of basic public services, and competition for jobs.

2.3 Economic and Social Challenges amongst Lebanese

Lebanon is an upper middle-income, but features deep socioeconomic inequality. While no recent data on poverty levels exists, data from the National Poverty Targeting Programme (NPTP) indicates that in 2008 and 2011, before the Syrian crisis, 10 percent of Lebanese households lived in extreme poverty (at or below US\$2.40/day) and between 27 and 28.5 percent of Lebanese lived in poverty (at or below US\$3.84/day).^{32,33} The NPTP also shows that the incidence of poverty has risen by six percent over the past

²² World Bank. 2013. *Supporting Lebanon's efforts to rebuild infrastructure and alleviate the impacts of conflict on municipalities*. Accessed April 2017. <http://www.worldbank.org/en/results/2013/06/03/supporting-lebanon-efforts-to-rebuild-infrastructure-and-alleviate-the-impacts-of-conflict-on-municipalities>.

²³ Government of Lebanon. 2017. *Lebanon Crisis Response Plan, 2017-2020*.

²⁴ World Bank. 2017. *Lebanon Data*. Accessed April 2017. <http://data.worldbank.org/country/lebanon?view=chart>.

²⁵ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

²⁶ World Bank. 2013. *Lebanon - Economic and social impact assessment of the Syrian conflict*. Accessed April 2017.

²⁷ Ibid.

²⁸ World Bank. 2016. *Aide Memoire: Implementation Support and Project Preparation Mission: Lebanon MSME Technical Assistance Facility/Leveraging Financial Innovation to Manage Crisis in Lebanon Project, January 27-February 5, 2016*.

²⁹ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

³⁰ World Bank. 2015. *Lebanon: Promoting Poverty Reduction and Shared Prosperity. A Systematic Country Diagnostic*.

³¹ World Bank. 2013. *Lebanon - Economic and social impact assessment of the Syrian conflict*.

³² Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

³³ Poverty rates derived by the Household Budget Survey (2011/2012) and outlined in the World Bank's 2018 *Lebanon: The National Poverty Targeting Program (NPTP): Towards Productive Safety Nets*, indicate that as of 2016, 8 percent of Lebanese, or

five years.³⁴ The majority of extremely poor Lebanese live in the North, Beqaa, and Mount Lebanon governorates.³⁵

Lebanese face high unemployment. Unemployment for Lebanese citizens was estimated at 11 percent before the Syrian crisis, with female and youth unemployment rates at 18 and 34 percent, respectively.³⁶ Unemployment among the heads of vulnerable Lebanese households is 51 percent. Of those who are employed, approximately 50 percent are engaged in the informal sector,³⁷ including off-farm agricultural activities, trade, construction, and other services.³⁸ Unemployment is particularly high in some of the poorest localities, where it is nearly double the national average.³⁹

Many Lebanese households face food insecurity. In 2015, it was estimated that ten percent of Lebanese households were vulnerable to food insecurity and 56 percent employed food-related negative coping strategies such as buying less desirable food or skipping meals; this was elevated among widowed, divorced, and separated individuals and female-headed households. Over 50 percent of households reported incurring debt in 2014, primarily to purchase food.⁴⁰

Access to financial services for poor Lebanese is relatively low. While formal financial services are prevalent in Lebanon, in 2014 only about half of the population reported holding a bank account. That number drops to 27 percent amongst the poorest. However, there is greater parity in terms of savings habits, with 47 percent of the total population and 38 percent of the poorest reporting having saved some money during the year. While 17 percent of the population saves at a formal financial institution, the poorest are three times less likely to do so.⁴¹

2.4 Economic and Social Challenges amongst Syrian Refugees Living in Lebanon

Syrian refugees in Lebanon face multi-dimensional poverty. In 2017, 76 percent of Syrian refugees in Lebanon lived below the national poverty line of US\$3.84 per person per day, an increase from 71 percent in 2016 and 49 percent in 2014.⁴² Similarly, 75 percent of households were unable to meet their basic needs, living below the minimum expenditure basket of US\$565 per household per month.⁴³ In addition, 91 percent of Syrian households report some degree of food insecurity.⁴⁴ Moreover, the percentage of households that are moderately or severely food insecure increased from 13 percent in 2013 to 38 percent in 2016.⁴⁵ These vulnerabilities are more severe for female-headed households, where 82 percent of households live below the poverty line, up from 77 percent the previous year.⁴⁶ According to UN reports, socioeconomic vulnerabilities, exacerbated by a protracted emergency, have translated into increased

46,429 households, live in extreme poverty (at or below US\$5.70/day), while 27 percent of Lebanese, or 180,998 households, live in poverty (at or below US\$8.60/day).

³⁴ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

³⁵ Government of Lebanon. 2017. *Lebanon Crisis Response Plan, 2017-2020*.

³⁶ World Bank. 2016. *Lebanon – Country partnership framework for FY17-FY22 (English)*. Washington, D.C. : World Bank Group.

³⁷ Government of Lebanon. 2017. *Lebanon Crisis Response Plan, 2017-2020*.

³⁸ World Bank Group. 2017. *Jobs for North Lebanon*.

³⁹ Government of Lebanon. 2017. *Lebanon Crisis Response Plan, 2017-2020*.

⁴⁰ Ibid.

⁴¹ The World Bank. 2017. *Global Findex, Lebanon*. Accessed April 2017.

<http://datatopics.worldbank.org/financialinclusion/country/lebanon>.

⁴² UNHCR, UNICEF and WFP. 2017. *Vulnerability Assessment of Syrian Refugees in Lebanon 2017 (VASyR 2017)*.

⁴³ Ibid.

⁴⁴ Ibid.

⁴⁵ Ibid.

⁴⁶ Ibid.

levels of violence against children and women, especially those with disabilities.⁴⁷ In addition, many refugees are living in overcrowded conditions and half of displaced Syrian children (more than 250,000) remain out of certified education.⁴⁸

The GoL has implemented measures to restrict the influx of Syrians by tightening entrance and residency requirements and instituting or raising fees. In 2017, 74 percent of displaced Syrians above 15 years of age were without legal residency,⁴⁹ as opposed to 60 percent in August 2016 and 47 percent in January 2016.⁵⁰ The lack of legal residency increases refugees' vulnerability, and impedes their sense of safety, mobility, access to employment opportunities, engagement in the informal livelihood sector, and access to essential services.

Opportunities to engage in livelihood activities and income generation are limited. While the Syrian labor force in Lebanon constitutes an estimated 384,000 people, roughly 36 percent are unemployed.⁵¹ The average monthly income for working adults is US\$193 per month, and only US\$158 per month for women (despite being employed for nearly the same number of working days),⁵² as compared to the official minimum wage rate for Lebanese of approximately US\$450 per month.⁵³ In January 2017, the Minister of Labor passed a resolution that limits Syrians' professions to three sectors: construction, agriculture, and environment.⁵⁴ According to the Ministry of Labor's 2016 Annual Reports, only 207 new work permits and 1,110 renewed work permits were granted to Syrians, bringing the total number of Syrians formally working in Lebanon to 1,317.⁵⁵ As a result, the vast majority of displaced Syrians, though not actively excluded from the work force, work illegally.

Many Syrian refugees enter vicious cycles of increasing debt and poverty. Decreased socioeconomic well-being has led many Syrian households to resort to negative coping mechanisms, such as reducing essential expenses on health and education, buying on credit, selling productive assets, taking children out of school and sending them into the workforce, and selling homes or land. In 2017, Syrian refugee households had an average debt of US\$798.⁵⁶ While this is a decrease in debt, as compared to 2016 (when there was an average debt of US\$857 per household), it is significantly higher than the average debt of US\$195 reported in 2014.⁵⁷ Ninety-two percent of Syrians displaced in Lebanon report buying cheaper food items, while 58 percent restrict the number of meals per day. In addition, 34 percent of Syrians report selling household goods, 16 percent report selling income-generating assets, and 6 percent report selling land/houses.⁵⁸

⁴⁷ UNHCR, UNICEF and WFP. 2016. *Vulnerability Assessment of Syrian Refugees in Lebanon 2016* (VASyR 2016).

⁴⁸ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

⁴⁹ UNHCR, UNICEF and WFP. 2017. *Vulnerability Assessment of Syrian Refugees in Lebanon 2017* (VASyR 2017).

⁵⁰ UNHCR, UNICEF and WFP. 2016. *Vulnerability Assessment of Syrian Refugees in Lebanon 2016* (VASyR 2016).

⁵¹ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

⁵² UNHCR, UNICEF and WFP. 2017. *Vulnerability Assessment of Syrian Refugees in Lebanon 2017* (VASyR 2017).

⁵³ Minimum-Wage.org. 2017. *Lebanon Minimum Wage, Labor Law, and Employment Data Sheet*. Accessed April 2017. <https://www.minimum-wage.org/international/lebanon>.

⁵⁴ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

⁵⁵ Ibid.

⁵⁶ UNHCR, UNICEF and WFP. 2017. *Vulnerability Assessment of Syrian Refugees in Lebanon 2017* (VASyR 2017).

⁵⁷ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

⁵⁸ Government of Lebanon. 2017. *Lebanon Crisis Response Plan, 2017-2020*.

3. THE HUMANITARIAN AND DEVELOPMENT RESPONSE

3.1 Global Response to the Syrian Crisis

As the Syrian crisis enters its seventh year and other crises emerge around the world, funding is decreasing for humanitarian assistance. There is broad acknowledgment among the global community that the Syrian crisis has placed a disproportionate burden on certain countries, Lebanon included. In September 2016, the UN General Assembly adopted the New York Declaration for Refugees and Migrants (New York Declaration), which includes a set of commitments known as the Comprehensive Refugee Response Framework (CRRF) to improve how member countries respond to large movements of refugees and migrants. Specifically, the CRRF aims to ease pressures on countries hosting large numbers of refugees, to enhance refugee self-reliance, and to expand access to solutions.⁵⁹ The New York Declaration signals a key shift towards recognition that humanitarian aid is insufficient to address the crisis and that replicable initiatives that enable refugees to become sustainably self-reliant are a global priority.

3.2 The Response to the Syrian Crisis in Lebanon

The Government of Lebanon has made commitments in international fora that demonstrate an openness to the move from a focus on humanitarian aid to development and self-reliance for refugee populations. At the February 2016 London Conference on Supporting Syria and the Region, the GoL vowed to launch a “new combination of interventions that aim to stimulate the economy by investing in several areas that will provide a solid foundation for sustained economic growth, and trigger business expansion at the same time as directly providing additional job opportunities for both Lebanese and Syrians.” The proposed interventions aim to create 300,000 to 350,000 jobs, and to provide work permits, where required, with 60 percent of the jobs targeted or tailored to displaced Syrians.⁶⁰

The GoL reaffirmed its commitment to job support for Syrian refugees at the Brussels Conference on Supporting the Future of Syria and the Region, held in April 2017. At the same time, the GoL stressed the importance of continued and increased humanitarian support, and outlined joint priorities including the resolution of the refugee crisis, which would enable Syrian refugees to return to their country in accordance with international law.

Beyond an interest in economic growth, job creation, and private sector engagement aimed at Lebanese MSMEs, and a call for increased humanitarian assistance and temporary support, itself signaling the expectation of a return of refugees to Syria, a stronger economic development response is necessary. Close collaboration between humanitarian and development institutions, and the coordination and sequencing of activities to support people living in extreme poverty, is crucial. Given the GoL’s interest in exploring the Graduation Approach with Lebanese living in extreme poverty, Trickle Up believes that the Approach may be an appropriate way to serve both Lebanese and Syrian nationals suffering as a result of the Syrian Crisis in Lebanon.

3.3 Existing Structures upon which to build the Graduation Pilot

While the challenges presented by the Lebanese context are formidable, the Government of Lebanon has already put in place structures and systems to support a transition from humanitarian to development solutions. Lebanon is indeed operationalizing its global commitments, outlined in part in London and Brussels, through the implementation of the Lebanon Crisis Response Plan (LCRP) 2017-2020, a strategic policy framework that addresses the Syrian refugee crisis. The strategy is a collaborative effort between

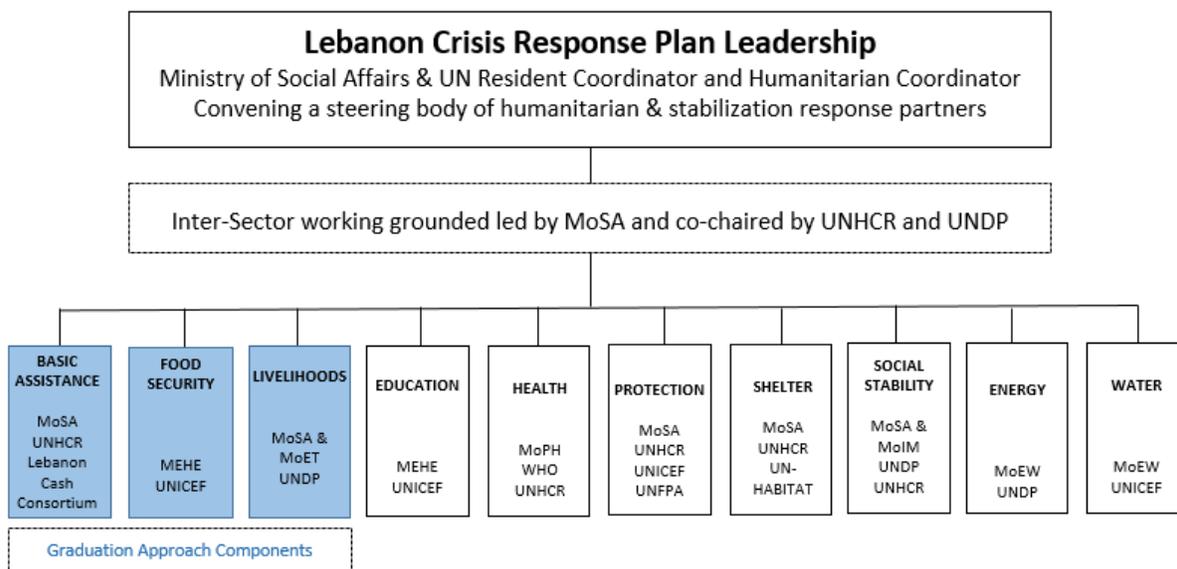
⁵⁹ UNHCR. 2016. *Comprehensive Refugee Response Framework: from the New York Declaration to a global compact on refugees*.

⁶⁰ Government of Lebanon. 2016. *London Conference: Lebanon Statement of Intent*.

the GoL, the UN, international and national NGOs, and the international donor community. The level and breadth of coordination among development and humanitarian actors is a rarity for situations of humanitarian response, making Lebanon a promising site for multi-party Graduation projects.

In addition to focusing on education, energy, health, protection, shelter, social stability, and water, the LCRP directly addresses basic assistance, food security, and livelihoods. Moreover, the 2018 LCRP specifically notes the linkages between these sector approaches and Graduation, and the potential value that the Approach might have for supporting the poorest Lebanese and Syrian refugees to attain self-reliance: “Working on a multi-year timeframe will allow the sector to incorporate elements of the graduation out of poverty approach to transition some of the most vulnerable households living in extreme-poverty towards self-reliance....By working towards implementing longer term interventions integrating different elements of the Food Security, Basic Assistance and Livelihoods sector strategies, sector partners can make a significant and long-lasting impact on the poorest members of the host and displaced communities.”⁶¹

Figure 1: LCRP Structure and Management



Source: Adapted from LCRP⁶²

Under the NPT, and as outlined in the LCRP, the Ministry of Social Affairs (MoSA) offers health and education subsidies to the most vulnerable Lebanese households. It also provides food assistance in the form of US\$27 per person per month for up to six household members, or US\$162.⁶³

Through the LCRP, agencies have also worked to help Syrian refugees living in extreme poverty attain the survival minimum expenditure basket of US\$435 per month for a household of five. Households receive food assistance (US\$135 per household per month) and basic assistance (US\$175 per household per

⁶¹ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

⁶² Government of Lebanon. 2017. *Lebanon Crisis Response Plan, 2017-2020*.

⁶³ Ibid.

month). In addition to these support mechanisms, households are estimated to generate US\$125 per household per month from work and remittances (see Table 2).⁶⁴

Table 2: LCRP's Approach to Supporting Syrian Refugees' Attainment of Lebanon's Survival Minimum Expenditure

Amount (US\$)	Type of Support	Supporting Institution(s)
\$135*	Food Security	World Food Programme (WFP)
\$175**	Basic Assistance (Multi-purpose cash)	UNHCR and humanitarian organizations
\$125	Other	Expected income generated from work and remittances
\$435	Survival Minimum Expenditure Basket	

* Based off of the NPTP's US\$27 per person per month, WFP offers food assistance to the most vulnerable Syrian refugees in the form of US\$27 per person per month, for a household of five.

**The cash package aims at bridging the gap between what households receive through food assistance (US\$135) plus the amount assumed to be generated through remittances and work (US\$125) to reach a survival level of expenditures of US\$435 per household per month).

The following section assesses how a Graduation pilot project that serves both vulnerable Lebanese nationals and Syrian refugees can be supported by existing LCRP structures.

3.3.1 Targeting the Poorest

A considerable amount of work has already been done to understand the poverty characteristics of Lebanese nationals and Syrian refugees, which can be leveraged in a Graduation pilot. The segmentation of both populations into poverty strata have helped inform the response from humanitarian and development actors as outlined in the LCRP. The two targeting strategies currently in use are:

- **Lebanese: NPTP.** The National Poverty Targeting Programme, established in 2009 and implemented by MoSA and the Presidency of the Council of Ministers, is Lebanon's national social assistance program, which supports Lebanese households living in extreme poverty. The NPTP includes a poverty targeting strategy, which could be leveraged for the Graduation pilot. Beneficiaries apply to participate in the NPTP, which uses a proxy means testing (PMT) targeting mechanism to define the most suitable beneficiaries amongst applicants. Participants are then verified by approximately 350 social workers and inspectors that work out of 100 social development centers around the country.⁶⁵ To date, 35,000 households have been identified as living in extreme poverty (below US\$2.40/person/day), and therefore in need of health, education, and food support.^{66,67}
- **Syrians: VASyR.** The Vulnerability Assessment of Syrian Refugees in Lebanon (VASyR) is an annual survey conducted jointly by the United Nations Children's Fund (UNICEF), UNHCR, and WFP to identify changes and trends in the situation of Syrian refugee households in Lebanon. The VASyR uses a PMT formula to target socioeconomically vulnerable Syrian households and predict

⁶⁴ Ibid.

⁶⁵ World Bank. 2018. *Lebanon: The National Poverty Targeting Program (NPTP): Towards Productive Safety Nets*.

⁶⁶ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

⁶⁷ The World Bank's 2018 *Lebanon: The National Poverty Targeting Program (NPTP): Towards Productive Safety Nets* indicates that as of 2016, 46,429 households live in extreme poverty (at or below US\$5.70/day), as derived by the Household Budget Survey (2011/2012).

household expenditures based on key demographic variables such as date of arrival, number of dependents, gender, education, age, and presence of members with disabilities.⁶⁸ Currently, over 124,000 households have been identified as living below the poverty line (US\$3.84/person/day), and therefore eligible for multi-purpose cash assistance.⁶⁹

While it is unclear how well the tools used by NPTP and VASyR distinguish between poverty levels of the most vulnerable, they can certainly inform participant selection in a Graduation pilot.

3.3.2 Food Security Programming

The food security strategy outlined in the LCRP aims to reduce food insecurity through food assistance, harmonizing the identification of eligible households across different types of assistance, and utilizing a common assistance delivery system.⁷⁰

In response to rising poverty levels in communities hosting refugees, and in order to help mitigate tensions between the Lebanese and refugee communities, in 2014, the GoL, with support from the World Bank, scaled up the NPTP to include more poor Lebanese households and provide food assistance through an electronic food voucher card (e-card). As of December 2017, the e-card had been disbursed to 10,008 extremely poor Lebanese households (approximately 60,000 individuals).⁷¹ Each household receives cash support of US\$27 per person per month, up to US\$162 per household per month. In addition, 5,000 individuals will receive access to community kitchens to help promote food security.⁷²

Table 3: Cash Transfer Programs Included in LCRP 2017-2020⁷³

Cash Transfer Program	Beneficiary	Target Number of recipients of Food Security Support	Target Number of Recipients of Basic Assistance	Organizations
E-card Food Voucher	Extremely Poor Lebanese	60,000 individuals	10,000 individuals ⁷⁴	Implementer: MoSA
Common Card	Extremely Poor Syrian Refugees	795,000 individuals	275,000 individuals	Infrastructure: Banque Libano-Francaise (BLF), CSC Bank (formerly) Implementers: UN agencies, INGOs and NGOs

On the basis of the poverty targeting outlined in the NPTP, and in order to provide similar support to the most vulnerable Lebanese nationals and Syrian refugees, WFP currently provides food assistance to Syrian refugees in the amount of US\$27 per person per month, for a family of five. To date, the card has been

⁶⁸ Government of Lebanon. 2017. *Lebanon Crisis Response Plan, 2017-2020*.

⁶⁹ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

⁷⁰ Government of Lebanon. 2017. *Lebanon Crisis Response Plan, 2017-2020*.

⁷¹ World Bank. 2018. *Lebanon: The National Poverty Targeting Program (NPTP): Towards Productive Safety Nets*.

⁷² Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

⁷³ Ibid.

⁷⁴ The modality of the basic assistance for Lebanese is still under exploration.

distributed to approximately 173,000 displaced Syrian households. The LCRP for 2017-2020 includes a plan to target a total of 795,000 displaced Syrians that classify as severely and moderately food insecure. Forty thousand individuals are expected to receive in-kind assistance and 755,000 to receive cash-based food transfers.⁷⁵

3.3.3 Basic Assistance

Of the estimated 2.243 million people residing in Lebanon in need of basic assistance, 60% or 1.354 million (including 1.065 million displaced Syrians and 176,500 Lebanese) are targeted for basic, multi-purpose (cash) assistance.⁷⁶ The basic assistance strategy outlined in the LCRP aims to prevent socioeconomically vulnerable Lebanese and Syrian households from falling deeper into poverty through regular assistance to ensure households can meet their basic needs.

Through the 2017-2020 LCRP, organizations involved in the Basic Assistance sector are working closely with the NPTP to explore how to adapt its safety net platforms to support the needs of vulnerable Lebanese. In 2016, LCRP partners targeted approximately 1,800 households (who had not received food assistance) with multi-purpose cash. Going forward, organizations in the LCRP intend to target 10,000 individuals with basic assistance, both cash and in-kind.⁷⁷

Through the LCRP, select Syrian refugees living in extreme poverty collect US\$175 per month for multi-purpose use. This assistance is expected to act as a supplement to the food assistance and income generated from work and remittances so that households can reach the survival minimum expenditure basket of US\$435 per household per month (see Table 3, above).⁷⁸

In October 2016, WFP, UNHCR, UNICEF, and the Lebanon Cash Consortium (now defunct) began distributing the Common Card, a single, common pre-paid card that aims to maximize efficiency gains in the delivery of assistance to vulnerable households, including economically disadvantaged Lebanese nationals and Syrian refugees. The pre-paid card has been distributed to more than 185,000 Syrian refugee households, and can be used at any of the ~1,800 ATM across the country⁷⁹ and/or at the nearly 500 WFP-contracted shops, depending on whether it has been loaded with food and/or basic assistance.⁸⁰ The Common Card uses the Lebanon One Unified InterOrganisational System for E-cards (LOUISE), a system that uses one information management system, one financial service provider, and one call center, and is harmonized with the VASyR targeting results.⁸¹

3.3.4 Livelihood Programming

Under the livelihoods response strategy outlined in the LCRP, the GoL has identified job creation for vulnerable Lebanese and displaced Syrians as the main priority in improving livelihoods. Through the LCRP, participating institutions aim to provide business development services to approximately 2,750 MSMEs, start-ups, and cooperatives to create and maintain approximately 5,600 jobs for Lebanese in 2017.⁸² While the majority of direct beneficiaries are Lebanese business owners, policy-makers assume that enhancing

⁷⁵ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

⁷⁶ Ibid.

⁷⁷ Ibid.

⁷⁷ Ibid.

⁷⁸ Government of Lebanon. 2017. *Lebanon Crisis Response Plan, 2017-2020*.

⁷⁹ International Monetary Fund. 2017. *Financial Access Survey*. Data as of 2016. Access in December 2017.

⁸⁰ WFP. 2016. *WFP Lebanon Country Brief, October 2016*.

⁸¹ UNHCR, UNICEF and WFP. 2017. *Vulnerability Assessment of Syrian Refugees in Lebanon 2017 (VASyR 2017)*.

⁸² Government of Lebanon. 2017. *Lebanon Crisis Response Plan, 2017-2020*.

the capacity of MSMEs, particularly those in the construction, agriculture, and environment sectors, will increase employment opportunities for both Lebanese and Syrians.

As such, the vast majority of new development initiatives to support the livelihood development of poor workers in Lebanon prioritize Lebanese beneficiaries, with Syrian refugees as potential indirect beneficiaries. Few, if any, large-scale livelihood programs target those living in *extreme poverty*, either Lebanese or Syrian. Support to those populations remains largely humanitarian in nature.⁸³

In 2016, the Government of Lebanon, in collaboration with the World Bank, began adapting the NPTP to encourage livelihood development of poor Lebanese through the Graduation Approach. The GoL's Graduation pilot, NPTP-G,⁸⁴ aims to promote increased and sustainable levels of income among the poorest Lebanese households and to improve their overall relative poverty levels. The NPTP-G pilot will launch in 2018 with 675 of the poorest NPTP households. It will provide self-employment opportunities through a comprehensive package of services that corresponds to Graduation Approach components:

1. NPTP pre-paid cards with food e-vouchers for consumption support and food security;
2. Asset transfer based on local market needs to help jump-start one or more economic activities;
3. Technical skills training related to the chosen asset;
4. Financial literacy training and linkages to financial services for improved money management; and
5. Intense coaching and life-skills training to boost beneficiaries' self-confidence and social capital and contribute to improving overall levels of well-being.⁸⁵

Responses to the innovative NPTP-G by stakeholders of the LCRP have been positive thus far and the 2018 LCRP mentions that “[t]he graduation out of poverty approach will be piloted with a small caseload of Lebanese and Syrian beneficiaries” with support from the Basic Assistance and Livelihood sectors.⁸⁶ Close collaboration with the NPTP-G will be imperative to the success of the Graduation Approach in Lebanon Pilot, both to ensure that lessons learned are being shared between projects, as well as for appropriate consideration of the scale-up of the initiative in the future.

4. THE GRADUATION APPROACH IN LEBANON

4.1 Adapting and Innovating the Graduation Approach for Refugees

The Graduation Approach has been effectively utilized with host community and refugee populations in rural, urban, and camp settings. In 2015, UNHCR, in partnership with Trickle Up, began piloting the Graduation Approach, and to date it has been implemented in Costa Rica, Ecuador, Egypt, and Zambia, with projects soon to launch in Argentina, Burkina Faso, Malawi, Mozambique, Sudan, and Zimbabwe for both refugee and host community populations.⁸⁷

⁸³ Other key initiatives include the United States Agency for International Development (USAID)'s Lebanon Enterprise Development Project (LED) and Livelihoods and Inclusive Finance Expansion (LIFE) projects. LED is a three- to five-year US\$19.5 to US\$24.5 million project that aims to create jobs for Lebanese citizens through the provision of consulting and business development services to medium-sized, and some small-sized, enterprises. LIFE is a five-year, US\$15 million project to strengthen livelihoods, advance the microfinance industry, and expand inclusive finance in order to improve economic opportunities for underserved entrepreneurs and recipients of microfinance services, primarily Lebanese citizens.

⁸⁴ For more information on the NPTP-G, see the World Bank's 2018 *Lebanon: The National Poverty Targeting Program (NPTP): Towards Productive Safety Nets*.

⁸⁵ World Bank. 2018. *Lebanon: The National Poverty Targeting Program (NPTP): Towards Productive Safety Nets*.

⁸⁶ Government of Lebanon. 2018. *Lebanon Crisis Response Plan, 2017-2020*.

⁸⁷ UNHCR. 2014. *Global Strategy for Livelihoods, A UNHCR Strategy 2014-2018*.

UNHCR operations have adopted the Graduation Approach, in part, because many of the components of the approach are already found in UNHCR operations, though typically they are not combined, sequenced, or time-bound to meet the needs of the poorest. In a typical UNHCR operation, different programs use different selection criteria and refugees often receive one, but not multiple, services. Applying a “Graduation lens” to its operations helps UNHCR target the poorest and then carefully sequence several existing interventions so the refugees who qualify for Graduation receive the appropriate support at the appropriate point in their development: cash assistance in the early phase as participants get their footing and participate in skills training activities; seed capital grants or job placement to boost their income; and individualized mentoring throughout. Importantly, the Graduation Approach is contextualized in each location to address the specific limitations, and take advantage of all opportunities afforded to host community and refugee populations.

Box 1: Results from Adapting the Graduation Approach for Refugees⁸⁸⁸⁹

Key results include:

- In Ecuador, the average household per capita income increased to US\$86.09 in 2017 from US\$66.31 in 2015.
- Participant households’ access to formal financial institutions increased by 95% in Ecuador.
- Out of 3,200 participants served by UNHCR Egypt, over 700 participants had their own business after the program’s end and 636 participants found jobs.
- The average income earned per participant per month increased by an estimated 18% in Cairo and 27% in Alexandria (Egypt).

UNHCR’s pilot Graduation projects for refugees have led to a number of innovations within the Graduation Community of Practice. Some of the first Graduation projects implemented in an urban context, the pilot projects included a wage employment option for its participants, with the inclusion of workplace readiness training to facilitate participants’ inclusion into the labor force. Additional adaptations were made to suit the specific vulnerabilities of refugee populations; for example, coaching is often supplemented with psychosocial support and training on legal rights. UNHCR Ecuador used the Graduation lens to completely transform planning for its wider refugee response. Questions related to socioeconomic status and livelihood activities are now included during intake, and Graduation is now UNHCR Ecuador’s response of choice for those living in extreme poverty who can pursue economic activities, while those living in extreme poverty who cannot work receive ongoing support, and those who are better off are referred to appropriate government services. Building off of its successful 200-participant pilot, UNHCR Ecuador has now reached more than 2,300 refugees nationally and in 2018 plans to collaborate with the Government of Ecuador to incorporate refugees into the government’s existing social protection system.⁹⁰ Trickle Up and UNHCR’s global experience modifying the Graduation Approach for host communities and refugees could positively inform a Graduation strategy in Lebanon.

⁸⁸ CGAP, Trickle Up, UNHCR. 2017. *Economic Inclusion of the Poorest Refugees: Building Resilience through the Graduation Approach*.

⁸⁹ UNHCR and Trickle Up. 2017. *UNHCR Graduation Model: Final Evaluation*.

⁹⁰ See CGAP, Trickle Up, UNHCR. 2017. *Economic Inclusion of the Poorest Refugees: Building Resilience through the Graduation Approach* and Lippi L., Taylor-Grosman A. 2017. *Graduation in an Urban Refugee Context: A Technical Guide* for more information on how UNHCR and Trickle Up have adapted Graduation for refugee contexts.

4.2 Lebanon: A Prime Environment for the Graduation Approach

The Graduation Approach is an innovative and viable solution to enable Lebanese and Syrians living in extreme poverty to become self-reliant. By targeting 50 percent Lebanese and 50 percent Syrian participants, the Graduation Approach in Lebanon Pilot would build upon the Government of Lebanon’s commitment to building productive safety nets through linkages to employability⁹¹ and lessons already being learned through the NPTP-G, to enable under- and unemployed Lebanese and Syrians to reduce dependence on dwindling aid resources and become active contributors to local economies. In addition, participation by both target populations will encourage social stability and inclusion within Lebanon.

Lebanese participants will be linked to viable jobs, which will increase their food security and assets, reducing their overall vulnerability and dependence on programs such as the NPTP. Syrian refugees, engaged in jobs in sectors approved for Syrian livelihoods activities by the GoL, will benefit similarly, while also becoming better positioned to return to their country of origin. Participants will develop strong savings habits and financial management skills during the project and may engage in different market sectors than previously, all capabilities that will allow them to better navigate new contexts and facilitate their return. Participants will also build savings and productive assets that can be utilized to invest upon return. In addition, technical skills, including those related to construction, agriculture and agricultural value chains, infrastructure, and recycling activities, will be transferable to projects in Syria.

Moreover, the Graduation Approach in Lebanon Pilot can draw on the strengths of systems and structures that already exist in Lebanon (see Table 4, below) to streamline the delivery of effective services to both target populations. Many of the components of the Approach already exist in the humanitarian and development communities’ interventions in Lebanon. There are existing targeting mechanisms to identify both Lebanese citizens and Syrian refugees living in poverty and extreme poverty, the NPTP and VASyR, respectively. Cash assistance, for both food and basic assistance, is available to both Lebanese and Syrian populations, and digital solutions are being leveraged to streamline delivery. In addition, several organizations report they are utilizing case managers and/or outreach volunteers to provide closer support to Lebanese and refugee households, which mirrors the support offered by coaches in the Graduation Approach. Nascent efforts to utilize savings groups exist, though this is an area to be strengthened. There is a strong and well-coordinated civil society and government mechanism in the form of the LCRP.

Table 4: Existing Structures on Which to Build Graduation Pilot

Lebanon Crisis Response Program 2017-2020 structures			
Targeting	Food Security	Basic Assistance	Livelihood Programming
<ul style="list-style-type: none"> • NPTP (Lebanese) • VASyR (Syrians) 	<ul style="list-style-type: none"> • E-Card Food Vouchers (Lebanese) • Common Card (Syrians) 	<ul style="list-style-type: none"> • Pre-paid card/Common Card (Syrians) 	<ul style="list-style-type: none"> • Focus on strengthening Lebanese MSMEs to increase employment for vulnerable populations • NPTP-Graduation program (Lebanese) <ul style="list-style-type: none"> ○ Rapid market analysis ○ Asset transfer ○ Technical skills training ○ Coaching and life-skills training ○ Financial literacy training and link to microfinance services

⁹¹ World Bank. 2018. *Lebanon: The National Poverty Targeting Program (NPTP): Towards Productive Safety Nets*.

Graduation pilot			
Use existing targeting “tools” to identify the <i>extreme poor</i> within both Lebanese and Syrian populations	Utilize existing card-based delivery system for food assistance	Utilize existing card-based delivery system for basic assistance	<ul style="list-style-type: none"> • Design appropriate livelihoods programming for extreme poor <ul style="list-style-type: none"> ○ Asset transfer ○ Technical skills training ○ Coaching and life-skills training ○ Financial literacy and linkages to savings groups/VSLAs

Through the LCRP, the GoL and other actors have taken a proactive stand to support livelihood development in Lebanon; nonetheless, the poorest Lebanese nationals and Syrian refugees remain outside of the majority of these interventions. As described above, many livelihood programs either target Lebanese-owned MSMEs or provide vocational training opportunities only, but do not offer sufficient linkages to viable markets. As a result, many of these vulnerable populations lack the sufficient information, skills, and assets to engage effectively in the labor market. The Graduation Approach’s livelihood support to those living in extreme poverty to engage in self-employment or wage employment opportunities is a clear value-add to Lebanon’s existing programs.

4.3 Piloting the Graduation Approach in Lebanon

Trickle Up has identified two overarching critical considerations that must be in place to enable the success of the Graduation Approach in Lebanon Pilot, each of which informs the recommendations that follow. In spite of the relatively strong operating environment, the engagement of Syrian refugees in livelihood activities in Lebanon is a politically sensitive issue.

1) *The Graduation pilot project’s design should respect the GoL’s pressure points and priorities.*

In order to address the sensitivities with implementing livelihoods projects with Syrian refugees, Trickle Up recommends designing a pilot project that clearly aligns with the GoL’s stated priorities and regulations, adhering to the following guidelines:

- a. ***The project should support livelihood activities for Syrian refugees that do not compete with Lebanese jobs.*** Key informant interviews suggest that there continue to be real and perceived concerns on the part of the GoL and Lebanese citizens regarding the impact that Syrians are having on job opportunities for Lebanese. As such, Trickle Up recommends promoting livelihood activities in the three sectors identified by the government as appropriate for Syrian refugees: agriculture, construction, and environmental activities. Within these sectors, it will be important to identify livelihood opportunities that do not compete directly with job opportunities that are seen as favorable for Lebanese nationals. In addition, home-based businesses may be appropriate for Syrian refugees, primarily for women.
- b. ***The pilot should be established in a Governorate outside of Beirut, where there are high concentrations of people living in extreme poverty and relatively few livelihood initiatives.*** As an intervention that targets the extreme poor and those especially adversely affected by the Syrian crisis, Trickle Up recommends that the pilot be established outside of Beirut to address development challenges specific to these regions. It is anticipated that a pilot Graduation program would work in conjunction with the GoL, particularly with local municipalities.
- c. ***Messaging regarding the Graduation pilot should highlight certain, specific benefits of the project.*** Messaging should underscore that the project will ensure: a) both Lebanese

and Syrians will benefit (specifically, it should target at least 50 percent Lebanese participants); b) skills and expertise of Syrians will be built to support their eventual return to Syria; c) the development of individuals who are contributing to overall economic improvement in Lebanon; and d) Syrians, particularly those living in extreme poverty, pursue labor opportunities not typically desired by Lebanese.

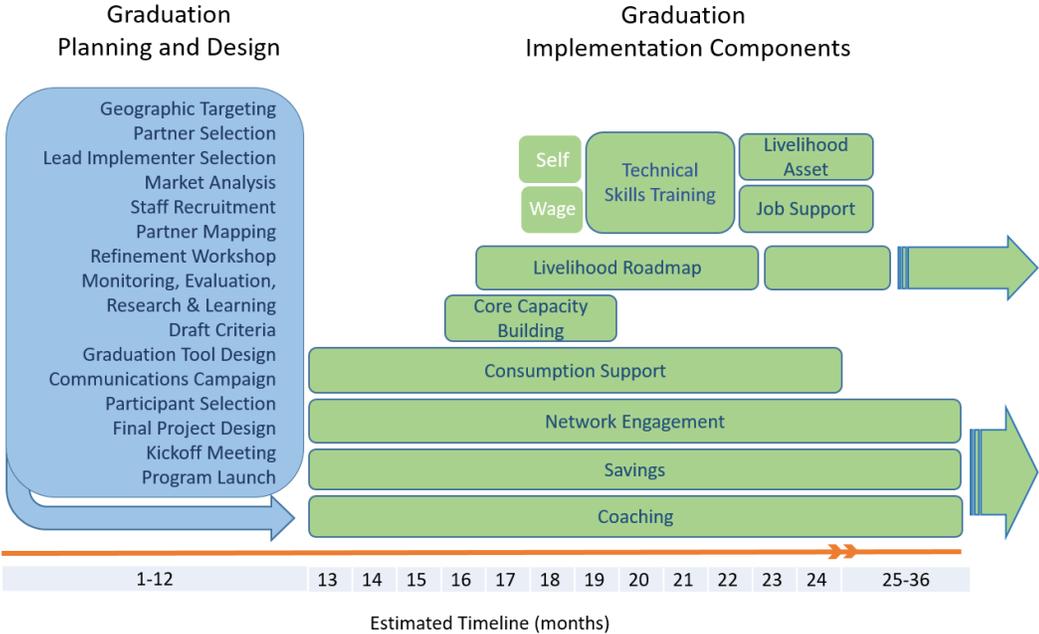
2) *The Graduation Approach in Lebanon Pilot must be designed and implemented to make a case for the success of a scaled-up initiative.* The Graduation Approach in Lebanon Pilot must be designed with an effective scale strategy in mind, and thoroughly documented with multiple audiences in mind. In particular, the funder(s) should seek opportunities to collaborate with, and leverage and share lessons learned with, the NPTP-G. Collaboration with the NPTP-G may also be a good opportunity for cost-sharing, going forward.

4.4 Program Duration and Sequencing

Two elements make the Graduation Approach stand out among traditional economic strengthening programs: the time-bound nature of the intervention and the importance of sequencing. Figure 2 (below) depicts the program design and participant implementation timelines and steps.

While the project timeline must be assessed during the design process, Trickle Up estimates that planning and designing a Graduation project in Lebanon will require nine to 12 months. During this time, partnerships will be put in place, the market analysis conducted, and component design finalized.

Figure 2: Program Design and Participant Implementation Timelines for a Graduation Pilot in Lebanon



Source: Trickle Up 2018

Once planning is complete, implementation can begin. Implementation with host country nationals and refugees in an urban or peri-urban location such as that of Lebanon, is estimated to require 24 months. Program duration must be determined based on the amount of time required for participants to benefit from all components of the program and for participants to engage in several cycles of livelihood activity

to ensure that the livelihood skills and abilities are sufficiently robust to be sustained after the end of the project. Women engaged in home-based self-employment activities with shorter business cycles may only require 18 months, while participants engaged in agricultural activities may require longer to complete the program.

The sequencing of program activities is equally important to program success. The project components must be ordered in such a way to provide the requisite support to participants throughout the process to equip them with the knowledge, skills, and abilities to engage in sustainable livelihood activities.

The specific program duration (the length of time participants are engaged in the program) and appropriate sequencing (order in which participants access each component) will be determined during the pilot project planning process. The pilot project is a critical time for partner organizations to test and refine their services to deliver a well-coordinated response.

Box 2: Description of the Main Graduation Components

Coaching – Starting from the first days of the project, regular home visits help ensure participants gain the skills and self-confidence to engage with the Graduation Approach

Savings – Either formal or informal, savings help build participants’ resilience to shocks

Network Engagement – Building social capital through regular interaction with other community members, within or outside of Graduation interventions, builds resilience and strengthens integration

Consumption Support – Regular cash or in-kind support at project start helps keep participants from selling assets or not participating in program activities

Core Capacity Building – Legal training, household financial management, and soft-skills training ensure that participants attain the necessary attitudes, skills, and knowledge to build sustainable economic activities

Livelihood Roadmap – A household’s livelihoods strategy should include livelihood activities across several cycles to ensure sustainability and resilience against shocks

Technical Skills Training – Technical and vocational skills build the capacity of participants to engage in sustainable livelihoods and employment activities

Asset Transfer – Immediate injection of capital adds value to the participant’s livelihoods activity that will significantly increase the earning capacity of the household

4.5 Graduation Components

The right side of Figure 2 (above) outlines Trickle Up’s recommendations for the key components and suggested sequence for Graduation projects that incorporate persons of concern.⁹² Trickle Up recommends implementing these components and sequencing for the Graduation Approach in Lebanon pilot. In the following section, for each component, Trickle Up proposes considerations related to the component’s technical lead, methods for fostering government support, the component’s role in scale considerations, and anticipated timeline. Recommendations for adapting each component to the Lebanese context are informed by Trickle Up’s desk research and key informant interviews, as well as by Trickle Up’s experience adapting the Graduation Approach to refugee populations in other contexts. Nonetheless, these assumptions must be questioned and updated, as appropriate, during the planning process with implementing partners.

⁹² See Partnership for Economic Inclusion. 2018. *From Extreme Poverty to Sustainable Livelihoods: A Technical Guide to the Graduation Approach* for an overview of the components included in “traditional” Graduation programming.

4.5.1. Coaching

Recommendations: Engage coaches to conduct weekly visits to each household to reinforce training messages, check on the status of household members, monitor livelihood activities, and measure participants' progress as they work towards meeting the Graduation criteria.

Graduation coaches in Lebanon should be junior- to mid-level staff (at least two years of work experience) with some background in case management with vulnerable populations, both Lebanese nationals and Syrian refugees, and a willingness to travel within the country. Because of the large number of programs and services available in Lebanon, coaches will primarily be responsible for monitoring participants' progress, providing encouragement, and offering referral services to different institutions. They can be trained in livelihoods development, as necessary.

Coaches should be supported by outreach volunteers who live in the local communities being served. Outreach volunteers can provide supplementary visits to participants, help coaches understand local dynamics or conditions that might impede the progress of the project or participants, and encourage participants in their progress. Typically, coaches are managed by a supervisor, who can oversee four to five coaches each.

Given the anticipated geographic dispersion of participant households in most urban and peri-urban areas, coaches will likely have capacity to manage a caseload of no more than 40 participants. With a pilot program of 300 participants (150 Lebanese and 150 Syrian refugees), Trickle Up recommends hiring eight coaches and two supervisors, on top of eight outreach volunteers.

Graduation Component: Coaching	
Technical Lead	Lead Implementing Partner
Fostering Government Support	Many UN organizations and NGOs already use similar staffing structures, so both the GoL and municipal governments should be comfortable with this strategy. The NPTG-G pilot will also include coaching.
Scale Considerations	The use of coaches and outreach volunteers allows programs to leverage local resources to reach a large number of participants.
Timeline	Months 1-24

4.5.2. Savings

Recommendations: Given the limitations on financial service providers managing savings for poor Lebanese and refugees, explore Village Savings and Loan Associations (VSLAs) as a savings methodology in Lebanon. Trickle Up further recommends that the Common Card infrastructure be explored as a potential savings mechanism to be utilized in conjunction with VSLAs. Linkages to formal financial institutions may also be appropriate, particularly for Lebanese.

In the Lebanese context, savings is especially important because of high levels of personal debt, but may be one of the most challenging components to design. Beyond Findex (see section 2.2), there is little data available on the demand for savings accounts among the poorest Lebanese. Similarly, few examples of successful savings practices by Lebanese living in extreme poverty emerged during Trickle Up's research trip. While there is evidence that some Lebanese participate in *Jamiyas*,⁹³ or informal savings associations, such practices are not well documented. Microfinance institutions in Lebanon are restricted from accepting deposits. Instead, linkages to formal financial institutions or engagement with the postal

⁹³ A form of Rotating Savings Association, usually informal where a number of individuals pool funds to borrow and save.

service (Liban Post) to offer savings products may be explored for Lebanese participants. If established, savings products should take into consideration the many pressure points of participants living in extreme poverty, particularly accessibility (physical proximity and affordability) and security. Low-income savers often also require more flexible deposit services, including lower fees and extended business hours.⁹⁴

A recent qualitative study conducted by Making Cents International indicated that while there is demand for savings services by Syrian refugees, they face a number of challenges to access. As noted above, MFIs in Lebanon cannot offer savings accounts. Moreover, refugee status inhibits the opening of formal bank accounts.⁹⁵ Given the access constraints to financial institutions for many Syrians, the use of VSLAs should be further explored. *Sanadiq*⁹⁶ have been successfully implemented in Syria, though more research is required to understand whether or not Syrian refugees have engaged in similar activities in Lebanon. Further, inquiries during the feasibility mission revealed that Syrian refugees save by investing in assets, especially gold, which is easy to transport and retains value across borders.

Trickle Up anticipates that informal financial networks will form a good platform on which to build VSLAs. Initial research in Lebanon by Caritas suggests that mixed groups of Lebanese and Syrians are not likely to be successful, but this would need to be investigated further. Similarly, Trickle Up's feasibility study research indicates that men's groups can be a cause for concern to local authorities; as such, Trickle Up recommends exploring mixed gender VSLAs or the potential of digital applications. If established in Lebanon, VSLAs must follow good practice by utilizing one of the evidence-based VSLA methodologies practiced by large INGOs and others.⁹⁷

Trickle Up also suggests that the pilot leverage the technology and infrastructure developed through the Common Card as a platform for savings activities, though further research is needed to establish the possibility of creating financial inclusion products within the current legal framework.⁹⁸ To address the debt challenge faced by both Lebanese nationals and Syrian refugees, intensive training and coaching support is recommended to develop a savings plan for each participant focusing on debt reduction, initially, and then regular saving to accumulate assets.

⁹⁴ CGAP. 2014. *From Extreme Poverty to Sustainable Livelihoods: A Technical Guide to the Graduation Approach*.

⁹⁵ Making Cents International. 2016. *Market Research in Preparation for Refugee Support: Findings from the Focus Group Component*.

⁹⁶ Literally defined as "savings box," in the IFAD-supported Jebel al-Hoss Agricultural Development Project, the term sanduq refers to an autonomous microfinance institution that is owned and managed by its members. See <https://www.ifad.org/documents/10180/21474762-388e-4a52-9171-2128403c0132> for more information.

⁹⁷ See VSL Associates. 2007. *Village Savings and Loans Associations (VSLAs) Programme Guide, Field Operations Manual, Version 3.1*, available at http://www.mangotree.org/files/galleries/813_VSLA_Programme_Guide_Field_Operations_Manual_English_version.pdf for more information on best practices.

⁹⁸ World Bank. 2017. *Lebanon Financial Sector Support Mission – April 19-April 29, 2017: Micro, Small, and Medium Enterprise Technical Assistance (TA) Regional Facility Analytical Work Related to Financial Services to Assist with the Syrian Refugee Crisis Support to Banque du Liban with Arab Financial Inclusion Day*.

Graduation Component: Savings	
Technical Lead	Lead Implementing Partner
Fostering Government Support	Savings builds individuals' self-reliance and decreases dependency. VSLAs will keep Syrian participants out of the formal financial sector. Engagement in formal financial sector can be explored for later linkage opportunities, as appropriate.
Scale Considerations	VSLAs are proven to be scalable and effective. ⁹⁹
Timeline	Months 1-24

4.5.3. Network Engagement

Recommendations: Network engagement activities, designed to build the social capital of participants by encouraging their interaction with others in the community, will be addressed through VSLAs, as they provide an opportunity for participants to meet regularly with one another and build such social capital. If VSLAs are used to encourage savings, as recommended, additional network engagement activities are not required.

Many humanitarian organizations in Lebanon already mobilize groups, including affinity groups (women, youth, men) or livelihood activity groups, which can also be leveraged to support network engagement in the Graduation Approach.

Graduation Component: Network Engagement	
Technical Lead	Lead Implementing Partner
Fostering Government Support	Collective engagement in VSLAs among Lebanese and Syrian refugees will build connections and ease tensions; mixed-gender groups are likely to be favored by local authorities.
Scale Considerations	VSLAs are proven to be scalable worldwide.
Timeline	Months 1-24

4.5.4. Consumption Support

Recommendations: Utilize the e-card food voucher mechanism and modality offered by MoSA for Lebanese, and WFP and UNHCR for refugees, as the consumption support for the Graduation project.

As described in Section 3.3, as part of the LCRP, Lebanese households living in extreme poverty qualify for e-card food vouchers provided by MoSA, while vulnerable Syrian refugees receive food and multi-purpose cash assistance from WFP, UNHCR, and other humanitarian actors, transferred through the Common Card.

While the amount and duration of the consumption support offered to Syrian refugees through the LCRP (US\$310 total per household per month, for both food (US\$135) and multi-purpose cash (US\$175)) should be used to guide the design of Graduation consumption support component, additional research is required to understand how effectively the current intervention supports recipients. Both the GoL and WFP are in the process of redefining poverty and extreme poverty in Lebanon, which should be taken into consideration. Moreover, the amount and duration of the consumption support should be determined once the livelihood activity options are defined and the program has a better understanding of expected livelihood patterns.

Trickle Up recommends providing an equal amount of consumption support for Lebanese nationals and Syrian refugees, so as not to create any inequities in the program. As the proposed US\$310 per month

⁹⁹ Proceedings of the National Academy of Sciences of the United States of America. 2017. *Impact of savings groups on the lives of the poor*. Accessed April 2017. <http://www.pnas.org/content/114/12/3079.abstract>

cannot be guaranteed by MoSA's NPTP food assistance program, and in order to decrease the burden of the program on the GoL, Trickle Up recommends that the program fund consumption support for Lebanese participants directly.

Trickle Up recommends that consumption support for refugees continue to be funded by WFP and UNHCR, and distributed by the Lead Implementing Partner, ideally through the Common Card. Working through WFP and UNHCR in this manner will ensure implementation of Graduation is consistent with other cash transfer distribution strategies in Lebanon and that parallel structures are not created. Existing funding for cash transfers should be utilized to reach Graduation pilot participants. Some negotiation with WFP and UNHCR may be required to ensure that households selected participate in the pilot receive consumption support for the required time period, whether or not they have received it in the past.

Graduation Component: Consumption Support	
Technical Lead	Lead Implementing Partner, with funding from WFP and UNHCR for Syrian refugees
Fostering Government Support	Consumption support will be provided directly to both Lebanese and Syrian participants, at no additional expense to the GoL. The time-bound nature of the consumption support will allow participants to graduate off of assistance after 12 months, which should support the GoL's goal of decreasing dependency of both populations and stabilizing refugees' economic base for return.
Scale Considerations	Existing funding mechanisms from WFP and UNHCR will be leveraged for consumption support for Syrian refugees. In addition, as participants graduate off of assistance into self-reliance, both organizations will be able to reallocate funds to serve new households, helping attain scale.
Timeline	Months 1-12

4.5.5. Core Capacity Building

Recommendation: The Graduation pilot should use existing training opportunities to build the capacity of both Lebanese and Syrian participants on financial literacy, with a special focus on debt management. Syrian refugees should also participate in training on legal rights and responsibilities. Accessing government and INGO programs and services is a potential additional topic for both populations.

Lebanon has a number of reputable training institutes and high-quality courses with which to link. It may be necessary for a technical expert to adapt these courses to be more accessible or applicable to Graduation participants, either considering language, literacy, or hours of service delivery.

Graduation Component: Core Capacity Building	
Technical Lead	Lead Implementing Partner or other capacity building partner(s)
Fostering Government Support	Building poor Lebanese and Syrian refugees' skills in financial literacy and management will decrease their social and economic burden on local and national governments. Syrian refugees will also gain skills on legal rights and responsibilities, enabling them to be more responsible neighbors.
Scale Considerations	Leveraging existing training institutes should be a scalable approach.
Timeline	Months 4-7

4.5.6. Livelihoods Roadmap

Recommendation: Development of a household's viable livelihoods strategy helps participants engage in relevant activities that allow for growth, helping to build a foundation to support self-reliance and resilience against shocks. Market-based livelihood activities for both self- and wage-employment opportunities should be explored. Lebanese households should be connected with viable livelihood

activities with an aperture in the market and with activities where they have, or can build, sufficient capacity to effectively engage in the activity. Livelihood opportunities promoted for Syrians should fall within the three GoL-approved sectors (agriculture, construction, and environment), plus home-based activities for women.

To date, limited market research has been conducted in Lebanon to understand the specific livelihood opportunities available for Lebanese and Syrian refugees living in extreme poverty. Moreover, market opportunities are highly dependent upon the geographic area selected for the pilot and participant profiles. In anticipation of the Graduation Refinement Workshop, a market assessment must be conducted to identify both self- and wage-employment livelihood opportunities for Lebanese and refugees. The Lead Implementing Partner must develop strategies for identifying and assessing markets, liaising with potential employers, and determining the level and type of support required by participants. The Lead Implementing Partner, or selected supporting partner organizations, must consider protection issues related to employment and/or engagement in the informal market and equip participants with strategies to mitigate these issues.

Lebanon's complex labor market is characterized by low employment rates and activity, a large informal sector, and high levels of competition for jobs.¹⁰⁰ In North Lebanon, for example, the labor market provides only one salaried job for every five working age adults; as a result, 53 percent of the working age population are inactive. Participation in the labor market is especially low among women and youth, with only 20 percent of working age women and 38 percent of youth (ages 14-24) engaged in work. Female and male adults with an elementary education or less are especially unlikely to be engaged in the workforce.¹⁰¹

Trickle Up estimates that approximately 75 percent of Lebanese and Syrian participants will opt to engage in self-employment and 25 percent in wage employment opportunities. Within the participating labor force in North Lebanon, 49 percent are wage employed. However, 69 percent of wage employees have tertiary-level education; it is unlikely that this would be the population targeted through the Graduation Approach. Meanwhile, 22 percent of the labor force are self-employed, 20 percent are employers, both largely in informal sectors, and 9 percent are unemployed.¹⁰² Trickle Up also anticipates that most participants will engage in informal labor markets, as more than 85 percent of wage employees are employed informally and only 20 percent of formal sector employees have a secondary education or below.¹⁰³ As such, Trickle Up anticipates that self-employment opportunities within informal sectors will be most prolific.

While there remains a need for a more comprehensive assessment to identify specific labor market opportunities for Lebanese living in extreme poverty, it is anticipated that the majority of livelihood opportunities will include unskilled jobs within agriculture (off-farm), trade, construction, and other services, which dominate the economy of North Lebanon, according to a 2017 study conducted by the World Bank Group. In particular, the following value chains were identified as providing the opportunity to build permanent low-skill positions for Lebanese nationals: potato and other vegetables (post-harvesting and processing), apples and other fruit (harvesting and post-harvesting), and construction.¹⁰⁴ Linkages with the formal sector should also be explored for Lebanese participants.

¹⁰⁰ European Training Foundation. 2015. *Labour Market and Employment Policy in Lebanon*.

¹⁰¹ World Bank Group. 2017. *Jobs for North Lebanon*.

¹⁰² *Ibid.*

¹⁰³ *Ibid.*

¹⁰⁴ *Ibid.*

Many Syrian refugees have existing knowledge and expertise that may be leveraged through the Graduation project, including knowledge of local markets from prior migration to Lebanon and expertise in certain sectors. While limited large-scale studies have been conducted to understand labor market opportunities for Syrian refugees in Lebanon, interviews conducted by ACTED in 2014 with over 40 business owners indicated that the sectors that rely most on Syrian labor include agriculture, construction, and manufacturing. These findings aligned with the study’s focus group discussions with Syrian employees and job seekers, who indicated working primarily in these same sectors.¹⁰⁵ Similarly, findings from an ILO study conducted in 2013 with 400 households showed that many Syrians were engaged in agriculture, personal and domestic services, and construction.¹⁰⁶ Most of these jobs are low-skilled jobs, irrespective of education level.¹⁰⁷ Additional research is required to identify specific value chains where Syrian participants will have viable opportunities.

While there is some overlap of sectors where Lebanese and Syrian refugees work, including agriculture and construction, it appears unlikely that there will be direct competition for jobs. Lebanese workers are more likely to engage in full-time work opportunities, while only 23 percent of Syrian refugees earn regular monthly wages. Instead, most employment opportunities for Syrians are on a seasonal, weekly, or daily basis.¹⁰⁸ These findings were confirmed in the World Bank study in North Lebanon, where foreign workers were found to dominate seasonal employment and low-skilled employment in potato farms; they also account for 30 percent of the jobs in the solid waste and recycling value chain, primarily in low-skilled positions that were not found to be attractive to Lebanese workers.¹⁰⁹ Nonetheless, it will be important for the Livelihoods Roadmap to ensure that both the wage- and self-employment livelihood opportunities promoted to Lebanese and Syrian refugees not be at odds with one another.

Table 5 (below) outlines some of the particular challenges that Syrian refugees face in accessing livelihoods opportunities in Lebanon, which must be taken into consideration in design of the Graduation pilot.

Table 5: Syrian Refugees Challenges in Accessing Livelihoods and Mitigating Measures

Challenge	Potential Programmatic Response
Limited economic activity of displaced Syrians, especially women	Strong training and reinforcement through coaching to build confidence and skills
The seasonal, temporary nature of the sectors in which Syrians can be legally employed, resulting in intermittent work and irregular income	Develop a livelihood roadmap involving multiple family members and sequential activities
Limited mobility of Syrians and the resulting impact on access to livelihoods opportunities	Conduct detailed market assessments focused on local markets and targeted specifically to Syrians

¹⁰⁵ ACTED. 2014. *Labour Market Assessment in Beirut and Mount Lebanon*.

¹⁰⁶ ILO Regional Office for the Arab States. 2013. *Assessment of the Impact of Syrian Refugees in Lebanon and Their Employment Profile*.

¹⁰⁷ ACTED. 2014. *Labour Market Assessment in Beirut and Mount Lebanon*.

¹⁰⁸ ILO Regional Office for the Arab States. 2013. *Assessment of the Impact of Syrian Refugees in Lebanon and Their Employment Profile*.

¹⁰⁹ World Bank Group. 2017. *Jobs for North Lebanon*.

The informal nature of most work available for Syrian refugees	Focus core capacity building on employee/vendor rights; link to resource organizations to provide support; ensure VSLA and other networks offer support
Decreased levels of decent work, and increased potential for exploitation in the workplace (lower pay, longer hours, exploitation by sponsors and more hazardous conditions), coupled with minimal possibilities for legal recourse, especially for displaced Syrian women	Focus core capacity building on employee/vendor rights; link to resource organizations (including legal services) to provide support; develop advocacy strategy
Increased child labor among displaced refugees, especially in agriculture	Devote core capacity building, coaching, and VSLA messaging dedicated to education on child labor; ensure child school enrollment through coaching visits

Graduation Component: Livelihoods Roadmap	
Technical Lead	Lead Implementing Partner
Fostering Government Support	Engagement of poor Lebanese and Syrian refugees in livelihood activities aligns with the GoL's strategy to link safety nets to employability. The pilot will support livelihood activities for Syrian refugees that do not compete with job opportunities for Lebanese. Livelihood activities should be relevant in both Lebanese and Syrian contexts so as to be transferable to refugees' country of origin.
Scale Considerations	The market assessment should focus on identifying market opportunities that accommodate large numbers of workers in the pilot region. If the pilot project scales, additional analyses will have to be conducted to understand the labor market in the rest of the country.
Timeline	Months 4-24

4.5.7. Technical Skills Training

Recommendations: Leverage existing training opportunities to support successful engagement in select wage- and self-employment livelihood opportunities, as identified in the market assessment.

Syrian refugees should participate in technical skills trainings that will help them engage in livelihood opportunities that are viable in both Lebanon and Syria. Skills in construction and environment activities, for example, will enable Syrian refugees to support infrastructure development in both Lebanon and Syria. Similarly, a number of agricultural value chains, including olive and oil production, can be easily transferred between the two contexts.

As mentioned previously, Lebanon is replete with reputable training institutes and high-quality courses. Trickle Up recommends linking Graduation participants to existing technical and vocational training opportunities, where possible. Appropriate training opportunities for both Lebanese and refugees should be informed by the market assessment. It may be desirable to adapt these courses to be more accessible and suitable to Graduation participants, in terms of language, literacy, or hours of service delivery.

Graduation Components: Skills Training	
Technical Lead	Training organization(s) or employer(s)
Fostering Government Support	Technical skills training supports the GoL's strategy to link safety nets to employability. Technical training will support livelihood activities for Syrian refugees that do not compete with job opportunities for Lebanese, and that are clearly transferable to Syrians' country of origin.

Scale Considerations	Leveraging existing training programs should be a scalable approach.
Timeline	Months 6-18

4.5.8. Asset Transfer (Self-Employment) and Job Support (Wage Employment)

Recommendations: Participants engaging in self-employment (anticipated to be 75 percent of both Lebanese and Syrian participants) should receive a cash-based asset transfer. Those pursuing wage employment (anticipated at 25 percent of both Lebanese and Syrian participants) should not receive the asset transfer, but may receive additional job support.

Trickle Up recommends using the Common Card for Syrians, and an equivalent for Lebanese, to transfer the asset to pilot participants. In line with best practices in the Graduation community, Trickle Up recommends the use of cash, rather than in-kind support.¹¹⁰ In addition to being easier to manage logistically, cash-based support builds participants' understanding of and engagement in local markets, and is less likely than in-kind support to create market distortions. Moreover, leveraging existing delivery mechanisms, such as the Common Card, is recommended; the Common Card is secure, familiar, and encourages participants' autonomy. The amount of the asset transfer will be determined following the market assessment. Care should be taken to monitor asset transfers carefully to ensure they are invested in the livelihood activity. It is recommended that the asset transfer be delivered in a single payment to enable investment in an activity of a sufficient size to be sustainable. It is recommended that participants invest some money in the activity, however modest, to ensure buy-in. This is yet another reason for which the savings component is important.

¹¹⁰ CGAP. 2014. *From Extreme Poverty to Sustainable Livelihoods: A Technical Guide to the Graduation Approach*.

Box 3: Linking Refugees to Employment Opportunities¹¹¹

Graduation programs have traditionally been implemented in rural areas, with a focus on self-employment opportunities. However, over half of the world’s refugees live in urban areas, where linkages to wage employment opportunities, both formal and informal, are often possible. In response, UNHCR has begun innovating with Graduation projects to include wage employment opportunities.

Refugees, however, face a number of challenges in finding suitable jobs, including legal barriers, lack of documentation, and discrimination. To help overcome these barriers, UNHCR implements the following guidelines for wage employment: 1) Identify employment options through market analyses; 2) Meet with potential employers to better understand their specific needs (documentation requirements, certification, etc.) and general conditions of employment (contracts, compensation, benefits, etc.); 3) Explore non-traditional vocational training partners that offer flexible training experiences and schedules (on-the-job training, night or weekend classes, etc.); and 4) Conduct regular monitoring with employers and refugee employees to ensure that participants are not subject to exploitation or abuse.

UNHCR Costa Rica’s Graduation program engages in advocacy efforts to foster relationships with potential employers who are interested in hiring refugees. Outreach staff help employers understand refugees’ legal right to work, including explaining that refugees’ identification cards are valid legal documents for hiring purposes, even though they look different than national identification cards. UNHCR Costa Rica provides intensive training to refugees on CV development and soft skills, such as interview techniques and appropriate workplace behavior, and funds job fairs where refugees network and are linked with potential employers. In Ecuador, many Graduation participants have the opportunity to work for large food corporations that require certification in food safety. Instead of providing Graduation participants with an asset transfer, UNHCR Ecuador provides funding for wage employment participants to attend the necessary certification courses.

Those participants engaged in wage employment will not receive an asset transfer, but may receive job support. This support will be dependent on the livelihood opportunities selected during the market assessment. Support is expected to primarily focus on linking participants to informal wage opportunities, with some formal opportunities, the latter mostly for Lebanese participants. Job support may include information sharing about job opportunities, interview practice, CV development, support to obtain necessary documentation, and/or certification for a specific job function or skill.

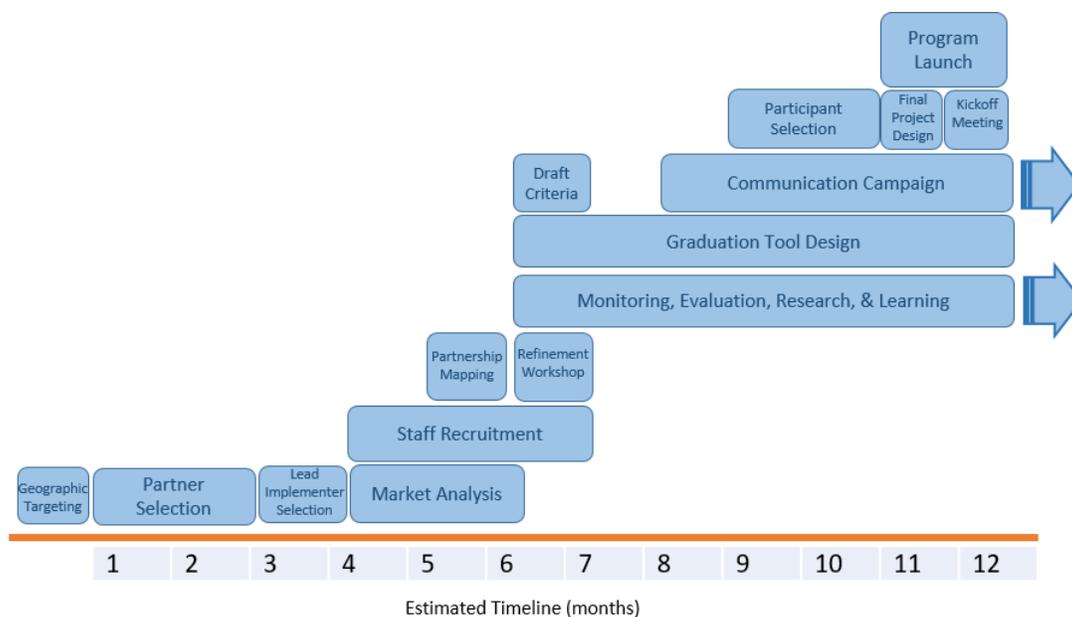
Graduation Component: Asset Transfer and Job Support	
Technical Lead	Lead Implementing Partner
Fostering Government Support	The asset transfer and job support will facilitate the GoL’s strategy to link safety nets to employability. Syrian refugees will engage in livelihood activities that do not compete with job opportunities for Lebanese, and that are clearly transferable to Syrians’ country of origin.
Scale Considerations	By building participants’ self-reliance and resilience through other components, the asset transfer is a one-time-only support mechanism for Graduation participants, allowing the program to target new participants with this component in the future.
Timeline	Months 7-19 (approximately)

¹¹¹ CGAP, Trickle Up, UNHCR. 2017. *Economic Inclusion of the Poorest Refugees: Building Resilience through the Graduation Approach*.

4.6 Planning and Design Process

Figure 3 (below) depicts the step-by-step process and timeline for the planning that must be completed to successfully launch a Graduation Approach pilot project in Lebanon. For each step, Trickle Up outlines its key recommendations, considerations related to the role of the government, opportunities for collaboration with the NPTP-G, scale considerations, and next steps. It is to be noted that all program design recommendations are based on available information and must be verified by program designers.

Figure 3: Program Planning and Design Timeline for a Graduation Pilot in Lebanon



4.6.1. Geographic Targeting

Recommendation: Locate the pilot project in either the Akkar or Beqaa Governorate, where the concentration of people living in extreme poverty is the highest, and implement with support from the municipal government.

Poverty rates among both Lebanese citizens and Syrian refugees are high in Akkar and Beqaa. The Central Administration of Statistics indicates that in 2011, prior to the arrival of Syrian refugees in these areas, poverty in Lebanon was estimated at 27 percent. Poverty incidence was highest in the Beqaa and the North, and lowest in Beirut.¹¹² Similarly, 90 percent of Syrians in the Beqaa Governorate live below the poverty line, and 83 percent of Syrian residents in Akkar live below the poverty line.¹¹³ Both areas host large numbers of Syrian refugees, with Akkar hosting a reported 98,965 and Beqaa hosting 238,867 refugees, as of June 30, 2016.¹¹⁴ A number of key informants marked both governorates as having a high need for livelihood programming.

¹¹² World Bank Group and Central Administration for Statistics. 2016. *Snapshot of Poverty and Labor Market Outcomes in Lebanon based on Household Budget Survey 2011/2012. Version II.*

¹¹³ UNHCR, UNICEF and WFP. 2017. *Vulnerability Assessment of Syrian Refugees in Lebanon 2017 (VASyR 2017).*

¹¹⁴ Government of Lebanon. 2017. *Lebanon Crisis Response Plan, 2017-2020.*

Within the selected governorate, Trickle Up recommends that the pilot project be geographically contained enough to control for some external factors that may hinder its success (e.g., long distances between participants, participants spread across multiple areas requiring multiple local market surveys, etc.). Geographic containment will also help enable successful implementation of certain components (group trainings, savings and credit groups, etc.).

Graduation Planning and Design Process: Geographic Targeting	
Fostering Government Support	The GoL has identified these governorates as being especially vulnerable, with high poverty and unemployment rates among both Lebanese and Syrian populations. Targeting the Graduation Approach in these areas will help advance the government’s development concerns.
Collaboration with the NPTP-G	The NPTP-G pilot is also anticipated to be conducted in the Akkar and/or Beqaa Governorates. The two pilots must complement one another and, depending on the launch dates, there may be a clear opportunity for the design and implementation of Graduation Approach in Lebanon Pilot to be clearly informed by lessons learned from the NPTP-G. The design of the pilot must not interfere with the impact evaluation being implemented in conjunction with the NPTP-G.
Scale Considerations	When taking decisions about the geographic location, project designers should consider the ‘representativeness’ of the geography, population, partners, and livelihood options to ensure lessons learned will be applicable when scaling nationally.
Timeline	This decision should be taken in advance of issuing grant for project.
Next Steps	The funding organization and/or Coordinating Partner should complete desk research to map poverty incidence in each governorate. Upon selection of the Lead Implementing Partner(s), the Lead Implementing Partner should identify a geographically-focused implementation area to minimize travel time for coaches and facilitate group and network activities.

4.6.2. Coordinating Partner Selection

Recommendation: Trickle Up recommends engaging one single Coordinating Partner to coordinate implementation of the Graduation pilot for both Lebanese nationals and Syrian refugees. Working through a single institution, at least during the pilot phase, will help ensure the project maintains unity of vision and execution. Additional research and a bid for Coordinating Partner is required in order to identify the most appropriate Coordinating Partner.

Trickle Up recommends that any Graduation pilot be managed through three levels of partnerships. The **Coordinating Partner** is responsible for coordinating the implementation of the Graduation Approach, including oversight of the Lead Implementing Partner and other implementing partners; facilitation of planning meetings; coordination with stakeholders, including Government, UN, and INGOs; and provision of technical guidance. The **Lead Implementing Partner** is responsible for direct implementation of the Graduation Approach. This partner is responsible for oversight of the coaching component and, depending on the context, of other components. Whenever possible, Trickle Up recommends using only one Coordinating Partner and one Lead Implementing Partner, even when piloting Graduation with multiple populations, as it increases efficacy and helps ensure the streamlining of good practices, particularly during a pilot. Depending on the environment, **other partners** may be considered to lead individual components of the Graduation Approach, such as consumption support or technical skills training.

Box 4: Lessons from UNICEF

Lessons from working in a sensitive environment can be gleaned from a recent project implemented by UNICEF, the Ministry of Education, and Caritas Lebanon focused on school attendance. The project included a cash transfer component through which both Lebanese and Syrian beneficiaries receive monthly payments. Parallel, equal programs for Syrian refugees and Lebanese, and significant advocacy by UNICEF was required to build buy-in from central government officials. UNICEF staff indicate that any pilot project will be political. Strong advocacy efforts are required, but a pilot is essential because it enables implementers to get a foothold, and produce evidence. The government must visit the pilot sites and see results with their own eyes to be convinced.

Having one Coordinating Partner lead the pilot efforts with both Lebanese and Syrian participants will help increase efficiency during the pilot and ensure knowledge transfer. If possible, it would be ideal to leverage MoSA's expertise and experience implementing the Graduation Approach in Lebanon through the NPTP-G to coordinate outreach to Syrian refugees as well. UNHCR's global experience utilizing the Graduation Approach with host communities and refugees, and its critical coordination role through the LCRP, also make it well positioned to play the role of Coordinating Partner for both Lebanese and Syrian participants. In other countries, Graduation has served to better sequence and coordinate UNHCR, government, and other refugee response actors' services; the same would be expected for the Graduation Approach pilot in Lebanon. Moreover, the pilot would be strengthened by drawing on global lessons learned from other UNHCR projects, and would inform and influence those projects.

If a single entity does not act as the Coordinating Partner for both Lebanese and Syrian participants, it will be important to put in place a strong coordinating mechanism to ensure close collaboration between implementation for Lebanese nationals and for Syrian refugees. In order to effectively manage this role, it is important that each Coordinating Partner have one staff person dedicated to overseeing the design and implementation of the Graduation pilot.

Graduation Planning and Design Process: Coordinating Partner Selection	
Fostering Government Support	By respecting the structure of LCRP, the pilot enables the GoL and the development and humanitarian communities to use structures that they are already collaborating on.
Collaboration with the NPTP-G	It would be ideal to integrate the pilot into the NPTP-G. If this is not feasible, it will be imperative that the Coordinating Partner collaborate closely with the implementers of the NPTP-G to ensure that the pilot is informed by, and complements, the NPTP-G.
Scale Considerations	Both MoSA and UNHCR have the capacity to oversee scaling of initiative. The pilot may be an opportunity to link to other GoL or UNHCR initiatives in the region.
Timeline	Months 1-2 (securing of grant)
Next Steps	Tender a bid for Coordinating Partner

4.6.3. Lead Implementing Partner Selection

Recommendation: Trickle Up recommends engaging a Lead Implementing Partner that will be responsible for day-to-day implementation of the pilot project. In Lebanon, Trickle Up suggests that the Lead Implementing Partner have the following characteristics:

- *National footprint.* While the pilot will be conducted in a selected area, it is important that the lead partner has a national presence to allow it to seamlessly scale the Graduation Approach to other regions in the future. It will also be beneficial if it has a track record of having successfully scaled similar initiatives in the past.
- *Strong track record working with both Lebanese and Syrians living in extreme poverty.* While many

development and humanitarian organizations in Lebanon focus on working with either local communities or refugees, it will be crucial to the success of the project to effectively engage both.

- *Demonstrated effective collaboration with municipal government(s).* Many stakeholders indicated that municipal government engagement and buy-in is crucial to any development or humanitarian program. The Lead Implementing Partner should have an existing positive relationship with the municipal government in the governorate in which the pilot project will be launched.
- *Demonstrated experience in coaching or case management.* As the success of the Graduation Approach relies on effective one-on-one coaching, select an organization with case management or coaching experience. Ideally the partner also has experience implementing livelihood and financial inclusion programs.
- *Buy-in and commitment from senior management.* Given the complex nature of the Syrian crisis in Lebanon, it will be imperative that senior management of the lead partner be committed to rigorous implementation of the Graduation Approach. Without this commitment, along with sound financial and program management, there is a high risk that partners may seek to save time and/or resources by cutting corners in design and implementation, likely at the expense of quality.

During the feasibility study, Trickle Up met with numerous local NGOs, international NGOs, and microfinance institutions. Trickle Up prioritized contacting organizations that had a national footprint, a strong track record working with both Lebanese and Syrians living in extreme poverty, and experience in livelihoods. Based on the conversations had, two organizations emerged as having the characteristics required to succeed as a Lead Implementing Partner: Al Majmoua and Caritas Lebanon (see Annex I for a full analysis of both organizations). Trickle Up recommends exploring a potential partnership with both, while also keeping an open mind to other organizations that might meet the above-mentioned requirements (for example, Arc en Ciel, one of the largest NGOs in Lebanon, is presumed to meet these requirements, but was unavailable during the Feasibility Mission).

Graduation Planning and Design Process: Lead Implementing Partner Selection	
Fostering Government Support	For the pilot program, the Lead Implementing Partner should focus on building and sustaining a positive relationship with the municipal government. This relationship can serve as an example to build support from the national government once the program has launched and been implemented successfully. Experience and interest working with both Lebanese nationals and Syrian refugees living in extreme poverty will also help build a positive track record with the GoL.
Collaboration with the NPTP-G	Additional research is required to understand the implementation mechanism of the NPTP-G and assess whether there is room for collaboration in regards to the Lead Implementing Partner.
Scale Considerations	It is important that the lead partner have a national presence so as to allow for it to seamlessly scale the Graduation Approach to other regions in the future.
Timeline	Month 3
Next Steps	The Coordinating Partner organization should conduct an institutional mapping of potential Lead Implementing Partner organizations who have a strong presence in the selected governorate(s). Next, the Coordinating Partner should issue a request for proposals and select the most suitable Lead Implementing Partner.

4.6.4. Livelihoods Market Analyses

Recommendation: In anticipation of the pilot project, livelihood market analyses for extremely poor Lebanese nationals and Syrian refugees in the target governorate(s) should be conducted in each geographic area. The output of each market analysis should be five specific sustainable market apertures (specific activities in select sectors or value chains) for poor Lebanese nationals and Syrian refugees in the

selected governorate(s). Each analysis should also focus on both wage and self-employment opportunities.

No known national market assessment nor market studies that focus specifically on employment opportunities for individuals living in extreme poverty have been conducted in Lebanon in recent history. Most of the market analyses that have been implemented focus on pre-selected value chains and/or better off participants, including MSMEs. In order to add value to the project, the market analyses must: a) focus on market opportunities in the select pilot location(s), b) consider market apertures for both Lebanese nationals and Syrian refugees, c) focus on market opportunities for participants living in extreme poverty, and d) take into consideration both overt market constraints related to the legal right to work, as well as covert market constraints related to discrimination, access, etc. The market assessment should analyze demand constraints, value chains, infrastructure availability, and upstream and downstream linkages.¹¹⁵ A deep understanding of participants’ capacities, experience, and interest is also important to ensure alignment. The lead partner will use assessment findings to define viable livelihood opportunities to propose to Graduation participants, though ultimately participants select what activities in which to engage.

Given the existing market assessment expertise in Lebanon, a local firm or institution would be able to conduct this assessment, including academic institutions such as the American University of Beirut. Partnering with the International Labour Organization (ILO) or another international organization would also be an option.¹¹⁶

Graduation Planning and Design Process: Livelihoods Market Analyses	
Fostering Government Support	It should be clearly communicated to both the municipal and national governments that the market analysis for Syrian refugees is targeting market apertures in the three approved sectors, which will not impact job opportunities for Lebanese.
Collaboration with the NPTP-G	The NPTP-G market assessment should be leveraged to better understand opportunities for Lebanese living in extreme poverty. This may result in cost-savings as well.
Scale Considerations	The market assessment should focus on identifying market opportunities that accommodate large numbers of workers in the pilot region. If the pilot project scales, additional analyses will have to be conducted to understand the labor market in the rest of the country.
Timeline	Months 4-6
Next Steps	Once the location of the Graduation pilot has been confirmed, the Coordinating Partner or Lead Implementing Partner should contract a local research firm to conduct livelihood market analyses for extremely poor Syrian refugees and Lebanese in that governorate(s).

4.6.5. Staff Recruitment

Recommendation: Trickle Up recommends engaging eight full-time coaches, two supervisors, and one full-time Senior Program Officer to oversee the successful design and implementation of the Graduation pilot with 300 participants. Trickle Up further recommends that they be supported by eight outreach volunteers who live in the local communities being served, and that ten percent of one member of the Lead Implementing Partner’s leadership be accounted for through the pilot project.

Graduation Planning and Design Process: Staff Recruitment

¹¹⁵ CGAP. 2014. *From Extreme Poverty to Sustainable Livelihoods: A Technical Guide to the Graduation Approach*.

¹¹⁶ UNHCR and ILO’s *A Guide to Market-Based Livelihood Interventions for Refugees* is a good resource to be leveraged, available at <http://www.unhcr.org/594b7d7f7.pdf>.

Fostering Government Support	It will be important to have at least one person from the Lead Implementing Partner’s leadership well versed in the Graduation pilot, so as to be able to communicate effectively with the government about the project.
Collaboration with the NPTP-G	Learning from the NPTP-G pilot may be used to inform staffing considerations.
Scale Considerations	Additional staffing will be required to scale the project. The Lead Partner should have the capacity to build and grow its staff, as necessary.
Timeline	Months 4-7
Next Steps	Immediately upon winning the RFP, the Lead Implementing Partner should begin recruitment for the Graduation pilot Senior Program Officer. Development of job descriptions and recruitment of coaches should occur only after the Graduation components have been further developed.

4.6.6. Partner Mapping

Recommendation: Once the Lead Implementing Partner has been selected, the Coordinating Partner and Lead Implementing Partner should conduct a partner mapping exercise to identify other potential partners to support the implementation of certain Graduation components.

Graduation components consist of both social protection and economic development interventions so it is rare that one partner implements all components. Trickle Up recommends that each Graduation component be implemented by one partner organization, though sometimes one partner may lead multiple components. For example, while the Lead Implementing Partner will be responsible for coaching, the consumption support may be best led by MoSA (for Lebanese) and WFP/UNHCR (for Syrian refugees). The technical skills component may be better supported by a suitable technical and vocational education and training center. The mapping exercise will help identify suitable partners in the working area that could potentially lead each Graduation component.

In a complex development environment such as Lebanon where many qualified development, humanitarian, and training institutions deliver relevant services, Trickle Up recommends that the partner mapping exercise include UN agencies (UNHCR, WFP), local NGOs, microfinance institutions, technical and vocational education and training centers, and government programs.

Graduation Planning and Design Process: Partner Mapping	
Fostering Government Support	It will be important to consider the political implications of partnering with each institution.
Collaboration with the NPTP-G	In order to leverage and build upon pertinent lessons learned, the pilot should consider working with some of the same partners implementing Components of the NPTP-G.
Scale Considerations	It will be important to consider all potential partners’ footprint and their proven track record at implementing programming at scale.
Timeline	Month 5
Next Steps	Upon hiring the Senior Program Officer, the Lead Implementing Partner should conduct a partner mapping exercise to identify potential implementation partners.

4.6.7. Program Refinement Workshop

Recommendation: Once the Lead Implementing Partner organization has been selected and the other program design elements outlined above have been finalized, a week-long program refinement workshop should be convened to onboard all implementing partners and to refine program components. Trickle Up recommends contracting a Graduation technical assistance service provider to facilitate the design process and provide support in project development and implementation.

The program refinement workshop will serve as an opportunity to: a) introduce implementing partners to one another, b) train partners on the Graduation Approach, c) onboard partners to the Graduation components adapted for the Graduation Approach in Lebanon Pilot, d) refine Graduation components based on new information, and e) begin outlining the monitoring, evaluation, research, and learning strategy. It is expected that additional information gathered during the planning process, including through the market analysis and through partner experience, will lead to refinement of the Graduation components. For example, the parameters of the consumption support may be defined or specific training courses selected that support livelihoods identified during market analysis activities.

Graduation Planning and Design Process: Program Refinement Workshop	
Fostering Government Support	It may be strategic to include municipal government partners in the kick-off of the program refinement workshop. This can help build buy-in and expose them to theory and best practices related to the Graduation Approach.
Collaboration with the NPTP-G	Trickle Up recommends inviting representatives of the NPTP-G pilot to participate in the program refinement workshop to help build collaboration and ensure sharing of lessons learned.
Scale Considerations	Explicit reference to the scale strategy should be clearly communicated during the workshop to help ensure that it helps shape future program decisions.
Timeline	Month 6
Next Steps	The Coordinating Partner should develop a request for proposals for technical support in the refinement and implementation of the pilot project. Ideally the workshop would be facilitated by this technical assistance provider, in close collaboration with the Coordinating Partner. Roughly two months of integration of learning into final program design will be required.

4.6.8. Monitoring, Evaluation, Research & Learning Strategy

Recommendation: Key stakeholders should develop a monitoring, evaluation, research, and learning (MERL) strategy that leverages existing monitoring and evaluation (M&E) tools and strategies being used by implementers of the LCRP. The MERL strategy should also be sure to add to the global body of knowledge on the Graduation Approach.

A local research team should be hired to oversee the collection, analysis, and reporting of evaluation data, for the duration of the pilot. Enumerators can be used to collect data on an annual basis to track changes in participants' social and economic well-being. To the extent possible, Trickle Up recommends leveraging tools already being used by the NPTP, the NPTP-G, and VASyR to collect data, though anticipates that some adaptations may be required. The Graduation Approach in Lebanon Pilot should also look for ways to leverage data already being collected by these entities.

Graduation coaches should collect monitoring data during their regular household visits, which can be used to inform their coaching activities with participants as well as overall programmatic improvements.

Trickle Up also recommends that the Lead Implementing Partner, in collaboration with the M&E research team, conduct regular learning and stakeholder engagement meetings. Quarterly Graduation Learning meetings with program stakeholders, including NPTP-G, can be used to share promising practices and lessons learned, and information around programmatic improvements and innovation. Annual exposure visits with the Government of Lebanon will help ensure that the pilot aligns with the GoL's expectations and will ease any ongoing concerns. Exposure visits should be sure to highlight the benefits of the program on Lebanese participants and the broader host community.

The Graduation Approach in Lebanon Pilot will be an opportunity to enrich the global learning agenda on Graduation. The Partnership for Economic Inclusion’s (PEI) 2018 Learning Agenda includes two overarching questions for the Graduation Community of Practice, both of which the pilot is well positioned to address: 1) *How can the approach be designed to optimize benefits and maximize cost-effectiveness in different contexts and for different segments*, and 2) *How can governments and other stakeholders most effectively operationalize and scale the approach?* Related sub-questions outlined in the 2018 Learning Agenda that could be addressed by the pilot include, but are not limited to:

- How can the Graduation Approach be adapted to promote sustainable livelihoods for refugees?
- How can the Graduation Approach serve both host country nationals and persons of concern to support solutions?
- How should the Graduation Approach be adapted for self-employment and wage employment opportunities? How are outcomes affected by focusing on links to wage employment versus self-employment, and when is each focus most appropriate?
- What are the necessary preconditions for successful implementation and scaling of Graduation?
- How can Graduation be anchored in social protection systems, including coordinating or integrating existing components currently delivered by government entities, and integrating new components?
- How can non-government social protection mechanisms, such international and multi-lateral organizations, implement and/or partner with government to implement Graduation?¹¹⁷

Graduation Planning and Design Process: Monitoring, Evaluation, Research, & Learning Strategy	
Fostering Government Support	The pilot is an opportunity for the GoL to lead learning around successful implementation of solutions that support the CRRF, while also adding to the Graduation Community of Practice’s knowledge and learnings. As such, it will be important to encourage the GoL’s participation in the design and attainment of the project’s learning agenda. Annual exposure visits will highlight the benefits of the project on Lebanese participants and the broader host community.
Collaboration with the NPTP-G	To the extent possible, Trickle Up recommends close collaboration with the NPTP-G’s learning agenda. In addition to ensuring the sharing of lessons learned, collaboration around MERL may be an opportunity for significant cost-sharing.
Scale Considerations	Quality MERL will be integral to the project’s ability to inform programmatic improvements, should it advance from a pilot project to a scaled initiative.
Timeline	Months 6-36
Next Steps	Initial discussions regarding MERL should commence during or before the program refinement workshop. The Coordinating Partner should develop a request for proposals for support to program annual evaluation activities Additional MERL activities will be ongoing.

4.6.9. Draft Graduation Criteria

Recommendation: The Graduation Criteria for the Graduation Approach in Lebanon Pilot should address economic and social barriers specific to the Lebanese context, but which can clearly be influenced through participation in the project.

The Graduation Approach aims to move, or “graduate,” participants from extreme poverty and food insecurity into sustainable livelihoods and self-reliance. Often “graduation,” and participants’ success in the program, is measured using social and economic indicators that represent participants’ movement

¹¹⁷ Partnership for Economic Inclusion. 2018. *Partnership for Economic Inclusion Learning Agenda (Jan, 2018)*.

away from extreme poverty. Program success for the pilot for both Lebanese and Syrian participants includes engagement in sustainable livelihood activities, increased food security, and decreased reliance on social safety nets. Trickle Up proposes considering the following Graduation criteria for the pilot project, though final criteria should be defined during the program refinement workshop and refined on an ongoing basis.

Table 6: Key Performance Indicators for the Graduation Approach in Lebanon Pilot

Food security	<ul style="list-style-type: none"> ▪ Participant’s family consumes 2 nutritious meals per day for 6 months ▪ Participant’s family consumes more than US\$135 (WFP and MoSA stipend) in food per month for 6 months
Sustainable, stabilized, and diversified income	<ul style="list-style-type: none"> ▪ Participant has sustained employment in the agriculture, construction, or environment sectors for 6 months ▪ Household has at least 2 sources of income ▪ Income is at least equivalent to US\$435 per household (the SMEB) for 6 months
Savings and Assets	<ul style="list-style-type: none"> ▪ Participant is saving 7 percent of income for 6 months ▪ Participant has eliminated debt to predatory lenders
Self-confidence/ agency	<ul style="list-style-type: none"> ▪ Participant has a plan for the future ▪ Participant knows and demands her/his rights and is aware of where to report instances of abuse
Access to networks and services	<ul style="list-style-type: none"> ▪ Participant attends 2 community events each month ▪ Participant feels s/he has developed a community
Other	<ul style="list-style-type: none"> ▪ To be determined by participant but could include: <ul style="list-style-type: none"> ▪ Secure housing ▪ Children going to school ▪ Health indicators ▪ Access to information

Graduation Planning and Design Process: Draft Graduation Criteria	
Fostering Government Support	It will be important to highlight how the selected Graduation criteria support self-reliance and resilience. For Syrian refugees, criteria should also support building knowledge, skills, and attitudes that will be transferable to participants upon return to their country of origin.
Collaboration with the NPTP-G	The Graduation criteria used by the NPTP-G should be considered during the development of the pilot’s Graduation criteria. To the extent possible, similar criteria should be used so as to more easily compare results and lessons learned between the two pilots and the two target populations.
Scale Considerations	Graduation Criteria should be realistic – ambitious but attainable – as they will strongly inform the discussion around whether and how to take a pilot project to scale.
Timeline	Month 6
Next Steps	Graduation Criteria will be drafted during the program refinement workshop and refined throughout program implementation.

4.6.10. Graduation Tool Design

Recommendation: Where possible, existing Graduation tools should be used and adapted to the Lebanese nationals and Syrian refugee contexts. Similarly, implementing partners’ existing tools should be adapted to be implemented within the Graduation Approach methodology.

Tools and products related to each Graduation component, including VSLA training materials, coaching messages and strategies, and Graduation monitoring tools, must be developed. Specific products will be identified during the Program Refinement Workshop, and roles and responsibilities for their development and adaptation will be assigned.

Graduation Planning and Design Process: Graduation Tool Design	
Fostering Government Support	Leveraging existing services or products, such as training courses, offered by the government will help ensure its support. All tools and products should adapted to reinforce the goal of transferring skills upon refugees’ return to Syria.
Collaboration with the NPTP-G	To the extent possible, tools developed for the pilot and NPTP-G program should be shared with one another and built upon.
Scale Considerations	While tools and products should be designed to meet the specific needs of participants in the pilot location, they should be developed with an eye towards applicability and replicability in other regions of the country.
Timeline	Months 6-11
Next Steps	Discussions related to tool design will commence during the Program Refinement Workshop.

4.6.11. Develop Communication Campaign

Recommendation: An effective communication campaign will use pictorial and text print materials to target the local municipality, community leaders, Lebanese residents, and target Graduation participants.

Communication strategies will need to be developed to offset challenges related to the following sensitivities: a) participant targeting and selection (who is selected for participation and why); b) the concerns of government officials, business leaders, and neighbors about including Syrians in the workplace; and c) how the Graduation Approach is being developed to address and reduce tensions among Lebanese and Syrians. The communication strategy can also deliberately address the desire to increase buy-in of national government for the Graduation Approach by reinforcing language about helping create friendly neighbors who will thrive upon their return to their host country. Finally, communication strategies must be dynamic in order to adapt to the changing priorities of the GoL.

Print materials are cost-effective and are expected to be suitable to reach the pilot target population and other stakeholders. Radio adverts would also be effective. The communication strategy will also act as the primary outreach mechanism to inform and educate coaches and participants about the Graduation Approach and the benefits and responsibilities of participating in the program.

Graduation Planning and Design Process: Develop Communication Campaign	
Fostering Government Support	An effective campaign targeted to local government will be crucial to building buy-in and support for commencing with the pilot project. The national government should be engaged later in process, when pilot successes and lessons learned can be clearly elucidated.
Collaboration with the NPTP-G	The Lead Implementing Partner should collaborate with the NPTP-G to support knowledge exchange between initiatives and to ensure that the communication campaigns implemented by each pilot complement one another.
Scale Considerations	While a targeted strategy for communicating with the national government is likely to remain consistent with scale-up, the communication strategy for all other stakeholders will have to be locally adapted.
Timeline	Months 8-36

Next Steps	Discussions related to the communication campaign will commence during the Program Refinement Workshop.
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4.6.12. Participant Selection

Recommendation: Trickle Up recommends that the pilot utilize the targeting tools developed for Lebanese (NPTP) and Syrians (VASyR) to identify a list of potential participants classified as extreme poor. Next, the pilot should develop a locally customized Poverty Assessment Tool (PAT) and use outreach volunteers to further refine the initial list of participants.

While not without challenges, both the NPTP and VASyR tools and associated lists of selected beneficiaries are widely accepted and utilized throughout Lebanon by the GoL, UN agencies, and other humanitarian and development actors. As Trickle Up is proposing to engage with both the GoL and UNHCR to build buy-in and collaborate in potential scale-up, it is important to utilize the tools they rely on for selection. Multiple key informant interviews confirmed that all large-scale social support services for Lebanese and refugees must be implemented using the NPTP and VASyR lists, respectively. As there is confidence that both Lebanese and Syrians living in extreme poverty are included on these lists, it is Trickle Up’s recommendation that for ease of implementation, and a targeting strategy that can be scaled nationally, the pilot program leverage these existing resources as the first line of participant selection.

However, it is unclear how well the NPTP and VASyR’s PMT methodologies distinguish between poverty levels of the most vulnerable, as the accuracy of proxy means tests decreases for poorer households. Similarly, best practices in Graduation programming recommend that participant selection criteria be as transparent as possible, with clear indicators for inclusion and exclusion. Today, neither the NPTP nor the VASyR has such clarity.

In response, Trickle Up recommends the Lead Implementing Partner conduct a verification process to distinguish between selected households living in poverty and extreme poverty. Trickle Up has found that working with refugee populations requires house-by-house verification strategies as community-based selection processes are not as viable in urban contexts. To conduct a verification process, the Lead Implementing Partner should develop a locally relevant PAT that identifies the critical distinguishing factors between these two populations, e.g., the type of housing, number of assets, or female-headed household. This verification process should be implemented by outreach volunteers, as many are already being leveraged in this capacity and are likely to be most familiar with both target populations.

Finally, in the participant selection process, program designers should ensure:

- 100 percent of the households have at least one household member with the capacity to engage in livelihoods or employment;
- 50 percent of households selected are Lebanese and 50 percent are Syrian refugees;
- Of the Syrian households, 100 percent should be registered refugees; and
- At least 50 percent of participants selected should be women. Exploring home-based business opportunities, which are typically well suited for women, will be a hallmark of this pilot project.

Graduation Planning and Design Process: Participant Selection	
Fostering Government Support	The use of the NPTP and VASyR to select program participants will build buy-in with both the GoL and UNHCR.
Collaboration with the NPTP-G	The NPTP-G also uses the NPTP to inform participant selection. Lessons from the NPTP-G should be leveraged in the selection of participants for the pilot. Participant selection for the pilot must not interfere with the impact evaluation being implemented in conjunction with the NPTP-G.

Scale Considerations	The use of the NPTP and VASyR, both of which include national-level data, will allow for national scale-up.
Timeline	Months 9-10
Next Steps	Once a geographic location has been confirmed for the pilot, Trickle Up suggests commencing outreach with MoSA and UNHCR to begin accessing NPTP and VASyR data, respectively. Research for the development of the PAT can commence with the selection of the Lead Implementing Partner, and refinement of the PAT is likely to occur during the Program Refinement Workshop.

4.6.13. Program Launch

Program launch is anticipated to occur in Months 11 and 12.

5. COST CONSIDERATIONS

Trickle Up estimates that the implementation of a 24-month Graduation program for 300 participant households (150 Lebanese and 150 Syrian refugees) would cost US\$1,701,600, equivalent to US\$5,672 per participant household, or US\$2,836 per participant household per year.¹¹⁸ This is inclusive of coaching, consumption support for Lebanese participants,¹¹⁹ and asset transfer costs. Additional costs related to program support and monitoring, evaluation, research, and learning would bring the total cost to US\$2,248,498. Trickle Up recommends exploring opportunities to collaborate with the NPTP-G to decrease expenses, particularly those related to program support and MERL.

Costing assumptions were based on preliminary key informant interviews with UNHCR staff and Trickle Up's experience implementing similar programs with UNHCR in other countries. The following table outlines the key cost centers.

Table 7: Estimated Budget for a 300-Participant Graduation Pilot

Cost Center	Amount (US\$)
Program Implementation (in-country staff and component implementation)	\$1,701,600
Program Support (market assessment, communications, materials, and technical assistance)	\$178,800
Monitoring, Evaluation, Research and Learning (M&E and learning and exposure events)	\$221,000
Overhead (7%)	\$147,098
TOTAL	\$2,248,298

Major cost considerations related to program implementation (estimated at US\$1,701,600) are the following:

- **Consumption Support.** Consumption support is estimated at US\$310 per household per month (US\$135 for food security and US\$175 as multi-purpose assistance) for 150 Lebanese participants for the duration of 12 months, totaling US\$558,000. The amount and duration of the consumption support is based on the current food and basic assistance that Syrian refugees receive from WFP

¹¹⁸ Program costs per participant household in the *A Multi-faceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries* study range from US\$344 in Bangladesh to US\$2,137 in Ghana and US\$2,697 in Peru. Given the high costs in Lebanon, Trickle Up has estimated an asset transfer at US\$1,500, which is considerably higher than the asset transfer offered in both Ghana and Peru (US\$206 and US\$646, respectively), and accounts for a significant portion of the difference in expected cost per participant household.

¹¹⁹ For the Graduation pilot, it is assumed that consumption support for Syrian refugees will leverage funds already being issued by UNHCR and WFP.

and UNHCR respectively. Cost savings can be attributed to leveraging WFP and UNHCR's existing programming and funding to support the 150 Syrian refugee Graduation participants.

- **In-Country Staff.** In-country staff costs are estimated at US\$460,200 for the 24-month pilot. Staff supported through the pilot would include 10 percent of time for the Lead Implementing Partner's senior leadership, one Senior Program Officer, two supervisory positions, eight coaches, eight outreach volunteers, and one driver.
- **Asset Transfer.** The asset transfer is estimated at US\$1,500 per participant for 75 percent of the Graduation participants, totaling US\$337,500. While the amount of this asset transfer is considerably higher than the average transfer provided through Graduation programs, it is reflective of the asset amount provided through the UNHCR program in Egypt, which is the only relatively comparable environment where a Graduation program has been implemented (urban, Middle Eastern). Similarly, the amount aligns with research conducted through the focus group discussions and key informant interviews regarding how much funding would be required to "jump-start" a Syrian refugee's micro-business. It is assumed that the remaining 25 percent of participants would pursue wage employment and would not require the asset transfer.
- **Core Capacity Building and Technical Skills Training.** Capacity building initiatives (consolidated for both the core capacity building and technical skills training components) are estimated as six three-day training opportunities per participant over the course of the project, totaling US\$306,000. While it is assumed that the venue will be available to the program at no cost, paying high-quality local training institutions is more expensive than relying on coaches, as seen in many traditional Graduation programs. Similarly, there is a high expectation to offer refreshments to participants during such a training, which is costly.

Additional, less substantial program implementation costs would be incurred related to VSLA start-up costs, transportation for coaches, training of coaches, and materials for a communication campaign. Specific cost centers will have to be further defined as program design and components are finalized. See Annex III for detailed budget assumptions.

6. CONCLUSION

As host to the largest number of refugees per capita in the world, Lebanon is in need of economic strengthening strategies that move people from subsistence to self-reliance. While considerable resources have been invested in Lebanon, these have largely focused on investments in MSMEs for Lebanese and humanitarian relief for refugees. Lebanese and Syrians living in extreme poverty have not featured strongly in economic development strategies, to date. Now in its seventh year, the strain on resources, public services, and competition for jobs caused by the Syrian crisis, and the associated influx of refugees, threaten to push more Lebanese into extreme poverty. Similarly, while humanitarian support has kept many Syrians from slipping further into poverty, the international community's financial investment in humanitarian support is waning, putting more Syrians at risk.

At the same time, the enormous challenge of the refugee crisis has resulted in interest in, and an increasing openness to, effective strategies for economic development for Lebanese and Syrians. The Graduation Approach, an evidence-based poverty alleviation methodology, has informed the design of the NPTP-G, a government program to address growing poverty among Lebanese households, which will be piloted in 2018. More recently, authors of the 2018 LCRP cite willingness to expand the use of the Graduation Approach to support both Lebanese and displaced Syrian beneficiaries.

Trickle Up, following a feasibility mission undertaken in April 2017, has determined that utilizing the Graduation Approach for both Lebanese and Syrians living in extreme poverty has promise. The proposed

Graduation Approach in Lebanon Pilot would not require an investment in new activities but rather could offer shape and definition to some of the humanitarian and development interventions currently being implemented. Poverty targeting, cash assistance, livelihood training, and self- and wage-employment are all activities supported by existing actors. Experiences from implementing these programs can and should inform the design of a Graduation pilot program, while modifications are made to ensure people living in extreme poverty can benefit and that all interventions are carefully sequenced and coordinated for maximum impact.

The response to the Syrian crisis in Lebanon has included a uniquely coordinated response of humanitarian, development, and government actors. The resulting LCRP offers a structure upon which a Graduation project for Lebanese and Syrian refugees could build. It is critical that any Graduation Approach strategy be designed in awareness of sensitivities of the government as it relates to livelihoods for the Syrian population. Working within existing structures that place government actors in the lead could help. Moreover, there is a unique opportunity to work in conjunction with the NPTP-G to design a pilot that complements existing efforts and builds opportunities for knowledge exchange between initiatives. The Graduation Approach in Lebanon Pilot will benefit from leveraging the experience in coordinating UN agencies and development organizations, while building support and buy-in first from municipal-level authorities and then national government for the project and scale-up.

A successful Graduation project in Lebanon would build on existing coordination structures (the LCRP), through which to share lessons learned with other development actors and engage the government during implementation; engage a Coordinating Partner experienced in Graduation and working with host country and refugee populations; include a Lead Implementing Partner with experience with Lebanese and Syrian populations and a national footprint to ensure a successful pilot could scale; and establish a sound monitoring, evaluation, research, and learning strategy to ensure the pilot is refined based on lessons from implementation.

As humanitarian funding decreases in Syrian crisis-affected countries, successful strategies are required to move the poorest host community and refugee populations out of extreme poverty. Successful implementation of the Graduation Approach in the context of the Syrian emergency could have implications beyond Lebanon, particularly in other crisis-affected countries of the region and beyond, where similar dynamics with the host community exist. A similar humanitarian and development response structure exists in Jordan, offering potential opportunities for replication, and other Cash Consortia in the region are also exploring Graduation as a potential approach to livelihoods. Further, a Graduation project in Lebanon will add to the growing knowledge base on effective livelihood strategies for people living in extreme poverty and for innovations with the refugee community. Given the pressure of a large global displaced population, finding effective and replicable strategies is critical.

ANNEXES

Annex I: Summary of Recommendations for the Graduation Approach in Lebanon Pilot

Graduation Components	
Coaching	Engage coaches to conduct weekly visits to each household to reinforce training messages, check on the status of household members, support livelihood activities, and monitor participants' progress as they work towards meeting Graduation Criteria.
Savings	Given limitations on financial service providers managing savings for many poor Lebanese and refugees, explore VSLAs as a potential savings strategy. Linkages to formal savings may also be explored for Lebanese participants. Explore the Common Card ¹²⁰ infrastructure as a potential savings mechanism.
Network Engagement	Enable participants to build social capital through participation in weekly VSLA meetings.
Consumption Support	<ul style="list-style-type: none"> ▪ Leverage the e-card food voucher¹²¹ offered by MoSA for Lebanese Graduation Participants. Budget for top-up funds should existing support be insufficient. ▪ Consumption support for Syrian refugees should continue to be funded by World Food Programme and UNHCR and delivered through the Common Card. ▪ Provide an equal amount of consumption support for Lebanese and Syrian refugees. ▪ Continue to explore digital solutions to support consumption support.
Core Capacity Building	Leverage existing training opportunities to build financial literacy and management capacity. Syrian refugee participants should also participate in legal rights and responsibilities training.
Livelihoods Roadmap	Explore market-based livelihood activities for both self- and wage-employment. Anticipated opportunities for Lebanese participants will include unskilled jobs within agriculture (off-farm), trade, construction, and other services. Livelihood options for Syrians should fall within the three approved sectors (construction, agriculture, environment), on top of home-based activities.
Technical Skills Training	Leverage existing training opportunities to build relevant and necessary technical skills to support successful engagement in livelihood opportunities.
Asset Transfer (self-employment) & Job Support (wage employment)	Participants engaging in self-employment receive an asset transfer. Where possible, use digital solutions to transfer the asset to participants. Those pursuing wage employment do not receive an asset transfer but may receive additional job support (information sharing about job opportunities, interview practice, CV development, certification for a specific job function or skill, etc.)

Graduation Planning and Design Process	
Geographic Targeting	Work with municipal governments and locate the pilot project in either the Akkar or Beqaa Governorate, where the concentration of people living in extreme poverty is the highest.

¹²⁰ Beginning in October 2016, in order to maximize efficiency gains in the delivery of assistance, WFP, UNHCR, UNICEF, and the LCC began using a Common Card to offer cash-based assistance to vulnerable populations, including Syrian refugees and poor Lebanese. The e-cards can be used in any of the 500-plus WFP-contracted shops and at ATMs.

¹²¹ Under the NPTF, beginning in 2016, MoSA uses an electronic card to offer cash-based food assistance to extremely poor and food insecure Lebanese households.

Coordinating Partner Selection	Engage one single Coordinating Partner to coordinate implementation of the Graduation pilot for both Lebanese and Syrian refugees. If possible, it would be ideal to leverage MoSA's experience implementing the NPTP-G to coordinate outreach to Lebanese and Syrian refugees. UNHCR's global experience utilizing Graduation with host communities and refugees, and its role in the LCRP, also make it well positioned to play the role of Coordinating Partner.
Lead Implementing Partner Selection	Engage a lead implementation partner that has a national footprint, a track record of working with poor Lebanese nationals and Syrian refugees, coaching or case management experience, buy-in from senior management, and that has collaborated with municipal governments.
Livelihoods Market Analysis	Livelihood market analyses for extremely poor Lebanese and Syrian refugees in the target governorate(s) must be conducted. Focus on opportunities that are appropriate for the extreme poor. Consider wage and self-employment opportunities for both Lebanese and refugees, as well as overt and covert market constraints.
Staff Recruitment	Engage eight full-time coaches, eight outreach volunteers, two supervisors, and one full-time Senior Program Officer to oversee the successful design and implementation of a Graduation pilot with 300 participants.
Partner Mapping	Each Graduation component should be implemented by one partner organization, though sometimes one partner may lead multiple components. The partner mapping exercise should include UN agencies, local NGOs, microfinance institutions, technical and vocational education and training centers, and government programs.
Program Refinement Workshop	The program refinement workshop will introduce and train partners, refine Graduation components, clarify roles and responsibilities, and outline the monitoring, evaluation, research, and learning (MERL) strategy.
Monitoring, Evaluation, Research, & Learning	Key stakeholders should develop a MERL strategy that leverages existing M&E tools and strategies being used by implementers of the LCRP. It should include regular learning and stakeholder engagement meetings and should add to the global body of knowledge on the Graduation Approach.
Graduation Criteria	Criteria should address economic and social barriers specific to the Lebanese context.
Graduation Tool Design	Tools and products related to each Graduation component must be developed and adapted to the local context.
Communication Campaign	Build stakeholder buy-in by using pictorial and text print materials to target local municipality, community leaders, Lebanese residents, and Graduation project participants.
Participant Selection	Employ existing poverty targeting tools, including the National Poverty Targeting Programme ¹²² and Vulnerability Assessment of Syrian Refugees ¹²³ to identify potential participants classified as extreme poor. Refine the list using a Poverty Assessment Tool.

¹²² The National Poverty Targeting Programme, established in 2011 and implemented by MoSA, is Lebanon's national social assistance program, which supports Lebanese households living in extreme poverty.

¹²³ The Vulnerability Assessment of Syrian Refugees in Lebanon (VASyR) is an annual survey conducted jointly by UNICEF, UNHCR, and WFP to identify changes and trends in the situation of Syrian refugee households in Lebanon.

Annex II: Partnerships: Selecting the Lead Implementing Partner

Two organizations emerged from the feasibility study as having the characteristics required to succeed as a Lead Implementing Partner: Al Majmoua and Caritas Lebanon (Caritas). Trickle Up recommends exploring a potential partnership with both, while also keeping an open mind to other organizations that might meet these requirements.

1. Al Majmoua

Al Majmoua is Lebanon’s largest best-practice microfinance institution. It provides vulnerable rural and urban populations, particularly women and youth, with a range of financial and non-financial services. As of 2016, Al Majmoua has served 62,000 clients with an outstanding portfolio of approximately US\$60 million.

Al Majmoua has a strong reputation for the provision of high quality and flexible financial services for vulnerable populations. It has a demonstrated willingness to work with poorer populations and an expressed interest in utilizing the Graduation Approach to target poorer households, particularly as a means to reaching yet-unserved parts of Akkar Province. It has begun working with Syrian refugees in small numbers. Al Majmoua’s programs are heavily focused on providing complementary non-financial services, including financial education and livelihood support. In addition, Al Majmoua has some experience managing caseworkers and working at the household and group levels to provide livelihood support. It has developed capacity building processes to support home-based businesses for women and referral services with humanitarian actors in cases where protection issues arise.

Al Majmoua’s experience in Graduation-related implementation:

Graduation Component	Relevant Experience to date	Areas for Additional Inquiry
Participant Targeting	<ul style="list-style-type: none"> National footprint Interest in reaching down-market Recent, though limited, experience working with Syrians Experience in Beqaa 	<ul style="list-style-type: none"> Limited experience in Akkar Customer-focused approach; may have limited experience with client outreach
Coordination with Other Stakeholders	<ul style="list-style-type: none"> Refer households with protection concerns to humanitarian agencies 	<ul style="list-style-type: none"> Partner involved in the LCRP Unclear relationship with municipal or national government
Coaching	<ul style="list-style-type: none"> Experience linking successful entrepreneurs to provide mentoring for new clients Prioritize staff with social work background for better support to poorest households 	<ul style="list-style-type: none"> Coaching through a financial services lens may vary substantially from Graduation lens
Network Engagement	<ul style="list-style-type: none"> Solidarity loan product offered to its most vulnerable clients 	
Savings	<ul style="list-style-type: none"> Cannot collect savings 	<ul style="list-style-type: none"> Explore if AM’s non-financial services department can support VSLA activity
Consumption Support		<ul style="list-style-type: none"> No experience distributing consumption support

Graduation Component	Relevant Experience to date	Areas for Additional Inquiry
Core Capacity Building	<ul style="list-style-type: none"> • Non-financial services account for sizable percentage of portfolio • Financial education • Personal development skills (soft skills) 	<ul style="list-style-type: none"> • Appropriateness for the poorest • Appropriateness for Syrian refugees
Technical Skills Training	<ul style="list-style-type: none"> • Technical skills training • Business development training • Business management training 	<ul style="list-style-type: none"> • Appropriateness for the poorest • Appropriateness for Syrian refugees
Livelihoods	<ul style="list-style-type: none"> • Have pilot a livelihood project with Syrian refugees. Includes technical skills training, market study and project implementation, with potential linkage to microfinance • Pilot project focused on home-based businesses for Syrian women • Pilot included livelihood planning, with engagement of men in the household livelihood planning 	<ul style="list-style-type: none"> • How much livelihood support is provided to its existing microfinance clients • Appropriateness for the poorest • Appropriateness for Syrian refugees
Asset Transfer / Job Support	<ul style="list-style-type: none"> • Syrian pilot offers small grant for business start-up • Strong experience with self-employment 	<ul style="list-style-type: none"> • MFI – tends to be loan-focused • Unclear if they have experience supporting links to wage employment

2. Caritas Lebanon

Founded in 1972, Caritas Lebanon's (Caritas) mandate is to promote and develop all individuals, with no discrimination. Caritas commits itself to assisting people in need, seeking solidarity between different social groups, involving citizens in their own development, and protecting migrants and refugees in securing their rights. Caritas has a national footprint and an annual budget of US\$29 million. It began serving refugees in 1995 and currently serves primarily refugees (mostly from Syria), though aims to include Lebanese nationals in 30 percent of its programming as a means of increasing social stability.

Caritas' activities are diverse and include basic assistance, social stability programs, and, most recently, livelihoods programming. Through these projects, Caritas has worked with a number of key stakeholders, from NGOs and UN agencies to municipal governments, and has gained a deep understanding of how to provide humanitarian support to vulnerable populations. It has also gained a nuanced understanding of the importance of balancing service provision to both Lebanese and Syrians, and how to work with existing systems, including the NPTP and VASyR, to ensure that its programs are reaching the most vulnerable.

Caritas Egypt is UNHCR Egypt's Lead Implementing Partner for the Graduation Approach pilot in Alexandria, Egypt, where Caritas is linking Egyptian nationals and Syrian refugees living in extreme poverty to both wage and self-employment opportunities. As of March, 2018, Caritas Lebanon is exploring the possibility of implementing the Graduation Approach in Lebanon using its own resources.

Caritas' additional experience in Graduation-related implementation:

Graduation Component	Relevant Experience to date	Areas for Additional Inquiry
Participant Targeting	<ul style="list-style-type: none"> • Long track record working with Lebanese and Syrians, including unregistered refugees • Has researched improvements to poverty targeting considering social vulnerabilities and provided input to VASyR and NPTP desk formula • Experience in Akkar via UNICEF Education and Home Visits project 	
Coordination with Other Stakeholders	<ul style="list-style-type: none"> • Municipalities: through Baladi program for infrastructure and other projects • NPTP: targeting assessment • UNHCR: targeting assessment, outreach volunteer partnership • UNICEF: Education and Home Visits project • Ministry of Education: UNICEF project 	
Coaching	<ul style="list-style-type: none"> • Strong record of case management and use of UNHCR Outreach Volunteers • Implemented Education and Case Management project with UNICEF featuring home visits by Caritas staff 	<ul style="list-style-type: none"> • Monitoring system for case workers
Network Engagement	<ul style="list-style-type: none"> • Experience mobilizing groups (child, youth, women committees) to increase empowerment • Has found mixed Syrian/Lebanese groups do not work, and notes that participants are more interested in engaging in a group with a goal (cooperatives, committees, governance, etc.) 	
Savings	<ul style="list-style-type: none"> • Have tested savings and loan groups and found they worked for a short period of time 	
Consumption Support	<ul style="list-style-type: none"> • Experience offering cash transfer, either for basic assistance or for work • Use ATM cards for both Syrians and Lebanese, and align with inter-agency group • Worked with WFP and UNHCR on cash assistance through UNICEF project 	
Core Capacity Building		<ul style="list-style-type: none"> • No information collected on this activity
Technical Skills Training	<ul style="list-style-type: none"> • Skills development • Livelihoods opportunities 	<ul style="list-style-type: none"> • Further information on experience technical skills training building required
Livelihoods	<ul style="list-style-type: none"> • Interested in being more engaged in livelihoods • In September 2017 will conduct livelihood study to determine how to move participants from cash support to livelihood programming • Conducting a local value chain study based on 	<ul style="list-style-type: none"> • Further information on experience with livelihood implementation required • Interest in Graduation Approach should be ascertained

Graduation Component	Relevant Experience to date	Areas for Additional Inquiry
	sustainable livelihoods approach	
Asset Transfer / Job Support		<ul style="list-style-type: none"> • No information collected on this activity

Annex III: Budget Projections

	Units	Frequency	Number	Rate	Total
Program Implementation					
Personel					
Sr. Program Officer - Coordinating Partner	1	Monthly	36	\$ 3,000	\$ 108,000
Senior Leadership - Implementing Partner	10%	Monthly	36	\$ 4,500	\$ 16,200
Supervisor/Officer - Implementing Partner	2	Monthly	27	\$ 1,200	\$ 64,800
Coaches - Implementing Partner	8.00	Monthly	27	\$ 900	\$ 194,400
Outreach Volunteers - Implementing Partner	8	Monthly	24	\$ 300	\$ 57,600
Driver - Implementing Partner	1	Monthly	24	\$ 800	\$ 19,200
Total In-Country Personnel					\$ 460,200
Component Delivery					
Consumption Support (Lebanese only)	150	Monthly	12	\$ 310	\$ 558,000
VSLA Start-Up Costs	15.0	Once	1	\$ 100	\$ 1,500
Transportation for Coaching	8.00	Daily	480	\$ 10	\$ 38,400
Asset Transfer (75% participants)	225	Once	1	\$ 1,500	\$ 337,500
Training Costs - Core Capacity Building & Technical Skills	15	Six	18	\$ 1,133	\$ 306,000
Total Component Delivery					\$ 1,241,400
Total Program Implementation					\$ 1,701,600
Program Support					
Market Assessment					
Local Market Assessment	1	Once	1	\$ 50,000	\$ 50,000
Total Market Assessment					\$ 50,000
Communications					
Marketing Campaign (Print)	1	Once	1	\$ 15,000	\$ 15,000
Other Materials	1	Monthly	24	\$ 200	\$ 4,800
Total Communications					\$ 19,800
Technical Assistance					
Training of Coaches	1	Three	3	\$ 3,000	\$ 9,000
International Consultant	14	Quarterly	8	\$ 500	\$ 56,000
International Consultant - Transport	1	Quarterly	8	\$ 2,000	\$ 16,000
International Consultant - M&IE	14	Quarterly	8	\$ 250	\$ 28,000
Total Technical Assistance					\$ 109,000
Total Program Support					\$ 178,800
Monitoring, Evaluation, Research, and Learning					
Monintoring & Evaluation					
PAT Verification Home Visits	600	Once	1	\$ 30	\$ 18,000
PAT Monitoring	300	Annual	3	\$ 30	\$ 27,000
Research Team	1	Monthly	24	\$ 6,250	\$ 150,000
Total Monitoring & Evaluation					\$ 195,000
Learning and Exposure Visits					
Graduation Coordination Meetings	1	Quarterly	8	\$ 2,500	\$ 20,000
Government Exposure Visits	1	Annual	3	\$ 2,000	\$ 6,000
Total Learning and Exposure Visits					\$ 26,000
Total Monitoring, Evaluation, Research, and Learning					\$ 221,000
Overhead					
Overhead	7%			\$ 2,101,400	\$ 147,098.00
Total Overhead					\$ 147,098
TOTAL					\$ 2,248,498