Lebanon’s Growing Humanitarian Crisis

By Will Todman and Caleb Harper

THE ISSUE

- A UN rapporteur recently described Lebanon as a “failing state.” Yet, Lebanon’s government will be unlikely to address the drivers of the crisis, since many politicians view reforms as an existential threat to their wealth and ambitions.
- Lebanon’s political dysfunction has prompted a humanitarian emergency for Lebanese, which is converging with the ongoing Syrian refugee crisis. Donors have mobilized support for refugees, but they have not adequately addressed the rising crisis among Lebanese. The latter crisis is becoming larger in size and scale and is likely to endure.
- Increasing humanitarian aid for Lebanese will not solve Lebanon’s fundamental problems, but it could help slow its collapse and give donors more time to push for reform.
- Donors’ highest priority should be to maximize the effectiveness of the aid they provide. An independent review of existing humanitarian architecture would be the most effective way to ensure aid is appropriately prioritized.

INTRODUCTION

In November 2021, Syrians working in a small town in eastern Lebanon had their wages cut to just under $2 a day. But it was not their employers that slashed their salary. The municipality of Ras Baalbek said that the United Nations supports Syrians with cash assistance, and it would not be fair for Syrians to be better off economically than their Lebanese hosts. At issue is not merely the international support Syrians enjoy, but also widespread rumors that the Syrians are growing rich on aid delivered in U.S. dollars while Lebanese workers struggle with the depreciating Lebanese lira. With more Lebanese slipping into poverty amid the country’s economic collapse, the aid that international actors have long provided to refugees is contributing to tensions between refugees and their host communities.

The decade-long conflict in Syria has driven a long-standing international aid response to the refugee crisis in Lebanon. Aid organizations provide in-kind and cash assistance, shelter, access to healthcare and education, and livelihoods support to vulnerable Syrian refugees and host communities. In 2020, donors provided more than $1.4 billion for this response. But Lebanon’s political crisis is now creating unprecedented humanitarian needs for Lebanese, the size and scale of which are rapidly increasing. Overall, Lebanon’s poverty rate has doubled in two years, from 42 percent in 2019 to 82 percent in 2021. While much of Lebanon’s poverty had struck non-citizens before the current political crisis, now one-third of all Lebanese are food insecure, and 77 percent of Lebanese households live in multidimensional poverty.

Aid organizations now give Lebanese many of the same kinds of support they give to Syrians through a smaller emergency response appeal seeking $378 million. As these crises converge, failing to implement an equitable and efficient humanitarian response to the different vulnerable
conditions will deteriorate to a full-blown humanitarian crisis, which would have devastating effects for Lebanese, the refugees and migrants Lebanon hosts, and U.S. allies and partners around the Eastern Mediterranean. If the Lebanese Armed Forces or basic services collapse, Lebanon risks becoming a failed state or regressing to civil war, causing mass displacement in the Levant and increasing the risk of large-scale irregular migration across the Mediterranean. A recent poll found that a record 63 percent of Lebanese would leave the country permanently if they could, demonstrating how close this scenario could be.

This paper is based on insights from a public discussion with four Lebanese aid officials and experts as well as information gathered from a private roundtable discussion and remote interviews with 24 senior humanitarian officials in November and December 2021.

OVERLAPPING AID RESPONSES

International donors have struggled to keep up with rapidly evolving humanitarian needs in Lebanon in the last couple of years. What was initially a refugee crisis has become progressively more complex as new crises have rendered many other communities in Lebanon vulnerable. Lebanon has become a uniquely complex environment for international actors to navigate, and donors, multilateral aid agencies, and international non-governmental organizations (NGOs) debate over which crisis should form the focal point of efforts and which organizations are suitable relief actors.

The Syrian refugee response continues to represent the bedrock of humanitarian operations in Lebanon. While the numbers are uncertain, Syrians represent roughly a fifth of Lebanon’s population, and many have no homes to which they can return safely. Since 2015, the Office of the UN High Commissioner for Refugees (UNHCR) and
the UN Development Programme (UNDP) have co-led the **Regional Refugee and Resilience Plan (3RP)**, which seeks to merge humanitarian and development responses. The Lebanon chapter of 3RP, the **Lebanon Crisis Response Plan (LCRP)**, was intended to meet the needs of Syrian refugees and Lebanese host communities in tandem. However, a European official told the authors that less than 30 percent of assistance went to host communities, and an international official said there has been no evidence that the LCRP has achieved any of its development goals. Lebanese citizens’ economic conditions deteriorated, and more than 200,000 had been pushed into poverty by 2018.

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As Lebanon’s financial and economic problems grew, donors offered Lebanon **$11 billion in conditional development assistance** in 2018 to incentivize reforms that would address the drivers of Lebanon’s problems. However, the government stalled. A series of shocks then hit Lebanon in 2019 and 2020. The October Revolution of 2019 toppled the government, Covid-19 reached Lebanon in 2020, and then a major explosion at the port of Beirut in August 2020 killed hundreds, damaged a third of buildings in Beirut, and left hundreds of thousands of people homeless. The government resigned after the blast and was not replaced for over a year.

Donors responded to these crises with a series of ad hoc responses. They crafted a Lebanon intersectoral Covid-19 response plan, issued an emergency flash appeal for the port explosion, and then developed the **Lebanon Reform, Recovery, and Reconstruction Framework (3RF)** as a more comprehensive response to the explosion over a span of 18 months.

Although the explosion accelerated Lebanon’s downward spiral, it did not represent the inflection point that many outsiders predicted. As the political vacuum dragged on, many Lebanese fell into extreme poverty, and the UN Office for the Coordination of Humanitarian Affairs (OCHA) published a new year-long flash humanitarian plan, the **Emergency Response Plan (ERP)**, to provide life-saving support to 1.1 million of the most vulnerable Lebanese and migrants.

Humanitarian organizations now deliver aid to vulnerable communities in Lebanon through multiple responses, which different UN agencies lead. UNHCR leads the primary international response, which targets Syrian refugees and Lebanese in host communities, and UN OCHA leads the short-term response for vulnerable Lebanese and migrants. But because there is no clear definition of host communities, it is unclear whether UNHCR or UN OCHA should respond to some Lebanese in need. As conditions for the majority of Lebanese deteriorate, these ad hoc responses are no longer sufficient and make humanitarian coordination increasingly complicated.

**ONGOING COLLAPSE**

Political bickering continues to exacerbate Lebanon’s problems. Although Najib Mikati formed a new government in September 2021, political crises have paralyzed his cabinet, and so far he has been unable to slow the state’s economic collapse. A row over Judge Tarek Bitar’s investigation into the Beirut port explosion prevented the cabinet from meeting for more than two months and led to clashes in the streets of Beirut that left seven people dead. A diplomatic spat with Arab Gulf countries gridlocked the government further. After comments previously made by Hezbollah-allied information minister George Kordahi criticizing Saudi Arabia’s role in Yemen resurfaced, Saudi Arabia withdrew its ambassador from Lebanon and banned all Lebanese imports. Several other Gulf states followed suit, further undermining the Lebanese economy and diverting political attention away from the country’s domestic problems.

As a result of the political dysfunction, humanitarian needs have risen drastically and outpaced donor support. Basic services in Lebanon are collapsing, prompting the UN special rapporteur on extreme poverty and human rights to call Lebanon a “rapidly failing state.” The value of the Lebanese lira has continued to plummet. While the “official” rate remains fixed at LL1,500 per U.S. dollar, the lira hit a record low of LL28,200 to the U.S. dollar on the black market in December 2021. The value of Lebanon’s official minimum wage dropped from $450 in 2017 to just $27 in late 2021. The government has lifted subsidies on critical imports, leading to higher food prices and shortages of medicine and fuel. By October 2021, the cost of filling a small car with gasoline was more than the monthly minimum wage.

Over one-third of the population is unable to afford basic food items, and the United Nations recently estimated that over 1 million Lebanese need humanitarian assistance to cover basic necessities, including food. Fuel shortages...
have led to widespread power outages that have strained hospitals and critical infrastructure, including water delivery and internet services. While costs have spiked, donor support has not adapted to the challenges, impeded by political challenges in Lebanon and internal struggles between donors and UN agencies about how to coordinate the aid response.

**POLITICAL CHALLENGES**

Donors face numerous challenges in responding to Lebanon’s crises. The political environment is difficult to navigate, with Lebanese elites obstructing international aid and reform efforts. The unusual and influential role that proscribed terrorist groups play in Lebanese politics creates additional complications for some donors.

Even as needs spike, Lebanon’s political elite has sought to obstruct international efforts to support the most vulnerable. The World Bank approved $246 million in funding for an emergency social safety net program in January 2021, but the Lebanese government stalled its rollout for 11 months. Disagreements about the data set used to ascertain beneficiaries’ eligibility—an attempt by politicians to use the system to bolster their generally sectarian patronage networks—were one major roadblock.

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Lebanese politicians also tried to reduce funding for oversight mechanisms and demand that cash assistance be provided according to an artificial exchange rate. In early December 2021, the government finally opened a registration platform, but funds will not be disbursed to beneficiaries for months, and there are concerns that the state lacks the capacity to implement the program. The World Bank loan also only supports the program for one year.

The political establishment has also sought to capitalize on inflows of aid. The Lebanese central bank has set a number of different lira exchange rates for different transactions—all of them significantly lower than the de facto exchange rate on the black market. These discrepancies lead to significant losses in the value of humanitarian aid. Throughout 2020, banks exchanged dollars for UN agencies at rates that were on average 40 percent lower than the black market rate, leading some analysts to estimate a loss of $250 million in the value of humanitarian aid to refugees and poor Lebanese.

Compounding these obstacles, Lebanese politicians continue to resist the reforms that would address the drivers of Lebanon’s crises and unlock significant international support for Lebanon. With upcoming parliamentary elections scheduled for early 2022, Mikati’s government lacks a mandate to make consequential decisions. Donors are right to continue to insist on reforms, but the prospects of them materializing are slim. One of the first steps of an economic bailout will involve distributing losses from the banking sector, which many politicians view as an existential threat to their personal wealth.

**A Lebanese woman stands next to her empty refrigerator in her apartment in the port city of Tripoli north of Beirut on June 17, 2020.**

Photo credit: IBRAHIM CHALHOUB/AFP via Getty Images
Some U.S. officials have considered imposing sanctions more widely to induce reform, but this approach is unlikely to bring results. Sanctioning intractable politicians has thus far failed to change their political calculations; expanding the list of sanctioned individuals may simply drive politicians further into an anti-Western camp.

The influence of proscribed groups in Lebanon also complicates humanitarian operations. Some U.S. officials are wary of distributing aid in U.S. dollars in Lebanon—especially in areas considered Hezbollah strongholds—for fear of inadvertently aiding proscribed groups. Other donors’ frustrations with Hezbollah’s enduring influence have led them to withdraw more fully. Arab Gulf states see efforts to dislodge Hezbollah and reduce Iran’s influence as fruitless. The new generation of Gulf leadership lacks the emotional connection to Lebanon that their parents had and considers it a lower regional priority. They are unwilling to continue providing support to Lebanon and appear to have written Lebanon off as a lost cause.

Some Western donors share Arab Gulf states’ pessimism about reducing Hezbollah’s influence and limit aid operations in Hezbollah strongholds. However, withdrawing from areas with Hezbollah influence makes vulnerable Lebanese in those areas even more reliant on the group.

**DONORS’ OWN CHALLENGES**

Donors also face internal challenges within the humanitarian response. Lebanon’s crisis built gradually over time, but a series of shocks have prompted new emergency needs without representing a clear inflection point. Some policymakers and humanitarians continue to insist that the crisis is primarily about refugees and view the refugee-centric Lebanese Crisis Response Plan (LCRP) as the most appropriate response. They argue that refugees’ lack of legal protections creates unique structural vulnerabilities for the community. In this view, the tools to address Lebanese needs are more straightforward, and steps such as the emergency social safety net (ESSN) and ration card systems can swiftly address most of Lebanese citizens’ vulnerabilities. Advocates of this view suggest that Lebanon’s acute needs are likely to be short-lived, and Lebanon remains a middle-income country in the World Bank’s tables (although Lebanon was downgraded from upper-middle income to lower-middle income in April 2021).

Others point to rocketing multidimensional poverty among Lebanese, rising intercommunal tensions, and the potential for violence to trigger mass displacement. They warn that Lebanon is approaching a Venezuela-like humanitarian crisis, and they argue that the current humanitarian architecture is “not fit for purpose.”

They believe that maintaining a refugee-centric approach could violate the principle of “do no harm” by stoking Lebanese communities’ perceptions that the aid community is biased in favor of refugees. Imposing a maximum wage for Syrians in Ras Baalbek highlights that fear. These humanitarian organizations also worry that new social protection systems will be difficult to implement, will not address the collapse of Lebanon’s basic services, and may well leave vulnerable Lebanese behind.

In the absence of a shared understanding of what kind of crisis Lebanon is experiencing, the aid response has fragmented. New responses and flash appeals that attempted to paper over gaps have increased coordination challenges. Aid workers complain the uncoordinated donor efforts force them to waste time attending multiple coordination meetings for the same sectors. Onerous reporting requirements hinder efforts to increase the localization of the aid response. Bureaucratic obstacles are overwhelming to smaller NGOs, undermining their ability to leverage local relationships to improve aid programming. Humanitarians lack forums to share best practices or air grievances about common issues. Complicated coordination mechanisms also overwhelm government ministries; the ongoing brain drain from Lebanon and hiring freezes already stretch their capacities to the limits. Failing to integrate state representatives effectively into aid planning undermines the opportunities for aid to build sustainable systems that can serve Lebanon’s longer-term interests.

The varying and ambiguous operational requirements of different responses frustrate prioritization efforts. For example, no clear criteria exist to determine if a Lebanese should be considered part of a host community (covered by the UNHCR-led response) or “vulnerable” (covered by the UN OCHA-led response). The primary international response continues to include requirements for more than 50 percent of beneficiaries to be Syrians, as if the rest of Lebanese society had not begun to collapse. Overlaps raise the risk of duplication and reduce the effectiveness of the humanitarian response. Some humanitarian organizations have initiated their own separate responses, such as a new cash transfer system from the Lebanese Red Cross, further fragmenting the response.

Humanitarian politics and bureaucratic inertia stymie efforts to address these challenges. Disagreements between
different humanitarian actors have stoked rivalries that verge on turf wars. Aid workers complain that the UN agencies leading the major responses do not coordinate or communicate sufficiently. The stakes are high for these rivalries, with humanitarians competing for billions of dollars in aid contracts. In the absence of a strong impetus to change course, the status quo will likely continue and the challenges of coordination will fester.

**INDEPENDENT HUMANITARIAN COORDINATION REVIEWS**

The humanitarian coordination architecture in Lebanon is no longer fit for purpose. An inflection point is not likely to spur action because all of the major humanitarian actors have entrenched operations and positions that have hardened greatly over time. The Lebanese political apparatus is even more resistant to change—for them, any challenge to the current system is existential. The parties themselves cannot find their way out of the trap they are in.

Instead, what is needed is an independent review of the aid architecture in Lebanon. While a complete overhaul is likely not needed, the review must identify opportunities to come to a shared understanding of current needs, enhance coordination, and improve delivery mechanisms. The review should also address concerns that Lebanon could become a “forever mission,” by identifying opportunities to build more sustainable Lebanese systems to support the vulnerable communities in the longer term. These improvements would help ensure that aid meets the needs of the most vulnerable more efficiently and could also dampen intercommunal tensions, which could result in wider instability and violence if left unaddressed.

A review sponsored by the United Nations would be most effective. Such reviews have a track record of leading to positive changes. In 2005, UN emergency relief coordinator Jan Egeland commissioned an independent review of gaps in the global humanitarian response, which resulted in the adoption of the cluster system later that year. As part of a global reform process of the humanitarian system, known as the Transformative Agenda, the Inter-Agency Standing Committee (IASC) established a formal system for conducting independent reviews of country responses—called Operational Peer Reviews (OPRs)—in 2011. OPRs provide recommendations to senior UN humanitarian officials in real time and support key strategic decisions. Because they require the buy-in of the highest levels of the United Nations, they are often impactful, although not immune from aid politics. An analysis of OPR outcomes between 2011 and 2016 showed that almost half of the action points identified by the OPRs were reported as fully addressed, while another third were partially addressed.

However, the prospect of the IASC commissioning an OPR for the Lebanon response in the near future is slim. Before an OPR is commissioned, the IASC has to engage in a “system-wide scale up,” which triggers the United Nations to declare a Level 3 humanitarian response—a designation reserved for “crises of the highest magnitude.” The IASC often only commissions OPRs for crises that include widespread violence and displacement, such as Syria and Yemen in 2015 and most recently Northern Ethiopia in September 2021.

Lebanese people queue in front of a petrol station in Beirut’s Cola district on November 29, 2019, following an open strike called for by the Syndicate of Fuel Station Owners.

Photo credit: AFP via Getty Images
Only being able to conduct an OPR after a disaster reduces the United Nations’ ability to prevent escalation and crises and makes it an unlikely option for Lebanon.

The humanitarian coordination architecture in Lebanon is no longer fit for purpose.

Other IASC-commissioned independent reviews have covered issues that are not tied to sudden changes in humanitarian circumstances but rather to an acknowledgment of broader failures. For example, the 2015 Independent Whole of System Protection Review was commissioned in light of humanitarian soul-searching after a 2012 report detailed the United Nations’ failures in Sri Lanka. Initiating such a review would therefore require UN agencies to acknowledge serious wrongdoing in Lebanon. The IASC can also sponsor “Peer-2-Peer” missions that provide senior-level UN support to UN humanitarian teams, but these missions are lesser in scale than an OPR and are also susceptible to politicization. Some UN agencies have previously sought to restrict their scope to deter larger changes, and so they are only effective if they have appropriately comprehensive terms of reference.

An independent review of humanitarian operations in Lebanon sponsored by an individual UN agency is unlikely to lead to the necessary reforms. UN agencies often commission independent reviews to assess failings in their responses, but the scope tends to be limited to the work of that agency. For example, UNHCR commissioned an independent review of its response to the Somali refugee influx in Ethiopia in 2011. Because part of the problems in the Lebanon response are between UN agencies, this approach is unlikely to yield helpful solutions.

The IASC Emergency Directors Group (EDG) could be a fruitful way to apply pressure for change. The EDG is still embedded within the UN system, but because an EDG mission requires significantly fewer and less substantial triggers than an OPR, an EDG-sponsored independent review could be a more viable route to gain buy-in from UN agencies. INGO officials are also members of the EDG, meaning it leverages their important perspectives. Past EDG missions have been impactful. In 2019, donor pressure motivated the EDG to lead an investigative mission to Burkina Faso, resulting in the creation of a new high-level coordination mechanism in the country.

RECOMMENDATIONS

Donors cannot “fix” Lebanon, but they can and must improve lifesaving assistance to vulnerable people in Lebanon and build the foundations of better governance. Recent reports on poverty in Lebanon should be a wake-up call for donors to appreciate the scale of need and the inadequacy of the current response.

To improve the efficacy of humanitarian operations, donors should:

• Invite the Emergency Directors Group to commission an independent review into the shortcomings of the current system of humanitarian coordination in Lebanon and put forward recommendations to make it fit for purpose.

• Commission a comprehensive joint assessment of the needs of all vulnerable groups in Lebanon.

• Leverage the power of collective donor pressure in humanitarian discussions with the Lebanese government. Negotiate a comprehensive preferential exchange rate for all humanitarian operations in Lebanon, rather than leaving some NGOs to fend for themselves.

• Establish credible mechanisms for beneficiaries to report grievances about aid operations to avert the risk of violating the principle of “do no harm.”

• Conduct aid operations across all of Lebanon according to need. Acknowledge that withdrawing from areas of de facto Hezbollah control forces people in those areas to turn to Hezbollah’s systems of service delivery.

• Provide funding commensurate to the humanitarian needs outlined in the forthcoming multisector needs assessment.

To build the foundations of improved governance, donors should:

• Continue to insist that any economic assistance beyond that needed strictly for humanitarian purposes come only after structural economic reforms. Donors should resist the temptation to ease pressure on the political elite as conditions worsen.

• Acknowledge that improving the efficiency of humanitarian aid is only a means of slowing Lebanon’s collapse. A longer-term solution to Lebanon’s problems will require reforms and more concerted development efforts.

• Seize opportunities to build systems that serve Lebanon’s longer-term needs, including by supporting longer-term aid programming and constructing a comprehensive national database that can be used to identify beneficiaries according to need.
• Identify opportunities to bolster partnerships with competent civil servants in government ministries and municipalities to help protect and strengthen state capacity.

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