I. Introduction and Context

Country Context

Lebanon is a small middle-income country with an open economy, a population of 4.2 million, a large diaspora, and an average GDP per capita of US$9,200 in 2010. The country is highly urbanized with more than 85 percent of the population living in cities, and about half in Beirut. The Lebanese economy is a service-oriented economy in which the services and trade sectors account for 60 percent of GDP and 73 percent of jobs. During the past 10 years, overall job creation has been negligible. In fact, growth and job creation performance has been below potential despite the significant financial resources and overall improvement of key macroeconomic indicators. Most of the financial resources are consumed or unproductively invested, hence preventing the extension and modernization of productive capacities, and in turn, limiting economic growth and job creation.

The country's complex political economy is based on a sectarian consensual democracy, in which political authority is shared among confessional groups. This political structure affects, among other things, the quality of the country's public institutions for service delivery, often resulting in low quality services being provided by the public sector. As a consequence, citizens sometimes turn to costlier alternative sources of service. In addition, the absence of a regionally balanced development strategy together with differences in educational attainment and human capital, have created regional disparities in living conditions. Development efforts since the end of the Civil War (1975-1991) have focused on urban reconstruction, while the mostly rural northern region, which houses 46 percent of the extremely poor population, continues to lag behind. Poverty is concentrated in the outskirts of large cities and remote rural areas, especially in the northern region of Akkar where as many as 63 percent of the families face serious poverty. Overall, nearly 28 percent of the Lebanese population, or 1 million people are considered to be poor, living on less than US$4/day, and 8 percent (or 300,000 people) are considered to be extremely poor, living on less than US$2.4/day. Some of the main social and economic challenges facing the country are: (i) significant regional inequities in access to basic infrastructure and social services; (ii) important disparities in income levels; (iii) growing gaps between the cost of living and income, especially for lower income groups; and (iv) fragmented, weak and inadequate formal social safety nets programs to help the poor and vulnerable.

Sectoral and Institutional Context
Lebanon has extensive experience with community-driven development (CDD) approaches, implemented with the support of the World Bank and other donors. In 2002, the World Bank supported the first CDD project in Lebanon - the Community Development Project (CDP) through a US$20 million loan. The objective of the CDP was to improve the living conditions and the economic status of the poor in disadvantaged communities, and it funded more than 320 projects, targeting five groups of beneficiaries (farmers, residents, social cases, women and youth), and covered several sectors. Subsequently, between 2008 and 2010, the Bank provided a US$2 million Post Conflict Grant for six municipalities around the Nahr el-Barad camp for CDD projects re-building social infrastructure, strengthening social services, and facilitating the economic recovery in the localities surrounding the camp. However, the sustainability of both projects was threatened as they were implemented either with the Council for Development and Reconstruction (as in the case of the CDP) which was established to implement large national-level infrastructure projects, or with the Ministry of Interior and Municipalities (as in the case of the CDP) which was established to implement large national-level infrastructure projects, or with the Ministry of Interior and Municipalities (as in the case of the PCF grant), which does not have experience implementing social projects. Other donors in Lebanon have also implemented and supported community development activities, mostly through the Ministry of Social Affairs (MOSA). MOSA has placed the community-driven development approach as central to its recently completed National Social Development Strategy. However, to date, it has not been able to effectively deliver on this mandate due to a number of institutional, technical and financial constraints.
The main objective of the Lebanon Country Partnership Strategy (August 2010) is to support the Government in putting the Lebanese economy on a sustainable path to high and broad-based economic growth, create employment, provide infrastructure and social services, and support social inclusion. The CPS places improvement of living standards of the population and regional equity at the center of the strategy, with local development as one of the means of reducing regional imbalances. Under local development, the CPS highlights the role of community-driven development as investments that will create jobs, provide income opportunities, and leverage local assets, thereby increasing economic empowerment in communities and reducing regional disparities. The CPS also gives priority to the development of Lebanon’s weak and fragmented social safety net system and to enhancing its poverty impact. The proposed Social Promotion and Protection Project (SPPP) is in line with the objectives of the CPS as it aims to: (i) build economic and social assets, increase economic empowerment in communities and reduce regional disparities, and (ii) reduce poverty and vulnerability at the household level.

Relationship to CAS

In light of the above, the proposed Social Promotion and Protection Project (SPPP) seeks to improve the living standards and economic status of the population at the individual level and reduce regional inequities at the community level. To attain this goal, the proposed SPPP will improve the capacity of MOSA to achieve its mandated functions by: (i) establishing and supporting an effective national mechanism in MOSA to finance community developed and driven projects; and (ii) supporting the institutionalization of the National Poverty Targeting Program (NPTP).

Proposed Development Objective(s)

II. Proposed Development Objective(s)

The Project Development Objective (PDO) is to improve the capacity of the Ministry of Social Affairs (MOSA) to achieve its mandated functions by:

(i) establishing and supporting an effective national mechanism in MOSA to finance community developed and driven projects; and
(ii) supporting the institutionalization of the National Poverty Targeting Program (NPTP).

Key Results

1) National Community Social Development Mechanism in MOSA is fully operational (staffed and allocating community grants based on transparent, accountable, speedy, and effective procedures as agreed upon in the Project Operations Manual)
2) Improved access to economic and social services (in comparison to control group)
3) Second and third round of benefit distribution under the NPTP completed.
4) Case management system for graduation / activation of NPTP beneficiaries is piloted in one area of Lebanon

III. Preliminary Description

Concept Description

The approved Country Partnership Strategy (CPS) between the World Bank and the Government of Lebanon (GoL) places improvement of living standards of the population and regional equity at the center. The GoL has requested the Bank’s support in building the capacity of MOSA to fulfill its mandated role of implementing projects at the community level and of acting as a platform to coordinate effort and improve the currently fragmented and ineffective way of financing community driven development projects in the country. Moreover, continued Bank support was requested in helping MOSA to manage the institutionalization of NPTP processes, as well as to design linkages between NPTP and other social programs.

In light of the above, the proposed Social Promotion and Protection Project (SPPP) seeks to improve the living standards and economic status of the population at the individual level and reduce regional inequities at the community level. To attain this goal, the proposed SPPP will improve the capacity of MOSA to achieve its mandated functions by: (i) establishing and supporting an effective national mechanism in MOSA to finance community developed and driven projects; and, (ii) supporting the institutionalization of the National Poverty Targeting Program (NPTP).

The project is envisioned to consist of two main components: (I) Community Social Development (CSD); and (II) National Poverty Targeting Program (NPTP) Phase II.

The first component would, firstly support the establishment of a National Community Social Development Mechanism in the MOSA by: (a) providing support to the “Social Development Directorate” in MOSA, which would manage a transparent process of outreach, screening and prioritization, financing, and monitoring and evaluation of the sub-projects, including the promotion of community participation and empowerment; (b) building the capacity of MOSA staff at all levels (including the Social Development Centers) and other relevant government staff (i.e. municipalities and sector ministries), and NGOs/CBOs; (c) establishing a National Social Database that would include a social map of the country, information on beneficiaries, projects, and resources and increase the MOSA’s ability to coordinate CDD interventions; and (d) supporting the ongoing introduction of criteria for quality assurance and accreditation for NGOs/CBOs and welfare institutions contracting with MOSA. This component would, secondly finance community-driven sub-projects which will entail the provision of grants to local communities whose projects have been selected through the National CSD Mechanism. Projects eligible for financing must have the objective of either enhancing the provision of social services or increasing income-generating opportunities.

The second component - the NPTP Phase II - would provide support to the Inter-ministerial Committee for Social Policy (Social-IMC) and its Secretariat which is located in MOSA, to enhance its ability to coordinate social policies, carry out regular updates of poverty assessments (utilizing household surveys from the Central Administration of Statistics), and development of poverty reduction and social strategies. In addition, in the maturing of the NPTP, the project will provide support to the CMU and MOSA NPTP teams to enhance the quality of this program’s implementation, including further development of NPTP business processes.
(such as maintenance of the database, the management information system, updating of the PMT formula based on the 2011 Household Budget Survey, establishment and fine-tuning of the fraud and corruption and complaints mechanisms, and enhancement of SD C connectivity). Moreover, training will be provided to social workers in order to improve their capacity to conduct home visits and fill out necessary forms. Finally, the design and implementation of a high-quality Monitoring and Evaluation system will be supported, which provides timely and useful information on the functioning of the program. Finally, to ensure that NPTP does not create dependency for work-able beneficiaries, this component will support the establishment of a case management system, where SDC social workers work directly with NPTP beneficiaries to plan their graduation from the program. Such a graduation strategy can entail linkage of NPTP beneficiaries to complementary social programs, such as skills training, as well as job search assistance.

The project would be implemented over a 5-year period through a World Bank loan of $30 million with $10 million contribution from the Government of Lebanon. Regarding the loan amount, approximately $20 million will be allocated for the first Component, Community Social Development, and $10 million for the second Component, NPTP Phase II. A more detailed breakdown of these costs would be determined more closely as project preparation proceeds.

IV. Safeguard Policies that might apply

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VI. Contact point

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