

Stabilisation Systems Analysis - Lebanon

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Participant Briefing Pack



Table of Contents

Introduction	3
Why a stabilisation systems analysis?	4
Why should we do a <i>stabilisation systems analysis</i> ?	4
What is <i>stabilisation</i> ?	4
How can we use the results of a <i>stabilisation systems analysis</i> ?	5
Lebanon stabilisation systems analysis – key elements	6
What are we analysing?	6
What are vulnerable communities and institutions?	6
What is “well-being”?	6
What shocks are we looking at?	7
Over what timeframe?	7
Pre-analysis of risks	8
How are the risks related to the Syria crisis affecting overall well-being in Lebanon?	8
1. Continued, and potentially increased, presence of refugees	9
2. Economic and trade shocks	10
3. Threats to social cohesion	11

Introduction

Everybody is talking about stabilisation. The idea that people, institutions and states need the right tools, assets and skills to deal with an increasingly complex, interconnected and evolving risk landscape, while retaining the ability to seize opportunities to increase overall well-being, is widely accepted.

In reality, however, it has not been easy to translate this sound idea into good practice, mostly because people in the field don't yet have the right tools to systematically analyse stability, and then integrate stabilisation aspects into their development and humanitarian programming.

This workshop will help a range of important stakeholders understand the different possibilities for introducing stabilisation aspects into their policies, programmes and funding in different parts of Lebanon.

You, the participants – experts in the different systems that together support the well-being of Lebanese society, experts in different risks, and key decision makers – will share your knowledge about how the crisis in Syria is affecting the system that promotes the well-being of vulnerable people and institutions in Lebanon. This will help you determine where the system is weakest, and thus where it needs to be reinforced.

Your experience living and working in this country will then help us determine what we need to do now – the highest priorities for action – to ensure the continued stability and well-being of Lebanese society.

I look forward to the results of this analysis, and thus to a solid, prioritised, value-for-money, plan for stabilisation in Lebanon.

Ross Mountain

UN Resident Coordinator
Humanitarian Coordinator
UNDP Resident Representative
UNFPA Representative
UN Deputy Coordinator (UNSCOL)

Why a stabilisation systems analysis?

Stabilisation is the primary concern in Lebanon at this point in time. Therefore, this analysis will look at how to boost the resilience of key systems in Lebanon, with the aim of long-term stabilisation. To prevent confusion, therefore, this analysis is called a stabilisation systems analysis.

Why should we do a *stabilisation systems analysis*?

A *stabilisation systems analysis* will provide key actors with:

- a shared view of the risk landscape that people face
- an understanding of the broader system that people need for their all-round well-being
- an analysis of how the risk landscape affects the key components of the well-being system; which components are resilient, which are not, and why
- a shared understanding of power dynamics, and how the use or misuse of power helps or hinders people's access to the assets they need to cope with shocks; and
- based on all of that, a shared vision of what needs to be done to boost stabilisation in the system, and how to integrate these aspects into policies, strategies and development efforts at every layer of society.

Boosting stabilisation is a virtuous circle: stabilisation programming targets specific societal systems and the risk landscape affecting them. The outcomes of programming will, in turn, affect the context.

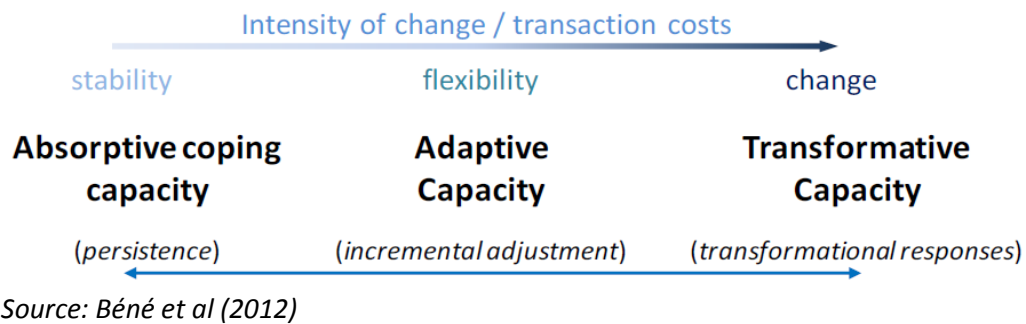
What is *stabilisation*?

Stabilisation involves the ability of households, communities and states to absorb and recover from shocks, whilst positively adapting and transforming their structures and means for living in the face of long-term stresses, change and uncertainty.

Stabilisation can be boosted by strengthening three different types of capacities:

- **Absorptive capacity:** The ability of a system to prepare for, mitigate or prevent negative impacts, using predetermined coping responses in order to preserve and restore essential basic structures and functions. This includes coping mechanisms used during periods of shock. Examples of absorptive capacity include early harvest, taking children out of school, and delaying debt repayments.
- **Adaptive capacity:** The ability of a system to adjust, modify or change its characteristics and actions so that it is less exposed to shocks, and to take advantage of opportunities, so that it can continue to function without major qualitative changes in function or structural identity. Examples of adaptive capacity include diversification of livelihoods, involvement of the private sector in delivering basic services, and introducing drought resistant seed.
- **Transformative capacity:** The ability to create a fundamentally new system so that the shock will no longer have any impact. This can be necessary when ecological, economic or social structures make the existing system untenable. Examples of transformative capacity include the

introduction of conflict resolution mechanisms, urban planning measures, and actions to stamp out corruption.



Often, these three capacities are used at the same time. For example, a coastal community in Bangladesh may use its absorptive capacity to build barriers that will protect their resources against annual flooding; use adaptive skills to alter how they cultivate crops and collect drinking water in new ways that guard against the increasing salinity of groundwater associated with climate change, and transform the way they manage natural resources by changing basic attitudes about the role and partnership of different community groups, and the role of women.

How can we use the results of a *stabilisation systems analysis*?

Many donors are requiring their partners to base their programming on a theory of change, linked to a log-frame analysis: the *stabilisation systems analysis* facilitates both of these.

The outputs of a *stabilisation systems analysis* provide the platform for constructing a *theory of change*, often used in development programming to support overall analysis, strategy and critical thinking. A *stabilisation systems analysis* provides information for the three key steps in constructing a theory of change:

- analysing the context
- exploring assumptions and hypotheses for changes in the future; and
- assessing evidence for future change.

The results matrix produced by the *stabilisation systems analysis* follows a theory of change logic. This will help partners design programmes that are targeted at building stabilisation, or, even better, to incorporate stabilisation boosting elements into existing programmes.

The *stabilisation systems analysis* also helps develop *logframes* for documenting and monitoring humanitarian and development programmes. It does this by:

- providing a concrete vision of the desired programme impact, and outcomes
- showing how *project outputs* can contribute to these outcomes and impact; and
- providing better and more coherent risk information for the *assumptions* component of the logframe.

In addition, as the *stabilisation systems analysis* is a shared process, it can also be used as the context analysis and prioritisation exercise for joint planning exercises. In this case it will support the Lebanon chapter of the Syria Regional Response and Resilience Plan.

Lebanon stabilisation systems analysis – key elements

What are we analysing?

This *stabilisation systems analysis* is designed to look at the following question:

The stabilisation of the well-being of vulnerable communities and institutions in Lebanon, to shocks resulting from the crisis in Syria, over the next two years.

What are vulnerable communities and institutions?

Vulnerable communities: The re-profiling exercise undertaken for the LCRP (Lebanon Crisis Response Plan) has identified **three broad categories of vulnerability** for communities and institutions:

- i. Vulnerability linked to failure to meet fundamental material needs;
- ii. Vulnerability linked to deprivations of services and social protections; and
- iii. Vulnerability linked to institutional and social fragility.

Institutions include community, municipality and national government institutions, both formal and informal. Lebanese non-governmental organisations are included in this group.

What is “well-being”?

Measuring the well-being and progress of societies is one of the key priorities of the international community. Focusing on people's well-being and societal progress, we are looking not only at the functioning of the economic system but also at the diverse experiences and living conditions of people and households.

For the stabilisation systems analysis in Lebanon, we will focus on six key elements of the well-being system (adapted from DFID, 1999):

Financial capital: Financial capital denotes the financial resources that people use to achieve their well-being objectives

Human capital: Human capital represents the skills, knowledge, ability to labour and good health that together enable people to pursue different well-being strategies and achieve their well-being objectives

Natural capital: The natural resource stocks from which resource flows and services (e.g. nutrient cycling, erosion protection) useful for well-being are derived. There is a wide variation in the resources that make up natural capital, from intangible public goods such as the atmosphere and biodiversity to divisible assets used directly for production (trees, land, etc.).

Physical capital: Physical capital comprises the basic infrastructure and producer goods needed to support well-being. Infrastructure consists of changes to the physical environment that help people to meet their basic needs and to be more productive. Producer goods are the tools and equipment that people use to function more productively.

The following components of infrastructure are usually essential for sustainable well-being:

- affordable transport;
- secure shelter and buildings;
- adequate water supply and sanitation;
- clean, affordable energy; and
- access to information (communications).

Political capital: The ability to use power in support of political or economic positions and so enhance well-being; it refers to both the legitimate distribution of rights and power as well as the illicit operation of power which generally frustrates efforts by the poor to access and defend entitlements and use them to build up capital assets

Social capital: The social resources upon which people draw in pursuit of their well-being objectives. These are developed through:

- networks and connectedness, either vertical (patron/client) or horizontal (between individuals with shared interests) that increase people's trust and ability to work together and expand their access to wider institutions, such as political or civic bodies;
- membership of more formalised groups which often entails adherence to mutually-agreed or commonly accepted rules, norms and sanctions; and
- relationships of trust, reciprocity and exchanges that facilitate co-operation, reduce transaction costs and may provide the basis for informal safety nets amongst the poor.

What shocks are we looking at?

For this analysis, we are looking at shocks related to the crisis in Syria. These have been split into three categories:

- 1. Shocks and resource pressures related to the continued, and potentially increased, presence of refugees in Lebanon*
- 2. Economic and trade shocks caused, or exacerbated, by the crisis in Syria*
- 3. Threats to social cohesion and social tensions between different sectarian, political and other interest groups.*

Over what timeframe?

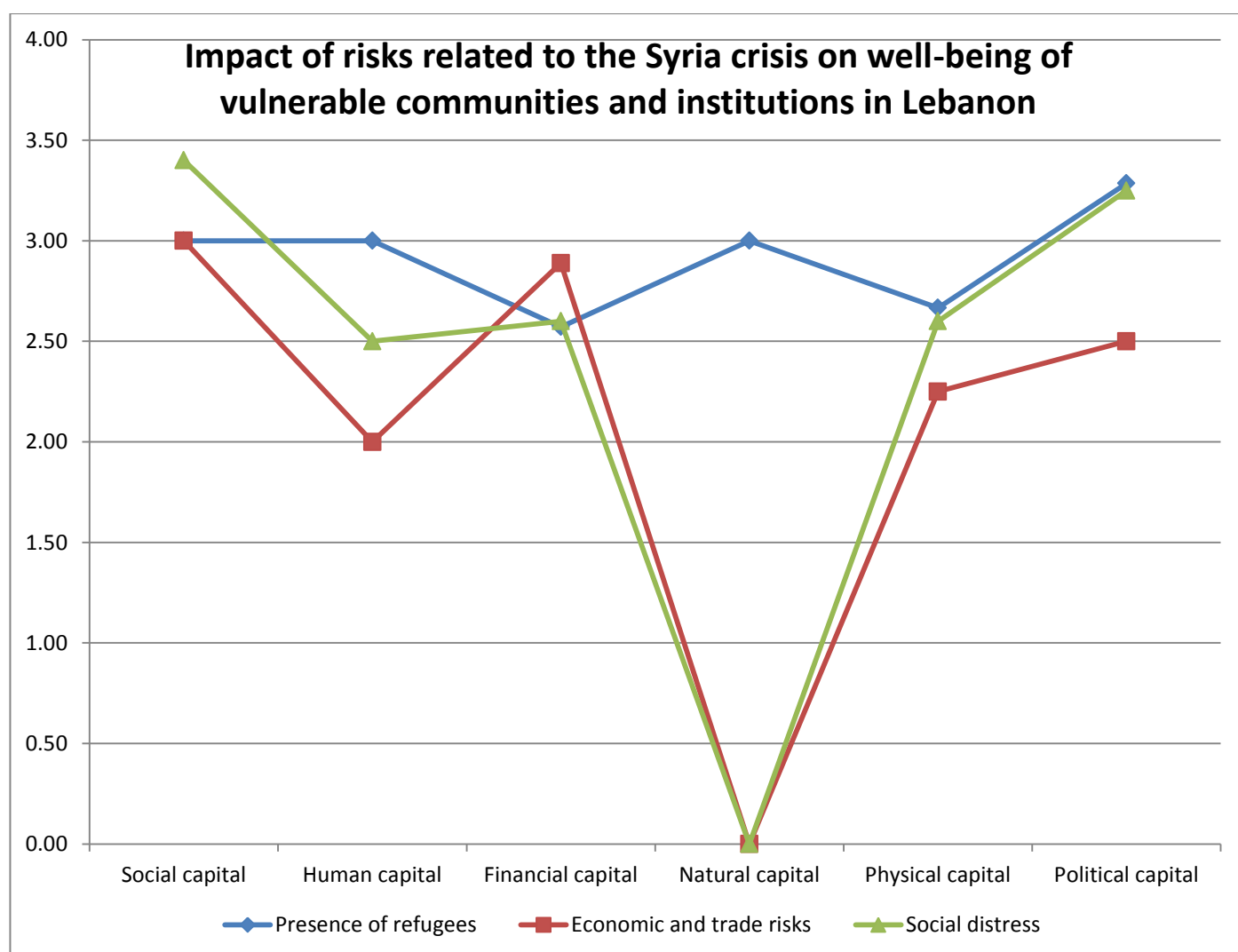
This stabilisation systems analysis has been designed to support the Lebanon chapter of the Syria Regional Response and Resilience Plan (3RP), and thus it covers the same planning period, i.e. the two years 2015-2016.

Pre-analysis of risks

The following section contains the results of the initial analysis of risks related to the crisis in Syria, showing initial interpretations of how these risks are affecting well-being in Lebanon. This pre-analysis is based on existing data and reports and draws heavily from existing analysis and planning by the various sector groups.

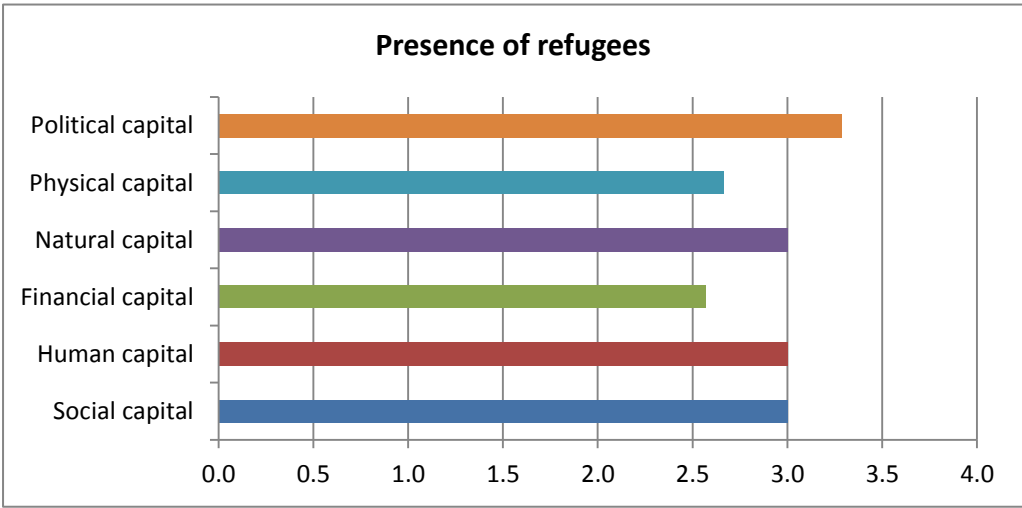
The results will be adjusted and validated during the stabilisation systems analysis workshop.

How are the risks related to the Syria crisis affecting overall well-being in Lebanon?



The three main risks related to the Syria crisis are affecting the different aspects of well-being – the different capitals – in very different ways. Characteristics of the different risks, their various stresses and mitigating factors are documented on the following pages.

1. Continued, and potentially increased, presence of refugees

Type of risk:	Covariate	Risk Category:	Geo-political														
Related Stresses																	
<p>Lack of clearly defined borders facilitate cross-border movement. No official camps so refugees have to move into pre-existing structures, often in poorest neighbourhoods - 59% live in independent shelters, 25% in an unfinished shelter and 14% in informal settlements. 82% pay rent. Aid to refugees erodes relations between refugee and host populations. 12% of households report feeling insecure, mostly because of their neighbours. 78% of the registered refugee population are women and children, exposed to SGBV and other protection risks. Lebanese citizens compete for wages with refugees who work for less. Some refugees were displaced several times before coming to Lebanon, and lost all their belongings. Many of them are forced to borrow money, to reduce their food consumption to the minimum, to withdraw their children from school and send them to work, neglect their medical problems, beg or involve in illegal and criminal activities. Some refugees not registering for fear of retaliation. Large refugee households, 65% have children under 5yrs. 67% do not have residential permits. 33% have no access to drinking water, 40% no access to hygiene items. 77% of refugee households have children out of school. 82% of households borrowed money or took credit in the last three months, mostly for food, rent and healthcare. Negative coping mechanisms such as child labour and child marriage used. Refugees in Informal Settlements are at higher risk, and new arrivals in general are at high risk. General fear in host communities that the refugees will remain permanently. The presence of large numbers of refugees places significant strain on basic service infrastructure - both public and private.</p>																	
Mitigating elements																	
<p>Ethnic linkages between ethnic groups in Lebanon and ethnic groups within Syrian refugees. Low dependency ratio of refugee households. Decrease in level of negative absorption capacities to buy food, favouring instead buying food on credit. Presence of humanitarian actors and response, although funding levels appear to be declining.</p>																	
Possible future impact																	
<p>Estimates of another 1 million refugees by end 2014. Tensions/sporadic infighting between different sectarian groups may increase. Potential for refugee settlements to provide an operations base for jihadists. Resentment of host population may increase tensions between the groups, and complicate access to basic services. Basic service infrastructure, including in the education system, may be stretched further and shortages will be more frequent and severe. Potential for new refugee inflows from Iraq.</p>																	
Source documents																	
<p>Young et al (2014) <i>Spillover from the conflict in Syria: an assessment of the factors that aid and impede the spread of violence</i>, Rand Corporation. UNHCR, UNICEF, WFP (2014) VASyR, unpublished. Draft sector response plans.</p>																	
Impact of this risk on well-being																	
 <table border="1"> <caption>Presence of refugees</caption> <thead> <tr> <th>Capital Type</th> <th>Impact Score</th> </tr> </thead> <tbody> <tr> <td>Political capital</td> <td>3.3</td> </tr> <tr> <td>Physical capital</td> <td>2.7</td> </tr> <tr> <td>Natural capital</td> <td>3.0</td> </tr> <tr> <td>Financial capital</td> <td>2.6</td> </tr> <tr> <td>Human capital</td> <td>3.0</td> </tr> <tr> <td>Social capital</td> <td>3.0</td> </tr> </tbody> </table>			Capital Type	Impact Score	Political capital	3.3	Physical capital	2.7	Natural capital	3.0	Financial capital	2.6	Human capital	3.0	Social capital	3.0	<p>Average impact on well being</p> <p>2.92</p> <p>Risk severity</p> <p>11.68</p>
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2. Economic and trade shocks

Type of risk:	Covariate	Risk Category:	Financial
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Related Stresses

The crisis in Syria has impacted key areas of the Lebanese economy since its outset in 2011. Lebanon was immediately affected, largely because of security concerns due to its proximity to the conflict, as well as its dependence on Syrian territory as a conduit for several major sectors of activity, particularly trade and tourism. Main spill over effects: The conflict in Syria has heightened political and security uncertainty. Heightened uncertainty contributed to lower consumer and investor confidence, further depressing economic activity. Overall inflation has been broadly in line with regional peers, but higher food and rent inflation might particularly affect the refugees and Lebanese poor. Security developments in Syria have disrupted goods trade. The deterioration in security has also affected the tourism sector. The current account deficit remains large. The impact of the Syrian crisis on fiscal performance will be extensive. Stabilization needs (the spending needed to bring service delivery and quality to pre-crisis levels) are estimated to be an additional \$2.5 billion. Tax revenues have softened since the onset of the crisis. Spending associated with the Syrian crisis (especially social – health, education and social safety nets) has partly contributed to the deterioration in fiscal performance. The influx of refugees has exacerbated pre-existing weaknesses in infrastructure, especially in electricity provision and increasing maintenance costs. Labour markets were already suffering before the refugee crisis. The refugee crisis is adding significant pressures, especially on unemployment. Some of the effects of the crisis are still unfolding and may be long lasting, particularly because the resolution of the Syrian conflict is uncertain—with the timing and number of refugees returning to Syria unclear—and some of the costs will materialize in the future. The uncertainty is undermining confidence and depressing economic activity.

Mitigating elements

Net current transfers have picked up, reflecting significant humanitarian assistance, as well as lower remittance outflows due to Syrian workers likely supporting relatives that moved to Lebanon. The direct impact on the banking sector has been contained so far. International humanitarian assistance helps alleviate direct financial pressure, but direct donor support to mitigate the impact of the crisis on Lebanese host communities is substantially lower than humanitarian aid.

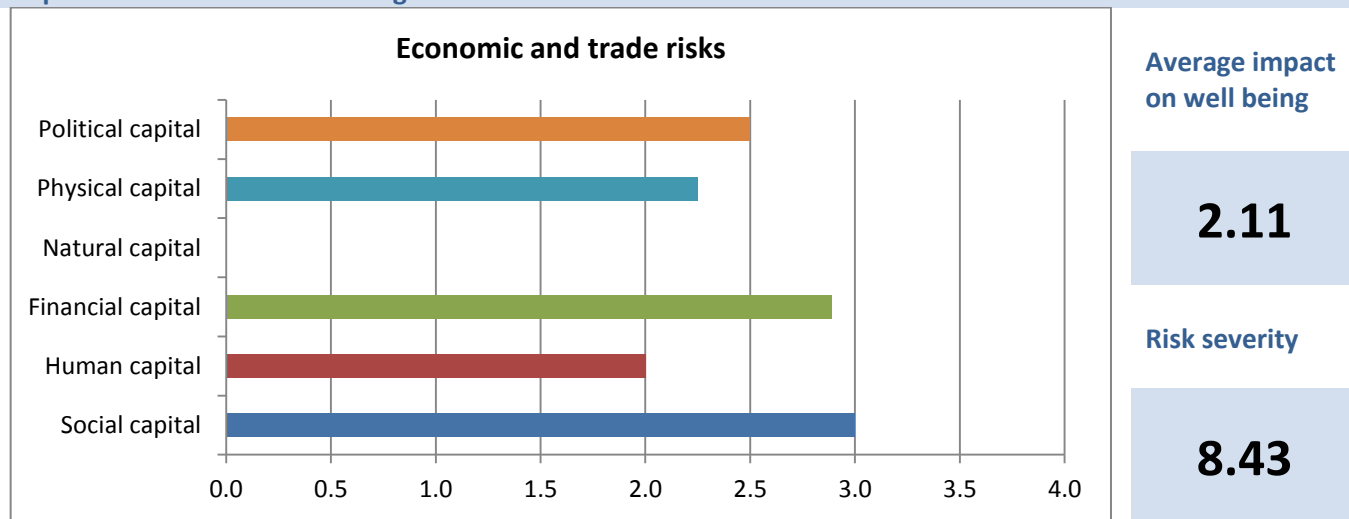
Possible future impact

Simulations of alternative scenarios with all refugees remaining in Lebanon beyond 2016 suggest that the unemployment rate would remain over 20 percent by 2019. Even assuming that a comprehensive reform package were implemented starting in 2015, with positive effects on both growth and the employment elasticity, the unemployment rate would still remain above its 2011 level by the end of the projection period. In this case, an additional challenge for the authorities would be to address the permanent changes to the composition of the labour force and the larger number of low-skilled workers, calling for a new job-creation strategy.

Source documents

Young et al (2014) *Spillover from the conflict in Syria: an assessment of the factors that aid and impede the spread of violence*, Rand Corporation. UNHCR, UNICEF, WFP (2014) *VASyR*, unpublished. Draft sector response plans. IMF (2014) *Lebanon: Selected Issues*, IMF Country Report No. 14/238

Impact of this risk on well-being



3. Threats to social cohesion

Type of risk:	Covariate	Risk Category:	Geo-political
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Related Stresses

There are governance issues, division amongst internal security forces, and continued external support of various factions. Friction between political groups, leading to political deadlock, and postponement of elections. Flows of arms, rebels, jihadists, money and equipment into Syria along the long border. Presence of Jabhat al-Nusra. Geographic proximity to Syrian conflict, with both sides launching attacks from inside Lebanon's borders. Pre-existing tensions between ethnic and religious communities inside Lebanon. These have been reignited and sometimes result in open violence. Polarization within the Lebanese society has reached an alarming point and divisions are increasingly visible. Social media has been used for recruitment of opposition groups. The initial display of welcome and solidarity to refugees from the Lebanese population has now evolved in high level of tensions and misperception between host communities and refugees. Competition for livelihoods opportunities, strain on natural resources, pressure on public service delivery, prejudices and negative perceptions, and perceptions of unbalanced assistance have all contributed to these tensions. The crisis has been a shock for local institutions, particularly municipalities, which have been at the forefront of the crisis to deal with the presence of refugees, providing basic services and maintaining social cohesion. Low capacity of local authorities and communities to deal with tensions at local level. UNDP's Human Development Report shows that progress in Lebanon has been stunted over the last two years. Use of negative coping mechanisms such as child labour has led to adolescent boys separated from families and living at workplaces, at risk of radicalisation.

Mitigating elements

Linkages between ethnic groups in Lebanon and ethnic groups within Syrian refugees promote solidarity, although these are becoming strained. Freedom of the press. Increased international support to Lebanese Armed Forces to attempt to counter arms flows and violence, but LAF still seen as overstretched. National child protection framework has been strengthened.

Possible future impact

A risk that inter-group violence will erupt; political allegiances have potential to act as a trigger for violence if tensions escalate. Potential for organised collective violence targeting refugees. Syrian refugees are less likely to engage in violent actions, but increased marginalisation poses a risk of radicalisation of individual elements, especially vulnerable young males. Risk of spill-over fighting from Syria.

Source documents

Young et al (2014) *Spillover from the conflict in Syria: an assessment of the factors that aid and impede the spread of violence*, Rand Corporation. UNHCR, UNICEF, WFP (2014) *VASyR*, unpublished. Draft sector response plans.

Impact of this risk on well-being

