

Flygtningenævnets baggrundsmateriale

Bilagsnr.:	872
Land:	Libanon
Kilde:	Amnesty International
Titel:	The country is dissolving and no one cares
Udgivet:	December 2024
Optaget på baggrundsmaterialet:	11. december 2024



“THE COUNTRY IS DISSOLVING AND NO ONE CARES”

**SURGING NEED AND CRASHING SUPPORT FOR SOCIAL SECURITY
DURING LEBANON’S ECONOMIC CRISIS**

**AMNESTY
INTERNATIONAL**



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First published in 2024

by Amnesty International Ltd

Peter Benenson House, 1 Easton Street
London WC1X 0DW, UK

Index: MDE 18/8685/2024

Original language: English

amnesty.org



Cover photo: A woman reacts as retired servicemen protest to demand inflation-adjustments to their pensions outside Lebanon's central bank headquarters in Beirut on 30 March 2023.

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GLOSSARY

WORD	DESCRIPTION
BANQUE DU LIBAN (BDL)	Central Bank of Lebanon
CESCR	UN Committee on Economic, Social and Cultural Rights
EOSI	End-of-service indemnity
ESCWA	UN Economic and Social Commission for Western Asia
ESSN	World Bank-funded Lebanon Emergency Crisis and Covid-19 Response Social Safety Net Project
GDP	Gross Domestic Product
ICESCR	International Covenant on Economic, Social and Cultural Rights
ILO	International Labour Organization
IMF	International Monetary Fund
LBP	Lebanese pound/lira
MOPH	Lebanese Ministry of Public Health
MOSA	Lebanese Ministry of Social Affairs
NDA	National Disability Allowance
NPTP	National Poverty Targeting Programme
NSSF	National Social Security Fund
NSPS	National Social Protection Strategy
OHCHR	Office of the United Nations High Commissioner for Human Rights
PHCC	Primary Healthcare Centre
PMT	Proxy-Means Testing
SLA	Staff-Level Agreement (between Lebanon and the IMF)

WORD	DESCRIPTION
SPECIAL RAPPOREUR ON POVERTY	UN Special Rapporteur on extreme poverty and human rights
UDHR	Universal Declaration of Human Rights
UNHCR	UN High Commissioner for Refugees
UNICEF	UN Children's Fund
UNRWA	UN Relief and Works Agency for Palestine Refugees in the Near East
USD	United States dollar
VAT	Value Added Tax
WHO	World Health Organization

1. EXECUTIVE SUMMARY

“It is a disgrace, what has become of us. It hits our dignity and self-respect. We are left with nothing”.

An older man in Beirut speaking to Amnesty International about the consequences of Lebanon’s economic crisis

Over the last five years, people in Lebanon have had to contend with a series of devastating crises, including an ongoing and man-made financial and economic crisis considered to be one of the most severe globally in recent times. The impacts of the economic crisis began to be dramatically felt in 2019. According to the World Bank, “Such a brutal contraction is usually associated with conflicts or wars”.

The impact of the economic crisis was compounded by a series of other shocks. In early-2020, Lebanon, like the rest of the world, was hit by the COVID-19 pandemic. In August 2020, after the government failed to act on years of warnings that a dangerous stockpile of explosive chemicals was sitting in the Beirut port, the port exploded, causing the world’s largest non-nuclear blast. Meanwhile, the currency rapidly depreciated and the cost-of-living went through the ceiling. In 2023, the war between Israel and Hezbollah escalated on Lebanon’s southern border, with tens of thousands displaced from their homes and Israeli attacks in Lebanon killing and wounding civilians and damaging residential areas and agricultural land. In September 2024, the war sharply intensified. By October 2024, more than 2,500 people in Lebanon had been killed, more than 10,000 injured, and more than a million displaced, according to the government.

This report, which examines the government of Lebanon’s failure to uphold people’s right to social security during the economic crisis that the government helped create, was written before the conflict between Israel and Hezbollah sharply intensified in 2024. After the war escalated, many people in Lebanon had to contend with both the dramatic increases in poverty and financial vulnerability that came with the economic crisis and the loss of their homes or their livelihoods during a rapidly expanding war. Access to social protection became even more critical for an increasing number of people, and people’s needs changed rapidly, just as the context around them did.

Amnesty International is releasing this report at this time because the needs of the most vulnerable were exacerbated by the war. Since 2019, despite the huge suffering arising from the economic crisis and in the face of the flaws that the crisis exposed in Lebanon’s existing social protection system, the government of Lebanon overwhelmingly failed to take the necessary steps to reform Lebanon’s social protection system so that it was able to realize rights for everyone living in the country. While the government took some small steps forward, including adopting a national social protection strategy, the government failed to ensure that everyone had access to at least the minimum essential levels of social protection, failed to protect marginalized groups from further deprivation, and failed to utilize multiple options available to it for mobilizing the necessary funds to realize rights.

Crises impact the resources that states have to realize rights, but even during crises—whether caused by economic collapse or war—governments must work to ensure that people are able to enjoy minimum essential levels of their economic and social rights, including the right to social security.

The right to social security encompasses the right to access and maintain benefits, including cash and other forms of assistance, that protect people from lack of work-related income caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member, unaffordable access to

health care, and insufficient family support. It is essential to securing other economic and social rights, such as the rights to an adequate standard of living, food, water, health and adequate housing.

Shoring up the right to social security is particularly crucial during times of crisis, including by protecting people from being driven into destitution because of catastrophic health or housing costs. Amnesty International urges the government of Lebanon, as well as international donors and lenders providing support to the government, to consider the failures of the recent past as they develop priorities for aid initiatives and government programmes.

The economic crisis that spiralled in Lebanon in 2019 was man-made, built on years of corruption, elite capture and mismanagement of public resources and perpetuated by a culture of impunity. As the UN Special Rapporteur on extreme poverty and human rights said in 2022 after visiting Lebanon, “The Government and the broader political establishment, the Banque du Liban and the banking sector are jointly and severally responsible for the human rights violations that have resulted from the manufactured crisis Lebanon is experiencing today”.

A defining feature of Lebanon’s economic crisis was the government’s deliberate policy inaction and the ways in which that inaction benefited some, including some of the country’s political and business elites, and had devastating effects on others, like those unable to access adequate healthcare. In 2020, the World Bank termed Lebanon’s economic crisis a “deliberate depression”, saying that “deliberate lack of effective policy action by authorities has subjected the economy to an arduous and prolonged depression”. The following year, the World Bank said this was “creating long-lasting scars on the economy and society”. In 2023, the World Bank said, “Behind a façade of normalization of crisis conditions, the Lebanese economy remains in precipitous decline, markedly distant from a stabilization path, let alone a recovery path”.

Between May 2023 and April 2024, Amnesty International conducted individual interviews and focus group discussions with 81 people severely affected by the economic crisis in Lebanon, as well as interviews with 34 experts on social protection, economic and health policy. Amnesty International also conducted an extensive review of reports, analyses and data produced by the government, international organizations, and civil society groups. This report would not have been possible without the generosity of the people who were willing to share their stories and expertise.

Even before the economic crisis, Lebanon’s social protection system was fragmented, limited and inequitable, leaving many people without access to key forms of social protection, including access to affordable healthcare and basic income security. The social protection system in place was far from guaranteeing universal social protection, in line with human rights law and standards, and unable to cope with the recurrent crises that Lebanon has since experienced, including the economic collapse, the war, and the impacts of the climate crisis, which are already being felt.

Since 2019, the government of Lebanon has woefully failed to take adequate measures to address the impact of the economic crisis on people’s rights. Three particular impacts of government policy decisions, both exacerbated by the economic crisis and made worse by the government’s years-long refusal to sufficiently address it, were particularly devastating for people’s right to social security:

- the sharp reduction in government expenditure to realize rights
- the devaluation of social protection benefits to the point where, in some cases, they were almost non-existent
- the way in which these two combined to reduce people’s ability to afford essential goods and services, including healthcare.

The government of Lebanon allowed the adequacy of social insurance benefits, including end-of-service indemnities, pensions and health insurance support, to be drastically eroded by currency depreciation and inflation during the crisis. People who were able to continue accessing some social insurance benefits during the crisis, including those that worked in the formal private sector and those that worked in the public sector (which tended to have more generous benefits before the crisis), described to Amnesty International how the amount they received did not cover their needs.

A man who had worked in the public sector for over 30 years said that the value of his salary started to deteriorate during the crisis, just as he was coming close to retiring. He was eligible for a pension, but that pension lost much of its value. He said the pension he had worked towards his entire life was only worth USD 35 to USD 40 a month: “I can hardly get fuel for my car with this”.

The economic crisis also highlighted two key flaws in the government of Lebanon’s broader approach to social protection. First, Lebanon’s social protection system has long relied largely on employment and

contribution-based schemes, meaning that most forms of social protection, from health insurance to support in old age, are tied to a person's employment status and linked to their employer. Many people, including informal sector workers and people who are not employed, many of whom belong to groups that are vulnerable to multiple and intersecting forms of discrimination, are often left unprotected in critical ways.

As one man who worked in Lebanon's informal economy told Amnesty International in 2023, "There is nothing called social protection here... we reach out on social media for cash, or we wait for loved ones to die".

Second, Lebanon has over-relied on narrow poverty targeting programmes, which look at different indicators to determine who is "poor enough" and thus eligible for benefits. The government's most significant step in response to the economic crisis was to ask for help from international donors and lenders. Much of this support was used to double down on Lebanon's use of narrow poverty targeting, rather than prioritizing support for developing a universal social protection system that could help all those in the country navigate the economic crisis and prevent or mitigate the worst human rights harms of that crisis.

While poverty-targeting programmes sometimes provided assistance where it was needed, these programmes did not come close to reaching the increasing number of people living in poverty in Lebanon. By May 2024, the World Bank estimated that 44% of Lebanon's population was living in monetary poverty and more than 70% was experiencing multidimensional poverty, meaning poverty affecting their access to essentials like healthcare, education and electricity. Poverty rates were significantly higher amongst certain populations, including those living in parts of northern Lebanon, like Akkar, and amongst Syrian refugees. The World Bank data notably did not include information from southern Lebanon, which bore the brunt of the war with Israel, and the data was compiled prior to the war's escalation in September 2024.

The poverty-targeting programmes were also static, difficult to register for, and unable to adequately and promptly adapt to changing needs. The data on which the programmes relied quickly became outdated as the economic crisis continued and other crises arose. The complex and confusing rules regarding eligibility for the programmes also raised questions regarding fairness in terms of who received support.

The World Bank, which played a key role in designing, financing and implementing these programmes, has said it is committed to supporting universal social protection globally. In Lebanon, however, the World Bank has continued to fund narrow, poverty targeting programmes without taking sufficient steps to adequately and concretely advance universal social protection. Through this report, Amnesty International urges a different approach.

Even during the economic crisis, the government of Lebanon had options available to it for expanding and funding universal social protection, including better using the funds available to it, tackling tax evasion and aggressive tax avoidance, adopting progressive tax reform, adopting a just and equitable approach to resolving the debt crisis, recovering stolen assets, and seeking international support to fund universal social protection. But, five years into the crisis, the government had failed to take the steps necessary to mobilize sufficient resources to provide even a minimum floor of social protection to everyone living in the country or to adopt the reforms necessary to ensure that the funds raised went towards realizing rights.

Lebanon's extreme, man-made economic crisis impacted almost everyone living in the country. It had a massive and catastrophic impact on people's lives and livelihoods, with costs rising, unemployment rising, and healthcare becoming even further out of reach. By 2020, more than three-quarters of the population was "income vulnerable", according to the ILO and UNICEF. Vulnerable groups were hit particularly hard: The percentage of people living on very low incomes increased by 91% among older persons, 59.9% among women, 54.2% among people with disabilities, and 65.6% among unemployed people, the ILO and UNICEF found.

The crisis also entrenched Lebanon's long-standing inequality. Even before the crisis, Lebanon was one of the most unequal countries in the world.

People that Amnesty International interviewed in 2023, including older persons, people with disabilities, carers for older or disabled relatives, Syrian refugees, and people who worked in the informal sector, said this had devastating effects on their lives. People were facing enormous difficulties just to make ends meet and access essential goods and services, including food and accommodation, as a result of reductions in their income and lack of access to effective social protection. Healthcare was unaffordable, and therefore inaccessible, many said.

"I rely a lot on individual donations, on NGOs, and I keep asking people", one man told Amnesty International, "but I can't keep asking people [for money] like this forever".

Older people told Amnesty International that social protection was either inadequate or non-existent, and many were struggling after a lifetime of working and planning for their older age. Those who had savings in Lebanon's banks saw much of those savings disappear as inflation and currency depreciation eroded their worth, while banks refused to give them full access to their deposits.

One woman in her early sixties said, "We worked all our lives, we even worked abroad for many years. We came back to Lebanon with all our money to retire and to settle. We can't access most of our savings now [because of limits set by banks]. And it is difficult to find jobs at our age".

People living with disabilities and carers described how they could no longer afford essentials, in particular healthcare. Maria*, a woman in her forties who lived in Mount Lebanon, cared for her mother, who was older and had a disability. Her mother's intense care needs meant that Maria* could not leave the house to work. They had no health insurance, no regular source of income and received no social protection benefits. Her mother's medicines were not always available for free at Lebanon's primary healthcare centres. She told Amnesty International, "Some people like us don't have anyone to support them... There isn't enough support coming in, compared to what is needed".

Many people, especially women, who had been working in the informal sector explained to Amnesty International how their small business and income opportunities suffered during the economic crisis. A woman in Akkar, who was forced to close her shop because she could no longer afford the electricity bills, said she did not receive any government support despite having no regular income and three children.

Men and women from Lebanon's Syrian refugee community, who have limited opportunities to earn money, described the stark change in their life circumstances when they moved to Lebanon a decade ago to escape the conflict in Syria and how the economic crisis had added to their difficulties. Ammar*, who was living in Akkar at the time he spoke to Amnesty International, said, "I doubt as a human being I have rights. I am not seeing any... I came from Syria due to the war. I had a home there. I had a business there. Now I am just in survival mode".

Since the crisis began, activists, analysts, economists and civil society groups in Lebanon have protested, advocated, used the courts, and put forward plan after plan to ensure people's human rights, including the right to social security, are protected. But, in the five years between the start of the economic crisis and the significant escalation in the war between Israel and Hezbollah, the government failed to take necessary fiscal and monetary policy decisions that would address the root causes of the crisis and chart a path towards recovery.

Progress is possible. In recent years, despite all the political, economic and geopolitical challenges, the government of Lebanon began to take small steps towards better fulfilling its obligation to respect, protect and fulfil people's right to social security. Three are worthy of note.

First, in 2024, after several years of discussion and delay, the government of Lebanon announced it had adopted its National Social Protection Strategy. The document acknowledged that Lebanon's social protection system was "unfair, fragmented and mismanaged" and provided a vision for human rights and life cycle-based social security programmes. Multiple experts that spoke with Amnesty International expressed enthusiasm about the adoption of the strategy but noted that Lebanon had a long-standing implementation gap. It remained to be seen if the strategy would be operationalized, appropriately funded, and then implemented, they said.

Second, the government launched, with the support of donors, its first social protection scheme that was conceptualized universally. The National Disability Allowance has much clearer and simpler eligibility rules than Lebanon's existing poverty-targeting programmes. In late 2024, it was used to provide rapid support to people with disabilities in response to escalating needs during the conflict.

Third, Lebanon made long overdue reforms on the social insurance front. In December 2023, Lebanon created a system whereby certain private sector workers who would have previously received a lump sum payment at the end of service would now receive a regular pension indexed to inflation. Before the changes, Lebanon was one of only two countries in the region without a private sector pension system.

Even with these limited reforms, Lebanon remains far from having a universal social protection system that guarantees the right to social security for everyone in the country. Universal social protection systems that provide adequate support to all people facing certain life events can reduce inequality, promote sustainable development, social cohesion and solidarity, and contribute to all people's ability to realize their economic, social and cultural rights. Amnesty International, along with many civil society partners, has been calling on Lebanon and other governments to establish universal social protection systems.

The war in Lebanon has had a devastating impact on people. In September 2024, Israel announced “Operation Northern Arrows” and significantly increased the scale and speed of its attacks in Lebanon. Since October 2023, Amnesty International has reported on the fighting’s impact on civilians, including from the Israeli military’s use of white phosphorous, indiscriminate simultaneous mass explosions targeting electronic devices, attacks on journalists, and misleading and inaccurate evacuation ‘warnings’ before carrying out strikes in densely populated areas and that triggered mass displacement.

As the war escalated, people in Lebanon accrued a range of costs, from payments for new or temporary housing after being displaced to loss of income due to disruptions in their ability to work, for example due to injuries or loss of access to agricultural land. While Israel has an obligation to provide reparation for its internationally wrongful acts, the government of Lebanon, in coordination with international donors and lenders, will have to act to address urgent needs, including working to ensure it is able to provide the minimum essential levels of social security that would allow all people living in the country to access, at least, essential health care, basic shelter and housing, water and sanitation, food and the most basic forms of education. In the medium and longer term, this will also necessarily involve tackling the root causes of the economic crisis and finding a path to recovery, including by tackling corruption, adopting a just and equitable resolution to the debt crisis, and introducing a more progressive and effective taxation system. It should also involve holding accountable those responsible for causing the financial and economic crisis, for prolonging it, and for its devastating effects on people’s rights.

The international community, which is already engaged in Lebanon in different capacities, including pledging to support the humanitarian response, should act in accordance with its human rights obligations, including the obligation to provide international cooperation and assistance and support the realization of human rights in Lebanon. The economic crisis threw into stark relief the flaws in the government of Lebanon’s approach to social protection, including its over-reliance on narrow, poverty targeting programmes, which are ill-suited to providing rapid and adequate support to the large numbers of people in Lebanon that have been acutely impacted by multiple, compounding crises. In addition to addressing people’s immediate humanitarian needs, the government of Lebanon, as well as international donors and lenders like the World Bank, should work towards establishing a universal social protection system that becomes capable of supporting people through the different contingencies and risks they will face in the normal course of a lifetime, from childhood to old-age, as well as through the crises that continue to disrupt and devastate their lives.

2. METHODOLOGY

This report is based on desk research, interviews with people in Lebanon affected by the economic crisis, and interviews with experts on social protection, economic and health policy in Lebanon, including representatives of civil society organizations, international organizations, and government officials. The research for this report was completed before the war between Israel and Hezbollah dramatically escalated in 2024. In a few places, updates have been added to the report to note particular impacts of the war.

Amnesty International interviewed 115 people in Lebanon for this report. Amnesty International conducted most of the individual interviews and focus group discussions between May and June 2023. During this period, Amnesty International interviewed 81 people particularly affected by the economic crisis, including 59 women, 20 men, and two girls. Most interviewees were Lebanese nationals. Some were Syrian refugees. Multiple interviewees told Amnesty International that they were living with a disability or caring for someone with a disability. A number of the people interviewed worked informally or in the informal sector.

Amnesty International asked interviewees about their experience of accessing social protection and healthcare since the economic crisis began and what they would like the government to do. The purpose of the interviews was to highlight people's lived experiences through the crisis and highlight the voices of people who experienced the intersection of one or more forms of marginalization in Lebanon. Their accounts are supported by governmental statistics, reports by civil society organizations and academic institutions, and comprehensive data from other organizations.

The interviews were conducted in the capital Beirut and the governorates of Akkar and Mount Lebanon to reflect different experiences of the economic crisis across the country. Akkar in the north was one of the country's poorest regions before the economic crisis. Mount Lebanon, which is more centrally located, was a relatively wealthy region before the economic crisis but many people living there who were once considered "middle class" have been severely impacted economically by the crisis.¹

Amnesty International spoke with 34 people in 2023 and 2024 who were public health experts, experts on Lebanon's social protection system, representatives of civil society or international organizations responding to the economic crisis, non-profit service providers, experts on government budget analysis and tax, and academics.

Recognizing that many others have researched, reported on, and advocated for rights-respecting reform to Lebanon's social protection system, Amnesty International also attended public events organized by civil society groups on different facets of and suggested reforms to the social protection system. Amnesty International also reviewed secondary data, including studies of Lebanon's health, tax and social security systems conducted by international organizations, the government, academics and non-governmental actors. The report draws extensively on these sources. It also draws on news releases, statements, and information published by the government of Lebanon and other actors involved in or closely following Lebanon's social protection programmes, including donors, analysts, experts and international organizations. In June 2024, Amnesty International hosted a roundtable with social protection, economic, and tax policy experts to discuss an advanced draft of the report, with a focus on the conclusions and recommendations.

In July 2023, Amnesty International sent letters containing a detailed list of questions to Lebanon's Ministry of Public Health and Ministry of Social Affairs, as well as to the World Bank. The Ministries did not respond. The World Bank's August 2023 response is reflected in this report. Amnesty International sent a second round of letters to the Ministry of Social Affairs, Ministry of Public Health and the World Bank in July 2024

¹ After the research for this report was completed, large swathes of Lebanon's south and east were severely impacted by damage, destruction and displacement during the war between Israel and Hezbollah.

that included further questions and a detailed summary of this report and its conclusions. Once again, the Ministries did not respond. The World Bank's August 2024 response is reflected in this report. Amnesty International also sent letters to Lebanon's Prime Minister, Central Bank and former Central Bank governor in September 2024. At time of writing, no responses had been received. All the letters that Amnesty International sent and the responses received are included as annexes to this report.

This report focuses on the human right to social security and the government of Lebanon's obligations to respect, protect and fulfil this right. It examines the impact of Lebanon's economic and financial crisis on the right to social security, the steps the government of Lebanon did and did not take in response to the crisis, and some of the options available to the government to realize the right to social security for everyone living in the country. The report also examines the role of international donors and lenders, most notably the World Bank. The report does not examine other systems of support and solidarity that exist in Lebanon, for example through community-led initiatives or as provided by non-governmental organizations. The report mentions the role of international assistance, including the role of humanitarian assistance, but devotes most of its focus to the government of Lebanon's obligations.

During the economic crisis, the Lebanese pound (LBP) depreciated rapidly and there were multiple official and unofficial exchange rates in force. This has made it harder to reflect the value of the LBP in USD, as is the norm in Amnesty International reports. Where the original source – whether an interviewee or a document – specified the LBP and USD value of a particular transaction, this is noted in the text. In most cases, where only an LBP or USD amount was available, this was not converted to the other currency as the exact exchange rate that applied at the time of the transaction could not be confirmed. In order to develop estimates of the changes in the real value of money spent by the Lebanese government over the course of the crisis on social protection and essential services, we converted figures in the government budget, which were in LBP, to USD by using an average of the different LBP market rates throughout one calendar year as collated in a publicly available database. Given the significant exchange rate volatility, these numbers are not exact. They are used to give readers a sense of the real values and to facilitate comparisons across time.

We are indebted to the following for their assistance in setting up focus group discussions: Baissour Women's Social Association, American University of Beirut's University for Seniors, and Relief & Reconciliation for Syria.

We are indebted to the following for their written comments and feedback on a draft version of this report: Farah al Shami, Social Protection Programme Director at the Arab Reform Initiative, Rosalie Berthier, Co-Founder of Synaps Network, Sabine Hatem, Chief Economist and Director of Cooperation and Partnerships at the Institute of Finance Basil Fuleihan, Mike Azar, debt advisor and expert on Lebanon's financial system, and Maya Abi Chahine, an expert in Public Policy and Ageing and Manager of American University of Beirut's University for Seniors. We are also indebted to the experts who participated in the June 2024 roundtable, whose comments significantly improved the draft.

We would also like to express our profound gratitude to the people who shared their stories with us, without whom this report would not have been possible.

3. THE RIGHT TO SOCIAL SECURITY

The right to social security has long been recognized by international human rights instruments. In 1948, the Universal Declaration of Human Rights (UDHR), one of the modern human rights system's foundational texts, recognized that "everyone, as a member of society, ha[d] the right to social security".² According to the UDHR, "everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control".³

The right to social security is enshrined in international human rights treaties that Lebanon has ratified, including the International Covenant on Economic, Social and Cultural Rights (ICESCR).⁴ The right to social security is inextricably linked to other socio-economic rights protected by the Covenant, including the rights to an adequate standard of living, food, water, and health.⁵

The Committee on Economic Social and Cultural Rights (CESCR), which interprets the ICESCR, defines the right to social security as encompassing the right to "access and maintain benefits", including cash and other forms of assistance, that protect people from:

- lack of work-related income caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member
- unaffordable access to healthcare
- insufficient family support, particularly for children and adult dependents.⁶

To meet their international human rights obligations, governments must ensure that social security is available, adequate, affordable and accessible to all people living in their territory.⁷ Both the amount of the benefit provided and the time period for which the benefit is provided must be adequate to allow people to realize their rights, and governments should regularly monitor benefits to ensure amounts remain adequate (for example: in the case of rampant inflation).⁸ Social security must also be affordable and accessible to all, including to those that belong to the most disadvantaged and marginalized groups.⁹

Social security measures can be funded in different ways, and governments can use a variety of approaches to realize the right to social security. This can include establishing or supporting contributory schemes, such as social insurance, which generally includes compulsory contributions from beneficiaries, employers and sometimes the state to a common fund that then provides benefits to members. It should also include non-contributory schemes, such as social assistance schemes, which provide benefits to those in particular

² Universal Declaration of Human Rights (UDHR), Article 22.

³ UDHR, Article 25. One of the principal drafters of the UDHR was Charles Malik, a Lebanese national. Drafting Committee – UDHR (1948), United Nations Dag Hammarskjöld Library, <https://research.un.org/en/undhr/draftingcommittee>

⁴ The International Covenant on Economic, Social and Cultural Rights (ICESCR), Article 9. See also International Convention on the Elimination of All Forms of Racial Discrimination (ICERD), Article 5(e)(iv); Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), Articles 11(1) and 14(2); Convention on the Rights of the Child (CRC), Article 26.

⁵ ICESCR, Articles 11 and 12.

⁶ CESCR, General Comment 19: The Right to Social Security (Article 9), 4 February 2008, UN Doc. E/C.12/GC/19, paras 1-2.

⁷ CESCR, General Comment 19 (previously cited), paras 10-28.

⁸ CESCR, General Comment 19 (previously cited), para. 22.

⁹ CESCR, General Comment 19 (previously cited), para. 23.

need. Non-contributory schemes can be designed in different ways, including universally, with benefits provided to everyone who experiences a particular contingency, for example a disability. Non-contributory schemes are often financed through government revenues, for example government revenues from taxation. The CESCR has recognized that “almost all states” will need some non-contributory schemes, given that there will almost certainly be people who would not be able to contribute to, and thus not be adequately covered by, a solely contribution-based system.¹⁰

Ensuring equality and non-discrimination are fundamental aspects of the right to social security. Everyone living in a country, including non-nationals, should have access to social security benefits, without discrimination.¹¹

3.1 SOCIAL SECURITY AND SOCIAL PROTECTION

Social security is a stand-alone human right. To realize the right to social security, governments should establish social protection systems. Social protection systems address multiple policy areas by a mix of contributory schemes, i.e. social insurance, and non-contributory tax-financed benefits, including social assistance.¹² A social protection system should be established under domestic law, with public authorities responsible for its effective administration and supervision and with people able to seek, receive and impart information on their social security entitlements.

To realize the right to social security, a social protection system should cover a range of contingencies and risks,¹³ and be sustainable for current and future generations.¹⁴ The International Labor Organization (ILO) has recommended that states establish national social protection floors, i.e. nationally defined sets of basic social security guarantees, that include at least four essential guarantees:

- access to essential healthcare, including maternity care
- basic income security for children, providing access to nutrition, education, care and other necessary goods and services
- basic income security for people of working age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability
- basic income security for older persons.¹⁵

An adequate and robust social protection system is essential for enabling individuals and communities to withstand regular life-cycle risks such as loss of income due to sickness, unemployment, maternity, disability, or old age, as well as due to shocks (such as the economic crisis in Lebanon, the war in Lebanon and the climate crisis, which is having devastating impacts on people's socio-economic rights in Lebanon and beyond). Adequate social protection is key for guaranteeing a degree of predictability, too, whether through certain life cycle events or through shocks. As one of many possible examples: by ensuring a basic level of income support for someone who is sick or injured and unable to work for a period, social protection provides a degree of economic predictability and thus protection.

In times of crisis, concrete social protection measures that are compliant with the right to social security can be crucial to ensure that all people, particularly those who are marginalized and at risk of poverty, are able to access an adequate standard of living, adequate health, adequate food, adequate water and other human rights. Guaranteeing the right to social security through social protection, including shock responsive measures that can be scaled up and adapted to meet the requirement of entire communities facing crises, can shield against future shocks and allow for healing and recovery.¹⁶ According to CESCR, the right to

¹⁰ CESCR, General Comment 19 (previously cited), para. 4(b).

¹¹ CESCR, General Comment 19 (previously cited), paras 31, 36-38. For more on the right to social security and non-nationals, including refugees, see “Refugees Left Unprotected” section of this report.

¹² For more, see Amnesty International, *Rising Prices, Growing Protests: The Case for Universal Social Protection* (Index: POL 40/6589/2023), 10 May 2023, <https://www.amnesty.org/en/documents/pol40/6589/2023/en/>

¹³ CESCR, General Comment 19 (previously cited), paras 2, 9.

¹⁴ CESCR, General Comment 19 (previously cited), paras 11, 26.

¹⁵ International Labor Organization (ILO) Recommendation 202: Social Protection Floors (2012), https://normlex.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:3065524, para. 5. The ILO has adopted multiple recommendations and standards related to social security, including the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102), https://normlex.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::p12100_instrument_id:312247; the ILO Income Security Recommendation, 1944 (No. 67), https://normlex.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312405, and the ILO Medical Care Recommendation, 1944 (No. 69), https://normlex.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R069

¹⁶ Amnesty International, *Rising Prices, Growing Protests* (previously cited), p. 20.

social security is “of central importance in guaranteeing human dignity for all persons when... faced with circumstances that deprive them of their capacity to fully realize their Covenant rights”.¹⁷

Social protection can also have a redistributive effect, particularly in times of crisis and in contexts of extreme inequality, where well-designed, tax-funded social protection measures can redirect funds from wealthier households to those who need more support.¹⁸ “Through its redistributive character”, the CESCR has explained, social security “plays an important role in poverty reduction and alleviation, preventing social exclusion and promoting social inclusion”.¹⁹

Effective social protection systems can also reinforce and strengthen the social contract that residents have with their state, where the state protects people from the adverse impacts of certain life-cycle risks and unexpected crises, so people are not left to fend for themselves or rely on alternative sources of patronage to make ends meet. Effective social protection systems can also help those contributing, for example by paying their fair share of taxes, to see the impact those contributions have in supporting the wider community.

3.2 SOCIAL SECURITY AND ECONOMIC CRISES

Under international human rights law, governments have an obligation to use the maximum of their available resources to progressively realize economic and social rights, including the right to social security.²⁰

Economic crises impact the resources that states have to realize rights. Even during economic crises, however, governments must work to ensure that people are able to enjoy minimum essential levels of their economic and social rights, including the right to social security.

A government must work to ensure that all people and families living in their territory have, at the very least, access to social security schemes that enable them to access essential healthcare, basic shelter and housing, water, sanitation, food and the most basic forms of education.²¹ Even during crises, governments often have options to reallocate resources or raise revenues to fund social security, including through domestic taxation and seeking international assistance.²²

Shoring up social protection systems can be crucial during times of crisis. As explained by the UN Special Rapporteur on poverty in 2023:

“Social protection plays a stabilizing role in times of economic downturn because of its poverty-alleviation impacts and its ability to raise consumption levels of low-income households. Social protection also allows households to increase their savings, protecting them from having to sell productive assets in times of crisis and from being driven into destitution because of catastrophic health payments. It is also critical to ensure inclusive and sustainable growth, favouring a form of development that is more equally shared...”²³

In 2012, the CESCR wrote to states parties to the ICESCR, noting that while “economic and financial crisis, and a lack of growth, impede the progressive realization of economic, social and cultural rights, and can lead to retrogression in the enjoyment of these rights”, any proposed policy changes or adjustments must be:

- temporary, only covering the period of the crisis
- necessary and proportionate, meaning possible alternatives would be more detrimental than the policy or changes adopted

¹⁷ CESCR, General Comment 19 (previously cited), para. 1.

¹⁸ CESCR, General Comment 19 (previously cited), para. 3.

¹⁹ CESCR, General Comment 19 (previously cited), para. 3.

²⁰ Article 2(1) of the ICESCR makes clear that states must devote the “maximum available resources” to ensure the progressive realization of all economic, social and cultural rights as expeditiously and effectively as possible. The CESCR has confirmed that this obligation applies even during times of severe resource constraints, whether caused by a process of adjustment, economic recession or other factors.

²¹ To meet their minimum core obligations, states must also ensure there is no discrimination in access to social security systems or schemes, respect and protect existing social security schemes from unreasonable interference, take steps to implement social security schemes, particularly those that protect the disadvantaged and marginalized, and monitor the extent to which the right to social security is being met. CESCR, General Comment 19 (previously cited), paras 59-61.

²² For more on Lebanon’s options for financing social security, see Chapter 8: “Funding Social Protection.”

²³ UN Special Rapporteur on Extreme Poverty and Human Rights, “Social protection is key to ending poverty. So why is it neglected in ODA?” 24 October 2023, *OECD: Development Matters*, <https://oecd-development-matters.org/2023/10/24/social-protection-is-key-to-ending-poverty-so-why-is-it-so-neglected-in-oda>

- non-discriminatory, including ensuring that proposed policies or changes consider all possible measures, including using taxation “to support social transfers to mitigate inequalities that can grow in times of crisis”
- protect the minimum core content of all rights, meaning the minimum essential levels of each of the rights protected by the ICESCR.²⁴

The CESCR noted that the social protection floor, as developed by the ILO and outlined above, “ensures the protection of this core content”.²⁵

²⁴ CESCR, Letter to States Parties, 16 May 2012, UN Doc. CESCR48th/SP/MAB/SW.

²⁵ CESCR, Letter to States Parties (previously cited).

4. BACKGROUND: A MAN-MADE ECONOMIC CRISIS

“It isn’t just the Lebanese government. It is the people in parliament, the bankers, the big importers, the people in real estate that treated this country like it was their own private company for years. They did this at the expense of the people, at the expense of the environment, at the expense of social justice, at the expense of everything.

The economic violence is not as visible as getting your ass kicked but it does not mean it is not there. It does not mean it is not a killer. You have a few thousand living la vida loca and millions suffering”.

- Fouad Debs, lawyer and co-founder of the Depositors Union²⁶

As described below, Lebanon’s devastating financial and economic crisis was in the works long before 2019, built on many years of corruption and mismanagement of public resources and perpetuated by a culture of impunity. Political elites, Lebanon’s Central Bank and key players in the private sector, particularly Lebanon’s well-connected commercial banks, played a central role in creating the economic crisis, which—as analysts had been predicting—had devastating effects on people’s socio-economic rights. Since that time, activists, analysts, economists and groups of concerned people have protested, advocated, used the courts and put forward plan after plan to ensure people’s human rights, including the right to social security, are protected. But, more than five years after the crisis began, many of the same actors responsible for the crisis continued to obstruct reform efforts.

²⁶ Interview with Fouad Debs, co-founder of the Depositors’ Union, 15 March 2024.

4.1 ELITE CAPTURE

Political scientists refer to Lebanon's post-civil war governance system as a "party cartel system", which, they note, has resulted in "pro-elite socio-economic policies, welfare state retrenchment, and looting of state resources".²⁷ The country's top leaders have allegedly made deals that involve the apportioning of state institutions and resources among the different sectarian parties since the end of the civil war in 1990. This system helped create the strong links that now exist between political and business interests in Lebanon.²⁸

These relationships are on display in Lebanon's crowded private banking sector. Writing in 2023, a group of prominent academics and analysts demonstrated that 20 of Lebanon's 23 large banks had major shareholders linked to political elites, that the share of political linkages within these banks' boards of directors had increased in recent years and that there was a marked increase in bank's shareholders shifting their ownership to a holding structure, which can facilitate tax evasion and impunity.²⁹ The paper, titled "They still got the power: The enduring connections between Lebanon's banking sector and the ruling class", found that "these connections have allowed bank owners in recent years to successfully push back against all reforms aimed at saving the country's economy and financial sector from its ongoing collapse".³⁰

Many analysts, economists and institutions, including the World Bank, have described how Lebanon's central bank, the Banque du Liban (BdL), aided by Lebanon's commercial banks, played a central role in causing the financial and economic crisis that spiralled in 2019.³¹ The World Bank and others have accused BdL of orchestrating a "Ponzi" scheme, which generated massive returns for Lebanon's banking elites.³²

For years, BdL, a public institution funded by the state, engaged in financial engineering to feed its need for dollars, which generated significant profits for Lebanon's commercial banks and their shareholders, and continued ballooning Lebanon's debt. Alongside this, Lebanon's commercial banks lent money to the state at very high interest rates.³³ Even before the crisis, this came at significant cost: In 2018, Lebanon spent significantly more on debt servicing than on public infrastructure, health, education and housing combined.³⁴

Before the economic crisis spiralled, analysts had been warning that the country's economy was on an unsustainable path. Writing in 2017, Rosa Berthier of Synaps, a Beirut-based research organization, said:

"What is truly at stake is the stability of the Lebanese pound, whose volatility would have knock-on effects on ordinary people already hard-pressed by the economic downturn.... Holding on to the belief that more financial voodoo will see Lebanon through its current economic predicament is irresponsible. Reality is slowly but surely catching up".

²⁷ See Washington Post, "Another unity government won't solve Lebanon's crisis", 20 August 2020, <https://www.washingtonpost.com/politics/2020/08/20/another-unity-government-wont-solve-lebanons-crisis/> and Reinoud Leenders, "Chapter 4: The Political Settlement of the Second Republic", *Spoils of Truce: Corruption and Statebuilding in Postwar Lebanon*, 2012, pp. 132-139.

²⁸ Studies have shown that politically connected firms captured the majority of state contracts, often at inflated price points. See International Growth Center, *Public Infrastructure Procurement in Post-conflict Power-sharing Arrangements: Evidence from Lebanon's Council for Development and Reconstruction*, 17 February 2021, <https://www.theigc.org/wp-content/uploads/2021/02/Mahmalat-et-al-2021-Final-Report.pdf>; Policy Initiative, "How Do Cartels Work? Dealmaking at Lebanon's Council for Development and Reconstruction", 1 September 2022, <https://www.thepolicyinitiative.org/article/details/194/how-do-cartels-work-dealmaking-at-lebanon%E2%80%99s-council-for-development-and-reconstruction?lang=en&src=init>; See also L'Orient Today, "Dangerous Liaisons: How Finance and Politics are Inextricably Linked in Lebanon", 15 January 2021, <https://today.lorientlejour.com/article/1248323/dangerous-liaisons-how-finance-and-politics-are-inextricably-linked-in-lebanon-part-i-of-ii.html>; Human Rights Watch, "Cut Off From Life Itself": Lebanon's Failure on the Right to Electricity, 9 March 2023, https://www.hrw.org/report/2023/03/09/cut-life-itself/lebanons-failure-right-electricity#_ftn65; Fawwaz Traboulsi, "Chapter 6: Economic Power and Political Power", *Social Classes and Political Power in Lebanon*, undated, pp. 77-99.

²⁹ A holding structure, a company or entity that owns or controls other companies or entities, can be used to serve legitimate purposes, but holding structures can also be designed to facilitate tax evasion or shield people from legal accountability, for example by obscuring the true ownership of wealth, by spreading assets across multiple jurisdictions with favorable tax laws or lax regulations, and by creating layers of protection that make it difficult to enforce laws or hold people to account. Economic Research Forum, *They Still Got the Power: The Enduring Connections between Lebanon's Banking Sector and the Ruling Class*, November 2023, <https://erf.org/publications/they-still-got-the-power-the-enduring-connections-between-lebanons-banking-sector-and-the-ruling-class/>, pp. 4-7.

³⁰ Economic Research Forum, *They Still Got the Power* (previously cited), p. 8.

³¹ See, for example, Synaps, "Abracada... broke: Lebanon's banking on magic", 2 May 2017, <https://www.synaps.network/en/post/lebanon-economy-crisis>; Synaps, "Grand Theft Lebanon", 14 April 2020, <https://www.synaps.network/en/post/lebanon-finance-economy-ponzi-bankrupt>; World Bank Group, *Lebanon: Public Finance Review – Ponzi Finance?* July 2022, <https://openknowledge.worldbank.org/server/api/core/bitstreams/0d0ca056-f041-5a8f-95f5-276225248b7e/content>; Special Rapporteur on Extreme Poverty and Human Rights, Report: *Visit to Lebanon*, 11 April 2022, UN Doc. A/HRC/50/38/Add.1.

³² World Bank, *Lebanon: Public Finance Review – Ponzi Finance?* (previously cited), p. 13.

³³ Jadaliyya, "Lebanese economic crisis 101 (Part 1)", 23 March 2020, <https://www.jadaliyya.com/Details/40855>

³⁴ Institut des Finances Basil Fuleihan, *Lebanon Citizen Budget Dashboard*, www.institutdesfinances.gov.lb (accessed on 15 March 2024).

Berthier's was far from the only warning, but BdL, the country's private banking sector, and the government continued on their unsustainable path until 2019 – when reality hit.³⁵

By 2019, Lebanon was grappling with enormous public debt, an overvalued currency, an economy that relied significantly on the financial sector and remittances, and an entrenched political and economic elite that people were increasingly losing trust in. Massive protests erupted across the country in October 2019. Commercial banks shut down for weeks, unable to cover the demand for withdrawals.³⁶ In 2020, the government failed to make a scheduled Eurobond-related debt payment, marking the first sovereign default in the country's history.³⁷ The Lebanese currency collapsed and inflation sky-rocketed. The decades-long currency peg of LBP 1,507 to the dollar collapsed, with the value of the LBP falling by more than 98% by January 2024. If LBP 1,507 bought USD 1 before the crisis, it would buy less than USD 0.02 in January 2024.

After the crisis began, a forensic audit of BdL, carried out by the accounting firm Alvarez & Marsal and commissioned by the government of Lebanon, found that the central bank had engaged in “unconventional accounting policies” that allowed it to disguise many billions in losses while maintaining a façade of profitability. This included offering significant incentives to commercial banks to increase their dollar deposits, and concealing losses on their balance sheets.³⁸ The audit found that Riad Salameh, whose 30-year tenure as BdL governor ended in July 2023, exercised “largely unscrutinised authority”.³⁹ The auditors also identified more than USD 111 million in “illegitimate commissions” paid from a BdL account with no identifiable records to show that any service had been done to justify the payments.⁴⁰ Salameh disputed the findings in response to questions from the media.⁴¹

In 2022, after a visit to Lebanon, the UN Special Rapporteur on poverty said, “The Government and the broader political establishment, the Banque du Liban and the banking sector are jointly and severally responsible for the human rights violations that have resulted from the manufactured crisis Lebanon is experiencing today”.⁴²

4.2 REIGNING IMPUNITY

In Lebanon, governance and accountability mechanisms have been unable to adequately respond to the allegations of corruption and laundering of public funds against high-ranking public officials.⁴³ On the contrary, governance and accountability mechanisms appear to have been designed to be weak and ineffective, and there is a long history of political interference in the judiciary.⁴⁴

³⁵ See Synaps, “Abracada... broke: Lebanon's banking on magic” (previously cited); Dagher, L. and Altug, S., 10 November 2023, “The End Game to Lebanon's Woes: IMF Reform And Political Willingness”, Georgetown Journal of International Affairs, [gjia.georgetown.edu/2023/11/10/the-end-game-to-lebanons-woes-imf-reform-and-political-willingness/](https://www.gjia.georgetown.edu/2023/11/10/the-end-game-to-lebanons-woes-imf-reform-and-political-willingness/) (accessed 4 July 2024).

³⁶ As described above, commercial banks had loaned much of people's deposits to BdL, which had mismanaged those funds for years.

³⁷ Al Jazeera, “Lebanon will default on its debt for the first time ever”, 7 March 2020,

<https://www.aljazeera.com/economy/2020/3/7/lebanon-will-default-on-its-debt-for-the-first-time-ever>; See World Bank, *Lebanon Economic Monitor: The Normalization of Crisis Is No Road for Stabilization*, Spring 2023,

<https://documents1.worldbank.org/curated/en/099027005152320346/pdf/IDU0ea0213ae0f804ba309c7a00638cf710a36.pdf>

³⁸ Forensic audit on file with Amnesty International. See also National, “Forensic audit of Lebanon's central bank criticises BDL's management under Riad Salameh”, 11 August 2023,

<https://www.thenationalnews.com/mena/lebanon/2023/08/11/salameh-bdl-audit/>; Financial Times, “Long-awaited auditor report slams governance at Lebanon central bank”, 11 August 2023, <https://www.ft.com/content/ec36be3a-1db1-422b-a5ec-b64bb6e17f50>

³⁹ Forensic audit on file with Amnesty International (previously cited).

⁴⁰ Forensic audit on file with Amnesty International (previously cited).

⁴¹ Financial Times, “Long-awaited auditor report slams governance at Lebanon central bank” (previously cited).

⁴² Special Rapporteur on Extreme Poverty and Human Rights, Report: *Visit to Lebanon*, 11 April 2022, UN Doc. A/HRC/50/38/Add.1, para. 46.

⁴³ While the government has made some legislative changes in recent years, including the publication of the National Anti-Corruption Strategy, the Law on Illicit Enrichment 2020, and a revised Banking Secrecy law, these laws are rarely implemented in practice. See longer discussion on the limits of recent legislative reforms in the “Funding Social Protection” chapter of this report.

⁴⁴ Many have written about the various means for and instances of political interference in Lebanon's judicial system, as well as the lack of financial and structural independence for Lebanon's judiciary. In November 2022, Lebanon's most senior judge said that meddling by political officials in the work of the judiciary had led to a chaotic situation that required a “revolution in approaches” to resolve. He added that “several factors have led to this, including the lack of a law that enshrines the independence of the judiciary, and the determination of all to take control of the judiciary...by all, I mean all factions and sides and political parties”. Reuters, “Lebanon's top judge decries political meddling, calls for ‘revolution’ in courts”, 18 November 2022, <https://www.reuters.com/world/middle-east/lebanons-top-judge-decries-political-meddling-calls-revolution-courts-2022-11-18/>. See also International Commission of Jurists, “The Lebanese High Judicial Council in Light of International Standards”, February 2017, <https://www.ici.org/wp-content/uploads/2017/03/Lebanon-Memo-re-HJC-Advocacy-Analysis-Brief-2017-ENG.pdf>; Legal Agenda, “Subverting Judicial Independence in Lebanon: The 2017 Judicial Appointments”, 23 Nov. 2017, <https://english.legal-agenda.com/subverting-judicial-independence-in-lebanon-the-2017-judicial-appointments/>; Human Rights Watch, “Cut Off From Life Itself” (previously cited); Human Rights Watch, “They Killed Us From the Inside”: An Investigation into the August 4 Beirut Blast, 3 August 2021, <https://www.hrw.org/report/2021/08/03/they-killed-us-inside/investigation-august-4-beirut-blast>.

Even before the crisis, in 2018, the United Nations Human Rights Committee expressed concern about the “political pressure reportedly exerted on the [Lebanese] judiciary, particularly in the appointment of key prosecutors and investigating magistrates, and about allegations that politicians use their influence to protect supporters from prosecution”. The Human Rights Committee urged Lebanon to “take all measures necessary to safeguard, in law and in practice, the full independence and impartiality of the judiciary, including by ensuring that the procedures for the selection, appointment, promotion, suspension, disciplining and removal of judges are in compliance with the principles of independence and impartiality”.⁴⁵ Since the start of the economic crisis, several judges have resigned in protest at political interference in their work and their dire living conditions as a result of the currency collapse.⁴⁶

By 2024, five years after the crisis began, most accountability efforts had focused on the former governor of the central bank, Riad Salameh, and his associates, while other current and former government officials accused of corruption had remained untouched. In Lebanon, investigations into Salameh have been plagued by allegations of political interference.⁴⁷ After many months of delay, Salameh was eventually charged with money laundering, embezzlement and illicit enrichment.⁴⁸ In September 2024, he was arrested on charges related to financial crimes in Lebanon.⁴⁹ By that time, multiple European countries had also begun investigating Salameh, as well as some of his close associates and family members, for allegedly embezzling hundreds of millions of BdL funds and using that money to acquire luxury properties and assets across the world.⁵⁰ The US, UK and Canada had sanctioned him and members of his family for allegedly diverting millions of BdL funds for personal gain.⁵¹ Salameh has denied any wrongdoing.⁵²

Activists and advocates have called on countries outside of Lebanon to take action, particularly countries where Lebanon’s elite have allegedly squirrelled their assets away.⁵³ In April 2024, Sherpa and the Collective of Victims of Fraudulent and Criminal Practices, two anti-corruption organizations, filed a complaint with

⁴⁵ UN Human Rights Committee (HRC), Concluding observations on the third periodic report of Lebanon, 9 May 2018, UN Doc. CCPR/C/LBN/CO/3, para. 42.

⁴⁶ Reuters “Three Lebanese judges resign over political interference, low pay”, 26 November 2021, <https://www.reuters.com/world/middle-east/three-lebanese-judges-resign-over-political-interference-low-pay-2021-11-26/>

⁴⁷ In one investigation, launched in 2021 a few months after a Swiss request for judicial cooperation, caretaker Prime Minister Najib Mikati allegedly intervened to prevent the judge leading the investigation from accessing relevant Lebanese banking data, according to Reuters. A second investigation led to Salameh and his brother being charged in 2022 with illicit enrichment but, in May 2023, the judiciary’s disciplinary council voted to remove the investigating prosecutor from office in a move she said was in retaliation for her “doing her job”. She appealed the decision. National, “Why is Lebanon’s Central Bank Governor Riad Salameh under investigation?”, 22 February 2022, <https://www.thenationalnews.com/mena/2022/02/22/what-is-lebanese-central-bank-governor-riad-salameh-under-investigation-for/>; L’Orient Today, “How the Lebanese investigation targeting Riad Salameh is being systematically impeded”, 14 January 2022, <https://today.lorientlejour.com/article/1287565/how-the-lebanese-investigation-targeting-riad-salameh-is-being-systematically-impeded.html>; Reuters, “Explainer: The Probes into Lebanese Central Bank Chief Salameh”, 23 May 2023, <https://www.reuters.com/world/middle-east/probes-into-lebanese-central-bank-chief-salameh-2023-05-23/>

⁴⁸ Reuters, “Lebanon central bank governor faces new fraud, embezzlement charges”, 23 February 2023, <https://www.reuters.com/world/middle-east/lebanon-central-bank-governor-charged-with-money-laundering-judicial-source-2023-02-23/>; Organized Crime and Corruption Reporting Project (OCCRP), “Who Is Riad Salameh? Lebanon’s Central Bank Chief Accused of Embezzlement”, 15 March 2023, <https://www.occrp.org/en/blog/17417-who-is-riad-salameh-lebanons-central-bank-chief-accused-of-embezzlement>; Reuters, “Lebanon legal council dismisses judge investigating corruption”, 4 May 2023, <https://www.reuters.com/world/middle-east/lebanon-legal-council-dismisses-judge-investigating-corruption-2023-05-04/>; International Commission of Jurists, “Lebanon: dismissal of Public Prosecutor, Ghada Aoun, and draconian limitations on judges’ freedoms a blow to judicial independence”, 12 May 2023, <https://www.icj.org/lebanon-dismissal-of-public-prosecutor-ghada-aoun-and-draconian-limitations-on-judges-freedoms-a-blow-to-judicial-independence/>; National, “Dismissed Lebanese judge Ghada Aoun files charges against Salameh, his wife and actress”, 12 May 2023, <https://www.thenationalnews.com/mena/2023/05/14/dissolved-lebanese-judge-ghada-aoun-files-charges-against-bank-chief-his-wife-and-actress/>

⁴⁹ Reuters, “Lebanon’s ex-central bank arrested over alleged financial crimes,” 3 September 2023, <https://www.reuters.com/world/middle-east/lebanon-former-central-bank-governor-riad-salameh-arrested-judicial-source-says-2024-09-03/>

⁵⁰ France and Germany both issued arrest warrants for Salameh in connection with these probes, and Interpol issued a Red Notice. In 2024, Germany cancelled the arrest warrant, but the investigation is ongoing.

Reuters, “French prosecutor confirms arrest warrant for Lebanon central bank’s Salameh”, 19 May 2023, <https://www.reuters.com/world/middle-east/french-prosecutor-confirms-arrest-warrant-lebanon-central-banks-salameh-2023-05-19/>;

Reuters, “Germany issues arrest warrant for Lebanon’s central bank chief – sources”, 23 May, 2023, <https://www.reuters.com/world/middle-east/lebanon-verbally-informed-by-germany-an-arrest-warrant-against-central-bank-2023-05-23/>;

National, “Germany cancels arrest warrant for Riad Salameh, but charges remain,” 20 June 2024, [Germany cancels arrest warrant for Riad Salameh, but charges remain \(msn.com\)](https://www.msn.com/en-gb/news/world/germany-cancels-arrest-warrant-for-riad-salameh-but-charges-remain); National, “Revealed: Riad Salameh accused of using embezzled millions to build vast property empire”, 27 July 2023, <https://www.thenationalnews.com/mena/lebanon/2023/07/27/riad-salameh-embezzle-property>

⁵¹ UK Foreign, Commonwealth and Development Office, “UK, US and Canada sanction Lebanon’s former Central Bank Governor Riad Salameh and close associates”, 10 August 2023, <https://www.gov.uk/government/news/uk-us-and-canada-sanction-lebanons-former-central-bank-governor-riad-salameh-and-close-associates>

⁵² Financial Times, “Long-awaited auditor report slams governance at Lebanon central bank”, 11 August 2023, <https://www.ft.com/content/ec36be3a-1db1-422b-a5ec-b64bb6e17f50>. See “Annexes” to this report for the letter Amnesty International wrote to Salameh in 2024. At time of writing, Amnesty International had not received a response.

⁵³ Interview with Fouad Debs, co-founder of the Depositors’ Union, 15 March 2024.

French prosecutors against caretaker Prime Minister Mikati on accusations of money laundering. The Mikati family denied the claims.⁵⁴

In 2021, the Pandora Papers – leaked documents that exposed secret offshore accounts and other hidden wealth – listed several prominent Lebanese people, including public officials and members of the banking elite, in its list of people holding wealth overseas, often in tax havens. According to the Pandora Papers, some of those offshore accounts were active and in use around the time that banks in Lebanon began imposing capital controls that meant Lebanese depositors could withdraw very little money from their own accounts, even as the currency crashed, wrecking their savings' value.⁵⁵ The Pandora Papers, which were first examined by the International Consortium of Investigative Journalists, include millions of records from more than a dozen companies that support setting up offshore firms and shell companies, which are often used to hide wealth and financial activities, including to shield wealth from full and effective taxation.⁵⁶ Lebanese clients topped the list of one of the companies included in the leak, which reportedly set-up hundreds of off-shore accounts for Lebanese clients.⁵⁷ The revelations in the Pandora Papers raised questions for further investigation.⁵⁸

Corruption undermines the ability of governments to effectively uphold their international human rights obligations, including realizing human rights, like the right to social security. Since the United Nations Convention against Corruption was adopted in 2003, various international bodies have continued to point out the negative impact that corruption has on the observance of human rights. For example, the CESCR has stated that: "Corruption is one of the main obstacles to the effective promotion and protection of human rights. It undermines a state's ability to mobilize resources for the provision of essential services. It causes discrimination in access to services..."⁵⁹ The Office of the Special Rapporteur on the independence of judges and lawyers, in its 2020 annual report, warned of "the devastating consequences of corruption on human rights as a result of situations such as the concentration of power and the lack of transparency in public administration". The Office highlighted the need for "a legitimate institutional framework that respects human rights, with independent judicial systems, to confront corruption and its different manifestations in public institutions".⁶⁰

4.3 PROLONGING THE CRISIS

A defining feature of Lebanon's economic crisis has been the government's deliberate policy inaction, and the ways in which that inaction has benefited some, including some of the country's political and business elites, and had devastating effects on others, like those unable to access their life savings in Lebanese banks as the currency's value plummeted and the cost-of-living rose. Five years into the crisis, the government had yet to take necessary fiscal and monetary policy decisions that would address the root causes of the crisis and chart a path towards recovery. This lack of political will, as well as the predictable and unequal consequences of inaction, was a common issue raised in the interviews Amnesty International conducted with policy experts and civil society groups in Lebanon.

After the economic crisis spiralled in 2019, banks in Lebanon began to introduce ad hoc limits on the amounts that people could withdraw from their accounts. Depositors also had to convert savings in LBP at the given rate of exchange (determined by BdL and the commercial banks and usually far lower than the unofficial market rate) in order to access these funds - often meaning a significant haircut on the value of

National, "Complaint Against Lebanese PM Mikati Filed in France Over Alleged Money Laundering", 3 April 2024, <https://www.thenationalnews.com/news/mena/2024/04/03/complaint-against-lebanese-pm-mikati-filed-in-france-for-alleged-money-laundering/>. See "Annexes" to this report for the letter Amnesty International wrote to Mikati in 2024. At time of writing, no response had been received.

⁵⁵ International Consortium of Investigative Journalists, "Offshore havens and hidden riches of world leaders and billionaires exposed in unprecedented leak," 3 October 2021, [Offshore havens and hidden riches of world leaders and billionaires exposed in unprecedented leak](https://www.icij.org/offshore-havens-and-hidden-riches-of-world-leaders-and-billionaires-exposed-in-unprecedented-leak) - ICIJ

⁵⁶ Associated Press, "As Lebanese got poorer, politicians stowed wealth abroad", 6 October 2021, <https://www.latimes.com/world-nation/story/2021-10-06/as-lebanese-got-poorer-politicians-stowed-wealth-abroad>

⁵⁷ Transparency International, "Pandora Papers: 10 countries that urgently need to act", 8 October 2021, <https://www.transparency.org/en/news/pandora-papers-10-countries-investigations-policy-reforms>; Conversation, "Pandora papers: as ordinary Lebanese suffer, elite secretly drain off billions", 7 October 2021, <https://theconversation.com/pandora-papers-as-ordinary-lebanese-suffer-elite-secretly-drain-off-billions-169383>

⁵⁸ Aljazeera, "Lebanon PM Mikati among officials named in Pandora Papers", 4 October 2021, <https://www.aljazeera.com/news/2021/10/4/lebanese-prime-minister-among-officials-listed-in-pandora-papers>

⁵⁹ CESCR General Comment No. 24 (2017) on States' obligations under the ICESCR in the context of business activities, para. 20.

⁶⁰ Report of the Special Rapporteur on the independence of judges and lawyers, U.N. Doc. A/HRC/44/47, 23 March 2020, para. 82.

their money.⁶¹ Sometimes, the banks simply shut their doors. In effect, this meant that many people who had their savings in Lebanese banks saw much of them disappear, as the currency went into free fall between 2019 and 2024 – reaching an all-time low of LBP 114,000 for USD 1 in March 2023. The World Bank noted that losses in value (haircuts) in deposit withdrawals were between 60% and 80% - depending on the market rate on the day.⁶²

One consequence of these decisions was, for example, that older people who had put their savings in Lebanese banks, planning to live off those savings when they retired, saw those nest-eggs disappear. This was very common.

Meanwhile, reports emerged of banks allowing wealthy and connected individuals to transfer billions of dollars out of the country.⁶³ While exact figures are not available due to the lack of transparency from Lebanon's financial regulators, it is possible that huge sums of money were illicitly transferred out of Lebanon since the crisis began. In 2020, Alain Bifani, who had recently resigned as Lebanon's director-general of public finance – a post in which he had served for two decades, told the Financial Times that up to USD 6 billion had been “smuggled outside the country” by “bankers who would [not allow] every other depositor to take \$100”.⁶⁴ At the time, banks were preventing the vast majority of depositors from accessing the full value of their savings. In mid-2024, a leaked judicial document revealed that between 17 October 2019 and 14 January 2020, more than 2 billion USD were transferred from Lebanese banks to Swiss banks alone.⁶⁵ At the time of writing, banks continued to impose ad hoc restrictions on depositors' accessing the full value of their savings, in effect transferring some of the banks' losses onto depositors.⁶⁶

The failure to act went beyond the government's failure to regulate the banks. In 2020, the World Bank termed Lebanon's economic crisis a “deliberate depression”, saying that “deliberate lack of effective policy action by authorities has subjected the economy to an arduous and prolonged depression”.⁶⁷ The following year, the World Bank said this was “creating long-lasting scars on the economy and society. Over two years into the financial crisis, Lebanon has yet to identify, least of all embark upon, a credible path toward economic and financial recovery”.⁶⁸ In 2023, the World Bank said, “Behind a façade of normalization of crisis conditions, the Lebanese economy remains in precipitous decline, markedly distant from a stabilization path, let alone a recovery path”.⁶⁹ In the words of the International Monetary Fund (IMF), Lebanon's economic crisis was “allowed to persist and deepen by a failure to take much needed policy action, hampered by a lasting political crisis and resistance from vested interests to reforms... Without reforms, the economy will remain depressed with irreversible consequences for the country”.⁷⁰

Lebanon's engagement with the IMF is indicative. In April 2022, the Lebanese government and the IMF signed a staff-level agreement (SLA) worth about USD 3 billion over 46 months. Implementation of this agreement was subject to the government implementing agreed reforms, including restructuring the banking sector and debt, conducting an audit of the central bank, and unifying the multiple exchange rates.⁷¹ The government did not undertake the agreed reforms and thus did not receive the money. More than two years later, in May 2024, the IMF noted that “the unaddressed economic crisis continues to weigh heavily on Lebanon's population. Unemployment and poverty have reached exceptionally high levels, and the delivery

⁶¹ Al Jazeera, 3 February 2020, “‘Not legal’ but necessary: Lebanon's banks tighten restrictions”, available at <https://www.aljazeera.com/economy/2020/2/3/not-legal-but-necessary-lebanons-banks-tighten-restrictions> (accessed 4 July 2024).

⁶² World Bank, *The Normalization of Crisis Is No Road for Stabilization* (previously cited), p. 15.

⁶³ Financial Times, “Bankers ‘smuggled’ \$6bn out of Lebanon, says ex-finance chief”, 13 July 2020, <https://www.ft.com/content/df234c78-a945-4199-befe-0272259dc755>

⁶⁴ According to the Financial Times, Bifani was trying to sound the alarm over the “dismantling of the state” and said that the political and banking elite were trying to “continue to benefit from the system without taking any loss”, while ordinary Lebanese “may today pay a terrible price.” Financial Times, “Bankers ‘smuggled’ \$6bn out of Lebanon, says ex-finance chief” (previously cited).

⁶⁵ L'Orient Today, “Leaked BCCL document reveals billions of dollars moved out of Lebanon,” 4 June 2024, <https://today.lorientlejour.com/article/1416102/leaked-bccl-document-reveals-billions-of-dollars-moved-out-of-lebanon.html>

⁶⁶ L'Orient Today, “Does Lebanon need a ‘lollar’ worth LL25,000?” 19 February 2024, <https://today.lorientlejour.com/article/1368655/does-lebanon-need-a-lollar-worth-ll25000.html>.

⁶⁷ World Bank, *Lebanon is in a Deliberate Depression with Unprecedented Consequences for its Human Capital, Stability, and Prosperity*, 1 December 2020, <https://www.worldbank.org/en/news/press-release/2020/11/30/lebanon-is-in-a-deliberate-depression-with-unprecedented-consequences-for-its-human-capital-stability-and-prosperity>

⁶⁸ World Bank, *Lebanon's Crisis: Great Denial in the Deliberate Depression*, 25 January 2022, <https://www.worldbank.org/en/news/press-release/2022/01/24/lebanon-s-crisis-great-denial-in-the-deliberate-depression>

⁶⁹ World Bank, *Lebanon Economic Monitor: The Normalization of Crisis Is No Road for Stabilization* (previously cited).

⁷⁰ International Monetary Fund (IMF), “Lebanon: 2023 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Lebanon”, 29 June 2023, <https://www.imf.org/en/Publications/CR/Issues/2023/06/28/Lebanon-2023-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-535372>, para. 45.

⁷¹ IMF, “IMF Reaches Staff-Level Agreement on Economic Policies with Lebanon for a Four-Year Extended Fund Facility”, 7 April 2022, <https://www.imf.org/en/News/Articles/2022/04/07/pr22108-imf-reaches-agreement-on-economic-policies-with-lebanon-for-a-four-year-fund-facility>

of critical public services has been severely disrupted". The IMF underscored the "policy measures fall short of what is needed to enable a recovery from the crisis".⁷²

At time of writing, there seemed to be no political will from Lebanon's elite to undertake the reforms necessary to unlock international funding and put Lebanon's economy back on a sustainable path. The SLA, negotiated by deputy Prime Minister Saade Chami, lacked political buy-in. Many of the most powerful political parties in Lebanon, which were represented in government and parliament and in other powerful interest groups, such as the Association of Banks, were opposed to the IMF deal.⁷³ The political parties who have been ruling Lebanon since the end of the civil war have profited extensively from the status quo, and many of the required reforms would not only harm their narrow financial and political interests but would also open them up to scrutiny for their role in causing and prolonging the financial and economic collapse.⁷⁴

Lebanon is not lacking in proposed solutions. Lebanon-based organizations have noted that several of the suggested reforms associated with the SLA are essential to restore economic stability in Lebanon, with or without the IMF, and for Lebanon to access financing through other donors and in the international market. Further, since the crisis began, civil society groups, analysts, economists, and others have put forward multiple proposals, including for a just and equitable resolution of the debt crisis, for monetary and fiscal reforms that ensure BdL and commercial banks are properly overseen, and for tax reform and revenue generation that would allow Lebanon to ensure people's socio-economic rights, including the right to social security, and to begin to address Lebanon's gaping inequality.⁷⁵

The impact of the economic crisis has been compounded by other serious shocks. In early-2020, Lebanon, like the rest of the world, was hit by the COVID-19 pandemic. In August 2020, after the government failed to act on years of warnings that a dangerous stockpile of explosive chemicals was sitting in the Beirut port, the Beirut port exploded, causing the world's largest non-nuclear blast, killing more than 200 people, wounding more than 7,000, and destroying tens of thousands of homes.⁷⁶ At the same time, the currency continued to depreciate and the cost-of-living went through the ceiling. Russia's full-scale invasion of Ukraine led to a spike in global food and energy prices, which combined with the global economic recovery after the Covid-19 pandemic, added to inflationary pressures in Lebanon.⁷⁷ In 2023, the war between Israel and Hezbollah escalated on Lebanon's southern border, with tens of thousands displaced from their homes and Israeli attacks killing and wounding civilians and damaging residential areas and agricultural land. In September 2024, the war dramatically escalated again.⁷⁸

⁷² IMF, "IMF Staff Concludes Visit to Lebanon," 22 May 2024, <https://www.imf.org/en/News/Articles/2024/05/22/pr24173-lebanon-imf-staff-concludes-visit>

⁷³ Reuters, "Lebanon banks association calls IMF draft agreement 'unlawful' in letter", 21 June 2022, <https://www.reuters.com/markets/currencies/exclusive-lebanon-banks-association-calls-imf-draft-agreement-unlawful-letter-2022-06-21/>

⁷⁴ Policy Initiative and Century International, *The Shadow Plan: How Lebanon's Elites Are Sabotaging Their Country's IMF Lifeline*, June 2023, https://production-tcf.imgix.net/app/uploads/2023/06/12023040/The-Shadow-Plan-Report_SZ.06.06.2023.pdf, pp. 6-7; L'Orient Today, "Dangerous Liaisons: How Finance and Politics are Inextricably Linked in Lebanon", (previously cited).

⁷⁵ See, for example, Arab Reform Initiative and others, including Amnesty International, "Declaration on Building Universal Social Protection in the Arab Region", 14 February 2023, <https://www.arab-reform.net/publication/declaration-on-building-universal-social-protection-in-the-arab-region/>; Badil, "Redeeming Lifesavings: The Progressive Deposit Recovery Plan", 11 January 2024, <https://thebadil.com/policy/redeeming-lifesavings-the-progressive-deposit-recovery-plan/>; Badil, "Don't Let it Burn: Lebanon's Last Chance for a Progressive Deposit Recovery Plan", 1 December 2023, <https://thebadil.com/policy/policy-papers/progressive-deposit-recovery-plan/>; Kulluna Irada, Lebanese Association for Taxpayer's Rights, Legal Agenda, Observatory of Depositors' Rights, Observatory of Public Service and Good Governance at Saint Joseph University, "Accountability for those Responsible for the Financial Crisis", 11 January 2023, <https://kulluna-irada.org/article-144/>; Lebanese Center for Policy Studies, "For an efficient, fair, and inclusive taxation system", 1 June 2020, <https://www.lcps-lebanon.org/articles/details/1772/for-an-efficient-fair-and-inclusive-taxation-system>; Arab Reform Initiative, "Which Tax Policies for Lebanon? Lessons from the Past for a Challenging Future", 28 May 2021, <https://www.arab-reform.net/publication/which-tax-policies-for-lebanon-lessons-from-the-past-for-a-challenging-future/>; Carnegie Middle East Center, "Lebanon's Political Economy: From Predatory to Self-Devouring", 14 January 2021, <https://carnegie-mec.org/2021/01/14/lebanon-s-political-economy-from-predatory-to-self-devouring-pub-83631>; Financially Wise and Institute of Finance Basil Fuleihan, "How can a new tax system restore growth and equity? A Diagnostic Review of the Lebanese Taxation System & Recommendations to Improve Fairness and Efficiency", June 2023, p. 13, <http://www.institutdesfinances.gov.lb/wp-content/uploads/2023/10/Report-Towards-a-fairer-taxation-scheme-in-Lebanon-Final-no-annexes-sep23-en.pdf>; Policy Initiative, "Intentions Are Not Enough: Lebanon Must Adopt the National Social Protection Strategy", 8 December 2022, <https://www.thepolicyinitiative.org/article/details/190/intentions-are-not-enough-lebanon-must-adopt-the-national-social-protection-strategy>; Issam Fares Institute for Public Policy and International Affairs at American University of Beirut, *The Lebanese Government's Financial Recovery Plan: Rescue or Jeopardizing Plan?* May 2020, https://www.aub.edu.lb/ifi/Documents/publications/docs/2019-2020/20200522_lebanese_government_financial_recovery_plan_english.pdf

⁷⁶ Amnesty International, "Lebanon: One year on from devastating Beirut explosion, authorities shamelessly obstruct justice", 2 August 2021, <https://www.amnesty.org/en/latest/news/2021/08/lebanon-one-year-on-from-beirut-explosion-authorities-shamelessly-obstruct-justice/>; Office of the UN High Commissioner for Human Rights (OHCHR), "UN experts call for international investigation into 2020 Beirut explosion", 3 August 2022, <https://www.ohchr.org/en/press-releases/2022/08/un-experts-call-international-investigation-2020-beirut-explosion>

⁷⁷ World Bank, *Lebanon Economic Monitor: The Normalization of Crisis Is No Road for Stabilization* (previously cited), p. 34.

⁷⁸ See Chapter 1: "Executive Summary" for further information on the impact of the escalated war, and Amnesty International's reporting on the civilian impact in Lebanon.

Throughout these crises, the banks in Lebanon prevented people from accessing the full value of their deposits. This was particularly devastating for people who depended on those savings for essentials, like access to health, education, food, water, and electricity.

After the UN Special Rapporteur on extreme poverty and human rights visited Lebanon in November 2021, he concluded, “The economic crisis was entirely avoidable; indeed, it was manufactured by failed government policies”.⁷⁹

4.4 ENTRENCHING INEQUALITY

Even before the crisis, there was extreme inequality in Lebanon.⁸⁰ A 2023 paper, based on data covering 2005 to 2014, found that, “The top 1 and 10 per cent of the adult population received almost 25 and 55 per cent of national income on average, placing Lebanon among the countries with the highest levels of income inequality in the world”.⁸¹ Growing poverty, unemployment and vulnerability due to the economic crisis exacerbated inequality, as did government action and inaction.⁸²

The failure to arrest Lebanon’s staggering inflation, for example, placed a disproportionately high burden on people with lower incomes who were paid in LBP or whose savings were in LBP. In 2023, Lebanon’s Central Administration of Statistics reported that annual inflation was once again in triple digits, at 221.3%.⁸³ Bifani, the finance official who resigned due to the government’s handling of the economic crisis, said he was stepping down after two decades in government as he did not want to be complicit in a collapse that would worsen inequality. “What is being done now is that losses are shifted massively to the population through the fall of the Lebanese pound”, he told the Financial Times.⁸⁴

During the crisis, the government’s role in ensuring multiple, widely varying exchange rates were in use also caused significant confusion and, in some cases, offered a windfall to well-off actors.⁸⁵ According to the Special Rapporteur on poverty, “Maintaining multiple exchange rates currently represents an obstacle to negotiations with the IMF and is known to lead to corruption”.⁸⁶ The Special Rapporteur explained how the central bank had maintained multiple exchange rates and used scarce foreign exchange to benefit certain importers and currency exchangers. The central bank was using “public funds to directly benefit these actors at the expense of the rest of the population”, many of whom required urgent governmental support. This created billions of dollars of additional financial losses and economic distortions to the benefit of a small group, the UN expert wrote.⁸⁷

Analysts and academics have looked for ways to examine the impact of the crisis on inequality. Lebanon, for example, has long been import-dependent, including for essentials, like many food and medical items, as well as luxury items, such as cars and jewellery.⁸⁸ Import data analysed by Mercy Corps in 2022 showed that, during the crisis, Lebanon’s import patterns were changing in concerning ways, with an “unprecedented increase in imports of precious metals, jewellery, collectors’ items and other luxury goods”, while imports of essentials were crashing.⁸⁹ The amount spent, in total, on importing luxury items surpassed

⁷⁹ Special Rapporteur on Extreme Poverty and Human Rights, *Visit to Lebanon* (previously cited), para. 6.

⁸⁰ United Nations Economic and Social Commission for Western Asia (ESCWA), *Wealth Inequality and Closing the Poverty Gap in Arab Countries: The Case for a Solidarity Wealth Tax*, 2 June 2020, https://archive.unescwa.org/sites/www.unescwa.org/files/publications/files/wealth-inequality-closing-poverty-gap-arab-countries-english_1.pdf, p. 4.

⁸¹ Lydia Assouad, “Rethinking the Lebanese economic miracle: The extreme concentration of income and wealth in Lebanon, 2005–2014”, March 2023, *Journal of Economic Development*, Vol. 161, <https://www.sciencedirect.com/science/article/abs/pii/S0304387822001456>

⁸² In 2023, the World Bank wrote, “For as long as the economy is contracting and crisis conditions persist, living standards are set for further erosion, poverty will continue to spiral, and an overall precarious environment will prevail. In short: the status quo ensures that capital of all kinds is depleted, giving way to profound social inequality with only a few (relative) winners and a large majority of losers”. World Bank, *Lebanon Economic Monitor: The Normalization of Crisis Is No Road for Stabilization* (previously cited), p.1.

⁸³ Central Administration for Statistics, *Annual Inflation Rate 2023*, <http://www.cas.gov.lb/index.php/latest-news-en/165-inflation-4>

⁸⁴ Financial Times, “Bankers ‘smuggled’ \$6bn out of Lebanon, says ex-finance chief”, 13 July 2020, <https://www.ft.com/content/df234c78-a945-4199-befe-0272259dc755>

⁸⁵ World Bank, *Lebanon Economic Monitor: The Normalization of Crisis Is No Road for Stabilization* (previously cited), p. 32; IMF, “IMF Staff Concludes Visit to Lebanon”, 21 September 2022, <https://www.imf.org/en/News/Articles/2022/09/21/pr22314-lebanon-imf-staff-concludes-visit-to-lebanon> (“Existence of the multiple exchange rates causes significant distortions to economic activity, undermines the operations of the public sector, and creates opportunities for corruption and rent-seeking, leading to excessive pressures on the central bank’s FX reserves”).

⁸⁶ Special Rapporteur on Extreme Poverty and Human Rights, *Visit to Lebanon* (previously cited), para. 52.

⁸⁷ Special Rapporteur on Extreme Poverty and Human Rights, *Visit to Lebanon* (previously cited), para. 52.

⁸⁸ Mercy Corps, *Lebanon’s Import Bill: Jewelry Before Baby Formula*, 3 July 2023, <https://mercycorps.org.lb/wp-content/uploads/2023/07/In-Focus-Lebanons-import-bill-is-incommensurate-with-the-state-of-its-economy-v1.3.pdf>, p. 5.

⁸⁹ Mercy Corps, *Lebanon’s Import Bill: Jewelry Before Baby Formula* (previously cited), pp. 4-5.

that spent on medicines and infant formula, the organization reported. Mercy Corps attributed some of these changes to the perverse incentives the government created for importers, specifically by allowing for “sizeable tax breaks on luxury goods”.⁹⁰ Writing in 2023, Jad Chaaban, a prominent academic, noted:

“Not all Lebanese have suffered from this crisis. In fact, a minority has benefited from it and continues to thrive on what could be called a new war economy”.

Using data from the Lebanese government, Chaaban showed how certain luxury imports, including cars and caviar, had once again risen significantly”.⁹¹

In May 2024, the World Bank released a major study looking at poverty and inequality in Lebanon. The World Bank found that a greater proportion of Lebanese were living in poverty and that those that were already in poverty had moved further below the poverty line. Income inequality had also worsened, the World Bank said, with richer households experiencing lower reductions in their real income than poorer households.⁹²

⁹⁰ Mercy Corps, *Lebanon’s Import Bill: Jewelry Before Baby Formula* (previously cited), p. 5.

⁹¹ Jad Chaaban, “Lebanon going back into a war economy, and the consequences will be disastrous”, 17 February 2023, <https://jadchaaban.net/2023/02/17/lebanon-going-back-into-a-war-economy-and-the-consequences-will-be-disastrous/>

⁹² World Bank, “Lebanon: Poverty more than triples over the last decade reaching 44% under a protracted crisis”, 23 May 2024, <https://www.worldbank.org/en/news/press-release/2024/05/23/lebanon-poverty-more-than-triples-over-the-last-decade-reaching-44-under-a-protracted-crisis>

5. LEBANON'S SOCIAL PROTECTION SYSTEM: FRAGMENTED, LIMITED AND INEQUITABLE

“There is nothing called social protection here... we reach out on social media for cash, or we wait for loved ones to die”.

– Worker in Lebanon’s informal economy, speaking to Amnesty International⁹³

Even before the crisis, Lebanon’s social protection system was fragmented, limited and inequitable, leaving many people without access to key forms of social security, including access to affordable health insurance and basic income security for children, older people, and those who could not work. The system in place was far from guaranteeing universal social protection, in line with human rights law and standards, and unable to cope with the recurrent crises that Lebanon has since experienced, including the economic crisis, the climate crisis, and the war with Israel.⁹⁴

Before the economic crisis escalated, Lebanon had neither a universal social protection system nor a unified approach to social protection. Instead, people were left to navigate a patchwork of programmes and funds. Many people, including groups vulnerable to multiple and intersectional forms of discrimination and those experiencing shocks, were left unprotected in critical ways.

Lebanon has long-relied on social protection programmes that are contributory, employment-based social insurance schemes, meaning that key forms of social protection, from health insurance to support in old age, are tied to someone’s employment status. Contributions to the programmes are paid by employees, employers and others to grant people access to certain benefits. Different classes of workers had access to different benefits, depending on the particular social insurance programme that covered them. As the ILO and UNICEF wrote in 2021, “The main benefits [of Lebanon’s social protection system] are tied to formal employment status”.⁹⁵

⁹³ Focus group interview in Akkar, May 28, 2023.

⁹⁴ Amnesty International, *Rising Prices, Growing Protests* (previously cited).

⁹⁵ International Labour Organization (ILO) and UNICEF, *Towards a social protection floor for Lebanon*, March 2021, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_828592.pdf, p. 9.

The largest social insurance programme in Lebanon has long been the National Social Security Fund (NSSF), which covers most people working in the formal private sector, as well as some other categories of workers and university students.⁹⁶ The NSSF provides health coverage, limited family allowances (e.g. payments for dependent members of an employee's household, including their spouse, some children, and older parents), and, before recent changes, an end-of-service indemnity (paid once as a lump sum, rather than as a regularly occurring pension payment).⁹⁷ Employees are dependent on their employers registering them and their full wages with the NSSF and making associated contributions in order to receive the full benefits to which they are entitled.⁹⁸ This has exposed people to vulnerabilities.⁹⁹

Other social insurance programmes cover different categories of workers. Public sector employees benefited from different state-funded programmes, which include some form of health coverage, family allowances, and pensions or end-of-service indemnities. These tended to provide more generous benefits than the NSSF.¹⁰⁰ Different institutions or schemes that provided similar types, but often more generous, benefits than the NSSF covered certain professions such as lawyers, engineers, physicians and pharmacists.¹⁰¹

While contributory, employment-based schemes can serve critical rights functions, relying too extensively on them can result in less coverage for those most in need as those better off economically tend to be in a better position to have formal, registered employment, while those worse off economically are more likely to work informally or be unemployed. As described below, this was the case in Lebanon.

The cost of healthcare has long been a significant barrier for many in Lebanon to access healthcare. Before the crisis and during it, Lebanon lacked a universal health insurance programme. Most people's health coverage is tied to their employment, meaning that those that work informally or are unemployed often lack health coverage.¹⁰² By 2020, the NSSF was the largest social health insurance provider in Lebanon, with other employment-linked health insurance including various public sector schemes and private health insurance provided by employers.¹⁰³ Some purchase private health insurance for themselves.

Lebanon also provides some free or low-cost access to healthcare through its network of primary healthcare centres (PHCCs) and a few, limited state-funded schemes. PHCCs are meant to provide free or highly subsidized primary healthcare to residents in the country.¹⁰⁴ As Amnesty International has examined elsewhere, during the crisis, public health spending fell dramatically, which negatively impacted the healthcare people could receive through PHCCs.¹⁰⁵ Even if fully supported, the PHCCs do not provide secondary or tertiary healthcare services, nor emergency services; for these services, people need to turn to a public or private hospital or other healthcare facility. Lebanon has had a few, limited schemes that provide additional support, for example a disability card run by the Ministry of Social Affairs meant to support people with disabilities access a range of health services¹⁰⁶ and the Ministry of Health's role as an insurer of last resort, but this programme's capacity has long been limited.¹⁰⁷

⁹⁶ In addition to employees in the private formal sector, the NSSF covers additional categories of workers, for example, contractual and wage earners in the public sector, teachers in private schools, taxi drivers and university students. Centre for Social Sciences Research and Action, "Social Protection in Lebanon: The National Social Security Fund", October 2020, <https://www.civilsociety-centre.org/content/social-protection-lebanon-national-social-security-fund-nssf-الحماية الاجتماعية في لبنان>

⁹⁷ Inclusive Social Security Policy Forum (ISSPF), *Shifting the paradigm: In-depth study of the social security systems in Lebanon*, December 2022, https://www.developmentpathways.co.uk/wp-content/uploads/2023/01/Report_ISSPF_LEBANON_1122_copyedited_final.pdf, pp. 42-44; Arab NGO Network for Development, *Social protection in Lebanon: From a System of Privileges to a System of Rights*, 2014, <https://www.annd.org/data/file/files/Social%20protection%20in%20Lebanon%20ENGLISH.pdf>, p. 7.

⁹⁸ Public Source, "The Full Story Behind the Looming Collapse of the National Social Security Fund", 22 March 2022, <https://thepublicsource.org/social-security-lebanon>

⁹⁹ Public Source, "The Full Story Behind the Looming Collapse of the National Social Security Fund" (previously cited); Arab NGO Network for Development, *Social protection in Lebanon* (previously cited), pp. 7-8.

¹⁰⁰ The Cooperative of Civil Servants provides health insurance, family allowances and a choice between a pension and an end-of-service indemnity, while the army, internal security forces and general security forces have their own funds, which provide a similar but more generous range of benefits. Arab NGO Network for Development, *Social protection in Lebanon* (previously cited), pp. 7-8; ISSPF, *Shifting the paradigm* (previously cited), pp. 42-44.

¹⁰¹ Arab NGO Network for Development, *Social protection in Lebanon* (previously cited), pp. 7-8; ISSPF, *Shifting the paradigm* (previously cited), pp. 42-44.

¹⁰² See, generally, ILO, "Extending Social Health Protection in Lebanon: The role of the National Social Security Fund (NSSF) in achieving Universal Health Coverage", October 2020, https://webapps.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_780987.pdf

¹⁰³ ILO, "Extending Social Health Protection in Lebanon" (previously cited), pp. 13-14.

¹⁰⁴ Ministry of Public Health, "National PHC Network", 2002-2020, <https://moph.gov.lb/en/Pages/0/8116/national-phc-network>.

¹⁰⁵ Amnesty International, *Lebanon: Government must ensure medication is available and affordable* (Index: MDE 18/6410/2023), 9 February 2023, <https://www.amnesty.org/en/documents/mde18/6410/2023/en/>

¹⁰⁶ American University of Beirut Policy Institute, Alef, Oxfam, et. Al, *Improving Healthcare Access for Persons with Disabilities in Lebanon: Together for Justice in Service Provision*, https://www.aub.edu.lb/ifi/Documents/publications/policy_briefs/2017-2018/20171215_improving_health_access.pdf

¹⁰⁷ ILO, "Extending Social Health Protection in Lebanon" (previously cited), p. 7.

Before the crisis, Lebanon also had limited social assistance programmes that provided support that was not dependent on contributions from a person or their employer. The key social assistance programme was the National Poverty Targeting Programme (NPTP), which used proxy means-testing (PMT) to determine who was “poor enough” to be eligible for benefits and relied almost entirely on international donor support.

Lebanon’s fragmented patchwork of social protection programmes fell far short of providing universal coverage, including to those living in poverty and vulnerable to multiple and intersecting forms of discrimination. In 2021, the ILO and UNICEF reported that most people in Lebanon lived in a household that did not receive any type of social security transfer. Only 6.5% of the population lived in a household that received any type of non-contributory transfer (like support from the NPTP) and around a third lived in a household that received a contributory transfer (like support from the NSSF).¹⁰⁸

Lebanon’s social protection system was also inequitable. Around 63% of Lebanese individuals in the bottom income decile were not covered by any form of social protection, compared to just 6.5% of individuals in the richest decile, according to the ILO.¹⁰⁹ The ILO and UNICEF estimated that, were Lebanon to adopt a universal social protection system, it would be “much more inclusive of those at lower ends of the wealth distribution than the current system, which is heavily skewed toward those in higher wealth deciles”. Such a system, the organizations found, would do far better at including the “missing middle”, including those in need of support but who were not deemed “poor enough” to benefit from existing poverty targeting.¹¹⁰

Social protection in Lebanon has long been financed through a mix of contributions, international grants and loans, and government spending. For its part, the government has prioritized spending on social insurance schemes for public sector workers rather than social assistance schemes that benefited people in the lowest income category and those most vulnerable to marginalization and discrimination. A social protection spending review published in 2021 found that Lebanon’s spending on social protection between 2017 and 2020 reached 13.86% of GDP and 30% of public expenditure, respectively.¹¹¹ The majority of this, however, was spent on public sector employees, particularly the security and military forces. The review found, “Social protection spending is skewed towards public sector beneficiaries, who benefit from more than 45% of allocations while poor and vulnerable groups suffer from recurrent underspending”.¹¹²

Lebanon’s social protection system also left certain groups of people less protected. Women were often disadvantaged, with a UN Women study identifying several gender gaps, including a lack of social assistance programmes for specific groups of women, including women-headed households, single women with dependents, older women, women with disabilities, and pregnant women, as well as the exclusion of domestic workers (most of whom are women) from social insurance schemes, and the failure of the NSSF to take into account that women tend to have shorter and more fragmented careers, including periods of unemployment, due to gender norms and biases, in its eligibility criteria for long-term benefits.¹¹³

Informal workers were particularly at risk. Before the crisis, informal sector workers and self-employed individuals working in agriculture or construction were “least likely” to have access to social protection.¹¹⁴ In 2018, a majority of employed people (54.9%) in Lebanon held informal jobs as their main job. The bulk of informal work “was comprised of employees with no social security coverage by their employers”.¹¹⁵

Before the economic crisis, Lebanon’s patchwork of social protection programmes did not adequately cover the vulnerabilities and risks people faced throughout their life, as required by the CESC and ILO Conventions and General Recommendations. In addition to the gaps through which many women and informal workers fell, Lebanon did not have unemployment insurance or benefits.¹¹⁶ Older people were also at risk, given Lebanon’s long-term lack of a pension scheme for even formal, private sector workers.¹¹⁷ While

¹⁰⁸ ILO and UNICEF, *Towards a social protection floor* (previously cited), pp. 7-8.

¹⁰⁹ ILO, “Vulnerability and Social Protection Gaps Assessment – Lebanon”, February 2021, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_820467.pdf, p. 10.

¹¹⁰ ILO and UNICEF, *Towards a social protection floor* (previously cited), p. 20.

¹¹¹ The analysis included all types of spending providing social protection to citizens, including all government expenditure on social assistance, social insurance, financial access to social services, economic inclusion and labour activation, and social welfare. Institute of Finance Basil Fuleihan, *Social Protection Spending in Lebanon* (previously cited), p. 40.

¹¹² The government spent far more (between 53% and 63%) on social insurance schemes, than on social assistance schemes (between 22% to 32%), according to the review. Institute of Finance Basil Fuleihan, *Social Protection Spending in Lebanon* (previously cited), p. 47.

¹¹³ UN Women, *Social Protection in Lebanon, From a Gender Perspective Baseline Assessment Report*, 2021, <https://lebanon.unwomen.org/sites/default/files/2022-06/SP%20Baseline%20Report%201.pdf>, pp. 15-16.

¹¹⁴ ILO, “Vulnerability and Social Protection Gaps Assessment – Lebanon” (previously cited), p. 11.

¹¹⁵ Lebanon’s Central Administration of Statistics (CAS), “Labour Force and Household Living Conditions Survey 2018-2019”, 2020, <http://www.cas.gov.lb/images/Publications/Labour%20Force%20and%20Household%20Living%20Conditions%20Survey%202018-2019.pdf>, p. 59.

¹¹⁶ UN Women, *Social Protection in Lebanon* (previously cited), p. 16.

¹¹⁷ See Section 6.4 “Building blocks towards universal social protection” on recent reforms.

some forms of support were provided to those with disabilities, Lebanon also lacked a sustainable, adequate and comprehensive disability allowance.¹¹⁸ Refugees, including Syrian refugees, and non-Lebanese households on low incomes have also long been mostly excluded from Lebanon's social protection programmes and left largely to rely on humanitarian actors.¹¹⁹

Even for those covered by a social protection scheme in Lebanon, benefits were often insufficient to cover needs. The ILO's 2021 Vulnerability and Social Protection Gaps Assessment, which was based on pre-crisis data in Lebanon, noted that "social security provisions for those covered lack both adequacy and comprehensiveness". The system was "suffering from large gaps in coverage" and "grossly inadequate to respond to the needs of the population".¹²⁰ This inadequacy became far worse during the economic crisis.

¹¹⁸ ILO and UNICEF, *Towards a social protection floor* (previously cited), p. 20.

¹¹⁹ ILO, "Vulnerability and Social Protection Gaps Assessment – Lebanon" (previously cited), p. 2.

¹²⁰ ILO, "Vulnerability and Social Protection Gaps Assessment – Lebanon" (previously cited), p. 2.

6. SOCIAL PROTECTION DURING THE CRISIS: SURGING NEED AND CRASHING SUPPORT

“The public sector is failing, the provision of public services is almost non-existent [in Lebanon]”.

– IMF, 2023¹²¹

“The country is dissolving and no one cares”.

– An older man in Beirut speaking to Amnesty International¹²²

6.1 NEED FOR SOCIAL PROTECTION SURGES DURING THE CRISIS

Since 2019, people in Lebanon have been living through a financial and economic crisis considered to be one of the most severe globally since the mid-19th century.¹²³ Writing in 2021, the World Bank said, “Such a brutal contraction is usually associated with conflicts or wars”.¹²⁴ In 2022, the World Bank reclassified Lebanon from an upper-middle income country to a lower-middle income country.¹²⁵ The economic crisis

¹²¹ International Monetary Fund (IMF), “Lebanon: 2023 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Lebanon”, 29 June 2023, <https://www.imf.org/en/Publications/CR/Issues/2023/06/28/Lebanon-2023-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-535372>, p. 5.

¹²² Focus group interview in person in Akkar, 28 May 2023.

¹²³ World Bank, *Lebanon Economic Monitor: Lebanon Sinking (To the Top 3)*, Spring 2021, <https://documents1.worldbank.org/curated/en/394741622469174252/pdf/Lebanon-Economic-Monitor-Lebanon-Sinking-to-the-Top-3.pdf>, p. xi.

¹²⁴ World Bank, *Lebanon Economic Monitor: Lebanon Sinking* (previously cited), p. xi.

¹²⁵ World Bank, “New World Bank country classifications by income level: 2022-2023,” 1 July 2022, <https://blogs.worldbank.org/en/opendata/new-world-bank-country-classifications-income-level-2022-2023>

has had a massive and catastrophic impact on people's lives and livelihoods, with costs rising, unemployment rising, more people living in poverty and extreme poverty, and healthcare becoming even further out of reach.

Amnesty International spoke with 81 people in 2023 about the impact of the crisis on their lives and livelihoods, what they were worried about, and what they wanted from the government. It was clear that people had been unable to access even the minimum core of their right to social security. People highlighted the extreme difficulties they faced in making ends meet and accessing essential goods and services, such as food and healthcare. These difficulties were linked to reductions in their purchasing power and reductions in their income, including due to runaway inflation, coupled with the lack of access to effective social protection which would have otherwise helped them cope with this shock. In interviews, Amnesty also observed how the economic crisis had intersectional impacts on people with multiple marginalized identities, for example older refugees, as well as gendered impacts on women in Lebanon.

6.1.1 RISING COSTS

Exponential inflation hit people in Lebanon hard. After 2019, Lebanon experienced some of the highest inflation rates in the world, repeatedly reaching triple digits. In September 2023, the World Bank reported that “inflationary pressures have not abated” and that, nine months into the year, year-on-year inflation stood at 208.5%, with food and drinks the largest contributors to headline inflation. Costs associated with transportation, housing, health, and essentials, like water, also went up.¹²⁶ According to the Bank, in the first quarter of 2023, Lebanon “topped the list of countries...hardest hit by nominal food price inflation”. Between March and July 2023, Lebanon was “second only to Venezuela”.¹²⁷

While essentials became more expensive, many people saw their wages, income and savings dramatically reduce in value as a result of the significant currency depreciation. The value of the currency plummeted from LBP 1,505 to USD 1 in 2019 to about LBP 89,500 to USD 1 in 2024. The economy became increasingly ‘dollarized’, meaning goods were often priced in USD, rather than LBP. Many people in the country, including civil servants, remained paid in LBP.¹²⁸ The official minimum wage was raised a few times, but it did not keep anywhere close to pace with inflation and currency depreciation.¹²⁹



NOUR AND SARA'S STORY

Nour*, a 60-year-old divorced woman, lived with Sara*, her daughter, in a rented flat in Mount Lebanon governorate.¹³⁰ Before the crisis, Nour worked for many years selling household goods. This work was in the informal sector. “I have worked all my life. But now, there is no support”, she said. She depended on her daughter's wage to support her. Two months before Amnesty International interviewed the women, Sara had found a job working in security at a hospital.

The two women had struggled to afford basic necessities as the cost of living rose and inflation continued to sky-rocket. Sara's wage, their only regular source of income, amounted to about USD 140 a month, they said. “It costs my daughter USD 50 each month just for transport to and from work. Our rent is USD

¹²⁶ World Bank, *Lebanon Economic Monitor: In the Grip of a New Crisis*, Fall 2023, <https://documents1.worldbank.org/curated/en/099518112202340074/pdf/IDU1cbb9a9271d02b14f6a18d8c1cd99718adaaf.pdf>, pp. 13-15.

¹²⁷ World Bank, *Lebanon Economic Monitor: In the Grip of a New Crisis* (previous cited), p. 16.

¹²⁸ During the crisis, to address plummeting civil servant wages, the government took some steps to supplement wages, including offering monthly support sums or favourable exchange rates. These steps, however, were offered as additional allowances, which meant that they did not make up for the impact plummeting wages had on social security benefits that were tied to wages, like pensions or end of service indemnities. NNA, “Finance Minister: Public sector salaries paid at Sayrafa's LBP 60,000 rate”, 3 April 2023, <https://www.nna-leb.gov.lb/en/economy/605821/finance-minister-public-sector-s-salaries-paid-at>

¹²⁹ The pre-crisis national minimum wage was LBP 675,000 a month. In 2018, this was equivalent to USD 450 at the official exchange rate. In 2021, it was worth around USD 30 at market rates. France 24, “Lebanon families spend '5 times minimum wage' on food: study”, 21 July 2021,

<https://www.france24.com/en/live-news/20210721-lebanon-families-spend-5-times-minimum-wage-on-food-study>. In April 2024, the government announced it would raise the minimum wage again to a rate worth about USD 200 at the market rate. L'Orient Today, “Cabinet approves doubling the minimum wage for private sector employees”, 4 April 2024

<https://today.lorientlejour.com/article/1409268/cabinet-approves-doubling-the-minimum-wage-for-private-sector-employees.html>

¹³⁰ Interview in person with “Nour” and “Sara” (pseudonyms), two women in Mount Lebanon, 3 June 2023.

100. That leaves us with nothing for our expenses”, Nour said. They were looking for a new place to live. Their rent increased and they could no longer afford it.

Their biggest concern was healthcare. Nour’s chronic health conditions required medicines that were no longer always available at the nearest PHCC, which had previously provided them for free. Now, the medicines she needed could cost up to USD 40 a month, she said. Sara had a kidney condition that needed regular treatment, too. They described other health conditions for which they had been unable to access prompt care because they were unable to afford it.

The women tried to access different forms of social protection. They successfully applied for a food parcel from the World Food Programme, which they received once a month. They could not always afford to pick it up because of transport costs, so they relied on neighbours and friends to collect it for them. They also sent an application to the Emergency Social Safety Net (ESSN) programme (a World Bank-supported cash transfer programme for households living in poverty), and were visited as part of the application process, but had not heard back around a year and a half after they had applied.

They relied on NGOs, political parties, and community-based organizations to make ends meet, they said. The uncertainty and strain had left them both feeling anxious and stressed.

Since the crisis, the number of those living in poverty in Lebanon had, unsurprisingly, risen rapidly. While reliable and up-to-date data is notoriously limited in Lebanon, by 2020, more than three-quarters of the population was “income vulnerable”, according to the ILO and UNICEF.¹³¹ Vulnerable groups were hit particularly hard: The percentage of people living on very low incomes increased by 91% among older persons, 59.9% among women, 54.2% among people with disabilities, and 65.6% among unemployed people.¹³²

In May 2024, the World Bank reported that poverty in Lebanon had more than tripled over the past decade, with poverty rates particularly high in Akkar and among Syrian households. The World Bank found that a greater proportion of Lebanese were living in poverty and that those that were already in poverty had moved further below the poverty line. Income inequality had also worsened.¹³³

6.1.2 RISING UNEMPLOYMENT AND INFORMAL LABOR

With the economic crisis, the employment landscape in Lebanon changed dramatically. The unemployment rate more than doubled, standing at 29.6% in January 2022. Certain governorates were hit harder than others—In 2022, Baalbek and South Lebanon governorates, for example, had 40.7% and 36.5% rates of unemployment, respectively.¹³⁴ These figures have likely risen significantly, after Israeli bombardment and significant displacement disrupted economic activity and damaged or destroyed agricultural land.

Far more people are also working informally. Informality in employment has long been a facet of Lebanon’s economy. It usually implies precarious work, fewer labour rights protections and limited access to social protection.

These changed patterns of employment can have long-term and unequal effects. Women and young people, for example, were the hardest hit in the economic contraction in Lebanon, making up a greater proportion of

¹³¹ The ILO and UNICEF defined “income vulnerable” as those “living on less than 706,050 pounds per adult-equivalent per month.” ILO and UNICEF, *Towards a social protection floor for Lebanon* (previously cited), pp. 1-3.

¹³² These figures represent the percentage change in those living on less than LBP 470,700 per month in 2018 and 2020. ILO and UNICEF, *Towards a social protection floor for Lebanon* (previously cited), pp. 1-3.

¹³³ World Bank, “Lebanon: Poverty more than triples over the last decade reaching 44% under a protracted crisis”, 23 May 2024, <https://www.worldbank.org/en/news/press-release/2024/05/23/lebanon-poverty-more-than-triples-over-the-last-decade-reaching-44-under-a-protracted-crisis>

¹³⁴ CAS and ILO, *Lebanon Follow-up Labour Force Survey – January 2022: Fact Sheet*, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_844837.pdf, pp. 5-6.

those under- or unemployed.¹³⁵ A UN Women report highlighted that when women did enter the workforce during the crisis, they were more likely to obtain only informal, precarious or part-time work.¹³⁶

Lebanon's changing patterns of employment are certain to have had a negative impact on people's access to social protection, given that Lebanon's social protection system relies largely on formal employment-based systems. The need for effective social protection measures that are not linked to someone's formal employment status in Lebanon increased considerably.



MAYA'S STORY

Maya* became the sole provider and carer for her three children after her husband died.¹³⁷ She worked as a cleaner and a janitor, but her employment was considered informal. Her employer had not registered her employment with the government, so she received no benefits, like health insurance. In 2023, she earned about USD 15 a month, she said.

She needed several, regular medicines due to a chronic health condition. She tried to get these free from her local PHCC, but they were not always available. When they were not, she had to buy them herself. They could cost up to USD 50 a month, she said, which she could not afford without support.

"I ask at NGO clinics, I ask people I know for money, I do all this. However, some months, when I can't afford to, I don't take my medicines".

Her bigger concern was for her school-age son, who had a psychosocial disability and needed regular access to mental healthcare, which was not easily or affordably available. Her son's school told her that he needed additional support. She was not sure she could afford to provide it.

6.1.3 RISING THREATS TO HEALTH

During the economic crisis, people in Lebanon faced grave threats to health, some directly linked to the economic crisis and others co-occurring. In early 2020, Lebanon was hit by the COVID-19 pandemic. In August 2020, the Beirut port exploded. In 2023, the war on Lebanon's southern border with Israel escalated, and in September 2024, the Israeli military launched a far-reaching assault and ground invasion into Lebanon, which, by October, the government of Lebanon was estimating had killed and injured thousands and displacing more than a million people from their homes.¹³⁸

Lebanon also saw an uptick in health impacts associated with its failing infrastructure. In 2022, there was a cholera outbreak, the first in the country since 1993, according to WHO.¹³⁹ In 2024, an American University of Beirut study found that the private generators that people had come increasingly to rely on for electricity were causing "alarming" increases in the levels of air pollution, likely to have a range of negative and long-term health impacts.¹⁴⁰ People have been forced to rely on privately-owned generators for electricity in Lebanon because the government failed to properly manage the state-run electricity company.¹⁴¹

Studies have also linked economic crises, including the crisis in Lebanon, to increased mental health problems due to the stress and insecurity such crises generate. Some studies have already identified greater mental health needs and concerns among specific groups in Lebanon. For example, one described how

¹³⁵ Between 2018-2019 and 2022, the unemployment rate increased from 11.4% to 29.6%. Underutilization of labour – an indicator that reflects the inability of an economy to generate either any employment or sufficient employment (i.e. full or part-time) for people who want to work – dramatically increased, from 16.2% in 2018-2019 to 50.1% in 2022. For women, it increased from 21.3% to 57.1% and for young people from 29.4% to 64.2%. CAS and ILO, *Lebanon Follow-up Labour Force Survey* (previously cited), pp. 5-6.

¹³⁶ UN Women, *Women on the verge of an economic breakdown: Assessing the differential impacts of the economic crisis on women in Lebanon*, September 2020, <https://arabstates.unwomen.org/sites/default/files/Field%20Office%20Arab%20States/Attachments/Publications/2020/10/Lebanons%20Economic%20Report%20Updated%201110%20FH.pdf>, p. 9.

¹³⁷ Interview in person with "Maya" (pseudonym) during women's focus group in Mount Lebanon, 2 June 2023.

¹³⁸ UNHCR, "Displaced families in Lebanon yearn for peace and a return home," 6 October 2024, <https://www.unhcr.org/news/stories/displaced-families-lebanon-yearn-peace-and-return-home>

¹³⁹ WHO, "Cholera: Lebanon", 19 October 2022, <https://www.who.int/emergencies/disease-outbreak-news/item/2022-DON416>

¹⁴⁰ L'Orient Today, "Air pollution from generators has doubled in Beirut," 4 March 2024, <https://today.lorientlejour.com/article/1370213/air-pollution-from-generators-has-doubled-in-beirut.html>

¹⁴¹ Human Rights Watch, "Cut Off From Life Itself" (previously cited).

health workers were experiencing greater stress, anxiety and burn-out and another identified mental health concerns in children and adolescents.¹⁴²

Further, Israeli attacks on healthcare facilities in Lebanon put additional strain on the ability of the sector to provide adequate medical care. According to the World Health Organization, between 17 September 2024 and 16 October 2024, there were 23 attacks on healthcare that led to 72 deaths and 43 injuries among health workers and patients. Further, the WHO noted that “out of 207 primary healthcare centres and dispensaries in conflict-affected areas, 100 are now closed. Hospitals have had to close or evacuate due to structural damage or their proximity to areas of intense bombardment. As of today [16 October 2024], 5 hospitals have been evacuated and another 5 partially evacuated, with critical cancer and dialysis patients referred to other hospitals also overwhelmed by increasing health needs”.¹⁴³

People in Lebanon are also poised to deal with significant threats to their economic and social rights, including their right to health, due to climate change.¹⁴⁴ In March 2024, the World Bank found that Lebanon was “among the countries least prepared to face climate change”. Lebanon was ranked as the least climate-ready of all Middle East and North Africa countries, except for Yemen. The economic crisis, the World Bank found, “erod[ed] [Lebanon’s] already limited capacity to adapt to climate change”.¹⁴⁵



YARA'S STORY

Yara*, a 55-year-old woman, was the sole wage-earner in her family.¹⁴⁶ She used her earnings to take care of herself, her husband and their three children. She worked informally for many years as an artist, selling her paintings. “I rely on people buying what I make, but after the economic crisis it has been very hard”, she said. She was constantly worried about paying the rent.

Her husband had a disability, could not work, and needed regular medication. Just four of her husband’s many medicines could cost about USD 50 if they could not access them free of charge, she said. The family received no social protection benefits from the state.

“I feel I can never make ends meet... The stress of the situation, constantly like this, it has made me feel sick and anxious... I also worry that his [her husband’s] psychological state is worsening in this crisis. I have to keep motivating him, keep reminding him to be happy”, she said.

Food insecurity was also an area of growing concern during the economic crisis. In 2021, an UNRWA study noted rising food insecurity amongst Palestinian refugees in Lebanon.¹⁴⁷ In late 2022, food security experts identified inflation, currency depreciation, discontinuation of state subsidies, loss of purchasing power, loss of job opportunities and the widening gap between the value of assistance and cost of living as drivers of food insecurity and found that the “economic and financial crisis... undermined the food security of already vulnerable Lebanese and Syrian refugees”.¹⁴⁸ Food insecurity, which is in itself a cause for serious concern, can also impact people’s health in the medium to long term.

People from marginalized and underserved groups may suffer particular and more severe medium to long-term consequences of the economic crisis, especially when their access to healthcare is limited. Many

¹⁴² Borgen Project, *Addressing Children's Mental Health in Lebanon*, <https://borgenproject.org/childrens-mental-health-in-lebanon/>; International Journal of Health Planning and Management, *Mental health impacts of Lebanon's economic crisis on healthcare workers amidst COVID-19*, September 2021, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8652701/>

¹⁴³ WHO, “Attacks on hospitals and health workers jeopardize provision of health in Lebanon,” 16 October 2024, <https://www.who.int/news/item/16-10-2024-attacks-on-hospitals-and-health-workers-jeopardize-provision-of-health-in-lebanon>

¹⁴⁴ Climate change affects a range of human rights. For more, see, Amnesty International, “COP28: Governments must urgently phase out fossil fuels and take rapid action to ensure right to water in MENA”, 8 December 2023, <https://www.amnesty.org/en/latest/news/2023/12/cop28-governments-must-urgently-phase-out-fossil-fuels-and-take-rapid-action-to-ensure-right-to-water-in-mena/>; Amnesty International, *Stop Burning Our Rights! What Governments and Corporations Must Do to Protect Humanity from the Climate Crisis* (Index: POL/30/3476/2021), 7 June 2021, <https://www.amnesty.org/en/documents/pol30/3476/2021/en>

¹⁴⁵ The extent of the damage people in Lebanon would be exposed to due to climate change depended on the government’s willingness to enact necessary reforms, lead the country out of the current crisis, and gradually expand the fiscal space available to it, the World Bank said. World Bank, *Country Climate and Development Report: Lebanon*, 13 March 2024, <https://documents1.worldbank.org/curated/en/099030624151542784/pdf/P179617111e46d05c187b91daa689f7b351.pdf>, p. 2.

¹⁴⁶ Interview in person with “Yara” (pseudonym) during women’s focus group in Mount Lebanon, 2 June 2023.

¹⁴⁷ UNRWA, *Palestine refugees in Lebanon: struggling to survive*, 2022, https://www.unrwa.org/sites/default/files/content/resources/unrwa_ifo_advocacy_paper_eng_final.pdf, p. 6.

¹⁴⁸ Integrated Food Security Phase Classification (IPC), *Lebanon: Acute Food Insecurity Situation September - December 2022 and Projection for January - April 2023*, 22 December 2022, https://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Lebanon_Acute_Food_Insecurity_Report_Dec2022.pdf, p. 9-11.

women interviewed by Amnesty International described how they had developed nutritional deficiencies, which they ascribed to being unable to access enough nutritious food.

Amal*, for example, a Syrian woman who was the sole carer for her three children,¹⁴⁹ said she came to Lebanon in 2012, but that the years of the economic crisis had been particularly difficult. Amal's only source of income was cash support from UNHCR, about USD 80 at the time of the interview. She could not afford electricity, and her school-age children often studied by candlelight. She borrowed money to survive, which made her feel anxious. She was worried about affording healthcare for her children. She had not been able to afford tests for her youngest child, who she suspected had an allergy. She herself had an iron deficiency but could not afford appropriate food or supplements to address this. She faints, she said, and worried about her children every time she did.

In its fifth year, the impacts of the crisis, including people's inability to afford essentials, continued.¹⁵⁰ The dramatic increases in poverty, unemployment, and financial vulnerability, combined with the war, meant that more people were in urgent need of social protection. Yet, while needs rose, government support crashed.

6.2 SUPPORT FROM THE GOVERNMENT CRASHES DURING THE CRISIS

Since 2019, the government of Lebanon has woefully failed to take adequate measures to address the impact of the economic crisis that it helped create on people's economic and social rights. By doing so, the government has failed in its obligation to ensure people's economic and social rights, including their right to social security. Three particular impacts of government policy decisions, both exacerbated by the economic crisis and made worse by the government's years-long refusal to sufficiently address the crisis, were particularly devastating for people's right to social security:

- the sharp reduction in government expenditure to realize rights
- the devaluation of existing social protection benefits to the point where, in some cases, they were almost non-existent
- how these two combined to reduce people's ability to access and afford essential goods and services, like healthcare.

6.2.1 CRASHING PUBLIC EXPENDITURE

Lebanon dramatically reduced public spending during the economic crisis. The government continued to raise revenues and spend funds, but the real value of such funding sharply reduced due to inflation and currency depreciation. This resulted in severe retrogressions in access to social and economic rights.

Exact figures are hard to come by, in part due to the use of multiple exchange rates and significant failures in government transparency on budgeting and spending, but, according to the World Bank, total government expenditure was USD 17.6 billion in 2018 and only USD 1.2 billion in 2022.¹⁵¹ This dramatic reduction in total public spending coincided with rapidly increasing poverty, unemployment and financial vulnerability. In 2023, the World Bank wrote, "The decline in... spending has led to an acute collapse in public service delivery", adding that people's challenges have been "further compounded by a near complete collapse of public finances, driving an acute collapse of public service provision and state institution atrophy with devastating consequences on state building moving forward".¹⁵²

In the context of the overall massively shrunken public budget, the government allocated an increasing percentage of its budget to social protection—from 18% of the overall budget allocated in 2018 to 30.5% of the overall budget allocated in 2022. But the actual value of the funds allocated to social protection dramatically reduced, in real terms, during the crisis.

¹⁴⁹ Focus group interview in Akkar, 28 May 2023.

¹⁵⁰ UNICEF, *Future on hold: Lebanon's worsening crisis is breaking children's spirits*, June 2023, <https://www.unicef.org/lebanon/media/10336/file/Future%20on%20Hold%20Report%20EN.pdf>

¹⁵¹ World Bank, *Lebanon Economic Monitor: The Normalization of Crisis Is No Road for Stabilization* (previously cited), pp. 4-5.

¹⁵² World Bank, *Lebanon Economic Monitor: The Normalization of Crisis Is No Road for Stabilization* (previously cited), p. 18.

According to the Lebanon Citizen Budget Dashboard, a public dashboard maintained by the Institute of Institut des Finances Basil Fuleihan, a knowledge centre affiliated to Lebanon's Ministry of Finance, Lebanon planned to spend a bit more than USD 3 billion on social protection each year in 2017, 2018, and 2019. Then the economy contracted, the currency began to devalue, and the crisis worsened. In 2020, the year that people in Lebanon were grappling with both the COVID pandemic and the Beirut blast, Lebanon planned to spend only about 25% of the amount of funds, in real terms, than what it had spent on social protection before the crisis. In 2021 and 2022, the real value of the amount of funds allocated to social protection was further reduced to roughly 11% (2021) and 13% (2022) of what it had spent before the crisis.¹⁵³ It is important to note that these figures are an estimate of what the government planned to spend. What the government actually spent is much harder to track, due in part to a lack of transparency.

During the crisis, the government dedicated an increasing percentage of its budget to social protection, but starkly less money, in real terms, to social protection. The government's spending fell far short of what was needed to maintain minimum essential levels of the right.

6.2.2 CRASHING SOCIAL INSURANCE BENEFITS

The government of Lebanon allowed the adequacy of social insurance benefits, including end-of-service indemnities, pensions and health insurance support, to be drastically eroded by currency depreciation and inflation during the crisis. People who were able to continue accessing some social insurance benefits during the crisis, including those that worked in the formal, private sector and those that worked in the public sector (which tended to have more generous benefits before the crisis), described to Amnesty International how the amount they received did not cover their needs.

For example, a man who retired from the Internal Security Forces after 25 years' service, just when the economic crisis hit, explained that his end-of-service indemnity would have been worth approximately USD 150,000, but was now only worth around USD 1,500. This made it impossible for him to provide for himself and his family, he said—food alone cost him around LBP 3 million a month (approximately USD 30 at the time of the interview). He was most worried about healthcare. Prior to the crisis, his healthcare costs were largely covered, but now the reimbursements he received were insufficient. "I rely a lot on individual donations, on NGOs, and I keep asking people", he told Amnesty International, "but I can't keep asking people [for money] like this forever".¹⁵⁴

Another man who had worked in the public sector for 34 years explained that the value of his salary started to deteriorate during the crisis, just as he was coming close to retiring. He was eligible for a pension, but that pension lost much of its value. Now, he said, the pension he had worked towards his entire life was only worth USD 35 to USD 40 a month. "I can hardly get fuel for my car with this", he said.¹⁵⁵

The depreciation in benefits often affected not just the direct beneficiary, but also members of their family. A woman in Akkar explained that she used to have a small business in the informal sector. She made and sold bread but could not afford to keep the business going after the crisis started. Her husband had retired from the army, and they hoped to live, at least in part, on his pension. After the crisis, his pension was worth around USD 40 a month. They had to sustain a family of six. "Impossible", she said.¹⁵⁶

Another woman, whose husband worked in the army, had a son with a disability who needed regular surgery on his leg. They were insured through the army. His surgeries were expensive, costing up to USD 1,700, she said. Their insurance, which only reimbursed around half of the costs before the crisis, now amounted to even lower levels of support. They paid the outstanding amounts themselves in the initial years, but then

¹⁵³ The Lebanon Citizen Budget Dashboard, which compiles and visualizes the government of Lebanon's planned spending, including on social protection, categorizes government budgeted spending according to function and provides values in LBP (as do the government's budgets themselves). During these years, however, Lebanon's currency was experiencing significant fluctuation. To get an approximate figure of the real value spent on social protection, we used the average exchange rate for each year, as provided by Lirate.org. The averages were LBP 6,704.95 to USD 1 for 2020, LBP 16,820.80 to USD 1 for 2021, and LBP 30,313.13 to USD 1 for 2022. The currency began to devalue in 2019, but really began to spiral in 2020. Based on these calculations, in 2017, Lebanon planned to spend LBP 4296.97 billion (about USD 2.85 billion) on social protection, in 2018, about LBP 4842.79 billion (about USD 3.2 billion) on social protection, and in 2019, about LBP 5109.29 billion (about USD 3.1 billion) on social protection. In 2020, Lebanon planned to spend LBP 4,986.31 billion (about 744 million USD) on social protection, in 2021, LBP 5,758.82 billion (about 342 million USD), and in 2022, LBP 12,470.66 billion (about USD 411 million) on social protection. Institute of Finance Basil Fuleihan, *Lebanon Citizen Budget Dashboard* (previously cited).

¹⁵⁴ Focus group interview in person in Akkar, 28 May 2023.

¹⁵⁵ Focus group interview at American University of Beirut, 1 June 2023.

¹⁵⁶ Focus group interview in person in Akkar, 28 May 2023.

began to ask family members for help to pay for the costs of their son's care, as they were no longer able to afford it.¹⁵⁷

While the government gradually provided some support to public sector workers, including those receiving pensions, through various decrees, this support failed to adequately account for currency depreciation and the rising cost of living.¹⁵⁸ Because some social assistance programmes, such as the NPTF, were largely financed by donors in hard currency, they were partially insulated from these sorts of cuts. However, the crisis impacted other parts of the social protection system in Lebanon, such as the closure or reduced capacity of Social Development Centres and PHCCs.

Some people also lost access to their social insurance benefits because those benefits became frozen in Lebanon's banks. For example, if a retiree had received an end of service indemnity and put those funds in a Lebanese bank account, they, like other funds in the banks, became stuck, crashing in value if denominated in LBP.¹⁵⁹ A number of private sector pension funds were also deposited in the banks, and thus—like other accounts—became inaccessible, crashed in value, or were subject to informal haircuts.¹⁶⁰

6.2.3 CRASHING ACCESS TO HEALTHCARE

Almost all interviewees that spoke with Amnesty International identified access to healthcare, especially the prohibitive cost of healthcare, as a key concern. People said they sometimes rationed medicines and delayed seeking care and that they were anxious about their personal wellbeing and the health of their loved ones.

According to the UN Economic and Social Commission for Western Asia (ESCWA), the share of households in Lebanon deprived of healthcare increased from 9% in 2019 to 33% in 2021, equivalent to approximately 400,000 households.¹⁶¹ Other humanitarian assessments in 2021 and 2022 had similar findings, indicating that financial barriers were largely to blame in preventing or impeding Lebanese nationals, Palestinian and Syrian refugees, and migrants from accessing the healthcare and medicine they needed.¹⁶²

Existing programmes to provide access to healthcare proved woefully insufficient as the crisis continued and needs rose. Many, including persons with disabilities, ended up unable to access life-saving healthcare.¹⁶³ In early 2024, Sylvana Lakkis, Chairperson of the Lebanese Union of People with Physical Disabilities, told Amnesty International about multiple efforts the organization had undertaken to fundraise for members who needed life-saving care, and were unable to rely on existing programmes to access that care. In one case, a member of the union had been badly injured during the Beirut Blast and needed an urgent operation. The Lebanese Union of People with Physical Disabilities had succeeded in raising funds to get him some care, but not enough for this last operation. "Death was quicker than us", she said.¹⁶⁴

During the crisis, the benefits provided by Lebanon's most important health insurance provider, the NSSF, largely collapsed. In theory, the NSSF is meant to reimburse the vast majority of hospitalization costs directly to contracted hospitals (both public and private) and the vast majority of medication costs to the individual after an application for reimbursement has been filed.¹⁶⁵ Already in 2019, the government was failing to reimburse hospitals for outstanding dues, including funds owed by the NSSF and military health funds.¹⁶⁶ During the crisis, hospitals began to reject people holding NSSF coverage, alleging they could not trust the NSSF to reimburse them.¹⁶⁷ NSSF reimbursement rates to individuals also began to lag far behind the real cost of medications, or simply not materialise. People told Amnesty International that the NSSF

¹⁵⁷ Second focus group interview in person in Akkar, 28 May 2023.

¹⁵⁸ See, for example, Presidency of the Republic of Lebanon, "The President signed a decree granting temporary social assistance to all public sector workers," 22 February 2022, <https://www.presidency.gov.lb/English/News/Pages/Details.aspx?nid=26945>

¹⁵⁹ See Chapter 3: "Background: A man-made economic crisis."

¹⁶⁰ Interview with Fouad Debs, co-founder of the Depositors' Union, 15 March 2024; Badil, "Salvaging Syndicates: How to Defend and Strengthen Lebanon's Pension Funds," 18 December 2021, <https://thebadil.com/policy/position-papers/salvaging-syndicates-lebanons-pension-funds/>

¹⁶¹ United Nations Economic and Social Commission for Western Asia (ESCWA), *Multidimensional poverty in Lebanon (2019-2021)*, <https://www.unescwa.org/publications/multidimensional-poverty-lebanon-2019-2021>, p. 4.

¹⁶² OCHA and Reach, *Multi-Sector Needs Assessment: Key Multi-Sectoral Findings, Lebanon*, October 2022, https://repository.impact-initiatives.org/document/reach/a7310376/MSNA_2022_Key_Findings_JAW_final.pdf, p. 25; REACH, *Lebanon: 2021 Multi-Sector Needs Assessment*, 7 April 2022, <https://reliefweb.int/report/lebanon/lebanon-2021-multi-sector-needs-assessment-april-2022>, p. 33.

¹⁶³ Interview with Sylvana Lakkis, 18 March 2024.

¹⁶⁴ Interview with Sylvana Lakkis, 18 March 2024.

¹⁶⁵ World Health Organization, "Chapter 3: Health System Financing", *Health Beyond Politics*, 2009, p. 68.

¹⁶⁶ Human Rights Watch, "Lebanon: Hospital Crisis Endangering Health", 10 December 2019, <https://www.hrw.org/news/2019/12/10/lebanon-hospital-crisis-endangering-health>

¹⁶⁷ Public Source, "The Full Story Behind the Looming Collapse of the National Social Security Fund" (previously cited).

reimbursement they received for medicines was often less than the cost of transport to file the application.¹⁶⁸ There have also been enormous delays. According to the Public Source, a Beirut-based media organization, over 5.4 million requests for health reimbursements were under review at the NSSF between January 2019 and April 2020.¹⁶⁹

Many people with NSSF coverage told Amnesty International that they could not rely on it to cover healthcare costs. For example, Aya*, who worked as a teacher and was covered by the NSSF, was asked to have a scan for a health condition during the crisis. This cost her about USD 650, she said, but she was only reimbursed about USD 60.¹⁷⁰ Bonyan*, who was a teacher in a public school and covered by the NSSF, said she used to be reimbursed for medicines, but now the reimbursement amounts were substantially less.¹⁷¹ Charbel* said he had not been receiving any reimbursements from the NSSF for his healthcare requirements. He had to rely on his end-of-service indemnity, but its value had depreciated enormously. After over 30 years of work, he was hoping for a payment of USD 220,000, but the amount he received was worth between USD 2,000 to USD 3,000. He had to rely on free or low-cost health support, especially for medicines, but often struggled to afford transport costs to the nearest PHCC.¹⁷²

In May 2023, the ILO released a study examining the NSSF's financial situation. The ILO found that "the capacity of the NSSF to provide social security to its members had been largely lost and urgent reforms were needed to restore adequate coverage". In particular, the study found that the benefits offered by all three NSSF branches, including for health insurance, family allowances and the end-of-service indemnity, lagged far behind the real costs of living and healthcare.¹⁷³ The study also found that the NSSF was in dire financial straits—with a significant increase in costs and decrease in revenue, and owed trillions of LBP by the Lebanese government. Part of the problem, too, according to the ILO, was the NSSF's "weak" accounting processes that "as is the case for other public institutions in Lebanon, do not follow international financial reporting standards", and had not been audited for over 10 years.¹⁷⁴

Experts that spoke with Amnesty International raised serious concerns that, rather than moving towards universal health coverage, Lebanon was allowing its public health insurance providers to disintegrate or collapse. They expressed fears that health insurance would become more privatised and further out of reach for many living in the country and encouraged the government to use this moment to address significant fragmentation in the health insurance landscape and move towards a system that offered public options and ensured universal coverage.¹⁷⁵

Demand for publicly funded healthcare increased sharply during the crisis.¹⁷⁶ A rapid assessment conducted in 2022 by the Institute of Finance Basil Fuleihan found that, "Public hospitals... had to carry the largest burden of the health, social and economic crisis" and estimated that public health institutions saw a 50% to 75% average increase in the number of people approaching them for care.¹⁷⁷ In some PHCCs, demand went up fivefold or sixfold. The assessment noted that several hospitals were unable to service this increased demand.¹⁷⁸

Lebanon has an obligation to ensure that all people have access to healthcare including through social security schemes. Lebanon has ratified the ICESCR, which protects the right to the highest attainable standard of health. The affordability of healthcare is crucial to the right to health. According to the CESCR, "health facilities, goods and services must be affordable for all. Payment for health-care services, as well as

¹⁶⁸ Second focus group interview in Akkar on 28 May 2023.

¹⁶⁹ Public Source, "The Full Story Behind the Looming Collapse of the National Social Security Fund" (previously cited).

¹⁷⁰ Second focus group interview in Akkar with Aya (pseudonym) on 28 May 2023.

¹⁷¹ Second focus group interview in Akkar with Bonyan (pseudonym) on 28 May 2023.

¹⁷² Second focus group interview in Akkar with Charbel (pseudonym) on 28 May 2023.

¹⁷³ ILO, *Financial Assessment Report for the National Social Security Fund in Lebanon Executive Summary*, February 2023, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_882419.pdf, pp. 43-45; ILO, "Urgent reforms are needed to restore adequate coverage by Lebanon's National Social Security Fund", 17 May 2023, <https://www.ilo.org/resource/article/urgent-reforms-are-needed-restore-adequate-coverage-lebanons-national>

¹⁷⁴ In all scenarios the study examined, healthcare expenses were likely to be far more than the NSSF could afford, given that medical costs were rising far faster than declared salaries, and thus the NSSF's costs for health insurance coverage were rising far faster than contributions were coming in. In the best-case scenario examined by the study, the NSSF would only be able to provide half of the coverage it provided pre-crisis. ILO, *Financial Assessment Report for the National Social Security Fund in Lebanon Executive Summary* (previously cited), p. 13; ILO, "Urgent reforms are needed to restore adequate coverage by Lebanon's National Social Security Fund" (previously cited).

¹⁷⁵ Roundtable on social protection with civil society groups, experts and activists hosted by Amnesty International in Beirut, 14 June 2024.

¹⁷⁶ In the Lebanon National Health Strategy: Vision 2030, the government estimated that due to the economic crisis and growing unemployment, demand for Ministry of Public Health services would grow from between 48% and 52% of the population to 70% and 75%. Ministry of Public Health/WHO, *Lebanon National Health Strategy: Vision 2030* (undated), <https://www.moph.gov.lb/en/Pages/0/67043/lebanon-national-health-strategy-vision-2030>, p. 10; OCHA and Reach, *Multi-Sector Needs Assessment - Key Multi-Sectoral Findings, Lebanon*, October 2022, https://repository.impact-initiatives.org/document/reach/a7310376/MSNA_2022_Key_Findings_JAW_final.pdf, p. 35.

¹⁷⁷ Institute of Finance Basil Fuleihan, *Impact of the crisis on the Healthcare Sector*, 2022, <http://www.institutdesfinances.gov.lb/wp-content/uploads/2022/11/Impact-Assessment-Report-Part-2.pdf>, pp. 1-2.

¹⁷⁸ Institute of Finance Basil Fuleihan, *Impact of the crisis on the Healthcare Sector* (previously cited), pp. 1-2.

services related to the underlying determinants of health, has to be based on the principle of equity, ensuring that these services... are affordable for all, including socially disadvantaged groups".¹⁷⁹

6.3 DOUBLING DOWN ON DONOR-DEPENDENT POVERTY-TARGETING PROGRAMMES

The crisis highlighted and emphasized the flaws in Lebanon's limited, inequitable, and fragmented approach to social protection, further demonstrating the need for rights-based reforms that moved Lebanon towards a universal social protection system. Instead, during the crisis, Lebanon, supported by international financial institutions, doubled down on narrow, donor-dependent poverty-targeting programmes as its primary approach to providing social assistance to people desperately in need of support. Despite its stated policy commitments to supporting Lebanon to move towards a universal social protection system, the World Bank channelled its funding to Lebanon into narrow, means-tested, poverty-targeting programmes, rather than supporting a more fundamental shift to a universal social protection system.¹⁸⁰

6.3.1 TRYING TO NARROWLY TARGET POVERTY WHILE POVERTY RAPIDLY EXPANDS

In Lebanon, a context where poverty rates have risen dramatically, there was an urgency to ensure that social protection support was widely available. But the government's most significant structural response to the crisis was doubling down on donor-dependent, social assistance programmes that require significant time and resources to apply complex criteria to determine who is deemed "poor enough" to receive benefits.

Before the crisis, Lebanon's most important social assistance programme, funded largely through grants, was the National Poverty Targeting Programme (NPTP). Tens of thousands of families received food, health and education support from the NPTP. By 2020, however, the World Bank reported that the programme was only reaching a quarter of households considered to be "extremely poor and unable to meet their basic food needs".¹⁸¹ As a response to the crisis, in 2021, Lebanon introduced the Emergency Crisis and Covid-19 Response Social Safety Net Project (ESSN).¹⁸² The ESSN, which is funded through World Bank loans, scaled up the NPTP.¹⁸³ For those who received benefits, both the NPTP and ESSN provided crucial support.¹⁸⁴

Both the ESSN and NPTP relied on poverty targeting, however, a method through which a person or household's income or assets are assessed against an officially defined threshold and used to determine whether the person or household is eligible for particular social security benefits. Specifically, both programmes used proxy means-testing (PMT), which is a form of poverty targeting where eligibility for social protection schemes is determined based on household characteristics. Instead of assessing a household's

¹⁷⁹ CESCR, General Comment 14: The Right to the Highest Attainable Standard of Health (Article 12), 11 August 2000, UN Doc. E/C.12/2000/4, para 12(b).

¹⁸⁰ Amnesty International, Arab Reform Initiative, Human Rights Watch, and others, "Lebanon: Poverty Crisis: A Dire Need for Universal Social Security," (Index: MDE 18/8407/2024), 8 August 2024, <https://www.amnesty.org/en/documents/mde18/8407/2024/en/>

¹⁸¹ World Bank, "Targeting Poor Households in Lebanon, 21 April 2020, <https://www.worldbank.org/en/news/factsheet/2020/04/21/targeting-poor-households-in-lebanon>

¹⁸² World Bank, "Lebanon Emergency Crisis and Covid-19 Response Social Safety Net Project", <https://projects.worldbank.org/en/projects-operations/project-detail/P173367>

¹⁸³ After the economic crisis and the dramatic decrease in public spending, the government looked to the international community. Funded by a World Bank loan and supported through technical assistance from the World Food Programme and World Bank, the ESSN is designed to provide cash transfers for basic income support, support students and certain social services, and assist some social protection system design. It aimed to scale up the NPTP and reach people not covered by the NPTP. Negotiations between the government and World Bank on how to implement the programme, particularly on the World Bank's monitoring requirements, took about a year to resolve, significantly delaying when people began to receive payments. World Bank, *International Bank for Reconstruction and Development Project Appraisal Document on a Proposed Loan in the Amount of US\$246 Million to the Lebanese Republic for a Lebanon Emergency Crisis and COVID-19 Response Social Safety Net Project*, 16 December 2020, <https://documents1.worldbank.org/curated/en/521601610645400941/pdf/Lebanon-Emergency-Crisis-and-COVID-19-Response-Social-Safety-Net-Project.pdf>, pp. 15–32.

¹⁸⁴ A survey conducted after the distributions found that those who received support used it to purchase food and healthcare. Almost all households said their living conditions improved, and two-thirds said it facilitated their children attending school. World Bank, "US\$300 million to Scale-Up Support to Poor and Vulnerable Lebanese Households and Strengthen Social Safety Net Delivery System", 25 May 2023, <https://www.worldbank.org/en/news/press-release/2023/05/25/us-300-million-to-scale-up-support-to-poor-and-vulnerable-lebanese-households-and-strengthen-social-safety-net-delivery>

actual financial circumstances, PMT estimates income by applying weights to certain indicators.¹⁸⁵ These indicators are used as proxies for wealth, such as household composition, type of housing, existence of goods such as a radio, television or refrigerators, productive assets such as farmland or livestock, or level of education of household members. Households are then ranked or allocated scores.¹⁸⁶ Based on this score, those implementing the programme determine who is eligible for benefits. The ESSN combines its use of PMT to identify “extremely poor households” with categorial targeting, which includes considering whether people or households fall into one or more categories considered socially vulnerable, for example households headed by women, households with older persons, and households with people with disabilities.¹⁸⁷

PMT, which, among other means-tested methods seeks to determine who is “poor enough” for benefits, has been widely criticized by social policy experts and human rights organizations for high rates of error, discriminatory policies, and stereotypes about poverty.¹⁸⁸ It makes little sense in a context like Lebanon when the vast majority of people in the country need some form of support and where the nature of poverty is rapidly changing and the number of those living in poverty is rapidly increasing.

Neither the NPTP nor the ESSN were able to provide adequate or comprehensive coverage to the staggering number of people in need in Lebanon. Many have been left without support. By May 2024, the World Bank estimated that 44% of Lebanon’s population was living in monetary poverty, and more than 70% was experiencing multidimensional poverty, meaning poverty affecting their access to essentials like healthcare, education and electricity. Poverty rates were significantly higher amongst certain populations, including those living in parts of northern Lebanon, like Akkar, and amongst Syrian refugees.¹⁸⁹ The World Bank data notably did not include information from southern Lebanon, which bore the brunt of the conflict with Israel, and the data was compiled prior to the escalation of the war in September 2024.

By 2024, the government was in the process of merging the NPTP and ESSN.¹⁹⁰ In June 2024, donor funding for the NPTP programme ended. The government was migrating those eligible for the NPTP, about 69,000 households, to the ESSN, which supported about 94,000 households, according to a July 2024 letter to Amnesty International from the World Bank.¹⁹¹ Even once this process was complete, however, the World Bank predicted that the unified programmed would only cover “at least half of the poorest segments of the population”.¹⁹² In other words, about half of the poorest segments of the population of Lebanon would likely remain without support.

6.3.2 COMPLEX AND CONFUSING RULES RAISE QUESTIONS ABOUT FAIRNESS

The limited availability of social protection in Lebanon means that people are relying heavily on informal sources of support and financing—from family members, political parties, civil society groups and faith-

¹⁸⁵ See World Bank, “Lebanon Emergency Crisis and COVID-19 Response Social Safety Net Project” (previously cited), p. 41. See ILO, *Exclusion by design: An assessment of the effectiveness of the proxy means test poverty targeting mechanism*, 2017, <https://www.developmentpathways.co.uk/wp-content/uploads/2017/03/Exclusion-by-design-An-assessment-of-the-effectiveness-of-the-proxy-means-test-poverty-targeting-mechanism-1-1.pdf> for more on how PMT-based programmes work and criticisms of them.

¹⁸⁶ World Bank, “Targeting Poor Households in Lebanon”, 21 April 2020, <https://www.worldbank.org/en/news/factsheet/2020/04/21/targeting-poor-households-in-lebanon>. For examples and the questionnaire, see President of the Council of Ministers, “*Proposed Lebanon Emergency Crisis and COVID-19 Response Social Safety Net Project: Social Impact Assessment*”, June 2020, <http://www.pcm.gov.lb/Library/Files/SIA.pdf>

¹⁸⁷ World Bank, “US\$246 million to support poor and vulnerable Lebanese households and build-up the social safety net delivery system”, 12 January 2001, <https://www.worldbank.org/en/news/press-release/2021/01/12/us246-million-to-support-poor-and-vulnerable-lebanese-households-and-build-up-the-social-safety-net-delivery-system>

¹⁸⁸ Amnesty International, Arab Reform Initiative, Human Rights Watch, and others, “Lebanon: Poverty Crisis: A Dire Need for Universal Social Security” (previously cited).

¹⁸⁹ World Bank, “Lebanon: Poverty more than triples over the last decade reaching 44% under a protracted crisis”, 23 May 2024, <https://www.worldbank.org/en/news/press-release/2024/05/23/lebanon-poverty-more-than-triples-over-the-last-decade-reaching-44-under-a-protracted-crisis>

¹⁹⁰ Amnesty International, Arab Reform Initiative, Human Rights Watch, and others, “Lebanon: Poverty Crisis: A Dire Need for Universal Social Security” (previously cited); World Bank, *International Bank for Reconstruction and Development Project Appraisal Document on a Proposed Loan in the Amount of US\$246 million to the Lebanese Republic for a Lebanon Emergency Crisis and Covid-19 Response Social Safety Net Project*, 16 December 2020, <https://documents1.worldbank.org/curated/en/521601610645400941/pdf/Lebanon-Emergency-Crisis-and-COVID-19-Response-Social-Safety-Net-Project.pdf>, p. 19; World Bank, “Lebanon Emergency Crisis and COVID-19 Response Social Safety Net Project” (previously cited).

¹⁹¹ World Bank reply to Amnesty International letter, 8 August 2024 (on file with Amnesty International and included in the Annexes to this report).

¹⁹² World Bank reply to Amnesty International letter, 8 August 2024 (on file with Amnesty International and included in the Annexes to this report) (previously cited).

based organizations.¹⁹³ Almost all people who spoke with Amnesty International in 2023 received support from one or more of these sources to make ends meet.

Amnesty International found that there was significant lack of awareness about the NPTP and ESSN programmes. Although these programmes provided social assistance at a time when it was much needed, of the 81 people interviewed by Amnesty International in mid-2023, many of whom were struggling to make ends meet, only five said they had applied to the ESSN or NPTP. Of these five, only one family had a household visit for verification. None of the 81 people interviewed had received any benefits through either of these programmes, despite the economic crisis having spiralled more than three years prior.

Some people interviewed by Amnesty International, especially those in Akkar (where the World Bank found startlingly high rates of poverty in 2024), were not even aware of the ESSN. Information about the ESSN and its application process was meant to have been disseminated by the government and civil society organizations, and across a variety of media, including online and via phones, in print and by word of mouth,¹⁹⁴ but some people living in areas home to significant poverty had little to no knowledge of the programme.

In interviews with Amnesty International, some of those who were aware of the NPTP and ESSN, including applicants in other areas and civil society activists, raised concerns about decisions regarding eligibility and who was granted assistance. People were often left guessing as to why they were or were not deemed eligible.

There was significant confusion as to who made decisions regarding the need for support. At least one person interviewed by Amnesty International thought that receiving ESSN support was linked to their political party. In 2023, she said:

“We filled up the ESSN form a few months ago with the help of a person we know from a political party that sometimes supports us. A surveyor even came to our home afterwards. I first thought he was from the political party, but we did not hear back from them”.¹⁹⁵

The formula, on which people’s ‘scores’ are calculated, is not publicly available. Amnesty International asked the Ministry of Social Affairs and World Bank to provide the formula used to rank households, the data points and variables collected from households, and the weights assigned to different variables.¹⁹⁶ Amnesty International also asked the World Bank and Ministry of Social Affairs to clarify how decisions were made, whether the ranking depended entirely on the formula, and whether staff could use their discretion for the ranking. Amnesty International also requested the Ministry of Social Affairs and World Bank to provide copies of any ESSN and NPTP evaluations, including audits of the PMT formula and its effectiveness.

Neither the Ministry of Social Affairs nor World Bank provided this information. In a July 2024 letter, the World Bank said that “[t]argeting is an effective tool used in social protection under a tight or constrained fiscal space...PMT is a proxy for household welfare, calculated using household characteristics that are the strongest predictors of the welfare measure”.¹⁹⁷

The World Bank’s response assumed that the methods chosen were effectively targeting those most in need. In meetings with Amnesty International, experts criticized some of the metrics used in the scoring process, noting that they were not well-adapted to the Lebanon context and could serve to exclude those who were living in extreme poverty. In 2023, a local government official in Akkar told Amnesty International that some people in the area were benefitting from the NPTP and ESSN, but that the formula the programmes were using to determine eligibility was based on “outdated criteria...it’s not really relevant to Lebanon or able to assess nuance”.¹⁹⁸

Experts also said the data on which the programmes relied was outdated. Both programmes used data based on a 2011 households survey, which predated the financial and economic crisis in 2019, as well as the other crises that have occurred since.¹⁹⁹ In 2024, the World Bank said it was working with the government to “update the targeting methodology” based on data from a 2023 Lebanon Household Survey,

¹⁹³ Friedrich Ebert Stiftung, *From Elitism to Inclusivity: Jad Mezher Reforming Lebanon’s Social Protection System*, <https://library.fes.de/pdf-files/bueros/beirut/20483.pdf>, pp. 15-16.

¹⁹⁴ See World Bank, Lebanon Emergency Crisis and COVID19 Response Social Safety Net Project- Second Additional Financing: Stakeholder Engagement Plan (Sep), February 2023, <https://documents1.worldbank.org/curated/en/099112003282326459/pdf/P180077095ce0d070934a0fec2a8148ce0.pdf>, p. 27.

¹⁹⁵ Focus group interview in person in Akkar, 28 May 2023.

¹⁹⁶ All the letters Amnesty International sent and received in the process of researching this report are included in the Annexes.

¹⁹⁷ World Bank reply to Amnesty International letter, 8 August 2024 (on file with Amnesty International and included in the Annexes to this report).

¹⁹⁸ Interview in person with two local officials in Akkar, 29 May 2023.

¹⁹⁹ See President of the Council of Ministers, “Proposed Lebanon Emergency Crisis and COVID-19 Response Social Safety Net Project: Social Impact Assessment” (previously cited), p. 9.

and that this analysis would also evaluate the existing targeting approach of the ESSN.²⁰⁰ While this would be an improvement, the 2023 Lebanon Household Survey was completed before the war between Israel and Hezbollah dramatically escalated, which certainly had a dramatic impact on poverty and needs.

It was also difficult to register for the programmes.²⁰¹ Applications for the ESSN were opened, but only between December 2021 and January 2022.²⁰² People who missed this two-month window, whose circumstances changed after this time, who did not know how to register, or who struggled to access the digital tools needed to register, could not access ESSN support.²⁰³ In a letter to Amnesty International, dated August 2023, the World Bank said that “given that the [verification and eligibility assessment] process is still ongoing, and a number of potentially eligible households [were] still undergoing assessment”, the government did “not envisage reopening registration”.²⁰⁴

6.3.3 DONOR DEPENDENCY AND MORE DEBT IS UNSUSTAINABLE

In addition to their complex and confusing rules raising questions about fairness, Lebanon’s continued and increased dependence on donor funds and loans to support poverty-targeting programmes, which require significant time and resources to determine who is eligible for benefits, raises serious questions about the sustainability of these programmes.

Both the NPTP and ESSN have relied almost entirely on international donor support.²⁰⁵ The NPTP was funded by a mix of donors, including the World Bank and a group of Global North government donors.²⁰⁶ As mentioned above, that support has dried up.

The ESSN is funded through World Bank loans, which add to Lebanon’s debt.²⁰⁷ Initially conceived of as a temporary intervention to the crisis, the ESSN was renewed in 2023 through another World Bank loan.²⁰⁸ According to the World Bank, the new ESSN funding would allow the programme to continue providing cash transfers for another two years. In the announcement, the World Bank said, “Going forward, Lebanon would need to secure the fiscal space needed to finance social protection needs, including social safety nets, over the long term”.²⁰⁹

In other countries, governments fund social assistance programmes through taxation or other government income. Governments facing economic crises can and should seek international support to meet people’s economic and social rights, and other countries, particularly wealthier countries, have a responsibility to cooperate to support others in meeting their economic and social rights obligations.²¹⁰

Before the war escalated, Lebanon’s donors made clear, through words and actions, that their support was waning. Amnesty International spoke with international agencies and organizations in 2023 that said, while they were supporting the government in particular sectors, they were not able to meet the growing needs in

²⁰⁰ World Bank reply to Amnesty International letter, 8 August 2024 (on file with Amnesty International and included in the Annexes to this report).

²⁰¹ Registration for the NPTP has been closed since 2018. UN Women, Social Protection in Lebanon” (previously cited), p. 11.

²⁰² World Bank reply to Amnesty International letter, 16 August 2023 (on file with Amnesty International and included in the Annexes to this report).

²⁰³ Siren Associates, “World Bank-funded cash assistance program begins payouts to Lebanon’s poorest families”, 4 April 2022, <https://sirenassociates.com/updates-events/cash-assistance-payments-begin-for-thousands-of-lebanons-poor/>.

²⁰⁴ World Bank reply to Amnesty International letter, 16 August 2023 (on file with Amnesty International and included in the Annexes to this report).

²⁰⁵ World Bank, “Targeting Poor Households in Lebanon” (previously cited).

²⁰⁶ The NPTP was supported by the World Bank between 2011 and 2021. Then, the Bank said, the NPTP was fully financed by donor grants, including from the EU, Canada and others. World Bank reply to Amnesty International letter, 16 August 2023 (on file with Amnesty International). See also World Food Programme, “Due Diligence Review: Recommendations for a Strengthened & Unified Social Safety Net in Lebanon – April 2023”, 24 May 2023, <https://www.wfp.org/publications/due-diligence-review-recommendations-strengthened-unified-social-safety-net-lebanon>

²⁰⁷ The ESSN has been funded through three successive rounds of World Bank financing, the first for USD 246 million in 2021, the second for USD 4 million in 2022, and the third for USD 300 million in 2023. The third round of funds extended the program for two years (now closing in February 2026) and expanded its coverage. It is managed by the Ministry of Social Affairs and a unit under the Presidency at the Council of Ministers. According to the World Bank, 97.6% of the total USD 550 million “goes directly to poor and vulnerable population as benefits” and 2.4% goes to operational costs. World Bank reply to Amnesty International letter, 16 August 2023 (on file with Amnesty International).

²⁰⁸ World Bank, “US\$300 million to Scale-Up Support to Poor and Vulnerable Lebanese Households and Strengthen Social Safety Net Delivery System”, 25 May 2023, <https://www.worldbank.org/en/news/press-release/2023/05/25/us-300-million-to-scale-up-support-to-poor-and-vulnerable-lebanese-households-and-strengthen-social-safety-net-delivery>

²⁰⁹ World Bank, “US\$300 million to Scale-Up Support to Poor and Vulnerable Lebanese Households and Strengthen Social Safety Net Delivery System” (previously cited).

²¹⁰ In the face of the climate crisis, those countries historically responsible for the lion’s share of carbon emissions, which are driving the crisis, and high-income fossil fuel producing states, should also provide support, primarily in the form of grants, to lower income countries confronting the human rights impacts of the climate crisis, like Lebanon. Amnesty International, “COP28: Governments must urgently phase out fossil fuels and take rapid action to ensure right to water in MENA”, 8 December 2023 (previously cited).

Lebanon.²¹¹ Even before the current war between Hezbollah and Israel, the levels of support were insufficient to protect people from the impacts of the multiple crises.²¹²

So far, the Lebanese government's contributions to social assistance programmes have been minimal. It is unclear what plan, if any, the government has for financing the existing poverty targeting programmes or other social assistance when donor support wanes. There should also be concern that, in addition to the high level of domestic debt held by the government at the start of the crisis, funding from the World Bank for poverty-targeting programmes has been loan-based and thus increased the costs on the government's fiscal recovery – and in turn the costs on the people of Lebanon.

In 2024, Amnesty International asked the Ministry of Social Affairs and the Prime Minister of Lebanon how the government planned to ensure sustainable financing for social assistance programmes, including how much budget was allocated for poverty-targeting programmes, how much budget was allocated for more universally-conceived programmes, whether the government had compared the costs of setting up and continuing such programmes, and what the medium to long-term strategy was to ensure that financing for social assistance could be raised by Lebanon.²¹³ At time of writing, Amnesty International had yet to receive a response.

6.3.4 A MISSED OPPORTUNITY TO MOVE TOWARDS UNIVERSAL SOCIAL PROTECTION

Through the ESSN, the government doubled down on its use of poverty targeting, and specifically PMT, as its key social assistance intervention during the crisis. While poverty targeting is a common way to structure social protection and reach people in lower income groups, targeting based on levels of poverty has been criticized for excluding people who should be covered, for the method's stigmatizing effect, and for the high administrative costs.²¹⁴ By contrast, the universal social protection approach moves away from narrow targeting based on people's incomes and uses an integrated set of policies and programmes to provide equitable access to social protection to all people – protecting them throughout their lives against poverty and risks to their livelihoods and well-being.

The need for universal social protection is critical during an economic crisis, when poverty targeting can be particularly limiting. People's financial situations and need for support change rapidly, with a larger number of people falling into poverty in a short period of time. In a 2022 report, the UN Special Rapporteur on poverty said that “moving from strictly targeted, means-tested benefits towards universal benefits reduces the shame involved in having to prove that one is sufficiently poor. Universal benefits also tend to build trust and are considered more legitimate than selective, needs-based schemes, because they are built on simpler and more clear-cut rules”.²¹⁵ Many organizations in Lebanon have argued that it is time for the government to invest in working towards a rights-based, universal social protection system.

In a 2023 letter to Amnesty International, the World Bank said its social protection engagement in Lebanon was “based on the Bank's commitment to advancing the implementation of universal social protection... ensuring access to social protection for all persons—whenever and however they need it—while also taking into consideration each country's context and fiscal situation”.²¹⁶ The Bank said its work was in line with the government's National Social Protection Strategy which “aims to expand the coverage of social protection,

²¹¹ From 2020, the proportion of funds received on requested amounts by Lebanon have been declining – 54% in 2020, 37% in 2021 and 35% in 2022. UN/Government of Lebanon, *Lebanese Crisis Response Plan 2023*, January 2023, https://lebanon.un.org/sites/default/files/2023-05/Lebanon%20Crisis%20Response%20Plan%202023_0.pdf

²¹² The 2023 Lebanon Crisis Response Plan – developed jointly by the government, UN agencies, and humanitarian and NGOs active in Lebanon – noted, “The global context, multiple crises, and the ongoing war in Ukraine, make outcomes regarding funding flow beyond 2024 highly unpredictable. It is worth noting that the total requirement reflects what is needed to ensure immediate relief for people in need, not what is needed to fulfil their economic and social rights. The estimate for the latter is likely to be much higher.

²¹³ All the letters Amnesty International sent and received in the process of researching this report are included in the Annexes.

²¹⁴ See, for example, Development Pathways, “The case for universal social protection is more self-evident than ever”, 2 June 2020, Development Pathways, <https://www.developmentpathways.co.uk/blog/the-case-for-universal-social-protection-is-more-self-evident-than-ever/>; IMF, “The Case for Universal Social Protection”, December 2018, <https://www.imf.org/en/Publications/fandd/issues/2018/12/case-for-universal-social-protection-ortiz>; Development Pathways, *Hit and Miss: An Assessment of Targeting Effectiveness in Social Protection with Additional Analysis*, June 2020, <https://www.developmentpathways.co.uk/publications/hit-and-miss-an-assessment-of-targeting-effectiveness-in-social-protection/>; and UN Special Rapporteur on Extreme Poverty and Human Rights, Report: *The Role of the International Monetary Fund (IMF) in Relation to Social Protection*, 8 May 2018, UN Doc. A/HRC/38/33, para. 40.

²¹⁵ Special Rapporteur on Extreme Poverty and Human Rights, *Visit to Lebanon* (previously cited).

²¹⁶ World Bank reply to Amnesty International letter, 16 August 2023 (on file with Amnesty International and included in the Annexes to this report).

while prioritizing those who mostly need it”. The World Bank made similar statements in a 2024 letter.²¹⁷ Yet, in both letters, the World Bank emphasized its support to means-tested poverty-targeting programmes.²¹⁸

The World Bank has played a key role in the design, financing and implementation of the NPTP and the ESSN. While these programmes have provided support to some people during challenging times, they have been insufficient to support the advancement of a universal social protection system in Lebanon and failed to provide support in line with changing needs. The World Bank has committed to supporting universal social protection globally.²¹⁹ This commitment should guide its engagement in Lebanon.

6.4 BUILDING BLOCKS TOWARDS UNIVERSAL SOCIAL PROTECTION

In the face of the large gaps that the crisis exposed in Lebanon’s existing social protection system, the government overwhelmingly failed to take the necessary steps to reform Lebanon’s social protection system so that it is able to realize the right to social security for everyone living in the country. But that does not mean that nothing happened, nor that reform is impossible.

In recent years, despite all the political, economic and geopolitical challenges, the government of Lebanon, supported by domestic and international partners, began to take small steps that, if implemented, funded and built upon, would make a meaningful difference in people’s enjoyment of their right to social security. Some of these steps indicated a willingness to move towards a more universal approach to social protection, most notably the adoption of a social grant conceived universally and the adoption of a national social protection strategy that includes numerous pledges to progressively expand and improve coverage. Lebanon also adopted long overdue pension reform for formal, private sector workers. However, for the government to fulfil its obligation to respect, protect and fulfil people’s right to social security, it would need to fully implement these steps, expand upon them, and undertake additional and far-reaching reforms.

6.4.1 NATIONAL SOCIAL PROTECTION STRATEGY

In 2024, after years of discussion and delay, the government of Lebanon published its National Social Protection Strategy (NSPS), including “its vision... for Lebanon in the coming 10 years...[to be]...a society in which all its members enjoy a decent life, and is based on a system that adopts a human rights approach to provide equitable, comprehensive and sustainable social protection throughout people’s lifecycle”.²²⁰

The NSPS acknowledges that Lebanon’s social protection system is “unfair, fragmented and mismanaged”. It notes:

“[T]he absence of a comprehensive universal social protection system has undermined the socio-economic rights, contributed to widening inequalities, and limited the potential for inclusive human-centred growth and development [in Lebanon]. Thus, designing a vision for social protection is a pivotal prerequisite for the country’s recovery from the multi-layered crises it has experienced, as there is an urgent need to address matters of social justice which have been systematically neglected in the post-war era”.²²¹

The document provides a vision for human rights and life cycle-based social security programmes, with a key strategic aim being the gradual expansion of benefits in an effort to achieve universal and adequate coverage for all of the Lebanese population.²²² According to the NSPS, there is “wide agreement” that the government must work towards achieving: (i) universality as part of a human rights-based approach to social

²¹⁷ All the letters Amnesty International sent and received in the process of researching this report are included in the Annexes.

²¹⁸ All the letters Amnesty International sent and received in the process of researching this report are included in the Annexes.

²¹⁹ World Bank, *Charting a Course Towards Universal Social Protection: Resilience, Equity, and Opportunity for All*, <https://www.worldbank.org/en/topic/socialprotectionandjobs/publication/charting-a-course-towards-universal-social-protection-resilience-equity-and-opportunity-for-all>

²²⁰ Work on the strategy began in 2019, including Lebanon’s Inter-Ministerial Committee on Social Policy, led by the Ministry of Social Affairs, funding from the European Union and Netherlands, and technical support from the ILO and UNICEF. United Nations Lebanon, “The government of Lebanon launches its first National Social Protection Strategy”, 13 Feb 2024, <https://lebanon.un.org/en/260616-government-lebanon-launches-its-first-national-social-protection-strategy...p.23>.

²²¹ UNICEF, *National Social Protection Strategy for Lebanon: Towards a Rights-Based, Shock-Responsive and Sustainable System*, October 2023, <https://www.unicef.org/lebanon/media/11136/file/National%20Social%20Protection%20Strategy%20-%20EN.pdf>, pp. 1, 7.

²²² UNICEF, *National Social Protection Strategy for Lebanon* (previously cited), p. 9.

protection; (ii) shock-responsiveness to improve the government's ability to respond to current and emerging crises; and (iii) financial sustainability.²²³

The NSPS centres a number of key reforms, including “a more inclusive pension scheme for private sector workers, income security for older persons, and improved medical coverage for persons with disabilities”.²²⁴ The NSPS lays out a vision for a social protection system that provides a social protection floor through a mix of contributory and non-contributory benefits, including for older age, disability, sickness and maternity, unemployment and child benefits. The document foresees some elements of the social protection system being supported by taxation: “To that end, the integrated system will consist of a set of tax-financed core lifecycle benefits including a child grant, disability allowance and old-age pension”, as well as reforms to Lebanon's existing social insurance system and poverty-targeting programmes for people living in extreme poverty.²²⁵

Multiple experts expressed enthusiasm about the adoption of the strategy, which they described as an important foundation on which the government of Lebanon, donors and civil society could build towards a universal social protection system. They noted, however, that Lebanon has a long-standing implementation gap between what the government says it will do and what it actually does. In introducing the NSPS, the Prime Minister seemed to call into question the government's long-term commitment to providing social protection, noting that the purpose of the plan was to increase job opportunities to “reduce the burden of social protection on the state, which is already burdened with many things”.²²⁶

It remains to be seen if the NSPS will be operationalized, appropriately funded, and ultimately implemented. The government's ability to create the necessary fiscal space, including by adopting a just and equitable resolution to the debt crisis, will be a key factor that will influence the roll out of the NSPS.

Acknowledging the need for improving the existing social protection system and undertaking rights-based reform is crucial. However, the new strategy needs to be costed, financed and implemented in a manner consistent with human rights principles for people to truly benefit from it. Experts called for the government of Lebanon to work with international and domestic partners to urgently begin the work of establishing, funding and ensuring the sustainability of the programmes laid out in the strategy.

Further, international financial institutions, particularly the World Bank, and donor governments should use the opportunity provided by the NSPS to begin prioritizing and funding universal schemes, rather than continuing to overemphasize narrow poverty-targeting. They should do so in a way that does not add to Lebanon's debt burden.

The NSPS declares itself to be inclusive, but explicitly excludes some vulnerable groups.²²⁷ The NSPS makes clear that the government views social security as a right of Lebanese nationals alone. In an introduction to the NSPS, the Prime Minister wrote, “The beneficiaries of this plan are exclusively Lebanese citizens. For non-Lebanese individuals requiring social protection, such as Palestinian refugees and displaced Syrians, their needs will be addressed by the relevant international entities”.²²⁸ When launching the strategy, the Prime Minister reiterated this: “We were keen to specify that those targeted by the strategy should only be Lebanese, as non-Lebanese that need social protection, like Palestinian refugees and displaced Syrians, are to be taken care of by the international organizations concerned with their affairs”.²²⁹

²²³ UNICEF, *National Social Protection Strategy for Lebanon* (previously cited), p. 9.

²²⁴ Work on the strategy began in 2019, including Lebanon's Inter-Ministerial Committee on Social Policy, led by the Ministry of Social Affairs, funding from the European Union and Netherlands, and technical support from the ILO and UNICEF. United Nations Lebanon, “The government of Lebanon launches its first National Social Protection Strategy”, 13 Feb 2024, <https://lebanon.un.org/en/260616-government-lebanon-launches-its-first-national-social-protection-strategy>

²²⁵ UNICEF, *National Social Protection Strategy for Lebanon* (previously cited), p. 26.

²²⁶ UNICEF, *National Social Protection Strategy for Lebanon* (previously cited), p. 5.

²²⁷ See, for example: “While the centre celebrates this important milestone in the history of Lebanon and of social policy-making in the country, we are aware of the limitations of this strategy, which is now, on the short-term, pending the adoption of specific legislation for its implementation. Although the initially drafted strategy was inclusive, the adopted one, in its current form, excludes non-nationals. The exclusion of non-nationals is only bound to exacerbate vulnerabilities within the population, hindering the overall goal of universal social protection, creating a comprehensive and equitable social protection system, and ultimately achieving a more just society”. The Centre for Social Sciences Research and Action, “Statement on Lebanon's adoption of its long-awaited National Social Protection Strategy”, February 2024, <https://civilsociety-centre.org/paper/statement-lebanons-adoption-national-social-protection-strategy>

²²⁸ UNICEF, *National Social Protection Strategy for Lebanon* (previously cited), p. 5.

²²⁹ Ministry of Social Affairs, “الحجار: نحو مؤسسة نظام مستدام للحماية الاجتماعية قائم على الحقوق وقادر على الاستجابة للخدمات”, 13 February 2024, www.socialaffairs.gov.lb/news/الاستجابة-للمستدام-نحو-مؤسسة-نظام-للحماية-الاجتماعية-قائم-على-الحقوق-وقادر-على-الاستجابة-للمستدام

6.4.2 NATIONAL DISABILITY ALLOWANCE

Before launching the NSPS, the government had already taken a few steps towards reforming Lebanon's social protection system in a way that aligns with the vision, including launching, with the support of donors, a social protection scheme that was conceptualized universally.

During the crisis, Lebanon introduced the National Disability Allowance (NDA), which provides income support to people with disabilities.²³⁰ Before the crisis, Lebanon only offered limited assistance to people with disabilities.²³¹ The adoption of the NDA was a key step forward, as a universal scheme to which all people with disabilities in Lebanon will eventually be entitled. To start with, however, only people with disabilities aged between 18 and 28 – about 20,000 individuals – were prioritized.²³² People with disabilities or carers of persons with disabilities that spoke with Amnesty International in mid-2023 said they were keen for the programme to be expanded, which it has been gradually.²³³

Like the NPTP and ESSN, however, the NDA remains primarily donor dependent. It was unclear whether the government had plans to ensure medium to long-term funding so that the programme could become sustainable and continue to expand. In a positive step, experts told Amnesty International that the government had, in the 2024 budget, dedicated additional state funds to the NDA. But, they cautioned, adding figures to the budget did not necessarily mean the government would in fact execute that spending as planned.²³⁴

Access to benefits from the NDA should continue, and continue to be expanded, as planned, to all persons with disabilities. Financing and its sustainability are key to achieving this.

6.4.3 PENSION REFORM

Lebanon also made overdue reforms on the social insurance front. Most notably, in December 2023, Lebanon introduced amendments to alter the governance of the end-of-service indemnity (EOSI) system for private sector workers under the NSSF, including transforming the EOSI into a pension, and linking pension values to inflation.²³⁵ This was an important step forward—before the changes, Lebanon was one of only two countries in the region without a private sector pension system. The new reforms also included reforms to the governance structure of the NSSF.²³⁶

Under the reforms, younger private sector workers will be mandatorily enrolled in the new pension system, while older workers will be able to decide if they would prefer to remain under the current EOSI system or transition to the pension system. In an interview with the Arab Reform Initiative, Rania Eghnatios, an expert with the ILO and actively involved in the reform effort, described it this way:

“These reforms have indeed been pending since the establishment of national social security schemes in 1964. The EOSI system had become largely unfunded. EOSI benefits – already inadequate prior to the crisis – had completely lost their value following the collapse of the local currency and ongoing under-declaration of salaries. The new system is mainly financed through employers and workers’ social contributions. It is expected to provide sustainable and sufficient benefits”.²³⁷

²³⁰ Recipients receive US\$40 a month for 12 months. UNICEF, “The Ministry of Social Affairs introduces a social protection programme for people with disabilities in Lebanon,” 26 April 2023, <https://www.unicef.org/lebanon/press-releases/ministry-social-affairs-introduces-social-protection-programme-people-disabilities>

²³¹ See, e.g. ILO and UNICEF, *Towards a social protection floor for Lebanon* (previously cited).

²³² Social Protection, “The National Disability Allowance (NDA)”, 4 December 2024, <https://socialprotection.org/discover/programmes/national-disability-allowance-nda>

²³³ In October 2024, after the war between Israel and Hezbollah dramatically escalated, the ILO, UNICEF and the Ministry of Social Affairs “initiated immediate shock-response measures to provide support to more than 27,000 persons with disabilities aged 15-30 in Lebanon.” They did so using the NDA framework, providing a \$100 USD “emergency one-off payment to each of the 5,000 existing beneficiaries from affected areas in Lebanon.” ILO, “ILO and partners take shock-response measures to support persons with disabilities in Lebanon,” 8 October 2024, <https://www.ilo.org/resource/news/ilo-and-partners-take-shock-response-measures-support-persons-disabilities>

²³⁴ Interview in person with two experts working on social protection in Lebanon, 3 April 2024.

²³⁵ ILO, “Lebanon adopts landmark social security reforms and a new pension system for private sector workers”, 15 December 2023, https://ilo.org/beirut/media-centre/news/WCMS_906949/lang-en/index.htm

²³⁶ ILO, “New Pension System at the National Social Security Fund in Lebanon”, 23 January 2024, https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@arabstates/@ro-beirut/documents/genericdocument/wcms_909323.pdf

²³⁷ Arab Reform Initiative, “Recent Social Security Reforms and New Pension System in Lebanon: Interview with ILO’s Rania Eghnatios and Luca Pellerano”, 12 April 2024, <https://www.arab-reform.net/publication/recent-social-security-reforms-and-new-pension-system-in-lebanon-interview-with-ilos-rania-eghnatios-and-luca-pellerano/>

The changes did not include adopting a non-contributory social pension. As another ILO expert explained, “For the time being, the system is being modelled on the assumption that there will be no contribution from the State, as the intention is to make it self-sufficient”.

While contribution-based schemes can provide a key form of support to people enrolled and, if designed correctly, a form of sustainable financing, it also means that a large proportion of people are left without pension coverage, for example those who work in the informal sector.²³⁸ While the system will have a voluntary enrolment option for certain categories of workers, including Lebanese who are self-employed, domestic workers, and non-permanent agricultural workers, certain categories of workers will not have the option to enrol, for example refugees or migrants working without a work permit, and others may be unable to contribute.²³⁹

Further, the reforms are forward-looking, meaning that those that received their EOSIs already, including during the crisis at significantly reduced values, do not benefit from the reforms. As Eghnatios explained,

“It is important as well to think about those who have retired during the crisis and received meaningless benefits – any transitional measures should take these retirees into consideration. Coverage should be extended to encompass all categories of workers, and further measures are needed to ensure old-age benefits are provided to all older persons in Lebanon”.²⁴⁰

In 2021, the Ministry of Social Affairs’ *National Strategy for Older Persons 2020-2030* laid out strategic objectives to address social protection reform for older persons, including introducing a non-contributory pension to cover older people not covered by contributory schemes, including those working in the informal sectors, and/in particular particularly women.²⁴¹ At the time of writing, Lebanon had not created such a social pension.

Even with these reforms, Lebanon remains far away from having in place a universal social protection system that guarantees the right to social security for everyone in the country. These steps, however, highlight that rights-respecting reform is possible, even as the economic crisis continues and other crises arise. But far more is needed.

Experts that spoke with Amnesty International emphasized that the NSPS, NDA and pension reform were positive steps forward, but that there were significant challenges, ranging from political fragmentation, entrenched interests, and the collapse of institutional capacity during the crisis, that threatened existing institutions involved in social protection in Lebanon and wider reform plans.²⁴² As Farah Al Shami, an expert in social protection in the Middle East and North Africa and Arab Reform Initiative’s Social Protection Programme Director, put it:

“Over the last two years, several laws and law proposals for a universal social protection scheme, or even system, have seen the light [in Lebanon] but almost none of them made it to the finish line. The country suffers from a wide gap between the legal and legislative levels, as well as between the legislative and the executive/implementation levels... In a system characterized by neoliberalism and crony capitalism, only legal instruments serving the state’s politico-economic structure are expected to go through”.²⁴³

²³⁸ Arab Reform Initiative, “Recent Social Security Reforms and New Pension System in Lebanon: Interview with ILO’s Rania Eghnatios and Luca Pellerano” (previously cited).

²³⁹ Arab Reform Initiative, “Recent Social Security Reforms and New Pension System in Lebanon: Interview with ILO’s Rania Eghnatios and Luca Pellerano” (previously cited).

²⁴⁰ Arab Reform Initiative, “Recent Social Security Reforms and New Pension System in Lebanon: Interview with ILO’s Rania Eghnatios and Luca Pellerano” (previously cited).

²⁴¹ Lebanese Republic Ministry of Social Affairs, *The National Strategy for Older Persons 2020-2030: Executive Summary*, 21 June 2021, <https://lebanon.unfpa.org/en/publications/national-strategy-older-persons-lebanon-2020-2030>, pp. 23-24.

²⁴² Roundtable on social protection with civil society groups, experts and activists hosted by Amnesty International in Beirut, 14 June 2024.

²⁴³ Interview with Farah Al Shami by email, 24 June 2024.

7. SOME ARE HARDER HIT THAN OTHERS BY THE CRISIS

As explained by dozens of people in interviews with Amnesty International and detailed in this report, the government of Lebanon failed to ensure access to even a minimal social protection floor during its economic crisis. Given the significant collapse in Lebanon's existing social protection system during the crisis, many people were left only partially protected or unprotected in critical ways. This included, for example, those who benefitted from greater social protection benefits before the crisis, like public sector workers, who saw the values of their salaries plummet and the value of the benefits associated with those salaries, like pensions and end-of-service indemnities, plummet. This also included workers who relied on the NSSF for health coverage, which collapsed during the crisis, as described in the previous chapter.

The government's failure to ensure access to even a minimal social protection floor had devastating impacts on people across Lebanon, but it had particularly severe impacts on groups already disadvantaged or marginalized, including children, women, older people, those living with disabilities, those working informally, and refugees.²⁴⁴ Below, Amnesty International provides brief snapshots of the impacts on some of the groups who were left unprotected in critical ways by Lebanon's social protection system during the crisis.

7.1 OLDER PERSONS LEFT UNPROTECTED

"The economic crisis has affected all of us. Medicines are not available; savings are not available. Our salaries were in Lebanese lira. Because of this, we now need help from our families and children. This is humiliating and it is not a life of dignity. After all these years, we are telling our children that we need them".

- A woman in her late sixties²⁴⁵

The economic crisis severely impacted older people in Lebanon. Many of them had their life's savings in the banks, which they were unable to fully access or lost much of their value. Older people find it harder than young people to enter the job market. Many have disabilities and health needs requiring regular and often expensive care. Lebanon's social protection system offers them limited support.

After the crisis began, older people who worked in the public or private sector received a devalued pension or end-of-service indemnity because of inflation and the devaluation of the currency. Older people who worked in the informal sector likely received no support at all unless they qualified for the limited poverty-

²⁴⁴ By 2021, the ILO and UNICEF reported that two-thirds of Lebanese children, 56% of older people, and 64% of persons with disabilities were living in households that received no social protection benefits. ILO and UNICEF, *Towards a social protection floor* (previously cited), p. 8.

²⁴⁵ Focus group interview at American University of Beirut, 1 June 2023.

targeting programmes. Between 2018 and 2020, there was a 91% increase in the number of older people living on very low incomes, according to the ILO and UNICEF.²⁴⁶

The lack of adequate social protection for older people has a significant gender dimension. Fewer women than men are part of the labour force, and more women than men work in the informal sector. Consequently, it is more likely that older women are not covered by any form of social insurance.

Amnesty International spoke with older people, including those who had worked in the public, private and informal sectors, who explained the challenges they faced and how this affected them. All said that social protection was either inadequate or non-existent. Many struggled with the change in their financial and social circumstances following a lifetime of working and planning for their older age.

Studies about older people's experiences during the crisis emphasized their heightened risk and lack of access to support and protection.²⁴⁷ A study by HelpAge International and the ILO used testimonies from older people to illuminate how pensions no longer met their basic needs; how many felt they had to keep working beyond retirement age; and how they needed support from family and community-based organizations, among others.²⁴⁸ The study also described how the crisis was reinforcing ageism, and that older people were struggling with guilt, disappointment and loneliness in these unexpected circumstances. Maya Abi Chahine, an expert in Public Policy and Ageing, and Manager of American University of Beirut's University for Seniors, emphasized that many, structural, longer-term concerns needed to be addressed to adequately respond to the poorer rights protection for older persons seen across the board.²⁴⁹

7.2 PERSONS WITH DISABILITIES LEFT UNPROTECTED

“Even before the crisis we cannot say there was a social protection system for people with disabilities. There were partial services... The crisis has uncovered these gaps”.

– Amer Makarem, disability rights activist²⁵⁰

Having or caring for someone with a disability can increase the budget people and households need to meet their basic needs. In Lebanon, estimates show that households with members living with disabilities spend more to reach the same standard of living.²⁵¹ In Amnesty International's interviews with persons with disabilities or people who cared for persons with disabilities, all described how the crisis made it harder for them to afford essentials, in particular healthcare. Many also experienced the intersectional impacts of multiple, marginalized identities.

Maria*, a woman in her forties, lived in Mount Lebanon with her mother, who was older and had a disability.²⁵² Her mother's intense care needs meant that Maria was unable to leave the house and work regularly. They had no health insurance, no regular source of income, and did not receive any other social protection benefits. Her mother needed several medicines regularly, which cost around LBP 3 million a month and were not always available free at the PHCC. She also needed other items – such as incontinence pads – which could cost up to LBP 370,000 a month. Maria relied on assistance from community-based organizations and her friends, but she told Amnesty International that she was always worried the help would not be enough. “Some people like us don't have anyone to support them ... we rely on the solidarity of others. There isn't enough support coming in, compared to what is needed”, she said.

Fatima*, a 31-year-old autistic woman, lived with her mother and sister in Beirut.²⁵³ Fatima had the “disability card” which entitled her to some benefits, including some types of healthcare, but it had been insufficient. She was not covered by any social insurance programme. She approached the Ministry of Public Health to cover certain health needs. While the ministry initially covered some costs, after the crisis, it

²⁴⁶ ILO and UNICEF, *Towards a social protection floor* (previously cited), p. 19.

²⁴⁷ The Ministry of Social Affairs' co-published National Strategy report, which covered the impact of the 2020 crises on older people in Lebanon, found, based on a survey of over 500 older people, that: the living situation of 81% of respondents had been negatively affected; 84% did not receive any pension; 55% struggled to meet their basic needs; 63% faced difficulty paying for healthcare; and 57% indicated that they felt “sad and desperate”. Lebanese Republic Ministry of Social Affairs, *The National Strategy for Older Persons in Lebanon 2020-2030* (previously cited), p. 17.

²⁴⁸ ILO and HelpAge International, *A glimmer of hope amidst the pain: Voices of older people on social protection and the need for a social pension in Lebanon*, March 2022, <https://www.social-protection.org/gimi/Media.action?id=19069>

²⁴⁹ Interview in person with Maya Abi Chahine, 22 May 2023.

²⁵⁰ Interview in person with Amer Makarem, a disability rights activist, 17 May 2023.

²⁵¹ ILO and UNICEF, *Towards a social protection floor for Lebanon* (previously cited).

²⁵² Interview in person with “Maria” (pseudonym) during women's focus group in Mount Lebanon, 2 June 2023.

²⁵³ Interview in person with “Fatima” (pseudonym) and her mother in Beirut, 30 May 2023.

stopped. As a result, she felt anxious. She also had mental health needs, but her disability card did not cover mental healthcare, she said. Her mother paid for her to visit a doctor privately, but they had to stop after a few sessions because they could not afford to carry on. She finally accessed a doctor through an NGO. Fatima worked occasionally for a few hours at an NGO centre, earning LBP 200,000 each time. When asked, she said it would be important for the state to provide her and other people with disabilities with employment opportunities and income security. Her mother, who also spoke with Amnesty International, was anxious about their financial situation. She no longer worked and received no social insurance benefits through previous employment. “I worked hard to give her everything”, she said, “but the crisis has made it much harder”.

Organizations and activists working on the rights of persons with disabilities described to Amnesty International the range of problems they faced before the crisis and how these were exacerbated after the crisis began. The onset of the economic crisis meant that such problems as well as structural issues relevant to the rights of people with disabilities remained unaddressed.

As Sylvana Lakkis, chair of the Lebanese Union of People with Physical Disabilities, put it:

“The main challenge is how to include people with disabilities in social protection, how to ensure they have access to social protection like the rest of the public. Before the crisis, you saw that people with disability were not really included in a systematic way with the state in general. If the service is small or big, it is not designed in a way to cover the diversity of needs, including people with disabilities. This situation came to the forefront with the crisis”.²⁵⁴

After the crisis began, organizations led and run by people with disabilities put forward a number of position papers on ways to strengthen social protection in Lebanon for persons with disabilities. In 2024, a group of eight organizations of persons with disability in Lebanon released a set of position papers, each intended to advance disability-inclusive social protection in Lebanon.²⁵⁵

7.3 WORKERS IN THE INFORMAL SECTOR LEFT UNPROTECTED

“It is very difficult”.

-Younna*, the sole carer for her infant son, whom she leaves with people she knows when she goes to look for small informal jobs to make ends meet²⁵⁶

Given Lebanon’s fragmented, limited and inequitable social protection system, which relies extensively on contribution-based and employment-linked social insurance programmes, people working in the informal sector who are not deemed “poor enough” to qualify for the poverty-targeting programmes are often excluded from any form of social protection.²⁵⁷ As mentioned above, the number of people working in the informal sector in Lebanon increased during the crisis.²⁵⁸

Amnesty International spoke with many people, especially women, working in the informal sector who explained how their small business and income opportunities had suffered.

Loujain* lived alone and had no family nearby.²⁵⁹ She had always worked informally and did not have any health insurance, she said. When interviewed, she was sewing small items for households in her neighbourhood, earning about LBP 1 million a month. She did not receive any social protection benefits, she said. She told Amnesty International that the economic crisis and resultant uncertainty had a huge impact on her mental health and that she had recently been diagnosed with cancer. She finally accessed healthcare because a local organization paid for it. She needed four medicines costing around LBP 3 million a month, which she tried to get from the local PHCC, but it did not always have them in stock.

²⁵⁴ Interview in person with Sylvana Lakkis, 18 March 2024.

²⁵⁵ EDAN, FRPD, FDA, LCD, LASA, LUPD, LULB, and YAB, “Our Right to Social Protection: Position papers by organizations of persons with disability in Lebanon,” April 2024.

²⁵⁶ Second focus group interview in Akkar, 28 May 2023.

²⁵⁷ Civil Society Knowledge Centre, “Social Protection in Lebanon” (previously cited).

²⁵⁸ Policy Initiative, “Blurred Lines: Lebanon’s mutating workforce”, 17 January 2024, <https://www.thepolicyinitiative.org/article/details/333/blurred-lines-lebanon%E2%80%99s-mutating-workforce>.

²⁵⁹ Interview in person with “Loujain” (pseudonym) during women’s focus group in Mount Lebanon, 2 June 2023.

Informality is associated with jobs that are perceived as low skilled or that do not pay well. A 2021 ILO survey in Lebanon found that 94.3% of agricultural, forestry and fishery workers worked in the informal sector, as did 92% of those in “elementary occupations” (defined as occupations involving simple and routine tasks that mainly require hand-held tools and often some physical effort).²⁶⁰ These workers are often paid less than their better-protected counterparts. The ILO noted that “in the non-agriculture sectors, we see high shares of informality in sectors with a high concentration of workers from vulnerable households”.²⁶¹

There is a significant overlap between people working in the informal sector and other marginalized groups, such as refugees and migrants, which compounded their vulnerability to the economic crisis. In Lebanon, employment laws often “discriminate against foreign workers”, including Palestinian and Syrian refugees, “offering them few, if any, benefits from formal employment and thereby providing them with lower incentives to actively pursue formal employment”.²⁶² Non-nationals are overwhelmingly “more likely than Lebanese to work in informal jobs, with no social security coverage, no paid sick leave and no paid annual leave (91.1% versus 27.8% for Lebanese employees)”.²⁶³

7.4 REFUGEES LEFT UNPROTECTED

“In Syria I had savings... Here I struggle to find shelter... no one in my family is working, we are a family of 10.... UNHCR gives us some money, but it is not enough”.

-Ahmad*, a Syrian refugee, living in Akkar²⁶⁴

Lebanon hosts a significant population of refugees. While no accurate numbers exist, by late-2022, UNHCR reported that Lebanon hosted the highest number of refugees per capita worldwide, the vast majority of whom were Syrian.²⁶⁵ In addition, Lebanon has long hosted a significant population of Palestinian refugees, with about half a million UNRWA-registered refugees living in Lebanon by 2023, according to the UN agency.²⁶⁶

In 2023, Amnesty International spoke with Syrian refugees living in Lebanon. Many described the stark change in their life circumstances when they moved to Lebanon a decade ago to escape the conflict in Syria, and how the economic crisis had added to their difficulties.

Refugees living in Lebanon largely access support through humanitarian actors. Syrian refugees are entitled to some financial assistance depending on their level of “vulnerability”, and UNHCR covers a percentage of their healthcare costs.²⁶⁷ Syrian refugees that spoke with Amnesty International explained that the assistance they received from humanitarian actors was insufficient to support their needs, especially as they have limited opportunities to earn—many Syrians are prevented from regularizing their status and receiving work permits²⁶⁸—and because of rampant inflation since the crisis began.

Ammar*, who was living in Akkar, was receiving USD 25 from UNHCR per month when he spoke to Amnesty International in 2023. He said, “I doubt as a human being I have rights. I am not seeing any... I came from Syria due to the war. I had a home there. I had a business there. Now I am just in survival mode”.²⁶⁹

Mazen* said he had moved to Lebanon about a decade earlier with his wife and three children after their house was destroyed in Syria. In 2023, he said, they received USD 100 from UNHCR per month, of which USD 40 was spent on rent, USD 25 on electricity and USD 10 on the internet. “We have nothing left to buy food”, he said. He was worried they won’t be able to pay for school transport for his children, as UNICEF’s

²⁶⁰ ILO, *Assessing Informality and Vulnerability among Disadvantaged Groups in Lebanon* (previously cited), p. 51.

²⁶¹ ILO, *Assessing Informality and Vulnerability among Disadvantaged Groups in Lebanon* (previously cited), p. 52.

²⁶² ILO, *Assessing Informality and Vulnerability among Disadvantaged Groups in Lebanon* (previously cited), p. 50.

²⁶³ CAS, *Labour Force and Household Living Conditions Survey 2018-2019 Lebanon* (previously cited), p. 15.

²⁶⁴ Focus group interview with Ahmad (pseudonym) in Akkar, 28 May 2023.

²⁶⁵ UNHCR, “Lebanon December 2022 Factsheet”, December 2022, https://www.unhcr.org/lb/wp-content/uploads/sites/16/2023/01/UNHCR-Lebanon-Operational-FactSheet-Year-end-2022_Final-rev..pdf.

²⁶⁶ UNRWA, “Where We Work” (undated) <https://www.unrwa.org/where-we-work/lebanon>

²⁶⁷ OCHA, *Vulnerability Assessment of Syrian Refugees in Lebanon*, 19 May 2023, <https://reliefweb.int/report/lebanon/vasyr-2022-vulnerability-assessment-syrian-refugees-lebanon>, p. 87.

²⁶⁸ In a context where at least 83% of Syrian refugees in Lebanon do not have access to legal residency, and Syrians who entered the country irregularly after April 2019 are deemed “illegal”, these measures put hundreds of thousands of Syrian refugees at immediate risk of forced deportation to Syria. UNHCR, UNICEF, and WFP, *VASyR 2022: Vulnerability Assessment of Syrian Refugees in Lebanon*, 19 May 2023, <https://docs.wfp.org/api/documents/WFP-0000149219/download/>

²⁶⁹ Focus group interview with Ammar (pseudonym) in Akkar, 28 May 2023.

school transport support did not cover all school children for all grades. “We are only living because of a lack of death”, he said.²⁷⁰

The problems in the health system exacerbated by the economic crisis – such as increased demand at PHCCs and higher costs of medicines – added another layer of difficulty for refugees who were already marginalized and often struggled to access essential services. A 2022 survey found that inflation combined with the depreciation of Lebanon’s currency had left Syrian refugees in Lebanon highly vulnerable economically and that cost was a main barrier to accessing healthcare.²⁷¹

In recent years, UNHCR has repeatedly announced cuts to the support provided to refugees. In late-2023, UNHCR announced it would be cutting the number of refugee families receiving cash assistance in Lebanon by a third.²⁷² In 2024, UNHCR reported it had already reduced healthcare coverage for refugees, and that more than 100,000 refugee families were set to lose cash assistance that had served as a “lifeline for the most severely vulnerable”.²⁷³

On top of these challenges, in May 2024, Lebanese authorities implemented a series of new restrictive measures that further decreased the ability of Syrians in the country to provide for themselves.²⁷⁴

The experience of Syrian refugees is linked to the general struggles of other marginalized non-nationals in Lebanon, including Palestinian refugees and migrant workers, including when it comes to employment opportunities and social security provision.²⁷⁵ Even prior to the crisis, almost half of all non-nationals belonged to the lowest income quintile in Lebanon, and more than three-quarters belonged to the two lowest income quintiles, according to the ILO.²⁷⁶

Existing social protection mechanisms largely cater to Lebanese nationals. The NSSF places significant limitations on eligibility for non-national workers in the formal sector. One example is the need for reciprocity – non-national workers are only eligible for NSSF benefits if their country of origin offers similar treatment to Lebanese workers (even where they are contributing to the NSSF). This means Palestinian workers, even those working in the formal economy and registered with the NSSF, are unable to access some benefits, even though they make full contributions to the NSSF.²⁷⁷ Only Lebanese nationals are eligible for the poverty-targeting programmes.

Lebanon has an obligation to ensure that all people, including refugees, asylum seekers and migrants, even when their situation in the country is irregular, can enjoy their economic, social and cultural rights, including the right to social security, without discrimination.²⁷⁸ As explained by the CESCR, “refugees, stateless persons and asylum-seekers, and other disadvantaged and marginalized individuals and groups, should enjoy equal treatment in access to non-contributory social security schemes, including reasonable access to healthcare and family support, consistent with international standards”.²⁷⁹ The CESCR clarified that non-

²⁷⁰ Focus group interview with Mazen (pseudonym) in Akkar, 28 May 2023.

²⁷¹ OCHA, *Vulnerability Assessment of Syrian Refugees in Lebanon*, 19 May 2023, <https://reliefweb.int/report/lebanon/vasyr-2022-vulnerability-assessment-syrian-refugees-lebanon>

²⁷² Associated Press, “UN plans to cut number of refugees receiving cash aid in Lebanon by a third, citing funding cuts”, 2 November 2023, <https://apnews.com/article/lebanon-unhcr-refugees-aid-cuts-929e5bef8329687bc222dfbaf52919a>

²⁷³ UNHCR, *Impact of funding cuts on operations in the MENA Region [EN/AR]*, 9 May 2024, <https://reporting.unhcr.org/middle-east-and-north-africa-impact-funding-cuts-operations>, p. 2.

²⁷⁴ Amnesty International, “Lebanon: Hundreds of Thousands of Syrian Refugees at Imminent Risk of Deportation”, 16 May 2024, <https://www.amnesty.org/en/wp-content/uploads/2024/05/MDE1880512024ENGLISH.pdf>

²⁷⁵ Refugees in Lebanon face several challenges in accessing decent work in Lebanon. Several professions are reserved for citizens. Officially, Palestinian refugees are barred from many types of work, including engineering, medicine, accounting and law. Syrian refugees can only work in certain sectors. Many refugees are therefore engaged in informal forms of work, where they have close to no social security or labour rights protection. Others have detailed the various barriers refugees face in accessing decently paid work in Lebanon, including a lack of written contracts, being paid less than nationals for the same work, being paid less than the minimum wage, and the specific challenges faced by refugees who do not have residence permits. See, UNHCR, *Dignity at stake: Challenges to accessing decent work in Lebanon*, 31 May 2019, <https://data.unhcr.org/en/documents/details/69774>

²⁷⁶ ILO, *Vulnerability and Social Protection Gaps Assessment* (previously cited), p. 2.

²⁷⁷ ILO, ILO, *Assessing Informality and Vulnerability among Disadvantaged Groups in Lebanon* (previously cited), p. 50; ILO, *Financial assessment of the cost of providing healthcare coverage for Palestinian refugees in Lebanon*, 2012, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_236500.pdf

²⁷⁸ CESCR, *Duties of States towards refugees and migrants under the ICESCR*, 13 March 2017, UN Doc. E/C.12/2017/1, para. 3. The CESCR goes on to clarify that a State’s immediate obligations, for example prohibition of discrimination in access to ICESCR rights, includes individuals who are part of a large group of refugees or migrants who suddenly fall under the jurisdiction of a State, for example as a result of conflict-related displacement, paras 5, 6. There is “one limited exception” to the principle of non-discrimination on the grounds of nationality while “developing countries” may determine the extent to which they will guarantee access to employment for non-nationals. CESCR, *Duties of States towards refugees and migrants under the ICESCR* (previously cited), paras 5-8. States, including developing states, are required to ensure that there is no discrimination in access to economic, social and cultural rights on the basis of nationality, with the limited exception of access to employment.

²⁷⁹ CESCR, General Comment 19 (previously cited), paras 15, 36-38. The CESCR noted that it may be difficult to ensure access to contributory schemes for asylum seekers and undocumented migrants, given the precarious and temporary situation of these groups, but that even irregularly employed workers in these categories contribute to financing by paying indirect taxes and that lack of access to social security benefits increases their vulnerability and dependence on employers.

nationals should be able to access non-contributory schemes for income support, affordable access to healthcare and family support, and that any restrictions, including a qualification period, must be proportionate and reasonable. All persons, irrespective of their nationality, residency or immigration status, are entitled to primary and emergency medical care. According to the CESCR, if non-nationals contribute to a social security scheme, they should be able to benefit from that contribution.²⁸⁰

Under the ICESCR, all states have an obligation to provide international assistance and cooperation to realize the rights under the Covenant. This international assistance and cooperation are “in particular” “required to allow States facing a sudden influx of refugees and migrants to comply with their core obligations”.²⁸¹ For Lebanon, rather than providing sufficient international assistance, donor countries have dramatically reduced their funding for refugee programming and entirely failed to provide sufficient resettlement spots. Donors should shoulder their responsibility and take the necessary steps to improve the situation of Syrian, Palestinian and other refugees and migrants in Lebanon, including by providing additional funding to support refugee, migrant and Lebanese host communities, conduct a thorough human rights due diligence assessment to ensure that their funding does not contribute to human rights violations, and resettling a far greater number of refugees residing in Lebanon.²⁸²

²⁸⁰ CESCR, General Comment 19 (previously cited), paras 15, 36-38.

²⁸¹ CESCR, *The Duties of States Towards Refugees and Migrants under the International Covenant on Economic, Social and Cultural Rights*, 24 February 2017, UN Doc. E/C.12/2017/1, para. 18.

²⁸² Amnesty International, “Lebanon: Hundreds of thousands of Syrian refugees at imminent risk of deportation” (previously cited).

8. FUNDING SOCIAL PROTECTION

“Increasing investment in effective and adequate social protection programmes is not optional – it is a necessity to mitigate the impacts of the crisis... and set Lebanon on a path to a more stable, sustainable and equitable trajectory in the future”.

– ILO and UNICEF, 2021²⁸³

“A restructuring of the financial system in parallel with public finance reform are pre-requisites to emerging from this crisis. No other policy or initiative can succeed without these”.

– Mike Azar, debt adviser and expert on Lebanon’s financial system, speaking to Amnesty International

Many people in Lebanon are unable to access even the minimum core of their right to social security. As such, the government of Lebanon must demonstrate that it has made “every effort” to use the maximum resources available to it to try to meet its human rights obligations.²⁸⁴ In accordance with international human rights law,²⁸⁵ the government of Lebanon would need to show it explored human rights-consistent options for:

- better using the funds available to it, for example by redirecting government resources to fund minimum, essential levels of social protection for everyone in the country;
- raising funds, for example by adopting progressive tax reforms and tackling tax evasion and aggressive tax avoidance, and using tax revenue to fund minimum, essential levels of social protection for everyone in the country;
- finding and using other opportunities to identify and attain resources to realize rights, for example by adopting a just and equitable approach to resolving the debt crisis, seeking international support, and recovering stolen assets.

²⁸³ ILO and UNICEF, *Towards a social protection floor for Lebanon* (previously cited), p. 30.

²⁸⁴ CESCR, General Comment 3: The Nature of States Parties’ Obligations (Article 2), 14 December 1990, UN Doc. E/1991/23, paras 10-12.

²⁸⁵ For a longer discussion of international human rights law requirements related to funding economic, social and cultural rights, see Special Rapporteur on Extreme Poverty and Human Rights, Report, 22 May 2014, UN Doc. A/HRC/26/28, paras 24-28.

The government of Lebanon has many options for funding social protection. Given the depths of the crisis and the scale of need, the government of Lebanon will likely need to adopt a combination of options to ensure it is able to provide the minimum essential levels of social security that would allow all people living in the country to access, at least, essential healthcare, adequate housing, water, sanitation, food and primary and secondary education.

Experts have modelled the financing necessary to provide a social protection floor in Lebanon. The ILO and UNICEF, for example, estimated in 2021 that an inclusive life-cycle system based on universal transfers covering all children, adults with disabilities, and older persons from age 65, with “relatively generous transfer values” would cost around 7.56% of GDP, and around 7.64% if implemented alongside a last resort safety net. This would require, the ILO and UNICEF said, “a significant increase from the current expenditure levels” on such programmes.²⁸⁶

Since the crisis began, academics, experts, analysts and civil society organizations have repeatedly put forward a range of proposals for how Lebanon could reorient existing funds or raise the necessary funds. But, five years into the crisis, the government of Lebanon had so far failed to take the steps necessary to mobilize sufficient resources to provide even a minimum floor of social protection.

After years of mismanagement, corruption and crisis, trust in government has significantly eroded in Lebanon, including relating to how the government spends money provided to it. To ensure people’s right to social security is protected, the government of Lebanon will need to identify, raise and use funds *and* it will need to take a range of steps to ensure that these funds actually go towards realizing rights. To that end, the government of Lebanon should embark on a series of wider reforms aimed at ensuring accountability for corruption, better governance, significantly more public participation in policymaking, and vastly more transparency in regards how funds raised are spent and how rights are realized through that spending.

8.1 BETTER USING THE FUNDS AVAILABLE TO LEBANON

After the economic crisis began, Lebanon’s limited revenues and the needs of people living in the country should have spurred the government to prioritize spending to maximize human rights protections, including ensuring access to the right to social security for all people living in Lebanon and ensuring that expenditure on public services and social security was utilized properly. But the government did not radically alter its fiscal or budget policy from what it had been prior to the crisis. Before the crisis, the government’s public spending was predominantly on paying government salaries and keeping ministries open and servicing the interest and repayment costs of its ballooning debt burden.²⁸⁷ As experts explained, during the crisis, the government continued to fail to use the budget as a tool for achieving economic recovery and realizing rights for people living in the country, including economic and social rights, like social security.²⁸⁸

In the context of the economic crisis, subsidies, particularly fuel subsidies,²⁸⁹ came into sharp focus. While everyone, in theory, benefitted from subsidies on fuel, medicine and some staple foods, these subsidies were costly, eating into the government’s limited and dwindling foreign currency reserves, and they tended to benefit the well-off, who consume more. But the government haphazardly removed subsidies, including on fuel and medicines, without putting in place an effective social protection system. Civil society had long recommended the need to ensure a more fair, efficient and effective social protection system was in place before lifting subsidies to avoid harming people living in poverty and those who were vulnerable to marginalisation and discrimination.²⁹⁰

Experts in social protection, taxation and government budgeting told Amnesty International that, five years into the crisis, the government had yet to pass a budget with a vision for reallocating existing revenue to better ensure at least minimum levels of access to social protection to all people living in the country. In interviews, experts repeatedly highlighted that, in order to properly reallocate government funding to realize rights, a comprehensive review of what was currently being funded and what impact that funding was having

²⁸⁶ ILO and UNICEF, *Towards a social protection floor for Lebanon* (previously cited), p. 30.

²⁸⁷ In 2018, for example, more than two-thirds of the budget was allocated for either personnel or debt—38.31% of the budget was allocated to personnel costs and 30.74% to debt payments. In the same year, health received 2.7% of the budget, education 7.74% and housing 1.03% Institute of Finance Basil Fuleihan, *Lebanon Citizen Budget Dashboard* (previously cited).

²⁸⁸ Roundtable on social protection with civil society groups, experts and activists hosted by Amnesty International in Beirut, 14 June 2024.

²⁸⁹ Between 2017 and 2019, Lebanon budgeted about LBP 6.7 billion, or about USD 4.46 million, on transfers to the state electricity company (EDL), mostly for fuel subsidies, and only about LBP 18 million, or about USD 12,000, on the NPTP. Institut des Finance Basil Fuleihan, *Social Protection Spending in Lebanon* (previously cited), p. 65. In 2021, the ILO pointed out that “reallocating around one third to one fourth of resources currently spent [by the government] on subsidies to social protection would finance solid foundations for the social protection floor Lebanon desperately needs”. ILO and UNICEF, *Towards a social protection floor for Lebanon* (previously cited), p. 30.

²⁹⁰ Amnesty International, *Lebanon: Government must ensure medication is available and affordable* (Index: MDE 18/6410/2023), 9 February 2023, <https://www.amnesty.org/en/documents/mde18/6410/2023/en/>

was needed.²⁹¹ These experts noted that information on revenue collected, money spent, and how effective expenditure was, including in serving the people it was intended to support, had always been lacking in Lebanon and had become far worse during the crisis. Many experts also noted that, given the dramatic decrease in spending, against the level of significant need, the government would need to pair reallocation with revenue-raising steps in order to respond effectively.²⁹²

Parliament passed Lebanon's most recent budget in late-January 2024. The Policy Initiative, a Beirut-based think tank that has analysed Lebanon's economic and fiscal policies throughout the crisis, dubbed the budget "a lose-lose situation for people".²⁹³ According to the Policy Initiative's calculations, the 2024 budget failed to adjust the value of workers' end-of-service indemnities to account for Lebanon's staggering inflation, meaning workers would receive end-of-service indemnities at roughly 17% of their actual value. The Policy Initiative also found that the budget allocated to the NSSF, Lebanon's key, public social insurance provider, only about a quarter of the amount of funding it had been provided before the crisis,²⁹⁴ and reduced expenditure for key service ministries, with the allocation for the Ministry of Social Affairs falling by 67% from its pre-crisis levels and the allocation for the Ministry of Education falling by 82%.²⁹⁵

As a first step to ensuring the government is better using the funds available to it to realize rights, the government should conduct a review of public spending against stated human rights and developmental priorities. Such a review should be done in a manner consistent with human rights standards, with a transparent, consultative and participatory methodology, evaluating how expenditure supports the full range of human rights, including economic and social rights, identifying what types of spending might be wasteful, undesirable and/or could be reallocated to other programmes, and showing how the needs of specific marginalized groups are addressed, with gender equality prioritized. Care should be taken to ensure that marginalized groups, including older persons, people with disabilities, women, people living in poverty and non-nationals, are consulted in the review. The results of this review should be published and discussed in parliament to ensure accountability.

8.2 RAISING FUNDS THROUGH RIGHTS-BASED TAX REFORM

Tax can be a key tool to address inequality, fulfil people's socio-economic rights, and raise revenues. Even in times of economic crisis, states considering funding cuts that undermine the enjoyment of economic and social rights, have alternative options, including raising revenue through tax reform. According to the Special Rapporteur on poverty, "States may only adopt such retrogressive measures if they can demonstrate that they have carefully considered all alternatives, including revenue-raising ones".²⁹⁶ Whether or not funding cuts that undermine rights violate international law "depend[s] partly on whether the State has sought revenue-raising alternatives before making cuts in areas that are important for ensuring the enjoyment of economic, social and cultural rights".²⁹⁷ The UN Department of Economic and Social Affairs has recognized taxation as the most sustainable form of revenue generation.²⁹⁸

²⁹¹ Multiple experts told Amnesty International that there is a significant lack of transparency in government spending. While some government allocations are, for example, included in the regular whole-of-government budget that is meant to be passed each year (but has frequently not been), significant government spending is "off-budget," for example through treasury advances to government entities, like EDL. Such off-budget spending, in addition to the reduced publication of data by key ministries, including the Ministry of Finance, during the crisis, made it difficult to say how much the government was spending and on what, according to experts. Transparency International, *Exploring Budget Transparency in the Middle East and North Africa*, March 2021, p. 23. Reuters, "Lebanese central bank effectively ends fuel subsidy," 12 August 2021, <https://www.reuters.com/world/middle-east/lebanese-cbank-says-can-no-longer-subsidise-fuel-report-2021-08-11/>; The Policy Initiative, "Lebanon's rigged budget," 12 October 2022, <https://www.thepolicyinitiative.org/article/details/205/lebanon%E2%80%99s-rigged-budget>

²⁹² See Section 6.2.1: "Crashing public expenditure" on how government spending crashed during the economic crisis. Institute of Finance Basil Fuleihan, *Social Protection Spending in Lebanon* (previously cited), p. 96.

²⁹³ The Policy Initiative, "Lebanon's 2024 Budget: A lose-lose situation for people" (previously cited).

²⁹⁴ The Public Source, "The Full Story Behind the Looming Collapse of the National Social Security Fund" (previously cited).

²⁹⁵ The Policy Initiative, "Lebanon's 2024 Budget: A lose-lose situation for people" (previously cited). Health policy experts have made suggestions around how existing health spending in Lebanon could be reprioritized and used more efficiently to guarantee care for more people, for example by formulating a comprehensive policy framework for health financing or combining the NSSF and Ministry of Public Health-run health insurance schemes. ILO, *Financial Assessment Report for the National Social Security Fund in Lebanon* (previously cited), p. 43; ILO, *Extending Social Health Protection in Lebanon: The role of the National Social Security Fund (NSSF) in Achieving Universal Health Coverage*, October 2020, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_780987.pdf, p. 47.

²⁹⁶ Special Rapporteur on Extreme Poverty and Human Rights, Report, 22 May 2014 (previously cited), para. 28.

²⁹⁷ Special Rapporteur on Extreme Poverty and Human Rights, Report, 22 May 2014 (previously cited), para. 28.

²⁹⁸ UN Committee of Experts on International Cooperation and Tax Matters, Report: *The Role of Taxation and Domestic Resource Mobilization in the Implementation of the Sustainable Development Goals*, 3 October 2018, UN Doc. E/C.18/2018/CRP.19.

Adopting rights-respecting tax reform could help Lebanon ensure it has adequate resources to devote to realizing rights. A well-functioning and well-structured tax system can also support wealth redistribution and help Lebanon tackle systemic discrimination and inequality, for example through the adoption of a more progressive tax system, whereby wealthier people pay relatively more, and by ensuring businesses pay their fair share.

With the economic crisis, Lebanon's tax revenues fell dramatically, both absolutely and as a percentage of GDP.²⁹⁹ The economy contracted significantly, and the restrictions imposed by the banking sector forced most people to transact in cash. The economy shifted to being largely cash-based. Based on World Bank estimates, the cash economy increased in 2021 and in 2022, standing at 45.7% of GDP in 2022.³⁰⁰ Such a large cash economy increases the risk of tax evasion, money laundering, and informality in how businesses and employment relations are structured, all of which were already significant concerns in Lebanon. People lost even more trust in government, and the government's ability to oversee and collect taxes diminished.³⁰¹

Inequality worsened during the crisis. Tax could have been a tool to ensure that the wealthiest in the country were contributing their fair share to the government's budget, and thus to realizing rights for people living in Lebanon. Instead, during the years when large parts of Lebanon's population were being pushed into poverty for the first time or being pushed deeper into poverty, the country's wealthiest were increasing their holdings. Between 2020 and 2022, Oxfam found that Lebanon's richest individuals almost doubled their net wealth—from USD 18.7 billion to USD 35 billion.³⁰² During those same years, the government of Lebanon budgeted, in total, about USD 1.5 billion for social protection, according to the Lebanon Citizen Budget Dashboard.³⁰³ In other words, between 2020 and 2022, Lebanon's wealthiest individuals appear to have increased their net wealth more than 10 times the amount that the government of Lebanon planned to spend on social protection for the entire country.

The government has so far failed to adopt substantial and effective reforms to ensure the necessary funding for economic and social rights, including the right to social security, or to promote redistributive justice and equality through a progressive vision of taxation. On the contrary, experts have described many of Lebanon's pre- and post-crisis tax policy choices as disproportionately burdening those less well-off and benefitting the more affluent.³⁰⁴

Lebanon is in urgent need of human rights-based tax reform. In 2021, the Special Rapporteur on poverty described Lebanon's tax system as a "regressive, leaky tax system".³⁰⁵ Since the crisis began, civil society analysts, academics, and experts have analysed Lebanon's tax system, studied options for reform, and suggested a range of measures that could be implemented to improve the functioning of Lebanon's tax system, including achieving tax reform consistent with Lebanon's human rights obligations, if implemented appropriately.³⁰⁶

²⁹⁹ Even before the crisis, Lebanon's tax-to-GDP ratio was lower for than other countries in the region, as well as countries at an equivalent income level. According to the IMF, "in the largely pre-crisis year 2019, Lebanon's tax-to-GDP ratio (at 15.5%) was lower than that of Jordan, Morocco, Tunisia, or the average of emerging and developing economies". IMF, Lebanon Technical Assistance Report on Putting Tax Policy Back on Track, 13 January 2023, <https://www.imf.org/en/Publications/CR/Issues/2023/01/13/Lebanon-Technical-Assistance-Report-on-Putting-Tax-Policy-Back-on-Track-528121>, p. 16; Institute of Finance Basil Fuleihan, *Lebanon Citizen Budget Dashboard* (previously cited).

³⁰⁰ World Bank, *Lebanon Economic Monitor: The Normalization of Crisis Is No Road for Stabilization* (previously cited).

³⁰¹ World Bank, *Lebanon Economic Monitor: Time for an Equitable Banking Resolution*, Fall 2022, <https://documents1.worldbank.org/curated/en/099927411232237649/pdf/IDU08288b3490ed820409e0886a08ea1efef93be.pdf>, p. 7.

³⁰² Oxfam, "The Middle East and North Africa Gap: Prosperity for the rich, austerity for the rest", October 2023, <https://policy-practice.oxfam.org/resources/the-middle-east-and-north-africa-gap-prosperity-for-the-rich-austerity-for-the-621549/>, p. 3.

³⁰³ To calculate this, we used Oxfam's figures for the rise in wealth and compared them to figures from Lebanon's Citizen Budget Dashboard which compiles and visualizes the government of Lebanon's planned spending, including on social protection. The Lebanon Citizen Budget Dashboard categorizes government budgeted spending according to function and provides values in LBP (as do the government's budgets themselves). During these years, however, Lebanon's currency was experiencing significant fluctuation. To get an approximate figure of the real value spent on social protection, we used the average exchange rate for each year, as provided by Lirarate.org. The averages were LBP 6,704.95 to USD 1 for 2020, LBP 16,820.80 to USD 1 for 2021, and LBP 30,313.13 to USD 1 for 2022. The currency began to devalue in 2019, but really began to spiral in 2020. Based on these calculations, in 2017, Lebanon planned to spend LBP 4296.97 billion (about USD 2.85 billion) on social protection, in 2018, about LBP 4842.79 billion (about USD 3.2 billion) on social protection, and in 2019, about LBP 5109.29 billion (about USD 3.1 billion) on social protection. In 2020, Lebanon planned to spend LBP 4,986.31 billion (about 744 million USD) on social protection, in 2021, LBP 5,758.82 billion (about 342 million USD), and in 2022, LBP 12,470.66 billion (about USD 411 million) on social protection. Institute of Finance Basil Fuleihan, *Lebanon Citizen Budget Dashboard* (previously cited).

³⁰⁴ See, for example, The Policy Initiative, "Lebanon's 2023 Draft Budget: Taxing the many, sparing the rich," 20 September 2023, <https://www.thepolicyinitiative.org/article/details/318/lebanon%E2%80%99s-2023-draft-budget-taxing-the-many-sparing-the-rich>.

³⁰⁵ Special Rapporteur on Extreme Poverty and Human Rights, *Visit to Lebanon* (previously cited), p. 14.

³⁰⁶ See, e.g., Arab Reform Initiative, *Which Tax Policies for Lebanon? Lessons from the Past for a Challenging Future*, 28 May 2021, <https://www.arab-reform.net/publication/which-tax-policies-for-lebanon-lessons-from-the-past-for-a-challenging-future/>; Financially Wise and Institute of Finance Basil Fuleihan, *How can a new tax system restore growth and equity? A Diagnostic Review of the Lebanese Taxation System & Recommendations to Improve Fairness and Efficiency*, June 2023, <http://www.institutdesfinances.gov.lb/wp-content/uploads/2023/10/Report-Towards-a-fairer-taxation-scheme-in-Lebanon-Final-no-annexes-sep23-en.pdf> (including recommending a wealth tax, sin taxes on activities that harm the environment, more reliance on progressive direct taxes and less on indirect taxes and setting earmarked taxes and increasing spending on social services).

The challenges for Lebanon are immense, but the government has options for raising revenue through tax reform. The key hurdle is getting the government to adopt and implement reforms, to ensure reforms are rights-based, including by ensuring tax reform does not further burden those already struggling to access essentials, like food, water, healthcare and education, and to ensure the funds raised through tax reform go towards realizing rights, rather than being squandered.

Amnesty International does not seek, through this report, to recommend particular tax reforms in Lebanon. Instead, this report highlights how Lebanon's tax system remains excessively unfair and provides a brief overview of tax reforms that others have proposed to demonstrate some of the options available to Lebanon, should the political will exist, to move towards rights-based tax reform. This report highlights two key arenas that experts in Lebanon have repeatedly highlighted as ripe for reform, namely: tackling tax evasion and aggressive tax avoidance and making taxes fairer, meaning more progressive.

8.2.1 TACKLING TAX EVASION AND AGGRESSIVE TAX AVOIDANCE

All over the world, vast amounts of government revenue are lost every year to tax evasion and aggressive tax avoidance, with adverse consequences for human rights. The Tax Justice Network has reported that countries are losing USD 472 billion a year to global tax abuse, in part due to a lack of adequate mechanisms, both within countries and internationally, to address tax evasion and avoidance.³⁰⁷

While no accurate numbers exist, experts and studies estimate that tax evasion and aggressive tax avoidance costs Lebanon millions of dollars a year. One study estimates tax evasion and aggressive tax avoidance could have cost Lebanon as much as 9% of GDP in 2018.³⁰⁸ The Tax Justice Network estimates that Lebanon loses USD 142.9 million annually to global tax abuse.³⁰⁹ This is likely to be an underestimate due to the growing informal economy, ubiquitous use of cash, and lack of an adequate regulatory framework.

The Pandora Papers – leaked documents that exposed secret offshore accounts and other hidden wealth – listed several prominent Lebanese people, including public officials and current and former Prime Ministers, in its list of people holding wealth overseas, often in tax havens. While not all people named in the Pandora Papers have engaged in illicit activity, the revelations raised questions for further investigation, including in the context of possible tax avoidance and evasion.³¹⁰ Academics and analysts have written about the significant overlap between those in control of the banking sector and political elites in Lebanon and noted how, in recent years, political elites and bank shareholders have increasingly shifted their ownership stakes to holding companies in tax havens outside of Lebanon.³¹¹

For years, civil society groups, think tanks and international organizations have advocated for stronger measures to combat tax evasion, aggressive tax avoidance and fraud in Lebanon.³¹² Reform of Lebanon's banking secrecy law, which prohibited banks from sharing information about depositors and accounts with regulators and authorities except in very limited circumstances, has been a key demand. This lack of transparency facilitated financial crimes such as money laundering and tax evasion and made them harder to investigate and prosecute.³¹³ Many attempts were made to reform and abolish this law, but were unsuccessful.³¹⁴ When the IMF signed the SLA with Lebanon in 2022, one of its demands was reform of the banking secrecy law "to bring it in line with international standards to fight corruption and remove impediments to effective banking sector restructuring and supervision, tax administration, as well as detection and investigation of financial crimes, and asset recovery".³¹⁵

³⁰⁷ Tax Justice Network, "The State of Tax Justice 2023," 25 July 2023, <https://taxjustice.net/reports/the-state-of-tax-justice-2023>

³⁰⁸ Economics and Finance, Université Panthéon-Sorbonne - Paris I, *The reform of the tax system in Lebanon: an impossible equation?* 2020, <https://theses.hal.science/tel-03105909>; Report of the Special Rapporteur on Extreme Poverty and Human Rights, *Visit to Lebanon* (previously cited), para. 64.

³⁰⁹ Tax Justice Network, *The State of Tax Justice 2023* (previously cited).

³¹⁰ Aljazeera, "Lebanon PM Mikati among officials named in Pandora Papers", 4 October 2021, <https://www.aljazeera.com/news/2021/10/4/lebanese-prime-minister-among-officials-listed-in-pandora-papers>

³¹¹ Economic Research Forum, *They Still Got the Power: The Enduring Connections between Lebanon's Banking Sector and the Ruling Class*, November 2023, <https://erf.org.eg/publications/they-still-got-the-power-the-enduring-connections-between-lebanons-banking-sector-and-the-ruling-class/>

³¹² See reports by the IMF, World Bank, Arab Reform Initiative, The Lebanese Center for Policy Studies and the Policy Initiative, cited in preceding footnotes.

³¹³ See, for example, United States Department of the Treasury, "Transactions Involving Lebanon", July 2000, Issue 18, <https://www.fincen.gov/sites/default/files/advisory/advis18.pdf>; L'Orient Today, "Banking secrecy: A round is won, but the shift has not taken place", 8 November 2022, <https://today.lorientlejour.com/article/1317347/banking-secrecy-a-round-is-won-but-the-shift-has-not-taken-place.html>

³¹⁴ L'Orient Today, "Banking secrecy: A round is won, but the shift has not taken place" (previously cited).

³¹⁵ IMF, "IMF Reaches Staff-Level Agreement on Economic Policies with Lebanon for a Four-Year Extended Fund Facility", 7 April 2022, <https://www.imf.org/en/News/Articles/2022/04/07/pr22108-imf-reaches-agreement-on-economic-policies-with-lebanon-for-a-four-year-fund-facility>

In 2022, Lebanon amended the banking secrecy law,³¹⁶ but civil society groups, experts and the IMF have deemed the changes insufficient.³¹⁶ Karim Daher, a lecturer in tax law and public finance at the University Saint Joseph and founder and former president of the Lebanese Association for Taxpayers' Rights, explained to Amnesty International that, under the new law, more groups of people were exempt from banking secrecy (such as public servants) and more authorities could ask for banking secrecy to be lifted than before, but the law did not go far enough in lifting bank secrecy or in requiring the government to ensure even these amendments were implemented. The amendments were also criticized for leaving large loopholes that continued to protect the political and banking elite. Nizar Saghie, a prominent lawyer, told the Arab Reform Initiative that the government had yet to effectively address the core issues of corruption and accountability.³¹⁷ Other experts also highlighted that the impact of the law depended entirely on how it was implemented. In mid-2023, a report by tax experts noted, "Lately, the banking secrecy waiver removed legal obstacles, paving the ground for improved tax audit, but effective implementation is still not on track".³¹⁸

The Office of the UN High Commissioner for Human Rights (OHCHR) has said that if a government is not making sufficient efforts to close excessive "loopholes" and prevent tax evasion, it is failing to comply with its human rights obligations.³¹⁹

In addition to tackling tax evasion and aggressive tax avoidance, improving tax collection in Lebanon is critical. As explained by OHCHR, "Inefficient revenue collection is a widespread problem, one that undercuts many governments' claims to lack adequate resources to realize human rights". While inefficient tax collection can be caused by a government's lack of capacity, the UN human rights agency explained, it can also be caused by "inadequate political will to enhance revenue collection".³²⁰

The economic crisis in Lebanon caused the collapse of tax administration.³²¹ The civil servants responsible for overseeing the tax administration, like many others living in Lebanon, saw the values of their salaries drop significantly and contended with a range of challenges - from the shut-down of computer systems they relied on, frequent power cuts, lacking office supplies, the inability to afford the cost of transportation to work, and loss of access to healthcare.³²² In a 2023 report, tax experts predicted this would "further undermine [the administration's] relationship with taxpayers and heightens risk of tax fraud and evasion".³²³ A report by the Arab Reform Initiative estimated that "about half of the needed increase in tax revenues can come from improving compliance".³²⁴ Experts told Amnesty International that Lebanon was losing significant revenues simply by failing to collect existing taxes, and that a key priority for the government should be rehabilitating and supporting the tax administration so it was able to collect taxes.³²⁵

³¹⁶ Forbes, "Lebanon Fails In Resolving 'Key Deficiencies' In Banking Secrecy Laws, Says IMF", 2 September 2022, <https://www.forbesmiddleeast.com/industry/economy/imf-a-few-key-deficiencies-remain-in-lebanons-amended-banking-secrecy-law>; Badil, "TRICK NOT TREAT: LEBANON'S BANKING SECRECY LAW IS MORE APPEARANCE THAN SUBSTANCE", 11 December 2022, <https://thebadil.com/commentary/banking-secrecy-lebanon-appearance/>; Lebanese Center for Policy Studies, "How Should Lebanon Recover Its Stolen Public Assets?" July 2020, https://api.lcps-lebanon.org/content/uploads/files/1612343965-policy_brief_50_eng.pdf; Arab Reform Institute, "A joint statement on the IMF's Article IV report", 28 July 2023, <https://www.arab-reform.net/publication/a-joint-statement-on-the-imfs-article-iv-report/>; Arab Reform Institute, "Nizar Saghie – No society Disappears through Bankruptcy: Its Vitality Alone Can Ensure Accountability", 6 November 2020, <https://www.arab-reform.net/publication/nizar-saghie-no-society-disappears-through-bankruptcy-its-vitality-alone-can-ensure-accountability/>; Kulluna Irada, "Bank Secrecy: A Fortified Wall Despite Significant Breaches", 26 October 2022, <https://kulluna-irada.org/article-143>; Kulluna Irada, "Consecrating Bank Secrecy Under the Banner of Lifting It", 17 October 2022, <https://kulluna-irada.org/article-142>; Tahrir Institute, "Lebanon's \$3 Billion IMF Deal and the Art of Illusory Reform", 12 October 2022, <https://timep.org/2022/10/12/lebanons-3-billion-imf-deal-and-the-art-of-illusory-reform/>; The New Arab, "Lebanon's proposed banking reforms protect elites, experts say", 20 October 2022, <https://www.newarab.com/news/lebanons-proposed-banking-reforms-met-disappointment>

³¹⁷ Arab Reform Institute, "Nizar Saghie – No society Disappears through Bankruptcy: Its Vitality Alone Can Ensure Accountability", 20 November 2020, <https://www.arab-reform.net/publication/nizar-saghie-no-society-disappears-through-bankruptcy-its-vitality-alone-can-ensure-accountability/>; The New Arab, "Lebanon's proposed banking reforms protect elites, experts say", 20 October 2022, <https://www.newarab.com/news/lebanons-proposed-banking-reforms-met-disappointment>; Tahrir Institute, "Lebanon's \$3 Billion IMF Deal and the Art of Illusory Reform", 12 October 2022, <https://timep.org/2022/10/12/lebanons-3-billion-imf-deal-and-the-art-of-illusory-reform/>

³¹⁸ Financially Wise and Institute of Finance Basil Fuleihan, *How can a new tax system restore growth and equity? A Diagnostic Review of the Lebanese Taxation System & Recommendations to Improve Fairness and Efficiency*, June 2023, <http://www.institutdesfinances.gov.lb/wp-content/uploads/2023/10/Report-Towards-a-fairer-taxation-scheme-in-Lebanon-Final-no-annexes-sep23-en.pdf>, p. 27 (including recommending a wealth tax, sin taxes on activities that harm the environment, more reliance on progressive direct taxes and less on indirect taxes and setting earmarked taxes and increasing spending on social services).

³¹⁹ OHCHR, *Realizing human rights through government budgets*, 2017, <https://www.ohchr.org/sites/default/files/Documents/Publications/RealizingHRTThroughGovernmentBudgets.pdf>, p. 70.

³²⁰ OHCHR, *Realizing Human Rights Through Government Budgets* (previously cited), p. 80.

³²¹ IMF, *Lebanon Technical Assistance Report on Tax and Customs Administration: An Urgent Need for Intervention*, 5 December 2023, <https://www.imf.org/en/Publications/CR/Issues/2023/12/04/Lebanon-Technical-Assistance-Report-Tax-and-Customs-Administration-An-Urgent-Need-for-542002>

³²² Financially Wise and Institute of Finance Basil Fuleihan, *How can a new tax system restore growth and equity?* (previously cited), p. 23.

³²³ Financially Wise and Institute of Finance Basil Fuleihan, *How can a new tax system restore growth and equity?* (previously cited), pp. 10, 11 19.

³²⁴ Arab Reform Initiative, *Which Tax Policies for Lebanon?* (previously cited).

³²⁵ Roundtable on social protection with civil society groups, experts and activists hosted by Amnesty International in Beirut, 14 June 2024.

8.2.2 MAKING TAXES FAIRER

In addition to ensuring its current tax system is functioning, including by taking urgent steps to tackle tax evasion and aggressive tax avoidance, as well as improve tax collection, the government of Lebanon has multiple options for making Lebanon's tax system more progressive and using tax as a tool to realize rights and address entrenched inequality. As noted above, the possibility for these reforms, and their likelihood of success, will depend on a range of other factors, including the government's willingness to address the pervasive concerns regarding corruption, lacking accountability, and entrenched, elite interests.

Lebanon is extremely unequal. The tax system does not currently make the wealthiest pay their fair share. In 2021, Lydia Assouad, an academic that studies public and political economy, noted that, in Lebanon, "the richest 10 per cent of the population owns almost 70 per cent of total wealth".³²⁶

According to the Special Rapporteur on poverty, compliance with international human rights law obligations to ensure equality and non-discrimination "may require States to set up a progressive tax system with real redistributive capacity that preserves, and progressively increases, the income of poorer households".³²⁷

Yet, Lebanon has over-relied on indirect taxes, such as Value Added Tax (VAT), for many years. While these taxes can be easier to collect, they also tend to be regressive, meaning they have a greater impact on people with lower incomes than on those with higher incomes.³²⁸ People with lower incomes tend to spend a higher portion of it purchasing goods, meaning they spend disproportionately more on VAT. Lebanon continued its overreliance on VAT during the crisis, further increasing and deepening tax inequality. Lebanon's 2024 budget anticipated about a third of government revenues to come from VAT.³²⁹

Policy and human rights experts have criticized Lebanon's tax system for depending significantly on indirect taxes like VAT, excise taxes, and tariffs,³³⁰ as well as for failing to impose a wealth or solidarity tax in response to the economic crisis. In 2021, the Arab Reform Initiative concluded Lebanon's tax system was "excessively regressive, even when compared to that of poor and unequal countries, unfairly hitting the middle class and the poor and with very little incidence on the rich".³³¹

In addition to relying on indirect taxes, Lebanon's tax code has long been riddled with exemptions that seem designed to benefit the extremely wealthy and result in the state losing revenue that could be used to realize rights.³³² As one particularly memorable example, for years, Lebanon offered a tax break for imported yachts over 15 metres long. According to L'Orient Today, which analysed customs data, over nearly a decade, including in the early years of the crisis, the government lost more than USD 8 million in potential revenue due to the yacht tax break.³³³

During the crisis, Lebanon's tax system has become, according to experts, more regressive. A report prepared and reviewed by tax experts in Lebanon, including those that had worked with the Ministry of Finance, concluded in 2023, that:

"Inequality has remained at excessive levels for years.... This gap was exacerbated by a tax system that favoured the banking sector, encouraged tax evasion, and concentrated wealth in the hands of the few. In the meantime, the ordinary taxpayer was subject to regressive taxation that hit the poorest."

³²⁶ Carnegie Middle East Center, *Lebanon's Political Economy: From Predatory to Self-Devouring*, 14 January 2021, <https://carnegie-mec.org/2021/01/14/lebanon-s-political-economy-from-predatory-to-self-devouring-pub-83631>, p. 1.

³²⁷ Report of the Special Rapporteur on extreme poverty and human rights to the U.N. Human Rights Council, 22 May 2014, U.N. Doc. A/HRC/26/28.

³²⁸ Before the crisis, academics analysed the impact of VAT increases on inequality and poverty in Lebanon, incorporating into their analysis then-current exemptions from VAT, including on basic items, such as bread, as well as on luxury items, like precious stones, and found that increasing VAT rates risked increasing poverty in Lebanon. Capacity Building for Poverty Reduction and UNDP, *The Poverty and Equity implications of a rise in the value added tax: a microeconomic simulation for Lebanon*, May 2009, <https://www.undp.org/arab-states/publications/poverty-and-equity-implications-rise-value-added-tax-microeconomic-simulation-lebanon>, p. 13.

³²⁹ Institute of Finance Basil Fuleihan, "Citizen Budget: Budget Law 2024," 2024, p. 3, [Pamphlet-Citizen-Budget-2024-en.pdf](#); Policy Initiative, "Lebanon's 2024 Budget" (previously cited).

³³⁰ See, e.g. IMF, *Lebanon Technical Assistance Report on Putting Tax Policy Back on Track*, 13 January 2023, <https://www.imf.org/en/Publications/CR/Issues/2023/01/13/Lebanon-Technical-Assistance-Report-on-Putting-Tax-Policy-Back-on-Track-528121>, p. 62; The Lebanese Center for Policy Studies, *For an efficient, fair, and inclusive taxation system*, 1 June 2020, <https://www.lcps-lebanon.org/articles/details/1772/for-an-efficient-fair-and-inclusive-taxation-system>; Arab Reform Initiative, "Which Tax Policies for Lebanon?" (previously cited).

³³¹ Arab Reform Initiative, "Which Tax Policies for Lebanon?" (previously cited).

³³² The Policy Initiative, "Lebanon's 2023 Draft Budget" (previously cited).

³³³ L'Orient Today, "When it comes to Lebanon's yacht import market, a little duty would go a long way," 20 January 2023, <https://today.lorientlejour.com/article/1325258/when-it-comes-of-lebanons-yacht-import-market-a-little-duty-would-go-a-long-way.html>

For years, the political leadership have overlooked the obvious relationship between tax reform and poverty alleviation, inequality, and social exclusion, and underestimated the societal repercussions of a crippled social protection system, especially in times of crisis. Today, Lebanon has the opportunity to rethink its deficient model and transform it, with the objectives to revamp the economy, address inequality, ensure tax justice, and reform public financial management”.³³⁴

The report by tax experts found that, since the crisis, “the overall system started becoming further inequitable, including through, for example, the “excessively favourable income tax treatments such as... the exemptions related to taxation on holdings and offshore companies’ dividends distribution”.

³³⁵

The government has continued to facilitate tax breaks that, in many cases, benefitted the more affluent, including by failing to adjust the exchange rates at which certain transactions were taxed to reflect the significant devaluation of the Lebanese currency. According to the Policy Initiative, by failing to adjust the rate at which it was taxing certain transactions, the government effectively subsidized real estate transactions until February 2023, effectively subsidized importers, including those bringing in luxury goods like high-end cars and jewellery, until December 2022, and offered a windfall to those settling real estate debts.³³⁶ Through this approach, the government lost huge sums of money, estimated in the billions of dollars, that could have been directed to realizing rights, like social security.³³⁷ According to the IMF, the mis-valuation of customs, excises and VAT at the border, which would have included, for example, the imports of high-end cars, caused 4.8% of GDP in revenue to be lost in 2022 alone.³³⁸

Throughout the crisis, academics, experts and civil society groups have put together a range of proposals for tax reforms that would help make Lebanon’s tax system fairer whilst also generating much-needed revenue to realize rights. These include, but are not limited to, adopting a wealth or solidarity tax, making corporate

³³⁴ Financially Wise and Institute of Finance Basil Fuleihan, “How can a new tax system restore growth and equity? A Diagnostic Review of the Lebanese Taxation System & Recommendations to Improve Fairness and Efficiency”, June 2023, p. 13, <http://www.institutdesfinances.gov.lb/wp-content/uploads/2023/10/Report-Towards-a-fairer-taxation-scheme-in-Lebanon-Final-no-annexes-sep23-en.pdf>

³³⁵ Financially Wise Institute of Finance Basil Fuleihan, “How can a new tax system restore growth and equity?” (previously cited) pp. 13, 4, 10-12, 19, 39, 42.

³³⁶ Policy Initiative, “Tackling Lebanon’s crisis-driven tax inequities,” 25 January 2024, <https://www.thepolicyinitiative.org/article/details/339/tackling-lebanons-crisis-driven-tax-inequities>

³³⁷ Policy Initiative, “Tackling Lebanon’s crisis-driven tax inequities” (previously cited). Since the beginning of the crisis, multiple—and often wildly different—exchange rates have been in use by Lebanon, including by the government. The existence of multiple rates has allowed people to avoid taxes, which has resulted in significant loss of revenue to the government. For example, for years, at the border, the government used the “official” rate of USD 1 = LBP 1,507 to calculate taxes on imports, including customs, excise and VAT, as opposed to the market rate. Take, for example, cars. A person importing a car for USD 30,000 should pay about USD 3,300 at the standard rate. Given the failure to use the real exchange rate, they would in reality pay only about USD 130. Or alcohol: The excise tax on hard alcohol was set at LBP 1,200/litre, meaning, if collected, the government would receive about US\$80 in taxes for every 100 litres of hard alcohol imported before the crisis. But the government continued to collect these taxes at the “official rate”, which meant the government was, by 2022, collecting about USD 4 in real terms, rather than USD 80, for every 100 litres of hard alcohol imported. In effect, this served to offer a massive tax cut on imports, just as the crisis was spiralling and the government needed revenues to realize rights. IMF, *Lebanon Technical Assistance Report on Pitting Tax Policy Back on Track* (previously cited), pp. 12, 25, 69.

³³⁸ IMF, *Lebanon Technical Assistance Report on Pitting Tax Policy Back on Track* (previously cited), p. 11. During the crisis, the government repeatedly changed the rate at which goods were taxed at the border. By May 2023, the government announced that the rate applied at the border was almost, but still a bit lower, than the market rate at the time. L’Orient Today, “Finance Minister raises customs dollar to LL86,000”, 12 May 2023, <https://today.lorientlejour.com/article/1337324/finance-ministry-raises-customs-dollar-to-ll86000.html>

income taxes more progressive and effective,³³⁹ making personal income taxes more progressive,³⁴⁰ and imposing a higher tax on vacant properties.³⁴¹

Proposals also include taxing the windfalls made by certain segments of the population during the economic crisis due, for example, to exchange rate manipulation. This would provide much-needed revenue, experts said, and address some of the economic distortions exploited during the crisis by importers, well-connected individuals and others taking advantage of the multiple exchange rates. Sami Zoughaib, Economist and Research Manager at the Policy Initiative, which has calculated some of the significant sums of money the government of Lebanon has lost to such distortions, said:

“It is a lot of money that could be made by taxing the distortions created during the crisis. So why not use these distortions that generated illegitimate gains to raise funds for social protection and correct the distortions that took place? Even if you think of taxing some of this stuff at 10%, you will end up with way more than we need, for example, to get the social grants started”.³⁴²

Some of the proposals put forward could both help the government realize rights and address some of the stark inequality in the country. Introducing a wealth or solidarity tax, for example, could yield significant funds for Lebanon. A wealth tax imposes a tax on the total value of property or assets owned by an individual or entity (as opposed to, for example, only on their income), while a solidarity tax imposes taxes on the excess profits or the income of the more affluent to generate revenue towards a societal good.³⁴³ In 2021, Lydia Assouad estimated that “an exceptional 10% tax on billionaires would yield 2-3% of the national income, which is more than what the progressive income tax currently collects from all Lebanese combined”.³⁴⁴ This would be, roughly, enough to cover the entire amount the government of Lebanon planned to spend on social protection for three years during the crisis. In a 2023 report, Oxfam estimated “a

³³⁹ On Lebanon's corporate income tax rates and collection, Lebanon's real and effective corporate income tax rate is significantly lower than several countries in the region, such as Morocco and Algeria. The IMF has noted that the corporate income tax collected by Lebanon is well below competitors, and is further “eroded by widespread tax incentives, loopholes, and the lack of modern anti-tax avoidance rules”. IMF, *Lebanon Technical Assistance Report on Putting Tax Policy Back on Track* (previously cited), p. 52. In addition to losing revenues, failing to raise its corporate tax rates, both real and effective, risks Lebanon losing taxes from profits earned in Lebanon to other countries. A recent OECD-led process established a global minimum effective tax rate of 15% for multinational companies from participating countries who operate in any part of the world. There has been push-back on this from several quarters, including civil society groups who argue that a global minimum rate of around 15% would do little to reduce incentives for profit-shifting from high tax to low tax jurisdictions. See Amnesty International, Submission to the Independent Expert on the effects of foreign debt, “Taxation, Illegal Financial Flows and Human Rights”, <https://www.amnesty.org/en/wp-content/uploads/2022/06/IO4057712022ENGLISH.pdf>. For more on the global minimum effective tax, see UN Secretary-General (UNSG), Report: *Promotion of inclusive and effective international tax cooperation at the United Nations*, 8 August 2023, https://financing.desa.un.org/sites/default/files/2023-08/A-78-235_advance%20unedited%20version_0.pdf. While Lebanon is not a participating country, any foreign company investing in Lebanon from a participating country would be obliged to “top-up” the tax paid to 15%. The IMF estimated in 2023 that there are at least 100 entities in Lebanon, like hotel chains and oil companies, that will likely be subject to the global minimum rate. The top-up would go to the country imposing it, not to Lebanon. The Lebanon government's financial recovery plan from 2020 included a commitment to increasing corporate income tax rates gradually from 17% to 20%, but whether Lebanon lost tax revenue to other countries would depend on whether the effective rate, including after tax deductions, which are currently ample in Lebanon, exceeded 15%. IMF, *Lebanon Technical Assistance Report on Putting Tax Policy Back on Track* (previously cited), p. 62.

³⁴⁰ Before the crisis, Lebanon imposed mildly progressive income taxes based on salary brackets determined in LBP, with a cap at 225 million LBP. Before the crisis this was equivalent to a salary of about 150,000 USD. By 2024, it was equivalent to a salary of about 2500 USD. What this meant, in practice, is that people with high incomes were being taxed at the same rates as people who earn median or even low salaries. By 2021, this meant that a person making under 15,000 USD in real wages a year was in the same tax bracket as someone making 150,000 USD or, for that matter, a million USD. As the IMF noted in 2022, “Nominal tax brackets for employment income significantly shifted down in Lebanon, leading to a bracket creep whereby low salaries/wages earned in LBP are subjected to the top employment income tax rate of 25%”. Further, because of the different exchange rates the government continued to use as the currency wildly devalued, people paid in USD were subjected to significantly more favourable tax treatment. According to IMF calculations in 2022 report, a person who earned an annual salary of USD 25,000 would pay an average tax rate of 0.3%, if paid in dollars, and of 23%, if paid in LBP. IMF, *Lebanon Technical Assistance Report on Putting Tax Policy Back on Track* (previously cited), p. 18. The government began to belatedly adjust the tax brackets for inflation. In 2024, the budget said the government would compute salaries paid in foreign currency at the Sayrafa rate, and again adjust tax brackets upwards, with the highest bracket now for salaries above LBP 13.5 billion (about USD 150,000). While the 2024 budget adjustments should account for the difference in valuation between USD salaries and adjust for the staggering inflation, they did not make the income tax any more progressive than it had been before the crisis, when Lebanon was wildly unequal. Financially Wise and Institute of Finance Basil Fuleihan, *How can a new tax system restore growth and equity? A Diagnostic Review of the Lebanese Taxation System & Recommendations to Improve Fairness and Efficiency*, June 2023, <http://www.institutdesfinances.gov.lb/wp-content/uploads/2023/10/Report-Towards-a-fairer-taxation-scheme-in-Lebanon-Final-no-annexes-sep23-en.pdf>, p. 36.

³⁴¹ Vacant properties include second homes, ghost properties and large, uninhabited real-estate developments; they are often a marker of wealth. According to the IMF, removing some exemptions that currently apply to vacant properties in Lebanon could yield 0.3% of GDP. IMF, *Lebanon Technical Assistance Report on Putting Tax Policy Back on Track* (previously cited), p. 56; Arab Reform Initiative, *Which Tax Policies for Lebanon?* (previously cited); The Lebanese Center for Policy Studies, “Property Tax: No More Vacancy Exemptions”, 1 July 2020, [https://www.lcps-lebanon.org/articles/details/1766/property-tax-no-more-vacancy-exemptions-\(press-room\)](https://www.lcps-lebanon.org/articles/details/1766/property-tax-no-more-vacancy-exemptions-(press-room))

³⁴² Interview with Sami Zoughaib, the Policy Initiative Economist and Research Manager, 20 June 2024.

³⁴³ IMF, *Lebanon Technical Assistance Report on Putting Tax Policy Back on Track* (previously cited), p. 56.

³⁴⁴ Carnegie Middle East Center, *Lebanon's Political Economy* (previously cited).

wealth tax could help the country increase its combined health and education spending seven times over”.³⁴⁵

Wealth or solidarity taxes can have an equalizing, redistributive effect in highly unequal countries, like Lebanon. In the Middle East and North Africa, ESCWA has noted that, “The relatively low tax burden on the top wealth decile, much less the top 1%, leaves much potential to improve equity by raising taxes on property and wealth. The relevant policy question is how to roll out a solidarity wealth tax”.³⁴⁶ Experts with whom Amnesty International spoke said there was nothing preventing Lebanon from implementing a wealth tax other than the necessary political will.

Other experts have presented steps that Lebanon would need to address to ensure that any future or further-reaching tax reforms would be effective. In a paper entitled, “Tax Policy for Lebanon: How to improve fairness and effectiveness?”, tax expert Karim Daher laid out a range of options available to the government, including conducting an impact assessment on proposed taxes, combatting tax evasion and tax avoidance, and ensuring a more efficient and global approach to taxation. Sorting out how to ensure that income, as well as wealth, that sits outside Lebanon’s borders is incorporated into tax policy and revenue is particularly crucial for Lebanon, given that certain elites appear to hold significant wealth abroad, for example in holding companies or in the form of foreign property or foreign movable assets and given the uncertain future of wealth (such as funds held in bank accounts) in Lebanon itself. Daher has also proposed expanding the use of earmarked taxes, which would “increase the taxpayer’s knowledge of how taxes are channelled”.

Given the impact of the economic crisis on people’s incomes and wealth, a crucial first step is assessing Lebanon’s existing tax system to examine how it differentially impacts specific groups, including marginalized groups, and those it disproportionately benefits. This involves obtaining data on people’s wealth and incomes, assessing the differentiated impact of tax rules on them, and studying the viability of specific proposals to make the system more progressive. Such a study should also examine the ways in which the use of multiple exchange rates throughout the crisis, including in taxation, has benefitted certain groups and harmed others.

Any tax reform should be consistent with human rights standards, including respecting the principles of transparency, participation, accountability, and non-discrimination. Decision-making processes regarding tax and public revenues should be based on full transparency and the broadest possible national dialogue, with effective and meaningful participation of civil society and those who will be directly affected by such policies, including people living in poverty. Article 25 of the International Covenant on Civil and Political Rights, which Lebanon has ratified, guarantees the right of all people to take part in the conduct of public affairs, which covers all aspects of public administration and the formulation and implementation of policy at international, national, regional and local levels.³⁴⁷ The CESCR has stressed that the right to participation must be an integral part of government policies, programmes and strategies.³⁴⁸ Taxation policies should be subjected to the scrutiny of the population during design, implementation and evaluation stages, with the various interests transparently identified. People should have access to all relevant information in an accessible and understandable format, and inclusive mechanisms should be put in place to ensure that they are actively engaged in devising the most appropriate policy options.

8.3 EXPLORING OTHER OPPORTUNITIES FOR RAISING FUNDS

8.3.1 ADOPTING A JUST AND EQUITABLE APPROACH TO THE DEBT CRISIS

Lebanon cannot resolve its economic crisis without resolving its debt crisis, which is a result of decisions made by Lebanon’s central bank (BdL) and commercial banks in the lead up to and during the crisis. This report does not aim to put forward solutions for resolving Lebanon’s debt crisis. It is clear, however, that resolving Lebanon’s debt crisis justly and equitably requires far greater transparency, accountability and

³⁴⁵ Oxfam, *The Middle East and North Africa Gap: Prosperity for the rich, austerity for the rest*, 2023, <https://policy-practice.oxfam.org/resources/the-middle-east-and-north-africa-gap-prosperity-for-the-rich-austerity-for-the-621549/>, p. 34.

³⁴⁶ In the past, some countries have introduced wealth taxes as a temporary measure in times of economic crisis (for example, Iceland). Wealth Tax Commission, *Why did other wealth taxes fail and is this time different?* (undated), https://www.wealthandpolicy.com/wp/EP6_PoliticsAndDesign.pdf, p. 5. ESCWA, *Wealth Inequality and Closing the Poverty Gap in Arab Countries* (previously cited) p. 18.

³⁴⁷ ICCPR, Article 25.

³⁴⁸ CESCR, General Comment 19 (previously cited), para. 69.

public participation than has been on display since 2019, particularly given that decisions taken around Lebanon's debt crisis will impact the public funds and public assets available to the state to dedicate to realizing rights.

Public debt in Lebanon was already considered unsustainable prior to the crisis.³⁴⁹ The costs of servicing debt were significant. In 2019, the last year the government fully serviced its debt, interest payments on public debt amounted to around 10% of GDP, "consuming almost half of total government revenues", according to the World Bank.³⁵⁰ The amount the government spends annually to service its debt impacts the fiscal space available for investment in sectors like health, education and social protection, which directly impact economic and social rights. After Lebanon defaulted on its external debt obligations for the first time in 2020, it has paid a considerably smaller amount in debt servicing, but it had not finalized a debt restructuring deal, at time of writing.³⁵¹ The World Bank has said that "if public debt were to be serviced at full face value, interest payments would be prohibitive".³⁵² A restructuring of public debt appears inevitable, but any debt restructure should result in debt relief and reduce the resources needed to service debt in Lebanon. Debt restructuring is also necessary for Lebanon to be able to access other external financing.³⁵³

Debt relief in Lebanon is complicated by the amount of debt, estimated in the many dozens of billions of dollars, and the make-up of the creditors. In addition, most of the debt held by the government is owed to BdL and Lebanon's commercial banks and thus is inextricably linked with the domestic financial sector. There is the precarious nature of public debt, but BdL, the bank responsible for monetary and financial stability in the economy, is also heavily indebted as a result of monetary policy choices in the last decade.³⁵⁴ BdL owes much of its debt to Lebanon's commercial banks, which owe the public their deposited savings. The government cannot default on debt owed to BdL without causing further financial and then economic stress for the country. It is therefore paramount that the government negotiates a restructuring deal with its Eurobond holders and BdL and BdL a restructuring deal with its creditors. As part of the negotiation on debt relief and restructuring, parliament, civil society organizations and the public must be consulted in order to determine how to justly and equitably allocate losses.

Since 2019, Lebanon's commercial banks have imposed informal capital controls on depositors.³⁵⁵ This has already imposed losses on the public. The banks and many senior political leaders have taken the position that the government should bear the losses, effectively bailing out the banks, including by selling public assets.³⁵⁶ This would impose a significant financial burden on the public budget in a context where the government is already unable to finance basic public and social services. The banks have repeatedly refused other proposals for resolving some of the debt.³⁵⁷

As with other revenue-raising options, Lebanon is not lacking in options for adopting a just and equitable solution to the debt crisis. Lebanese civil society have put forward their own proposals. The Badil, a Lebanon-based media and analysis initiative, for example, called for a progressive deposit recovery plan that includes, amongst other things, priority given to restoring the savings of small depositors and clawbacks on excessive interest payments, dividends paid to bank shareholders, and illicit transfers out of the Lebanese banking system in the lead up to and during the crisis.³⁵⁸ The IMF has also put forward proposals, including

³⁴⁹ World Bank, *Lebanon Economic Monitor: The Normalization of Crisis Is No Road for Stabilization* (previously cited), p. 6.

³⁵⁰ World Bank Group, *Lebanon: Public Finance Review – Ponzi: Finance?* (previously cited). See also, Debt Justice, "Lebanon finally defaults, large write-down in debt needed", <https://debtjustice.org.uk/press-release/lebanon-finally-defaults-large-write-down-in-debt-needed>

³⁵¹ L'Orient Today <https://today.lorientlejour.com/article/1371650/eurobonds-time-to-negotiate-with-the-holders.html>

³⁵² World Bank Group, *Lebanon: Public Finance Review – Ponzi: Finance?* (previously cited).

³⁵³ After its default, all credit rating agencies downgraded Lebanon's sovereign ratings, which has made it difficult for the government to access external financing. Multilateral organizations such as the IMF are clear that any future loans will depend on existing debt being restructured. IMF, "Lebanon: 2023 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Lebanon" (previously cited), para. 16.

³⁵⁴ World Bank, *Lebanon Economic Monitor: The Normalization of Crisis Is No Road for Stabilization* (previously cited).

³⁵⁵ IMF, "Lebanon: 2023 Article IV Consultation", 29 June 2023, <https://www.imf.org/en/Publications/CR/Issues/2023/06/28/Lebanon-2023-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-535372>, pp. 16-17; L'Orient Today, "Could selling off state assets save Lebanon's financial system? Not even close, a new study says", 28 January 2021, <https://today.lorientlejour.com/article/1249806/could-selling-off-state-assets-save-lebanons-financial-system-not-even-close-a-new-study-says.html>

³⁵⁶ Associated Press, "Lebanese banks battered by meltdown struggle to survive", 8 December 2022, <https://apnews.com/article/business-lebanon-international-monetary-fund-b5785a5baa27bceb295a5da4e89d71b7>

³⁵⁷ Reuters, "EXCLUSIVE Lebanese banks object to proposals in draft govt financial plan", 7 February 2024, <https://www.reuters.com/business/finance/exclusive-lebanon-banks-association-rejects-draft-govt-financial-plan-2022-02-07/>.

³⁵⁸ Badil, "Redeeming Lifesavings: The Progressive Recovery Plan", 11 January 2024, <https://thebadil.com/policy/redeeming-lifesavings-the-progressive-deposit-recovery-plan/>; Badil, "Don't Let it Burn: Lebanon's Last Chance for a Progressive Deposit Recovery Plan", 1 December 2023, <https://thebadil.com/policy/policy-papers/progressive-deposit-recovery-plan/>

special protection for smaller depositors, given that such depositors are more reliant on their savings for daily spending than larger ones.³⁵⁹

This stalemate has continued since 2019, paralysing implementation of an economic and financial recovery plan. Time is on the side of the banks, Fouad Debs, a lawyer who co-founded the Depositors' Union, told Amnesty International. "Dragging it out helps the banks. They get to escape the liabilities on some of the deposits, not having to pay the money they owe depositors, and they get to escape the restructuring we need", he explained. "They are counting on the fact that as time passes there will be less and less resistance and, ultimately, they think they'll be able to resolve it the way they want. As time passes, the banks are getting everything they want and more".³⁶⁰

Multiple analysts with whom Amnesty International spoke made these points—that drawing out the crisis has served elite interests, that the delay has disproportionately hurt smaller depositors and holders of the local currency, and that officials have allowed and facilitated this, with the financial sector losses being borne by the entire society via inflation, currency devaluation, and arbitrary depositor haircuts.³⁶¹ Inflation and currency devaluation are, in effect, extremely regressive forms of taxation.³⁶²

Proposals to restructure Lebanon's banking sector and allocate losses should have the principles of equality and fairness at their core; should protect small depositors; and should distribute losses equitably so that wealthier people and institutions bear a bigger brunt of the losses. The UN Guiding Principles on Human Rights Impact Assessment of Economic Reforms emphasize the importance of systematically assessing the impact of economic reforms on the enjoyment of all human rights before decisions are taken to implement them. This is relevant to any reform of Lebanon's banking and financial sector and any resolution of the debt crisis.³⁶³

It is crucial that all parties to the negotiations act in accordance with their human rights obligations. Transparency is particularly crucial, given that depositors in Lebanon do not have a seat at the table in deciding how reforms are undertaken. According to the Basic Principles on Sovereign Debt Restructuring Processes, adopted by the UN General Assembly in 2015, transparency "should be promoted in order to enhance the accountability of the actors concerned".³⁶⁴

8.3.2 RECOVERING STOLEN ASSETS

Asset recovery, that is, how states recover proceeds of crime and return them to a foreign jurisdiction, is another avenue for potential financing. Asset recovery has been a major topic of debate in Lebanon since the crisis began, particularly given the country's long history of corruption and mismanagement of public funds.³⁶⁵

Asset recovery is a long and complex process involving multiple governmental entities and cooperation with several countries. Several international instruments, including the UN Convention against Corruption to which Lebanon is a state party, regulate asset recovery. To have success in asset recovery, the country requesting the assets needs to push for this recovery through a complicated process. Assets need to be identified and traced. Then they need to be frozen and confiscated in a first country or second country. Finally, they must be returned. In each instance, Lebanon's political establishment and judiciary will need to file requests and ensure impartial investigations to keep the process going.

Asset recovery is both a promising and a challenging avenue for raising funds for Lebanon. On the one hand, experts estimate that very significant sums of money have been illicitly taken out of Lebanon, and cases

³⁵⁹ The IMF SLA, for example, assumes that debt relief should be sufficient to ensure sustainability of the public debt and provide fiscal space for necessary social spending. This, by definition, implies that the government will provide limited contributions to cover the financial sector losses, implying that a larger portion of the debt relief will be covered by the banks. The SLA contemplates special protection for smaller depositors, given that such depositors are more reliant on their savings for daily spending than larger ones. IMF, "IMF Reaches Staff-Level Agreement on Economic Policies with Lebanon for a Four-Year Extended Fund Facility," 7 April 2022, <https://www.imf.org/en/News/Articles/2022/04/07/pr22108-imf-reaches-agreement-on-economic-policies-with-lebanon-for-a-four-year-fund-facility>

³⁶⁰ Interview with Fouad Debs, co-founder of the Depositors' Union, 15 March 2024.

³⁶¹ Roundtable on social protection with civil society groups, experts and activists hosted by Amnesty International in Beirut, 14 June 2024.

³⁶² IMF, "Lebanon: 2023 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Lebanon" (previously cited), p. 12.

³⁶³ OHCHR, *How to make economic reforms consistent with human rights obligations*, 2020, https://www.ohchr.org/sites/default/files/GuidePrinciples_EN.pdf

³⁶⁴ Sustainability must be a guiding principle, too. This implies that "sovereign debt restructuring workouts... lead to a stable debt situation in the debtor state, preserving at the outset creditors' rights... and respecting human rights; United Nations General Assembly (UNGA), *Basic Principles on Sovereign Debt Restructuring Processes*, 29 July 2015, UN Doc. A/69/L.84, https://unctad.org/system/files/official-document/a69L84_en.pdf, para 3.

³⁶⁵ See Chapter 3: "Background: A man-made economic crisis."

related to illicit enrichment in Lebanon have been opened in several different countries.³⁶⁶ On the other hand, asset recovery is unlikely to produce significant funds for Lebanon in the short or medium term.³⁶⁷ Analysts have noted that lack of political will is a significant challenge to efficient asset recovery in Lebanon, particularly as prominent public and political figures are potentially implicated.³⁶⁸ In 2023, media reported that some of the assets seized from Lebanon's former central bank governor in Europe had been transferred to Lebanon and that Lebanon had frozen some of his Lebanese-based bank accounts.³⁶⁹

In 2022, OHCHR published its Principles on Human Rights and Asset Recovery, which recognize the negative impact of non-repatriation of funds of illicit origin to the countries of origin on the enjoyment of human rights,³⁷⁰ including on funding for economic and social rights. The nine principles address how human rights are relevant to phases of the process of asset recovery. Principle 8 states, "Receiving States should use recovered assets in a manner that contributes to the realization of human rights".³⁷¹ Principle 9 states, "Requested States should return embezzled public funds to requesting States".³⁷²

8.3.3 SEEKING INTERNATIONAL SUPPORT

Another way that states can access financing during an economic crisis is through international support, including both grants and loans. The government in Lebanon has used this option. The World Bank loaned it funds for the ESSN and IMF loans are a concrete proposal to inject financing into the country. Loans from the World Bank and IMF, however, often come with conditions of harmful austerity for fiscal consolidation.³⁷³ Amnesty International has raised concerns regarding human rights protections in countries that have received assistance from the IMF in times of economic crisis in the past; some forms of fiscal consolidation – such as cuts in social spending – can impact people who are living in poverty and those who are otherwise marginalized.³⁷⁴ They can also disproportionately impact women.³⁷⁵

Additional loans would increase Lebanon's indebtedness when it is already struggling with the impacts of an existing debt burden. Restructuring and relief of the existing portfolio has the potential to reduce servicing costs, and the time over which debt may be repaid. It is, however, crucial that whatever approach is taken, servicing costs are not increased, and additional burdens are not placed on current or future generations which are misaligned with the government's obligations to guarantee economic and social rights protections. Any negotiation on new debt should have human rights at its core, including with the IMF and the World Bank.

The UN Guiding Principles on foreign debt and human rights cover the human rights obligations of all debtors, and state and non-state lenders, including multilateral developmental banks. According to these principles, Lebanon should ensure that rights and obligations arising from future external debt agreements do not hinder the progressive realization of economic, social and cultural rights.³⁷⁶ Non-state lenders, including private bondholders, have responsibilities to ensure that debt contracts to which they are party, or any policies related to them, fully respect human rights.³⁷⁷ Transparency, participation and accountability are

³⁶⁶ In 2022, for example, Euro 120 million worth of assets were seized in France, Germany and Luxembourg related to a money laundering case in Lebanon. European Union Agency for Criminal Justice Cooperation, "Action against money laundering freezes EUR 120 million worth of Lebanese assets, seizing bank accounts", 28 March 2022, <https://www.eurojust.europa.eu/news/action-against-money-laundering-freezes-eur-120-million-worth-lebanese-assets>. In one instance, Switzerland reportedly did not freeze assets as requested by Lebanon because there was insufficient evidence of their unlawful origin. BusinessNews.com.lb, "Switzerland declines request for freezing assets," 5 June 2020, <http://www.businessnews.com.lb/cms/Story/StoryDetails/8664/Switzerland-declines-request-for-freezing-assets>

³⁶⁷ See Chapter 3: "Background: A man-made economic crisis".

³⁶⁸ Executive Magazine, "How could asset recovery work for Lebanon?", 20 August 2020, <https://www.executive-magazine.com/special-report/how-could-asset-recovery-work-for-lebanon>. Knowledge Hub, *Lebanon: Overview of Corruption and Anti-Corruption*, 8 September 2022, <https://knowledgehub.transparency.org/helpdesk/lebanon-overview-of-corruption-and-anti-corruption>, pp. 9-10.

³⁶⁹ Reuters, "French judiciary transfers central-bank chief's seized assets to Lebanon," 4 July 2023, <https://www.reuters.com/world/french-judiciary-transfers-cbank-chief-seized-assets-lebanon-minister-2023-07-04/>; Reuters, "Lebanon freezes bank accounts of former central bank governor and associates," 14 August 2023, <https://www.reuters.com/world/middle-east/lebanon-freezes-bank-accounts-former-central-bank-governor-associates-statement-2023-08-14/>

³⁷⁰ OHCHR, *OHCHR recommended principles on human rights and asset recovery*, 2 March 2022, https://www.ohchr.org/sites/default/files/2022-03/OHCHR-RecommendedPrinciplesHumanRightsAssetRecovery_0, p. 2.

³⁷¹ OHCHR, *OHCHR recommended principles on human rights and asset recovery* (previously cited), Principle 8.

³⁷² OHCHR, *OHCHR recommended principles on human rights and asset recovery* (previously cited), Principle 9.

³⁷³ International Monetary Fund, IMF Conditionality, <https://www.imf.org/en/About/Factsheets/Sheets/2023/IMF-Conditionality#:~:text=When%20a%20country%20borrows%20from,adopts%20strong%20and%20effective%20policies>

³⁷⁴ Amnesty International, *Wrong prescription: The impact of austerity measures on the right to health in Spain* (Index: EUR 41/8136/2018), 24 April 2018, <https://www.amnesty.org/en/documents/eur41/8136/2018/en/>, p. 40; Amnesty International, *Greece: Resuscitation required: The Greek health system after a decade of austerity* (Index: EUR 25/2176/2020), 28 April 2020, <https://www.amnesty.org/en/documents/eur25/2176/2020/en/>, p. 11.

³⁷⁵ Kamal, R.A., 2022, "On the effect of IMF programs and conditions: a gender lens" available at <https://digitalcommons.aaru.edu.jo/cgi/viewcontent.cgi?article=1011&context=fjss>

³⁷⁶ OHCHR, Guiding principles on foreign debt and human rights, 10 April 2011, UN Doc. A/HRC/20/23.

³⁷⁷ OHCHR, Guiding principles on foreign debt and human rights (previously cited).

core values that should be observed in the lending and borrowing decisions by states, international financial institutions and other actors.³⁷⁸ Even though these guiding principles deal specifically with external debt, similar standards and approaches must apply to domestic debt – which as stated above, makes up the majority of Lebanon’s current debt burden.

International donors and lenders should work to ensure Lebanon implements key reforms. As noted above, Lebanon faces significant challenges after years of mismanagement, corruption and crisis. In addition to raising funds, the government of Lebanon will need to undertake a series of wider reforms aimed at ensuring accountability for corruption, better governance, significantly more public participation in policymaking, and vastly more transparency to ensure that funds raised actually go towards realizing rights.

...

While this chapter has focused on some of the options available to the government of Lebanon to raise funds for state-funded social protection schemes, there are additional options for funding social protection programmes. For example, contribution-based social insurance schemes, on which many people in Lebanon have long relied, can also provide crucial forms of social security. As discussed in the previous chapter, such systems in Lebanon, which provided health insurance, family benefits, and end-of-service indemnities or pensions, were severely impacted by the economic crisis. In 2023, Lebanon’s parliament passed legislation reforming Lebanon’s largest social insurance provider, the NSSF, including transforming the end-of-service indemnity into an inflation-linked pension. Experts that spoke with Amnesty International said these reforms were a significant step forward, as social insurance systems offer one option, amidst a range of options, for the government of Lebanon to work towards more universal coverage. They cautioned, however, that, as with other legislative victories in Lebanon, it remained to be seen whether these reforms would be built upon, particularly as there is a significant, ongoing push to undermine some of the public social insurance systems by facilitating privatization of health insurance.

³⁷⁸ OHCHR, Guiding principles on foreign debt and human rights (previously cited).

9. CONCLUSIONS AND RECOMMENDATIONS

“The Lebanese State, including its Central Bank, is responsible for human rights violations, including the unnecessary immiseration of the population, that have resulted from this man-made crisis”.

– UN Special Rapporteur on extreme poverty and human rights, 2022³⁷⁹

Since 2019, Lebanon has been experiencing a catastrophic economic crisis that has dramatically increased poverty and adversely impacted people’s lives and livelihoods. Amnesty International’s interviews, combined with secondary data and other research, make it clear that people in Lebanon have experienced retrogressions in their right to social security during the economic crisis. The value of social protection benefits has fallen, often making them inadequate, and gaps in Lebanon’s social protection system mean that some people have no access to any form of social protection. Amnesty International’s interviews demonstrate how this had particular and severe impacts on certain marginalized groups, including people with disabilities, older persons, people working in the informal sector, and refugees.

9.1 VIOLATIONS OF THE MINIMUM CORE OF THE RIGHT TO SOCIAL SECURITY

States parties have a core obligation to ensure the satisfaction of, at the very least, minimum essential levels of each of the rights enunciated in the ICESCR, also known as minimum core obligations. According to the CESCR, for a state party to be able to attribute its failure to meet at least its minimum core obligations to a lack of available resources it must demonstrate that every effort has been made to use all resources that are at its disposal in an effort to satisfy, as a matter of priority, those minimum obligations.³⁸⁰

Many people in Lebanon did not have access to any form of social protection during the crisis. This impacted their ability to enjoy a range of other rights, including the rights to health and an adequate standard of living. The lack of a social protection system that provides the essentials is a violation of the minimum core content of the right to social security. The government has not adequately harnessed several options to raise revenues, nor has it taken enough action to close significant gaps in protection. In short, the

³⁷⁹ Special Rapporteur on Extreme Poverty and Human Rights, *Visit to Lebanon* (previously cited).

³⁸⁰ OHCHR, CESCR General Comment 3 (previously cited).

government has not demonstrated how every effort has been made to use all resources available to it, and its actions amount to a violation of its minimum core obligations.

The government has failed to take a number of steps available to it, including steps that would allow it to provide more adequate social protection and to provide social protection to more people. While needs for social protection rose, government support crashed. Yet, the government did little to explore the resources available to it to progressively realize economic and social rights in the country, including by reviewing existing expenditure to ensure it supported the realization of rights, reforming its tax system, and exploring other options for raising funds, including through a just and equitable resolution of the debt crisis.

9.2 UNJUSTIFIED RETROGRESSIONS OF THE RIGHT TO SOCIAL SECURITY

Even prior to the crisis, there were gaps in Lebanon's social protection system that were inconsistent with its human rights obligations. There is a strong presumption that retrogressive measures to the right to social security, meaning measures that diminish people's ability to enjoy this right, even in times of economic crisis, are prohibited. Retrogressive measures can only be introduced after the most careful consideration of all alternatives and if they are duly justified by reference to the totality of the rights provided for in the ICESCR, in the context of the full use of the maximum available resources of the state party.³⁸¹

Amnesty International's interviews, combined with secondary data, make it clear that people experienced severe retrogressions in their right to social security during the crisis. The value of social protection benefits fell, often making them inadequate. Healthcare was less affordable across the board, and unaffordable to many. Combined with pre-existing gaps in Lebanon's social protection system, this has meant that, despite growing needs, some people have no access to social protection in Lebanon today.

The government has introduced very few reforms to improve Lebanon's social protection system, ensure universal health coverage, protect marginalized groups, or ensure its consistency with Lebanon's human rights obligations. Far too little has been done to fully use the resources available to the government, and the government has not demonstrated how it has used all available resources to ensure that people in Lebanon can access their economic and social rights. This amounts to an unjustified retrogression in people's rights to social security and a violation of the government's obligation to fulfil this human right.

The international community, which is already engaged in Lebanon in different capacities, has an important role to play and must act in accordance with human rights, particularly the obligation to provide international cooperation and assistance and support the realization of human rights in Lebanon. To date, the government's major response has been to seek more international support to provide essential services. Donor dependent poverty-targeted, social assistance programmes have been insufficient to meet the rising needs and there are no clear plans to ensure sustainable social protection for those living in poverty and others living in Lebanon moving forward. This amounts to an unjustified retrogression in people's right to social security, and a violation of the government's obligation to fulfil this right. The lack of a social security system that provides essentials, such as healthcare, also violates the minimum core content of the right to social security.

On the basis of these findings, Amnesty International makes a set of recommendations, included below. Some of these recommendations can be implemented immediately; others might take more time. Further, the likelihood of success of any of these recommendations depends in no small measure on the government of Lebanon's addressing the endemic, significant impediments to realizing rights addressed in the background of this report, namely: elite capture, reigning impunity, entrenched interests prolonging the crisis, and rampant inequality. To ensure people's rights, including their right to social security, are protected, the government of Lebanon should embark on a series of wider reforms aimed at ensuring accountability for corruption, better governance, significantly more public participation in policymaking, and greater transparency in regards how funds are raised and spent, and how rights are realized through expenditure. Lebanon's international donors, including international financial institutions and donor governments, should encourage these reforms.

³⁸¹ CESCR, General Comment 19 (previously cited), para. 4.

9.3 RECOMMENDATIONS

TO THE GOVERNMENT OF LEBANON

Move towards a universal social protection system

- Take steps to progressively achieve universal and comprehensive social protection coverage that allows people to access their human rights, including their rights to health, social security, and an adequate standard of living, without discrimination, including by moving away from narrow poverty-targeting and towards a universal social protection system that includes social protection floors in line with ILO General Recommendation 202. This should include, but not be limited to:
 - broadening the scope of the newly introduced disability allowance to include all people with disabilities,
 - introducing additional social grants, including a child grant and a social, non-contributory pension,
 - introducing a system for unemployment benefits,
 - reforming the NSSF so that benefits are adequate, so that people working in the informal sector can register for benefits and access health insurance, and so that non-nationals who contribute can access benefits on the same terms as nationals,
 - moving towards universal health coverage consistent with the right to health,
 - costing the National Strategy for Social Protection and publishing a timeline for its implementation, and
 - ensuring that non-nationals, including refugees, can access social protection measures that allow them to access their rights to health, social security, and an adequate standard of living.
- Ensure that any reforms to Lebanon's social protection system are designed to:
 - be consistent with human rights law and standards,
 - provide adequate benefits,
 - allow people to access their human rights including the rights to health and an adequate standard of living,
 - involve a clear understanding of the costs involved in providing universal social protection, include a plan to cover these costs in a sustainable manner through all options available to the government, and by working with donors and lenders, and
 - have built-in independent mechanisms to periodically evaluate the functioning of the programme to ensure accountability and adequacy.
- Introduce reforms to ensure that everyone has health coverage. Access to health coverage should be universal, consistent with the right to health, and enable people to access all types of affordable and quality healthcare, including by strengthening public healthcare options. Healthcare should cover all groups, including those who are marginalized and particularly affected by the lack of coverage, such as older persons, persons with disabilities, non-nationals, women, and workers in the informal sector. Ensure that all reforms to the health system respond to the specific needs and experiences of marginalized groups. Reforms should ensure that the health system accounts for the specific needs of older persons, including providing services that respond to the physical and mental health needs of older people, and ensure that long-term care and palliative care are provided.
- Ensure that existing and new social protection systems offer opportunities for participation and consultation, including by ensuring access to information for impacted groups and raising awareness about existing benefits and eligibility, and guarantee transparency and accountability, including through accessible grievance, redress and appeals processes and regular monitoring and evaluation, and that these systems are in line with human rights standards on privacy, including through data protection through secure systems.

- Regularly assess the adequacy of social protection benefits, including all social insurance and social assistance payments and ensure they are regularly revised and able to guarantee an adequate standard of living.
- Conduct independent human rights impact assessments of social protection systems and any potential digital, technological or other reforms prior to implementation, as well as follow up assessments to evaluate their application to ensure they are grounded in equality and non-discrimination.
- Ensure that social protection systems factor in and address the multiple and intersectional forms of discrimination that many groups, including women, people with disabilities, older people, people living in poverty, people working in the informal sector, non-nationals, children and people belonging to racialized and otherwise minoritized communities, face when trying to claim their human rights.

Mobilize funds for a universal social protection system

- Urgently mobilize the maximum available resources to fulfil the right to social security for all.
- Assess the extent to which government expenditure within the social protection budget lines and more generally supports the full range of human rights, including economic and social rights. The review should: (i) evaluate the extent to which current expenditure supports the full range of human rights, including economic and social rights; (ii) identify what types of spending might be wasteful, undesirable and/or could be reallocated to other programmes; and (iii) disaggregate spending to see how much is spent to support the specific needs of marginalized groups and those who need increased support from the government because of the economic or other crises. The results of this review should guide future allocation of finances to guarantee human rights. Such a review should be done in a manner consistent with human rights standards, with a transparent, consultative and participatory methodology.
- Safeguard the independence of the judiciary, and undertake swift, independent, impartial, credible and transparent investigations into allegations of corruption by former and current high-level officials. Cooperate with investigations into allegations of corruption outside of Lebanon.
- Put in place effective preventive mechanisms to ensure transparency and accountability in management of public resources.
- Introduce human-rights-based tax reforms. Examine how the current tax system differentially impacts specific groups, including marginalized groups, and those it disproportionately benefits. This will necessarily involve obtaining data on people's wealth and incomes and assessing the differentiated impact of tax rules on them. Such a study should be conducted transparently and also examine the ways in which the use of multiple exchange rates, including in taxation, benefitted certain groups during the crisis.
- Address tax evasion and aggressive tax avoidance, including by abolishing banking secrecy, introducing a general anti-tax avoidance rule, and improving tax collection, including by ensuring relevant state institutions can properly function and through cooperation with other jurisdictions where people living in Lebanon hold substantial foreign assets.
- Seriously explore the options repeatedly put forward in Lebanon to adopt and implement a more progressive, redistributive tax system, including, but not limited to: (i) taxes on gains made during the crisis through exchange rate manipulation; (ii) a wealth or solidarity tax, including on foreign assets; (iii) increased corporate tax rates to bring them into line with comparator countries; and (iv) moving away from such heavy reliance on retrogressive, indirect taxes such as VAT. Any tax reform should be consistent with human rights law, including respecting the principles of transparency, accountability, and participation.
- Take all measures to recover assets created through the proceeds of crime within the Lebanese banking system, for example as part of the bank restructuring process, and from foreign jurisdictions, and ensure recovered funds are used to strengthen human rights protections.
- Implement overdue reforms to restore economic stability and growth and restructure the financial system in a manner that is (i) equitable, (ii) protects smaller depositors and does not disproportionately burden people on lower incomes, (iii) is in line with good practice financial management regulations, and (iv) ensures that the government retains sufficient fiscal space to guarantee economic and social rights protections. Ensure that Lebanon's human rights obligations,

and the fiscal space necessary for human rights-related spending, are key factors in future negotiations on public debt accumulation and restructuring, including while evaluating possible debt relief and changes to the terms of repayment.

- Ensure that Lebanon's human rights obligations are central to any restructuring of the banking and financial sector, including conducting a human rights impact assessment of any reforms in line with the Guiding Principles for human rights impact assessments for economic reform policies issued by the Independent Expert on the effects of foreign debt, and that losses are distributed so that smaller depositors are protected.
- Seek external financing, including through international cooperation and assistance, where needed, and ensure a robust monitoring mechanism of how funds are contracted and spent.
- Work with donors and lenders, including the World Bank, to move away from narrow poverty-targeting programmes and towards universal social protection, including ensuring that universally conceived programmes are prioritized, introduced and adequately funded. Ensure that all people in need of support in Lebanon have access to another, adequate form of social protection before phasing out any existing programmes.

TO THE WORLD BANK

- Ensure the World Bank's commitment to supporting universal social protection globally guides its engagement in Lebanon, including by supporting the government of Lebanon to move to a universal social protection system and ensuring that steps taken throughout current projects move towards establishing the systems, processes and infrastructure necessary to allow the government of Lebanon to move away from narrow poverty-targeting and to a universal social protection system.
- While they remain in place, ensure that existing poverty-targeting programmes include a dynamic system for people to register for assistance, that registration is not limited to a certain period, and that programming incorporates contemporary data on vulnerability and poverty in Lebanon, as well as ensuring that audits of the formula and all evaluations of the programme are published, and increasing awareness of the grievance processes associated.

TO THE IMF

- Ensure that human rights impact assessments of financial assistance programmes are prepared before, during and after these programmes' implementation, and that financial assistance programmes are regularly reviewed and evaluated for their impact on human rights.
- Refrain from stipulations in economic reform programmes, loan contracts, debt repayments and other aspects of fiscal policy programming that may undermine the government's ability to guarantee economic, social and cultural rights, including by avoiding harmful austerity measures that would reduce the government's ability to realize rights, including the right to social security.
- Ensure that all agreements, including the terms and conditions linked to economic, social and fiscal policy reforms are transparent and available for public scrutiny.
- Build in measures to guarantee and promote transparency and accountability and public scrutiny in all economic policy reform programmes with a view to preventing and combating corruption.

TO LEBANON'S CREDITORS

- Act in accordance with creditor human rights responsibilities while negotiating Lebanon's debt restructure, ensure debt relief, and consider all options for debt relief.
- Ensure that key aspects of all agreements related to Lebanon's debt restructure are transparent and available for public scrutiny.
- Ensure that creditors' human rights responsibilities and Lebanon's human rights obligations are central to any future commitments around Lebanon's debt, and that these future commitments do

not undermine the government's ability to fulfil its human rights obligations, including economic and social rights, and that they enable the government to put in place timely and meaningful measures to ensure that marginalized groups and people vulnerable to disproportionate harm due to the economic crisis can access their rights to health and social security, among other human rights.

- Encourage and support efforts to enhance governance, promote transparency, increase domestic resource mobilization, combat corruption, and improve budget credibility and implementation, as these factors significantly impact debt management and utilization of funds.

TO DONORS AND THE INTERNATIONAL COMMUNITY

- Work to ensure Lebanon implements the above reforms.
- Continue to support Lebanon with financial and technical assistance, in a manner that allows the government to strengthen human rights protections for people in the country, including to strengthen tax collection, address corruption, recover the loss of assets and funds through illicit financial flows, and improve public financial management, including of debt. Ensure that the terms of support do not undermine the government's ability to guarantee economic, social and cultural rights, do not further indebt the country, that the fiscal space necessary to fulfil these rights is protected, and agreements and terms and conditions linked to all forms of technical and financial assistance are transparent and available for public scrutiny.
- Conduct a thorough human rights due diligence assessment to ensure that funding does not contribute to human rights violations, including violations of economic and social rights linked to corruption or fiscal mismanagement.
- Support the establishment and funding of a global fund for social protection.

ANNEXES

JULY 2023 AMNESTY INTERNATIONAL LETTER TO THE MINISTER OF SOCIAL AFFAIRS

Amnesty International sent its official letter to the Minister of Social Affairs in Arabic. The below is an English translation.

Dear Minister Hajjar,

I am writing on behalf of Amnesty International, a global movement of more than 10 million people who are campaigning for a world where human rights are enjoyed by all.

Amnesty International has been monitoring the human rights impact of the on-going economic crisis in Lebanon. As a part of this work, we are currently researching how the economic crisis has impacted people's access to health and social protection in Lebanon.

We are writing to request a response to some questions to this end. We respectfully request a response to these questions by 1 August 2023 so that we can include the responses in our planned publication on this issue. Alternatively, we would welcome the opportunity to discuss these questions during an in-person meeting.

1. How has public spending on social protection changed from 2018 to 2023?
 - a. What was allocated for social protection in each year, from 2018 to 2023?
 - b. Was the Ministry of Social Affairs consulted on this decision, and what was the advice given?
 - c. Were any social or human rights impact assessments conducted, given the economic crisis, to identify which groups might be more at risk of adverse impact, and what measures might be necessary to support them?
2. Is MoSA monitoring the impact of the economic crisis on certain marginalised groups, such as people with disabilities, older persons, non-nationals, etc? If yes, could you please share these reports?
3. Regarding social development centers:
 - a. How much has funding for social development centers changed between 2018 and 2023? What is the average government funding each center got in 2018, and what is this number in 2023?
 - b. Have the number of social development centers changed between 2018 and 2023? By how much?
 - c. Have the total number of staff in social development centers changed between 2018 and 2023? By how much?
 - d. Are social development centers still able to provide some primary health care services? How much funding is allocated to this function?
4. Regarding the National Poverty Targeting Program (NPTP) and the Emergency Social Safety Net Project (ESSN):

- a. Have there been any social impact assessments, or evaluations, of the NPTP and the ESSN? Could you share these with us?
 - b. How much does the government of Lebanon spend on the NPTP and the ESSN? What percentage of the total cost of both programs does this amount to? Has this changed over 2018 to 2023 (for the NPTP)?
 - c. What is the medium to long term strategy to ensure that financing for the NPTP and ESSN is sustainable, and can be raised from government revenues?
 - d. What percentage of funding for the NPTP and ESSN are used for program administration (such as targeting beneficiaries), and what percentage is taken up by the benefits that people receive?
 - e. How often can people register for the NPTP and the ESSN? When was the last time new applications could be made for these programs, and when will people be able to register again? How regularly is data about beneficiaries updated and verified?
 - f. We understand that the window for new applications for the ESSN was between December 2021 and January 2022. What steps were taken to ensure that people were aware about this, and how they could apply for it?
 - g. Are individuals allowed to check whether the data is accurate before it is processed or given the chance to update data if their situation changes?
 - h. Do you have the formula based on which households are ranked? Can you share this with us?
 - i. How is the threshold below which people are eligible for benefits determined for the NPTP and the ESSN? How is this determined? How often is this revised, and what is the methodology used?
 - j. Who is monitoring the operation of the ESSN and NPTP, and what is the methodology used?
 - k. What measures have been undertaken to ensure there is no bias or discrimination in the decision making on eligibility for benefits, even unintentional, and what mechanisms are in place to identify and mitigate any risks to the rights of beneficiaries?
 - l. What has MoSA's role been in the design, implementation, and evaluation of the NPTP and ESSN programs, and what training have staff received to do be able to carry out their duties?
 - m. How are decisions about whether households/individuals are eligible for aid communicated to individuals, and who is responsible for letting them know?
 - n. Is there a grievance redressal mechanism for the NPTP and the ESSN? When was this made operational for each program, under whose oversight is it, and what sorts of grievances can the mechanism hear? How many grievances have been submitted under each, and what were the results?
 - o. How can an individual appeal the decision making? Can an individual access the decision-making process on their case, including what data was used, how it was processed, and human involvement in decision making?
 - p. Is the government tracking who is successful or not in receiving assistance through the NPTP and the ESSN, and is there a breakdown of this data based on characteristics such as gender, race, religion, etc?
5. Could you please share a copy of the latest National Social Protection Strategy with us? Has the strategy been costed, and is there an Action Plan associated with its implementation? What is the estimated timeframe for its implementation?
 6. We understand there is a draft bill being discussed on pension reform, including the possibility of a social pension. Could you share a copy of this Bill with us?

We would appreciate the chance to speak with you and discuss these questions further, or receive a response to them from you in writing by 1 August 2023. You can reach me at your convenience via phone on [REDACTED] or via email on [REDACTED].

JULY 2023 AMNESTY INTERNATIONAL LETTER TO THE MINISTER OF PUBLIC HEALTH

Amnesty International sent its official letter to the Minister of Public Health in Arabic. The below is an English translation.

Dear Minister Abiad,

I am writing on behalf of Amnesty International, a global movement of more than 10 million people who are campaigning for a world where human rights are enjoyed by all.

Amnesty International has been monitoring the human rights impact of the on-going economic crisis in Lebanon. As a part of this work, we are currently researching how the economic crisis has impacted people's access to health and social protection in Lebanon.

We are writing to request a response to some questions to this end. We respectfully request a response to these questions by 1 August 2023 so that we can include the responses in our planned publication on this issue. Alternatively, we would welcome the opportunity to discuss these questions during an in-person meeting.

1. Public data indicate that the allocation for health has reduced in real terms (given inflation) in the budgets between 2018 and 2022, with a nominal reduction in 2020.
 - a. Was the Ministry of Health consulted on this decision, and what was the advice given?
 - b. What alternatives were considered, if any, to this reduction in budget?
2. Were any social or human rights impact assessments carried out before or after (i) the removal of subsidies for medicines and (ii) the reductions in budget allocations to the public health sector and health expenditure between 2019 and 2023?
3. How has public health spending changed over the course of the crisis; and how much was spent on health from 2018, through to 2022? More specifically:
 - a. How much did the government spend – each - on primary, secondary, and tertiary health care in 2018, 2019, 2020, 2021, and 2022?
 - b. How much did the government spend on paying health workers in 2018, 2019, 2020, 2021, and 2022?
 - c. How much did the government spend on medications and drugs in 2018, 2019, 2020, 2021, and 2022?
 - d. How much did the government spend on mental health in 2018, 2019, 2020, 2021, and 2022?
4. How has funding for Primary Health Care Centres changed between 2018 and 2023? Could you share what was allocated and spent each year?
5. How much does the government owe to public and private hospitals and health care providers?
6. What percentage of total health spending in Lebanon comes from the government budget, and what percentage comes from international organizations like the WHO and World Bank?
7. We understand that the WHO is funding a certain percentage of primary health care and emergency health care. Could you share more details about this, including how long the funding is guaranteed for? Have there been any evaluations of this support, including to assess which parts of the population are benefiting and who might be missed out?
8. Is data being collected on unmet health needs in Lebanon? If yes, how has this changed between 2019 and 2023?
 - a. What has changed in terms of unmet health needs for women, older persons and persons with disabilities?
 - b. Is there a greater incidence of unmet health needs for particular health conditions?

9. Is data available for out-of-pocket health spending, and the percentage of income spent on health care per household from 2018 to 2023? Is this disaggregated by region, age, disability status, gender, employment status, and nationality?
10. Is there any data or monitoring of increased mental health care needs between 2018 and 2023?
11. Has demand for MoPH-funded health care, whether through PHCCs or through reliance on the MoPH as an 'insurer of last resort' increased and by how much? What percentage of requests received for health coverage is the MoPH not able to support?
12. What concrete proposals are in place to reform the existing framework of health coverage, and move towards universal health coverage?
 - a. A recent ILO briefing mentioned a draft Universal Health Coverage bill. Could you share a copy, and any developments on the Bill?
13. Have you conducted a costing exercise for how much it might cost to fund universal health coverage in Lebanon?
14. Has the Lebanon National Health Strategy: Vision 2030 been costed, and is there an action plan available for its implementation? What is the time-frame within which this will happen?
15. Have you conducted a mapping exercise of possible sources of public funding for health care– e.g. certain taxes?

We would appreciate the chance to speak with you and discuss these questions further, or receive a response to them from you in writing by 1 August 2023. You can reach me at your convenience via phone on [REDACTED] or via email on [REDACTED].

JULY 2023 AMNESTY INTERNATIONAL LETTER TO THE WORLD BANK

Dear Mr. Carret,

I am writing on behalf of Amnesty International, a global movement of more than 10 million people who are campaigning for a world where human rights are enjoyed by all.

Amnesty International has been monitoring the human rights impact of the on-going economic crisis in Lebanon. As a part of this work, we are currently researching how the economic crisis has impacted people's access to health and social protection in Lebanon. We are in the process of developing a publication on this issue. We are writing to request a response to some questions to this end, including the following:

1. What projects is the World Bank supporting in Lebanon? Is most of this assistance in the form of loans? What considerations do you use to decide whether financing is based on grants or loans?
2. How is the World Bank supporting the public health system in Lebanon?
3. What is the medium to long term strategy to ensure that financing for the NPTP and ESSN is sustainable, and can be raised from the government's revenues?
4. What percentage of funding for the NPTP and ESSN is used for program administration (such as targeting beneficiaries), and what percentage do people receive as benefits?
5. We understand that the World Bank is involved in the funding and design of the ESSN, and in supporting the implementation of the National Poverty Targeting Program (NPTP):
 - a. Have there been any social impact assessments, or evaluations, of the NPTP and the ESSN? Could you share these with us?
 - b. How much does the government of Lebanon spend on the NPTP and the ESSN? What percentage of the total cost of both programs does this amount to? Has this changed over 2018 to 2023 (for the NPTP)?
 - c. How often can people register for the NPTP and the ESSN? When was the last time new applications could be made for these programs, and when will people be able to register again? How regularly is data about beneficiaries updated and verified?
 - d. We understand that the window for applications for the ESSN was between December 2021 and January 2022. What steps were taken to ensure that people were aware about this, and how they could apply for it?
 - e. What influenced the decision to make the registration for the ESSN online, as opposed to in-person?
 - f. What is the affluence test, based on which ESSN applicants are first screened?
 - g. What are the socio-economic factors collected and used to "score" households using the proxy means testing in the NPTP and ESSN? How are each of these weighted?
 - h. What is the formula based on which households are ranked? How was this formula developed, and which stakeholders were consulted as a part of the process?
 - i. We understand that the formula is based on data from 2011, was last revised in 2018, and that the findings of the Lebanon Vulnerability Assessment Panel may result in a further revision of the formula.
 - i. What is the expected time frame for this?
 - ii. Will the results of the Lebanon Vulnerability Assessment Panel be public?
 - iii. While these revisions are being made, what accommodations have been made to recognise that the data of marginalised people is often out of date or inaccurate?
 - j. How often is this formula evaluated and reviewed, including for errors, exclusions and biases?

- k. How is the threshold below which people are eligible for benefits determined for the NPTP and the ESSN? Who makes this determination? How often is this revised, and what is the methodology used?
 - l. Are individuals allowed to check whether the data is accurate before it is processed or given the chance to update data before a decision is made?
 - m. Who is monitoring the operation of the NPTP and ESSN, and how is this being done?
 - n. What measures have been undertaken to ensure there is no bias or discrimination in the decision making, even unintentional, and what mechanisms are in place to identify and mitigate any risks to the rights of beneficiaries?
 - o. Is the decision on whether an individual receives assistance fully automated? If not, what does human oversight look like?
 - p. Is there a grievance redressal mechanism for the NPTP and the ESSN? When was this made operational for each program, under whose oversight is it, and what sorts of grievances can the mechanism hear? How many grievances have been submitted under each, and what were the results?
 - q. How can an individual appeal the decision making? Can an individual access the decision-making process on their case, including what data was used, how it was processed, and human involvement in decision making? How are decisions communicated to individuals, and who is responsible for letting them know?
 - r. Is the government or World Bank tracking who is successful or not in receiving assistance through the NPTP and the ESSN, and is there a breakdown of this data based on characteristics such as gender, race, religion, etc?
6. Could you please share a copy of the latest National Social Protection Strategy with us? Has the strategy been costed, and is there an Action Plan associated with its implementation? What is the estimated timeframe for its implementation?
7. Given the World Bank's commitment to universal social protection, how does the Bank plan to support the Government of Lebanon to move away from narrow targeting, as in the ESSN and NPTP, and towards a comprehensive and universal social protection system?
- a. Why was the decision made to support a targeted cash transfer program in a country where around 80% of the population is living under the poverty line, and a worsening economic crisis is likely to exacerbate the situation?

We would appreciate the chance to speak with you and discuss these questions further or receive a response to them from you in writing by 1 August 2023. You can reach me at your convenience via phone on [REDACTED] or via email on [REDACTED].

AUGUST 2023 WORLD BANK RESPONSE

Dear Ms. Majzoub,

Thank you for your letter sent on July 13, 2023, in which you request clarifications related to the World Bank's program in Lebanon, the support to the health sector and more specifically the support to the social protection sector in Lebanon.

World Bank Lebanon Portfolio

The World Bank Lebanon portfolio includes an array of investment loans in the social, education, health, environment (wastewater and solid waste), water supply, transport, and private sector development sectors. The Lebanon portfolio also benefits from grants and concessional funding which have facilitated and supported the swift response to several crises, particularly the impact of the Syrian Refugee influx, the Port of Beirut Explosion and the COVID-19 crisis. To date, total commitments in the Lebanon portfolio have reached \$1.79 billion for fully active projects (comprising \$1.54 billion from IBRD and IDA, \$165 million in grants (from the Lebanon Financing Facility, the Lebanon Syrian Crisis TF and the Global Environment Facility), and \$87 million from Global Concessional Financing Facility). For more information about the World Bank Program in Lebanon, please visit: <https://worldbank.org/lb>.

World Bank Health Sector Engagement

In response to the COVID-19 pandemic over the past years, the World Bank has restructured the Lebanon Health Resilience Project to assist the Government of Lebanon (GOL) in its preparedness and response capabilities through the training of health workers and frontline responders, covering the cost of hospital care for COVID-19 patients, and supporting the urgent procurement of goods and equipment to strengthen the capacity of public hospitals, as well as purchasing and deploying COVID-19 vaccines. More recently and in line with the Ministry of Public Health's (MoPH) reform plans to reorient the health sector towards Primary Health Care (PHC), the project has been restructured to help sustain and expand the provision of PHC services by MoPH for the most vulnerable population – targeted through the ESSN database – while increasing the capacity of the MoPH as devised in the National Health Strategy.

The World Bank is also supporting the GOL health reform agenda through technical assistance covering various aspects including PHC policy options paper, the health digitalization roadmap, the review of hospital benefit packages, the costing of the National Health Strategy, the rapid assessment of the pharmaceutical sector in Lebanon (including recommendations), and the review of the Universal Health Coverage law.

World Bank Social Protection Engagement in Lebanon

The World Bank's social protection (SP) engagement in Lebanon is based on the Bank's commitment to advancing the implementation of universal social protection (USP), ensuring access to social protection for all persons-whenver and however they need it-while also taking into consideration each country's context and fiscal situation. The Bank's current SP program comprises analytical and operational work to support (a) the establishment of a unified Social Safety Net (SSN) program; (b) a sustainable, inclusive and integrated social insurance scheme; and (c) promoting human capital and improving labor market outcomes.

The Bank's support is in line with the upcoming National Social Protection Strategy (NSPS), led by the GOL through an inter-ministerial committee headed by the Minister of Social Affairs (MOSA). The NSPS aims to expand the coverage of social protection, while prioritizing those who mostly need it. It also emphasizes the need for robust systems that improve its adaptive capacity to respond to shocks and crises. Equally important, the NSPS prioritizes financial sustainability to ensure continuity and feasible implementation measures for all initiatives. We encourage you to engage with the GOL for further information and updates on the NSPS.

To address rising poverty and vulnerability in Lebanon, the World Bank supported in 2011 through a grant, the launch of the National Poverty Targeted Program (NPTP) to provide social assistance to the poorest Lebanese households. The Bank continued to provide financial and technical assistance to the NPTP until March 2021. Since then, the program has been fully financed by donor grants including from the European Union, Canada, and others. The NPTP is managed by the MOSA and a Central Management Unit (CMU) at the Presidency of the Council of Ministers (PCM) and is implemented with support from the World Food Program (WFP).

In October 2021, the GOL launched the Emergency Crisis and COVID-19 Response Social Safety Net Project (ESSNP) to respond to the rising need for expanded coverage of poor and vulnerable households as result of

the compounded crises and establish a robust delivery system for social protection programs. The ESSNP was financed by a US\$246 million World Bank loan and aims to provide cash transfers and access to social services to extreme poor and vulnerable Lebanese populations affected by the economic and COVID-19 crises in Lebanon. It follows the same implementation arrangements of NPTP, i.e., managed by the PCM and MOSA, with the Bank providing technical support for project implementation. The ESSNP subsequently benefitted from two additional financings bringing the total value of the ESSNP to US\$550 million,¹ of which 97.6 percent goes directly to poor and vulnerable population as benefits, and 2.4 percent supporting the project's operational costs.

While we are happy to hereby address questions related to our support to the ESSNP, we would encourage you to direct any queries related to the NPTP to the GOL/MOSA, who is best positioned to respond and provide further information as needed.

ESSNP Design, Implementation and Monitoring

With the ESSNP launch on December 1, 2021, Lebanese households in need were invited to register on the DAEM platform, a web application developed for the roll-out of the cash transfers, through a national communication campaign followed by a press conference led by the GOL. The campaign provided information about the Project's eligibility criteria and registration modality. A Call Center was established and hosted at the Central Inspection and a hotline (1747) dedicated to answer queries and support registration as needed. During the design phase of the project, Lebanon did not have a delivery system which digitizes the end-to-end delivery process of any social safety net program. The GOL decided to adopt an online fully automated registration process to ensure sound governance throughout implementation and prevent any attempts for manipulation, be it of households' data, payments, and other financial interactions. The decision was also based on the consideration of context and institutional constraints such as the COVID-19 pandemic closures and the inability to dedicate adequate resources to facilitate in person registration at that time. However, several NGOs and governmental organizations were involved in the registration process to support those who lacked access to internet or needed assistance with the registration using the same online platform, i.e., DAEM Social Registry. Therefore, establishing the Social Registry was a significant step and has enhanced the GOL's capacity to deliver benefits and services through its own system and not to depend on any other organization/development party.

Online registration was opened between December 1, 2021, and January 31, 2022, during which more than 582,000 applications were submitted via the DAEM platform. Given the Project's emergency nature and the large number of applications, the GOL decided to limit the registration to two months until verification and eligibility assessment is fully completed. Presently, given that the process is still ongoing, and a number of potentially eligible households is still undergoing assessment, the GOL does not envisage reopening registration. However, in the future, and subject to budget availability, the GOL may consider adopting a dynamic registration approach for SSNs to enable registration throughout the year. We invite you also to engage with the GOL, precisely the PCM and MOSA, for further information on the Project's targeting and related arrangements.

To-date, the ESSNP has provided cash transfers to 93,676 households. It has furthermore established the building blocks of a national social registry, DAEM, which is already accommodating the core functions of the program, including an operational Grievance Redress (GR) system. The GR system, which initially consisted of a call center hosted at the premises of the Central Inspection Office (and operated by the company that is developing the DAEM Social Registry Software), supported the registration of households on the platform. As the Project moved into implementation phase, the system was upgraded to a fully-fledged GR system and has been processing queries and complaints, with around 274,459 queries received and processed between January 1 and May 31, 2023. In June-July 2023, the system received 115,450 calls, of which 96,823 calls were answered, at a rate of 83.4%. The GR system is expected to be fully handed over to MOSA by February 2024.

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¹ The Project's original financing amounts to US\$246 million. A first additional financing (AF) was approved on May 19, 2022, in the form of a US\$4 million grant. A second AF was approved by the World Bank Board of Directors on May 25, 2023, in the amount of US\$300 million. The AF2 extends the Project's closing date by two years (i.e., February 2026), and expands its coverage. The AF2 is expected to become effective in early 2024.

In addition to GR, the DAEM platform is also supporting the monitoring of project implementation, which consists of a Post-Distribution Monitoring (PDM) carried out by the GOL with the support of WFP. The PDM includes the review and assessment of payment process, the amount of cash transfers received, households' awareness of and experience with the GR system, the use of cash receipts, and any fraud and corruption encountered. The PDM disaggregates data by vulnerability group, i.e., gender and age, across all regions and districts. PDM data suggests that the Project is directly facilitating spending on health, nutrition, and education — critical elements for strengthening human capital. Around 75 percent of beneficiary households reported reducing health or education expenses, withdrawing children from school, or selling productive assets during the crises, in order to buy food (90 percent) or cover health expenses (52 percent). This highlights the acute vulnerability and increased risk on human capital that the poorest households in Lebanon are facing. After receiving the transfers, the largest share of beneficiary household spending was on food (43 percent of spending) followed by healthcare (12 percent of spending). Around 99 percent of beneficiary households reported improved living conditions after the transfers, while 66 percent of beneficiary households with children reported that the transfers facilitated school attendance.

In addition to PDM, a Third-Party Monitoring Agent was hired by the Project to verify the eligibility of the beneficiaries, confirm that payments have been made on time, and undertake technical audits. Results to-date indicate that the Project is effectively supporting the poor and vulnerable, contributing to human capital preservation, and promoting increased efficiency, effectiveness, and transparency. Finally, the ESSNP follows the World Bank Environmental and Social Framework, which supports resilient and inclusive development by strengthening protection for people and ensuring inclusion, non-discrimination, and stakeholder engagement. A Social Impact Assessment² was developed by the GOL during the preparation phase, to assess, manage and monitoring environmental and social risks and impacts associated with the project.

The Way Forward

The ESSNP, now in its second phase of implementation, aims, by February 2026, to provide cash transfers to 160,000 households for 24 months, educational top-ups to around 92,000 students, and social services to 400,000 vulnerable individuals once the second additional financing to ESSNP is effective. As you rightly mention in your letter, the findings of the Lebanon Vulnerability Assessment Panel, also referred to as the Lebanon Household Survey (LHS) 2022-2023, will inform needed revisions to existing SSN programs' design in terms of coverage and adequacy of benefits. The LHS data analysis is expected to be finalized by the end of 2023 and will be reflected in the Project's design for the remainder of implementation. In the meantime, the World Bank will continue to support the GOL to achieve its vision of having a unified SSN program for Lebanon, by supporting the integration of existing programs, and further developing the DAEM social registry into a social protection information system that can support effective and efficient delivery of programs based on the needs of the GOL.

We hope that the above information is helpful. As previously noted, and since ESSNP is a national program implemented by the GOL, we encourage you to also address further questions about the design and targeting directly to the GOL, as well as questions about the long-term financing aspects. We remain ready to meet with your team and/or to provide any additional information you may need on the Bank's role in supporting this program.

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² The SIA prepared for the AF2 is accessible at <http://documents.worldbank.org/curated/en/099143502272334663/P17336705c52d90f09aeb07a035e95f9fb>

JULY 2024 AMNESTY INTERNATIONAL LETTER TO THE MINISTER OF SOCIAL AFFAIRS

Amnesty International sent its official letter to the Minister of Social Affairs in Arabic. The below is an English translation.

Dear Minister Hajjar,

I hope this letter finds you well. I am writing on behalf of Amnesty International, a global movement of more than 10 million people fighting for a world where human rights are enjoyed by all. I am following up on our July 2023 letter.

Over the last year, we have conducted research on the impact of Lebanon's economic crisis on human rights, focusing on surging need for social protection during the crisis, crashing government support, and the possibilities available to the government of Lebanon for financing rights. We plan to publish a report that details our findings.

With this letter, we seek your response to some of our main findings and seek further information from the Ministry of Social Affairs. We kindly request your response by 15 August 2024 as it would allow us to reflect it in our final report. We are also available to meet in Beirut to discuss our findings, recommendations, and outstanding questions at any time that suits you or members of your team.

Our report finds that the government of Lebanon has failed to uphold its human rights obligations to people living in Lebanon, but that there are ways available to the government of Lebanon, should the political will exist, to fund and expand social protection, even as the economic crisis continues and as additional crises arise.

The right to social security is enshrined in international law human rights treaties that Lebanon has ratified. The right to social security encompasses the right to access and maintain benefits, including cash and other forms of assistance, that protect people from lack of work-related income caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member, unaffordable access to health care, and insufficient family support, particularly for children and adult dependents. Social security is essential to securing other economic and social rights, such as the right to an adequate standard of living, which includes the rights to food and water, health care, and adequate housing. While economic crises impact the resources that states have to realize rights, even during economic crises, governments must work to ensure that people are able to enjoy minimum essential levels of their economic and social rights, including the right to social security.

Our report finds that government funding on social protection, in real terms, shrunk significantly during the crisis. Benefits provided to people through existing social protection programmes, for example, the National Social Security Fund (NSSF), crashed, as needs were rising. Many people in Lebanon were unable to enjoy even their minimum essential levels of their right to social security. Many people, including persons with disabilities, older persons, those working in the informal sector, and non-nationals, were left with limited or no support. Access to healthcare emerged as a key area of concern in the research we undertook.

In this context, we seek further information on how public spending on social protection changed from 2018 to 2024. How much funding was allocated for social protection in each year, from 2018 to 2024, to which social protection programs, and how much of this funding was allocated to benefits and how much to Ministry costs, including personnel? We also seek information regarding whether any social or human rights impact assessments were conducted, given the economic crisis, to identify which groups might be more at risk of adverse impact from the crisis and from funding cuts, and what measures might be necessary to support them.

Our report acknowledges important steps taken by the government in recent years, including the roll out of the National Disability Allowance (NDA) and the adoption of the National Social Protection Strategy (NSPS), but finds that far more needs to be done for the government to meet its human rights obligations.

We seek further information on the steps the Ministry, in coordination with other actors, has taken to move towards a universal social protection system with guaranteed social protection floors in Lebanon. In particular, please provide updates on any steps taken related to the following:

- *introducing or expanding social grants, including broadening the scope of the newly introduced disability allowance to include all people with disabilities, introducing a child grant, and/or introducing a social pension;*

- ensuring public, social insurance programmes, like the NSSF, are fully functional and capable of providing adequate benefits;
- moving towards universal health coverage;
- introducing a system for unemployment benefits; and
- ensuring that non-nationals, particularly refugees, can access adequate forms of social protection, be they funded by the government or humanitarian actors.

We also seek further information on the developments around the National Social Protection Strategy. In particular: Has the NSPS's cost been calculated? What is the plan to ensure that financing of the NSPS is sustainable and can be raised through government revenues? What is the estimated time frame to put the NSPS into effect? Amongst the many social protection reforms and programmes outlined in the NSPS, what are the Ministry's current priorities?

Our report raises concerns about the government's plans to ensure social protection is sustainable and adequately financed, including through, for example, ensuring adequate funds are dedicated to social protection in upcoming budgets and adequate funds are raised, including by ensuring government spending is rights-oriented and by raising revenues through tackling tax evasion and aggressive tax avoidance, adopting progressive tax reform, and adopting a just and equitable solution to the debt crisis. Our report finds that the government has missed multiple opportunities to raise funds for social protection since 2019. While our report notes the role of international assistance, our research points out that Lebanon's donors have made clear their support is waning.

We seek information on whether and in what ways the government plans to secure financial resources for social protection once donor support diminishes. In particular, we seek information on the following: How much funding is dedicated to social grants, such as the NDA, in the 2024 budget and how much comes from external sources, including donor grants and loans? What percentage of funding for the NDA is used for program administration (such as personnel costs and implementing partners) and what percentage is taken up by the benefits that people receive? Has the Ministry or partners evaluated how much would it cost to expand the NDA to cover all people with disabilities in Lebanon, to adopt a child grant, and to adopt a social pension? Has the Ministry assessed how these funds could be raised? What are the plans for ensuring medium to long-term funding for key social grants, such as the NDA, so that the programs can be adopted, expanded, and become sustainable? We seek the same information regarding the move towards universal health coverage.

Our report finds that narrow poverty-targeting programmes, like the NPTP and ESSN, have been unable to adequately address rising needs and the increasing levels and dynamic nature of poverty in Lebanon. We raise concerns, based on our research, regarding lack of awareness of the programmes, difficulties registering for the programmes, and the sustainability of the programmes, given these programmes remain heavily donor dependent. In meetings, experts criticized some of the metrics that were apparently used in the scoring process in the proxy-means testing (PMT) approach for both the NPTP and ESSN, noting that they were not well-adapted to the Lebanon context and could serve to exclude those who were, in fact, living in extreme poverty. Others explained that the complex and confusing eligibility rules raised fundamental questions about fairness and efficacy. Part of this concern is because the formula based on which people's 'scores' are calculated is not publicly available and therefore available for scrutiny by experts or the public. Amnesty International has previously requested this formula from both the Bank as well as the Ministry of Social Affairs but has not been provided with the formula.

In this context, we request some further information about the existing poverty targeting programs in Lebanon, including:

In the Ministry's view, how effective have existing poverty targeting programmes, like the NPTP and ESSN, been at reaching and providing adequate support to all those living in extreme poverty and socially vulnerable households in Lebanon and on what basis does the Ministry make that assessment? Is the government tracking who is successful or not in receiving assistance through the NPTP and the ESSN, and is there a breakdown of this data based on characteristics such as gender, race, religion, etc.? Have there been any social or human rights impact assessments, or evaluations, of these programmes, including the extent to which they provide sufficient coverage and adequate support, including to marginalized groups? Can you provide copies of any evaluations of the ESSN and NPTP, including audits of the PMT formula and its effectiveness?

We once again request the Ministry to share the formula used for existing poverty targeting programmes, including the data points and variables collected and the weights assigned to different variables. We also seek information from the Ministry on the stakeholders consulted as part of the process developing and, if

updated, updating this formula. How often is the formula evaluated and how often is the data on which it relies updated? When was the last time this data and the formula was updated? How are decisions made regarding eligibility? Does the ranking rely entirely on the formula, or can staff exercise discretion in the ranking process?

In our report, we mention reporting by Legal Agenda that the Ministry announced the NPTP would end next June, as the necessary funding had not been secured. What is the current status of funding for the NPTP and ESSN? How much funding was dedicated to the NPTP and ESSN in the 2024 budget and how much comes from external sources, including donor grants and loans? How, if at all, has the percentage of government funding to these programmes changed since 2019? How, if at all, has the percentage of external grant financing vs. external loan financing for these programmes change since 2019?

We are aware of plans to combine the NPTP and ESSN. What is the current status of merging the programmes? When will this process be completed and in what ways, if any, will it impact existing benefits and beneficiaries? What is the status of this effort and how it will affect existing beneficiaries of both programmes? What is the status of discussions with the World Bank and other donors on extending the ESSN, NPTP or a merged programme, for how long, and what is the proposed budget for any extension, including from the Bank, other donors and the government?

What was the cause of the disruption to beneficiary payments in 2024? Has this been resolved? How?

How much of the funding for the NPTP and ESSN goes to direct support to beneficiaries and how much goes to operationalizing and administering the programmes? If possible, please provide a breakdown of the funding spent on costs associated with poverty-targeting specifically (including staff costs and costs associated with implementing partners). Has the Ministry engaged in a costing exercise comparing the cost of administering poverty-targeting programmes in Lebanon, including the NPTP and ESSN, to the cost of administering more universally conceived grants, like the NDA?

How has the Ministry ensured that information about the NPTP and ESSN and their application processes has been disseminated across different regions, especially in marginalized areas? What measures are in place to assist individuals who may struggle to access the digital tools needed to register for these programmes?

In an August 2023 response to Amnesty International, the World Bank said that the government did not envisage reopening registration for the poverty targeting programmes, but that the government might consider adopting a dynamic registration approach for poverty targeting programmes to enable registration throughout the year, subject to budget availability. Since that time, has there been any change in the method or windows for registering for existing poverty targeting programmes?

We understand that the information we are requesting is extensive and detailed. We would be happy to arrange a time to meet in person to discuss these questions further. We have also written to other relevant actors within the government of Lebanon, as well as to the World Bank, sharing our findings, recommendations, and asking for further information.

If a meeting is not possible, we kindly ask for your written responses by 15 August 2024. We appreciate your attention to these questions and look forward to your response. Your insights are crucial for our report, and we hope to incorporate your feedback to ensure a well-rounded analysis.

Thank you for your attention and cooperation. We look forward to your response. You can reach me at your convenience via phone at [REDACTED] or via email on [REDACTED].

JULY 2024 AMNESTY INTERNATIONAL LETTER TO THE MINISTER OF PUBLIC HEALTH

Amnesty International sent its official letter to the Minister of Public Health in Arabic. The below is an English translation.

Dear Minister Abiad,

I hope this letter finds you well. I am writing on behalf of Amnesty International, a global movement of more than 10 million people fighting for a world where human rights are enjoyed by all. I am following up on our July 2023 letter.

Over the last year, we have conducted research on the impact of Lebanon's economic crisis on human rights, focusing on surging need for social protection during the crisis, crashing government support, and the possibilities available for to the government of Lebanon for financing rights. Lacking social protection had a severe impact on people's ability to access adequate healthcare. We plan to publish a report that details our findings.

With this letter, we seek your response to some of our main findings and seek further information from the Ministry of Public Health. We kindly request your response by 15 August 2024 as it would allow us to reflect it in the final report. We are also available to meet in Beirut to discuss our findings, recommendations, and outstanding questions at any time that suits you or members of your team.

Our report finds that the government of Lebanon has failed to uphold its human rights obligations to people living in Lebanon, but that there are ways available to the government of Lebanon, should the political will exist, to fund and expand social protection, even as the economic crisis continues and additional crises arise.

The right to social security is enshrined in international law human rights treaties that Lebanon has ratified. The right to social security encompasses the right to access and maintain benefits, including cash and other forms of assistance, that protect people from lack of work-related income caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member, unaffordable access to health care, and insufficient family support, particularly for children and adult dependents. Social security is essential to securing other economic and social rights, such as the right to an adequate standard of living, which includes the rights to food and water, health care, and adequate housing. While economic crises impact the resources that states have to realize rights, even during economic crises, governments must work to ensure that people are able to enjoy minimum essential levels of their economic and social rights, including the right to social security.

Our report finds that government funding on social protection, in real terms, shrunk significantly during the crisis. Benefits provided to people through existing social protection programmes, for example, the National Social Security Fund (NSSF), crashed, as needs were rising. Many people in Lebanon were unable to enjoy even their minimum essential levels of their right to social security. Many people, including persons with disabilities, older persons, those working in the informal sector, and non-nationals, were left with limited or no support.

Access to healthcare emerged as a key area of concern in the research we undertook. Interviewees highlighted the high cost of healthcare, the inability to access health insurance, and the failure of existing health insurance schemes to provide timely and adequate benefits even to those who were covered. Hospitals began to reject people holding NSSF coverage, alleging they could not trust the NSSF to reimburse them. NSSF reimbursement rates began to lag far behind the real cost of medications or to simply not come. People told Amnesty International that the NSSF reimbursements they received for medicines was often less than the cost of transport to file the application. There have also been enormous delays. Our understanding is that demand for public healthcare options, for example through primary health care centers (PHCCs), increased dramatically during the crisis.

In this context, we seek further information from the Ministry regarding whether and by how much, demand for publicly funded health care increased since 2019 and to what extent the Ministry and Ministry-supported institutions or programmes have been able to meet this rising need? For example, what percentage of requests received for the Ministry to act as an 'insurer of last resort' was the Ministry able and not able to support? What specific measures has the Ministry implemented to address demand for services at PHCCs and to the Ministry to act as an insurer of last resort? What steps are being taken to ensure that essential medicines are consistently available? What measures are in place to monitor and evaluate the effectiveness of the healthcare services provided by the Ministry, especially after the economic crisis?

We also seek further information on how public health spending has changed over the course of the economic crisis. In particular, how much did the government spend – each – on primary, secondary and tertiary health care in each year between 2018 and 2024? How much did the government spend each year between 2018 and 2024 on public institutions, such as PHCCs and public hospitals, and on private institutions, such as private hospitals or clinics, including through reimbursements as part of various government-funded health insurance schemes? How much does the government owe to public and private hospitals and health care providers, including through the NSSF? Were any social or human rights impact assessments carried out before or after direct or indirect cuts, including the removal of subsidies for medicines and the reductions in the real value of the budget allocations to the public health sector and health expenditure during the crisis? What alternatives were considered, if any, to these reductions in budget?

Our report acknowledges important steps taken by the government in recent years, including the adoption of the National Social Protection Strategy (NSPS), but finds that far more needs to be done for the government to meet its human rights obligations.

Can you please inform us of the Ministry's role in taking forward the health-related aspects in the NSPS? Has the cost of these plans been calculated? What is the plan to ensure that financing is sustainable and can be raised through government revenues? What is the estimated time frame to put each of the health-related aspects of the NSPS to effect? Amongst the many social protection reforms and programmes outlined in the strategy related to access to health, what are the Ministry's current priorities? For example, what concrete steps, if any, are in place to reform the existing framework of health coverage and move towards universal health coverage?

Our report raises concerns about the government's plans to ensure social protection is sustainable and adequately financed, including through, for example, ensuring adequate funds are dedicated to social protection in upcoming budgets and adequate funds are raised, including by ensuring government spending is rights-oriented and by raising revenues through tackling tax evasion and aggressive tax avoidance, adopting progressive tax reform, and adopting a just and equitable solution to the debt crisis. Our report finds that the government has missed multiple opportunities to raise funds for social protection since 2019. While our report notes the role of international assistance, our research points out that Lebanon's donors have made clear their support is waning.

In this context, we seek further information from the Ministry on spending. What percentage of total health spending in Lebanon comes from the government budget and what percentage comes from international organizations, including organizations like the World Health Organization (WHO) and World Bank? We understand that the WHO is funding a certain percentage of primary health care and emergency health care. Could you share more details about this, including for how long the funding is guaranteed? Have there been any evaluations of this support, including to assess which parts of the population are benefiting and who might be missed? Have any costing or mapping exercises been carried out to determine how much it would cost to move towards universal health coverage and potential sources of funding for this coverage, including certain taxes?

We understand that the information we are requesting is extensive and detailed. We would be happy to arrange a time to meet in person to discuss these questions further. We have also written to other relevant actors within the government of Lebanon, as well as to the World Bank, sharing our findings, recommendations, and asking for further information.

If a meeting is not possible, we kindly ask for your written responses by 15 August 2024. We appreciate your attention to these questions and look forward to your response. Your insights are crucial for our report, and we hope to incorporate your feedback to ensure a well-rounded analysis.

Thank you for your attention and cooperation. We look forward to your response. You can reach me at your convenience via phone on [REDACTED] or via email on [REDACTED].

JULY 2024 AMNESTY INTERNATIONAL LETTER TO THE WORLD BANK

Dear Mr. Carret,

I hope this letter finds you well. I am writing on behalf of Amnesty International, a global movement of more than 10 million people fighting for a world where human rights are enjoyed by all. I am following up on our 2023 exchange of letters and seeking further information from the World Bank regarding its engagement in Lebanon. Thank you for your detailed August 2023 response to our earlier letter.

Over the last year, we have conducted additional research on the impact of Lebanon's economic crisis on human rights, focusing specifically on surging need for social protection during the crisis, crashing government support, and the possibilities available for financing rights. We plan to publish a report that details our findings in the coming months. With this letter we seek your response to some of our main findings.

We kindly request your response by 19 July 2024 as it would allow us to reflect it in the final report. We are also available to meet in Beirut to discuss our findings, recommendations, and outstanding questions at any time that suits you or members of your team.

Our report finds that the government of Lebanon has so far failed to uphold its human rights obligations to people living in the country. The government's most significant step in the context of the crisis was to ask for assistance from international donors and lenders. Where support was provided – most notably through the World Bank – this support was primarily used to double down on Lebanon's use of narrow poverty targeting, which provided limited support to people deemed “poor enough” to be eligible, rather than prioritizing working to support universal social protection that could help all those in the country navigate the economic crisis and prevent or mitigate the worst human rights harms of that crisis.

Given the World Bank's commitment to universal social protection, we seek your response on how the Bank plans to support the government of Lebanon to move away from narrow poverty targeting and towards a comprehensive and universal social protection system? How has the changing context in Lebanon, including increasing and dynamic poverty, as well as the political and economic outlook, factored into the Bank's current and future plans for engagement in Lebanon that effectively moves towards a universal social protection system that upholds the right to social security for all? In particular, how has the World Bank's recent findings that poverty in Lebanon has more than tripled over the past decade, reaching 44% of the population, factored into its plans for supporting social protection in the country moving forward?

Our report acknowledges important steps taken in recent years, including the roll out of the National Disability Allowance (NDA) and the adoption of the National Social Protection Strategy (NSPS), but finds that far more needs to be done for the government to meet its human rights obligations and move towards a social protection system that upholds the right to social security for all.

We seek the World Bank's response on the extent to which the Bank is considering or already supporting the government in taking forward any elements of the NSPS and whether these have been costed? Is the World Bank supporting or considering supporting any of the universally conceived social grants (for example: the NDA, the proposed child grant or a social pension) and is there a time frame for their implementation?

Our research points out that Lebanon's donors have made clear that their support is waning. Amnesty International spoke with international agencies and organizations that said, while they were supporting the government in particular sectors, they were not able to meet the growing needs in Lebanon.

We seek information on whether and in what ways the World Bank plans to support Lebanon in securing financial resources for social protection once donor support diminishes?

In a 2023 letter to Amnesty International, the World Bank said its social protection engagement in Lebanon was “based on the Bank's commitment to advancing the implementation of universal social protection (USP), ensuring access to social protection for all persons—whenever and however they need it—while also taking into consideration each country's context and fiscal situation”. The Bank said its work was in line with the government's National Social Protection Strategy which “aims to expand the coverage of social protection, while prioritizing those who mostly need it”. While the Bank mentioned multiple work streams, the Bank emphasized its support to unifying the National Poverty Targeting Program (NPTP) and the Emergency Social Safety Net (ESSN), two means-tested poverty-targeting programmes.

Our report also finds that these narrow poverty-targeting programmes supported by the World Bank have been unable to adequately address rising needs and the increasing levels and dynamic nature of poverty in

Lebanon. We raise concerns, based on our research, regarding lack of awareness of the programmes, difficulties registering for the programmes, and the sustainability of the programmes, given both remain heavily donor dependent.

The research also highlights significant confusion around decision making concerning eligibility for support. Instead of assessing a household's actual financial circumstances, the proxy means-testing method used by both the NPTP and ESSN predicts it by applying weights to certain indicators of wealth and scoring them based on a formula and then ranking households. In meetings, experts criticized some of the metrics that were apparently used in the scoring process, noting that they were not well-adapted to the Lebanon context and could serve to exclude those who were, in fact, living in extreme poverty. Others explained that the complex and confusing eligibility rules raised fundamental questions about fairness and efficacy. Part of this concern is because the formula based on which people's 'scores' are calculated is not publicly available and therefore available for scrutiny by experts or the public. Amnesty International has previously requested this formula from both the Bank as well as the Ministry of Social Affairs but has not been provided with the formula.

We once again request the Bank to share this formula including the data points and variables collected and the weights assigned to different variables. In the context of our findings above, we seek information from the Bank on the stakeholders consulted as part of the process developing and, if updated, updating this formula. How often is the formula evaluated and how often is the data on which it relies updated? When was the last time this data and the formula was updated? How are decisions made regarding eligibility? Does the ranking rely entirely on the formula, or can staff exercise discretion in the ranking process?

Access to healthcare emerged as a key area of concern in the research we undertook. During the crisis, the benefits provided by Lebanon's most important health insurance provider, the NSSF, largely collapsed. Hospitals began to reject people holding NSSF coverage, alleging they could not trust the NSSF to reimburse them. NSSF reimbursement rates began to lag far behind the real cost of medications, or to simply not come. People told Amnesty International that the NSSF reimbursement they received for medicines was often less than the cost of transport to file the application. There have also been enormous delays.

In light of the above findings and information in your letter of August 2023 that World Bank funds in Lebanon are also allocated to the health sector, could you provide more details on whether the Bank has supported steps towards universal health coverage? We would also appreciate any details with reference to the reorientation towards Primary Health Care (PHC), the key challenges faced in this transition and how they are being addressed, and what support is being provided to the operational capacity of Social Development Centres and PHC Centres that have been impacted by the economic crisis?

In light of the above, we find that the World Bank has, as of yet, failed to adequately and robustly support a move towards a more universal social protection system in Lebanon. We also note that opportunities exist for the Bank to do so in the coming period.

We appreciate the comprehensive response provided earlier and the detailed information about the World Bank's engagement in Lebanon.

Finally, we request some further information about the existing poverty targeting programs supported by the Bank:

- What is the current status of funding for the NPTP and ESSN? How much funding is being provided by the World Bank, by the government of Lebanon, and by donor countries? What is the status of discussions with the government on extending the ESSN, for how long and what is the proposed budget for any extension, including funds provided by the Bank and the government? How, if at all, has the percentage of government funding to either of these poverty targeting programmes changed since 2019? How, if at all, has the percentage of external grant financing vs. external loan financing for these poverty targeting programmes changed between 2018 and 2024?
- How much of the funding for the NPTP and ESSN goes to direct support to beneficiaries and how much goes to operationalizing and administering the programmes? If possible, please provide a breakdown of the funding spent on costs associated with poverty-targeting specifically (including staff costs and costs associated with implementing partners). Has the World Bank engaged in a costing exercise comparing the cost of administering poverty-targeting programmes in Lebanon, including the NPTP and ESSN, to the cost of administering more universally conceived grants, like the NDA?
- What was the cause of the disruption to beneficiary payments in 2024? Has this been resolved? How?

- How many households are currently benefiting from the NPTP and ESSN and in which areas of the country? What percentage of the population is currently being provided benefits by either the NPTP or ESSN? How does this compare to the percentage of the population recently assessed to be living in extreme poverty and poverty by the World Bank, including in which areas poverty appears to be most severe and/or most concentrated? How does the World Bank measure the impact of ESSN on poverty reduction and social stability in Lebanon?
- What is the current status of merging the NPTP and ESSN? When will this process be completed and in what ways, if any, will it impact existing benefits and beneficiaries?
- In its August 2023 response to Amnesty International, the Bank said that the government did not envisage reopening registration for the poverty targeting programmes, but that the government might consider adopting a dynamic registration approach for poverty targeting programmes to enable registration throughout the year, subject to budget availability. Since that time, has there been any change in the method or windows for registering for existing poverty targeting programmes?
- Does the World Bank engage in following up on the conditions of people who received or did not receive assistance through the ESSN? Is the data collected according to characteristics such as gender, race, religion, etc.?
- In its August 2023 letter, the Bank mentioned that the findings of the LHS 2022-2023 would inform needed revisions to existing programmes in terms of coverage and adequacy of benefits, and that this data analysis was expected to be finalized by the end of 2023. Can you please share updates, including what, if any changes were made to existing poverty programmes in response to these findings, as well as share any copies of any evaluations or audits conducted on the ESSN and NPTP, particularly those assessing the effectiveness of the proxy meanstesting formula? Has there been any assessment or planning regarding the integration of ESSN into a broader, more sustainable social protection system for Lebanon?

We understand that the information we are requesting is extensive and detailed. We would be happy to arrange a time to meet in person to discuss these questions further. We have also written to relevant actors within the government of Lebanon, sharing our findings, recommendations, and asking for further information.

If a meeting is not possible, we kindly ask for your written responses by 19 July 2024. We appreciate your attention to these questions and look forward to your response. Your insights are crucial for our report, and we hope to incorporate your feedback to ensure a well-rounded analysis.

Thank you for your attention and cooperation. We look forward to your response. You can reach me at your convenience via phone on [REDACTED] or via email on [REDACTED].

AUGUST 2024 WORLD BANK RESPONSE

Dear Ms. Majzoub,

Thank you for your letter dated July 5, 2024, in which you request clarifications related to the World Bank's social protection and health programs in Lebanon. Please find below clarifications on your questions. Kindly note that since we have already addressed some of your questions in our previous communication dated August 16, 2023, in response to your letter of July 13, 2023, we are maintaining some brevity in our response herein.

World Bank Health Sector Engagement

The World Bank health program in Lebanon has recently transitioned from pandemic response to support in the transformation of the health sector, led by the Ministry of Public Health (MoPH) as stated in the National Health Strategy Vision 2030¹, published in 2023. The Lebanon Health Resilience Project has been instrumental to assist the Government of Lebanon (GOL) in the pandemic response, supporting the urgent procurement of equipment to strengthen the capacity of frontline hospitals, as well as purchasing and deploying COVID-19 vaccines, covering the cost of hospital care for COVID-19 patients, among the most impactful activities. The project was restructured in June 2023 to shift the focus to support the implementation of a new Primary Health Care (PHC) modality led by the MoPH and targeting 210,000 vulnerable individuals benefiting from the Bank-financed Emergency Social Safety Nets (ESSN) project and identified through the DAEM Social Registry, in coordination with the Ministry of Social Affairs. Key activities completed to date include the identification of beneficiaries, completion of readiness assessments of participating PHC centers, as well as training and strengthening of the PHC centers. Identified individuals will be invited by MoPH to enroll in the PHC program detailed above. Upon confirmation, enrolled individuals will receive health services based on their age group and health condition, according to the national standardized PHC package known as the Long-Term Primary Care Subsidization Protocol (LPSP), which includes specialized consultations, medical tests and medication for chronic and acute conditions.

Individuals aged above 18 are expected to contribute US\$3 per year for their enrollment in the program. In addition, the Strengthening Lebanon's COVID-19 Response Project (approved by the World Bank's Board in 2022), is being restructured to shift the focus from COVID-19 response to system strengthening, including equipment of public hospitals, support to digital transformation of the system, capacity building and emergency preparedness.

The World Bank is actively collaborating with the Government on its reform initiatives, offering targeted technical support to the MoPH. This assistance includes key areas such as redesign of healthcare service delivery model (with focus on primary healthcare), health financing mechanisms (including capacity building for benefit packages and technical contributions to the discussion of Universal Health Coverage draft law) and providing analytical insights for the digital transformation of the sector.

Additionally, the World Bank recently co-financed the National Micronutrient survey in partnership with UNICEF and provided technical inputs to the MoPH to enhance emergency preparedness and response capabilities.

World Bank Social Protection Engagement in Lebanon

As previously stated, the World Bank's social protection (SP) engagement in Lebanon is based on the commitment to advancing the implementation of Universal Social Protection (USP), ensuring access to social protection for all whenever and however they need it, while also taking into consideration each country's context and fiscal situation, and bearing in mind that the progress towards achieving USP will take time and significant resources. Please note that a universal program is a concept different from USP. There is no targeting in universal programs. Everyone, no matter how rich or poor within a state, benefits from such programs. Subsidies are a good example of universal programs. On the other hand, USP adopts a needs-based approach: individuals, families, and households should have access to social protection programs whenever they're in need throughout their life cycle to mitigate different shocks and crises.

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¹ <https://www.moph.gov.lb/en/Pages/0/67043/lebanon-national-health-strategy-vision-2030>

It is worth emphasizing that achieving USP varies according to political and economic factors specific to each country, but in all cases, ensuring fiscal space and building institutional capacity are essential prerequisites. To be specific, achieving USP requires: (i) a substantial increase in national spending to adequately expand the coverage of social protection programs; (ii) creating a financial space by reducing inefficient spending (such as elimination of subsidies which are quite regressive, better-taxing policies, etc.); and (iii) mobilizing more domestic revenues, in addition to the support of the international community. In addition, reaching the ultimate goal of USP requires the integration of multiple programs that address different life cycle risks. Moving into cohesive, integrated, and harmonized programs with robust and dynamic social protection delivery systems forms the foundations of USP. In our vision, USP and targeted programs can co-exist if there is enough funding for implementation.

The World Bank's current SP portfolio in Lebanon comprises analytical and operational work to support: (a) the establishment of the foundations of Social Safety Nets (SSNs); (b) a sustainable and equitable social insurance scheme; and (c) promoting human capital and improving labor market outcomes. On top of that, there are cross-cutting areas where the World Bank's engagement also directly/indirectly supports the health and education sectors.

Further, establishing the foundations of a strong SSN system requires: (a) a clear organizational structure and strong institutions to implement; (b) eligibility criteria that are tailored to the country context and updated regularly based on the changing circumstances; (c) a robust delivery system to provide benefits and services to those in need; and (d) sustainable financing to allow implementation of the programs. The World Bank is providing analytical and operational support to the Government of Lebanon to progress on all these fronts through capacity building and technical assistance to strengthen existing programs and systems. More specifically, the World Bank will leverage the findings of the recent Poverty and Equity Assessment (2024) to support the GOL in introducing evidence-based improvements to the design of cash transfer programs, including the targeting methodology, eligibility criteria, benefit structure and adequacy; and to continue the development of the DAEM social registry.

As indicated in our response to your letter of July 13, 2023, the World Bank's support is in line with the National Social Protection Strategy (NSPS), led by the Government through an inter-ministerial committee headed by the Minister of Social Affairs. The World Bank is supporting different elements of the NSPS. In particular, the Bank is supporting the Social Assistance Pillar through the ESSNP, the Social Insurance Pillar through technical assistance on Pension Reform, and the Economic Inclusion and Labor Activation Pillar through a recently launched Productive Economic Inclusion Pilot (For more information about the World Bank Program in Lebanon, please visit <https://worldbank.org/lb>). As expected, to achieve the intended objectives of the NSPS, considerable financial resources are required. The World Bank is in continuous dialogue with the Government, partners, and donors to secure the required financing for the anticipated programs.

Expanding the coverage of the current SSN and building a robust social protection delivery system with the DAEM Social Registry are the two critical elements towards achieving the objectives of USP in Lebanon in alignment with the NSPS. In June 2024, donor funding to the National Poverty Targeting (NPT) program was ceased. Currently, the Government is in the process of migrating eligible NPT beneficiaries -around 69,000 households- to the ESSNP which currently supports around 94,000 households. This migration process is supported by the World Bank, WFP, and donors, and will facilitate achieving a unified SSN program delivered through the same gateway (the fully digitized DAEM Social Registry). This will significantly improve the delivery process, prevent duplicated efforts in the provision of SSN benefits, and cover at least half of the poorest segments of the population.

Targeting is an effective tool used in social protection under a tight or constrained fiscal space. For a given budget, prioritizing poorer households can produce more progress in reducing poverty and inequality, smoothing income, and other dimensions of welfare such as human capital.² The ESSNP prioritizes socially vulnerable households that fall in the poorest segment of the population, selected through a proxy means test (PMT) approach. The PMT is a proxy for household welfare, calculated using household characteristics that are the strongest predictors of the welfare measure, given the absence of data on their income. To select the most appropriate variables, a relationship is established between them and the welfare measure. The most common approach is to rely on a regression analysis based on household budget surveys and welfare aggregates used to measure poverty. Regressions explain the variation in total consumption (or expenditure) per capita by selected explanatory variables.

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² *Revisiting Targeting in Social Assistance*: <https://www.worldbank.org/en/topic/socialprotection/publication/a-new-look-at-old-dilemmas-revisiting-targeting-in-social-assistance>

The PMT model, as used in the ESSNP, is complemented by vulnerability criteria to prioritize groups who were particularly vulnerable according to latest data, i.e., female-headed households, households with persons with disabilities, households with elderly, and households with children. As indicated earlier, the World Bank is providing the GOL with technical assistance to update the targeting methodology with the microdata from the Lebanon Household Survey (LHS) 2023. The analysis will also provide an evaluation of the existing targeting approach used in the ESSNP.

The ESSNP has been going through a continuous monitoring process. In addition to the established Grievance Mechanism (GM), the DAEM platform also supports the monitoring of project implementation, which consists of Post-Distribution Monitoring (PDM) carried out by the GOL with the support of WFP. The PDM includes the review and assessment of the payment process, the amount of cash transfers received, households' awareness of and experience with the GM system, the use of cash receipts, and any fraud and corruption encountered. The PDM disaggregates data by vulnerability group, i.e., gender and age, across all regions and districts. PDM data suggests that the Project is directly facilitating spending on health, nutrition, and education — critical elements for strengthening human capital.

In addition to PDM, a Third-Party Monitoring Agent was hired by the Project to verify the eligibility of the beneficiaries, confirm that payments have been made on time, and undertake technical audits. Results to date indicate that the Project is effectively supporting the poor and vulnerable, contributing to human capital preservation, and promoting increased efficiency, effectiveness, and transparency. Finally, the ESSNP follows the World Bank Environmental and Social Framework, which supports resilient and inclusive development by strengthening protection for people and ensuring inclusion, non-discrimination, and stakeholder engagement. A Social Impact Assessment³ was developed by the GOL during the preparation phase, to assess, manage, and monitor environmental and social risks and impacts associated with the project.

We hope that the above information is helpful. Since the ESSNP is a national program implemented by the Government of Lebanon, we encourage you to address further questions about the design and targeting directly to the Government, as well as questions about the long-term financing aspects, and statistical figures related to the number of beneficiaries, distribution of beneficiaries, reports on delivery, etc. We stand ready to meet with your team and/or to provide any additional information you may need on the Bank's role in supporting this program

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³ The SIA prepared for the AF2 is accessible at <http://documents.worldbank.org/curated/en/099143502272334663/P17336705c52d90f09aeb07a035e95f9fb>.

SEPTEMBER 2024 AMNESTY INTERNATIONAL LETTER TO THE PRIME MINISTER

Amnesty International sent its official letter to the Prime Minister in Arabic. The below is an English translation.

Dear Prime Minister Mikati,

I hope this letter finds you well. I am writing on behalf of Amnesty International, a global movement of more than 10 million people fighting for a world where human rights are enjoyed by all. I am following up on our July 2023 letter.

Over the last year, we have conducted research on the impact of Lebanon's economic crisis on human rights, focusing specifically on the surging need for social protection during the crisis, crashing government support, and the possibilities available to the government of Lebanon for financing rights. We plan to publish a report that details our findings. With this letter, we seek your response to some of our main findings and seek further information.

We kindly request your response by 1 October 2024, as it would allow us to reflect it in our final report. We are also available to meet in Beirut to discuss our findings, recommendations, and outstanding questions at any time that suits you or members of your team.

Our report finds that the government of Lebanon has failed to uphold its human rights obligations to people living in Lebanon, but that there are ways available to the government of Lebanon, should the political will exist, to fund and expand social protection, even as the economic crisis continues and additional crises arise. Our report includes recommendations to that effect.

The right to social security is enshrined in international law human rights treaties that Lebanon has ratified. The right to social security encompasses the right to access and maintain benefits, including cash and other forms of assistance, that protect people from lack of work-related income caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member, unaffordable access to health care, and insufficient family support, particularly for children and adult dependents. Social security is essential to securing other economic and social rights, such as the right to an adequate standard of living, which includes the rights to food and water, health care, and adequate housing. While economic crises impact the resources that states have to realize rights, even during economic crises, governments must work to ensure that people are able to enjoy minimum essential levels of their economic and social rights, including the right to social security.

Our report finds that the government failed to provide even a minimum floor of social protection to people during the crisis. Instead, the adequacy of social protection benefits fell, in some cases making them almost non-existent. Healthcare was less affordable across the board and unaffordable to many. Combined with pre-existing gaps in Lebanon's social protection system, this meant that, despite growing needs, many people were left with limited or no access to social protection while Lebanon was going through a historic, economic collapse.

In this context, we seek further information on the steps the government has taken since 2019 to address the impact of the economic crisis on people's right to social security. For example, what steps has the government taken to ensure that benefits remained adequate, including by being indexed to rising inflation? What steps has the government taken to ensure that covered workers receive an end-of-service indemnity that is the equivalent of the full value of what they had been promised, i.e. adjusted for inflation at the market rate? What steps did the government take to ensure that people were able to withdraw social security benefits that became stuck in the banks after 2019—for example, end-of-service indemnities or pension payments—at their full value? If so, what form did this support take, to whom was it provided, and what was the result? What steps did the government take to ensure that social security funds, whether public or private, that were housed in the banks were not unduly impacted by the crisis? If so, what form did this support take, to whom was it provided, and what was the result?

Our report finds that, while needs were surging during the crisis, government funding on social protection, in real terms, shrunk.

In this context, we seek the government's response and further information on how public spending on social protection changed from 2018 to 2024. How much funding was allocated for social protection in each year, from 2018 to 2024, to which social protection programs, and how much of this funding was allocated to benefits and how much to government costs, including personnel?

We also seek information regarding whether any social or human rights impact assessments were conducted, given the economic crisis, to identify which groups might be more at risk of adverse impact from the crisis and from funding cuts, and what measures might be necessary to support them.

The report acknowledges important steps taken by the government in recent years, including the roll out of the National Disability Allowance (NDA) and the adoption of the National Social Protection Strategy (NSPS), but finds that far more needs to be done for the government to meet its human rights obligations.

We seek further information on what steps the government has taken to move towards a universal social protection system with guaranteed social protection floors in Lebanon. In particular, please provide updates on any steps taken related to the following: (i) Introducing or expanding social grants, including broadening the scope of the newly introduced disability allowance to include all people with disabilities, introducing a child grant, and/or introducing a social pension; (ii) ensuring public, social insurance programmes, like the NSSF, are fully functional and capable of providing adequate benefits; (iii) moving towards universal health coverage; (iv) introducing a system for unemployment benefits; and (iv) ensuring that non-nationals, particularly refugees, can access adequate forms of social protection, be they funded by the government or humanitarian actors.

Multiple experts raised concerns about whether the government would, in fact, take the pledges and reforms outlined in the NSPS forward.

In this context, we seek information regarding the concrete steps the government has taken to take the NSPS forward, including costing the NSPS and developing a plan of action and timeframe for putting it into effect. Has the government evaluated how much it would cost to implement the NSPS and its various pillars? For example, has the government evaluated how much it would cost to expand the NDA to cover all people with disabilities in Lebanon, to adopt a child grant, to adopt a social pension, or to move towards universal health coverage? Has the government developed short, medium or long-term plans for how these funds could be raised? Please provide details and any relevant estimates.

The report raises concerns about the government's plans to ensure social protection is sustainable and adequately financed, including through, for example, ensuring adequate funds are dedicated to social protection in upcoming budgets and adequate funds are raised, including by ensuring government spending is rights-oriented and by raising revenues through tackling tax evasion and aggressive tax avoidance, adopting progressive tax reform, and adopting a just and equitable solution to the debt crisis. The report finds that the government has failed to harness multiple options available to it to raise funds.

In this context, we seek information on the steps the government has taken to ensure sufficient funding is available to finance rights. In particular, has the government conducted a public expenditure review to assess the extent to which government expenditure is sufficient to support the full range of social protection rights? If so, please provide the results of this review.

Has the government conducted a human rights impact assessment of the current tax system in Lebanon, including how the current tax system differentially impacts specific groups, studying the viability of specific proposals to make the system more progressive, and examining the ways in which the use of multiple exchange rates, including in taxation, benefitted certain groups and harmed others? If so, please provide the results of this review.

What steps has the government taken to address tax evasion and aggressive tax avoidance, including, for example, by abolishing banking secrecy, introducing a general anti-tax avoidance rule, and improving tax collection, including by ensuring relevant state institutions can properly function and through cooperation with other jurisdictions where people living in Lebanon hold substantial foreign assets?

While our report notes the role of international assistance, our research points out that Lebanon's donors have made clear that their support is waning. Further, our report notes that, since the crisis, key sources of international funding, most notably from the World Bank, have prioritized narrow poverty targeting programs that have been unable to adequately address rising needs and the increasing levels and dynamic nature of poverty in Lebanon. We raise concerns, based on our research, regarding lack of awareness of the programmes, difficulties registering for the programmes, the sustainability of the programmes, given both remain heavily donor dependent, and significant confusion around decision making concerning eligibility for support.

In this context, we seek further information regarding how the government plans to move away from narrow poverty targeting and towards a comprehensive and universal social protection system? How has the changing context in Lebanon, including increasing and dynamic poverty, as well as the political and

economic outlook, factored into the government's plans for moving towards a universal social protection system that upholds the right to social security for all? What role, if any, does the government envision for donors and international financial institutions like the World Bank in this transition?

In addition to the report's main findings, we include a background section describing the economic crisis, including the country's entrenched inequality and long-standing allegations of corruption and financial mismanagement. We describe the role of the Central Bank (BdL), commercial banks, and the government in causing and prolonging in the crisis, which has caused great human rights harms. The UN Special Rapporteur on poverty concluded in 2022 after a visit to Lebanon, "The Government and the broader political establishment, the Banque du Liban and the banking sector are jointly and severally responsible for the human rights violations that have resulted from the manufactured crisis Lebanon is experiencing today".

In that context, we seek further information on the steps the government has taken to implement overdue reforms to restore economic stability and strengthen and restructure the financial system in a manner that is (i) equitable, (ii) protects smaller depositors and does not disproportionately burden people on lower incomes, and (iii) ensures that the government retains sufficient fiscal space to guarantee economic and social rights protections? What steps has the government taken to ensure that Lebanon's human rights obligations are central to any restructure of the banking and financial sector, including but not limited to, conducting a human rights impact assessment of any planned reforms?

What, if any, investigations are currently open into current or former high-ranking government officials related to corruption, money laundering, mismanagement of state resources or other related financial crimes? Please provide details, including the number of investigations currently open, which officials are under investigation, whether charges have been brought or prosecutions concluded, and any results.

To what extent and how is the government of Lebanon cooperating with international probes involving allegations of corruption, money laundering, mismanagement of state resources or other related financial crimes by current and former government officials? Please provide details, including the investigations with which the government is currently cooperating, which officials are under investigation, and whether charges have been brought or prosecutions concluded, what support the government of Lebanon has provided, and any results.

What steps has the government taken to recover assets created through the proceeds of crime within the Lebanese banking system, for example as part of the bank restructuring process, and from foreign jurisdictions, and ensure recovered funds are used to strengthen human rights protections? Please also provide details on any assets seized or returned to the state, the value and nature of these assets, and how the state plans to ensure these assets are used for the benefit of people living in Lebanon.

The background section of the report also mentions the investigations into allegations of financial crimes brought against you outside of Lebanon, as well as reports of political interference into investigations into the former Central Bank governor. We note that you have publicly denied these allegations. The report also mentions that yourself and other prominent Lebanese figures were named in the Pandora Papers as having significant wealth held in offshore accounts and that some of these accounts were active during the period of the economic crisis. We note the concerns regarding what this might mean for contributions to the tax base, and that it raises questions worthy of further investigation.

Given the serious nature of these allegations, we are reaching out to ensure that we accurately represent your perspectives in our reporting. We invite you to respond to any of the above allegations, including to share any responses to the following: Any comments on the complaint filed against you in April 2024 and the allegations concerning money laundering and any comments on your inclusion in the Pandora papers, any offshore holdings owned or controlled by you, and how this relates to your contribution to Lebanon's tax-base. We would welcome receiving any information you would be willing to share on taxes you have paid each year since 2018.

We understand that the information we are requesting is extensive and detailed. We would be happy to arrange a time to meet in person to discuss these questions further. We have also written to other relevant actors within the government of Lebanon, as well as the World Bank, sharing our findings, recommendations, and asking for further information.

If a meeting is not possible, we kindly ask for your written responses by 1 October 2024. We appreciate your attention to these questions and look forward to your response. Your insights are crucial for our report, and we hope to incorporate your feedback to ensure a well-rounded analysis.

Thank you for your attention and cooperation. We look forward to your response. You can reach me at your convenience via phone on [REDACTED] or via email on [REDACTED].

SEPTEMBER 2024 AMNESTY INTERNATIONAL LETTER TO THE CENTRAL BANK

Amnesty International sent its official letter to the Central Bank governor in Arabic. The below is an English translation.

Dear Dr. Wassim Manssouri,

I hope this letter finds you well. I am writing on behalf of Amnesty International, a global movement of more than 10 million people fighting for a world where human rights are enjoyed by all.

Over the last year, we have conducted research on the impact of Lebanon's economic crisis on human rights, focusing specifically on the surging need for social protection during the crisis, crashing government support, and the possibilities available to the government of Lebanon for financing rights. We plan to publish a report that details our findings.

With this letter, we seek your response to information included in the report and related to Banque du Liban (BdL). We kindly request your response by 1 October 2024 as it would allow us to reflect it in our final report.

Our report finds that the government of Lebanon has failed to uphold its human rights obligations to people living in Lebanon, with a focus on the government's failure to provide even a minimum floor of social protection to people during the economic crisis. Combined with pre-existing gaps in Lebanon's social protection system, this meant that, despite growing needs, many people were left with limited or no access to social protection while Lebanon was going through a historic, economic collapse.

Our report also finds that, over the past five years, the government has failed to utilize multiple options available to it to fund and expand social protection, even as the economic crisis continues, and additional crises arise. This includes, for example, adopting a just and equitable solution to Lebanon's debt crisis. Resolving Lebanon's debt crisis justly and equitably requires far greater transparency, accountability and public consultation than has been on display since 2019, particularly given that decisions taken around Lebanon's debt crisis will impact the public funds and public assets available to the state to dedicate to realizing rights.

Our report acknowledges that debt relief in Lebanon is complicated, including due to the amount of debt and the make-up of the creditors, but a restructuring of public debt appears inevitable. As part of the negotiation on debt relief and restructuring, the public, civil society organizations, and parliament must be consulted in order to determine how to justly and equitably allocate losses.

These steps are particularly crucial in Lebanon because, as our report notes, since 2019, Lebanon's commercial banks have imposed informal capital controls on depositors, imposed haircuts on depositors' withdrawals, and sought to pressure the government to, for example, sell public assets. This has already imposed losses on the public. The report notes that influential actors within the commercial banking sector have taken the position that the government should bear the losses, effectively bailing out the banks. This would impose a significant financial burden on the public budget, in a context where the government is already unable to finance basic public and social services.

As with other revenue-raising possibilities, Lebanon is not lacking in options. Lebanese civil society, for example, have put forward their own proposals, which include giving priority to restoring the savings of small depositors and clawbacks on excessive interest payments, dividends paid to bank shareholders, and illicit transfers out of the Lebanese banking system in the lead up to and during the crisis. The IMF has also put forward proposals, including special protection for smaller depositors, given that such depositors are more reliant on their savings for daily spending than owners of large deposits.

Proposals to allocate losses should have the principles of equality and fairness at their core and should protect small depositors and should distribute losses equitably. The UN Guiding Principles on Human Rights Impact Assessment of Economic Reforms emphasize the importance of systematically assessing the impact of economic reforms on the enjoyment of all human rights before decisions are taken to implement them. This is relevant to any reform of Lebanon's banking and financial sector and any resolution of the debt crisis. Any debt restructuring should also result in material relief and reduce the amount of resources needed to service debt in Lebanon.

In this context, we seek information on the steps BdL has taken or has contributed to in order to restore financial stability in a manner that is (i) equitable, (ii) protects smaller depositors and does not disproportionately burden people on lower incomes, and (iii) ensures that the government retains sufficient fiscal space to guarantee economic and social rights protections. What steps has BdL taken, if any, to ensure

that Lebanon's human rights obligations are central to the resolution of the debt crisis, including but not limited to, conducting a human rights impact assessment of any planned reforms?

It is crucial that all parties to the debt negotiations act in accordance with their human rights obligations. Transparency is particularly crucial, given that depositors in Lebanon do not have a seat at the table in deciding how reforms are undertaken. According to the Basic Principles on Sovereign Debt Restructuring Processes, adopted by the UN General Assembly in 2015, transparency “should be promoted in order to enhance the accountability of the actors concerned”.

In this context, we seek further information on the steps BdL has taken to implement overdue reforms to increase transparency, including in relation to debt owed to BdL and debt owed by BdL. For example, what steps has BdL taken to ensure that key aspects of all agreements related to Lebanon's possible debt restructure and other relevant information are transparent and available for public scrutiny?

In addition to the report's main findings, we include a background section describing the economic crisis, including the country's entrenched inequality and long-standing allegations of corruption and financial mismanagement. We describe the role of BdL, the commercial banking sector, and the government in causing and prolonging the crisis, which has caused great human rights harms. The UN Special Rapporteur on poverty concluded in 2022 after a visit to Lebanon, “The Government and the broader political establishment, the Banque du Liban and the banking sector are jointly and severally responsible for the human rights violations that have resulted from the manufactured crisis Lebanon is experiencing today”.

In our report, we note that a forensic audit of BdL stated that the central bank had engaged in “unconventional accounting policies” that allowed it to disguise many billions in losses while maintaining a facade of profitability, including by offering significant incentives to commercial banks to increase their dollar deposits, and concealing any losses on its balance sheets. The report also mentions that the audit stated that the former central bank governor exercised “largely unscrutinized authority” and that the auditors identified more than USD 111 million in “illegitimate commissions” paid from a BdL account with no identifiable records to show that any service had been done to justify the payments. We note that the former governor has publicly disputed these findings. We also note that the former governor has had legal actions initiated against him and was recently arrested in Lebanon on allegations related to financial crimes.

Given the serious nature of these allegations, we invite you to respond to any of the above allegations, including to share any responses to the following:

- 1. Your perspective on the role of BdL and decisions taken by BdL in causing, contributing or prolonging the economic crisis and what steps BdL has taken to avoid future crises;*
- 2. Your perspective on the findings of the forensic audit of BdL, including the alleged “unconventional accounting policies” and “illegitimate commissions”, as well as its findings regarding lacking transparency;*
- 3. Has BdL launched any internal investigations regarding the findings of the audit or allegations related to corruption, money laundering, mismanagement of state resources, and other related crimes by current and former government officials? If so, what is the status of these investigations, what are the results, if any, and what steps has BdL taken to prevent corruption, money laundering and mismanagement of state resources moving forward?*
- 4. To what extent and how has BdL cooperated with domestic or international probes involving allegations of corruption, money laundering, mismanagement of state resources or other related financial crimes by current and former government officials? Please provide details, including the investigations with which BdL is currently cooperating, which officials are under investigation, what support BdL has provided, and any results.*

We kindly request your response by 1 October 2024 to enable us to work to include any responses received in our reporting. Should you prefer, we are open to arranging a meeting to discuss these matters in person.

Thank you for your attention and cooperation. We look forward to your response. You can reach me at your convenience via phone on [REDACTED] or via email on [REDACTED].

SEPTEMBER 2024 AMNESTY INTERNATIONAL LETTER TO THE FORMER CENTRAL BANK GOVERNOR

Amnesty International sent its official letter to Lebanon's former Central Bank governor in Arabic. The below is an English translation.

Dear Mr. Salameh,

I hope this letter finds you well. I am writing on behalf of Amnesty International, a global movement of more than 10 million people fighting for a world where human rights are enjoyed by all.

Over the last year, we have conducted research on the impact of Lebanon's economic crisis on human rights, focusing specifically on the surging need for social protection during the crisis, crashing government support, and the possibilities available to the government of Lebanon for financing rights. We plan to publish a report that details our findings.

With this letter, we seek your response to information included in the report and related to your tenure as Central Bank governor. We kindly request your response by 1 October 2024, as it would allow us to reflect it in our final report.

Our report finds that the government failed to provide even a minimum floor of social protection to people during the economic crisis. Instead, the adequacy of social protection benefits fell, in some cases making them almost non-existent. Healthcare was less affordable across the board and unaffordable to many. Combined with pre-existing gaps in Lebanon's social protection system, this meant that, despite growing needs, many people were left with limited or no access to social protection while Lebanon was going through a historic, economic collapse.

In addition to the report's main findings, we include a background section describing the economic crisis, including the country's entrenched inequality and long-standing allegations of corruption and financial mismanagement. We describe the role of the Central Bank (BdL), commercial banks, and the government in causing and prolonging in the crisis, which has caused great human rights harms. The UN Special Rapporteur on poverty concluded in 2022 after a visit to Lebanon, "The Government and the broader political establishment, the Banque du Liban and the banking sector are jointly and severally responsible for the human rights violations that have resulted from the manufactured crisis Lebanon is experiencing today".

In our report, we note that a forensic audit of BdL stated that the central bank had engaged in "unconventional accounting policies" that allowed it to disguise many billions in losses while maintaining a façade of profitability, including by offering significant incentives to commercial banks to increase their dollar deposits, and concealing any losses on its balance sheets. The report also mentions that the audit stated that you, during your tenure as governor, exercised "largely unscrutinised authority" and that the auditors identified more than USD 111 million in "illegitimate commissions" paid from a BdL account with no identifiable records to show that any service had been done to justify the payments. We note that you have publicly disputed these findings.

The background section of the report also mentions the investigations into allegations of money laundering and other related financial crimes brought against you in multiple jurisdictions, including Lebanon, as well as reports of political interference in these investigations. The report notes that you have now been charged with money laundering, embezzlement and illicit enrichment, and that multiple European countries are investigating you, your close associates, and family members for allegedly embezzling hundreds of millions of BdL funds and using that money to acquire luxury properties and assets. We also note that multiple countries have sanctioned you and family members for allegedly diverting millions of BdL funds for personal gain. We note that you have publicly denied these allegations.

Finally, the report mentions that yourself and other prominent Lebanese figures were named in the Pandora Papers as having significant wealth held in offshore accounts and that some of these accounts were active during the period of the economic crisis. We note the concerns regarding what this might mean for individuals' named contributions to the tax base, and that it raises questions worthy of further investigation.

Given the serious nature of these allegations, we are reaching out to ensure that we accurately represent your perspectives in our reporting. We invite you to respond to any of the above allegations, including to share any responses to the following:

1. *Your perspective on the role of the Central Bank and decisions taken by the Central Bank during your tenure in causing, contributing or prolonging the economic crisis;*

2. *Your perspective on the findings of the forensic audit of BdL and the alleged “unconventional accounting policies” during your tenure as BdL governor;*
3. *Any comments on the investigations that have been opened and the sanctions imposed related to allegations of corruption and other financial crimes against you and your associates, and any responses to the charges of money laundering, embezzlement and illicit enrichment that have been lodged against you in various legal proceedings;*
4. *Any comments on your inclusion in the Pandora papers, any offshore holdings owned or controlled by you, and how this relates to your contribution to Lebanon’s tax-base. We would welcome receiving any information you would be willing to share on taxes you have paid each year between 2018 and 2023, when your tenure as Central Bank governor ended.*

We kindly request your response by 1 October 2024 to enable us to work to include any responses received in our reporting. Should you prefer, we are open to arranging a meeting to discuss these matters in person.

Thank you for your attention and cooperation. We look forward to your response. You can reach me at your convenience via phone on [REDACTED] or via email on [REDACTED].

**AMNESTY INTERNATIONAL
IS A GLOBAL MOVEMENT
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WHEN INJUSTICE HAPPENS
TO ONE PERSON, IT
MATTERS TO US ALL.**

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“THE COUNTRY IS DISSOLVING AND NO ONE CARES”

SURGING NEED AND CRASHING SUPPORT FOR SOCIAL SECURITY DURING LEBANON'S ECONOMIC CRISIS

This report examines the impact of Lebanon's financial and economic crisis on people's right to social security. Rather than shoring up this crucial right when people desperately needed support, the government of Lebanon let the little support that did exist collapse. People that Amnesty International interviewed in 2023, including older persons, people with disabilities, carers of older or disabled relatives, Syrian refugees, and people who worked in the informal sector, said this had devastating effects on their lives. The government of Lebanon failed to uphold its human rights obligations and international donors and lenders, most notably the World Bank, failed to support Lebanon in a move towards a universal social protection system that could realize the right to social security for all those living in the country. Instead, they doubled down on narrow, poverty-targeting programmes that were unable to meet the rising needs or adapt to the changing nature of poverty in Lebanon during multiple compounding crises. The government of Lebanon should work to establish a universal social protection system that becomes capable of supporting people through the different contingencies and risks they will face in the normal course of a lifetime, as well as through the crises that continue to disrupt and devastate their lives.