

# Policy Brief

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## Engaging Municipalities in the Response to the Syria Refugee Crisis in Lebanon

Recommendations to inform donor funding, implementing agency practice, and national government policy

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# I. Executive Summary

Lebanon's political, economic, and social challenges preceded the Syria refugee crisis. However, the population shift from Syria is causing enormous pressure on host communities and exacerbating instability triggers. With funding from the British Embassy in Beirut, Mercy Corps conducted in-depth assessments in 12 vulnerable municipalities in Lebanon and found that 71% of the surveyed host community indicated that conditions have worsened in their municipalities. For instance, 79% of municipalities identified service delivery (i.e. water, electricity, education) as their greatest challenge, which has a direct impact on the local populations' ability to fulfil their basic needs. Also, 50% of the host community and 47% of the refugee population indicated that unemployment is their primary concern. As socio-economic conditions in the country continue to decline and political instability rises, it is projected that there will be an increased risk of intolerance and withdrawal of host community assistance to refugees.<sup>1</sup> To strengthen social cohesion and prevent further political instability, humanitarian organisations, donor agencies and the central government must immediately focus on remedying the socio-economic impediments and wider systematic needs exacerbated by the Syria refugee crisis with conflict sensitive approaches.

However, while these challenges exist, there are bright spots as well as successful responses that municipalities across Lebanon have developed to manage the Syria refugee crisis. Despite this conventional wisdom about community-level tensions, Mercy Corps found that over 65% of Syrians felt welcomed by the host community, and only 23% of refugees currently feel that the Lebanese do not welcome them any longer. At the same time, 85% of Lebanese indicated that they felt a moral obligation to host Syrian refugees. Moreover, while municipalities lack key resources, they are proactive and working to address community-level needs. Out of the 12 surveyed municipalities, 100% are registering refugees and providing housing assistance, while 89% are facilitating assistance provision, 78% have increased their security presence with more staff in their communities, and 78% are providing dispute resolution facilities between refugee and host communities. Since municipalities are on the frontline of the crisis, they are aware of community needs, as well as how to best manoeuvre project implementation in such a delicate environment.

Mercy Corps sees enormous potential to address these pressing social-economic needs in collaboration with municipal actors because they understand and prioritise community needs, as well as know how to best operate project implementation within sensitive political, social, and economic dynamics. At the same time, Mercy Corps aims to initiate and advance discussions about modalities to create humanitarian and development hybrid approaches to increase the effectiveness of assistance at this critical juncture in Lebanon. **Thus, it is essential that NGOs, donor agencies and the Government of Lebanon work to empower and support municipalities to strengthen their capacity to reconcile local-level challenges.**

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<sup>1</sup> Things Fall Apart: Political, Economic and Social Instability in Lebanon. Mercy Corps Livelihood Assessment, page 6, June 2013

#### **HUMANITARIAN ORGANISATIONS ARE RECOMMENDED TO:**

1. Build transparent and collaborative partnerships with municipalities to establish systems that help them successfully support their communities and refugees for the years to come;
2. Immediately increase and improve access to information for municipalities and wider Lebanese, Syrian and Palestinian populations to inform them of available services, locations, and contact information to access this support;
3. Ensure projects are implemented in a conflict sensitive manner to avoid exacerbating tensions;

#### **DONORS ARE RECOMMENDED TO:**

4. Support longer-term approaches and allow for longer funding cycles in order for organisations to have a greater impact on the ground;
5. Fund programming that creates a hybrid of humanitarian-development assistance to ensure larger, systematic needs are addressed;
6. Require that NGOs not just “pass through” municipalities, but help reinforce the local government’s ability to identify, respond and monitor refugee and host community needs in close coordination and collaboration with the Ministry of Interior;
7. Ensure conflict sensitive approaches are required in all programming and provide guidelines to inform their application;

#### **THE GOVERNMENT OF LEBANON IS RECOMMENDED TO:**

8. Foster greater linkages and coordination between key ministries that provide financial and technical resources to bolster municipal actions;
9. Engage the private sector to work closely with public sectors and civil society to foster economic growth and determine market-sectors that could be developed and expanded upon;
10. Improve the efficiency of municipal public services and administrative capacity through greater decentralisation.

## II. Introduction

Since the start of the Syria crisis, an estimated 962,385 refugees have sought refuge in Lebanon.<sup>2</sup> Projections are expected to be significantly higher due to the number of refugees that are still unregistered and the continuing flow of refugees entering the country. Moreover, this number does not include approximately 52,000 Palestinian Refugees from Syria (PRS).<sup>3</sup> The host population in some municipalities has become less than the Syrian refugee population, thus affecting demographics and raising concerns regarding Lebanon’s delicate confessional system. The Government of Lebanon estimates that up to one million refugees are scattered over 1,000 municipalities, directly impacting the lives of approximately 1.2 million people in Lebanese host communities, over a quarter of Lebanon’s population.<sup>4</sup>

Lebanon already faced challenging political and economic conditions prior to the Syria crisis; however, the additional pressures of this crisis are posing greater risks to the stability of the country. According to the *World Bank’s Economic and Social Impact Assessment on Lebanon* (ESIA), the influx of refugees is likely to cut the country’s Gross Domestic Product by 2.4 percentage points per year (2012-14), push an additional 170,000 Lebanese into poverty (adding to the one million already living below the poverty line), double the percentage of unemployed, and result in a total fiscal impact of USD \$2.6 billion in reduced revenues and increased expenditure.<sup>5</sup> Many municipalities that absorbed substantial numbers of refugees were already poor and vulnerable before the refugee crisis, thus making it even more difficult for municipalities to meet the most basic needs of both the host and refugee populations. In addition to a deteriorating and fragile labour market, there are concerns that the lack of social cohesion between host and refugee communities will be further exacerbated due to increasing job competition, scarcity of basic services and population increase in communities.<sup>6</sup>

In response to the World Bank ESIA report, the Government of Lebanon (GoL) has developed a Roadmap for Priority Interventions for Stabilisation from the Syria Conflict<sup>7</sup> that recommends a four-track approach: (1) Existing projects should be scaled up and existing actors should rapidly respond; (2) Mid-size projects should be planned; (3) Longer term delivery and impact should be achieved through resilience building programming; (4) Private sector engagement in the Lebanese market should be stimulated.

<sup>2</sup> UN High Commission for Refugee Web Portal: <http://data.unhcr.org/syrianrefugees/country.php?id=122> as of 14 February 2014.

<sup>3</sup> UN Relief and Works Agency: <http://www.unrwa.org/prs-lebanon>

<sup>4</sup> Regional Response Plan 6, Overview November 2013.

<sup>5</sup> Lebanon: Social and Economic Impact of the Syrian Conflict 20 September 2013. World Bank Report 81098-LB

<sup>6</sup> Things Fall Apart: Political, Economic and Social Instability in Lebanon. Mercy Corps Livelihood Assessment, page 6, June 2013.

<sup>7</sup> Government of Lebanon: Roadmap for Stabilization from the Syrian Conflict. October 12, 2013. World Bank Meeting Minutes, Washington DC

These strategies will be fundamental to increasing assistance and support to host communities in Lebanon; however, to make them indeed effective, local-level municipalities must be included in the design and implementation because they are the frontline response to refugee and host community needs.

Heads of Municipalities and their municipal-level staff are challenged daily to meet the increasing needs of their constituents with scarce resources, while simultaneously remedying the effects of the Syria refugee crisis. Faced with issues such as greater job competition, rising food and fuel prices, higher housing costs and strained municipal systems with limited capacity, municipalities are trying their best to meet the growing challenges. Much is expected of the municipalities to respond to the Syria refugee needs, but limited support or guidance is provided to help them cope with these issues. Registering new arrivals, maintaining security, ensuring adequate and sufficient water, electricity and sanitation services, facilitating shelter, as well as preventing and mediating community tensions, are only but a few of the increasing pressures facing municipalities.

There are more than 1,000 municipalities in Lebanon, of which 70% are small because they have less than 4,000 registered inhabitants. Furthermore, approximately 800 municipalities are administratively and fiscally weak and do not have the capacities to offer many of the designated services they are mandated to.<sup>8</sup> Only two-thirds of all municipalities are members of Municipal Unions, of which there are 51 in the country; thus those that are excluded from Unions are even more vulnerable since they are unable to reap the benefits of being a part of one. However, some still choose to not join a Union due to dominant and conflicting political demographics. While there are several advantages for municipalities to join Unions, such as sharing pooled resources, benefiting from the separate budget provided annually to Unions for the implementation of common projects, and collective decision-making to inform wider policy, there are also disadvantages mainly related to differing political positions. This leads to the formation of Unions with inconsistent geographic, social and economic attributes, which largely prevents concrete decision-making and implementation of common projects. In addition, most of the Unions lack the administrative capacity and fiscal autonomy to function effectively.<sup>9</sup>

However, while the needs and challenges are enormous, there are 'bright spots' and successful responses that municipalities across Lebanon have developed to manage the Syria refugee crisis. Mercy Corps, with support from the British Embassy in Beirut, seeks to draw attention to these successful municipal responses and other findings from our field-level assessments in the hopes

that international and national actors complement municipalities' efforts to improve the situation for host and refugee communities alike. Mercy Corps sees enormous potential to address humanitarian needs through programming at the municipal-level because they understand and prioritise community needs, as well as know how to best manoeuvre project implementation under sensitive political, social, and economic dynamics.

At the same time, Mercy Corps aims to initiate deeper discussions about modalities to merge humanitarian and development approaches to increase the effectiveness of assistance at this critical juncture in Lebanon.

*There is high unemployment for Lebanese because Syrians are working for lower wages and tensions are rising between us. Syrian refugees are getting aid and their situation is getting better than Lebanese families. If this is not solved, it may cause future conflicts.*

*–Focus group participant, Taybeh municipality*

This Policy Brief highlights the greatest needs of the refugee and host communities, as well as municipalities, and details how humanitarian organisations, donors, and the central government can better support and engage with municipalities to reconcile the growing challenges of the Syria refugee crisis. Moreover, this assessment outlines recommendations to inform donor funding, implementing agency practice, and national government policy.

This document is complemented by a Guidebook that outlines successful responses Mercy Corps identified based on extensive consultations with Heads of Municipalities and municipal staff throughout Lebanon. This Guidebook was distributed to hundreds of municipalities to initiate a dialogue on how municipalities can respond to the refugee crisis and discuss lessons learned and ways forward. Together, the Guidebook and this Policy Brief aim to complement and improve municipal efforts, as well as mobilise implementing organisations, donors, and Government of Lebanon to collaborate with municipal actors to improve the response to the Syria refugee crisis in Lebanon.

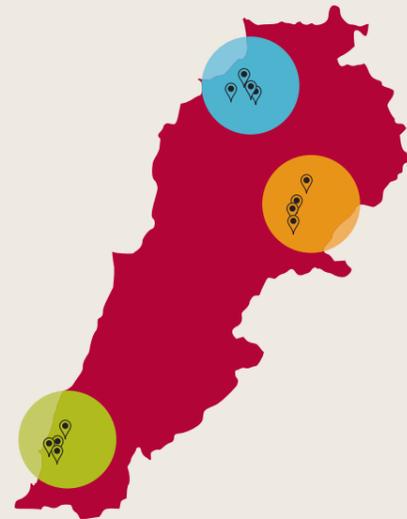
<sup>8</sup> Atallah, Sami. Decentralization in Lebanon. Featured Analysis, LCPS, March 2012. <<http://www.lcps-lebanon.org/featuredArticle.php?id=6>>.

<sup>9</sup> Atallah, Sami. Establishing Regional Administrations for Integrated Development. Policy Brief, LCPS. <[http://www.lcps-lebanon.org/publications/1347371684-policybrief\\_2.pdf](http://www.lcps-lebanon.org/publications/1347371684-policybrief_2.pdf)>.

# III. Methodology

Mercy Corps partnered with three municipal unions located in the North, Bekaa, and South Governorates and selected four municipalities within each union to conduct a comprehensive assessment of municipal responses to the Syria crisis.

North - Dannieh Union	Bekaa - Baalbeck Union	South - Tyre Union
Assoun	Baalbeck	Bazourayeh
Bikasfreen	Doures	Bidyeh
Deir el Nbouh	Makna	Bourj el Shamale
Mrah al Sraj	Tybeh	Ein Baal



## A. MUNICIPALITY SELECTION CRITERIA

Mercy Corps focused on selecting municipalities from the 225 vulnerable cadastral list.<sup>10</sup> After reviewing the list, we used the following selection criteria:

- Municipalities with a refugee population of at least 30%;
- Municipalities that demonstrated a response to refugee and host issues in some capacity through provision of services, material support/relief, security, or administrative issues;
- The unions selected have a mix of municipalities with high and low administrative capacity and resources; and
- Mercy Corps had an existing relationship with the union and/or municipality to facilitate access within short project timeline.

<sup>10</sup> This list was formulated in August 2013 by the Government of Lebanon's National Poverty Programme, in association with the UN High Commission for Refugees and United Nations Children's Fund.

## B. ASSESSMENTS CONDUCTED WITH MUNICIPALITIES

Mercy Corps implemented four surveys within the 12 targeted municipalities. These multi-dimensional surveys captured the key information used to develop this Policy Brief, as well as the Guidebook previously mentioned. In addition to these survey tools, twenty-four focus group discussions (FGD) were conducted in total: two were conducted in each municipality, one with the host community and one with the Syrian refugee population.

### Survey 1: Municipal responses to Syria crisis

This survey was conducted with the Heads of Municipalities and municipal staff to obtain a better understanding of what actions municipalities implemented to respond to the Syria refugee crisis. This included actions to manage refugee influx, rationale for actions taken, actors involved, coordination and planning, results and accomplishments, lessons learned and challenges, as well as the current assessment of what needs to be improved

### Survey 2: Inventory of municipal-level projects

This survey was conducted with Heads of Municipalities and municipal staff to learn about previous and current efforts to build municipal abilities by understanding the type of support they receive (i.e. capacity building, material support, etc.); who provides support (i.e. national, international or multilateral actors); what projects were developed or implemented; funding mechanisms; existing social capital; and emergency preparedness.

### Survey 3: Service provision

This survey was conducted with organisations providing services, assessments or projects within the municipalities to understand the technical scope and scale of services provided and what enables/prevents service provision.

### Survey 4: Public perception survey

The final survey was conducted with the public, including both the Lebanese host community and Syrian refugee population from the participating municipality to obtain a better understanding of how members of the host and refugee community perceive municipal responses to the crisis. This included 121 host community and 120 Syrian refugee surveys coupled with 12 FGD in North (4), Bekaa (4), and South (4) governorates.

In addition, as part of this assessment methodology, Mercy Corps partnered with the 12 targeted municipalities to implement micro-projects in each municipality to remedy some of their primary challenges. These projects largely consisted of water and sanitation, non-food item distribution, and waste management activities.

## IV. Challenges & Needs of Host Communities and Refugees

### A. SOCIO-ECONOMIC CONDITIONS DECLINING

The Syria refugee crisis has had a profound impact on individuals, households, and communities. The high refugee influx is taxing resources such as jobs, housing, schools, water, and electricity. Even before the refugee crisis, Lebanon faced poor economic conditions and instability. The rapid growth in population due to the refugee influx is causing a substantial increase in labour supply, which in turn has been negatively impacting employment opportunities. Jobs that used to employ working class Lebanese are now employing Syrian refugees for lower wages, resulting in higher unemployment for Lebanese and a decrease in standard wages. Unemployment among Syrian refugees is also extremely high, and consequently creating enormous needs for both refugees and host communities.

*There were no issues in this community since the Syria refugee crisis. We have good relations with our neighbours who are Syrian and we are sympathetic to their situation. But Lebanon in general has been negatively impacted both economically and in terms of security. There are no jobs and this is especially difficult for youth that do not have diplomas because there is more job competition and Syrians are taking their job for less money.*

*-Focus group participant, Bidyas municipality*

The needs and concerns of the Lebanese and Syrians are strikingly similar. In the 241 surveys and 12 FGDs conducted, there was an overwhelming and resounding desire for **more employment opportunities and basic services, specifically electricity and water**. 50% of the host community and 47% of the refugee population indicated that unemployment is their primary concern. In addition, 55% of the host community and 28% of the refugee community expressed that electricity is a key need and that electricity outages are a significant problem, while 36% of the host community and 15% of the refugee community expressed that water access is also a pressing need.

However, rather than seeing dwindling resources as necessarily divisive, and therefore a threat to social cohesion, the same issue can be seen as a connector between individuals, groups and communities, building on the Lebanese' generosity to strengthen local capacities for peace. By focusing on addressing the root causes of tension, NGOs, donors, and the national government can potentially prevent and manage incidences of conflict by improving socio-economic conditions in the country. Humanitarian and development programming design and activities should merge the efforts of local and national government, donors and NGOs to effectually address these needs and issues.

### B. IMPROVING ECONOMIC CONDITIONS TO MITIGATE VIOLENCE & IMPROVE SOCIAL COHESION

As the situation becomes steadily more difficult, there is a fear that growing economic frustration will lead to greater tensions between individuals, groups, and communities.<sup>11</sup> Mercy Corps' *Things Fall Apart: Political, Economic and Social Instability in Lebanon* Livelihood Assessment from April 2013 demonstrates a 95% confidence level that greater perceptions of economic security decreases people's propensity toward violence.<sup>12</sup> Thus, increasing perceptions of economic security leads to a decrease in risks of violence.

As the economic situation continues to deteriorate in Lebanon, the propensity towards violence increases as demonstrated by reports of tented settlement burnings, municipalities refusing to absorb additional refugees, and bullying of Syrian students in schools.<sup>13</sup> Nevertheless, this is but one side of the story. While the national and international narrative on the impact of the Syria crisis on Lebanon has frequently portrayed the situation as Syrians overwhelming Lebanon's already stretched resources, there are untold stories of Lebanese generosity.

*In the 2006 war, many of us went to Syria and Syrians welcomed us in their homes. But they had the capacity to do so since their economic situation is better than ours. The Lebanese situation is harder, especially in the South where the people are generally from lower economic classes than other families in Lebanon. Despite this, we are still helping them as much as we can.*

*-Focus group participant, Bourj el Shamale municipality*

Mercy Corps found that over 65% of Syrians felt distinctly welcomed upon their arrival in Lebanon, and while this has naturally decreased as time passed and economic pressures increased, only 23% of refugees currently feel that the Lebanese do not welcome them any longer. The generosity of the Lebanese cannot be understated – 85% of Lebanese interviewed said their actions arose from a common sense of humanity and shared culture and history.

Moreover, 42% donated to an organisation and 23% conducted some form of volunteer work in their community (Table 1). **It is these acts that the national and international response must focus on to better understand and reconcile tensions, as well as see the shared needs between Lebanese and Syrians as an opportunity to promote social cohesion.**

<sup>11</sup> To the question, 'Have conditions in municipality improved or worsened since start of crisis?' Greatly improved 7%; Somewhat improved 3%; Stayed the same 30%; Somewhat worsened 40%; Greatly worsened 20%

<sup>12</sup> *Things Fall Apart: Political, Economic and Social Instability in Lebanon*. Mercy Corps Livelihood Assessment, page 6, June 2013.

<sup>13</sup> Lebanese burn down Syrian refugee camp, 13 December 2013. Al Akhbar English <<http://english.al-akhbar.com/content/lebanese-burn-down-syrian-refugee-camp>>.

In addition, the Lebanese government, with the support of local and international organisations, must focus on strengthening the coping mechanisms of struggling Lebanese and Syrian workers and provide practical income-generating opportunities in the short and medium term.

TABLE 1

Since the start of the Syrian refugee crisis, Lebanese have	% Lebanese Respondents
Done volunteer work in their community	23%
Donated money or other assistance to an organisation	42%
Participated in a local or national campaign	13%

(Top three selected responses)

## V. Challenges & Needs of Municipalities

### A. INCREASED POPULATION AND SIGNIFICANT PRESSURES ON RESOURCES

Under such conditions it should come as no surprise that municipalities are struggling to cope with the socio-economic pressures, namely related to service provision due to the rapid population increase in their areas of jurisdiction. During Mercy Corps' assessment, Heads of Municipalities expressed that the substantial increase in population has resulted in greater demand for water, electricity, and waste management, which they do not have the adequate resources to provide. Their services are exhausted and they require additional capacity to continue to provide these services to their constituents and refugees. Based on Mercy Corps' assessment, 71% of the surveyed host communities indicated that conditions have worsened in their municipalities. Despite these massive needs, there are bright spots as municipalities work to meet the needs of Lebanese and Syrians alike.

Out of the 12 surveyed municipalities, 100% are registering refugees and providing housing assistance, while 89% are facilitating assistance provision, 78% have increased their security presence with more staff in their communities, and 78% are providing dispute resolution facilities between refugee and host communities. Since municipalities are on the frontline of the crisis, they are aware of community needs, as well as how to best manoeuvre project implementation in such a delicate environment.

### B. MUNICIPALITIES ON THE FRONTLINE

Mercy Corps believes that as a result of their position municipalities not only have unparalleled knowledge of local dynamics, but have also built local support through their positive actions in their communities. Despite an uphill struggle, municipalities have created a measure of trust amongst both their Lebanese constituents and Syrian refugees. At the same time, many municipalities are working with limited resources to respond to immediate community-level needs for both refugee and host communities. Nearly double the amount of Syrian respondents agreed with the statement that the local municipality is meeting their household needs as compared to people who disagreed (Table 2), and over two-and-a-half times as many respondents believed that the municipality's response has improved, than those stating that has not (Table 3). While the goal of efficient coordination and collaboration with humanitarian organisations remains elusive, some progress is being made whereby 52.5% of respondents indicated that their municipality's response is improving (Table 3). 78% of respondents identified a range of activities undertaken by organisations within their municipalities that assisted both Lebanese and Syrians, including direct programme implementation, financial assistance and meeting basic needs, among others.<sup>14</sup>

TABLE 2

Do you think the municipality is responding to you and your family's needs and interests?	% Syrian Refugee Respondents
Agree	46%
Disagree	26%

(Excluded 'other' responses)

TABLE 3

In your opinion, do you think the municipality's response is improving?	% Syrian Refugee Respondents
Agree	52.5%
Disagree	19%

(Excluded 'other' responses)

<sup>14</sup> Responses to "How have organizations helped your municipality?": Implementing projects 14%; Lessening the load on municipalities 29%; financially funding municipalities 21%; addressing the demand on resources 7%; addressing basic needs 7%.

Consequently, municipalities are well positioned to facilitate and support national and international organisational responses, specifically ensuring that programmes reinforce positive methods of interaction between and for Syrians and Lebanese that serve to connect them, as the unparalleled levels of generosity did at the beginning of the response, and continue to do so despite significant strain. **By ensuring that programming and distribution of aid is implemented in a fair and balanced manner, municipalities can help ensure that social tensions are not exacerbated and the host community is benefitting from assistance as well.**

## C. PRIORITISE MUNICIPAL NEEDS

It should come as no surprise that municipalities need greater capacity building and support considering the rapid rise in population coupled with the decrease in available resources and the strain on current resources. While tasked with numerous responsibilities, most municipalities simply do not have the proper resources or skills to adequately fulfil their roles. Based on Mercy Corps' assessment, municipalities primarily indicated that capacity building is their greatest need. **The key area of capacity building that Heads of Municipalities call for is municipal-staff training in technical and management skills, coordination, and planning.** Non-governmental organisations (NGOs) can offer such capacity building by coordinating amongst one another regarding potential specialised training they can provide by region. For example, NGOs with strong procurement departments can support municipalities in improving their operations and compliance procedures; or organisations with strong finance departments can provide training to municipalities on bookkeeping and finance, improved procedures and policies, as well as how to best budget for their municipalities

In addition, most municipalities do not understand the donor architecture and humanitarian coordination structures; therefore, it would be useful for NGOs to inform of these frameworks so they too are able to navigate and better cooperate with donor organisations and NGOs. There is a significant opportunity whereby many municipalities are open to receiving specialised support from national and international organisations, and implementing agencies should utilize the political will of engaged Heads of Municipalities and municipal staff who are eager to collaborate to improve conditions in their municipalities.

The second need outlined by municipalities is **additional funding**. The Government of Lebanon maintains the Independent Municipality Fund (IMF), which provides financial support to municipalities. Most municipalities rely on transfers from the national government and its public entities, specifically from the IMF. However, since the start of the Syria refugee crisis in Lebanon, additional funding was not provided to municipalities to address the increased needs. As stated in decree 1917, the IMF is responsible for disbursing regular funds to municipalities, but this is frequently delayed and often made in two to four instalments, which prevents municipalities from planning or undertaking long term developmental projects. There are a wide range of reforms that could potentially be made to the IMF as part of a larger response to the socio-economic challenges in the country.<sup>15</sup> On a more immediate term, additional funding is needed to cover the response of the refugee crisis. Small municipalities are even more dependent than others since most of their budget is derived from the IMF making them significantly dependent on transfers from the central government. This is problematic since many Heads of Municipalities have indicated that their dues are consistently delayed or not provided.

The third challenge for municipalities includes **navigating national processes and coordinating with ministries**. Specifically, some existing bureaucratic systems and processes at the central government level hinder municipalities to perform their municipal duties. For example, municipalities must go through a long and arduous process to hire a municipal employee. In the instance of the municipality of Ba'aklin it took three years, 73 referrals, and up to 15 signatures to hire a treasurer. There are at least five ministries and agencies—Ministry of Interior and Municipalities, Court of Audit, Civil Service Board, General Directorate of Urbanism at the Ministry of Public Works, and Ministry of Finance—that govern the sector.<sup>16</sup> Reforming these processes must be a priority for the national government, and while that is ongoing, current measures must be put in place to ensure that municipalities do not have their hands tied while attempting to cope with the current situation. Simultaneously, organisations should work in partnership with municipalities to implement necessary municipal projects and services and fill the gap of the central government in order to make municipalities more self-sufficient and independent by building their local governing capacity.

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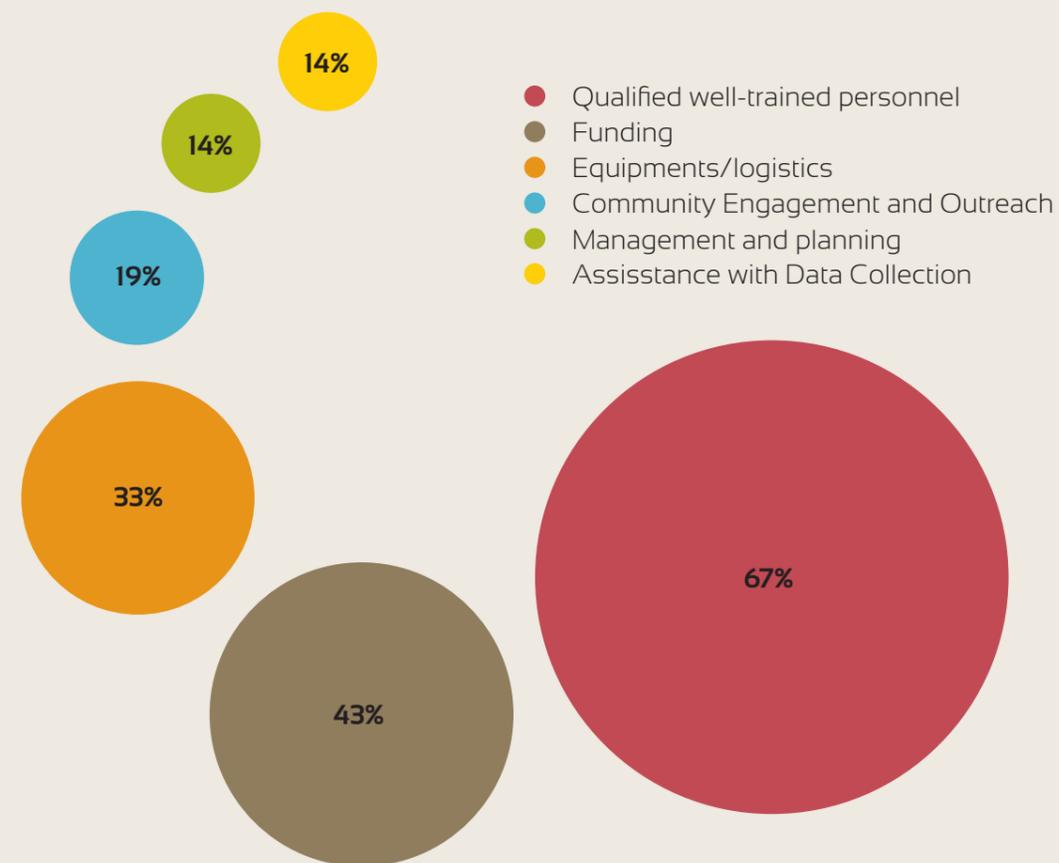
<sup>15</sup> Atallah, Sami. A Three-Pronged Strategy for the New Government to Address Lebanon's Socio-Economic Challenges. Featured Analysis, LCPS, January 2014. <<http://www.lcps-lebanon.org/featuredArticle.php?id=18>>.

<sup>16</sup> Atallah, Sami. Establishing Regional Administrations for Integrated Development. Policy Brief, LCPS. <[http://www.lcps-lebanon.org/publications/1347371684-policybrief\\_2.pdf](http://www.lcps-lebanon.org/publications/1347371684-policybrief_2.pdf)>.

Fourth, municipalities expressed a **need for equipment to support their activities**, such as waste collection and water provision. As part of this project, Mercy Corps provided in-kind support to the 12 municipalities participating in this assessment to address immediate needs. The majority of the municipalities selected the purchase of additional waste bins for their municipality to improve waste management. In addition, other municipalities decided to purchase additional waste trucks to increase the number of solid waste collection rotas the municipality is able to conduct. Other requests for equipment were pipes to improve water access or sewage management, as well as fuel to increase municipal access to water. Implementing organisations, like NGOs, can play an instrumental role in this arena by facilitating procurement and providing in-kind grants to municipalities, which can help mitigate corruption risks while simultaneously addressing the most pressing needs of both refugee and host communities, and municipalities. In-kind grant contributions are an important mechanism that NGOs can use and expand to address wider systematic problems within municipalities, rather just household-level interventions.

GRAPH 1

Priorities of Surveyed Municipal Capacity Building Needs



(top selection selected)

## D. FISCAL AUTHORITY BETWEEN CENTRAL & LOCAL GOVERNMENT

As outlined above, the lack of financial support is a critical issue for municipalities. Municipalities do not receive sufficient funding from the central government and the revenue from taxes is minimal within most of the municipalities, due to the absence of large investments and the low collection rate. As a result of not receiving sufficient and timely funding from the central government at least 29% of municipalities are unable to cover salaries, administrative costs, among other municipal duties, as well as provide fiscal support for municipal projects targeting host communities or refugees.<sup>17</sup> Dues must be distributed to municipalities on a timely basis in order for them to pay their staff and implement planned projects and services efficiently. In addition, the central government should better allocate the IMF funding to support municipal projects. While these requests require major national reform, which will take significant time and may not be feasible currently, these recommendations represent the key interests of municipalities, as expressed under this assessment and gradual changes that must be taken to empower municipalities and lead to national reform.

As a result of these national-level challenges, municipalities are unable to properly plan for medium to long-term projects since dues are frequently delayed. For example, contracts are cancelled or unable to be finalised and municipal workers are unpaid for a long period of time, thus unmotivated to work.<sup>18</sup> Furthermore, weak administrative capacities, high dependence on the IMF for revenues, long bureaucratic procedures, and the lack of fiscal authority hinder municipalities' ability to enhance service delivery and development projects in a timely fashion.<sup>19</sup> While the law obliges municipalities to fulfil a wide range of responsibilities, they do not have the revenue and administrative capacity to do so. Municipalities have fallen to a vicious cycle in which they have insufficient staff to collect fees and taxes, and without municipal revenue, they are unable to hire staff to provide these services.<sup>20</sup>

TABLE 4

What else can be done by the central government to support your municipality?	% Municipal Respondents
Implementing actual projects	8%
Paying municipalities their dues	31%
Interfering through the coordination of various ministries	15%
Financially funding municipalities and projects that target refugees	31%
Generally facilitating, planning, supervising, and monitoring	15%

<sup>17</sup> Atallah, Sami. A Three-Pronged Strategy for the New Government to Address Lebanon's Socio-Economic Challenges. Featured Analysis, LCPS, January 2014. <<http://www.lcps-lebanon.org/featuredArticle.php?id=18>>.

<sup>18</sup> Ibid

<sup>19</sup> Ibid

<sup>20</sup> Ibid

Despite these massive challenges, there are bright spots. Mercy Corps, in partnership with 12 municipalities in three governorates of Lebanon, developed a Guidebook based on successful responses municipalities are using to manage the refugee crisis. Many of the identified responses are being implemented without financial support, rather they are based on the creative ingenuity at the local level.

Though one critical area of improvement that is needed, which does not necessarily need additional financial resources is better collaboration and coordination with NGOs. Under this assessment, 51% of refugees surveyed indicated that coordination between organisations and municipalities is bad (Table 5), while 57% indicated they are unaware of the services available to them (Table 6) and 60% indicated they do not know where to go for support (Table 7). The municipal response cannot be improved without joint effort from implementing organisations, donors and the national government to work hand-in-hand to meet the needs of the host community and refugee population.

GRAPH 2

Syrian Refugee Perception of NGOs - Municipal Coordination

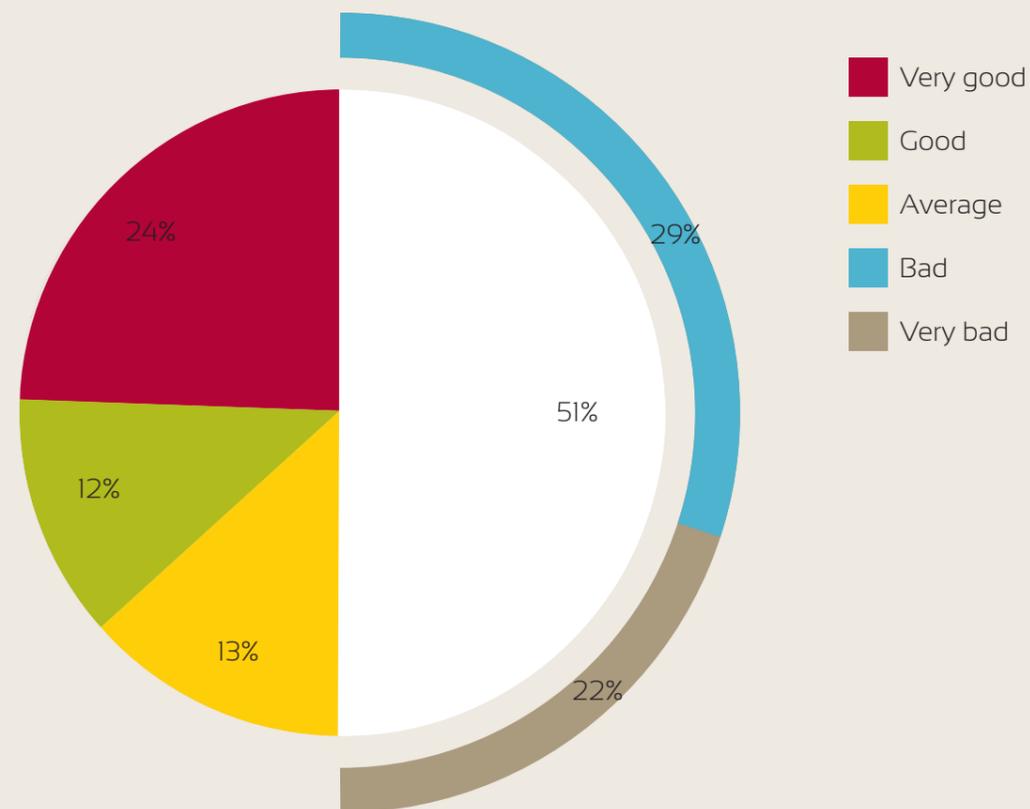


TABLE 5

How would you rate the coordination between municipalities and humanitarian organisations in meeting the needs of the refugee community?	% Syrian Refugee Respondents
Good	25%
Average	24%
Bad	51%

TABLE 6

Describe how informed you are about resources available to you. Do you have:	% Syrian Refugee Respondents
A good idea	17%
Some idea	7%
Very little idea	19%
No idea	57%

TABLE 7

Describe how informed you are about where to go to for support. Do you have:	% Syrian Refugee Respondents
A good idea	21%
Some idea	7%
Very little idea	12%
No idea	60%

## VI. Recommendations

### A. Recommendation to Humanitarian Organisations: Partner with Municipalities

#### **1. DEVELOP COLLABORATIVE RELATIONSHIPS THROUGH JOINT PLANNING AND IMPLEMENTATION**

Throughout the Syria refugee response, municipalities are not consistently included within the response as key actors. Often municipalities are initially consulted by implementing organisations only to obtain permission to work in an area; however, they are excluded from the planning and implementation of services and projects, which is essential to inclusivity and participation. **Building a more comprehensive and collaborative relationship between organisations and municipalities will be mutually beneficial.**

Organisations can involve municipalities in proposal development and project design, as well as assessments and pre-implementation planning. When it comes to project implementation, organisations can hold regular meetings to update the municipality on progress and troubleshoot issues together. For organisations, this is a strategic investment in relationship building and community acceptance and it will allow for NGOs to better meet the needs of beneficiaries, obtain a stronger understanding of the social, political, and economic context of each community, and thereby amplify their efforts by providing the knowledge and tools to implement projects in a conflict sensitive manner.

#### **2. PROMOTE COMMUNICATION & TRANSPARENCY**

A key aspect of the international and national organisational response that needs immediate attention is the **lack of access to information for refugees** – they are simply unaware of the services available to them. Considering the wide range of actors providing support to Lebanese and Syrians alike, this access to information is a critical bottle-neck that inhibits the response from reaching its full impact for vulnerable Lebanese and Syrian refugees. Since municipalities are on the frontline, it is important to first and foremost ensure that municipalities understand the humanitarian response structure so they can inform their constituents and the refugee population. To overcome this communication barrier, NGOs must share information about their work to municipalities and develop an outreach plan to inform beneficiaries about the services available, locations, and contact information to access said services.

When discussed with municipalities, Lebanese and Syrians, they expressed significant grievances about the lack of honesty and transparency among humanitarian organisations. National and international organisations have an important leadership role to improve the working relationship. **Agencies should also ensure transparency in their approach, making it clear why they choose to work in one municipality over another and how they select which services communities receive.** Explaining vulnerability criteria and basic donor requirements for project selection to municipalities will help create greater understanding, and help manage municipal expectations. Increasing the flow of information will help refugees gain access to services but may also help ease tensions with Lebanese host communities, as they will increasingly understand how resources are allocated. Mercy Corps' Guidebook contains a number of responses that municipalities have undertaken to improve communication and coordination with NGOs.

As part of this project, Mercy Corps developed a Municipal Guidebook that outlines successful responses for local municipalities based on extensive consultations with Heads of Municipalities and municipal staff. Some of the recommendations for municipally-NGO cooperation include:

- Request that organisations consult with municipalities about the planning and implementation of services and projects in order to prevent duplication and mitigate tensions between the host and refugee community;
- Direct and support organisations in implementing their services through having municipality focal person(s) and volunteers work alongside organisations;
- Implementation of joint projects with organisations to ensure that the refugee community and host community responses are complementary to one another and meet the needs of both communities;
- Municipalities can allow for organisations to temporarily use public/private space(s) in their municipal buildings, or in the municipality, to work or implement services.

### 3. BUILD GENUINE PARTNERSHIPS WITH MUNICIPALITIES TO BUILD CAPACITY

Superseding these obstacles and achieving a closer level of collaboration will also allow for municipalities to gain local capacity building skills by learning the processes and procedures of organisations. Organisations can assess the level of the municipalities' technical skills, and identify ways to increase this capacity and utilise it.

To a certain degree, municipalities can be involved with basic budgeting to understand the range and scope of anticipated activities. By providing municipalities with in-kind grants of goods and services, NGOs can maintain their procurement standards, while facilitating this support and involvement of municipalities. With some basic training, municipalities can also support monitoring and evaluation efforts to inform reporting.

For municipalities, this will build local capacity, improve access to organisations, and provide opportunities to resolve local challenges. The Syria refugee crisis is a protracted issue and must be dealt with as a medium to long-term matter. Thus, **municipalities need to receive sustainable support now to put in place systems and approaches that can help them successfully support their communities and refugees for the years to come.** Therefore, donors and humanitarian organisations must keep this in mind when selecting programming initiatives and building local capacity. Without this closer coordination, the public's negative perceptions of municipal-NGO coordination will persist (Table 5).

This level of engagement will help municipalities understand and anticipate potential needs and challenges, coordinate among organisations, improve their communication and accountability to the community and organisations, which will in turn reinforce good governance practices and support sustainable skill-building sets. Moreover, supporting and strengthening the capacity of municipalities will empower Heads of Municipalities and their staff to be leaders in the refugee response.

### 4. APPLY A CONFLICT SENSITIVE APPROACH

Another important reason for working in partnership with municipalities is to **ensure that projects are implemented in a conflict sensitive manner.** Humanitarian and development actors are increasingly realising that their interventions have unintended negative impacts on the context within which they are working, and hence need greater conflict sensitivity. For example, in the early phase of the Syria refugee response, aid was not given to the host community and this was not considered an essential factor in project design and implementation. However, now NGOs have reassessed their distribution criteria and are taking into consideration services and opportunities for the host community to avoid exacerbating community tensions between Syrian refugees and Lebanese. Lebanon's complex social fabric and the fragile situation necessitates that organisations carefully analyse the local context in which they

are working to understand how their actions may influence the social, economic and political context to ensure that they do no harm. Working alongside municipalities will also help prevent occurrences of conflict insensitivity since local leaders have a better understanding of community dynamics and cultural considerations. Heads of Municipalities and municipal staff can help identify connectors and local capacities for peace that can improve community relations and build social cohesion between refugee and host communities.

*Lebanese people that are in need have started to hate the Syrians because they are getting all the help.*

*—Focus group discussion, Baalbeck municipality*

## B. Recommendation to Donors: Promote Municipal/Organisational Collaboration & Reform Humanitarian Architecture

### 1. SUPPORT MEDIUM TO LONG-TERM APPROACHES, INCLUDING LONGER FUNDING CYCLES

Lebanon faced socio-economic pressures prior to the Syria refugee crisis such as a chronic budget deficit, unemployment, oligopolistic market structure, and poor infrastructure. Many of these issues were overlooked due to high growth rates between 2006 and 2010, which distorted and deceived economic perceptions.<sup>21</sup> These economic issues are exacerbated by the refugee crisis and blame is assigned to refugees by host community members.

These conditions, along with the refugee issue, are medium to long-term problems that must be understood and thus dealt with as such in order to adequately address causes and develop effective solutions.<sup>22</sup> Thus, donor agencies must ensure that programmes are designed and implemented in a manner that takes into account these considerations.

**Donors should allow for longer funding cycles in order for organisations to have a greater impact on the ground for relief-development projects.** The challenges currently facing Lebanon are medium to long-term issues that require medium to long-term solutions. Thus, donors are advised to encourage longer programme duration. Also, there are several risks to short-term projects since they will not be designed in a sustainable manner, implemented quickly, and ultimately will result in ineffective use of funding. Donors should provide greater lengths of time for organisations to design and implement municipal-based infrastructure-related projects in a sound manner.

<sup>21</sup> Atallah, Sami. A Three-Pronged Strategy for the New Government to Address Lebanon's Socio-Economic Challenges. Featured Analysis, LCPS, January 2014. <<http://www.lcps-lebanon.org/featuredArticle.php?id=18>>.

<sup>22</sup> Ibid

## 2. FUND HYBRID APPROACHES TO RELIEF & DEVELOPMENT

While donors and humanitarian organisations rushed to meet the needs of Syrian refugees at the inception of the crisis, both must further readjust their strategy to better include the host community due to the protracted nature of the crisis, as well as the growing tensions between the host and refugee community. After three years of this crisis, donors need to change their strategy to apply a hybrid of relief-development aid due to the ongoing nature of this crisis and the long-term effects it will have on host communities. **Donors must ensure their funding criteria coincides with the current social and political context to promote a more nuanced relief-development approach for the year ahead and onwards.** Donors must work with the Government of Lebanon to properly address the socio-economic challenges facing the country. The Syria refugee crisis will have a lasting impact on Lebanon and longer-term solutions must be adopted to effectively remedy the root causes impacting the country and the lives of individuals, households, and communities.

## 3. ENCOURAGE IMPLEMENTING AGENCIES TO WORK IN PARTNERSHIP WITH MUNICIPALITIES

Donor agencies have the ability to shape the humanitarian architecture, which determines how organisations design and implement programmes and in turn how this is applied in Lebanon. Moreover, donors have leverage with implementing organisations to influence them to provide greater support to municipalities. Thus, **donors should require that NGOs not just “pass through” municipalities, but should help reinforce the local government’s ability to identify, respond and monitor refugee and host community needs.** This should be done in close coordination and collaboration with the Ministry of Interior. They can inform key decision-making and prioritization to maximise fund effectiveness.

Donors should foster this approach and support funding allocation that incorporates partnership and collaboration with municipalities and bridges relationships between organisations and municipalities. For instance, under Mercy Corps’ child protection programming, the Douir Municipality in Nabiteyah provided space to implement psychosocial support activities through a Child Friendly Space. While not mandated by the donor, it offers a unique opportunity to foster greater collaboration.

## 4. REQUIRE INTEGRATION of CONFLICT SENSITIVITY

In order to prevent the exacerbation and increase of tensions, **donors should require humanitarian organisations to be conflict sensitive in their programming and distribution of assistance.** The economic burden and struggles of the host community must be alleviated and the daily socio-economic experiences of individuals must change in order to adequately prevent growing tensions. Therefore, donors should support the provision of services, in some cases either equal or greater, to the host community, in order for them to see the advantages, since they have already felt the disadvantages due to unemployment, decreasing wages, increase in prices, scarcity of water and electricity, etc. In order to prevent escalated community tensions and instability, donors should require greater conflict sensitivity measures be applied and implemented by their implementing partners. This goes hand in hand with long-term funding and programming cycles, since conflict prevention, management, and transformation requires significant time and effort to produce effectual change.

## C. Recommendations to National Government: Set a National Strategy for Linking Ministries with Local Governance & Improving Coordination Processes

### 1. ENGAGE WITH MUNICIPALITIES & STREAMLINE LINKAGES BETWEEN MINISTRIES

Within this survey, 93% of municipalities indicated that they would like more support from the central government. Municipalities require short, medium, and long-term support to respond to the refugee crisis and host community tensions. **The national government could foster greater linkages and coordination between key ministries that provide financial and technical resources to bolster municipality actions, including engaging the private sector to foster economic growth.** One strategy would include creating a joint ministerial committee to coordinate resources directed to support municipalities.

Furthermore, the central government should encourage greater outreach from centralised ministries to visit and maintain contact with municipalities, as well as organise regular meetings with Unions or regional kaamakams, an appointed government official managing local level issues, to solicit their ideas and opinions. However, this must be done in a manner that supports and strengthens municipal capabilities, rather than hinders their advancement. Moreover, the central government could better streamline the roles and responsibilities of ministries and support municipalities in their processes by reducing requirements that hinders their ability to carry out their municipal duties, while increasing allocated funding through the IMF and possibly other mechanisms.

## 2. ENGAGE PRIVATE SECTOR TO WORK CLOSELY WITH PUBLIC SECTOR AND CIVIL SOCIETY TO FOSTER ECONOMIC GROWTH

The central government and private sector could collaborate to determine market-sectors that should be developed and expanded upon. Lebanon has rich resources and local capacity that could be built upon to establish local industries and manufacturing companies, which could lead to sustainable growth, as well as create employment opportunities. While Lebanon imports the majority of its goods, it could further develop its own products to build the national economy. This will strengthen Lebanon's economy by allowing it to be self-sufficient and independent, as well as more resilient to shocks and external factors. Furthermore, it will create avenues for other industries. Thus, the government should work with the private sector to develop such investment and development projects and work with donors to provide training and educational programmes to build skill-sets in specific sectors.

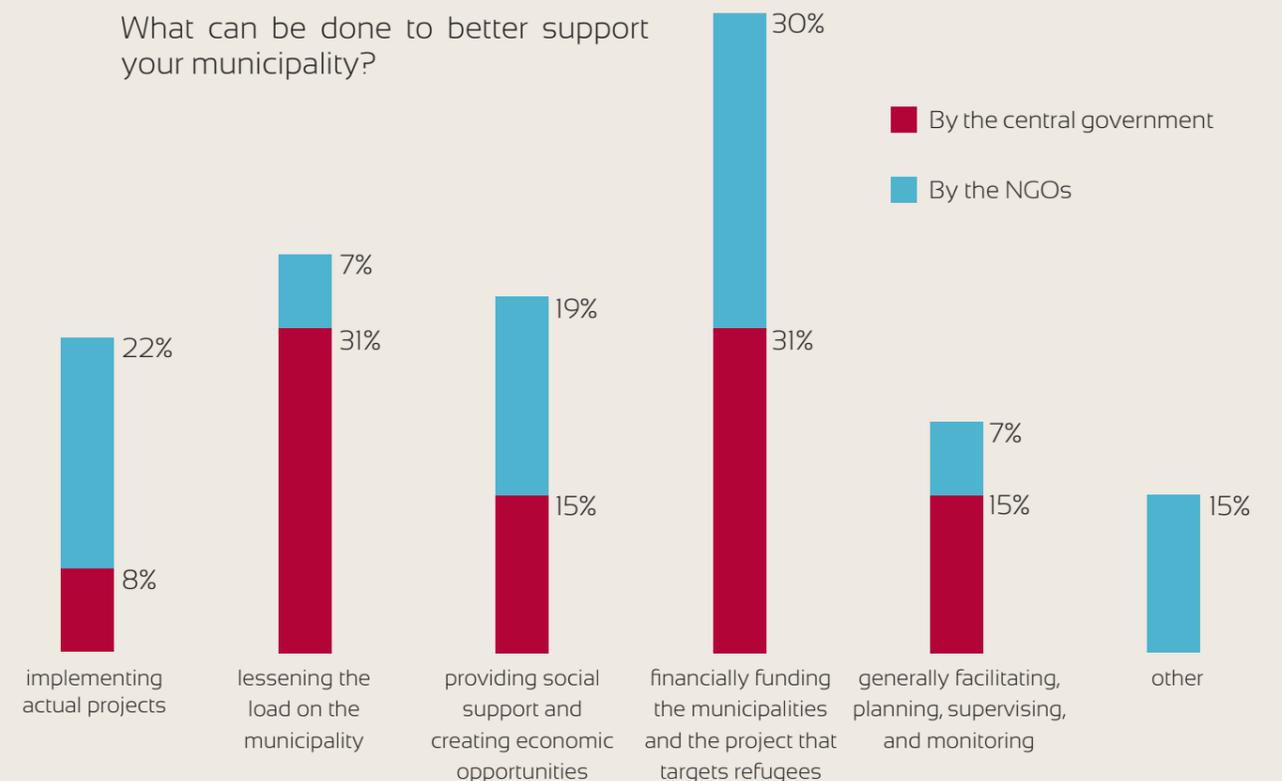
## 3. INCREASE MUNICIPAL ADMINISTRATIVE & FISCAL CAPACITY

Municipalities require increased efficiency of their public services and administrative capacity, which is directly tied to administrative decentralisation. Without empowering local authorities, municipalities cannot provide these services. In Lebanon, the system is heavily centralised with the key ministries, public administrations and autonomous offices located in Beirut. The Taef agreement, which marked the end to the country's 15-year civil war, stipulated the need to adopt administrative decentralisation but did not mention any implementation mechanism or even a timeline for such a process. With the necessary policies in place, **Lebanon's decentralisation can be an effective approach to ultimately increase municipal administrative and fiscal capacity and bolster public services to address community-level needs.**

In 2013, an ad hoc Commission was created to draft a decentralisation policy, which is currently being circulated and discussed within the government. The proposed laws would, in turn, address greater decision-making at the regional level, which would facilitate many of the recommendations outlined in this document. While Lebanon's government is based on a delicate balance between religious and sectarian groups, by global standards, decentralisation is an effective strategy for good governance. For such a system to be put in place, **citizens should be involved in its creation and municipalities as core actors must have the tools, such as a proper budget and human resources, to fulfil their obligations.**

GRAPH 3

What can be done to better support your municipality?



## VII. Conclusion

While dwindling resources is conventionally seen as divisive, and therefore a threat to social cohesion, it can also be a connector between individuals, groups and communities. By building on the Lebanese' generosity to strengthen local capacities for peace and focusing on the proximate causes of tension, NGOs, donors, and the national government can help effectually prevent and manage isolated incidences of violence, as well as improve the socio-economic conditions in the country. Programming design and activities should actively seek to merge the efforts of local and national government, donors and organisations to address these needs and issues and this can be most effectively done by programming at the municipal-level, since they are the frontline response to the refugee crisis. Municipalities are best positioned to inform national and international responses, specifically ensuring that programmes reinforce positive methods of interaction for Syrians and Lebanese that serve to connect them, as the unparalleled levels of generosity did at the beginning of the response, and continue to do so despite significant strain. To do so, there needs to be considerable investment by all stakeholders to build capacity and support municipalities through genuine and transparent partnerships. Together, actors can identify effective conflict sensitive approaches to address the effects of the Syria refugee crisis. With these municipal-level partnerships, stakeholders can identify entry points for relief-development hybrid approaches to prevent and manage obstacles and create dynamics for lasting peace and stability.



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