COLLECTIVE RESOLUTION TO ENHANCE ACCOUNTABILITY AND TRANSPARENCY IN EMERGENCIES

LEBANON REPORT

Transparency International is a global movement with one vision: a world in which government, business, civil society and the daily lives of people are free of corruption. With more than 100 chapters worldwide and an international secretariat in Berlin, we are leading the fight against corruption to turn this vision into reality.

The **Humanitarian Aid Integrity Programme** is a new global initiative based in Transparency International Kenya. Applying TI's strengths and expertise, the Programme's goal is to ensure that humanitarian aid resources are used effectively and for their intended purposes. It aims to achieve this by enhancing transparency and accountability in the implementation of humanitarian operations at institutional, policy and operational levels.

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ACRONYMS

BPRM – US State Department Bureau of Population, Refugees and Migration

CREATE – Collective Resolution to Enhance Accountability and Transparency in Emergencies

CSO - Civil Society Organization (national/local)

DfID – UK Department for International Development

DG ECHO – European Commission Directorate General for European Civil Protection and Humanitarian Operations

ERF- Emergency Response Funds

EU – European Union

GDP – Gross Domestic Product

GoL – Government of Lebanon

GPS – Global Positioning System

Groupe URD – Groupe Urgence, Réhabilitation, Développement

HACT – Harmonized Approach to Cash Transfer

HO – Humanitarian Outcomes

INGO – international non-governmental organisation

ISIS – Islamic State of Iraq and Syria

LBP – Lebanese Pound

LCRP – Lebanon Crisis Response Plan

LHIF – Lebanon Humanitarian INGO Forum

MEHE – Ministry of Education and Higher Education

MoE – Ministry of Environment

MoEW – Ministry of Energy and Water

MoSA – Ministry of Social Affairs

NFI – non-food item

NGO – non-governmental organisation

OCHA – United Nations Office for the Coordination of Humanitarian Affairs

RACE – Reaching All Children in Lebanon with Education

RAIS – Refugee Assistance Information System

TI – Transparency International

UNDP – United Nations Development Programme

UNHCR – United Nations High Commission for Refugees

UNICEF – United Nations Children's Fund

UNRWA – United Nations Relief and Works Agency for Palestine Refugees in the Near East

VASyR – Vulnerability Assessment of Syrian Refugees

WFP – World Food Programme

ACKNOWLEDGEMENTS

EXECUTIVE SUMMARY

This report presents research that looked at the assistance provided to Syrian refugees and affected host communities in Lebanon, as part of the CREATE project (Collective Commitment to Enhance Accountability and Transparency in Emergencies) led by Transparency International (TI) in partnership with Humanitarian Outcomes (HO) and Groupe URD, funded by the European Commission Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO).

The objectives of the research were: to highlight the risks to integrity which humanitarian actors face in Lebanon; to highlight the preventive/mitigation measures, tools and good practices implemented by humanitarian actors to guarantee the integrity of their operations; and to make actionable recommendations to humanitarian actors to enhance the integrity of the response to the Syrian refugee crisis in Lebanon. A qualitative research approach was used for this study, including interviews with key stakeholders and community consultations as well as the inputs of a national stakeholder group comprised of both national institutions and international stakeholders.

KEY FINDINGS

The integrity of humanitarian operations can be compromised in any context as it depends on individual responsibility and integrity. Corruption in its various forms (embezzlement, conflicts of interest, diversion, etc.) is an extremely serious matter as it diverts funds and efforts from lifesaving operations and can negatively affect the perception of the aid community.

The Lebanon case study shows that in a highly fragile context, with a government system weakened by years of international and national turbulence, there is an increasing level of risk for inappropriate and corrupt practices by humanitarian actors that threaten the general integrity of the aid response. The humanitarian response to the Syrian refugee crisis in Lebanon has been particularly exposed to this given the amount of funding that has been mobilised and its impact on the Lebanese economy.[1] The historical trauma of the diverse crises, occupations and invasions, the sectarian fragmentation of Lebanese society, the significant presence of armed groups, the reticence of European countries to accept refugees, the extended duration of the Syrian crisis, and the initial disconnection between the international response and the local context: All contributed to making this humanitarian response more complicated in terms of protecting aid integrity.

The discrepancy and disconnect between the data provided by the Financial Tracking Service (FTS) and the inter-agency information portal was a constraint for the research. It creates confusion and limits the transparency of the overall response. Humanitarian organisations in Lebanon have been exposed to risks linked to their programming approach, the types of aid they deliver and their operational processes. The sub-contracting of humanitarian operations to private companies and the channelling of aid via public institutions has exposed humanitarian organisations to significant risks of corruption, given the lack of transparency or financial monitoring in the management of these funds. This has compelled the aid system to deploy a wide range of mitigation measures. Many donor agencies and international organisations have worked more closely with national civil society organisations, as they have played a significant role in the response, even before the commitments made at the World Humanitarian Summit (WHS). While this form of joint programming approach is to be encouraged, partnerships need to be more constructive, transparent and designed in a way which does not further expose them to corruption or misuse of funds.

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[1] $ US 3.6 billion from 2011 to 2015
(http://reliefweb.int/sites/reliefweb.int/files/resources/Impact%20of%20Humanitarian%20Aid-UNDP-UNHCR.PDF)

It is interesting to note that aid in Lebanon moved rapidly to a cash transfer approach, prior to the pledges made during the WHS. The increased use of cash-based operations for food aid, non-food items and multi-purpose cash programmes has reduced the risk of corruption related to multiple sub-contractors by providing aid directly to beneficiaries. There have also been risks to aid integrity linked to the internal operational processes of humanitarian organisations. The high levels of sectarian fragmentation in Lebanese society and the general acceptance of practices such as favouritism and the payment of bribes or kickbacks, have also made procurement, logistics and recruitment activities more complicated for humanitarian actors.

However, most humanitarian actors recognise that the Lebanese context exposes their operations to specific risks with regard to corruption and integrity and have therefore put in place mitigation measures. These include using social media and new technologies for whistleblowing and complaints, implementing a clear separation of duties of programmatic functions, as well as having anti-fraud policies and internal complaint mechanisms in place. Specific tools are also implemented to manage the financial risks related to transferring cash to partners such as the UN's Harmonized Approach to Cash Transfers (HACT).

Nevertheless, for most organisations or programmes, risk analysis and management are split into a diverse set of tools which do not always allow a comprehensive approach. Understanding the risks to integrity in a systemic manner is challenging but very relevant, particularly considering the extent to which these risks can reduce the effectiveness of operations and damage reputations. Such an approach would be useful in terms of decision-making, for example to estimate the risk and decide if the risk should be taken or not, and risk mitigation as a way to identify measures to prevent, mitigate or compensate the risk and allocate responsibility within the organisation.

At a collective level, some good practices can be noted, such as the accountability framework of the Lebanon Crisis Response Plan (LCRP) that was extensively discussed between actors. However, there is still a need to strengthen constructive and open dialogue between all stakeholders on these issues. Humanitarian actors working in Lebanon should further discuss the integrity issues they face in a transparent and non-judgemental manner in order to learn from their mistakes and find collective solutions to address them. While these measures seem to work well, most actors agreed on the fact that accountability to affected populations remains quite low and that people affected by the crisis are insufficiently involved in the response.

The following recommendations are intended to help humanitarian actors improve the transparency and integrity of their response to the refugee crisis in Lebanon, as well as in other contexts. In that line, the aid community in Lebanon is encouraged to:

- Advocate at Beirut and field level for more systematic, comprehensive risk assessments and tools including, but not restricted to financial risks, such as risk of violent and sexual abuses, reputational risks, security risks, risk of cronyism and conflict of interest, etc.;
- Encourage humanitarian actors to discuss integrity risks and collective strategies to prevent, detect, report and respond to such risks in interagency forums such as Humanitarian Country Teams (HCT) and LHIF.
- Continue at the individual agency level, and when feasible collectively, at Beirut and field level, to improve the management of feedback, whistleblowing and complaint mechanisms, in particular the referral system between and within CSOs, INGOs and UN agencies, to ensure that feedback, alerts and complaints are dealt with (including ongoing discussions on a pilot inter-agency call-centre). Promote and develop the use of social media for feedback and complaint mechanisms to make them more effective and improve accountability towards affected populations;
- Reinforce programme monitoring at the individual agency level, and when feasible at the system level, at Beirut and field level and adapt it to partner and context needs particularly when directly financing local organisations,

- Increase training at the individual agency level, and when feasible in a collective manner, on corruption risks and remedies to help humanitarian actors prevent, detect, report and respond to these risks[2];
- Engage in conversation among concerned aid actors and report with greater transparency regarding extra budgetary expenditures, including specific expenditures required for access;
- Include (or reinforce) anti-corruption clauses in terms of reference of contractors and codes of conduct of staff.
- Strengthen the application of the Principles of Partnership (PoP)[3] and foster increased transparency with regard to organisations' use of overheads.

As a step in the direction of enhanced aid integrity, the aid community in Lebanon should explore (and pilot) ways of using and disseminating the findings and recommendations of this report to create meaningful discussion platforms and mechanisms with partners and affected populations in Lebanon.

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[2] E-learning modules and instructor-led training materials have been developed by TI Norway and IFRC: http://transparency.no/in-english/ (accessed October 2016)
[3] The Principles of Partnership were endorsed by the Global Humanitarian Platform in July 2007. For more information see: https://www.icvanetwork.org/system/files/versions/GHP%20Final%20Summary%20Report%2011-12July2007.pdf (last accessed February 27, 2017)

1. INTRODUCTION

In response to evidence that a range of stakeholders involved in humanitarian aid are exposed to a multitude of integrity risks, Transparency International commissioned a study on corruption risks, existing mitigation measures and accountability initiatives in four large and complex humanitarian contexts: Afghanistan, the response to Ebola in Guinea, Southern Somalia and operations to assist Syrian refugees in Lebanon. Humanitarian Outcomes has undertaken the studies related to Afghanistan and Southern Somalia; and Groupe URD has undertaken the studies in Guinea and Lebanon.

The goal of the research is to produce, for the purpose of humanitarian stakeholder engagement, an evidence-based case study concerning corruption risks and preventive and mitigation measures in relation to the integrity of humanitarian aid provided in Lebanon in response to the Syrian refugee crisis. Led by Groupe URD the study had the following objectives:

- To highlight the risks to integrity which humanitarian actors face in Lebanon
- To highlight the preventive/mitigation measures, tools and good practices implemented by humanitarian actors to protect the integrity of their operations
- To make actionable recommendations to humanitarian actors to enhance the integrity of the response to the Syrian refugee crisis in Lebanon

The study defines **corruption** as 'the abuse of entrusted power for private gain' and **integrity** as 'behaviours and actions consistent with a set of moral or ethical principles and standards, embraced by individuals as well as institutions, that create a barrier to corruption'[4].

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[4] The Anticorruption Plain Language Guide, Transparency International, July 2009.

2. METHODOLOGY

A PARTICIPATORY APPROACH

The research for this study was led by Francois Grunewald (Scientific Director of Group URD), Nawal Karroum and Samantha Brangeon (Researchers from Group URD), and supported in the field by Ronald Barakat and Saïd Issa, two researchers from the Lebanese Transparency Association who contributed to the data collection.

A national stakeholder group, including representatives of public institutions, donors, and national and international aid organisations involved in the response was involved throughout the duration of the research and provided inputs to the research team. Nicolas Seris (Transparency International Kenya) and Roslyn Hees (Transparency International) formed the first layer of quality management and supported the team by their presence in the collective review process.

A first meeting was held in Beirut on 20th May 2016 to introduce the objectives of the research to the various stakeholders and agree the proposed scope and methodology of this study. It was decided at this meeting that the research team would focus on the method of aid delivery and a selected number of sectors. The response to the Palestinian refugee situation, led by UNRWA, was excluded given its very particular characteristics. It was also decided that the study would not look at cross-border humanitarian operations into Syria as it was felt that these activities presented a very specific set of integrity risks. The inception report summarising the scope and methodology was shared with members of the national stakeholder group for inputs and comments.

A second meeting was held on November 10th 2016 to discuss the findings and recommendations of the research on the basis of the first full draft of the case study, which was shared in advance. Then a complex revision system took place involving additional distance interviews and several rounds of comments.

DATA COLLECTION

Data collection took place during the first semester of 2016. While attempts have been made to update some of the information, the report is time bound and does not cover information that became available at the end of 2016 and in early 2017. The team focused on highlighting risks affecting the integrity of aid and how they are being handled. The research highlights people's understanding of the integrity of aid and of the risks affecting it. The analysis of stakeholder perceptions of how weakened integrity can negatively impact the quality of a humanitarian response is also presented.

A variety of qualitative data collection methods were used and the team has endeavoured to triangulate the information collected to ensure its accuracy.

- **The research began with an extensive desk review and contextual analysis** (legal, institutional, political, and situational), a key document being Columbia University's research on corruption in humanitarian aid, which highlights challenges and successes in aid operations in fragile environments.[5]

- **Information was then collected through face-to-face interviews conducted during field visits and by Skype over the following weeks**. Given the sensitive nature of this research, the confidentiality of organisations and individuals has been guaranteed or their name given only with their agreement. The report provides the type of organisation concerned or if it is a statement from

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[5] RADON Jenik, *et. al.*, "*Implementation of Humanitarian aid agencies' anti-corruption policies in their operations in Afghanistan, Lebanon, Somalia and Guinea, Challenges and successes*" Columbia University School of International and Public Affairs, 2015

an interviewed field actor. When quotations refer to an opinion shared by INGO and local/national NGO employees it is designated as belonging to an "NGO employee".

Multiple source validation was highly complex and in some cases, due to the sensibility of the subject, it wasn't possible to make such verifications. In these cases the team only states quotations and tries to present the different and sometimes contradictory opinions and perceptions among actors. Quotations of interviewees' perceptions presented in the report should be seen as subjective illustrations of significant information gathered during the mission. The fieldwork phase took place between May and June 2016. The team visited as wide a variety of locations as possible (urban/rural) in the following locations: Beirut area, Tripoli and surroundings, Beqaa valley (Zahle area) and Tyr. Additional remote interviews were conducted after the field research phase. In total, the team was able to conduct 74 key informant interviews. In addition, eight focus group discussions, totalling approximately 90 individuals, were also held with Syrian refugees and affected vulnerable Lebanese either in informal settlements, in their homes (rented flats), in centres where assistance was provided or at meeting points for specific activities.

Type of stakeholder	# of organisations/agencies
Lebanese Authorities	6
Donor Agencies	4
Red Cross/Crescent Organisations	4
Local and National NGOs/CSOs	18
International NGOs	19
UN Agencies	15
Lebanese Media	3
Research institutes	5

LIMITATIONS

Due to municipal elections taking place at the time of the field visit, municipal authorities could not be interviewed to a large extent. This limited the information that could be collected about the risks that concern them and their perceptions of aid integrity.

While the response to the Syrian refugee crisis in Lebanon is characterised by the presence of numerous non-traditional actors, including from the Gulf countries, these were not really included in the field research given their low participation in humanitarian coordination systems.[6]

Several agencies or actors were contacted but did not respond to the requests made by the research team.

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[6] MITRI Dalya, "Challenges of Aid Coordination in a Complex Crisis: An Overview of Funding Policies and Conditions Regarding Aid Provision to Syrian Refugees in Lebanon", Civil Society Knowledge Centre, Lebanon Support, May 23, 2014

3. BACKGROUND FACTORS

3.1. THE LEBANESE CONTEXT

3.1.1. LEBANON AND THE REFUGEE CRISIS

As a result of more than six years of armed conflict in Syria, Lebanon's demographic, economic and social landscape has been profoundly altered. According to the Lebanon Crisis Response Plan (LCPR) there are an estimated 1.5 million Syrians (including 1.07 million registered as refugees with UNHCR) in Lebanon, in addition to half a million Palestinian refugees (40,807 of who arrived recently in Lebanon from Syria[7]). Lebanon is currently the country with the highest number of refugees per capita worldwide.[8] This huge increase in the population has undoubtedly put additional pressure on the country's urban and rural infrastructure and resources. Additionally, the sudden influx of refugees has altered the fragile demographic and sectarian balance that constitutes the basis of the Taif agreement[9], which put an end to the 20-year civil war.

Lebanon's recent history is characterised by the long-term presence of Palestinian refugees. This, in addition to military occupation (and political domination) by Syria until 2005, has had a strong impact on how Lebanese society perceives Syrian refugees. Economically the crisis has exacerbated inequalities within Lebanese society, further impoverishing the most vulnerable people, due to the unemployment crisis and the absence of public services, while rich entrepreneurs have benefited from a cheaper work force.

Most Syrian refugees are located where the potential for services, safety and work opportunities exist. They are concentrated in areas close to the Syrian-Lebanese border (North Lebanon and Bekaa) as well as in the urbanised western part of the country (Beirut, Mount Lebanon and Tripoli). The Government of Lebanon has applied a "no-camp" policy since the beginning of the crisis, leading to refugees being scattered across the country in urban and semi urban areas: "*24 percent of displaced Syrians live in substandard buildings and 17 percent in informal settlements, with 12 percent of all displaced shelters ranked as being in dangerous condition. Overcrowding among displaced Syrians is on the increase – from 18 percent in 2015 to 22 percent in 2016 […] with high numbers of persons displaced from Syria resorting to substandard dwellings in urban centres as well as existing Palestinian camps and gatherings.*"[10]

Given the non-ratification of the 1951 Refugee Convention by the Lebanese government, refugee status is not a formal, protective status in Lebanon. Although the principle of non-refoulement[11] is generally respected, it seems that the long-standing seasonal migration of Syrians to Bekaa contributes to the ambivalence of the Lebanese population towards the Syrians, who are seen as economic migrants looking for economic opportunities rather than refugees seeking protection.

3.1.2. TRANSPARENCY AND RISKS OF CORRUPTION

Lebanon is ranked 136 out of 176 countries on Transparency International's 2016 Corruption Perceptions Index.[12] Corruption is present at all levels of society, in the public and private sectors, and in various

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[7] http://www.unrwa.org/syria-crisis and "Lebanon cannot bear brunt of Syrian Refugees crisis alone, UN relief official says", UN News Center, March 18, 2014 – http://www.un.org/apps/news/story.asp?NewsID=47379&Cr=lebanon&Cr1=#.VzNd-PmLShc
[8] "A UNHCR Centre Eases Tensions Between Syrian Refugees and their Lebanese Hosts," UNHCR, April 7, 2015, http://www.unhcr.org/5523f1a29.html (accessed October 2016).
[9] The Taif agreement or National Reconciliation Accord was signed in 1989 in Saudi Arabia. The treaty restructured the political system in Lebanon and the National Pact among confessional communities.
[10] Government of Lebanon and the United Nations, *Lebanon Crisis Response Plan 2017-2020*, January 2017
[11] Although adherence to the principle is now explicitly stated as part of the strategic objectives of the LCRP 2017-2020, (p.16): http://reliefweb.int/sites/reliefweb.int/files/resources/2017_2020_LCRP_ENG-1.pdf (accessed April 5, 2017).
[12] Transparency International, *Corruption Perception Index 2016*, 2016: https://www.transparency.org/news/feature/corruption_perceptions_index_2016.

forms, such as bribery, embezzlement and patronage. According to a Transparency International Report: "*Corruption (in Lebanon) appears as the normal consequence of a redundant, large bureaucracy and is viewed as a common practice*" and "*Bribery facilitates transactions which are often costly and time-consuming. Petty corruption exists in all areas of life for Lebanese citizens*".[13] Public administrations, with whom humanitarian actors interact, are perceived to be amongst the most corrupt institutions in the country.[14]

Lebanon's complex confessional political system is based on the country's demography at the time of the Taif agreement (1989). The system of government is shared among 18 sectarian groups.[15] This has led to cronyism and a lack of accountability of government officials. "*This system […] encourages communities to compete for state resources and produces entrenched networks of patronage, where elites promote and safeguard the interests of their own community*".[16]

The Lebanese public administration is also characterised by a significant lack of transparency in the use of funds. "*The expenditure and revenues of most public administrations do not undergo scrutiny by control agencies*".[17] Additionally, no national budget has been published since 2004. Published in September 2015, the Open Budget Index ranked Lebanon second last out of 102 countries with a grade of 2 out of 100.[18] Updated in April 2016, the survey showed no improvement regarding state transparency in a country with no national budget for more than 10 years[19] and with weak control mechanisms.

> "*No one can explain where public funds are invested and where they come from; therefore it is impossible to make the state accountable which is one of the fundamental principles of a good governance.*" M. Yahya Hakim, Lebanese Transparency Association[20]

Lack of common understanding of corruption:

There is a general lack of common understanding of corruption in Lebanon.[21] Some interviewees described corruption in Lebanon as the act of giving favours and using networks of influence rather than paying bribes. This makes it more difficult to identify and investigate. On the other hand, some stakeholders consider that corruption is over-estimated and perceived by the society as the source of all evils, including political and technical failures. While there is a great deal of suspicion of corruption, it usually does not lead to audits and investigations, or to evaluations that could identify political and technical solutions.

3.1.3. SIGNIFICANT PRESENCE OF ARMED GROUPS AND ARMED VIOLENCE

Lebanon hosts a variety of different political and religious armed groups. The northern region for example (and to some extent the Bekaa valley) has been subject to infiltrations by armed groups fighting in Syria. Tripoli, the second biggest city after Beirut, is one of the poorest on the Mediterranean; and it has a very high concentration of refugees. The Syrian crisis has exacerbated existing tensions between communities which led to several clashes from 2011 until 2015.

> "*In total we registered more than 20 battles causing about 300 dead and around 2,000 injured from 2011 to 2015 here in Tripoli. These clashes between Sunni and Alawite*

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[13] Lebanese Transparency Association and Transparency International, *National Integrity System Study. Lebanon 2009*, 2009: http://www.transparency.org/whatwedo/publication/national_integrity_system_study_lebanon_2009 (accessed October 24, 2016)

[14] Sofia Wickberg, "Overview of corruption and anti-corruption in Lebanon," U4 Anti-Corruption Resource Centre, October 15, 2012, 1, http://www.u4.no/publications/overview-of-corruption-and-anti-corruption-in-lebanon/ (accessed February 12, 2017).

[15] Taif agreement, 1989.

[16] Lebanese Transparency Association and Transparency International, *Op cit.*

[17] *Ibid*

[18] http://www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/publications-2/rankings-key-findings/rankings/

[19] A draft budget is officially being prepared but it is confidential.

[20] Haddad Céline, "En matière de transparence budgétaire, le Liban va de mal en pis, *L'Orient-Le Jour,* November 11, 2015 :http://www.lorientlejour.com/article/954107/en-matiere-de-transparence-budgetaire-le-liban-va-de-mal-en-pis.html (accessed October 24, 2016)

[21] Lebanese Transparency Association and Transparency International, *Op cit.*

> *populations were based on community claims but when some of the young people involved in these attacks have been arrested they often revealed that they had received money and were motivated by financial compensation."* Interviewed field actor

The tensions between communities and neighbourhoods have created major challenges for humanitarian actors in this city and the affected neighbourhoods continue to be classified as dangerous by the UN. As many INGOs follow the advice of the UN Department of Safety and Security (UNDSS), these areas are frequently "off limits" for many international actors. In the South, Hezbollah has had a strong influence over political, economic and social sectors since the end of the civil war. Dealing with this official political organisation, which also has an armed wing, was already an issue in the 2006 humanitarian response.[22] Its recent implication in the conflict in Syria, due to tis support of the government of President Bashar Al-Assad, has had significant consequences for the response:

> *"During the first six months of the crisis it was almost impossible to provide assistance to Syrian and Palestinian refugees from Syria. They were perceived by Hezbollah as opponents to the Syrian regime and therefore any action supporting them was seen as supporting the Syrian opposition."* Local CSO employee

Contrary to many other situations, Lebanon is a case study where there is no evidence of manipulation to aid integrity with regard to dealing with armed groups, such as through the payment of bribes to gain access to certain areas, the diversion of aid on the basis of religious affiliations or lack of impartiality. This can be explained by the fact that these groups have other sources of significant funding to operate and do not need to divert humanitarian aid which might represent a small fraction of their income. However, most humanitarian actors take into account this potential risk when designing and implementing their programmes in Lebanon. It is essential to determine the threshold or tipping point after which interacting with each of these groups would not be acceptable.

<u>Army and police</u>:

According to both the refugees and humanitarian actors interviewed, the army is perceived as one of the most reliable and trustworthy institutions in the country. However, the integrity issues are frequently raised in the Lebanese media in relations with the police.[23] It is not easy to clearly distinguish between police and Armed Forces, particularly as both implement checkpoints on roads. No cases of bribes being paid to the army in order to gain access to certain areas or to be released after being arrested have been reported to the research team.

3.1.4. AN UNUSUAL CONTEXT FOR HUMANITARIAN ACTORS

The Lebanese context presents some specific characteristics which make it an unusual context for traditional humanitarian organisations.

<u>Strong involvement of the national institutions in the response</u>:

Despite the absence of a central government for more than 10 months (March 2013-February 2014) and the long political crisis[24], the government of Lebanon (GoL) has been more and more involved in the response. The whole strategic response plan is now jointly developed and led with the GoL since 2015 with an integrated response management. The minister of social affairs and the UN Resident Coordinator/Humanitarian Coordinator (RC/HC) co-lead the Lebanon Crisis Response Plan (LCRP); line ministries lead the sectors supported by UN coordinators and are largely funded by UN agencies and bilateral and multilateral donors.

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[22] HIDALGO Silvia and LOPEZ-CLAROS Augusto, *The humanitarian response index 2007. Measuring Commitment to Best Practice*, DARA, Madrid, 2008, pp. 102-108: http://daraint.org/wp-content/uploads/2010/10/HRI_2007_lebanon.pdf (accessed October 24, 2016)

[23] https://now.mmedia.me/lb/en/reportsfeatures/corruption_a_way_of_life_in_lebanon

[24] Legislative elections initially planned for June 2013 have been delayed until 2017, there is no agreement on the electoral law and there was no President of the Republic between May 2014 and October 2016 (the President has to be a Maronite Christian and is elected by the parliament).

<u>An unprecedented humanitarian situation</u>:

Unlike many other humanitarian contexts where crises are protracted or repetitive, Lebanon has not had recent experience in hosting large humanitarian operations on this scale or for this period of time. The 2006 humanitarian response to the war with Israel was relatively significant in scale with US$ 514 million in relief assistance.[25] However, it was provided over a short period of time and most international humanitarian organisations did not strengthen their presence after the initial assistance phase. In 2011, the international community and Lebanese society expected the Syrian crisis to last only a few months. While development organisations have been present in the country for many years, Lebanese society is not used to the presence of humanitarian actors and their ways of working, such as through coordination mechanisms and decision-making processes.

<u>A middle-income country</u>:

Unlike many other countries in which humanitarian actors have regularly conducted operations, Lebanon is a middle-income country, ranked 83 out of 195 globally in terms of GDP[26] with a particularly strong private sector. The cost of living is relatively high, which has translated into a very expensive humanitarian response. Indeed, given the cost of operations and the strong local capacity and willingness to take part in the response, humanitarian aid has been partially channelled through existing local and national stakeholders. Public institutions, private structures and local civil society organisations have indeed played a significant role in the response, although most of the humanitarian aid has still been channelled through the UN and INGOs.

<u>The diversity of actors</u>:

This humanitarian response has also been characterised by the diversity of the humanitarian actors involved, with many "non-traditional" humanitarian donors and operating organisations. A significant role has been played by the in-kind distribution assistance of donors such as the Gulf Cooperation Council[27], Islamic organisations from the Gulf countries, and philanthropic associations and individuals.[28] Coordination between "traditional" and "non-traditional" actors represents a challenge as they do not always participate in the same "*humanitarian forums and do not always share the same values towards humanitarian aid*".[29]

<u>Level of acceptance of corrupt practices</u>:

Finally, while corruption exists in most humanitarian contexts, many interviewees considered that the Lebanese context is characterised by a high level of acceptance of minor "corrupt practices" within Lebanese society. [30] Bribes or 'baksheesh'[31] are commonly used to facilitate procedures.

As we will see in this report, due to this unusual context, the international humanitarian community has to adapt its modus operandi, particularly with regard to traditional safeguards which they have put in place to prevent corruption.

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[25]<u>HIDALGO Silvia and LOPEZ-CLAROS Augusto, *Op cit.*</u>
[26]According to the « Gross Domestic Product ranking table », The World Bank, July 22, 2016: http://data.worldbank.org/data-catalog/GDP-ranking-table (accessed October 24, 2016)
[27] GCC comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates, has supported the introduction of an integrated financial system for instance.
[28] MITRI Dalya, *Op cit.*
[29] *Ibid*
[30] National Integrity System Study Lebanon, <u>Lebanese Transparency Association and Transparency International, *Op cit.*</u>
[31] A *baksheesh* is a small sum of money given as alms, a tip, or a bribe.

3.2. HUMANITARIAN AID ARCHITECTURE

As in many other conflict areas, the crisis has been characterised by uncertainty about how the conflict and migration trends will evolve, leading to increasing and potentially long-term humanitarian needs.

3.2.1. NATURE OF THE RESPONSE

From 2011 to 2016, it is estimated that approximately US$ 4.9 billion were allocated to help cope with the refugee influx in Lebanon.[32] Since 2015, humanitarian aid has been structured around the Lebanese Crisis Response Plan (LCRP) and is co-led by UNHCR and UNDP under the leadership of the Ministry of Social Affairs (MoSA) and the UN Resident Coordinator/Humanitarian Coordinator. The LCRP is part of the Regional Refugee and Resilience Plan (3RP) in response to the Syria crisis, which also covers Egypt, Iraq, Jordan and Turkey. A four year LCRP (2017-2020) is now in place.

Lebanon is currently a country where humanitarian and development issues are intertwined, thus adding pressure on the need for coordination among actors as well as long-term strategic planning. The LCRP aims at providing an integrated response which includes stabilisation efforts and humanitarian response, and paves the way to longer term development. The LCRP funding request was US$ 2.14 billion for 2015 and US$ 2.48 billion for 2016. Each sector presents their appeal based on a common needs analysis and costing of a sectoral response to address those needs. Sector appeals are then aggregated to an overall LCRP appeal. The following sector funding requirements include needs of a wide range of actors including public institutions[33]:

2015 FUNDING REQUIREMENTS	
Sector	Requirement
Food Security	$447 m
Basic Assistance	$288.6 m
Education	$263.6 m
Health	$249.2 m
WASH	$231.4 m
Livelihoods	$175.9 m
Social Cohesion	$157.3 m
Shelter	$147.2 m
Protection	$111.8 m
Child Protection	$43.4 m
SGBV	$27.7 m

2016 FUNDING REQUIREMENTS In million $	
Sector	Requirement
Food Security	$473.5
Energy & Water	$391.3
Education	$388.2
Basic Assistance	$356.6
Health	$290.9
Livelihoods	$143.3
Shelter	$138.7
Social Stability	$119.4
Protection	$98.5
Child Protection	$48.1
SGBV	$31.7

Source : Government of Lebanon and UN, Lebanon Crisis Response Plan 2017-2020, January 2017

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[32]Government of Lebanon and the United Nations, *Lebanon Crisis Response Plan 2017-2020*, January 2017.
[33] Government of Lebanon and the United Nations, *Op cit.*; and Government of Lebanon and the United Nations, *Lebanon Crisis Response Plan 2015-16. Year Two,* 15 December 2015:
https://www.humanitarianresponse.info/en/system/files/documents/files/20151223_lcrp_eng_22dec2015-full_version_0.pdf
(accessed October 24, 2016)

- Food assistance is provided through conditional cash transfers (also called e-vouchers), agriculture support and, to a lesser extent, through direct food distribution;

- Basic Assistance refers essentially to multipurpose cash transfers and, to a lesser extent, the distribution of non-food items;

- Water and sanitation services are provided through temporary services including water trucking, latrine construction and desludging for informal settlements, as well as extensions or improvements to water supply and wastewater systems (rehabilitation/construction of water network, construction of solid waste management facilities);

- Education assistance is provided through financing the Ministry of Education and Higher Education (MEHE), and through civil society organisations for non-formal education, to support (i) access to education for Lebanese and Syrian children, (ii) ensuring quality of education, and (iii) strengthening of the public education system. Therefore, this assistance includes supporting the schooling cost of vulnerable Lebanese children and Syrian refugees, outreach campaigns, school rehabilitations, school material (stationery, textbooks, fue,etc.), capacity development for MEHE staff and school directors and teachers.

- Health care assistance is provided through primary health centres (and some mobile clinics) and payment of hospital bills for chronic and acute medications, vaccines and capacity development. It also includes some distribution of minor health supplies;

- Shelter-related activities consist of rent subsidies, the rehabilitation of buildings and informal settlement site improvements;

- Child protection and sexual and gender-based violence (SGBV).

3.2.2. GENERAL STRATEGY AND COORDINATION

A coordination structure existed before 2015 at both national and field level, however the leadership and coordination among actors, including among international humanitarian actors and UN agencies themselves, only became fully effective from 2015. The response strategy and coordination is defined by the LCRP 2015-2016[34] which aims "to reinforce stability through this crisis while also protecting Lebanon's most vulnerable inhabitants, including *de facto* refugees." This integrated strategy aims to increase "attention and investments for Lebanon's needs – strengthening the link between international humanitarian aid for those displaced by Syria's conflict and Lebanon's national stability." In fact "[i]t seeks more cost-effective solutions for humanitarian aid delivery as needs continue to deepen. It also adds weight to a vital stabilization effort tackling Lebanon's economy and institutions, connecting to initiatives by the wider international community and the International Support Group for Lebanon." [35]

Since then, the response to the crisis that focused almost exclusively on Syrian refugees and their urgent humanitarian needs has clearly shifted towards a medium-term stabilisation strategy. It has put Lebanon's poor alongside Syrian refugees and Lebanese institutions at the centre of the attention and assistance response.

The inter-ministerial Crisis Cell represents the highest national authority in charge of the response and was established for this specific purpose. With the LCRP the government of Lebanon, which until then was quite passive and paralysed, has taken a central and leading role in the design and the coordination of the response. The implementation of the LCRP is led by the Ministry of Social Affairs (MoSA) which is mandated by the Crisis Cell to oversee the response to the crisis. MoSA is both the leading ministry coordinating the response and an implementing actor, providing lists of vulnerable people to partners[36] and carrying out activities via its own social centres.[37]

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[34] The new version of the LCRP covering the 4 year timeframe 2017-2020 is now published and being implemented however the research and field work phases of this study were done in 2016 and therefore refer to the first LCRP.
[35] Government of Lebanon and the United Nations, *Lebanon Crisis Response Plan 2015-16*, December 15, 2014
[36] The assistance to vulnerable Lebanese is not only based on MoSA's lists.
[37] Following the presidential election a new government has been established with the creation of the State Ministry for Refugees.

On the side of UN agencies, the UN Resident Coordination/Humanitarian Coordinator is the highest authority in charge of the response. UNHCR and UNDP are the two leading agencies responsible respectively for refugees and stabilisation within the response, together with MoSA. Inter-sectoral coordination bodies are therefore led by MoSA, UNHCR and UNDP. This report focuses essentially on the humanitarian response to the Syrian refugee crisis; therefore it does not cover all aspects of the stabilisation response and the wider roles of UNDP and MoSA, although this distinction between humanitarian aid and stabilisation response is not always obvious.

All NGOs (INGOs and CSOs) participating in the response can attend coordination meetings, relevant to their sectors of intervention and localisation, on request. Additionally, some INGOs are co-leading sectoral working groups. Furthermore, the Lebanon Humanitarian INGO Forum (LHIF), created in 2012, brings together 33 INGOs and is a major actor which advocates for increasing coordination and accountability of humanitarian actors. On the side of CSOs there are two main networks: the "Local NGOs Forum" and the regional coordination networks of local NGOs ("Réseaux régionaux de coordination d'ONG locales"). The local NGO forum is now involved in the official coordination system, that is it is a member of the HCT and is invited to the inter-sector meetings as observers. These two networks provide space for CSOs to discuss their issues (among others) and give their common positions a louder voice.

Sectoral interventions are coordinated through the different working groups and under the Inter-sectoral Working Group. Although working group names and structures have changed a lot during the response, at the time of the research they were organised as follows:

- The basic assistance working group coordinating the assistance, such as multi-purpose community adult health service (CAHS) assistance, winter support, and non-food items, to severely socio-economically vulnerable households.

- The protection working group comprising sub-working groups for child protection in emergencies and SGBV.

- The energy and water working group in charge of the assistance to most vulnerable households and communities in the field of water, sanitation and hygiene.

- The food security working group supporting sustainable, comprehensive, locally-owned food security initiatives.

- The health working group which coordinates health efforts in the response, including setting standards.

- The livelihoods working group delivering, in full accordance with Lebanese labour laws and regulations, rapid-impact job creation initiatives targeting vulnerable groups, micro, small and medium enterprises (MSMEs), small farmers, and investing in the skills of young people and adolescents based on the Making Markets Work for the Poor approach.

- The protection working group at the national level draws participation from protection-related forums and areas of responsibility. These include: protection working groups at the field level, the child protection in emergencies working group at the national level, the SGBV task force at the national and field level and the cross-sectoral disability and older age working group. The Sexual and Gender Based Violence (SGBV) sub-working group, which supports a comprehensive and coordinated approach to SGBV, including prevention, care and support, and efforts to hold perpetrators to account.

- The shelter working group which coordinates efforts, sets standards for both urban and rural areas and promotes good practices.

- The social stability working group complements efforts of other sectors to mitigate tensions resulting from the profound impact of the crisis on local communities, through a comprehensive set of interventions at local and national level, which emphasise institution building to tackle both the expression of conflict and causes of community tensions.

- The information management working group which supports the compilation and dissemination of information among actors, in particular via the Refugee Assistance and Information Service (RAIS).

- Education partners[38] who work in support of the Reaching All Children with Education (RACE) programme by the Ministry of Education and Higher Education (MEHE) and under the umbrella of MEHE's non-formal education framework.[39] MEHE launched a call for expression of interest for partners who want to participate in supporting specific education activities in public schools. Based on the applications, proposed assessments and scoring, MEHE selected eligible partners to start implementing its education unified framework under its supervision.

UNHCR's multiple roles:

UNHCR's multiple roles, such as its coordination role as co-lead of the response and some sector groups, its funding of the response through INGOs and CSOs, public institutions and private actors, as well as its role as an implementing body, has been and continues to be perceived as a source of conflict of interests by some actors. "UNHCR became triple-hatted. The refugee agency acts as a donor, a coordinator and an implementing partner, which is problematic given the enormous scale of the crisis and the amounts requested."[40] In order to mitigate this situation, UNHCR has officially and physically separated the coordination unit from the unit in charge of implementing activities. It seems that this has led to a better coordination of the response.

Commitment to long-term funding

The lack of commitment by donors to pledge long-term funding coupled with reluctance from the government to allow humanitarian actors to implement some sustainable programmes, in the fear that this would encourage Syrian refugees to stay in the country, has led to a short-term focused and costly response[41], until the London donors' conference in February 2016.[42] Consequently this situation has made Syrian refugees dependent on international aid. With the London conference and the World Humanitarian Summit in May 2016, the different demands for multi-annual commitments[43] have been strengthened and have brought about real improvement, although in practice these multi-annual financing commitments are inaccessible to most national and local NGOs.

Disproportionate attention given to different sectors:

Despite the structuring of the response within the LCRP, many interviewees (international and national actors) perceived the response as lacking a clear correlation between the effective needs of the population, the resource requirements per sector, and resource availability by sector. For instance, some have questioned the strong emphasis on the food sector and the education sector in a context where refugees' health and protection needs are largely unmet. However it is important to mention that each organisation still does its own fundraising.

> *"Building a strategy as a response to crisis requires setting long term goals instead of focusing on satisfying short term needs to secure instant adequate living conditions. In Lebanon case, focusing on all sectors from food, education and many others is a part of a long term vision that touches on each aspect the refugees' lives and development consists of. For instance, the focus of the Ministry of Education and Higher Education on providing free access for all refugees to education with all needed facilities is important because first of all having access to education is a human right; also, enrolling these*

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[38] For the education sector there is no formal Working Group.
[39] http://data.unhcr.org/lebanon/ (last accessed February 25, 2017). Working Groups have changed with the LCRP 2017-2020
[40] MITRI Dalya, *Op cit.*
[41] Although some development donors like UNDP and the European Union are funding more sustainable programmes.
[42] The LCRP 2017-2020 also favour long term funding commitments and its funding appeal is now complemented by the recently-established Concessional Financing Facility (CFF), which presents new pathways to mobilise large-scale international financing to address Lebanon's longer-term development priorities.
[43] The Brussels Conference "Supporting the Future of Syria and the Region" in April 2017 has reconfirmed existing pledges of the international community in this sense.

children in schools will be protecting them from the influences of the harsh environment they are living in and helping them develop mentally in a healthy enriching environment that will keep them safe in this transition phase of their lives and protect them from any potential corruption. In addition to all this, MEHE had a clear strategy for its response to this crisis from the early beginning which may have encouraged donors to invest and channel more funds into the education sector." MEHE staff

Uneven presence of some donors in view of the complex political situation and their possible role as advocates on highly sensitive issues:

Added to this, the physical presence of some donors is perceived by several interviewees to be relatively low in comparison with their level of funding of the response. Although they are very involved in the coordination structures (three donors are present at the HCT), some interviewees consider that this uneven presence lessens donors voice within the humanitarian community and in particular their ability to advocate in favour of protection and support to refugees.

A development and stabilisation agenda not supporting enough Syrian refugees

According to some actors the nature of the response, which has shifted from a purely humanitarian one to a broader development one for vulnerable Lebanese populations and institutions alongside Syrian refugees, contributes to a certain level of confusion. Humanitarian funds are used for stabilisation and development purposes which have political agendas and is seen by some as a form of diversion of humanitarian aid.

> *"There is a general lack of honesty and integrity on this response regarding who is assisted and how. Of course it was necessary to support Lebanon's effort to host refugees but we are doing the opposite extreme. We use humanitarian funds to support priorities which do not benefit refugees and to finance public institutions that are putting more and more restrictions on refugees with dramatic consequences. While at the same time, because of funds shortages, an increasing number of refugees are not included in our response[44] and many of the essential needs are under-covered. When you look at the third priority of the LCRP (2015-2016), the first objective is "expanding economic and livelihood opportunities benefiting local economies and the most vulnerable communities'. As long as Syrian refugees are not allowed to work, how is this objective supposed to help them?"* Interviewed field actor

Yet, due to the nature of the crisis, the LCRP plan is in essence an integrated humanitarian stabilisation plan balancing the delivery of an integrated humanitarian and stabilisation approach. International partners have acknowledged the importance of tackling Lebanon's challenges holistically, taking into account humanitarian principles and the vulnerability of all people in Lebanon, including refugees from Syria, Palestinian refugees, as well as vulnerable Lebanese. The Lebanon Crisis Response Plan (LCRP) outlines an integrated approach from relief to stabilisation that responds to the emergency needs of refugees and poor Lebanese, while reinforcing the state's capacity to respond to the crisis at all levels. However, it is complicated to precisely differentiate at sector activity level between stabilisation and humanitarian pillars.

3.2.3. POLITICAL INSTRUMENTALISATION OF THE RESPONSE

The strategic importance of Lebanon's stability in an unstable region, added to a general will to stop refugee flows into Europe and to prevent the spreading of terrorist activities in Europe, has made this crisis a top priority for the international community. It has also led to the perception by a significant number of interviewees that the response has been instrumentalised politically by European and international actors.

During meetings with key stakeholders organised by the Lebanese Center for Policy Study in July 2015, the United Nations Resident Coordinator explained that "the international community should increase its

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[44] See section on integrity risks related to the targeting process

support, noting that if Lebanon fails in this respect, there will be implications for European states, such as an influx of refugees".[45]

> *"When we see how Europe is treating refugees at its own border it's hard to think that European governments are sincerely concerned about Syrian refugees' living conditions here in Lebanon."* National CSO employee

This perception is reinforced by the very high level of funding that this response has received in comparison to other crises, in a country where national capacities are relatively strong (the overall appeal was funded at 54% for the year 2015 and 46% for 2016).[46]

This international pressure to fund the response and indirectly keep Syrian refugees on Lebanese soil contrasts sharply with the national and local authorities' attitude towards Syrian refugees. Trauma from the 20-year civil war that began in Palestinian camps has led to a general fear of a prolonged refugee presence in the country, and stigmatisation and abuse of Syrians by the administration and the population.[47] These two opposing agendas put pressure on the humanitarian community as a whole:

> *"In order for us to be able to stay and operate as humanitarian actors, we need to keep the government on our side and therefore accept things which we wouldn't normally. However, there are minimum protection red lines that the UN will not accept to be crossed."* UN employee

The political instrumentalisation of the response can also be observed internally. At the beginning of the crisis, Hezbollah and its allies in the government refused to allow refugee camps to be set up as they believed this would incite Sunni extremism[48]. From the humanitarian community perspective, the set-up of camps is not necessarily the preferred option either, however 30% of displaced Syrians in Lebanon now live in poor urban neighbourhoods where it is more difficult for the humanitarian community to reach them.[49]

3.2.4. DISTRUST OF INTERNATIONAL AID

International aid is sometimes perceived with distrust and cynicism within Lebanese society. International humanitarian response is generally perceived by the Lebanese as exacerbating tensions:

- between poor Lebanese citizens and Syrian refugees who are very often perceived as 'thieves' taking advantage of the situation, while the former often do not have access to basic services. Although there have recently been efforts to systematically include poor Lebanese citizens in humanitarian projects, these tensions are still very visible.

- between Palestinian refugees and Syrian refugees given the fact that UNRWA no longer has enough funds to meet the needs of Palestinian refugees while the Syrian response is well funded (with the exception of Palestinian refugees returning from Syria who are assisted by UNRWA).

Like in other humanitarian responses, specific extravagant behaviours by a limited number of expatriate staff can have a negative impact on how the aid community is perceived locally. However, this has been

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[45] The Lebanese Center for Policy Studies, *The Repercussions of the Syrian Refugee Crisis on Lebanon: The Challenges of Providing Services and Creating Jobs*, Roundtable Report Series, January 2016: http://www.lcps-lebanon.org/publication.php?id=282 (accessed October 24, 2016)

[46] According to the LCRP 2017-2020 (p. 10): http://reliefweb.int/sites/reliefweb.int/files/resources/2017_2020_LCRP_ENG-1.pdf (last accessed April 5, 2017)

[47] Human Rights Watch Report, ""I just wanted to be treated like a person". How Lebanon's Residency Rules Facilitate Abuse of Syrian Refugees, January 12, 2016:
https://www.hrw.org/report/2016/01/12/i-just-wanted-be-treated-person/how-lebanons-residency-rules-facilitate-abuse (accessed October 24, 2016)

[48] "Lebanon should not build Syrian refugee camps, says Hezbollah," The Daily Star, March 12, 2012, http://www.dailystar.com.lb/News/Politics/2012/Mar-12/166296-lebanon-should-not-build-syrian-refugee-camps-says-hezbollah.ashx (accessed February 12, 2017).

[49] Government of Lebanon and the United Nations, *Lebanon Crisis Response Plan 2017-2020, January 2017* http://reliefweb.int/sites/reliefweb.int/files/resources/2017_2020_LCRP_ENG-1.pdf (lasr accessed April 5, 2017)

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observed to a much lesser extent in Lebanon given the fact that it is a middle-income country and the gap in consumption habits is not as big as it can be in other contexts.

Nevertheless, international organisations (INGOs and UN agencies) are subject to criticism with regard to several programme expenditures, such as the number of cars rented and salaries, which are considered to be extremely high: The aid sector created an artificial economic bubble largely disconnected to the local economy which is perceived as permissive to corrupt practices amongst those involved in the response (staff, subcontractors or other intermediaries).[50] A Lebanese CSO noted: "I don't think that INGOs are doing a great job, other than increasing salaries and attracting our employees."

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[50] Lebanon Support, *The Role of Community Based organizations in preparing and responding to crisis in Lebanon. A qualitative study,* 2016, p. 25

4. RISKS TO INTEGRITY

4.1. RISKS RELATED TO THE PROGRAMME APPROACH

Given the nature of the Lebanese context and the aid architecture described above, international humanitarian actors have generally had a slightly different role than in other humanitarian crises. International aid organisations have partnered with national private and public institutions, as well as civil society organisations, to implement or monitor part of their activity and to provide technical support, as well as part of their exit strategies. While these different programming approaches have had a positive impact on Lebanese society, as they aim to reinforce local entities rather than to create a parallel system, in this chapter we will explore some of their limits[51] and the risks that they pose to integrity. The risks to integrity when assistance is provided directly by international humanitarian organisations (UN agencies and INGOs) are covered in chapters 4.2 and 4.3.

4.1.1. Assistance provided through public institutions

As described above, since 2015 the Lebanese authorities have been very involved in the Syrian refugee crisis response. Despite the political crisis and the presidential vacuum[52], several ministries have been strongly involved in designing and implementing relief activities. In 2015, more than US$171.5 million were channelled to public institutions and this number reached US$120 million in the first half of 2016, accounting for 15% of the total amount disbursed.[53] A total of 13 offices (7 ministries, 5 governors' offices and the Prime Minister's office) received operational support. Some ministries have been particularly involved in the response such as:

- MoSA, which was the co-lead in designing the LCRP
- Ministry of Education and Higher Education (MEHE)
- Ministry of Public Health (MoPH)
- Ministry of Energy and Water (MoEW)
- Ministry of Interior and Municipalities
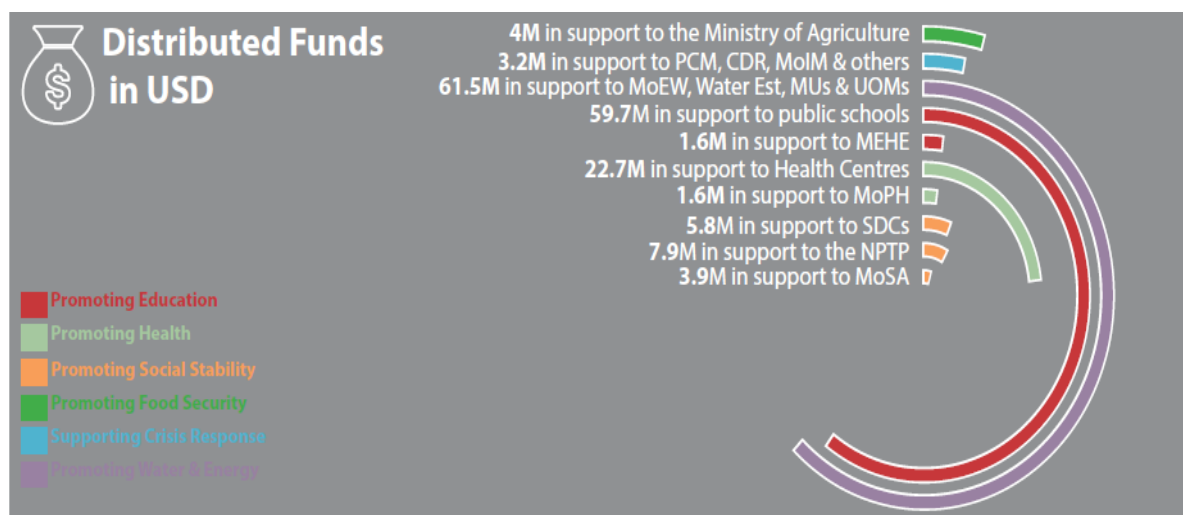
Source: Pist dashboard, Inter-agency Coordination, Lebanon, UNHCR

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[51] The creation of local committees by humanitarian actors has resulted in a parallel system in some cases.
[52] Michel Aoun was elected as the president of Lebanon on October 31, 2016.
[53] "Humanitarian Bulletin Lebanon", OCHA Issue 21 | 1 – 31 July 2016

While the involvement of national authorities is generally applauded by the humanitarian community, there are some barriers including the composition of the government and specific risks for aid integrity.

<u>Perceived opacity of financial management:</u>

In view of the financial opacity of the government (as described in chapter 3.1.2.) and the general perception of highly corrupt public institutions, the significant funding of these institutions through the response raises serious concerns and suspicions related to integrity from many interviewees. One of the main corruption scandals from public institutions regards the head of High Relief Committee's arrest on embezzlement charges for the misappropriation of US$10 million in 2013.[54]

In the education sector, funds allocated to the MEHE (US$382 million from 2015-2016[55]) are mainly channelled through UNICEF, the World Bank and UNHCR to implement the RACE programme. As for other public institutions, but strengthened by the size of the actual financial amounts, funds allocated to MEHE have also been perceived as financially opaque by some respondents to this study. It is worth mentioning here that expenditures under RACE are regularly updated on the RACE public website to promote financial integrity and transparency of the entities managing the funds and avoid being perceived as financially opaque.

As a middle-income country, the Lebanese state usually benefits from loans but is not eligible for grants from many bilateral and multilateral donors, including the World Bank. However, following the London conference and the "No Lost Generation" campaign, donors committed to support the refugee crisis response in Lebanon and in particular the education sector. In March 2016, the World Bank decided to provide a grant of US$100 million to the MEHE through an "exceptional arrangement". [56]

However, many bilateral donors have internal regulations that do not allow them to directly fund the MEHE, as it would not be compatible with their national financial management requirements, including the significant fiduciary risk associated with it.[57]

> *"As a bilateral donor we don't have the capacity to fund directly the Lebanese state and we are not in a position to impose any financial control to the government. Through international organizations we can support the efforts of the MEHE and the education of Syrian refugees while sharing the risks among us."* Donor representative

Whilst the lead entity in the RACE Program is the MEHE, a RACE Executive Committee whose members vary between representatives from UN agencies, international organisations and donor countries meet regularly to discuss and advise on issues related to the RACE Program. UNICEF plays a leading role, as it implements and monitors the cash transfers to MEHE via a specific bank account (as does UNHCR) and applies the UN Harmonized Approach to Cash Transfer. The funds are then managed by the Project Management Unit upon approval of the Minister of Education and the Ministry's Director General, who are both joint signatories of the special bank account mentioned above, in addition to the designated account for the World Bank Funds. The Minister appointed a Project Management Unit (PMU) to manage the funds channelled for components of the RACE Program to MEHE, with the Minister's and the Director General for Education's approval required throughout all phases. The Minister also appointed central and regional committees of about 40 civil servants that collaborate with this Unit to oversee the implementation of most projects within the scope of RACE, especially the implementation of second afternoon shifts in public schools.[58] UNICEF audits the funds channelled through the MEHE annually and reports to its donors accordingly.

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[54] https://www.yahoo.com/news/lebanon-aid-chief-arrested-corruption-charges-judicial-sources-175426978.html and http://www.reuters.com/article/us-lebanon-corruption-aid-idUSBRE9AA0S820131111
[55] Government of Lebanon and United Nations, *Op cit.*
[56] These grants are usually only provided to low income countries: World Band, "World Bank Group Announces US$100 million in Financing for Lebanon's Schools", March 25, 2016: http://www.worldbank.org/en/news/press-release/2016/03/25/world-bank-group-announces-exceptional-financing-lebanon (last accessed February 25, 2017)
[57] The World Bank estimates the fiduciary risk of its USD 32 million project supporting the RACE as "significant".
[58] Decision N. 15961/3 dated 20/10/2015

In March 2016, UNICEF conducted an audit for the Project Management Unit for the year 2015 in collaboration with other donors. UNICEF's financial transactions are also published openly.[59] On a regular basis, the full utilisation details of specific financial contributions are shared in UNICEF's regular donor reports (with over 50 donor reports in 2016 alone) and financial transactions are regularly audited and available for inspection as per UNICEF's donor agreements and procedures for any donor that requests it.

> *"Bilateral donors finance UNICEF with lighter reporting procedures than what they would normally require for any small grant to a non-UN entity, while in practice this money goes to a bank account co-owned by the ministry of a state that hasn't publish a national budget since more than ten years."* Interviewed field actor

Expenditure under RACE has been regularly updated on the RACE public website[60], however for bilateral funding from donors directly to NGOs, there is no public accounting of these funds.

Perceived lack of operational monitoring:

Although the RACE Program was originally established in response to the Syrian crisis, its main focus now is to reach all children with education including the Lebanese school-aged children. The perception that the RACE Program is not exempt from corruption is linked to the general pre-existing distrust in the public education system. This is due to the fact that before the Syria Crisis and the RACE programme only 30% of Lebanese children were enrolled in public schools.

Based on the high number of school aged refugees (almost 500,000 children), UN Agencies in collaboration with the MEHE have put in place significant efforts and strategies to enrol more children every year. However, the level of funding attributed to the sector is being set in parallel to the results of the strategies applied. Lebanese authorities have included refugee children in the public education system within existing classes and in some schools by adding a second shift in the afternoon to accommodate more children and therefore gradually increasing enrolment figures throughout the years.

> *"UNHCR records show that the number of children whose age is between 6 to 15 counts around 300,000 out of which 230,000 are in Formal Education (180,000 in public schools – 50,000 in private and subsidized schools). This leaves us with around 70,000 child aged from 6 till 15 that are out of schools. Some of these children are reached with Non-Formal Education Components."* MEHE staff

Human Rights Watch, however, indicates a much lower rate of enrolment and considers that about half of the 500,000 school-aged refugees registered in Lebanon are still not at school.[61] While some protection issues, such as legal status, limited access to livelihood and child labour/marriage, affect access to education of Syrian children, the report mainly points out the increasing restrictions on refugees' freedom of movement[62] and consecutive arrests, as well as the cost of transport, the teaching language, the accusations of abuse at school, the discrimination and corporal punishment[63] as the main constraints to effective access to education for Syrian children. Additionally, the high dropout rates also tarnish the image of this sector and cast doubt upon the effectiveness of this funding[64] despite the efforts of the PMU. "It is very difficult to visit schools which provide a second shift. There is no transparency in particular on the quality of the schooling provided and no one is keeping a close eye on it", noted an NGO employee.

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[59] Available at http://open.unicef.org/
[60] See: http://race.mehe.gov.lb/ (last accessed March 8, 2017)
[61] Human Rights Watch, ""Growing Up Without an Education". Barriers to Education for Syrian Refugee Children in Lebanon" July 19, 2016: https://www.hrw.org/report/2016/07/19/growing-without-education/barriers-education-syrian-refugee-children-lebanon (accessed October 24, 2016) The figure of 500 000 Syrian refugees refers to 3-18 years old, while compulsory education in Lebanon is 6-14 years old.
[62] Relates to government refugee policies from 2014, see:
http://www.europarl.europa.eu/meetdocs/2014_2019/documents/droi/dv/94_restrictedbriefingnote_/94_restrictedbriefingnote_en.pdf (last accessed April 24, 2017)
[63] *Ibid*
[64] Donors met 57% of the education needs for the 2014/2015 appeal, cf. JALBOUT Maysa, Reaching all Children with Education in Lebanon, Opportunities for Action, A World at School and Theirworld, September 10, 2015: http://gbc-education.org/wp-content/uploads/2015/01/LEBANON.pdf (accessed October 24, 2016)

MEHE has a Department of School Guidance and Pedagogy (DOPS) under the general director's supervision that is in charge of quality assurance. DOPS academic monitoring visits are regularly conducted in second shift schools. The department predated the crisis and conducts academic monitoring visits which are currently funded by UNICEF. The department's academic counsellors, of which there are currently about 405, are trained to use teacher performance tools and observation tools to check the quality of teaching and learning in classrooms. Additionally, there are also psycho-social support and health counsellors. The performance tools were being revised at the time of the research in preparation of RACE II, which should include additional training for the department's staff and a minimum of four visits per subject area in second shift schools.

UNICEF Lebanon also has a number of tools at the micro and macro levels to manage the crisis response, monitor its performance and measure the improvement of results for children. At the micro level, monitoring is conducted through: field monitoring (1,895 monitoring visits in 2015-2016); partner reporting (about 700 indicators and 1,000 sites) with complementary third party monitoring (678 schools in 2015-2016); and direct feedback from affected populations through focus group discussions (149 during 2016). This monitoring is aimed at understanding obstacles to accessing public services, as well as the overall effectiveness and relevance of UNICEF programmes.

Increasingly, UNICEF and MEHE are requesting international and national NGO partners to implement joint child-level monitoring mechanisms using unique identity documents for each child, organised by type of programme. This provides a wealth of shareable monitoring data on actual profiles of and outcomes for the children participating in the programme, lessons learnt and value-for-money.

> *"The number of children [officially] enrolled is published by the ministry but when you take into account the uneven transparency of the monitoring system and the fact that the funds received by the MEHE are calculated based on this number (US$600 per Syrian pupil in the second shift), you might want to question that number. Plus, this number doesn't take into account the numerous drop-outs."* Interviewed field actor

MEHE actually allows until January for enrolment figures to stabilise before publishing the official numbers in order to take drop-outs into account. MEHE and UNICEF are also implementing a monitoring system ("the Compiler") for the year 2016-2017 to keep track of enrolments and drop-outs all year long. Risks to integrity exist at all levels of public administration including education institutions. While the authorities allowed Syrian refugees to enrol in school without providing proof of legal residency[65], cases of individual school directors imposing additional enrolment requirements have been reported.[66] To address these types of challenges, MEHE, the LCRP and UNICEF have instituted a complaint referral system to capture these cases and respond to them.

Regarding school rehabilitation, in the case of UNICEF, procurement involves two separate bidding processes. One is for consultancy firms who carry out the project design and another independent one is for the construction companies who will implement the rehabilitation. Despite this, interviewees regularly expressed concern that school rehabilitation activities could be prone to corruption.

> *"The information accessible is very basic. We only get to know how many schools have been rehabilitated. 'School rehabilitation' could be anything, it could cost a lot or very little. As an implementing actor we also know the corruption risks through the procurement process. My feeling is that the monitoring process is not sufficient to avoid these risks because there is very little presence of humanitarian actors on the ground during the rehabilitation."* Interviewed field actor

These quotations reveal the high level of suspicion among some actors towards education sector assistance. Most of the interviewees considered that the programme was designed first of all to strengthen the Lebanese public education system rather than to best adapt to Syrian refugee needs, such as language of teaching, curriculum of courses, focusing on existing schools, and no transportation.

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[65] The minimum legal document requirement descends the mokhtar's certificte.
[66] Human Rights Watch, *Op cit.*

The preoccupation of the MEHE towards host communities is also understandable, given that the two above mentioned frustrations come from the lack of clear distinction between humanitarian assistance to people in need and development programmes aimed at stabilising a middle-income country facing a crisis. This situation potentially creates uneasiness for some humanitarian actors and difficulties in adopting a clear position, consistent not only with their mission, values and perceived priority needs but also with the configuration of the response. Moreover, most interviewees considered that the RACE Program was concentrating massive funds, although not necessarily over-funded according to the needs, but was not particularly transparent. According to the interviewees, the RACE Executive Committee (REC)[67] should be accountable towards the extended aid community and the population in general.

Conflicts of interest

Another sector of the LCRP in which humanitarian actors are working closely with public institutions is the water sector, co-led by the Ministry of Energy and Water (MoEW) and supported by UNICEF. Due to governmental restrictions on connecting informal settlements to public networks and due to the already significant privatisation of water services in Lebanon, humanitarian organisations usually have to work through direct assistance and/or with local private companies to provide water to refugees. Nevertheless, humanitarian actors regularly coordinate with the MoEW and/or the regional water establishments and municipalities. It is important to mention that even before the crisis, national water provision actors were perceived to be amongst the most corrupt and this has not improved in the recent years due to various scandals (Janné's dam[68] in 2015; North-Lebanon water office scandal in August 2016[69]).

Specific corruption risks associated to this sector are mentioned in the next chapter, as the contractual engagement of humanitarian actors is made with private companies despite the role played by the public authorities in some cases (see chapter 4.1.3. below). Nonetheless the water sector is representative of the complex power relations in Lebanon.

> *"Apart from the MoEW itself, four regional water establishments (state-owned enterprises[70]) are officially in charge of regulating water services through public networks and water trucking. However, as the 21 services and water councils which existed before their creation could not be dismantled, these structures have been subordinated to the four authorities while they actually run quite autonomously. In addition, private water trucking companies have a great deal of influence in the decision-making processes and the four authorities lack human resources for controlling all related activities. Therefore, there is no transparency in the whole process while the service provided to the population (Lebanese and migrants) is clearly deficient, both in quantity and quality of the water."*
> M. Yahya Hakim, Lebanese Transparency Association

The complex interactions between public and private actors involved in this sector at different levels makes it difficult for implementing actors to navigate among these actors as the financial stakes in that sector are important. As noted by a an INGO employee, "It can be very time consuming to obtain the needed validation of all actors to implement our activities and it sometimes delays our interventions."

As the response to the crisis in Lebanon is not only a humanitarian one, international actors have also focused on infrastructure improvement including water infrastructures which will in turn improve public water provision. Among the expertise brought in, international actors are supporting the capacity of local institutions to manage contracts. This approach contributes to promoting long term and sustainable solutions.

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[67] REC is the oversight body that has executive functions over the budgeting and expenditure under RACE. It counts with representatives of MEHE, RACE PMU, all major donors and UN Agencies.
[68] "Harb dénonce le "gros scandale", *L'Orient-Le Jour*, Beirut, June 3, 2016: http://www.lorientlejour.com/article/989305/harb-denonce-le-groscandale-.html (accessed October 24, 2016); and "Une vidéo soulève des soupçons autour de l'un des conseillers du ministre de l'Energie", *L'Orient-Le Jour*, Beirut, June 14, 2016: http://www.lorientlejour.com/article/991044/une-video-souleve-des-soupcons-autour-de-lun-des-conseillers-du-ministre-de-lenergie.html
[69] "Merhebi accus l'Office des eaux du Nord d'infractions", *L'Orient-Le Jour*, Beirut, August 19, 2016: http://www.lorientlejour.com/article/1002456/merhebi-accuse-loffice-des-eaux-du-nord-dinfractions.html (accessed October 24, 2016)
[70] Or non-profit public institution

4.1.2. Assistance sub-contracted to national and local civil society organisations

National civil society organisations (CSOs) have played a significant role in the response. For instance, national CSOs have received 23% of the total amount of allocations from the Syria Emergency Response Funds (ERF) for 2013 and 22% in 2014.[71] This has been possible because Lebanese civil society is very well-developed and diverse, more so than in a lot of other humanitarian contexts. In areas close to the Syrian border in the north, for instance, where access and security for international organisations and their employees can be challenging, it is estimated that there are 28 Lebanese non-governmental organisations, including but not only Islamic organisations, operating to support aid operations.[72]

The multi-layered subcontracting system from donors to UN agencies and/or INGOs to national CSOs can increase the risks related to monitoring and evaluation processes (see chapter 4.3.7.). It is also perceived as a way for international organisations to transfer some risks to their implementing partners rather than having to assume them directly. This can result in decreased transparency and accountability. If the capacity to prevent corruption vary significantly from one actor to another, delegating part of the implementing or monitoring activity fosters opportunities for corruption each time that responsibility and funding is transferred to a new actor. However, this system also contributes to building the capacity of the CSOs. While most of them existed prior to the crisis, they have grown and evolved during the response including through capacity building.

Although national CSOs are legally bound by many different laws and regulations including the Lebanese constitution, penal codes[73], and the Law of Associations, and while the Ministry of the Interior requires them to provide their annual financial report (this is also the case for international organisations), there is no legal obligation to make these reports public.[74]

Another important risk for national organisations, when they are sub-contracted by international organisations, relates to the budget amounts and timeframe of the grants they receive.

> *"Our donor told us that they had US$60,000 remaining on their annual grant and that they could send it to us but we had to spend it in 2 months. It was very difficult to refuse but we had to turn this offer down as we knew we could not spend the money in an efficient manner in that time frame".* Local CSO representative

In this context, international organisations may expose national actors to the risks of misuse of funds, making false invoices or diverting money.

Recent corruption scandals have tarnished the image and credibility of local and international NGOs.[75] However, such scandals are not based on any conviction and generally not even on an official indictment. Although in some cases "administrative mistakes" have been recognised, these scandals show how high reputational risk is for humanitarian actors. The lack of trust in institutions makes the Lebanese context very prone to rumours, whether they are well-founded or not.

4.1.3. Limiting/preventing diversion of aid by armed groups

International rules and regulations, such as the US Counter-terrorism Act and the UK Charities Registration (Security Information) Act, have been developed by states concerned that aid resources could be diverted to sustain the war effort of terrorist groups and to bring guarantees and protection to aid integrity. However, as they might prevent agencies from working with the populations in the areas

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[71] Velina Stoianova, *ICVA's Review of NGOs' Experience with the Syria-Related Pooled Funds*, International Council of Voluntary Agencies, November-December, 2014: http://www.alnap.org/resource/19580 (accessed October 24, 2016)

[72] "Au Liban, les réfugiés invisibles" ("In Lebanon, the invisible refugees"), Abgrall Thomas: http://www.grotius.fr/au-liban-les-refugies-invisibles/ (accessed February 20, 2017)

[73] International covenant on Civil and Political rights, Penal Code (Section II), 1909 Ottoman Law of Association, Law of General Assemblies 1911, Legislative Decree 1977 etc.

[74] Most INGOs are required by their headquarters' national legislation to publish their annual reports. Also see Decree No. 10830 (09/10/1966) for reporting requirements.

[75] Lebanon: Child Refugee Deaths Expose Corruption in Relief Work, http://english.al-akhbar.com/node/18000

controlled by armed groups, they can also lead to non-transparent practices when they create additional and inappropriate constraints that humanitarian actors might try to avoid or bypass in order to assist populations in dire need.

4.1.4. Assistance sub-contracted to private actors

The response to the Syrian refugee crisis in Lebanon is characterized by the significant involvement of the private sector. Cash transfer programmes are implemented through banking companies; the health care sector relies mainly on private hospitals and private health centres (PHCs) as well as public hospitals; and water and energy services are partly provided by contracted private companies, in particular water trucking companies. The shelter sector is also characterised by contracts with private landlords, beneficiaries and private companies. While many interviewees consider that working with the private sector is the appropriate approach in the privatised context of Lebanon, in some cases this brings specific risks to integrity.

Secondary and tertiary healthcare assistance:

In Lebanon, most of the secondary and tertiary healthcare services are provided by the private sector, and to a lesser extent by public hospitals. The quality level is usually considered high but the fees for medical care are unaffordable for most refugees and many Lebanese.

UNHCR, however, works mainly with public hospitals. At the beginning of the response, the cost of secondary and tertiary refugee treatments was totally covered by UNHCR. Due to limited funds, UNHCR narrowed the beneficiary criteria and the financial coverage rate, so that today only lifesaving emergencies, giving birth and care for new-born babies are partially covered. 75% of the costs of hospital care is supported by the organisation and the remaining amount must be paid by the refugees themselves. In some cases, the most vulnerable refugees can receive 90% of coverage and even 100% in the most critical cases.

In order to reduce total costs, UNHCR also decided to centralise and delegate part of the administrative aspects of this activity to a private medical company, firstly GlobeMed and now MediVisa. The company is in charge of pre-approving the reimbursement of the 60 hospitals contracted by UNHCR for healthcare services they provide to refugees, based on the refugee's personal and health situation and the type of treatment provided by the hospital. By guaranteeing to hospitals that they will be paid back, MediVisa's approval determines whether or not refugees will have access to healthcare (when they can pay for the remaining 25% of the bill). They also play an information role, as refugees are supposed to contact MediVisa before going to hospitals in order to be oriented adequately.

Despite this administrative and control role played by MediVisa, several cases of abuse and suspected corruption by hospitals were reported to the research team, such as unnecessary lab tests, drugs and treatments being prescribed, inflated length of stay, inflated bills and claims of hospital staff requesting "baksheesh" from refugees.

Having been used to a free health service in Syria, several refugees said that they felt unaccompanied and powerless when facing vital emergencies. They had difficulty gaining access to information about their entitlements to healthcare. In particular, they often did not know or understand if they were able to receive healthcare or not, what medical expenses and what proportion would be supported by MediVisa/UNHCR, and how much they would have to pay themselves. Therefore, NGOs (INGOs and CSOs) also facilitate the referral of cases to MediVisa and can provide follow-up on the cases, as they play a central role in primary healthcare. INGOs and CSOs sometimes cover secondary and tertiary medical fees for refugees who can't access treatment, either the remaining 25% of the cost or in cases where the treatment was rejected by MediVisa.

Due to insufficient funding to cover all of the needs, many refugees do not access health care in hospitals, while some appear not to be seeking hospital care, in particular if they have not been in contact with UNHCR or have been de-activated[76], or because of the distance to hospitals and the cost of treatment.

Privatised operational approaches can represent a particular challenge to aid integrity. For example, the difference in price between caesarean birth and natural childbirth facilitates abuse on the part of hospitals, with reports of unnecessary caesarean births being performed, and limits Syrian women's access to maternal health in particular when they are at risk. As noted by one Syrian woman, "Almost all women I know that went to hospital to give birth had a caesarean and had to pay 200 USD. I can't pay 200 USD I prefer to give birth by myself."

Several measures and controls, such as engaging third party administrators, are in place to prevent and mitigate abuses from hospitals. There were reports of agreements being discontinued in cases where hospitals had overcharged or not adequately treated refugees. Reimbursements have also been sought from these institutions to concerned individuals.

According to a UN interviewee, due to prevention measures, caesarean occurrence rate among Syrians is about 32% compared to more than 50% for Lebanese women. Surprisingly, the WHO was almost absent from the response until 2017.[77] This has been presented by some interviewees as a potential contributing factor to the under-estimation of health needs and the lack of control of corruption and abuses by hospitals towards refugees.

Water and sanitation services

While the headquarters of UN agencies were initially reticent, they now increasingly contract private companies for their water and sanitation service provision activities. While UNICEF and UNHCR continue to support water service provision in informal settlements and urban contexts, they have strengthened their monitoring and quality control activities towards service providers with more technical staff and a special focus on developing standards and operating procedures for private partnerships.

According to one UN employee, UNHCR's and UNICEF's water and sanitation activities have therefore evolved towards more monitoring and quality control. One interviewee from a UN agency, argued that contracting private organisations could be less risky in terms of corruption: "Working with private companies can be less risky because our procedures are more strict and we control bills in more detail than we do with NGO partners."

INGOs working in the water and energy sector have also sub-contracted a great deal of their activity to private companies, in particular the provision of water to informal settlements and unfinished buildings. This requires close on-the-ground monitoring and is mostly implemented by INGOs either directly or through private companies (i.e. water trucking).

In Lebanon, water shortages were common before the crisis and the water trucking business was already very lucrative. The increase in population by almost 2 million people[78] and the fact that it is prohibited to connect settlements to the public water supply networks, independently of their capacity, has led to a significant increase in demand for water trucking (including for host communities facing more water shortages). Knowing that INGOs would not postpone the lifesaving services which they provide to refugees in settlements, some interviewees reported that in specific areas companies have considerably increased their prices, which also weighs on host communities. Therefore, for water trucking companies who have access to private boreholes, the humanitarian response generates huge amounts of money. Yet, these companies are not perceived to be transparent and several suspected and documented cases of corruption were reported to the research team. In some cases refugees have not received water as agreed in the contract, either in quality or quantity:

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[76]It is important to note that in practice, persons who are not known to UNHCR at the time they approach the hospital for care can go through a fast track, 48 hour procedure, in order to be assessed as refugees/persons of concern to UNHCR and thus eligible for subsidised health care.

[77] This situation has changed with LCRP 2017-2020.

[78] This includes Syrian refugees of all statuses, Palestinian and Iraqi refugees from Syria, and Lebanese returnees from Syria.

> *"Strong monitoring of water trucking activities is essential. If we don't have a presence during the delivery, companies don't necessarily deliver the totality of the water they are supposed to and they increase their profit margins at the expense of beneficiaries. This is a clear and widespread corruption practice, but many Lebanese will not necessarily see it like that. That's the way it works, everyone is trying to take advantage of the situation and we can't be present all the time."* INGO employee

It was also reported that the quality of the water was an issue, sometimes with health implications for beneficiaries. During a visit, a refugee family was found discharging the water from the tank they had filled with water trucking two days before:

> *"There was a shortage of [publicly supplied] water so we had to pay to fill the tank with a water truck but we don't think the water is good, the children have been ill and we are afraid to drink it. Now the [public] water just came back so we want to refill the tank with good water before the next shortage."* Syrian refugee

In two different cases it has been reported by interviewees (beneficiaries and aid workers) that the water trucking company asked refugees to pay for receiving the water while this service was fully financed by humanitarian actors. Companies either clearly demand "baksheesh" or pretend the refugee contribution has been discussed with the humanitarian actor. Unfortunately this study could not measure the frequency of such practices. However, there is a lot of competition among contractors and INGOs have strict public tender procedures. Safety measures such as the voucher system have been implemented by some actors to limit the risk of corruption. When cases of corruption occurred, INGOs blacklisted the specific company and contracted another one. This can also be dissuasive and help prevent such corruption. Humanitarian actors indicated however that they rarely share their blacklists and some cases of corrupt companies being contracted by several organisations has been reported, even if there is a perception that this would be a good subject for inter-agency discussion.

In some regions, due to the security situation, humanitarian actors sometimes face a situation where they cannot choose the contractor they want to work with freely.

> *"In Aarsal when we refused to work with a local water trucking company that was too expensive, or not competent enough, the company we contracted has been denied access to the zone by armed groups that clearly threatened the life of the staff and made it clear that if we wanted to do water trucking in this zone we had to contract the influential company".* Interviewed field actor

Depending on the region and the security situation, the risk is quite different. Particularly in rural areas, these companies often belong to powerful families that are well-connected with the local authorities.

<u>Shelter assistance</u>

Shelter assistance is usually aimed at improving the quality of settlements and rented apartments and reducing the rent for the most vulnerable refugees. The latter is done by financing the rehabilitation of rented houses and apartments in exchange for the landlord's commitment to obtain rent reductions or free rent for a set period of time. Organisations have used different approaches by contracting directly with the landlord, who is therefore in charge of the rehabilitation or contracting directly the company doing the rehabilitation.

Several cases of abuses by landlords or companies doing rehabilitation have been reported during interviews. Landlords either refused to maintain a fixed rent, or to rent the apartment to the refugees supported by the organisation once the rehabilitation was completed. It was also reported that landlords and/or companies doing rehabilitation work did not always respect the quality standards demanded by the organisation or asked for additional funding to cover the rehabilitation without providing proof of effective use of the funds. In some cases landlords have withdrawn doors and windows just before an organisation's visit to have them included into the rehabilitation plan. Here again, the report cannot provide quantitative data on the frequency of these practices. It seems that in most cases mentioned, where landlords tried to

benefit from the situation, humanitarian actors managed to convince landlords to follow the agreement; it sometimes happened however that they had to suspend the contract and blacklist the landlord.

4.2. RISKS TO INTEGRITY RELATED TO SPECIFIC AID MODALITIES

While direct service provision involves some risks to integrity none of them have been identified as specific to this aid modality. These risks are therefore developed in chapters related to programme approach and operational processes.

4.2.1. In-kind distributions

While in-kind distributions were largely used at the beginning of the response (2012-2013), they currently only represent a very small proportion of humanitarian aid. In the food sector, for instance, from January to May 2016, only 12% of aid provided by the World Food Programme (WFP) was channelled through actual food distribution (particularly in areas where ATMs are not accessible and for school meals), while 88% was transferred through conditional cash.[79] Direct food distributions also occurred during the Ramadan season. While a number of important cases of food aid being diverted were reported in Syria, there was no evidence of this happening in the Lebanese context. One organisation estimated that, despite the high level of monitoring, about 20% of the total in-kind assistance provided in Arsaal was not monitored. According to the interviewees, when doing in-kind distributions in Aarsal, their organisation had to deliver between 10% and 20% of the in-kind boxes to a public authority in order to be able to distribute them to beneficiaries.

While this practice can objectively be considered as a diversion of aid, the interviewees did not see it as an act of corruption. They rather declared that the public authority would usually distribute the boxes to people in need and was doing so in order to keep some legitimacy in the eyes of its population. The interviewees recognised that this situation was problematic as there was no guarantee, control or transparency regarding how the public authority would actually deliver the aid. The decision to adopt such a practice in order to gain access to the beneficiaries was taken by oral agreement with the national supervisors, but not publicly declared as it could have deteriorated the image of the organisation. In the specific zones where international actors face access issues, CSOs have an essential added value when it comes to monitoring.

4.2.2. Service provision: primary health care

Since the beginning of the crisis, primary healthcare is mainly provided to Syrian refugees by the UNHCR. Syrian refugees can access a selection of Primary Health Centres (PHCs), run either by UNHCR's NGO partners or to a lesser extent by the Ministry of Public Health (MOPH), for a fee of between LBP 3,000 to 5,000 per consultation (compared to LBP 10,000 and 15,000 for Lebanese citizens).[80] In these centres, Syrian refugees also receive free of charge vaccines and pregnancy consultations. However, for laboratory and diagnostic tests refugees have to pay 100% of the cost, except for vulnerable individuals such as children under 5 years old, adults over 60, pregnant women and persons with disabilities whose fees are subsidised by UNHCR (85% of the costs).[81]

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[79] Inter-Agency Coordination Lebanon, Livelihoods Quarter 3 Dashboard, 2016:
http://reliefweb.int/sites/reliefweb.int/files/resources/Interagency_Quarterly_Aug_2016Livelihoods_LQ.pdf (accessed October 24, 2016)
[80] "Access to Healthcare for Syrian Refugees. The Impact of Fragmented Service Provision on Syrians' Daily Lives", Lebanon Support, 2016. (last accessed January 2017);
It is also important to note that vulnerable Lebanese that are part of the National Poverty Targeting Programme also benefit from the same types of subsidies. In certain PHCs, depending on funds, NGOs subsidize both Lebanese and Syrian patients without distinction.
[81] Emily Lyles and Shannon Doocy, "Syrian Refugee and Affected Host Population Health Access Survey in Lebanon: July 2015," The Centre for Refugee and Disaster Response at Johns Hopkins University Bloomberg School of Public Health and Médecins du Monde, 2015, p.26:

According to several patients and medical staff, refugees often have to give up medical care, in particular medication, because they can't afford the treatments. This also applies to vulnerable refugees when free of charge services are found insufficient. The situation of people with chronic diseases is of the greatest concern as chronic illness medications are unaffordable for patients (see chapter 4.1.3.). Many Syrian refugees are not even able to pay for a regular consultation.[82]

UNHCR is the leading organisation providing Syrian refugees with access to healthcare in Lebanon. The extent to which health care (types and amounts/percentages) can be covered is dependent on the funding available and the vulnerability of the refugee. Even though UNHCR prioritised support for refugees' access to health care, 41% of the needs identified in 2016 were underfunded. Some 16% of those in need of PHC services and 23% in need of hospital/specialised care did not get it (VaSyr 2016), predominantly due to refugees' difficulties in bearing the 10-25% of the bill that UNHCR cannot cover under its subsidised programme, or accessing care beyond the scope of UNHCR assistance. In addition, certain conditions and treatments, such as long-term dialysis and chemotherapy for cancer, had to be excluded from the in-patient care program due to budget constraints.

No specific cases of corruption have been reported in relation to direct service provision in primary health centres. While the financial humanitarian support to Syrian refugees appears to be insufficient in many cases, it is a source of resentment for many vulnerable Lebanese whose health costs, although subsidised, remain higher.

4.2.3. Cash-based assistance

Given general trends in the humanitarian sector and the strength of the Lebanese banking and private sectors, the humanitarian response has tended to favour, particularly since 2014, the use of cash-based transfers to reach the most vulnerable beneficiaries thereby avoiding intermediaries and fuelling the local economy. The WFP, through its Cash for Food programme (e-vouchers) has, for instance, injected US$634 million into the Lebanese market since 2012 through 450 pre-authorised shops across the country.[83]

The UNHCR Multipurpose Cash Assistance Program and the Lebanon Cash Consortium (consortium of 6 INGOs[84]) has implemented multi-sector cash assistance (also called unconditional). Since November 2015 the inter-agency UNHCR and UNICEF joint Winter Assistance Programme has included a cash transfer component, together with the distribution of non-food items, to help beneficiaries during the winter months. While this cash assistance is officially for winter assistance (blankets, heaters, etc.), in practice it is unconditional.

Whilst cash-based interventions involve some challenges related, for instance, to targeting of beneficiaries (which will be described in more detail below) or access to ATM machines and shops, there have been very few reports of fraud or aid diversion. Provided that the necessary checks and control mechanisms are in place, unconditional cash programmes present even fewer risks of abuse as they are directly delivered to beneficiaries without intermediaries such as shop owners. They might nevertheless present challenges in terms of the equitable use of funds within individual households, as the ATM card is mostly kept by male heads of households (in 63% of the cases).[85]

This type of aid has proven to be beneficial in terms of restoring refugees' dignity, and efficient in that cash-based transfers have lower operating costs than other types of programmes.[86] This form of aid is indeed generally perceived as presenting fewer risks to integrity and opportunities for corruption, and has

https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKEwi17cP92pLUAhUSIlAKHXz-AmsQFggiMAA&url=http%3A%2F%2Fdata.unhcr.org%2Fsyrianrefugees%2Fdownload.php%3Fid%3D9550&usg=AFQjCN GqQrpDemobAQPxCH22l2f4OgKpMg&cad=rja (last accessed February 25, 2017).

[82] "Access to Healthcare for Syrian Refugees. The Impact of Fragmented Service Provision on Syrians' Daily Lives", Lebanon Support, 2016. (last accessed January 2017)

[83] WFP, "Lebanon Situation report #13", June 01, 2016: http://reliefweb.int/report/lebanon/wfp-lebanon-situation-report-13-01-june-2016 (accessed October 24, 2016)

[84] Since 2017, there are only 4 INGOs in the Lebanon Cash Consortium

[85] UNHCR, Lebanon Post-Distribution Monitoring Report: Cash-Based Interventions in Lebanon (Jan-Mar 2016), May 31, 2016: http://www.syrialearning.org/resource/22706 (accessed October 24, 2016)

[86] *Ibid*

– according to one UN official - been widely used in order to reduce risks of diversion linked to the procurement and distribution of in-kind resources.

At the time of the research, further progress was even being made towards increased efficiency and transparency of cash-based interventions by combining e-cards amongst the main cash providers (WFP/LCC/UNICEF/UNHCR).

Some additional specific risks related to the use of conditional cash, such as e-vouchers cash for food programme, have also been identified. These are usually related to abuses by shop owners, for example when beneficiaries have asked shop owners to give them non-food items (NFI) or cash instead of the food items that have been approved in the WFP's lists. When asking for cash, it seems that refugees are generally motivated by other priorities such as paying for rent, debt or health costs. This situation shows a misalignment of assistance and increases the vulnerability of refugees towards shop owners' demands, which usually consist of increasing prices and/or keeping some amount of the cash.

> "I hadn't paid the rent for two months and the landlord said he would expel us from his land, so I asked the shop owner to give me the money that was on my card. He accepted, but only gave me part of the amount and told me that anyway it wasn't my money, it was given to me and I shouldn't complain about it." Syrian refugee

According to research led by UNHCR on cash-based interventions, these risks of abuse remain relatively marginal and only 7% of respondents declared that shop owners increased their prices.[87] This can be attributed to the extensive and solid monitoring mechanisms put into place by WFP and its partners, including spot checks and random interviews with beneficiaries and shop keepers.

Other types of vouchers have not been used significantly in this response, except for fuel vouchers at the beginning of the response. These were specifically stopped and replaced almost entirely with cash in order to prevent corruption. It is therefore an example of the response's adaptation to improve its integrity based on lessons learned.

4.3. RISKS TO INTEGRITY RELATED TO THE OPERATIONAL PROCESSES

4.3.1. Registration of refugees

On January 5th 2015, the government implemented a new and more restrictive visa regime for Syrians, while UNHCR continued to register newly arrived Syrians as refugees. On 6 May 2015, following a decision by the Ministry of Social Affairs (MoSA), UNHCR proceeded with the "de-registering" of all refugees that had been registered after the 5th of January 2015 (over 3,000 refugees according to several interviewees). UNHCR has not proceeded with new registrations since, apart from new-born babies of registered Syrian refugees and renewal of registration certificates.

This compliance of UNHCR with the government was strongly criticised by many humanitarian actors who see this act as an illustration of UNHCR's failure as the protection agency. From UNHCR's perspective, there was no other option but to comply with the government decision under the circumstances. UNHCR has continued to advocate actively for the resumption of registration, by explaining the significant consequences of interrupted registration, both in terms of protection and the implementation of solutions.

As Syrians outside their country of origin remain persons of concern to UNHCR, the agency has been providing counselling to Syrians who approach the office since May 2015 and recorded their needs. The purpose of the counselling is to explain the government's instruction to suspend registration, for Syrians to share information regarding their vulnerabilities, and for UNHCR to assess their needs of assistance and keep track of population movement. The Lebanon Crisis Response Plan, emphasises that assistance

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[87] *Ibid*

and protection are provided based on refugees' needs. Humanitarian actors have thus helped ensure access to services (schools, hospitals, food assistance, etc.) based on vulnerability. However, the funding available is not sufficient to cover all of the needs of all of the refugees, which is not understood by some Syrian refugees in Lebanon.

One of the consequences of the government's decision to suspend registration is that UNHCR, which is the agency in charge of coordination and protection, has not been registering refugees that have arrived since 2015. Thus the actual number of Syrian refugees in the country is underestimated in the official data produced by UNHCR. It is important to keep in mind that any figures related to refugee movements and presence are highly sensitive in the context of Lebanon and make sharing of data a complex undertaking.

In addition, a number of refugees have not approached UNHCR to register, or for counselling or assistance, following the suspension of registration as per the government's decision. In 2012-2013 the main reason was that Syrians feared their personal data would be transmitted to the Lebanese authorities and thereafter to the Syrian authorities.[88] According to the different focus group discussions that were held, security remains an issue, particularly as most refugees have no legal visa or residency permit due restrictions imposed by the public authorities in January 2015 and the fear of being arrested by the Lebanese armed forces.[89] Until 2015 and the suspension of the registration process, one of the main reasons for not approaching UNHCR seems to be the lack of understanding amongst refugees and the mistaken belief that UNHCR will not give them access to assistance.

<u>Fraud during registration</u>

For refugees, the registration process is often the first step towards assistance. It is usually done at a time when refugees are particularly vulnerable and do not have a great deal of information about their rights. There have been reports of people being approached by swindlers while they are waiting, sometimes for a number of hours, in the queue outside the UNHCR official registration space. The swindlers promise to support their administrative procedures and get them all the assistance they want, including resettlement, in exchange for money.

Fraud of this kind is not specific to UNHCR or the registration process. However, as it is in charge of protection and coordination and is the most visible agency, UNHCR's image and reputation among refugees is more likely to be used to exploit and defraud refugees. In order to mitigate this risk, UNHCR has put in place several mechanisms to monitor all the activities that take place in the reception centres and has also run several awareness-raising campaigns on this issue (see also section 5.3.1).

A UNHCR employee mentioned that in the very few cases where allegations and complaints were made against UNHCR staff, investigations had been held directly and systematically by a special team in Geneva and when necessary, sanctions had been taken. All allegations of this type are handled by the Inspector General's Office (IGO), which is tasked with investigating allegations of misconduct by anyone working for the refugee agency, including non-permanent staff. If the allegations are founded, the sanctions can include dismissal, demotion or written censure.

4.3.2. Targeting beneficiaries

The scale of the Syrian refugee crisis in Lebanon (number of refugees and actors involved) increases the integrity risks related to the targeting of beneficiaries, for example lack of impartiality and duplication. The targeting and needs assessment process is based on individual data collection, such as through initial and continuous registration with UNHCR, regular household surveys and reporting conducted by implementing partners, and statistical formulas and calculations. All the collected information is centralised in the Refugee Assistance Information System (RAIS). Scoring and ranking is then done separately based on that information. The calculated score on the degree of vulnerability of refugees is then uploaded to the RAIS database and defines the type of assistance they should be provided with. The RAIS is an important

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[88] Hala Naufal, "Syrian Refugees in Lebanon: The Humanitarian Approach Under Political Divisions," Migration Policy Centre, MPC Research Report 2012/2013, 2, http://www.migrationpolicycentre.eu/docs/MPC%202012%2013.pdf (accessed October 18, 2015).
[89] In March 2017, the residency renewal fee was waived for certain categories of the Syrian refugees, which will improve their protection situation in Lebanon. UNHCR continues to advocate for this measure to be applied to all refugees in Lebanon.

innovation tool that mitigates many of the risks including some related to targeting and needs assessments (see section 5). Moreover, formulas have evolved over time as more data became available through household visits. Nevertheless, the sophisticated targeting process and tools also bring their own risks and limitations:

- All actors delivering multi-purpose cash assistance under the Basic Assistance sector use RAIS, which is considered a harmonised inter-agency platform for reporting. Some local organisations and non-traditional humanitarian actors (operating outside the BA sector) provide other assistance and do not use RAIS. Therefore their targeting of beneficiaries does not fall into line with the RAIS and duplication may happen.

  In most of the operational organisations visited, internal procedures had not been adapted to the use of the RAIS. In one case, only one person in the regional office had access to the RAIS, due to the protection risk of having refugees' personal information available to many. However, it is important to note that the person accessing the RAIS just has to check the score or agreed criteria for eligibility, and does not, unilaterally, decide whether a refugee is eligible or not for assistance.

- The statistical targeting formulas and calculations are not easily understood by humanitarian actors themselves, even if the targeting approaches have been presented and explained in the Food Security Sector Working Group (FSSWG) and Basic Assistance Working Group (BAWG), as well as the targeting working group. This is even less understood by the population. This also represents a shift in traditional humanitarian practices that reduces transparency and accountability.

  "As an INGO it is somehow difficult to accept this new way of targeting beneficiaries and assessing their needs. We are used to basing our actions on human interactions with the population in need and community assessments. The targeting through the RAIS is based on the assumptions that we cannot trust the beneficiary's declarations; it really affects our relationship with beneficiaries and contributes to a general climate of mutual distrust. However we recognise that our initial way of doing assessments was not working either." INGO employee

  "We cannot be completely transparent and share the formulas and calculations that define the eligibility of the refugees, otherwise some people could distort their answers in order to obtain the right results. That's why these formulas are only shared at a high level." UNHCR employee

  While many important actors were involved in the debates about targeting, most did not take part in the very technical discussions. However, the targeting approaches have been presented and explained in the FSSWG and BAWG as well as to the targeting working group. The approach – and subsequent changes – has been endorsed collectively and agencies delivering cash have had their "buy-in" at the very early stages of the process. However, many implementing partners who are in charge of household assessments said they did not know if the questionnaires that they fill in would lead to assistance or not.

- This very sophisticated, centralised and standardised targeting process does not eliminate the risk of inappropriate targeting. Many interviewees reported that they had to include or exclude families or individuals from a beneficiary list according to their scoring and contrary to their own estimation of the person's vulnerability. However, it leaves little room for adjustments to be made by field workers though they are held accountable by refugees, who then have high expectations, and they have to deal with all the risks related to inappropriate targeting.

  "It happened several times that we assessed a very vulnerable family and that, in the end, the family was not eligible for assistance. Of course, the beneficiaries think we are responsible and we simply can't tell them anything. If we give no understandable justification to the population, we create a sense of injustice and suspicion towards us." INGO employee

Based on the recognition that no formula is fool proof, an inter-agency appeal mechanism has been put in place where a person can ask for a review of his/her case. Agencies can also initiate such a review on their own or make a referral for alternative assistance if they conclude the formula does not adequately take into account a person's specific vulnerability.

Setting targeting criteria according to the funds available

Transparency and accountability towards beneficiaries was further affected by cuts in funding. There was a general consensus among interviewees that the number of targeted beneficiaries and the amount of assistance provided, in particular the amount of cash, was driven by the fluctuation in the amount of funds available rather than variations in needs. According to one INGO employee: "Given the recent funding cuts, the general confusion on the targeting processes and the numerous changes in the targeting calculation, we sometimes feel that the whole rhetoric on tightening the targeting to the most vulnerable is the political justification for cutting funds."

Verification of beneficiaries' identity and situation

Verification is an important component of UNHCR's work in which information on persons of concern is checked and updated with the view to (i) reflecting the correct situation and significant changes that can also affect protection and assistance interventions, and (ii) whether the person it relates to is in fact present or continues to be a person of concern to UNHCR in Lebanon. The accuracy, validity and authority of the data is established and maintained through systematic and continuous verification.

The person is contacted several times by phone or through physical visits. Information is triangulated over the preceding six months to ensure that the person has not received any assistance or visit by any aid agency, contacted UNHCR for any update on their file or information request, withdrawn funds from their ATM card, been admitted to a hospital, or detained. If the person is not found and no action is recorded over the past six months he/she is deactivated from the registration database.

Referrals between agencies act as a safety net in case persons deactivated from the database have in fact been located by an agency, and for example that agency has been delayed in entering the information in RAIS, or to ensure that no person is fraudulently passing as a refugee who in fact has already departed the country (e.g. for resettlement to a third country). When "deactivated", refugees' personal data remain registered on the database. However they lose their official status of registered refugee, stop receiving assistance and are considered ineligible. Until May 2015, refugees that contacted UNHCR could be "re-activated" if their conditions allowed it. Since then, no "re-activation" has taken place which further increases the impact of being "deactivated". As a consequence, the resentment of concerned refugees has increased.

While the validation system is an effective and robust mechanism that mitigates the risk of duplication and diversion of aid, many cases were reported of refugees losing their assistance because their SIM card had expired[90] or they had lost their phones. It seems that in most cases refugees do not differentiate between being effectively "deactivated" from the refugee list and losing or not receiving their cash assistance due to ineligibility.

Refugees' personal data protection

As the protection agency, UNHCR has a data protection policy[91] and it is explained to refugees when information is taken that their individual details or case information can only be shared upon their informed consent, such as for assistance purposes or resettlement to a third country. All actors that have access to refugee data through RAIS or other sources are bound by a strict data sharing agreement, in line with UNHCR's data protection policy. However, there are still concerns about respect for beneficiaries' privacy and to what extent protection issues were taken into consideration.

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[90] In Lebanon communication by phone is expensive and Sim cards expire after a few weeks of being unused.
[91] See UNHCR, *Policy on the Protection of Personal Data of Persons of Concern to UNHCR*, May 2015, available at: http://www.refworld.org/docid/55643c1d4.html.

"In order to avoid duplication and diversion of aid we are collecting personal data such as names and phone numbers but also professions, addresses, familial and health situations, pictures, digital prints, impressions of the retina, individual bar codes and identification numbers, etc. Sometimes I think we should step down and ask ourselves what legitimacy do we have to do so? Where will we stop? Are we correctly protecting the data we are collecting? What about protection issues, when I collect sensitive information I have to upload it onto an online and shared platform that I do not control and without knowing who can access this information." INGO employee

"It's my responsibility and the one of my organisation to protect the information that we collect. We are accountable to the refugees for that but then somehow the whole information system overwhelmed us. For me, it is an ethical and deontological issue. I have no clear answer and I think this system has brought a lot of improvements but I also feel that humanitarian actors should continue to question it." NGO Employee

"For many humanitarian actors that experienced other contexts it's a new and challenging issue but for many state actors (state donors, Lebanese public institutions, international governmental organisations) or actors that have never experienced another humanitarian response it's just normal." INGO employee

Yet, it should be stressed that no breaches of confidential data have been observed.

4.3.3. Needs assessments and coverage of needs

At the time of the research, the response to the refugee crisis in Lebanon was characterised by a high level of cash assistance and very few in-kind distributions. In addition, in sectors such as education and health, beneficiaries have access to services through regular public systems. This avoids most of the risks of corruption related to needs assessments and resource allocation. There is no provision of unnecessary goods and refugees who receive unconditional cash can use it to meet needs that may have been overlooked by humanitarian organisations.

Vulnerability Assessment for Syrian Refugees in Lebanon (VASyR)

The Vulnerability Assessment for Syrian Refugees in Lebanon (VASyR) conducted jointly by WFP, UNHCR and UNICEF is a one-off annual survey based on a sample. The methodology used for VASyR-2015 was similar to the methodology for the two preceding years. Field data was collected by the implementing partners of UN agencies: Action Contre la Faim, ACTED, Caritas, InterSOS, Mercy Corps, Danish Refugee Council, Première Urgence - Aide Médicale Internationale, SHIELD, Save the Children and World Vision International. It was collected from a sample of 4,105 households of Syrian refugees registered with UNHCR and 5 focus group discussions.

The visits were conducted anonymously and were used to provide statistical data stratified by district and focused on the following sections: demography, livelihoods, expenditure, food consumption, coping and debt, food sources, food security, infant and young child feeding, specific needs, surveyed refugees, protection, shelter, assets, health, water and sanitation, education, and child health. Very few risks to integrity were mentioned regarding VASyR: the independence of the UN agencies and their implementing partners collecting the data for the VASyR has not been called into question and refugees were expected to have answered "honestly" to the questionnaires. It is clear that the VASyR provides a global overview of vulnerability rather than identifying the needs to be addressed at the household level. However the methodology used in both processes are very similar.

With the development of cash-based assistance there has been a need for an accurate and homogenised assessment and targeting process, which led to the actual quantitative and computerised one defined in chapter 4.3.2. The questionnaire that was used for the VASyR-2015 was based on the VASyR-2014 questionnaire and was very similar to the 2015 food and cash targeting questionnaire. Both methodologies are based on household visits made by UN implementing partners, which means that the same actors are often in charge of household visits for the VASyR and household visits for individual targeting. Although

the statistical formulas used have changed many times, it seems that they are still very similar for the targeting of beneficiaries and the VASyR survey as they have been designed by the same experts in both cases. All these similarities in the methodology allow for triangulation. Both contribute to the needs assessments and the definition of needs coverage in complementary ways. However this situation also creates some confusion.

The following specific limitations on the needs assessment and coverage should be highlighted:

- According to the methodology prevailing until the introduction of a dedicated formula, every household was supposed to be visited at least once every 18 months in order to ensure that the response was effectively covering the real and changing needs of the refugees. According to our interviewees, only about 50% of the refugees had been assessed after a year and a half q situation which improved with the introduction of the formula;

- Weariness and irritation on the part of the refugees due to all the different visits that have taken place and the questionnaires that they have had to answer, and other organisations having carried out separate needs assessments;

- The process has increased the expectations of refugees, and these have often been unfulfilled;

- It seems that the individual targeting/needs assessment methodology has recently changed and is now based on fewer, less variable, criteria. Targeting will therefore now be based on a desk formula with no more regular household visits. This new decision is a way to adapt the response based on lessons learned. It can allow for more transparent communication of the targeting criteria with less concern about fraud or corruption. However, it also goes one step further into this very computerised, centralised and uniform approach. As such it entails a risk of disconnection from the field and might increase the difficulty faced by implementing actors to explain inclusion or exclusion on beneficiary lists to refugees.

- The VASyR states that "households in Beirut and Mount Lebanon were less likely to receive assistance than elsewhere while those in the Bekaa followed by Akkar received the most assistance, particularly in terms of furniture and food assistance."[92] However, according to some interviewees and observations, this geographical imbalance remains. Some interviewees regretted the fact that some humanitarian actors focused on quantity rather than quality and therefore were more likely to conduct operations in big informal settlements rather than trying to reach the most isolated and vulnerable refugees usually dispersed in urban areas. This has to be put in perspective, however, as an important part of the assistance provided (such as through cash transfers) is almost completely unrelated to people's location. Additionally, several programme interventions (mainly shelter and protection) and actors place a particular emphasis on persons living in isolated areas.

- Mainly due to lack of funding and political decisions, needs are insufficiently covered and many recommendations of the VASyR have not been implemented despite continuous advocacy efforts, such as:
  - Scale up the WFP e-card to its former value (US$ 30)
  - Improve healthcare services
  - Renew residency permits for refugees[93]
  - Lobby landowners to decrease rents

- Within some sectors, it seems that vital needs are being ignored. In the health sector, for example, there is a consensus that needs related to chronic diseases, which are essential in protracted crises like this one, are being overlooked. This is the consequence of insufficient funding in relation to the needs.

  "It happened several times that I diagnosed refugees with cancer but had to explain to the patients that I could not treat them and that UNHCR would not pay for the healthcare

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[92] United Nations, *Vulnerability Assessments of Syrian Refugees* (VASyR) *in Lebanon 2015,* December 2015: https://www.wfp.org/content/lebanon-vulnerability-assessment-syrian-refugees-december-2015 (accessed October 25, 2016)
[93] The residency fee has been waived by the GoL in February/March 2017.

in the hospital because they were not in imminent danger of death. Some of these patients came back a few months later, and it was too late to save them." Medical staff from a Primary Health Center

4.3.4. Registration of International organisations

In part due to the presidential vacuum[94] and pressures on the Council of Ministers, newly arrived INGOs face considerable challenges and delays in obtaining organisational registration, which makes it very difficult for them to obtain work permits for their international staff. All INGOs face a variety of challenges in obtaining the appropriate work and residence permits/visas for their international staff, especially since early 2014. This situation is perceived by INGOs as a consequence of the growing reluctance to host Syrian refugees. The procedures for obtaining visas and work permits are cumbersome and unpredictable (at the time of the research it seems that they had been slightly clarified) especially as they concern different administrations and governmental institutions. It was highlighted during interviews that some agencies have resorted to corrupt practices such as paying bribes to obtain papers. In contrast, many national actors who are sceptical about international aid perceive these measures as the simple enforcement of Lebanese law and consider that it increases transparency.

4.3.5. Human resource management

Given the scale of the response and the need to recruit large numbers of staff in a short period of time, added to the high level of resentment in Lebanese society towards Syrian refugees, it has been a challenge for humanitarian organisations to recruit qualified Lebanese staff who share humanitarian values and are accustomed to the humanitarian "culture".

> *"Despite instigating screening processes at the interview level, there is very little you can do to check what someone thinks of refugees and if that is going to influence the way they work."* A representative of an international NGO.

While this risk was particularly high at the beginning of the response, some INGO representatives felt that it had decreased at the time of the research as a result of capacity-building initiatives and as Lebanese staff had become more acquainted with the working methods of humanitarian organisations.

Humanitarian actors also face risks both internally and from external actors linked with nepotism and cronyism in their recruitment processes, which is why several organisations have implemented specific mitigation measures that are presented in section 5.

4.3.6. Financial transactions and monitoring

As in any crisis, there are risks to aid integrity related to financial transactions and monitoring. As described in section 3, the Lebanese context is characterised by a low level of transparency and a high level of corruption. As such, the massive and rapid influx of funding for the response increased financial risks. These risks are presented in different sections of this report. They include:

- The risk of misuse of funds, false invoices and the falsification of financial reports, which has often been increased by unreasonable timeframes for implementing activities and spending the budget.

- The risk of fraud increased by weak standard operating procedures (SOPs)

Many financial risks have not been raised in the research such as biased audits, but this could also be a consequence of lack of transparency. However, financial risks have been reduced due to the use of cash transfers.

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[94] Michel Aoun was elected as the president of Lebanon on October 31, 2016.

4.3.7. Logistics and procurement

Due to the nature of the assistance, which has predominantly consisted of cash transfers and the provision of public services, with very limited in-kind distribution, there is less risk to aid integrity in relation to logistics and procurement in this response.

The risk of cronyism is significant for humanitarian actors given the high fragmentation of Lebanese society based on sectarian divisions, which has produced "entrenched networks of patronage"[95] as well as the frequency of corrupt practices (as mentioned above). As noted by an INGO worker: "There is always a risk that the person in charge of procurement will favor his own personal network in exchange for something or just as a way to give priority to someone from his own community or a contractor that he knows."

4.3.8. Monitoring, evaluation and accountability mechanisms

Although the presence of feedback and complaints mechanisms is a step towards quality, transparency and accountability, they have not been used to their full potential and their dysfunctions present an integrity risk.

- The multiplicity of complaints and whistleblowing mechanisms (complaint boxes, hotlines, emails, etc.) coupled with the weakness of referral systems[96] between organisations, and sometimes between departments within the same organisation, discredits the mere existence of these complaint mechanisms.

- The fact that complaint mechanisms operate via telephone lines and are not free presents a problem especially given that, since 2015, SIM cards are automatically deactivated after a few weeks if no credit has been added. This further complicates the ability to communicate with and potentially respond to refugees who then become unreachable.

- Telephone lines are often only open during working hours which might be problematic for reporting abuses.

- Those who are in charge of the complaint mechanisms and those who can actually provide useful answers are often not the same (e.g. donor/implementing agency). There are not enough human resources in this area which leads to a high number of complaints left unanswered. The fact that the same mechanism is used for feedback (constructive contribution to improve the project) and complaints (more of a legalistic approach) creates confusion as to how the different types of issues are treated, such as procedures, referrals, question of anonymity or interferences with hierarchy, etc.

- There are clear distinctions to make in the management of feedback, whistleblowing and legal complaints. INGOs are sometimes bound by their national laws in the way they can handle anonymous complaints.

Evaluations and learning processes

- According to actors involved in "hard to reach" areas, in particular in the Northern Bekaa plain and close to the Syrian border, evaluation of the programmes remains problematic and largely based on a mix of primary sources gathered by local actors and secondary sources from all kinds of actors that are often difficult to triangulate. Third party monitoring has only been used marginally.

- In addition, interagency evaluation mechanisms have been relatively rare. The UN system decided not to carry out any more large-scale Real Time Evaluations and instead adopted a simpler evaluative approach called "peer review". Even though these peer reviews are manned by UN and NGO representatives from a broad spectrum of agencies involved in the response

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95 Lebanese Transparency Association and Transparency International, *Op cit.*
96 Inter-agency referral systems are being strengthened. At the initiative of the protection sector, an inter-sector referral tracking and monitoring mechanism is being developed/piloted to reinforce referral practices in Lebanon.

(though mainly UN), the aid system still lacks a global evaluation of the Syrian crisis, with a specific focus on the countries around Syria, including Lebanon. The evaluation of programmes funded through the European Neighbourhood Partnership Instrument launched by EU Delegation and the UNHCR evaluation two years ago are some of the rare examples.

- All these risks related to evaluation and learning are not discussed much within the aid community, and there are only limited examples of sharing experience on this subject.

Programme audits

While donors can implement fully fledged audits and evaluations of NGO programmes, they are only allowed to carry out verification missions and raise questions on the programmes they finance through UN agencies. While the majority of donors request and receive specific reports (mostly on a 6 monthly basis) related to their contributions, they are frequently frustrated by the lack of transparency of UN agencies. The Single Audit Principle, by which the UN Financial Regulations give the UN's external auditors, the United Nations Board of Auditors, the exclusive right to audit the accounts and statements of the United Nations and has been agreed by the member States.[97]

The reporting obligations depend on what is in the contract and on the nature of the contribution. In the case of multi-donor programmes which benefit from flexible funds, UNHCR does not isolate what part is funded by which donor, which would be contrary to the idea of flexible funding.

> *"As a member state of the United Nations, the financial and operational reporting that we receive when financing a UN agency is particular. For example we can't require a specific activity report related to our own contribution in a multi-donor programme and we don't evaluate or audit the program directly as we do for NGOs. The only structure that can do so is the UN Office of Internal Oversight Services."* Donor representative

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[97] For more info, please see https://www.unsceb.org/content/single-audit-principle

5. PREVENTION AND MITIGATION MEASURES

In the section below, some of the risk mitigation measures and good practices implemented by humanitarian actors are described and, where appropriate, their limits. Measures that enabled organisations to improve their integrity are not necessarily applicable or relevant to other agencies. This section shows the efforts undertaken by actors towards greater transparency and integrity within the response. While some measures have been widely implemented, others have only been used by one organisation. The objective here is to provide the aid community with as many examples as possible in order for each organisation or programme to choose and adapt any relevant measure accordingly.

5.1. GENERAL AND CONTEXTUAL RISK MITIGATION

5.1.1. Adopting a risk management approach

One key element to mitigating corruption risks is for an organisation to have a good understanding of the specific risks which it faces according to the type of intervention, the area of work and the method of operation. Several international aid agencies[98] have developed a risk management tool, based on a matrix that enables the organisation to have a comprehensive understanding of risks and helps it categorise these according to:

- Their type (reputational, programmatic, financial, legal, safety)
- Their source (contextual, programmatic, institutional)
- Their likelihood
- Their impact

After a phase of risk identification, it becomes possible to analyse each risk. In this matrix, each risk is attributed an "owner" and a "solution". In this phase, it is decided whether a risk is:

- Accepted
- Controlled
- Avoided (decision is made on whether to take it or not)
- Shared (with donors and HQ for instance)

The framework, which is managed by a specific department within the organisation, is reviewed every three months. The matrix can support decision-making and help increase the culture of risk awareness and prevention among field, national, and headquarter staff.

<u>UN's Harmonized Approach to Cash Transfer (HACT)</u>

HACT is a financial risk analysis and management system implemented by UNICEF in Lebanon (and worldwide). HACT has four elements: capacity assessment, cash transfers and reports, assurance activities and capacity development in financial management.

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[98] For example, UNHCR introduced an "Enterprise Risk Management" (ERM) framework in 2014, enabling structured, consistent and documented risk assessment and mitigation throughout the organization. A Corporate Risk Register serves as a consolidated risk register of all country and Headquarters entity risk registers. The organization also maintains a Strategic Risk Register, identifying significant organization-wide risks which were informed by the dominant risk areas captured in the Corporate Risk Register, as well as risk areas deemed critical and visible at the organizational level only, maintained by the Chief Risk Officer.

5.1.2.   Dealing with reported/suspected cases of corruption, fraud and abuses

Some examples of mitigation measures include:

- The UNHCR's independent Audit and Oversight Committee can be used by a partner, a staff member or a private individual. The Inspection unit works globally and with confidentiality for the protection of the complainant. It publishes an annual report.

- The development of a roster of trained investigation officers by a non-governmental organisation that can deploy investigators free of charge to assist NGOs with any case they may have (supported by UNHCR).

- Free services of independent legal aid to individuals who wish to bring a case to justice is offered by UNHCR.

- An inter-agency call centre is being developed to ensure more rapid answers to refugees' queries on all issues and sectors for 2017.

- The Access Task Force platform initiated by OCHA, with the support of ECHO and DfID, contributes to supporting the registration process of INGOs and visa/working permit issues. By improving this administrative process the platform potentially contributes to increased information sharing and transparency.

5.1.3.   Enhancing communication with and the participation of affected people

<u>Use of social media</u>: Social media and applications such as *Whatsapp* and *Facebook* are increasingly being used by both humanitarian organisations and refugees to share information. These new technologies can facilitate direct communication between organisations and refugees and reduce the need for intermediaries. For instance, several implementing agencies related that by communicating directly with beneficiaries through these apps, they could inform them of the location/time of a distribution. By doing so they reduced the risk of diversion by the local "shawish"[99] who, in some cases, is a gatekeeper exerting pressure on aid workers to redirect some of the aid or strengthen his influence and authority over beneficiaries. These means of communication can also contribute to increased participation on the part of local communities and beneficiaries.

<u>Greater implication of local communities and beneficiaries</u>: By involving local communities and beneficiaries in the design and the implementation of programmes, some organisations have managed to get them to play a greater role in denouncing corrupt practices. When they are involved in the programme and aware of the project timeframe, objectives and resources, then affected populations can play a role in ensuring that funds are used appropriately by putting pressure on those who might be involved in corrupt practices, such as suppliers, aid workers or *shawish*, for instance.

5.2.   MITIGATION MEASURES FOR PROGRAMME APPROACH

5.2.1.   Capacity assessments of partners and sub-contractors

Several organisations have put in place capacity assessments of their partners and sub-contractors. Capacity assessment is one of the four elements of the Harmonized Approach to Cash Transfer (HACT). It is undertaken by UNICEF for its implementing partners that are expected to receive US$ 100,000 or more per year from the agency. This assessment is done to determine the financial management capacity of an implementing partner and has four levels of rating, namely low, medium, significant and high. This

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[99] Powerful person https://www.google.fr/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKEwjDhP-F7NrSAhWEfhoKHVbgCpgQFgggMAA&url=http%3A%2F%2Fwww.lb.undp.org%2Fcontent%2Fdam%2Flebanon%2Fdocs%2FGovernance%2FPublications%2FPEACE%2520BUILDING%252012th%2520web%2520p12.pdf%3Fdownload&usg=AFQjCNEGQfkU0pW0aYgNnoF8GWcsrnuS1Q&cad=rja

assessment is valid for five years and is preferably carried out at the beginning of the UNICEF programme cycle. If some partners are found to be lacking in financial management capacity, UNICEF includes this in its assurance activities for the respective partner during programme implementation. Once the assessments are completed, development of programme work plans or activities (respectively for governmental partners and CSOs) is done jointly with the partner. Depending on the risk levels, the funds will then be disbursed through direct cash transfer, reimbursement and/or direct payment modalities and activities will be implemented. UNHCR also has a system of control mechanisms vis-à-vis the projects it implements through partners as, even though a partner is entrusted with project implementation, UNHCR remains solely accountable to donors for resources entrusted to UNHCR to respond to the needs of persons of concern. Through an Enhanced Framework for Implementing with Partners, UNHCR has introduced policies on the selection and retention of partners (with an Implementing Partnership Management Committee having been created in each operation), pre-qualification for procurement, risk-based audit of UNHCR-funded projects, monitoring through project control, etc.

Stopping contracts with a company when it does not work with integrity has been an efficient mitigation measure. As the private sector is quite developed in Lebanon, actors are able to stop contracting companies lacking integrity. This particularly applies to water trucking companies and companies contracted for shelter rehabilitations and site improvements. This situation is probably also acting as a preventive measure but the lack of communication between actors when they face corruption is limiting its impact. According to an INGO employee:

> "Generally speaking, there is a lot of competition in the water trucking sector which means that when a company doesn't do the job correctly or commits fraud we usually just stop contracting it and find a new contractor… [b]ut we never go much further even when frauds are committed. Unfortunately there is little communication between humanitarian actors about this or about blacklisted companies."

Water trucking activities

Using new technologies to monitor water delivery and to reduce abuses particularly in areas where access for monitoring is challenging. As noted by an INGO worker, "Our organisation has put GPSs on water trucks to monitor the quantity of water provided in each settlement and implementing an electronic system whereby beneficiaries sign upon receipt of water to confirm the quantity as well as the quality." It is planned that the use of GPS will be scaled up in 2017 to all UNICEF partners involved in water trucking.

Shelter activities

Several mitigation measures have been put in place including regular contracts between parties. However, while INGOs claimed that they have all papers in order and that they have the capacity to sue landlords none of them had ever considered actually doing so when contracts were not respected by landlords because they perceived the judicial system to be inefficient.

Some organisations have also involved municipal authorities to put pressure on landlords and reduce corruption risks and abuses. While there was a consensus among interviewees that contracting directly with the municipality was not appropriate, one INGO reported that it relies on the municipality's official lists of landlords renting apartments to refugees.

Strict technical and quality monitoring of rehabilitation processes by INGOs has also been put in place and seems to provide good results.

Health care activities

Using volunteer medical staff to facilitate access of refugees to medical care, accompany them to hospitals, follow up and monitor the treatments and drugs prescribed, and control bills. An important Knowledge Attitudes and Practices (KAP) survey on medical assistance is planned for the year 2017, and the results should enable a more detailed understanding of the integrity risks faced in that sector and therefore lead to better mitigation measures.

5.3. MITIGATION MEASURES FOR SPECIFIC OPERATIONAL PROCESSES

In the Lebanese context, risks of cronyism, favouritism and patronage appear particularly high. Stakeholders mitigate these risks by defining and respecting precise and transparent SOPs with a particular focus on the separation of roles and duties within the organisation.[100]

5.3.1. Registration of refugees

UNHCR and other protection partners have put in place multiple safeguards at the registration process (and elsewhere) to pre-empt risks of fraud, abuses, exploitation or other forms of corruption.

- Several cartoons, videos, leaflets and information briefings (at social/community centres, primary health care centres, waiting rooms at UNHCR and agencies' offices), complaint boxes, email contacts and hotline, Facebook pages, etc. are provided to refugees to inform them and give them an opportunity to report or complain about such practices.

- The presence of paired interviewers during discussions with individual refugees is a good practice that several NGOs and UNHCR have put in place to prevent abusive practices.

- Cameras in each interview room of UNHCR across the country are in place so that the records can always be retrieved in case of complaint by an individual.

5.3.2. Targeting of beneficiaries

Risks of favouritism towards beneficiaries and the duplication of aid

The Refugee Assistance Information System (RAIS) is an important innovation as no previous humanitarian response has ever used such a massive and centralised information-sharing platform. It mitigates some of the risks related to the targeting of beneficiaries and the needs to cover-up unethical practices, such as favouritism, exclusion, duplication and diversion. As stated by an interviewed fieldworker: "The RAIS has been able to compile information on assistance and assessment data linked to refugees through an online information platform. It has improved coordination and probably contributed to reduce duplication, fraud, cronyism nepotism and abuses in general."

Securing refugees' personal data

According to the Information Management Working Group, and in order to address certain concerns about sharing refugees' personal information, the level of information shared is discussed and decided by each sector working group depending on its sensitivity and how useful it is to share. For example, the Shelter Working Group decided to share all the information that had been collected on an anonymous basis. While the concerns of UNHCR (the owner of the database) for protection of personal data is legitimate, several interviewees questioned its exclusive control on how much personal information of refugees is shared with partners.

Another mitigation measure that has been put in place is to adapt the level of accessible information to the operational needs of the actor. "The degree of information accessible to all is very basic and permits implementing partners to see who to assist or not. Once an actor decides to assist a family they can access more precise but only relevant information", according to an UNHCR employee.

The MEHE itself is confronted with the issue of sharing personal information with its new software "The Compiler", developed in collaboration with UNICEF. As this software contains detailed information (Full Name, Date of Birth, Phone Number, attendance rates, etc.) of about 125,000 children in 2017 and MEHE is the sole owner of the database, MEHE decided to establish a procedure to grant clearance for whichever

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[100] UNHCR adheres to a strict segregation of duties and responsibilities through a Delegation of Authority Plan (DOAP), which is established for each entity within the organisation and which assigns functional roles to individuals in order to maintain effective internal controls on expenditure for each area of the organisation.

party wants to use such information. The purpose of these parties has to be aligned with the main vision of the project being implemented and not touch on other unrelated purposes.

5.3.3. Human resource management

<u>Recruiting Palestinians or Syrians as humanitarian staff</u>

Some organisations have mitigated the risks related to human resources by involving Palestinian and Syrian refugees who, given their similar experience as refugees or their potential distance from local networks of patronage, might be less inclined to engage in corrupt practices such as cronyism.

> *"We have decided to work with volunteer Syrian refugees. In one of our clinics for instance, a Syrian doctor who is now a refugee in Lebanon, is working with us to monitor the prescriptions given by the hospitals to refugees and bills for us to pay. This works very well and has allowed us to save thousands of dollars each month"* INGO employee

However, in addition to the limitations of Lebanese labour laws for refugees (including but not only the "pledge not to work" for Syrian refugees[101]), the government has imposed a quota on international organisations limiting the proportion of foreign staff to 10%. Although organisations usually involve Syrians as volunteers, this practice brings potential additional risks as it is borderline illegal.

- International organisations have used capacity building, progressive appraisals and the nationalisation of key posts as a means of reducing risks due to the decrease in international staff and the rapid recruitment of national staff.

- It seems that most INGOs and several CSOs have included a clause in employees' contracts on the obligation to report any case of fraud or payment of bribes, conflict of interest, etc.

- INGOs have formalised recruitment procedures in which at least one step of the process is done by either international staff or by headquarters, and processes are triangulated and transparent in order to prevent favouritism. On the other hand, staff movement in INGOs can limit the understanding of the context and the trust built with partners and collaborators. Moreover when the recruitment is done locally, it usually relies on a better understanding of the skills needed to do the job in an effective and transparent manner. Conflict of interest can be quite subtle and difficult to identify or anticipate for an individual that has not been forewarned.

5.3.4. Financial transactions and monitoring

Using public tenders for private contractors and implementing partners is effective, although in some urgent cases when donors impose competitive tendering this can lead to heavy constraints causing significant delays.

By sub-contracting a private company (MediVisa) to do a pre-treatment auditing of medical costs and ensure that the bills are not inflated and that the costs are eligible (according to the type of treatment and the situation of the refugee), UNHCR has reduced the financial risk associated with the reimbursement of private and public hospitals. UNHCR controls this mechanism by randomly re-auditing about 5-10% of the bills. According to a UNHCR interviewee, "99% of these re-audited bills are acceptable". However, Syrian refugees have expressed their dissatisfaction when dealing with MediVisa as they were moved from one interlocutor to another or could not reach the company, which does not have offices in all contracted hospitals. In some cases, humanitarian staff and beneficiaries interviewed reported that Syrians did not receive the appropriate treatment in time. MediVisa is seen by many humanitarian actors as a private body in charge of administrative monitoring for UNHCR in order to reduce the costs (and some financial risks), but providing little help or quality guarantees to refugees themselves.

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[101] The "pledge not to work" has been officially lifted by the government in May 2016. Humanitarian actors had actively pleaded with state authorities for this lift. Refugees are therefore allowed to work in sectors of the economy authorized by law for Syrians (i.e. construction, agriculture and environment).

5.3.5.   Logistics and procurement

While it is very difficult to prevent the payment of kickbacks, some international and national implementing agencies have put in place the following measures to reduce this risk:

- Constituting multi-sectarian teams to promote social stability[102];

- Recruiting staff who are not from the area where the project is being implemented to avoid conflicts of interest[103];

- Involving municipalities in the selection of suppliers as a way to ensure their reliability, although this could also generate additional challenges linked with cronyism at the local level;

- Establishing strict procurement policies with the separation of tasks amongst team members, for example the person who launches a tender is different from the person who analyses the offers, who is different from the person who informs the supplier;

- Including a commitment not to resort to bribery or other means of undue influence in contract documents;

- Diversifying the number of suppliers as much as possible.

Using new technologies is also an option, such as biometrical identification and electronic signature for beneficiaries to ensure identification of beneficiaries and confirm receipt of aid (particularly in cases of remote management), but also GPS and quality tests for water trucking activities.

5.3.6.   Monitoring, evaluation and accountability mechanisms

Most agencies have established feedback and complaint mechanisms. These mechanisms give the Syrian refugees the opportunity to express their satisfaction or dissatisfaction regarding the service provided, ask questions relating to their inclusion as beneficiaries and bring problems and complaints to the attention of the agencies.

UNHCR is trying to implement Community Based Complaint Mechanisms, particularly for complaints related to sexual exploitation and abuse (SEA). While this initiative is to be welcomed, there have been many practical challenges and it is still very difficult to estimate its effectiveness.

The "compiler" monitoring system is another approach for assessing the school enrolment of Syrian refugees. For the year 2016-2017 MEHE and UNICEF are implementing a monitoring system ("the compiler") to keep track of enrolments, drop-outs and attendance rates all year long in the second shift schools. This software is also being developed to create a well-established tracking system that will enable MEHE and UN agencies to guarantee the effective transition of children within the education system and have "hands on" results that can be an important indicator for future strategies. As the funds received by the MEHE are calculated on the basis of the number Syrian school children (US$ 600 per Syrian pupil in the second shift), the compiler represents a cornerstone of the accountability system of the education sector.

Systematic audits and evaluations imposed by some donors provide more transparency and secure the integrity of aid. However, the increased number of these control mechanisms can be a burden for organisations who are funded by multiple donors and can end up being counterproductive.

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[102] While this practice has been presented by several organizations as an effective unofficial mitigation measure others consider that it would be discriminatory and contradictory to both the law and the code of conduct of their organization. This mitigation measure has been used by both INGOs and CSOs, however several Lebanese staff from both type of organizations considered it as a disrespectful and irrelevant procedure based on the assumption that Lebanese's behavior would necessarily be biased and determined by their community belonging. Moreover, in reality, the community belonging of a Lebanese may be multiple, complex and often exceeds arbitrary classification.

[103] For many actors this measure contradicts efforts to use conflict sensitive approaches with local host communities and is not relevant.

6. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

The integrity of humanitarian operations can be compromised in any context as it depends on individual responsibility and integrity. Corruption in its various forms, such as embezzlement, conflicts of interest and diversion, is an extremely serious matter as it diverts funds and efforts from lifesaving operations.

Humanitarian aid in Lebanon is no exception. It is a complex and fragile context, without a fully functional government. Transparency and accountability are not the main characteristics of governance systems inherited from years of political turbulence and conflict. As such, the risk of inappropriate and corrupt practices within humanitarian organisations is always present, raising questions about the general integrity of the response. Short timeframes with large amounts of resources always create significant risks and the aid sector has had to develop mechanisms to offset these.

There is always a wealth of knowledge and ideas in contexts of this kind and the study has tried to capture as much of this as possible. It underlines that the humanitarian sector is fully aware of the risks and is trying to mitigate them; these efforts are acknowledged in the present report. There are also many areas where there are interesting options for improvement, and there are a lot of promising entry points to ensure that the aid sector is better equipped to meet all the challenges that it faces and mitigate risks to aid integrity.

At a collective level, there needs to be a constructive and open dialogue with all stakeholders on these issues. Humanitarian actors working in Lebanon are invited to discuss the integrity issues they face in a transparent and non-judgmental manner in order to learn from their mistakes and find collective solutions to address them.

RECOMMENDATIONS

The following recommendations are intended to help humanitarian actors improve the transparency and integrity of their response to the refugee crisis in Lebanon, and in other contexts. As a step in the direction of enhanced aid integrity, the aid community in Lebanon should explore (and pilot) ways of using and disseminating the findings and recommendations of this report to create meaningful discussion platforms and mechanisms with partners and affected populations in Lebanon.

To all humanitarian actors:

The community of actors involved in humanitarian aid in Lebanon should:

1. **Advocate for and support more systematic, comprehensive risk assessments** and tools, including but not restricted to financial risks such as risks of violent and sexual abuses, reputational risks, security risks, risks of cronyisms and conflicts of interests;

2. **Organise, participate in and encourage internal and inter-agency forums** for humanitarian actors to discuss integrity risks, and collective strategies to prevent, detect, report and respond to these risks.

3. Continue to **improve the management of feedback, whistleblowing and complaint mechanisms**, and ensure that feedbacks, alerts and complaints are dealt with (including ongoing discussions on a pilot inter-agency call-centre). Promote and develop the use of social media for feedback and

complaint mechanisms to make them more effective and improve accountability towards affected populations;

4. **Reinforce programme monitoring** and adapt it to partners and context needs, in particular when directly financing local organisations;

5. Strengthen the information provided and **enhance communication towards affected populations** about reasons for programme design, resource allocation and individual eligibility decisions (make criteria and entitlements more accessible and understandable);

6. **Increase training on corruption risks** and remedies to help humanitarian actors prevent, detect, report and respond to these risks[104];

7. **Report with greater transparency** regarding extra budgetary expenditures, including specific expenditures required for access;

8. **Include (or reinforce) anti-corruption clauses** in Terms of Reference of contractors and code of conducts of staff; Encourage medium to large private suppliers to sign a Corporate Social Responsibility charter encouraging them to respect the values of transparency and honesty;

9. The aid community should in particular **strengthen the application of the Principles of Partnership** (PoP)[105] and foster increased transparency with regard to organisations' use of overheads;

To donor governments:

In line with their Commitments to the Grand Bargain, donors should:

10. **Support improved publishing** of "timely, transparent, harmonised and open high-quality data **on humanitarian funding**" in particular in line with FTS and IATI;

11. **Advocate for more transparency on mechanisms in place for monitoring expenditure of grants** disbursed via all actors, including the Lebanese government[106]; Include or **develop integrity indicators** in selection criteria and monitoring for partners and local intermediaries. The use of tools such as quality standard compliance and new information and communication technologies could be broadened to improve the quality of monitoring (as is already the case for GPS) to avoid false reporting. An increase of donors' physical presence in Lebanon could be a facilitating factor towards better monitoring;

12. **Continue advocacy interventions** towards the Government of Lebanon and local authorities to lighten restrictions on refugees' movements and right to work[107].

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[104] E-learning modules and instructor-led training materials have been developed by TI Norway and IFRC: http://transparency.no/in-english/ (accessed October 2016)

[105] The Principles of Partnership were endorsed by the Global Humanitarian Platform in July 2007. For more information see: https://www.icvanetwork.org/system/files/versions/GHP%20Final%20Summary%20Report%2011-12July2007.pdf (last accessed February 27, 2017)

[106] This can be done built on previous discussions between international humanitarian actors and the government held during the LCRP 2017-2020 preparation. The LCRP rightly acknowledges that improved transparency and information-sharing will ensure building accountability and trust among LCRP partners, and contribute to the improvement of decision-making as well as the collective efficiency and effectiveness of the response.

[107] The "pledge not to work" has been officially lifted by the government in May 2016. Humanitarian actors had actively pleaded with state authorities for this lift. Refugees are therefore allowed to work in sectors of the economy authorized by law for Syrians (i.e. construction, agriculture and environment)

To the Humanitarian Coordinator, the Humanitarian Country Team:

Under the leadership of the Humanitarian Coordinator, the UN system should:

13. Continue the efforts to **improve the management information systems** to provide common and easily accessible geo-referenced and frequently up-dated information about the number and status of refugees, but also on needs gaps and analysis in order to permit independent monitoring and evaluation of the quantity and quality of the service provided. Only with such a system can the impact of many other recommendations be assessed.

14. Pursue the efforts to **improve resource allocation** (by sector and by geographical area) to better take into account the Vulnerability Assessment of Syrian Refugees (VASyR) recommendations and UN's poverty assessments. Strengthen the information provided to refugees on registration (including at the border) and **enhance communication towards affected populations**. Report with greater transparency regarding extra budgetary expenditures including specific expenditures required for access;

15. **Reinforce monitoring systems** for secondary and tertiary healthcare services provided, enhance refugees' protection from corruption (inflation of costs, payments for unnecessary/inappropriate services and other abuses) in hospitals, report and sanction such practices.

To international NGOs:

By linking some key commitments of the Grand bargain with the integrity agenda, International NGOs should:

16. **Establish stronger links with beneficiary communities**, and increase their awareness about integrity risks and remedies and encourage them to denounce corrupt practices. This can be done by supporting local committees, including them in programme design, organising joint monitoring visits, etc.;

17. Strengthen the information provided and **enhance communication towards affected populations** regarding reasons for programme design, resource allocation and individual eligibility decisions (make criteria and entitlements more accessible and understandable);

To Lebanese civil society organisations:

As a key step towards the localisation agenda, Lebanese associations should continue to:

18. **Build on the strong links developed with affected populations** to increase their awareness about integrity risks and remedies, and encourage them to denounce corrupt practices;

19. **Increase advocacy and oversight role on integrity of the response**, provided that CSOs have access to sufficient budgeting, expenditure and programming information, to improve programme quality and accountability;

20. **Enhance Standard Operating Procedures** (SOPs) to guarantee a clear segregation of duties and avoid conflicts of interest;

To the Government of Lebanon:

The newly established government[108] should be encouraged to:

21. **Establish and publish a national budget and report on all public sector expenditures** and financial audits, including for state-owned enterprises. It would be feasible to start with those ministries who already have expenditure figures.

22. **Publish all financial reports received from humanitarian actors**, including INGOs and CSOs which already have to provide annual financial reports to the Ministry of Interior (according to the existing Law of Association[109]).

23. Pass and effectively **implement the proposed access to information law**. This would considerably improve national accountability and strengthen the impact of previous recommendations.

24. **Clarify the visa and work permits' application requirements** and procedures for international humanitarian staff.

25. **Increase training of public authorities and staff in corruption and integrity risks and mitigation measures** to help them prevent, detect, report and respond to these risks.[110]

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[108] The new Ministry of Anti-Corruption could be one of the main stakeholders in the implementation of these recommendations for greater integrity in the response to the Syria crisis in Lebanon.
[109] There is no obligation for the government or the organisations to publish such reports (although several do publish them). See Decree No. 10830 (09/10/1966) for reporting requirements.
[110] E-learning modules and instructor-led training materials have been developed by TI Norway and IFRC: http://transparency.no/in-english/ (accessed October 2016)

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