

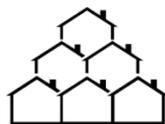
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# Strategic Housing Solutions for Vulnerable Populations in Lebanon

Exploring the Lebanese Housing Ecosystem during the Protracted Syrian Crisis

December 2017



Affordable Housing Institute

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The views and opinions expressed in this report are those of the authors and do not necessarily reflect the official policy or position of the Norwegian Refugee Council or KFW.

Unless otherwise noted, all statistics, population counts, and currency exchange rates are current as of December 6, 2017.



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## Abbreviations and Acronyms

AFD	Autonomous Fund for the Displaced
ALMEE	Association Libanaise de Maîtrise de l’Energie
BDL	Banque du Liban
CAS	Central Administration of Statistics
CDR	Council for Development and Reconstruction
COMAP	Cadastre Operation Modernisation and Automation Project
DGC	Directorate General of Cooperatives
DGU	Directorate General of Urbanism
DLRC	Directorate of Land Registry and Cadastre
DPRA	Department of Palestinian Refugees Affairs
HCUP	Higher Council for Urban Planning
INGO	International Non-Governmental Organisation
LBP	Lebanese Pound
LCRP	Lebanese Crisis Response Plan
LGBC	Lebanese Green Building Council
MFI	Microfinance institution
PCH	Public Corporation for Housing
PNUD	Programme des Nations Unies pour le Développement
PRL	Palestinian Refugees in Lebanon
PRS	Palestinian-Syrian Refugees
UNHCR	United Nations High Commissioner for Refugees
UNWRA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
USD	United States Dollars
WaSH	Water, Sanitation and Hygiene
WWTP	Waste Water Treatment Plant

# 1 Executive Summary

*The shortage of decent and well-located housing that is affordable to low-income households in Lebanon is a critical issue, and has been exacerbated in the past several years by the influx of displaced Syrian households. At the same time, the international response to the Syria crisis has led to significant attention and resources being brought into Lebanon by humanitarian aid organizations. It is, therefore, timely to be looking at how these resources can be used to support strategic and sustainable solutions to the housing challenges for both vulnerable Lebanese and displaced Syrian households.*

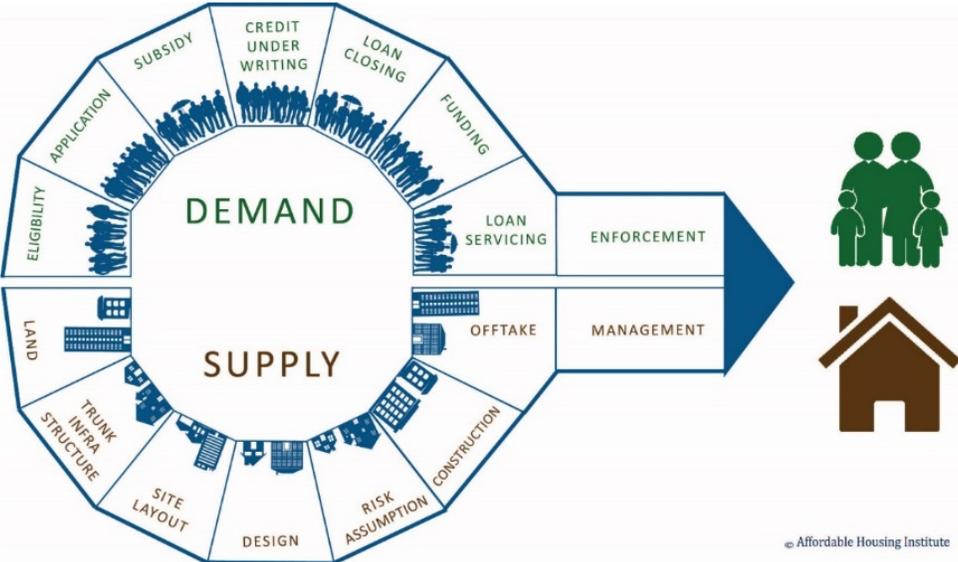
Over the past ten months, AHI has researched the Lebanese housing ecosystem and analyzed how humanitarian interventions related to the Syria crisis can be better leveraged to provide greater access to adequate and affordable housing for the broad range of vulnerable populations in Lebanon.

The project was structured in four phases:

1. An overview of historical activities and policy-making in the housing sector;
2. Assessment of Lebanon’s housing ecosystem, including field work to understand the specific housing options for vulnerable Lebanese and displaced Syrian households;
3. Analysis of previous housing interventions – locally and globally – that could inform the development of new solutions;
4. Creation of recommendations for short, medium, and long-term actions for a range of stakeholders connected to the housing sector.

Throughout each of these phases the AHI team worked closely with NRC, as well as other international and local stakeholders, to compile as much information as was available and ensure that the recommendations were applicable and implementable. That said, it is critical to understand that this work captures a moment in time within a constantly evolving environment. The research and recommendations were then organized and analyzed according to AHI’s Value Chain methodology which is represented in the image below.

Figure 1: Housing Value Chains in a Functioning Ecosystem



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AHI has developed this practical, rigorous, and comprehensive tool to assess a country's housing market. It enables us to carry out a detailed mapping of the overall housing development processes, identify and work with key stakeholders in both the public and private sectors, identify systemic gaps or blockages, and easily compare across countries and housing environments. The information on the housing sector is organized along supply- and demand-side value chains and a successful housing market is understood to be the outcome arising when two value chains operate effectively, replicably, and at scale.

On the demand side, there are eight steps that lead a household to access housing finance: **Eligibility** (the government or the developer define the eligibility criteria); **Application** (the households apply to the government or the developer); **Subsidy** (the government establishes subsidies criteria to target specific populations); **Credit underwriting** (the government or the developer determines creditworthiness of the applicants according to their profile and documentation); **Loan closing** (all legal documents are executed); **Funding** (the loan is funded by the government or a bank); **Loan servicing** (the household reimburse his loan monthly); **Enforcement** (if the household is unable to reimburse his loan, the government enforces the law and undertakes the eviction, foreclosure or repossession of the house).

On the supply side, there are eight steps necessary to the construction of the house: **Land** (the developer acquires the land or government owned land is used for development); **Trunk infrastructure** (the government or the developer builds the trunk infrastructure); **Site layout** (the government or the developer decides the site layout); **Design** (the government or the developer choose the design of the house); **Risk assumption** (it corresponds to the aggregate risks taken by the developer); **Construction** of the house; **Offtake** (the developer sells and allocates the house) and; 8. **Management** in perpetuity of the property.

While the political and legal conditions vary for different categories of vulnerable populations, households typically traverse the eight steps of the demand in some way to access housing, and developers (or entities acting as developers), navigate through the eight steps of the supply side to produce finished apartments, houses, or units.

The recommendations are thus structured to both target specific links in the value chains, and to suggest a vision of the evolution of roles and relationships between public, private, and non-governmental actors. For local private sector actors, such as developers, banks, landlords, and community-based organizations, AHI identified business and social objectives related to real estate and housing, which relate to the development of potential incentives to involve such players in the improvement of housing provision. For international humanitarian shelter actors, AHI considered the temporal realities of their presence in Lebanon and focused on the ways in which they can most effectively work with other actors to contribute to laying the groundwork for sustainable and systemic long-term change in Lebanon's housing sector.

## 1.1 Housing Ecosystem for Vulnerable Populations in Lebanon

Throughout the country there is a deep reliance on informal market channels for housing acquisition by vulnerable populations, often resulting in legally precarious tenure arrangements. The rental market is the most common pathway, though some vulnerable populations – and most recently displaced Syrian households – rely on non-market channels facilitated by humanitarian aid organizations.

In rural areas, vulnerable population groups have typically settled in dilapidated village cores or in make-shift arrangements above or near commercial buildings, abandoned old buildings, and other structures where they rent apartments or rooms. The most vulnerable among them have had to secure shelter through renting land on which they set-up tents that were gradually consolidated over the course of the past years of settlement. A tight interrelation between work and shelter characterizes patterns of displaced person settlements in rural areas, particularly the North and the Bekaa where Syrian migrant workers had come in the country for decades to work in agricultural fields. The extension of these arrangements signals a pattern where access to shelter is often tied to employment opportunities, either through the leveraging of pre-existing relationships and networks or through active work-for-tenure agreements.

In urban areas, vulnerable population groups have settled in either pockets of urban poverty or precarious neighborhoods where they rent rooms within apartments or large-scale complexes, or make-shift spaces adapted for residential uses. The most vulnerable men among them rent a bed or a space to sleep that they may share in shifts with others. Precarious urban neighborhoods typically display similar morphologies: dense, multi-story, dilapidated buildings and narrow streets, overcrowded rooms and apartments, and crumbling physical infrastructure. Similar to rural areas, access to shelter in urban areas can be predicated on employment, however rental arrangements are often negotiated through an informal broker who intermediates between a household and an absentee landlord.

**Common Characteristics of Vulnerable Populations**

- limited access to employment opportunities
- high dependence on an informal or daily employment markets
- low to very low household incomes
- restricted and/or uncertain legal status and rights
- limited and/or unstable social networks

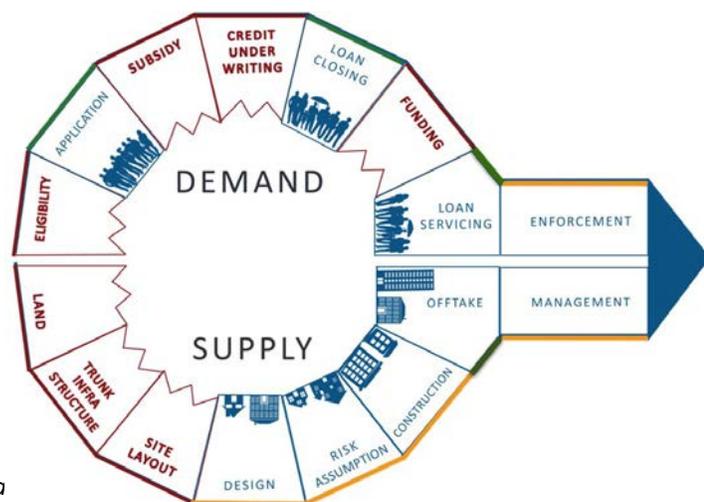
**1.1.1 Key Challenges**

Lebanon lacks a clear and well-integrated vision for the housing sector. Interventions related to housing are typically short-term, distributed among several different entities, and designed to limit the constraints on what is perceived to be a vibrant market economy. There are neither coordinated policies that address multiple dimensions of the housing challenge, nor national-level programs or policies that encourage the construction of affordable housing.

*Supply Side*

On the supply side, there is a significant shortage of affordable and adequate dwellings for low-income populations throughout Lebanon. In the absence of policies and incentives to encourage affordable housing and the provision of infrastructure to low-income neighborhoods, the public provision of housing has historically been very limited in Lebanon and developers have concentrated on the high-end segments of the market. Thus, the majority of housing available to vulnerable populations is in sub-standard and/or informal dwellings in

Figure 2: Value Chain Challenges for Vulnerable Populations



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informal settlements, camps, and dilapidated or abandoned urban buildings. Humanitarian organizations have, and continue to, provide minimally adequate housing in some cases, however, these interventions typically focus on temporary dwellings or time-limited tenure arrangements.

The affordable housing shortage is also rooted in the challenges of the land markets, particularly in urban areas. Escalating land values and land acquisition for speculative and resale purposes have increased inequalities to access throughout the country. Additionally, many vulnerable households are legally restricted from ownership of land and/or property.

### *Demand Side*

Since the mid-1990s housing policy has focused on supporting homeowners through access to mortgages and some subsidized housing finance products. However, though overall access to housing finance in Lebanon is increasing, mortgage loans remain inaccessible to the majority of the population due to restrictions on eligibility. Banks are also typically unwilling to work with low-income populations due to high transaction costs and a lack of experience in underwriting informal or semi-formal income streams. Recently, microfinance institutions have shown more willingness to begin working in this sector, but their reach and resources are currently limited. Furthermore, given the high costs of housing and changes in the rent control laws, rental prices have skyrocketed in many places, putting even rental properties out of reach for most vulnerable households.

## **1.2 Recommendations**

Based on the analysis of the Lebanese housing ecosystem and keeping in mind the range of goals and capacities of stakeholders within the housing sector, the recommendations target four main challenges of access to affordable housing by vulnerable populations.

1. Limited supply of good quality affordable housing for vulnerable populations.
2. The poor quality of affordable stock and the surrounding neighborhoods, particularly in urban areas, where many vulnerable population groups have settled and where housing arrangements are overcrowded, infrastructure is crumbling, and buildings display signs of structural damage and leaks.
3. The challenge of tenure security faced by many vulnerable populations, due to precarious legal arrangements or their inability to pay the rent.
4. The limited resources available to national and local governments, local NGOs, and humanitarian organizations to address the above challenges.

The options presented are not a monolithic solution, but are meant to contribute to the diversity of the housing gene pool and provide a vision of expanded roles and activities by many different actors in the sector. In this context, the purpose of these recommendations is to help Lebanese stakeholders identify a selection of viable schemes that could be adopted which target the most vulnerable and improve the overall functioning of the Lebanese housing ecosystem. Implementation of each of these options will depend on the specific context (e.g. rural or urban, existing built environment or green-field, size and mix of vulnerable populations). The recommendations are structured to provide the kernel of an idea so that individual organizations, entities, and communities can further build out or design programming that is applicable to their resources and context. Within each overarching recommendation, suggested interventions have been organized from least-to-most resource intensive. The following table summarizes the recommendations, key actors to be involved, and approximate timelines to implementation. Description and further elaboration of the recommendations is included in Section 7.3.

Recommendation	CBOs	Municipal Govt.	National Govt.	Private Sector	INGOs	Implementation Timeframe
<b>7.3.1 Modifying or expanding existing shelter interventions</b>						
1A. Monitor the "Shaweesh"	✓				✓	Short
1B. Partner with willing municipalities to increase effectiveness	✓	✓			✓	Short
1C. Provide legal support on housing to vulnerable households	✓	✓			✓	Short / Medium
1D. Expand existing OFC and similar programs	✓	✓		✓	✓	Short / Medium
1E. Expand existing urban upgrading interventions		✓	✓		✓	Medium / Long
<b>7.3.2 New Supply Side Initiatives</b>						
2A. Link INGO housing interventions with municipal plans	✓	✓	✓		✓	Short / Medium
2B. Expand housing options with the construction of accessory units	✓	✓		✓	✓	Short / Medium
2C. Incentivize private developers to build or rehabilitate more affordable housing	✓	✓	✓	✓		Medium / Long
2D. Activate the role of non-profit organization in housing	✓	✓	✓		✓	Short / Medium
2E. Explore alternative land tenure models	✓	✓	✓		✓	Medium
2F. Create public-private-community partnerships to develop housing for adaptive reuse	✓	✓		✓	✓	Medium / Long
2G. Promote stronger integration through self-build housing programs	✓	✓			✓	Long
2H. Develop well designed collective housing	✓	✓			✓	Medium
<b>7.3.3 New Demand Side Initiatives</b>						
3A. Advocate for and pilot rent-to-own programs	✓	✓	✓	✓	✓	Short / Medium
3B. Negotiate collective lease agreements with landlords	✓			✓	✓	Short
3C. Increase opportunities for employment through construction in the housing sector	✓			✓	✓	Short
3D. Support carefully designed rental voucher programs	✓			✓	✓	Medium / Long

Recommendation	CBOs	Municipal Govt.	National Govt.	Private Sector	INGOs	Implementation Timeframe
<b>7.3.4 New Mechanisms to Fund Housing Initiatives</b>						
4A. Partner with local philanthropic organizations to access new sources of funding.	✓			✓	✓	Short
4B. Setup a financing facility that combines donor and private funds				✓	✓	Medium
4C. Explore innovative funding mechanisms for housing interventions		✓		✓	✓	Long

Though vulnerable populations in Lebanon face many challenges in accessing adequate and affordable housing, they are not insurmountable. There are concrete opportunities to improve the ecosystem by directing existing and new resources toward the development of strategic and sustainable solutions. The national government has an opportunity to create an enabling environment through the development of carefully designed policies and programs. Municipalities have an opportunity to create change in their jurisdictions by engaging actively in partnerships to develop affordable housing, and incorporating goals into future planning that address the highlighted challenges. Local community based organizations working in the shelter sector can act as mission-oriented developers in the design and implementation of housing initiatives. Furthermore, they can act as facilitators or catalysts for greater engagement by the private sector (in both supply side and demand side activities), which is increasingly willing to get involved in the low-income housing development ecosystem. With concerted focus, new partnerships, innovative thinking, and strategic direction of resources housing policies and interventions can be designed and implemented that will substantially increase access to quality and affordable housing for vulnerable populations in Lebanon. Potential interventions will have to be designed on a case-by-case basis because there are, of course, variations in the interest level and capacity of different stakeholders throughout the country. However, we have tried to propose interventions that are based on partnership among organizations, so that complementary capacities can be leveraged and partners' engagement levels could vary over time. Additionally, and finally, we expect that with reasonable levels of support in capacity building, municipalities and CBOs could increase their role over time to ensure the sustainability of the interventions.

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## 2 Introduction

At the beginning of 2017, the Norwegian Refugee Council (NRC) contracted the Affordable Housing Institute (AHI) to conduct research on housing for vulnerable populations in Lebanon with a particular focus on the impacts and emergent opportunities resulting from the protracted crisis of Syrian displacement.

Over the course of the past ten months AHI has worked with NRC, as well as other international and local stakeholders, to explore how housing access could be improved for vulnerable populations in Lebanon. The research and related analysis has particularly focused on how humanitarian interventions related to the Syria crisis can be better leveraged to bring improvement to the overall housing ecosystem in Lebanon, thus benefitting both local populations and displaced Syrians. While the recommendations resulting from the research have been developed to be as applicable and implementable as possible, it is critical to understand that this work captures a moment in time within a constantly evolving environment.

Because many of the impediments for the production of affordable housing predate the ongoing crisis – unfettered speculation, the absence of comprehensive affordable housing policies and the lack of current municipal or sub-municipal master plans – the research was divided into two parts to look at:

- (i) interventions in housing provision for vulnerable populations in Lebanon before the Syrian crisis, and
- (ii) the response of government, municipalities, aid organizations, and civil society to housing provision for both vulnerable Lebanese and displaced Syrians since the crisis began.

### ***Common characteristics of Vulnerable Populations***

- limited access to employment opportunities
- high dependence on an informal or daily employment markets
- low to very low household incomes
- restricted and/or uncertain legal status and rights
- limited and/or unstable social networks

With approximately 1.5 million Syrian refugees in Lebanon, 1.017 million of whom are registered with UNHCR, and approximately 71% of whom live below the poverty line, this research is both timely and critical.<sup>1</sup> Prior to the Syrian crisis Lebanon had a population of approximately 4.8 million people, so the influx of Syrian refugees has added significant strain to the Lebanese social and economic fabric, including in the housing sector. The housing

ecosystem in Lebanon is fragile, and the existing challenges are compounded by the high influx and unequal dispersal of refugees across the country. As this report will elaborate, the housing ecosystem is hampered by many obstacles, including a saturated rental market, a deteriorated built stock, a legislative vacuum on the issue of rental housing, a lack of national initiatives, and limited financial product options for lower income populations.

Studies by UNHCR and others show that as the Syria crisis continues into its 8<sup>th</sup> year more and more refugee households are being pushed into sub-standard accommodation, including Sub-Standard Building (SSB)<sup>2</sup> and Informal Tented Settlements (ITS), for which they need to pay rent despite the fact

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<sup>1</sup> VASyR, 2016.

<sup>2</sup> Per the original Terms of Reference, the Lebanon Shelter Working Group defines a substandard building as: “A structure that is physically sub-standard. Sub-Standard Building is a general category that includes: unfinished

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that they have few opportunities for employment. In addition, there is no large-scale financial or housing support from the Government of Lebanon (GoL) or humanitarian actors.

The purpose of this research was thus to provide a systematic analysis of the housing sector in order to shed light on how the humanitarian shelter sector can best work with Lebanese institutions to design and implement strategic, sustainable housing solutions that will effectively support both vulnerable Lebanese residents and displaced Syrian households. This research is particularly timely as the many donors to the humanitarian community, as well as the Government of Lebanon, have committed to working directly with municipalities to improve their capacity to support Syrian refugees and vulnerable Lebanese, and to making large scale investments into public infrastructure (which could, and should, include housing).<sup>3</sup>

The shortage of decent and well-located housing that is affordable to low-income households is a critical issue in Lebanon. The government has traditionally limited its intervention in the housing sector to subsidizing loans to middle-income first-time homebuyers and to assisting homeowners in emergency situations, such as assisting households in post-war reconstruction, while leaving most of the

#### **Research Purpose**

Provide a systematic analysis of the housing sector and analyze how the humanitarian shelter sector can best work with Lebanese institutions to design and implement strategic, sustainable housing solutions that will effectively support both vulnerable Lebanese residents and displaced Syrian households.

housing supply to the private developers. However, real estate investment is the main source of profit and economic growth in Lebanon,<sup>4</sup> given its status as a safe store of wealth in a country with limited other attractive investment opportunities. As a result, since the end of the civil war in 1990 and up to the start of the war in Syria, private developers have mainly catered to the demand for luxury apartments from expatriate Lebanese and regional investors, fueling land speculation and driving up housing costs, especially in Beirut, amidst an absent role for the government in devising holistic urban policies to guide the growth of urban areas and in regulating the housing market through a strategic housing agenda at the national and local levels. The war in Syria interrupted this trend by negatively impacting the overall investment climate and significantly cooling down the real estate sector, shifting developers' focus on domestic demand for more affordable housing. As such, many developers have been delivering smaller units (100-150 sqm) outside municipal Beirut boundaries – in what has become the greater Beirut area – where land is cheaper.<sup>5</sup>

While more affordable housing options for some households may have increased, the housing situation for the most vulnerable households in Lebanon has worsened overtime. The upheaval and destruction of the civil war, the July 2006 war, and the turmoil in neighboring countries have worsened the situation for low-income households across Lebanon. Additionally, since the beginning of the Syrian war, this situation has been further exacerbated with the influx of refugee families. As *FIGURE 1* shows, Syrian refugees have mostly settled in regions of Lebanon where poverty and social vulnerability are already daunting, and where competition for unskilled jobs is very acute. In this context, both Lebanese and non-Lebanese low-income households have had to secure shelter on illegally occupied land, or in illegal

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houses, dilapidated/damaged homes, converted garages/shops/worksites, etc. whether originally intended for human habitation or not.”

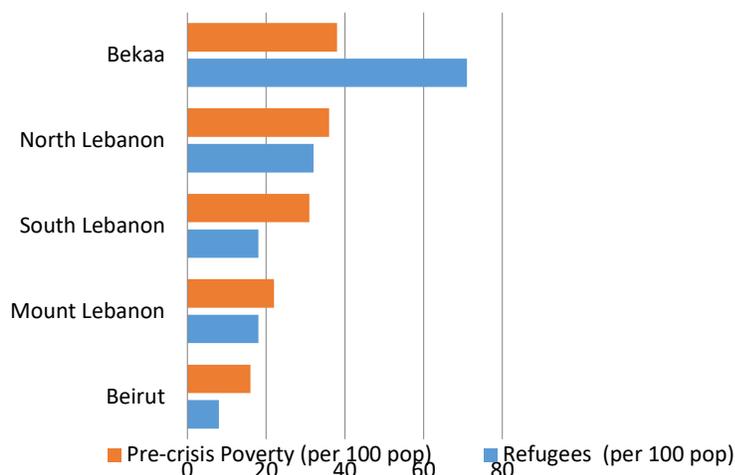
<sup>3</sup> Information on recent commitments is from the Terms of Reference provided by NRC.

<sup>4</sup> In Lebanon, the real estate and construction sectors account for 20% of the GDP, according to the latest data from the Central Administration of Statistics.

<sup>5</sup> Mostly in suburbs above and below Baabda and around Metn.

or substandard housing located in increasingly dense urban slums that lack adequate infrastructure and basic services.

Figure 3: Distribution of vulnerability and Syrian refugees.  
Source: International Monetary Fund 2016.



Moreover, the government’s inaction in the housing sector has also been reflected in the absence of statistics on housing needs. Large private banks conduct sectoral research on a yearly basis covering the real estate sector, which can serve as an indicator to assess the housing needs, but cannot be relied upon for accurate assumptions to inform policy and interventions. The last official national census was carried out in 1932, and the most recent household surveys were conducted in 2007 by the Central Administration of Statistics (CAS) to update demographic information. However, CAS does not make its figures readily available to researchers, and when it does publish them it does so only at an aggregate level.<sup>6</sup> Because of the focus from international aid agencies on the crisis of displacement from Syria, there is slightly better data available on housing needs and conditions for displaced Syrian households in Lebanon through the annual Vulnerability Assessment of Syrian Refugees in Lebanon (VASyR) reports, but overall available information is still limited. This lack of information dramatically hinders the assessment of the scale of the housing gap and, therefore, also hinders effective policy-making and strategy development for aid organizations.

The following report relies on a combination of qualitative and quantitative data (where available) to describe the Lebanese housing sector and highlight the pathways through which low-income and vulnerable households in Lebanon access housing.

## 2.1 Objectives

The core objectives of the study were to:

1. Provide a systematic analysis of the housing sector, to contribute to the wider conversation around the way to fulfil those commitments;

<sup>6</sup> Fawaz, M, et. al., *Housing, Land and Property Issues in Lebanon, Implication of the Syrian Refugee Crisis*, August 2014, UN-HABITAT and UNHCR, 2014, p.16.

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2. Examine how components related to housing (land, basic services, housing finance, building materials and construction technologies, and labor) are governed by policy, institutional and legal frameworks, and how they are linked with one another and other urban policies;
  3. Identify ways in which national and international actors can increase the range and robustness of adequate housing options for displaced Syrians and vulnerable Lebanese.
  4. Develop short, medium and long-term actionable recommendations that will be informative for, and applicable to, a wide range of stakeholders (central government, local government, private sector, civil society, international development agencies, and relief organizations) to improve the functioning of the Lebanese housing sector and to increase access to adequate housing for displaced Syrians and vulnerable Lebanese in the host communities.

## 2.2 Methodology

In order to develop the final recommendations AHI structured the work in four phases:

1. Provide an overview of the recent history of housing policy-making in Lebanon;
2. Develop a brief Ecosystem Assessment of Lebanon's current housing sector, including an overview of the housing situation of Syrian refugees and vulnerable Lebanese households;
3. Analyze previous housing interventions to identify aspects that can inform the development of successful future solutions;
4. Identify opportunities and create recommendations for short, medium and long-term actions that will lead to the creation and implementation of strategic, sustainable housing solutions for Syrian refugees and vulnerable Lebanese within the host communities.

To this end, AHI conducted an extensive literature review including both primary and secondary sources, analyzed the collected information with the AHI Housing Ecosystem and Value Chain Framework,<sup>7</sup> and conducted limited field research in two locations. Because statistics within the housing sector are both limited and outdated, the research methodology relies substantially on qualitative data (interviews, observations, and anecdotes) and analytics. The specific methodology for each of the four phases is detailed below.

### 2.2.1 Core Research Questions

This study focused on answering the following questions, to the degree possible given available data:

1. What are the key historical factors that have contributed to the current policies on the housing and rental market?
2. What are the underlying causes, or key determinants, preventing the emergence of adequate housing options in Lebanon, for both displaced Syrians and vulnerable Lebanese?
3. How do vulnerable households currently access housing and what are the main challenges that they face?
4. What are the main shortcomings in the response of the government (local and national) and the international relief organizations to the demand for adequate housing by displaced Syrian and vulnerable Lebanese households?
5. Within the initiatives identified (including public, private, and international), what elements are effective and successful, and could be replicated?
6. What actions can be taken, by a range of stakeholders, to facilitate the design and

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<sup>7</sup> The Affordable Housing Institute (AHI) has developed, pioneered, and proven the Housing Ecosystem and Value Chain Assessment Framework for housing delivery and finance. See Section 2.2.3 for a full description.

- 
- implementation of strategic, sustainable housing solutions for vulnerable populations in Lebanon?
7. How can housing solutions for displaced Syrian and vulnerable Lebanese be supported in a protracted crisis through the efficient use of humanitarian, development, and private funding? And what policy changes would be necessary to enable this?
  8. How can housing solutions contribute to an increased acceptance of refugees or displaced populations within a host community, ease intra- and inter-communal tensions, and help to overcome challenges faced by specific demographic groups (e.g. women, elderly, disabled)?

### 2.2.2 Phase 1 – Policy Overview

AHI mapped a timeline reflecting the recent history, relevant housing programs, and interventions on both the demand (finance) and supply (building) sides of the housing value chain, affected constituents, key programs and policy actors, effectiveness and impact, and major blockages and challenges. Based on available socioeconomic data and consultations with local experts, AHI defined vulnerability in the context of this study as well as the specific populations to be considered. AHI then developed a descriptive profile of the selected vulnerable populations with, subject to data availability, information on: geographic distribution, income levels, employment opportunities, legal status and rights, social/public benefits received.

### 2.2.3 Phase 2 – Housing Ecosystem Assessment for Lebanon and Vulnerable Populations

Through the ecosystem analysis, the housing finance sector is not examined in isolation, but as part of a set of value chains – one on the supply side and one on the demand side, both of which must operate effectively and at scale to produce affordable housing.

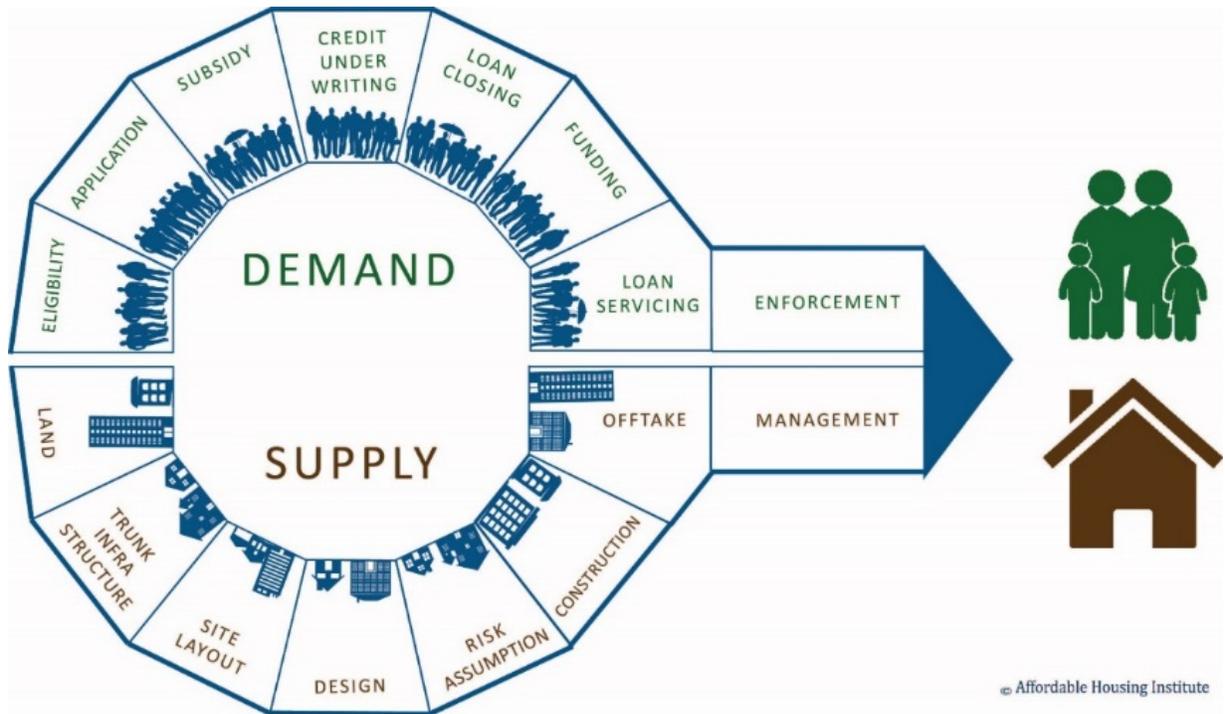
Each value chain consists of eight discrete steps, which must all function and link up efficiently to produce a house (supply-side output) and a family with a loan (demand-side output). These value chains do not necessarily have to be formal ones; in fact, in many rapidly urbanizing countries, there are parallel informal value chains that operate alongside the formal ones, often when the latter is inefficient or otherwise unable to meet the overwhelming demand for housing.

A successful housing ecosystem arises when the supply and demand side value chains operate effectively and at scale:

- *The supply side*, resulting in the production of physical homes that people want to live in.
- *The demand side*, resulting in the ability of people to finance the purchase of a home, either through borrowing or saving.

These value chains are each composed of eight interlinked and interdependent steps, as per the graphic below.

Figure 4: Housing Value Chains



Understanding the challenge of housing finance within this context – that is, tackling issues of eligibility, subsidy, funding, and financing products alongside gaps and challenges in land, infrastructure, and construction – is critical to generating solutions that are successful in expanding affordability and fostering sustainable housing markets over the long run. While the political and legal conditions vary for different categories of vulnerable populations, households typically traverse the eight steps of the demand-side value chain in some way to access housing, be it rented or owned. And developers, or individuals, entities and organizations acting as developers, need to navigate through the eight steps of the supply-side value chain in order to provide a finished apartment, building, or house. Activities for different groups will vary in their degree of formality, and may shift over time from informal to formal and back.

*Step 1: Conduct a desk review of actors, processes, and partnerships along value chains in Lebanon.*

Before engaging in on-the-ground data gathering and research, AHI completed a desk review mapping actors, their roles, and their interconnectedness along both the supply and demand value chains, ultimately aiming to understand the processes and blockages, and to identify existing and potential partnerships between actors. AHI also researched existing and proposed mechanisms and initiatives at the local and national levels, and macro-political and economic trends that have influenced the development of housing policies and interventions in Lebanon.

*Step 2: Collecting granular information on the ground.*

Following our desk review, AHI conducted limited field research to test initial assumptions and gather qualitative information on the housing situation for vulnerable populations in Lebanon, displaced Syrian households, and the perception of a range of stakeholders regarding challenges and opportunities in the housing sector.

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In collaboration with NRC, the team selected Minieh and Bar Elias as the locations for limited field research based on three fundamental criteria:

- The study areas have a relatively high concentration of both refugees and low-income Lebanese populations.
- There are known cooperative stakeholders in the area.
- The sites are geographically diverse.

A memo detailing the analysis which led to the selection of the following two research areas is included in *ANNEX 5*.

The primary purpose of the field research was to better understand the specific ways in which vulnerable populations access housing in selected regions and gather concrete examples which could help illustrate the pathways to housing for vulnerable populations in Lebanon through a qualitative perception survey. The team also collected information on the relationship and dynamics of interactions between Syrian refugee and Lebanese populations as related to housing access and security of tenure.

Interviews and stakeholder discussions were conducted over the course of three to four days in each area. Interviewees consisted of municipal officials, local residents, local landlords, Syrian refugee families, representatives from social service providers and representatives from both local and international NGOs working in the shelter sector. Targeted interviews were conducted to understand the relationships and dynamics between:

- aid and economic development programs
- international organizations and local authorities
- private sector players and low income housing seekers, and
- refugees and aid and housing programs

Interviews and field notes were analyzed using a simple coding structure to highlight central themes and suggested solutions. The results of the qualitative perception survey are included in *ANNEX 4*.

### *Step 3: Mapping and analyzing the housing ecosystem for vulnerable populations and refugees in Lebanon*

To the extent possible, AHI gathered information on vulnerable populations' access to financial products, challenges associated with and regulations around tenant-landlord dynamics, pathways to

#### **Field Research Locations**

*Al Minieh*, located in the north, has a mixed population of refugees and local Lebanese. The shelter options available to refugees include both tented settlements and more permanent solutions, thus providing some opportunity for comparison within the area itself. It is a semi-urban context with a high level of unemployment. NRC has local staff in the area, who were able to facilitate AHI's research activities as required.

*Bar Elias*, located in the Bekaa region to the west, has the highest concentration of Syrian refugees relative to the local Lebanese population. The region had significant commercial and social ties to Syria prior to the war, providing a different basis from which to consider the relationships between Syrian refugee and Lebanese populations. It is a predominantly agricultural economy, and there has been a significant degree of informal rental of both land and units to Syrian refugees.

The Mayor is concerned with the current situation and had expressed motivation to improve the options available. In addition, NRC has staff located in the area who were available to support AHI's research activities as necessary. It is also an area that has been highly studied by the UN, which provided the team with a good database of information to start with.

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housing access, and the role of the public, private, humanitarian, and informal sectors in developing adequate and affordable housing options. Based on further review of the literature and field data, AHI identified gaps in knowledge, enabling legislation, resources, and capacity that inhibit access to housing for vulnerable Lebanese and displaced Syrians, and that hinder the formalization and structural improvement of informal neighborhoods. These challenges were then organized along both the demand and the supply value chains.

#### 2.2.4 Phase 3 – Analysis of Previous Housing Interventions

Initially, AHI and NRC intended to identify a set of Lebanese housing interventions about which case studies could be developed to provide insight into the range of housing solutions that are, or could be, available to displaced Syrians and other vulnerable populations in Lebanon. The expectation was that by doing so lessons could be learned about the sustainability and scalability of the resources and strategies that have previously been used to improve housing access for vulnerable populations in Lebanon.

However, given the limited scale and number of interventions, it was agreed that a study of international reference cases to support the recommendations would be more valuable. These cases were selected to provide food-for-thought on how new and innovative initiatives might be developed in Lebanon, consistent with the recommendations outlined in *SECTION 7*. As such the reference case studies highlight modes of activity, patterns of ownership, land and property use, mobilization of financial and labor resources, and relationships among stakeholders.

#### 2.2.5 Phase 4 – Development of Recommendations

Housing strategies almost always require multi-stakeholder engagement and coordination. Therefore, AHI built on the work of the value chain mapping to assess the potential roles of the various actors within Lebanon’s housing sector and to create a vision of the evolution of roles and relationships between public, private, and nongovernmental actors. AHI developed short-, medium, and long-term recommendations that take into account the temporal realities of humanitarian shelter actors’ presence in Lebanon and the ways in which they can most effectively work with other actors to contribute to laying the groundwork for sustainable and systemic long-term change in Lebanon’s housing sector. For local private sector actors, such as developers, banks, landlords, and community-based organizations, AHI identified business and social objectives related to real estate and housing, which relate to the development of potential incentives to involve such players in the improvement of housing provision. This allowed AHI to develop recommendations that speak to the particular roles that different stakeholders can willingly, feasibly, and effectively play in improving the housing ecosystem for vulnerable populations in Lebanon.

Proposed recommendations are organized around the blockages and gaps identified through the housing sector value chain analysis, an understanding of the status of previous recommendations made by other consultants, and our findings on stakeholder capacities and potential roles. To develop the recommendations AHI focused on the following parameters for different time-horizons:

- Short-term: Interventions that require low capital injection and regulatory change, such as aligning existing humanitarian initiatives with local and national initiatives. Expansion of current successful initiatives and building the capacity of local actors to assume the humanitarian sector’s roles once its presence decreases or withdraws entirely.
- Medium-term: Building awareness of housing’s critical economic and political role, nurturing relationships among actors, and introducing systemic changes that, with transition plans in place, would not necessitate the indefinite involvement of humanitarian actors.

- Long-term: Address inherent capacity, regulatory, and capital shortfalls across institutions and policies. Based on AHI’s framework of the *16 Types of Resources* (cash and non-cash), available to governmental bodies to enable, stimulate, channel, or regulate development and finance, particularly housing development and housing finance, so as to produce better outcomes with higher efficiency (that is, positive impact created per quantum of public resource committed).

Figure 5: Sixteen Types of Resources available to governments to enable affordable housing development and access

Cash	Non-cash
1. Grants	1. Land (cheap or free)
2. Hard debt with high gearing	2. Zoning and density
3. Hard debt with interest subsidy	3. Trunk infrastructure
4. Soft debt	4. Site infrastructure
5. Hard equity	5. Cheap or free utilities
6. Soft equity	6. Credit enhancement
7. Operating subsidy	7. Tax relief (VAT) on materials
8. Redirective subsidy	8. Real estate tax (fees) relief

Cash converts to Non-cash ↔ Non Cash converts to Cash

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## 3 Vulnerable Populations in Lebanon

### 3.1 Overview

The following section briefly describes groups identified as vulnerable populations in Lebanon. The groups identified are:

- **Vulnerable Lebanese,**
- **International migrant workers,**
- **Palestinian refugees and Palestinian refugees from Syria (PRS),**
- **and displaced Syrians.**

At times, individuals and households may shift in their classification.<sup>8</sup>

For the purposes of this study, we build on the recent review of the Oxfam/AUB-IFI 2016 *Poverty, Inequality, and Social Protection* report which adopted Amartya Sen's 1989 expanded definition of poverty.<sup>9</sup> The study shows that all vulnerable population groups in Lebanon have the following characteristics in common:

- limited access to employment opportunities, and thus
- a high dependence on an informal, daily employment market typically consisting of,
- unstable, unskilled, and poorly paid employment opportunities.

Three additional indicators play a critical role in the identification of vulnerability and shelter acquisition presented in this report.

- 1) The first accounts for the legal status of vulnerable population groups that distinguishes between Lebanese nationals and those persons whose presence in the country is constantly placed under scrutiny because the legality of their presence or right to work is constantly subject to revisions.<sup>10</sup>
- 2) The second indicator concerns the years of residency or individuals' presence in Lebanon, which generates a hierarchy and differing levels of stability and security of tenure among those who do not hold Lebanese citizenship. For example, access to shelter for early-comers (e.g. Palestinian refugees) is relatively secure through camps and gatherings.
- 3) The third is the degree to which displaced individuals had pre-existing networks or connections in Lebanon. For example, among displaced Syrians, those who have social networks and relations in Lebanon predating the war have an advantage over those who arrived later without such established networks.

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<sup>8</sup> A sizable percentage of Syrian males identified as "migrant workers" prior to the war in Syria are now registered as refugees. Furthermore, women shift their status as Lebanese nationals and/or "refugees" through marriage since Lebanese law transfers nationality to families only through patriarchal lineages.

<sup>9</sup> In addition to income, the expanded definition of poverty includes indicators about shelter, work, levels of education, access to health, and food security.

<sup>10</sup> Migrant workers—and, more recently, refugees—have been required to secure a so-called *kafala*, the sponsorship of a Lebanese individual that would allow them to work. See *ANNEX 1* for more on the legal status.

Table 1: Vulnerability Criteria by Population Group

Red text indicates increased vulnerability, green increased stability, orange indicates significant variation by household.

Population Groups	Dependence on informal labor markets	Legally limited access to employment, or types of employment	Unstable legal status regarding residency or presence in Lebanon	Length of time in Lebanon	Established networks in Lebanon prior to entry
Vulnerable Lebanese	Yes	No	No	No	Yes
Migrant Workers	Yes	Varies, effectively yes	No	Varies	Varies
Palestinian Refugees	Yes	Yes	No	Varies	Varies, mostly Yes
Palestinian Refugees from Syria (PRS)	Yes	Yes	Varies	Yes	Varies, mostly Yes
Displaced Syrians	Yes	Yes	Yes	Yes	Varies, increasingly No

As we describe vulnerable groups in the following chapter, our primary aim is to highlight the conditions of vulnerability which particularly impact households' access to, and security of, decent and affordable housing or shelter.

### 3.1.1 Vulnerable Lebanese

Despite the classification of Lebanon as a middle-income country, it is important to recognize that a sizable percentage of the national population can be considered “poor.” In the absence of official national poverty indexes, it is difficult to estimate the size of this vulnerable population, even when limiting the definition of deprivation to income levels. The quantification of poverty is further complicated by the absence of figures: the most recent survey on which Lebanese public agencies continue to base their assumptions of living conditions is 15 years old.<sup>11</sup> Adopting a money metric measure of poverty, the study determined that over 25% of Lebanese households could be considered “poor.”<sup>12</sup> Based on perception surveys and focus groups, the 2016 IFI-Oxfam study further profiled poor Lebanese households, adding to the income criteria a dependence on others for survival, poor educational levels, and large dependence on daily informal employment for survival. The IFI-Oxfam study found that UNDP/MoSA figures underestimate poverty given that the Lebanese economy has considerably slowed down in the past fifteen years and the effects of the war in Syria. Both negative economic externalities and the influx of displaced people in the country have substantially increased poverty levels in Lebanon.<sup>13,14</sup> Households interviewed for the report typically reported reductions in

<sup>11</sup> Laithy Heba, Khalid Abou-Ismaïl, and Kamal Hamdan, *Poverty, Growth & Inequality in Lebanon*, UNDP & MoSA, October 2007.

<sup>12</sup> The study assumed a USD 4/person/day for Lebanon to be the threshold for poverty. See Laithy Heba, Khalid Abou-Ismaïl, and Kamal Hamdan, *Poverty, Growth and Income Distribution in Lebanon*, UNDP & MoSA, 2008.

<sup>13</sup> OCHA and REACH, *Informing host community target programming in Lebanon*, September 2014.

<sup>14</sup> See Nupur Kukrety et al, *Poverty, Inequality, and Social Protection in Lebanon*, Oxfam and Issam Fares Institute, January 2016.

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their income of up to 25% since 2010 and described themselves in a “downward spiral.”<sup>15</sup> Such significant drops in income are likely to impact households’ ability to afford housing, further increasing their vulnerability, though poor Lebanese typically have strong family networks that they may be able to rely on to maintain a degree of suitable housing or shelter.

### 3.1.2 International Migrant Workers

Lebanon has historically housed a sizable number of foreign migrant workers who have occupied the lower echelons of its employment market. Since the 1950s, Syrian and Egyptian workers have occupied low-paid, precarious employment, particularly in the construction and agricultural.<sup>16</sup> Since 1990, the number of African and Asian workers has also increased within a system that generally confines members of particular national groups to specific employment opportunities, and controls their activities and mobility through the kafala system.<sup>17</sup> It is worth noting that the global trend of the feminization of migrant labor is also noticeable in Lebanon where both African and Asian women undertake domestic work in large numbers. There are only rough estimates of the actual number of migrant workers in Lebanon. Less than 150,000 legal permits are disbursed yearly, but these permits dramatically underestimate the reality of a highly informal presence. It has been estimated that while 137,000 permits for African and Asian workers were disbursed in 2010, the real number of workers was likely to be between 200,000 and 400,000 individuals.<sup>18, 19</sup> The number of permits disbursed to other migrants, particularly Syrian migrants, is considerably lower and, until the outbreak of the war, remained negligible next to estimates of their presence at 500,000, sometimes higher.<sup>20</sup>

Though migrant workers’ legal status is typically fairly stable they less frequently have a family network in Lebanon to rely on when seeking and paying for housing. When looking at the shelter vulnerability of this group, it is also important to consider that the very high dependence of female workers on live-in employment conditions reduces what would otherwise be calculated as housing vulnerability, although many of these live-in employees also suffer from poor housing conditions. It is also important to note that a sizable percentage of workers in agricultural and construction sectors secure shelter through their employer, either by living on construction sites or by settling temporarily in tents near or on agricultural lands and thus may not be counted as vulnerable in some studies, despite the sub-standard nature of these accommodations.

Since 2011, many of the Syrian migrant workers have seen their families join them in Lebanon where they shifted status from “migrant workers” to “displaced” or “refugees,” blurring the categories across vulnerable groups without reducing levels of vulnerability.

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<sup>15</sup> Ibid. 10.

<sup>16</sup> Since we are identifying Palestinians as “refugees” below, we are distinguishing them from other migrant workers, though some studies do include Palestinians as migrant workers.

<sup>17</sup> The kafala system is a sponsorship system imposed by the Ministry of Labor, which connects workers’ rights to legal work and residency to one Lebanese sponsor.

<sup>18</sup> See Nadine Cattan, “Trans-territoire. Repenser le lieu par les pratiques spatiales de populations en position de minorité,” *L'Information géographique* 76, (2012): 57-71.

<sup>19</sup> The 200,000 bracket is of course much too large to be accurate, but it nonetheless signals the very large leeway in counting that the informality of the practice allows.

<sup>20</sup> See John Chalcraft, *The Invisible Cage: Syrian Migrant Workers in Lebanon*, (Stanford: Stanford University Press, 2009), 310.

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### 3.1.3 Palestinian Refugees and Palestinian Refugees from Syria (PRS)

The United Nations Relief and Works Agency (UNRWA) lists the number of Palestinians registered in Lebanon as 449,957 refugees,<sup>21</sup> but some surveys indicate an alternative figure of 300,000.<sup>22</sup> Most of these refugees are the descendants of families who fled to Lebanon after the establishment of the State of Israel. Approximately 53% of these individuals live in one of the twelve recognized Palestinian refugee camps, all of which have high levels of poverty, unemployment, limited infrastructure, and suffer from overcrowding and poor housing conditions.<sup>23</sup> For the most part, those not living in the camps have settled in the adjacent informal settlements known as “gatherings”.

However, since 2011, thousands of Palestinian refugees have arrived in Lebanon fleeing violence in Syria and are now considered among the most vulnerable groups in Lebanon. Administratively identified as Palestinian Refugees from Syria (PRS), their number has fluctuated over the past six years. The most recent UNRWA estimates indicate a population of 32,000 individuals at the end of 2016.<sup>24</sup> The legal status of these refugees in Lebanon distinguishes them from other displaced persons from Syria, classifying them as Palestinian refugees rather than Syrian. As a result, the primary administrative interface of this group of refugees is UNWRA rather than UNHCR. However, UNWRA’s mandate does not include urgent aid and assistance, leaving these newly arrived refugees with limited options for support.<sup>25</sup> Furthermore, the agency’s available aid is steadily decreasing, making it harder to maintain food and housing stipends to these populations. Additionally, very few among them have legal residency and their options for formal employment are severely limited by the same type of restrictions placed on other Palestinians. UNWRA estimates that nearly 90% of Palestinian refugees from Syria are living below the poverty line.<sup>26</sup> Consequently, despite important efforts to integrate these newly arrived refugees, UNRWA has been unable to limit the negative externalities of the refugee influx into already substandard and overcrowded camps with severely strained infrastructure.<sup>27</sup>

Multiple non-monetary factors contribute to increasing the vulnerability of Palestinian refugees, whether they are registered in Lebanon or Syria. In 2001, the Lebanese legislature passed a law stating that “No real right of any kind may be acquired by a person who does not carry a citizenship issued by a recognized state or by a person if such acquisition contradicts with the provisions of the Constitution relating to the prohibition of permanent settlement.” Since they are not formally citizens of another state, they are not granted the same rights as other foreigners living and working in Lebanon. Since 2001, Palestinians are no longer allowed to register ownership of property, and those who own property are mandated to bequeath it to religious organizations, further increasing their residential vulnerability. Since Palestinians have no access to the Lebanese public health and educational systems, they rely instead on UNWRA’s health and educational services as well as all infrastructure for the camps. While this is an important source of support to Palestinian families, it also ends up limiting their mobility as access to these services plays an important part in deciding where to reside. Additionally, while UNWRA has, at times, provided monetary support for Palestinian families to access housing, they have not made housing a primary focus of their strategy and these programs have been both limited in scope and intermittent in their implementation.

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<sup>21</sup> “Where We Work,” UNRWA, <https://www.unrwa.org/where-we-work/lebanon>, accessed August 2017.

<sup>22</sup> See Jad Chaaban et al, “Socio-Economic Survey of Palestinian Refugees in Lebanon,” AUB and UNRWA, 2010.

<sup>23</sup> “Where We Work,” UNRWA, <https://www.unrwa.org/where-we-work/lebanon>, accessed August 2017.

<sup>24</sup> “PRS Lebanon,” UNRWA, <https://www.unrwa.org/prs-lebanon>, accessed June 2017.

<sup>25</sup> “Lebanon,” Alpha Association, <http://www.alpha-association.info/main/en/category/en-lebanon/>.

<sup>26</sup> “PRS Lebanon,” UNRWA, <https://www.unrwa.org/prs-lebanon>.

<sup>27</sup> See Nasser Yassin et al, “No Place to Stay? Reflections on the Syrian refugee shelter policy in Lebanon,” Issam Fares Institute for Public Policy and UN Habitat, 2015, p. 79.

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Studies indicate that Palestinian refugees in Lebanon suffer from substantially high levels of unemployment, masked unemployment, and employment in precarious and potentially dangerous work.<sup>28</sup> Until 2010, the right to work for Palestinians in Lebanon was limited to the most basic of tasks, and though they are still restricted from civil service and particular professions, their rights to access free work permits and participate more fully in the private sector have been expanded.<sup>29</sup> However, Palestinians in Lebanon still face great difficulties in entering the formal workforce as work permits are difficult and expensive to obtain.<sup>30</sup>

These and other factors have contributed to Palestinian refugees in Lebanon operating primarily within the informal economy, whether to access shelter or work, and consequently intensifying their levels of vulnerability.

#### 3.1.4 Displaced Syrians

There are currently over 1.5 million displaced Syrians in Lebanon,<sup>31</sup> of which 1.1 million are officially registered with UNHCR.<sup>32</sup> Their vulnerability is unquestioned; they have experienced trauma, lost family members, their homes, and their livelihoods in Syria. In Lebanon, they face dire living conditions, instability, limited freedoms, livelihoods opportunities, and access to education, healthcare, and other services. They are also subjected to increasingly stringent legal regulations and to heightened tensions with the host community, a sizable section of which is hostile to their presence in the country. In January 2015, the Lebanese government instituted new regulations on residency for displaced Syrians already in Lebanon stipulating that to acquire legal residency of up to one year, they must either have a Lebanese sponsor or have a valid UNHCR Registration Certificate and signed a “Pledge not to Work.” As of the end of 2016, as many as 80% of displaced Syrians in Lebanon did not have valid legal stay documentation. In June 2016, the “Pledge not to Work” was changed to a “Pledge to abide by Lebanese law.” In early 2017, the residency renewal fee was waived for some displaced Syrians who were already registered with UNHCR. While waiving of the fee for UNHCR registered refugees removes a monetary barrier to legal residency, it still excludes a large portion of displaced Syrians in Lebanon. Given the 2015 suspension of UNHCR refugee registration, sponsorship now remains the only pathway to residency for displaced Syrians.<sup>33</sup> Refugees who are only registered with UNHCR and do not have legal residency are granted certain support through UNHCR, but are not granted the right to work within Lebanon. In response to the registration suspension, UNHCR created a new category for individuals fleeing Syria called “recorded.” While this status does not grant the same rights and benefits as the registered refugee status, it does provide these individuals and families with access to some UNHCR services.

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<sup>28</sup> Chaaban et al, 2010.

<sup>29</sup> Jim Muir, “Lebanon Grants Palestinian Refugees Right to Work,” BBC News, 17 August 2010. <http://www.bbc.com/news/world-middle-east-11004945>.

<sup>30</sup> Ibid.

<sup>31</sup> Fawaz et al, 2014, *op. cit.*

<sup>32</sup> UNHCR registration has been suspended since May 2015 at the request of the government; any refugee who has arrived since then cannot become registered refugees. Likewise, those previously registered refugees cannot re-activate expired registration. Previously registered refugees who arrived later than January 5, 2015 were de-registered.

<sup>33</sup> To be “legal”, most displaced Syrians – needing work – require/required a “sponsor” or “kafeel”, a Lebanese individual who would guarantee their presence and secure their employment. While some Syrians may be able to find sponsors through family or other networks, many must do so through employers, which increases their vulnerability to abuse by said employers, as they become dependent on that individual for both their income and valid legal status.

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Depending on a displaced Syrian's registration or residency status, each has varying degrees of vulnerability, and differing access to public or UN-provided services, but all are considered vulnerable due to their forced displacement and, typically, limited resources upon arrival in Lebanon. For further detail on the legal status of Syrians in Lebanon, and some of the implications of this status, see *ANNEX 1*.

Unemployment is a problem for many displaced Syrians, in part because of legal restrictions on their right to work. For those who do secure jobs, whether formally or informally, exploitation of displaced Syrians is common; the International Labor Organization found that Syrians in Lebanon earn 40% less than Lebanese workers of the same skill-level, and 88% of Syrians are employed in low-skilled jobs.<sup>34</sup> The presence of Syrians have caused tensions among host communities, as they compete for jobs and housing, are perceived to drain national resources, and receive support from humanitarian organizations while poor host communities do not. As a result, displaced Syrians in Lebanon also face stigmatization in many settings.<sup>35</sup>

The changing legal framework, limited work opportunities, and deep vulnerabilities associated with displacement all significantly increase Syrian's housing vulnerability in Lebanon as most households are only able to access temporary, informal, and sub-standard accommodations with no recourse for eviction, disruption, or abuse.

The table below summarizes some of the basic conditions of these vulnerable groups, general challenges that increase their vulnerability, and specific challenges they face in accessing housing in Lebanon. Further discussion of how vulnerable households access housing in Lebanon, and analysis of how the housing ecosystem and value chains function for these groups can be found in *SECTIONS 5 AND 6*.

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<sup>34</sup> Yassin, "No Place," 44.

<sup>35</sup> Ibid. 39-44.

Table 2: Summary of Vulnerable Population Groups and Housing Challenges

Population Group	Description	General Challenges	Housing Challenges
<b>Vulnerable Lebanese</b>	<ul style="list-style-type: none"> <li>• About 25% of Lebanese are considered “poor”</li> <li>• Often dependent on others for survival</li> <li>• Poor education</li> <li>• Rely on daily, informal employment</li> </ul>	<ul style="list-style-type: none"> <li>• Limited data and information on which to build policies</li> <li>• Poverty levels are underestimated</li> <li>• Considerably affected by regional conflict</li> <li>• Live in areas with higher levels of displaced people</li> </ul>	<ul style="list-style-type: none"> <li>• Access to financial resources and products</li> <li>• Largely reliant on informal housing markets</li> </ul>
<b>Migrant Workers</b>	<ul style="list-style-type: none"> <li>• Occupy low-paid, precarious employment (construction, agriculture, etc.)</li> <li>• Increased African and Asian migrants since 1990s (roughly 200,000 to 400,000 individuals in 2010)</li> <li>• About 150,000 permits issued yearly; dramatically underestimates informal work</li> <li>• Increasingly feminized, domestic labor</li> </ul>	<ul style="list-style-type: none"> <li>• Subject to discrimination</li> <li>• Tight controls on mobility</li> </ul>	<ul style="list-style-type: none"> <li>• Some women workers dependent on live-in housing, often in poor conditions</li> <li>• Many in agriculture and construction depend on employers for housing, either on site or in tents</li> <li>• Housing vulnerability not always counted, because, even though it may be sub-standard, it is provided by the employer</li> </ul>
<b>Palestinian Refugees in Lebanon and Palestinian Refugees from Syria (PRS)</b>	<ul style="list-style-type: none"> <li>• Registered with and supported by the United Nations Relief and Works Agency (UNWRA)</li> <li>• Uniquely classified</li> <li>• No state; no rights</li> <li>• 300,000 to 450,000 refugees</li> <li>• 32,000 Palestinian Refugees from Syria</li> </ul>	<ul style="list-style-type: none"> <li>• High levels of poverty and unemployment (90% below poverty line)</li> <li>• Among Lebanon’s most vulnerable</li> <li>• Decreasing resources for food and housing</li> <li>• Legally limited opportunities for work</li> </ul>	<ul style="list-style-type: none"> <li>• Largely reliant on informal rental markets, legally restricted from ownership</li> <li>• Overcrowded, poor housing conditions</li> <li>• Severely strained infrastructure</li> <li>• Approximately 53% live in one of 12 official Palestinian refugee camps, others in informal settlements known as “gatherings”</li> <li>• Limited UNWRA involvement in housing and shelter</li> </ul>

<p><b><i>Displaced Syrians</i></b></p>	<ul style="list-style-type: none"> <li>• 1.5 million in Lebanon; 1.1 registered with UNHCR</li> <li>• Unquestionably vulnerable</li> <li>• Limited access to employment, mainly low-skilled jobs</li> <li>• Many live in dire conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Increasingly vulnerable legal status</li> <li>• Severely restricted mobility</li> <li>• Tensions with host community</li> <li>• Sponsorship can lead to exploitation</li> <li>• Earn 40% less than comparable Lebanese workers</li> </ul>	<ul style="list-style-type: none"> <li>• Largely reliant on informal rental markets, employers, or INGOs</li> <li>• Typically residing in sub-standard accommodations, including informal tented settlements</li> <li>• In most cases, legally restricted from ownership</li> <li>• Newcomers typically have less resources than those who came early in the conflict period</li> <li>• No legal recourse for eviction, rent increases, etc.</li> </ul>
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## 4 The Lebanese Housing Ecosystem

### 4.1 Locating the Shelter Crisis in Context

Lebanon lacks a clear and well-integrated vision for the housing sector. It neither has coordinated housing policies that address multiple dimensions of the housing problem and the needs of all residents in the country, nor national housing schemes and integrated policies that would encourage the construction of affordable housing. Consistent with the national development vision, interventions related to housing are typically short-term and designed to limit the constraints on what is perceived to be a vibrant market economy. Thus, successive Lebanese governments have framed interventions in the housing market as “crisis response” rather than long-term sectoral interventions. Housing institutions and their assets have been particularly active and empowered to intervene in moments of crisis such as the period immediately following the 1956 earthquake when Ta’mir (or Reconstruction) was established as a predecessor to the Housing Agency, and periods following the civil war and Israeli wars when several national relief agencies intervened to either build houses or support building processes, often in partnership with local and international organizations. Furthermore, the housing sector does not have a specialized ministry or authority, since the government dissolved the Ministry of Housing and placed the Public Housing Corporation under the authority of the Ministry of Social Affairs. As can be seen in the value chain analysis in *SECTION 4.3*, the government’s limited interventions are distributed among several different entities, further limiting the potential for the development of consistent and coordinated housing sector policies.

In order to assess the role of the State on the Lebanese housing sector, it is imperative to consider public policy in relation to two sectors: housing and financial stability. Policies related to land and real estate have played a critical role in the policies deployed by the Central Bank to stabilize the Lebanese pound. In fact, the key for many of the interventions has been programs and policies related to housing finance on both the supply side (developers) and demand side (households).<sup>36</sup> As such, any understanding of the effects of public policy on the housing sector needs to account for concerns over financial stability and incentives given to banks to facilitate investments in the real estate sector.

Lebanon’s economy depends heavily on diaspora remittances. The post-civil war financial policy to stabilize the Lebanese pound exchange rate and peg it to the dollar has increased dependence on this diaspora money since the stability of the pound depends on the influx of remittances and the possibility of investing these liquidities. Within this context, real estate mortgages have provided the best investments for banks looking to place excess liquidity.<sup>37</sup> This approach has been reinforced by the fact that real estate is traditionally seen as a safe investment in Lebanon, a perception amplified with numerous myths that recount how property values never decline in Lebanon, even during the years of civil war.<sup>38</sup> Furthermore, some government actions, and sometimes inactions, in the sector have directly encouraged real estate speculation by making investments in real estate more attractive than other investments. For example, the structure of property taxation exempts empty apartments from municipal taxation fees while the only regular land taxation policy imposed by the national government

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<sup>36</sup> See Marieke Krijnen, *The urban transformation of Beirut: An investigation into the movement of capital* (Ghent: Ghent University, 2016).

<sup>37</sup> Krijnen, *op. cit.*

<sup>38</sup> See Natacha Aveline-Dubach, *Marchés fonciers et immobiliers à Beyrouth*, Intitut Française de Proche-Orient, 2000.

is a sales tax.<sup>39</sup> Also, the government's amendments to the building law in 2004 included increasing the building envelope<sup>40</sup> ratio from x2 to x2.5 and excluding certain zones from the allowable building percentage.<sup>41</sup> Among others, these policies have contributed to maintaining land at very high prices, particularly in urban areas, and can have significant impacts on housing affordability. For example, in Beirut, where underdeveloped land is scarce, the price of land is often as much as 70% of the total cost of

finished housing.<sup>42</sup>

Further detail on financial and land policies related to the housing market can be

found in ANNEX 2.

Furthermore, the Lebanese housing market is heavily segmented, with little crossover by households or developers between low, middle, and high income segments. In the absence of formal policies and appropriate incentives, developers have concentrated on the high-end segment of the market as it is seen to be the most profitable. The number of luxury housing developments has skyrocketed during the last decades, and development has been primarily concentrated in Beirut.<sup>43</sup> However, many of these

**Property taxation policies**

The fiscal system also encourages speculative investments on land and buildings. Land prices and private property are favored by low taxation:

- Profits made by joint-stock and limited liability companies from residential real estate developments are taxed at a rate 50% less than regular revenues;
- Holding companies are exempted from paying income taxes;
- Real-estate developers are entitled to adjust the price of land to its market rate in 1992 rather than the price at which they had purchased the lot, hence reducing considerably the taxes they have to pay on the profit they make;
- Empty apartments are exempted from municipal taxation;
- There is no real land taxation policy except for a sales tax

**Land use policies**

The regulatory framework related to construction allows for a much higher exploitation of a plot of land:

<sup>39</sup> See Valérie Clerc, "Revue des Politiques de Gestion Foncière Urbaine au Liban," in *Caisse des Dépôts et Consignations*, Banque mondiale, Centre de Marseille pour l'Intégration en Méditerranée (CMI), July 5, 2013.

<sup>40</sup> Building envelope ratio is the surface to area ratio and addresses climate control factors as well as total amount of building allowed on a given lot.

<sup>41</sup> Such as balconies, external wall thicknesses and others.

<sup>42</sup> Clerc, 2013, *op.cit.*

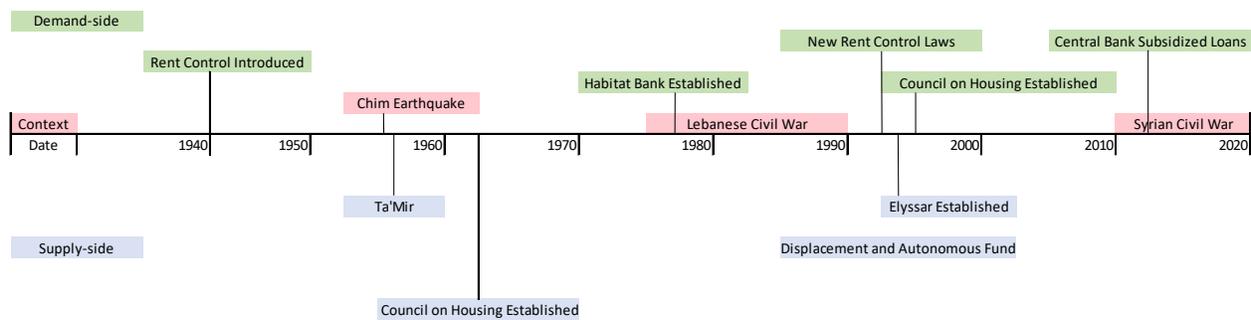
<sup>43</sup> *Ibid.*

apartments now sit vacant as the current demand is concentrated more in smaller rental units. For lower-income segments of the population, developers build large scale complexes in suburban areas or small poor-quality units in low- and middle-income neighborhoods of the cities. The poorest segments of the population typically self-finance and self-build in informal settlements and rural areas. Further analysis of the specific pathways to housing for lower income households can be found in SECTION 5.

## 4.2 Housing Sector Interventions

Despite periodic efforts to improve the housing sector, the government does not have the necessary legal and regulatory frameworks to promote the supply of affordable housing, nor adequate incentives for the private sector to contribute actively to its provision. There are no benchmarks or policy goals of those typically observed elsewhere (e.g. maximum percentage of income paid for housing or percentage of affordable housing to secure as part of the stock). This lack of regulation affects the entire sector and has, in part, influenced the growth of speculation in both land and housing markets. At times, however, the government has intervened in the housing sector in limited ways to try to improve the availability and affordability of housing for Lebanese households. The limited government interventions are summarized below.

Figure 6: Timeline of Government Housing Interventions in Lebanon



### 4.2.1 Demand-Side Interventions

#### 4.2.1.1 Supporting homebuyers

Providing subsidized mortgage loans for first time homebuyers has been the cornerstone of the post-civil war housing strategy and includes the most effective set of demand-side interventions by the government to support the housing market on a large scale. Since 2013, the Central Bank has launched a series of stimulus packages in the form of subsidized loans, about 75% of which have benefited the real estate sector by boosting domestic demand in response to the drop in demand by foreign investors and Lebanese expatriates. As part of the stimulus packages, the Central Bank has been extending credit at a 1% interest rate to banks that provide housing loans to first-time homebuyers, provided that the interest rate and commissions on the loans to borrowers do not exceed 3% per year. The Central Bank has also allowed for minimum reserve requirements to be decreased by 60-75% from the balance of housing loans granted in Lebanese pounds, further incentivizing banks to give housing loans, but at larger amounts.<sup>44</sup> The banks and PHC have also been allowed to extend these loans to increasingly

<sup>44</sup> Contingent that the interest and commissions of the granted loans do not exceed 25-40% of the one-year Treasury bill yield plus a 2.9-3% spread calculated annually from the time of the loan issuance.

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higher value housing, and increase the loan-to-value ratios from 60% to 80%. The three main types of subsidized housing loans are discussed below. Additional detail on demand-side interventions can be found in *ANNEX 2*.

**BDL 313 Housing Loans** are loans that are subsidized by the Central Bank and are intended for Lebanese citizens who wish to either purchase or build a house or apartment. Many developers are using these loans to develop properties outside Beirut, usually within a price range of USD 250,000 to 350,000 (LBP 377,500,000 to 528,325,000). The loans are offered through commercial banks with an interest rate subsidy that comes directly from the Central Bank.

*Iskan Loans* are loans that are facilitated by the Public Corporation for Housing (PCH) through partnerships with 28 private banks.<sup>45</sup> To fulfill its mission and fund these loans, the PCH is entitled to draw on property related government revenues, such as a portion of construction and building permit fees. In addition, private banks can reduce their reserve requirements by 80-90% from the balance of housing loans.<sup>46</sup> PCH housing loans represent half the number of mortgages in the market.<sup>47</sup> Since 1999, PCH has serviced 67,000 households—with a cumulative loan value of USD 4.8 billion (LBP 7.3 trillion)—that predominantly use the loans to purchase units in existing structures.<sup>48</sup>

The Habitat Bank provides long-term housing loans in Lebanese Pounds to all Lebanese residents, expatriates, and housing cooperatives. The Habitat Bank is 80% owned by the private sector and 20% owned by the public sector. It mainly finances its activity through loans from commercial banks. In addition to these loans, the government has set-up a number of subsidized housing loan schemes targeting a subset of public sector employees including the internal security force, general security, customs police, judges, the army, and others.

While these interventions have benefited thousands of households who would not have otherwise been able to afford a house, the schemes have not been free from criticism. First, lower income households are excluded from the subsidized mortgage system because many work in the informal sector and have irregular income. Second, because of their low income, many do not meet the minimum income requirements and cannot afford down payments, monthly loan payments, or mandatory insurance payments associated with formal mortgage loans. Third, government interventions on the financing side have not been met with interventions on the supply-side, so housing in Beirut and many areas of Metn remain outside the reach of many households given the high price per square meter. Last, the loosening of restrictions on the target groups for these subsidized loans has resulted in several adverse effects on affordability, including the use of the loans by developers who subsequently sell units at market rates, using the subsidy to increase their profit margin rather than the affordability of the finished unit, and the use of subsidized loans by higher-income and diaspora households.<sup>49</sup>

The following table shows the average housing loan amounts, including PCH loans, in the context of average housing prices across Lebanon. Assuming a loan-to-value ratio of 80% (i.e. a housing purchase

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<sup>45</sup> Effectively three banks account for almost half of the lending activity with PCH sponsorship, namely Credit Libanais, BLOM and Byblos.

<sup>46</sup> Contingent that the interest and commissions of the granted loans do not exceed 10% of the one-year Treasury bill yield plus a 2.75% spread calculated annually from the time of the loan issuance.

<sup>47</sup> See Yasmine Alieh, "Fewer Loans by the Public Corporation for Housing," *Businessnews.com*, April 12, 2016, <http://www.businessnews.com.lb/cms/Story/StoryDetails.aspx?ItemID=5463>.

<sup>48</sup> See Thomas Schellen, "A place all their own: Lebanon's landmark housing scheme is working, but difficult obstacles lie ahead," *Executive Magazine*, June 10 2015. <http://www.executive-magazine.com/business-finance/real-estate/a-place-all-their-own>.

<sup>49</sup> Krijnen, 2016, *op.cit.*

with a 20% down payment), a family using an average PCH loan would be able to afford a house costing \$202,500 – which according to the table below is significantly less than the average house price in Beirut. Under the same conditions a family using an average housing loan would only be able to afford a house costing approximately \$118,000 – less than the average house price in five of the seventeen cazas represented in the table below. While access to such housing loans certainly improves affordability, the average price of the loans taken, relative to the average value of properties, shows that there is still a significant affordability gap.

*Table 2: Average value per built property in the Lebanese cazas, November 2015*

*Source: BlomInvest Bank. 2015. In-Depth Review of the Lebanese Real Estate Sector.*

Region	Average Price (USD)	Average Price (LBP)
Beirut	350,084	528,451,798
Metn	172,795	260,864,053
<b>PCH Housing Loan</b>	<b>162,000</b>	<b>244,539,000</b>
Baabda	159,748	241,139,606
Jounieh	143,483	216,587,589
Aley	123,234	186,021,723
Byblos	109,934	165,945,373
<b>Average Housing Loan</b>	<b>94,332</b>	<b>142,394,154</b>
Chouf	89,143	134,561,359
Zahle	85,954	129,747,563
Rashaya	75,812	114,438,214
South	73,163	110,439,549
Tyre	71,092	107,313,374
North 2	50,419	76,107,481
North 1	47,011	70,963,105
Nabatieh	46,807	70,655,167
Akkat	40,811	61,604,205
Baalbek	40,246	60,751,337
Marjayoun	39,446	59,543,737

#### 4.2.1.2 Supporting housing cooperatives

Beyond individual housing finance, the government provided subsidies and incentives to the housing cooperative sector via the Directorate General of Cooperatives (DGC). Housing cooperatives are entitled to advantageous housing loans from the Habitat Bank and the Public Corporation for Housing and benefit from a wide array of tax exemptions. However, the housing cooperative sector has not achieved significant success in terms of addressing the housing crisis for low income groups, due to lack of knowledge and awareness concerning the principles of the cooperative sector and weak human and

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financial resources. Though housing cooperatives are currently largely inactive, the legal and financial sector frameworks exist to allow cooperatives to play an active and effective roll within the housing sector if given training and resources to do so.

#### 4.2.1.3 Rent control

Debates around rent control occupied the limelight of housing policy in Lebanon for over two decades, without major breakthroughs other than legislation with poor, difficult to enforce frameworks.

Until recently, tenants who had signed rental leases prior to 1992<sup>50</sup> benefited from well-below market rental rates thanks to a rent control policy put into effect in 1940 and maintained under the pressure of social and political mobilization. The rent control program was initially introduced as a way to address the shortage of rental units and reduce landlord abuses (e.g. unreasonably high rents, excessive evictions, etc.) given the extreme mismatch between supply and demand in rapidly urbanizing areas. As a result of this policy, low-income households were able to remain in the municipal districts of large cities such as Beirut, Tripoli, and Saida. However, policymakers generally agree that rent control also had a major negative impact in reducing the number of tenants throughout the country, from 77% to 49% in Beirut, and less than 25% nationally, while the figures were at least double that in 1970. A significant part of this reduction was due to the tearing down of old buildings to make room for the development of new high-rise, luxury apartments.

This provided the critical grounds for Rent Acts no. 159 and 160, popularly known as “the new rent law” which created two categories of housing in the rental market. Article 159/92, referred to as “new rent” froze all rental agreement signed prior to July 1992, while deregulating all future contracts. Article 159/92 imposed almost no restrictions on owners, aside from a minimum three-year period for the contract. Article 160/92, referred to as “old rent control,” restricts the units rented before that date to limited rental increases consistent with increases in minimum wage, but maintains the rates well below market value.

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<sup>50</sup> According to Blom Bank estimates, 125,000 households live in properties protected by the Rent Control law. Of these households, 60% reside in Beirut and 80% have a monthly income less than \$900. *BlomInvest Bank (2014). The End of Rent Control in Lebanon: Impact Analysis*. For more on rent control in Lebanon and its current issues, See Bekdache, 2015.

Naturally, the relationship between tenants and owners has been strained as a result of decades of rent control, and the controls have not always had the intended effects. Some tenants benefiting from rent control are subsidized by property owners who may themselves have limited income, while other tenants benefiting from rent control would be clearly unable to access housing otherwise. To address the complicated landlord-tenant relationship, a new law in favor of owners was proposed in 2012, ratified by the Parliament in April 2014 and updated again in February 2017.<sup>51</sup> Although this new law was envisioned as an effort to restore the balance between individual owners and renters, the timeline of its implementation and its impact are still unclear, and its enforcement is likely to vary across neighborhoods. Moreover, the lack of available data on the number of old rent leases prevents the government from assessing the impact of the law and defining specifics of the compensation fund that is to be created, such as the number of low-income tenants that may need funding assistance. In the medium-term, this may lead low-income households to depart en masse from city centers as gentrification pressures mount.

While there are no official figures for the number of tenants supported by the old rent control law, the parliamentary commission that studied the revised rent law adopted the figure of 160,000 housing units held under rent control in 2012, of which 50,000 were in Beirut.<sup>52</sup> This figure was analyzed to show that it covered about 20% of the total rental stock in the country, and the majority of units held then under rental agreements in Beirut.<sup>53</sup> The profile of both

### ***The Proposed Reform of the Rent Control Law***

The “Rent Law” issued on 9/5/2014 and amended in 2017 has sought to lift the protection on the units protected under Law 160/1992.

The new law attempts to address many of the concerns regarding rent control through three main mechanisms:

*Progressive rent readjustment and liberalization.* Rents will gradually increase to market rate rents over an initial six-year period after which the new rent will be applied for three additional years before complete liberalization. The new annual rent will be based on a 5% return applied to the property market value, which will be set either by a mutual owner-tenant agreement or by a judiciary commission.

*A compensation fund.* The new law requires the establishment of a compensation fund that the state would use to cover all or part of the rent increase for those earning less than three times the minimum monthly wage of \$450.

*Tenant-vacating scenarios guiding compensation policy.* In the case of voluntary departure, the government would be obligated to compensate tenants through monthly allowances drawn from the compensation fund. In the case of forced departure based on the landlord’s decision, the landlord has to compensate the tenant.

It’s implementation, however, remains subjective at the discretion of individual judges. The recent proposed reforms have the potential to favor large developers, as small-scale landlords and developers won’t have the capacity to renovate the buildings and won’t be able to pay the increased taxes following renovation. As Bruno Marot suggests in a 2015 article, “The implementation of this law would thus confirm the primacy of the financial logic of housing developers and owners in the making of

<sup>51</sup> Bruno Marot, “The “Old Rent” Law in Beirut: an Incentive or Disincentive for Gentrification?” *Les Carnets de l’Ifpo*. Institut Français du Proche-Orient (Hypotheses.org), 19 Octobre, 2012. <http://ifpo.hypotheses.org/4376>.

<sup>52</sup> See Vincent Geisser, “L’État libanais: le grand absent des politiques de l’habitat?” *Les Carnets de l’Ifpo*. Institut français du Proche-Orient (Hypotheses.org), February 25, 2014, <http://ifpo.hypotheses.org/5779>.

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tenants and renters vary considerably, but research has shown that a sizable percentage of tenants under the threat of eviction are poor, elderly households without viable alternatives. Researchers have also shown that landlords are sometimes equally vulnerable to displacements, particularly when properties are held in shares, making all dwellers, whether they are tenants or landlords, vulnerable to development interests and forces.<sup>54</sup> It is also expected that the arrival of displaced people from Syria since these studies were conducted has considerably modified the situation, as a significant number of displaced families are renting accommodation in urban areas with varying degrees of formal contracts.

## 4.2.2 Supply-Side Interventions

### 4.2.2.1 Public Housing Provision

The public provision of housing has historically been very limited in Lebanon. The first publicly driven direct housing provision dates back to the aftermath of the 1956 earthquake where a handful of projects were developed by a public agency, Ta'mir, that was entrusted with replacing destroyed housing. The most important legacy of this phase is a stock of land outside the main urban centers that is available for use by the Public Housing Corporation (PHC). PHC is aware of the resource that it has and is considering giving incentives to developers to build housing on these lands at affordable rates. The specific program by which this would be done has not yet been developed, but there is an active interest within the agency to explore the possibilities of producing affordable housing through a public/private partnership.<sup>55</sup>

In 1962, the Council for Housing was established under President Chehab, with the mandate to create a framework for the provision of affordable housing. However, by 1975 at the outbreak of the Lebanese civil war, the Council had produced only 700 housing units.<sup>56</sup>

The most sizable intervention in support of housing provision by the national government occurred in the 1990s through the Displacement Fund, an emergency fund established in the aftermath of the civil war to facilitate the evacuation of houses illegally occupied by war-displaced populations and the reconstruction and repair of the war-torn housing stock. Within this framework, the Fund supported thousands of households and intervened directly by building housing in Tripoli. While effective in improving some of the housing stock, this intervention was solely targeted at war displaced populations and limited in its timeframe.

In Tripoli, the Autonomous Fund for the Displaced (AFD) commissioned a private company, Spectrum, to construct 850 apartments in Kobbah of 90m<sup>2</sup> and 127m<sup>2</sup>. The new units were built in 70 buildings and located on parcels that were previously owned by families whose houses were damaged during the war.<sup>57</sup> AFD expropriated the land and paid indemnities to the families based on the condition of their

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<sup>53</sup> Clerc, 2013.

<sup>54</sup> Fawaz, from current parallel research.

<sup>55</sup> Interview with head of Public Housing Corporation, 2017.

<sup>56</sup> See Eric Verdeil, "Recompositions Beyrouthines entre guerre et reconstruction. La mégapolisation au Moyen-Orient," *Journée d'étude*, June 28, 2001, September 2004; and Eric Verdeil, "Methodological and Political Issues in the Lebanese Planning Experiences," *Conference City Debates, The Lebanese National Master Plan City Debates 2003 Proceedings*, ed. M. Harb (Beirut: American University of Beirut, 2004), 16-22; and Eric Verdeil, "Une ville et ses urbanistes: Beyrouth en reconstruction," *Strate [En ligne]*, no. 11, 2004.

<sup>57</sup> The project originally counted 954 units but six of the projected buildings were cancelled because they fell within the boundaries of the protected old city where the construction of 4-6 stories buildings was heavily contested by architects because it conflicts with the protection of cultural heritage.

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old apartments and their tenure status. The newly built houses were then sold back to the same families at subsidized rates with extended payment facilities.

Other government interventions have consisted of providing subsidies to families displaced by the civil war through the Autonomous Fund for the Displaced (AFD), Ministry of Displacement,<sup>58</sup> and the Council for the South to families whose homes were damaged by Israeli bombardments. AFD's support has included compensation for relocation out of illegally occupied houses, permit fee exemptions, funding for rebuilding and repairing houses, direct construction and repair of housing, and infrastructure upgrading. However, these subsidies by the AFD and the Council of the South suffer from lack of transparency and inadequate targeting.<sup>59</sup> Furthermore, for an individual to receive the funds, their displacement during the war must be formally recognized by a permit obtained from the Ministry of Displacement, a process that is known to be associated with interference from local politicians.

#### 4.2.2.2 *Urban renewal and informal settlement upgrading*

The Lebanese government has never designed a policy on the upgrading of informal settlements nor implemented projects to specifically improve these areas, despite the fact that a sizable percentage of vulnerable urban households live in informal settlements.<sup>60</sup> The only attempt at such an upgrading program was the Elyssar project.

The Elyssar project presents a unique case in Lebanese public policy. Elyssar attempted to address the challenges of illegal land occupation and development through resettlement intervention. Established as a “public agency,” the institutional form included in the Lebanese Planning Law that empowers public authorities to impose expropriation and redevelopment in a particular area. Elyssar extended over a large section of the south-western coast of Beirut where a number of squatters had gathered over the course of the Lebanese Civil War (1975-1990). Elyssar proposed to relocate squatters from sea-front areas that would then be redeveloped as private resorts, the revenues of which would subsidize the resettlement of the squatters nearby in the city. In total, Elyssar proposed to develop 7,500 housing units in the area of Sabra, as well as infrastructure and services

#### ELYSSAR AT A GLANCE

- Elyssar was considered an important step forward in Lebanon's housing policies.
- The project recognized the right to housing for squatters.
- Elyssar introduced participatory planning measures by involving local community representatives.
- The project was never implemented and the agency has been dormant since 1996.
- Significant obstacles stemmed from political divisions that limited the board's capacity to operate.

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<sup>58</sup> Since 1999, the AFD and the Ministry of Displacement have offered subsidies to families displaced by the civil war to facilitate their return to their original homes. The Council for the South has been providing direct lump-sum subsidies since 1970 to families in the South or the Beqa'a.

<sup>59</sup> Mona Fawaz, *Access to Housing by the Poor: Comparative Analysis of Housing Performance and Policy, Lebanon Report*, World Bank, 2003.

<sup>60</sup> Valérie Clerc, *Les quartiers irréguliers de Beyrouth, une histoire des enjeux fonciers et urbanistiques de la banlieue sud* (Beyrouth: Institut Français du Proche-Orient, 2008), 304.

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upgrading including highways connecting the city to the South Lebanon highway.<sup>61</sup>

However, the Elyssar project was never implemented. Significant obstacles stemmed from political divisions that limited the board's capacity to operate. In addition, the Council of Ministers rejected the proposal of building 7,500 housing units, saying it would disproportionately favor one religious group over others. The council would not ratify the project unless Elyssar adopted a more ambitious, although unfeasible, proposal to build 25,000 units throughout Lebanon. The Elyssar project went dormant in the late 1990s and its board has not met for more than a decade.

Nevertheless, the Elyssar project is considered an important step forward in the way Lebanese policymakers approach housing policies. The project recognized the right to housing for squatters who were previously dismissed as illegal occupants in Lebanon, and it introduced participatory planning measures by involving local community representatives. While ultimately a failed project, further study of the initiative and its challenges could provide critical insight into why the development of public housing is so difficult in Lebanon as well as indications of what processes might be scalable or replicable to increase vulnerable populations' access to housing.

#### 4.2.2.3 Interventions at the Municipal Level

Faced with the inaction of the national government, municipalities, unions, and federations of municipalities<sup>62</sup> throughout Lebanon have engaged in housing and service provision. Over the last two decades, municipalities and associated public institutions have carried out a number of relocation projects that have included the development of housing for low-income households. The following are a few reference examples to provide an idea of the shape that these sorts of interventions have taken.

In 2002, the Municipality of Bourj Hammoud relocated the inhabitants of Camp Sandjak, an Armenian refugee camp which had turned into a slum. This project was declared to be of public interest and carried out through land expropriation. In addition to adequate housing for slum dwellers the redevelopment provided additional parking and improved the overall image of the city. The project entailed the construction of 186 units in four residential apartment buildings to be sold to the relocated slum dwellers at 20% to 30% below market prices, with payments spread over 30 years.<sup>63</sup> The municipality has also hosted a small ad-hoc camp where Armenian families have lived for free for many decades on one of its properties inside the neighborhood.

In Jezzine, municipalities and religious organizations implemented several relocation projects in partnership with local investors, offering housing at 30% to 40% below market price. This program also encouraged households to form housing cooperatives, which would both aid in social cohesion and provide the households with access to other Lebanese government programs aimed at increasing housing affordability.<sup>64, 65</sup>

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<sup>61</sup> Valérie Clerc, "Les principes d'action de l'urbanisme, Le projet Élyssar face aux quartiers irréguliers de Beyrouth," *Architecture, aménagement de l'espace*, Université Paris VIII Vincennes-Saint Denis, Institut français d'urbanisme, 2002; and Mona Harb el-Kak, "Post-War Beirut: Resources, Negotiations, and Contestations in the Elyssar Project," *The Arab World Geographer* 3, no. 4 (2000).

<sup>62</sup> In the 1970s, and later during the 1990s, municipalities grouped together to form unions and federations at the regional level to pool financial resources and strengthen planning and service provision at the municipal level.

<sup>63</sup> Clerc, "Revue des Politiques," 88-90.

<sup>64</sup> It is worth noting that many municipalities are motivated by specific political goals when they initiate housing interventions, particularly the control of their own municipal territory and which sectarian or national groups live within them. As such, it is impossible to assess the interventions of the Municipality of Bourj Hammoud without considering its interest in guiding urban redevelopment to maintain control over what it considers Armenian

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In Tripoli, the Municipality worked with the CDR to build 65 social rental housing units to rehouse families who lived in Khan Al Askar, a part Tripoli's old town that was targeted for redevelopment. In particular, the project focused on relocating households who had been informally residing in a historical building that was slated for redevelopment as part of the World Bank/CDR Cultural Heritage and Urban Development intervention. To rehouse the families, the municipality constructed three buildings on publicly owned land. The households now rent the new units at a subsidized rate, and, in the case of the lowest income households, are given access to the apartments for free.<sup>66</sup>

Though all of the municipal interventions above are of relatively small scale, and not immediately scalable, the existence of such programs indicates that there is opportunity to improve the housing situation for vulnerable Lebanese and other local vulnerable populations through specific programming and motivated partners at a sub-national level. Further study of these, and other, municipal initiatives could provide insight into key elements of programming that could be brought to scale and/or applied to a range of vulnerable population groups.

### 4.3 Lebanon's Housing Value-Chains

Lebanon's housing ecosystem is reasonably well developed for the middle- and upper-income segments of the market. Overall, financial mechanisms and processes are well defined, construction is somewhat regulated, and there is a functional developer sector. However, there are significant challenges in the first two links of the value chain which significantly affect the overall health and functioning of the value chains, and a number of moderate challenges on the supply side which further impact the availability and quality of affordable housing.

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territory. Similarly, the Municipality of Jezzine has a political interest in maintaining the Christian population of the town, and thus facilitates housing access for this population group and uses housing as an incentive for its members to remain or return to the locality.

<sup>65</sup> Clerc, 2013, *op.cit.* p. 83.

<sup>66</sup> Clerc, 2013, *op.cit.*

Figure 7: Housing Value Chains in Lebanon

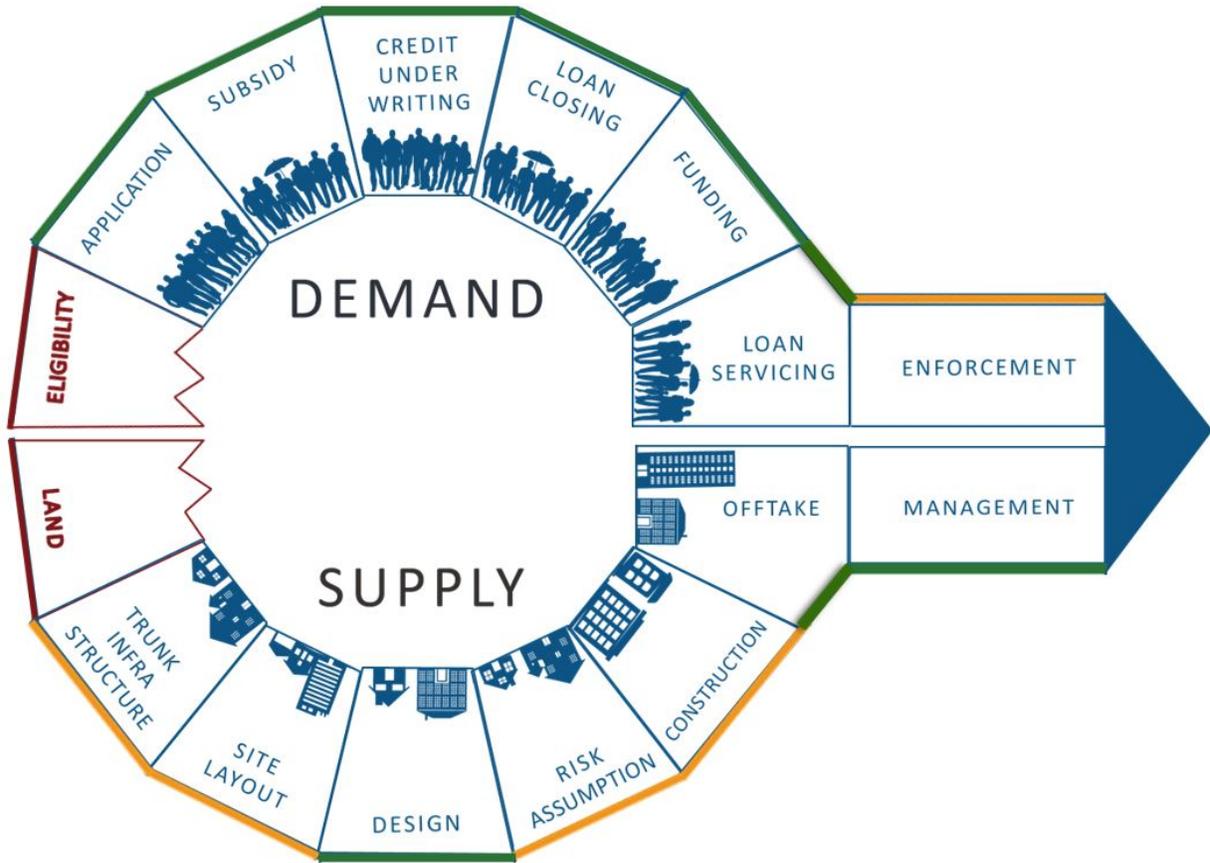


Table 3: Summary of Challenges in Lebanon's Housing Value Chains

Functional Moderate challenges Major challenges

SUPPLY	DEMAND
<b>Land</b> <ul style="list-style-type: none"> <li>High land prices and speculation.</li> <li>Low taxation on property.</li> <li>No disincentive for speculation</li> <li>Palestinian and stateless individuals are forbidden from owning land.</li> </ul>	<b>Eligibility</b> <ul style="list-style-type: none"> <li>Eligibility restrictions for conventional and subsidized housing loans exclude most low-income households and all non-Lebanese households.</li> </ul>
<b>Trunk Infrastructure</b> <ul style="list-style-type: none"> <li>Overstressing of existing water, solid waste, and wastewater management infrastructure.</li> </ul>	<b>Application</b> <ul style="list-style-type: none"> <li>Approval given within 24 hours.</li> </ul>
<b>Site Layout</b> <ul style="list-style-type: none"> <li>Development of non-planned territories in Lebanon.</li> </ul>	<b>Subsidy</b> <ul style="list-style-type: none"> <li>No major challenges.</li> </ul>
<b>Design</b> <ul style="list-style-type: none"> <li>No major challenges.</li> </ul>	<b>Credit Underwriting</b> <ul style="list-style-type: none"> <li>No major challenges.</li> </ul>
<b>Risk Assumption</b> <ul style="list-style-type: none"> <li>Most existing developers focus on high-end developments.</li> </ul>	<b>Loan Closing</b> <ul style="list-style-type: none"> <li>No major challenges.</li> </ul>
<b>Construction</b> <ul style="list-style-type: none"> <li>High-end property developments favored by the exceptional permitting procedure.</li> </ul>	<b>Funding</b> <ul style="list-style-type: none"> <li>No major challenges.</li> </ul>
<b>Offtake</b> <ul style="list-style-type: none"> <li>No major challenges.</li> </ul>	<b>Loan Servicing</b> <ul style="list-style-type: none"> <li>No major challenges.</li> </ul>
<b>Management</b> <ul style="list-style-type: none"> <li>No major challenges.</li> </ul>	<b>Enforcement</b> <ul style="list-style-type: none"> <li>Enforcement procedures are lengthy.</li> </ul>

#### 4.3.1 Supply-Side

Lebanon's formal supply-side housing value chain is deficient, producing around 20,000 units annually,<sup>67</sup> but mostly through large scale development projects by private developers.

<sup>67</sup> BankMed, *Analysis of Lebanon's Real Estate Sector*, August 2014.

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**The large rise in property values in Lebanese cities has exacerbated the existing housing crisis.** A significant segment of the population can no longer have access to affordable housing. Both rental housing - Lebanon's average monthly rent reached USD 2,082 (LBP 3,142,779) in 2013<sup>68</sup> - and home ownership are becoming increasingly inaccessible and unaffordable for middle and low-income Lebanese.

**The public sector hardly intervenes in urban development, even less in the provision of housing.** Aside from the *Elyssar* project, which was never implemented, the national government has not directly contributed to the provision of housing nor taken adequate measures to spur the development of affordable housing in Lebanon.

**In contrast, the private sector has been very active and private intervention has become the main engine of housing development in Lebanon.** Most large urban development projects, like Solidere, were carried out by private actors. However, developers have concentrated on building luxurious apartments and villas, targeting exclusively the high-end market.

**The housing shortage in Lebanon is rooted in the challenges of the urban land market.** Escalating land values and land acquisition for speculation and resale have increased inequalities in access to land and housing. Even though there have been attempts of reform over the years, the policy environment for land in Lebanon remains challenging. The national land administration system is still limited, with only 50% of the Lebanese territory registered. However, the system is progressively modernizing and digitization started at the beginning of the 2000s. Private property is guaranteed by the Constitution and benefits from advantageous tax provisions such as low taxation, absolute nature of the right to build, and the exemption for participation to the cost of landscaping.

**State intervention on land markets is limited; Lebanese public authorities hardly mobilize the taxation of land and real estate to fund housing policies.** Property registration represents more than 80% of income from property taxes, and the annual taxation on developed property represented 15% in 2010. Undeveloped properties are not subject to taxation, which encourages the creation of land reserves. Under-reporting is common (part of the sales are not reported or reported after a long period of time). Declared values are also under-reported in order to minimize the tax burden. Finally, it is also impossible to distinguish between sales and successions.

Therefore, the key challenges along the supply-side value chain include:

- **High levels of speculation in the market are inflating land prices.** Given the current profitability of the sector, there is a lot of speculation (both domestic and foreign). This is leading to inflated prices that further exclude needy households.
- **Developers are mostly supplying the high-end segment of the market.** Land use policies allow developers to bypass current urban regulations to increase built-up areas and density, thus favoring the construction of luxury apartments.
- **State intervention on land and housing markets is extremely limited:** direct interventions in affordable housing provision are almost non-existent and fiscal revenue for land and property activities are minimal.

A detailed value chain, noting key challenges, can be found in *ANNEX 2*.

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<sup>68</sup> BankMed, 2014, *op.cit.*

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### 4.3.2 Demand-Side

**While Lebanon's housing stock has historically been characterized by a higher share of rental housing than owner-occupied, the last 40 years have seen a shift from rental to homeownership,** largely driven by rent control and investors' resultant desire to move away from the rental market.<sup>69</sup> Moreover, during and after the civil war, the rental market faced uncertainty and new construction shifted to a focus on homeownership, as property was used as a means to redistribute wealth and attract capital in post-war Lebanon. However, before the development of Lebanon's housing finance market in the mid-1990s in response to this new demand for homeownership, housing policy in the country was primarily focused on the post-war reconstruction of homes by their owners.

**Since the mid-1990s, housing policy has turned to supporting homeowners, through conventional private and subsidized loans for homeownership.** In the 2000s, housing loans grew substantially and more rapidly than other loans, as a housing boom began in 2005 and more and more banks began offering housing loans.

**Though access to finance in Lebanon is increasing, mortgages remain inaccessible to the majority of the population.** As of September 2015, mortgages accounted for 41% of total loans (combined with construction and real estate services loans).<sup>70</sup> Housing loans finance up to 75% of the value of the property over a repayment period of 5-30 years, with variable interest rates typically ranging from 4-8%.

**A number of commercial banks also offer two types of government-subsidized home loans: the Public Corporation for Housing loan and the BDL loan (Central Bank/Banque du Liban housing loan).** The BDL housing loan finances up to 90% of the property value, has a repayment period of 7 to 30 years, and a maximum amount of LBP 800 million (USD 530,000). Over 26 commercial banks offer the BDL housing loan, which is available in USD or LBP and for Lebanese citizens (residents and expatriates) only. The PCH housing loan finances up to 80% of the property's value for Lebanese residents and 70% for Lebanese expatriates. PCH housing loans represent half the number of mortgages in the market,<sup>71</sup> though the income eligibility criteria restrict them from reaching a greater number of low-income households. About 80% of the PCH loans cover purchases of apartment units in Beirut and Mount Lebanon.<sup>72</sup> Since 1999, PCH has serviced 67,000 households, amounting to a cumulative loan value of LBP 7.3 trillion (USD 4.8 billion). These loans are predominantly used to purchase finished apartments.<sup>73</sup> In 2011, PCH increased its loan ceilings, largely in response to increased demand for housing in smaller areas.<sup>74</sup> Given the income restrictions, the PCH loan does not serve the lowest income groups in Lebanon. To reach lower income populations, PCH has encouraged rent-to-own systems in response to the Law 767/2006, which recognizes and legalizes rent-to-own leasing, as well as to mechanisms that encourage developers to invest in rent-to-own housing, though it appears that these have not yet been implemented.<sup>75</sup>

**Despite the subsidization of housing loans, Lebanon's housing supply does not match the country's demand.** Speculation, encouraged by the 2001 passing of law no. 296 to ease foreign investment in the real estate sector, has not only driven up property prices, but also led to an oversupply of high-end

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<sup>69</sup> Clerc, 2013, *op.cit.*, p. 10.

<sup>70</sup> Financial sector assessment Lebanon, Finance and Markets Global Practice Middle East and North Africa Regional Vice Presidency, December 2016.

<sup>71</sup> Businessnews.com, Lebanon opportunities, April 2016.

<sup>72</sup> Clerc, 2013, *op.cit.*

<sup>73</sup> Thomas Schellen, "PCH: An explainer," *Executive Magazine*, June 22 2015.

<sup>74</sup> Government of Lebanon, Council for Development and Reconstruction, *Habitat III National Report*, January 2016.

<sup>75</sup> Government of Lebanon, Council for Development and Reconstruction, 2016, *op.cit.*

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residential construction and a shortage of housing that is affordable to lower income households. Moreover, the extension of subsidized real estate loans since 2009 has actually increased prices in middle-range houses.<sup>76</sup> With these rising prices, there has been a decline in the number of loans in recent years and an increase in the total and average monetary amount of loans.<sup>77</sup>

Therefore, the key challenges along the demand-side value chain include:

- **Though relatively well-developed for middle and high income populations**, Lebanon’s formal housing finance system excludes non-Lebanese individuals and most low-income Lebanese individuals.
- **Lebanon’s housing financial market emerged in the mid-1990s, in response to the growing demand for homeownership after the civil war.** Since this time, housing policy has focused on facilitating homeownership, mainly through the provision of subsidized housing loans to middle-income borrowers, thus limiting the development of finance pathways for lower-income households. Additionally, the availability of these subsidized loans has created an informal “floor price” for many apartments, putting them out of reach for many families in Beirut and elsewhere.
- **Some microfinance institutions (MFIs) offer smaller home loans, but there is limited data available on Lebanon’s microfinance sector.** One MFI, Al Majmoua, provides loans to individuals of any nationality or residence status, including displaced persons.

A detailed value chain, noting key challenges, can be found in *ANNEX 2*.

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<sup>76</sup> Government of Lebanon, Council for Development and Reconstruction, 2016, *op.cit.*

<sup>77</sup> Clerc, 2013, *op.cit.*

## 5 Housing Ecosystem for Vulnerable Populations in Lebanon

When focusing on vulnerable population groups, it is safe to assume that the majority have relied on informal rental markets to secure a home. Due to the legal and institutional framework in Lebanon, non-Lebanese households cannot own land. At the same time, banking requirements exclude them from accessing housing loans. This means that non-Lebanese are excluded from the formal purchasing market, and access to formal capital for physical improvements to their dwellings. High land prices and bank eligibility restrictions also make it difficult for vulnerable Lebanese households to acquire a house.

Furthermore, official support and/or housing subsidies to vulnerable populations are very limited. In some cases, support on both the supply and demand sides is provided by humanitarian agencies, but these programs tend to be narrowly targeted and/or limited in their time frame of implementation.

The following chapter describes the specifics of how vulnerable populations navigate within this housing ecosystem, including discussion of the resulting spatial distribution, pathways to access housing, and the roles that a diverse range of actors play on both the supply and demand side value chains.

### 5.1 Value-Chain Challenges for Vulnerable Populations in Lebanon

In contrast to the housing ecosystem that surrounds the development of middle- and upper-income housing, the ecosystem that vulnerable populations must navigate through is plagued by many challenges in both value chains. The result is an ecosystem that mostly contains sub-standard accommodations, no access to structured finance or subsidies, and unstable or un-enforceable tenure arrangements.

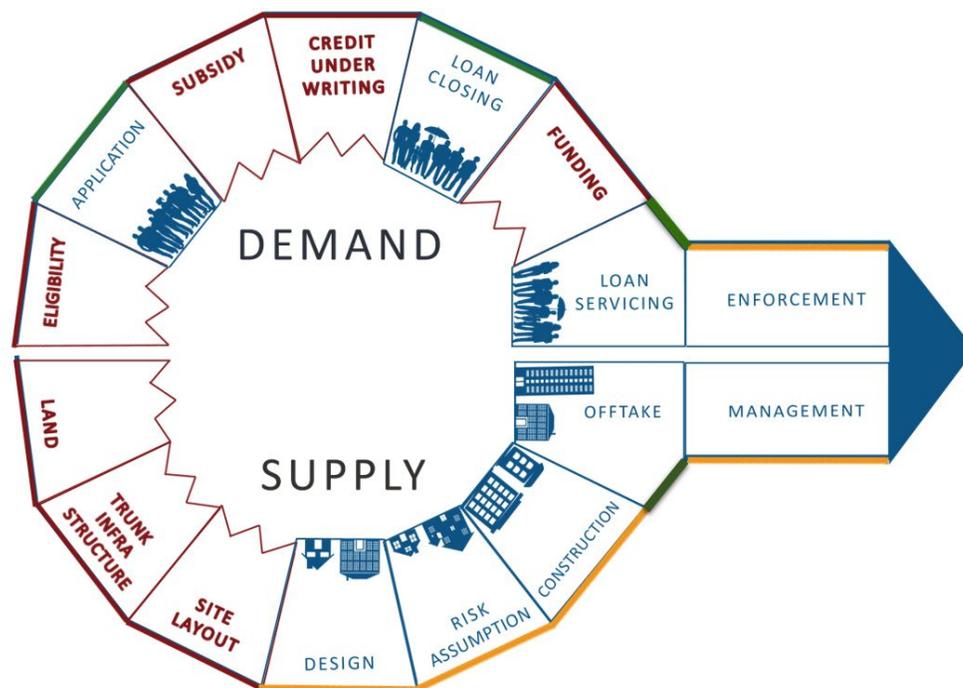


Figure 8: Housing Value Chains for Vulnerable Populations in Lebanon

Table 4: Snapshot of value chain challenges identified for vulnerable populations in Lebanon

Functional Moderate challenges Major challenges

SUPPLY	DEMAND
<b>Land</b> <ul style="list-style-type: none"> <li>Palestinian and stateless individuals are forbidden from owning land.</li> </ul>	<b>Eligibility</b> <ul style="list-style-type: none"> <li>Eligibility restrictions for conventional and subsidized housing loans exclude most low-income households and all non-Lebanese households.</li> </ul>
<b>Trunk Infrastructure</b> <ul style="list-style-type: none"> <li>Overstressing of existing water, solid waste, and wastewater management infrastructure.</li> <li>Limited initiatives to improve infrastructure in informal and low-income settlements</li> <li>Restrictions on connecting to new informal development in these areas.</li> </ul>	<b>Application</b> <ul style="list-style-type: none"> <li>No major challenges, when loans are available.</li> </ul>
<b>Site Layout</b> <ul style="list-style-type: none"> <li>Unplanned and informal development.</li> </ul>	<b>Subsidy</b> <ul style="list-style-type: none"> <li>Absence of subsidy.</li> </ul>
<b>Design</b> <ul style="list-style-type: none"> <li>Limited to no regulation of semi-formal and informal construction, especially for rental apartments or rooms.</li> </ul>	<b>Credit Underwriting</b> <ul style="list-style-type: none"> <li>Banks are reluctant to work with low-income and informal populations due to high transaction costs and lack of experience in underwriting them.</li> <li>MFIs are more willing to work with vulnerable populations, but their reach and resources are limited.</li> </ul>
<b>Risk Assumption</b> <ul style="list-style-type: none"> <li>Developers are not incentivized to go down market.</li> </ul>	<b>Loan Closing</b> <ul style="list-style-type: none"> <li>No major challenges, when loans are available.</li> </ul>
<b>Construction</b> <ul style="list-style-type: none"> <li>Significant construction work is completed with informal or illegal permits.</li> <li>Limited oversight of finished construction in many areas, leading to the development of sub-standard dwellings.</li> </ul>	<b>Funding</b> <ul style="list-style-type: none"> <li>Few resources provided to fund formal loans that would be affordable and applicable for vulnerable households.</li> </ul>
<b>Offtake</b> <ul style="list-style-type: none"> <li>No major challenges – mostly rental.</li> </ul>	<b>Loan Servicing</b> <ul style="list-style-type: none"> <li>No major challenges, when loans are available.</li> </ul>
<b>Management</b> <ul style="list-style-type: none"> <li>Many rental properties are owned and managed by absentee landlords.</li> </ul>	<b>Enforcement</b> <ul style="list-style-type: none"> <li>Enforcement procedures are lengthy.</li> </ul>

### 5.1.1 Supply-Side

**So far, only a few projects have targeted low-income households on a large scale.** A few operations were implemented at the end of the 1950s, mostly by associations and religious communities.

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**As a result, the majority of housing currently available for vulnerable populations are substandard and informal dwellings in camps and informal settlements, makeshift housing units in dilapidated or abandoned urban units, and apartments or rooms for rent in urban areas.**

**The involvement of local and international NGOs only focuses on the provision of temporary dwellings and/or time-limited tenure arrangements.** While these interventions to provide a critical supply of emergency relief, they do not necessarily support the broader Lebanese housing ecosystem in the long-run.

### 5.1.2 Demand-Side

**In recent years, a few microfinance institutions (MFIs) have emerged in Lebanon to meet the needs of low-income individuals who are excluded by the formal financial services sector.** For example, Al Majmoua offers a home improvement loan for low-income individuals to repair or improve their homes.<sup>78</sup> Al Majmoua, the largest Lebanese MFI (gross loan portfolio of USD 59.26 million (LBP 89.5 billion) and 62,430 active borrowers in 2016<sup>79</sup>), has 22 branches across Lebanon and offers individual and collective loans, primarily to women and micro-entrepreneurs. Al Majmoua has partnered with Kiva and MicroWorld to administer and manage loans through the companies' online lending systems.<sup>80</sup> Notably, Al Majmoua serves individuals from any nationality whether located in rural or urban regions, including displaced persons, and even those living in remote areas and Palestinian camps.<sup>81</sup> The second-largest MFI in Lebanon, Vitas (gross loan portfolio of USD 18.48 million (LBP 27.91 billion) and 15,590 active borrowers in 2012<sup>82</sup>), also offers housing loans for renovation, rebuilding, repairing, and expanding the resident's home; it offers a USD 300 to 5,000 (LBP 453,150 to 7,552,500) loan for smaller improvements and a USD 5,100 to 15,000 (LBP 7,703,550 to 22,657,500) loan for larger renovation and construction projects.<sup>83</sup> Vitas is also a Kiva Field Partner and thus can post Kiva loans.<sup>84</sup> Emka Finance S.A.L, which was founded by BankMed in June 2011 and had a gross loan portfolio of USD 21.93 million (LBP 33 billion) in 2013,<sup>85</sup> offers housing loans ranging from USD 300 to 9,930 (LBP 453,000 to 15,000,000) and 4 to 48 months for home improvements and additions (and purchasing land).<sup>86</sup> Information on the microfinance sector is limited, as MFIs are not required to list on MIX market, the World Bank's microfinance data website, nor is there a central registry of Lebanese MFIs.<sup>87</sup> Five institutions<sup>88</sup> have published audited data on the MIX Market, and of those, Al Majmoua, Emka, and Vitas are financially self-sufficient, though still accept grants and loans from local and international organizations.<sup>89</sup>

**International NGOs are also involved on the demand side.** Members of the Inter-Agency Shelter Sector Working Group in Lebanon led by UNHCR provide cash assistance to property owners for rehabilitating

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<sup>78</sup> Al Majmoua, "Financial Services," Al Majmoua, <https://www.almajmoua.org/FinancialServices.aspx>

<sup>79</sup> The Mix, "Al Majmoua At-A-Glance," *TheMix.org*, <https://www.themix.org/mixmarket/profiles/al-majmoua>.

<sup>80</sup> Al Majmoua, "Make a Loan," Al Majmoua, <https://www.almajmoua.org/makealoan.aspx>.

<sup>81</sup> Al Majmoua, "Our Portfolio," Al Majmoua, <https://www.almajmoua.org/portfolio.aspx>

<sup>82</sup> The Mix, "Vitas s.a.l At-A-Glance," *TheMix.org*, <https://www.themix.org/mixmarket/profiles/vitas-sal>.

<sup>83</sup> Kiva, "Vitas – Lebanon," *Kiva.org*, <https://www.kiva.org/about/where-kiva-works/partners/115>.

<sup>84</sup> Ibid.

<sup>85</sup> The Mix, "Emkan At-A-Glance," *TheMix.org*, <https://www.themix.org/mixmarket/profiles/emkan>.

<sup>86</sup> Emkan Finance, "Types of Loans," *emkanfinance.com*, <http://emkanfinance.com/CustomPage.aspx?id=7&language=en&title=Types-of-Loans>.

<sup>87</sup> Philip Issa, "Microfinance rising in Lebanon," *Executive Magazine*, June 18, 2013 <http://www.executive-magazine.com/economics-policy/microfinance-lebanon-growth>.

<sup>88</sup> The five institutions are: ADR, Al Majmoua, Emkan, Makhzoumi, and Vitas.

<sup>89</sup> Issa, 2013, *op cit*.

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their houses or apartments in exchange for renting units to displaced families. A formal rental agreement is a prerequisite for this program. NGOs also provide in-kind assistance to displaced Syrians and Palestinian refugees from Syria, but only 4% of households received shelter assistance in 2016.<sup>90</sup> UNRWA runs a microcredit community support program that provides housing loans, in addition to loans for start-ups or business expansion.<sup>91</sup>

**Religious organizations play a significant role in the provision of housing loans in Lebanon**, particularly the Maronite Church. In addition to directly contracting out the production of housing, the Maronite Church has created a non-profit housing cooperative targeting lower income groups through several housing loan programs. The Church gives land to developers, who build housing units at their expense. Then, the Church sells the units it acquires in exchange for its land to households from its denomination at construction price over a period of up to 15-20 years. By 1999, the Church had 7 loan programs, for which monthly repayments start at USD 100 (LBP 151,000) without down payments. However, these loans are the most accessible in the formal housing market. Future homeowners have to start making monthly installments four years before accessing their new houses.<sup>92</sup>

According to UNHCR 2016 Vulnerability Assessment of displaced Syrians in Lebanon, **85 percent of households reported paying rent for their housing, typically at burdensome costs**. The assessment found nominal monthly rent costs to range from an average of USD 53 (LBP 80,000) in an informal tented settlement to an average of USD 248 (LBP 374,400) for a non-shared apartment/house, with an average monthly rent of USD 189 (LBP 285,300).<sup>93</sup> The average monthly rent has steadily decreased since 2013, when it stood at USD 246 (LBP 371,300).<sup>94</sup> On average, rent makes up 17% of a displaced Syrian household's monthly expenditure.<sup>95</sup>

With limited income generating opportunities and no access to Lebanon's financial system, **informal loans from shops and friends or family represent the most common source of cash among displaced Syrians in Lebanon**. 60% of households in Kesrouan, West Bekaa, Zahle, Nabatieh, Saida, Hermel, and Baalbek were reported by UNHCR's 2016 vulnerability assessment to obtain informal loans for cash.<sup>96</sup> The MFI Al Majmoua, and possibly others in Lebanon, does serve displaced populations, while Lebanon's commercial or public-private housing loans are only offered to Lebanese citizens.

## 5.2 Settlement and Spatial Distribution

Study findings represent the geographic distribution of poverty outside Beirut and its suburbs, indicating that in percentage of resident populations, substantially higher levels of vulnerability exist in the Bekaa, South Lebanon, and North Lebanon.<sup>97</sup> The recent concentration of displaced populations in the Bekaa and North Lebanon substantially increases poverty in these zones as well. Displaced persons from Syria have had to secure shelter in Lebanon within the pre-established landscape of possible shelter options accessible to vulnerable populations, thus further concentrating regions of vulnerability in the Bekaa and North Lebanon, as well as informal urban neighborhoods.

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<sup>90</sup> UNHCR, UNICEF, WFP, *The Vulnerability Assessment of Syrian Refugees in Lebanon 2016*, 2016, p. 77.

<sup>91</sup> UNRWA, "RSS in Lebanon," <https://www.unrwa.org/activity/rss-lebanon>.

<sup>92</sup> Clerc, 2013, *op.cit*, p. 62.

<sup>93</sup> UNHCR, UNICEF, WFP, 2016, *op.cit*.

<sup>94</sup> UNHCR, UNICEF, WFP, *Vulnerability Assessment of Syrian Refugees in Lebanon 2015*, 2015, p. 17.

<sup>95</sup> UNHCR, UNICEF, WFP, 2016, *op.cit*, p. 47.

<sup>96</sup> UNHCR, UNICEF, WFP, 2016, *op.cit*, p. 60.

<sup>97</sup> Oxfam, 2016.

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The presence of displaced people has also intensified housing demand, necessitating the development of new settlement and housing typologies, some of which are direct responses by private entrepreneurs while others result from the interventions of international organizations. The following sections illustrate the typologies of housing and settlement that have historically been available to vulnerable populations, and the more recent forms that are developing in direct response to the influx of displaced Syrian households.

### 5.2.1 Rural Areas

In rural areas, vulnerable population groups have typically settled in dilapidated village cores or in makeshift arrangements above or near commercial buildings, abandoned old buildings, and other structures where they rent apartments or rooms. The most vulnerable among them have, however, had to secure shelter through renting land on which they set-up tents that were gradually consolidated over the course of the past years of settlement.

In many rural contexts, the “housing market” is almost entirely built on informal arrangements. Indeed, access to housing often happens with one-to-one negotiations where individual property owners or land owners rent out the premises they own, be it an apartment, a room, or land. Even in Bar Elias, we failed to identify actual land “developers” whose business is to produce housing. Instead, households accessed shelter in individual arrangements and through direct relations with landlords. A city official from Bar Elias told us that landlords typically build one to two-story houses to rent them. In many cases they start the construction with informal permits because they build in areas where construction is illegal. He recognized that informal permits encourage sprawl on agricultural land and said that it was costly for the municipality to connect these new buildings to infrastructure services, though with the recent engagement of some humanitarian organizations buildings such as these have been brought to a more finished level of construction than previously seen. While this improves the physical building stock and may provide a greater supply of available housing for vulnerable households – and particularly displaced Syrians – it also may encourage the growth of informal and uncontrolled development on agricultural land.

Figure 9: Spatial Distribution of Registered Syrian Refugees in Lebanon  
 Source: UNHCR Syria Refugee Response, Syrian Refugees Registered in Lebanon, June 30, 2017

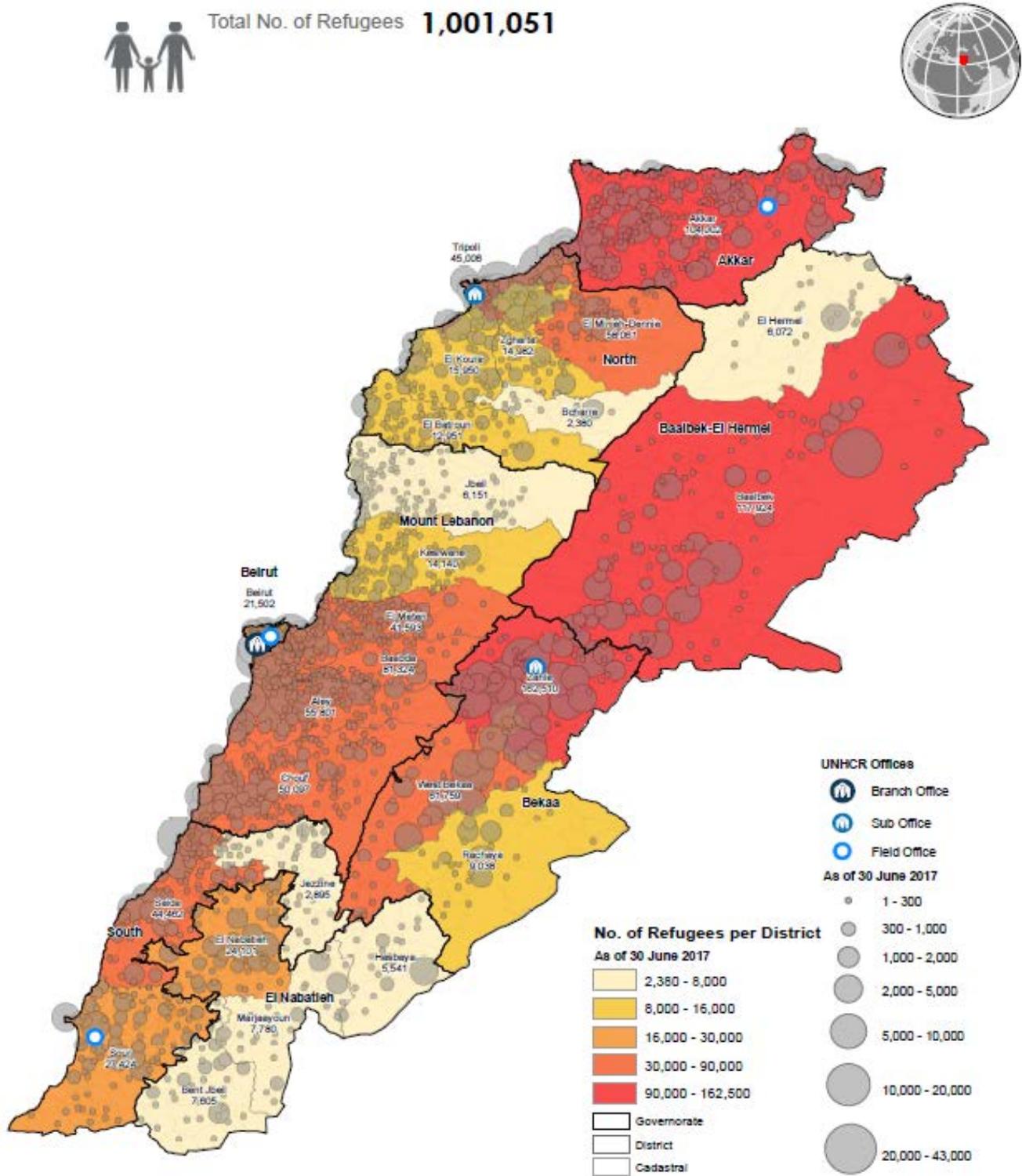


Figure 10: Most Vulnerable Localities in Lebanon, March 2015  
 Source: UN Inter-Agency Coordination Lebanon, mapping and GIS by UNOCHA

Calculation of the Most Vulnerable Localities is based on the following datasets:

1 - Multi-Deprivation Index (MDI)

The MDI is a composite index, based on deprivation level scoring of households in five critical dimensions:

- i - Access to Health services;
- ii - Income levels;
- iii - Access to Education services;
- iv - Access to Water and Sanitation services;
- v - Housing conditions;

MDI is from CAS, UNDP and MoSA Living Conditions and Household Budget Survey conducted in 2004.

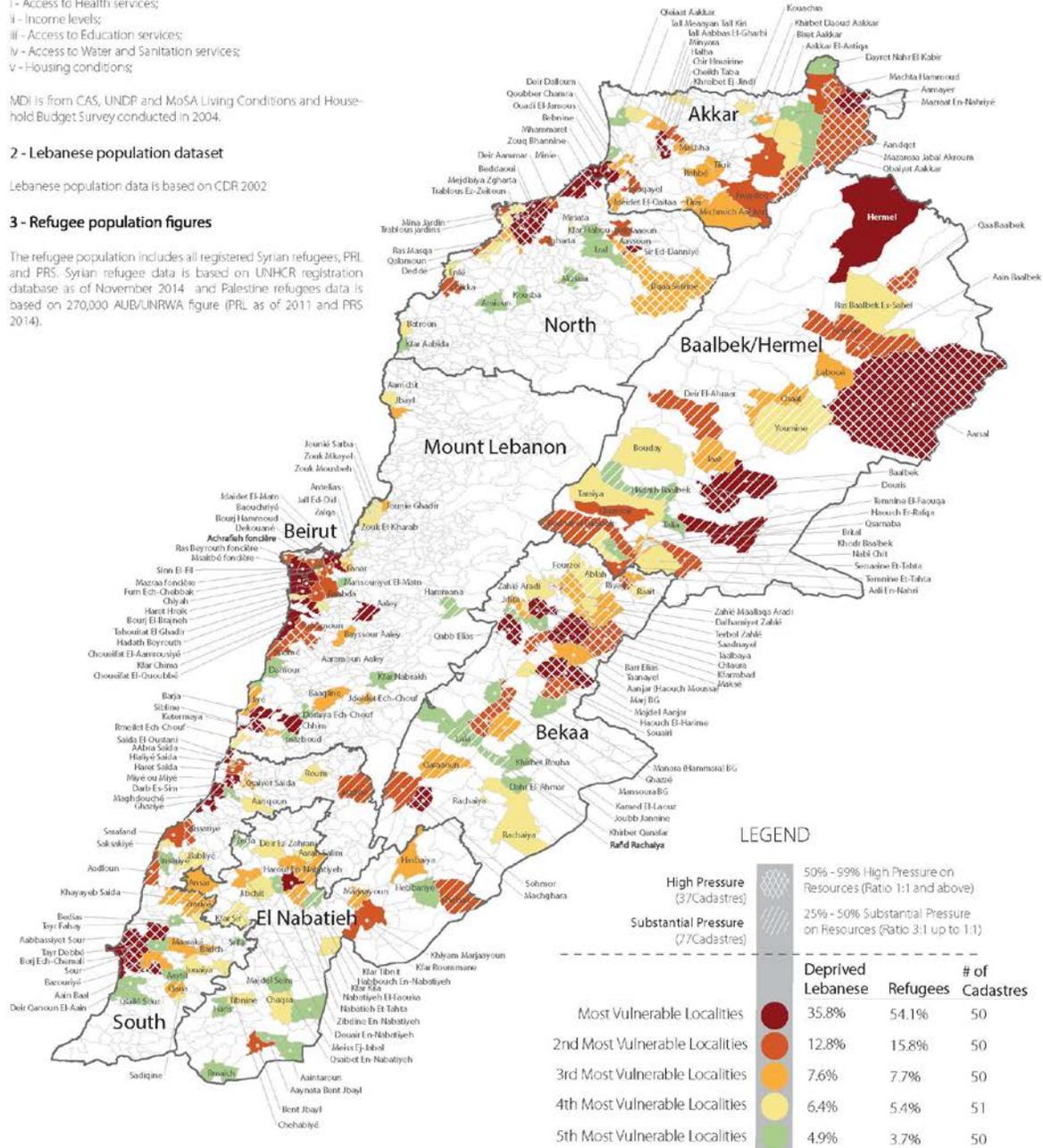
2 - Lebanese population dataset

Lebanese population data is based on CDR 2002

3 - Refugee population figures

The refugee population includes all registered Syrian refugees, PRL and PRS. Syrian refugee data is based on UNHCR registration database as of November 2014 and Palestine refugees data is based on 270,000 AUB/UNRWA figure (PRL as of 2011 and PRS 2014).

251 Most Vulnerable Cadastres  
 87% Refugees  
 67% Deprived Lebanese



The Ratio of Refugees to Lebanese, by cadaster, is included to highlight the potential degree of population pressure on services and resources.

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### ***Primary Settlement Typologies: Rural***

***Informal Constructions and Additions for Rental:*** Property owners develop informally permitted constructions on open agricultural land, or as additions to existing structures, for the purposes of rental to migrant workers or temporarily employed households.

***Tented Settlements:*** Landowners allocate land for temporary settlement in exchange for work and/or rental payments. Shelters typically consist of tents or minimally improved structures that can be readily dismantled.

Informality in this context refers not only to the type of transaction that connects landlords and tenants, an exchange characterized by the absence of legal papers or written contracts, but also with relation to public authorities. Informal building permits relieve property claimants from formal building permits, despite the legal requirement, even if they are building on agricultural lands or on shared property titles where they are normally required to secure the authorization of all other title holders. Municipal authorities in Bar Elias and many other villages have recognized the need of individuals to either house their own families or rent out housing units as a badly needed source of income, and thus have informalized building processes and facilitated construction processes by relaxing zoning requirements, lifting property restrictions, and allowing additional floors and new constructions even if in violation of building and land use regulations. While this provides immediately positive results

through the increase in housing stock, it also has environmental externalities – loss of agricultural land, settlement without adequate sanitation infrastructure – that may have negative repercussions in some contexts.

A tight interrelation between work and shelter characterizes patterns of displaced person settlements in rural areas, particularly the North and the Bekaa where Syrian migrant workers had come in the country for decades to work in agricultural fields. Many Lebanese and Syrian interviewees in these areas recognized that Syrian families have historically settled temporarily in Lebanon during the harvest seasons where they set-up tents as part of their accommodations as workers. With the onset of the war in Syria some of these families made longer-term arrangements with Lebanese landlords in order to remain in Lebanon, and other new arrivals converged on these pre-existing settlements for both work and shelter opportunities. The extension of this arrangement signals a pattern where access to shelter is often tied to employment opportunities, either through the leveraging of pre-existing relationships and networks or through active work-for-tenure agreements.

However, not all tented settlements follow this trend. Our fieldwork indicates that it is necessary to distinguish different forms of tented settlements and arrangements, showing that while some of these settlements indeed combine work and shelter arrangements, others may be more ad hoc and may bring together vulnerable and destitute families with even more limited options for employment due to large family sizes and young children. This latter group appears to be particularly vulnerable to variations in rent and depends heavily on networks of solidarity and aid for survival.

### **5.2.2 Urban Areas**

In urban areas, vulnerable population groups have settled in either pockets of urban poverty or precarious neighborhoods where they rent rooms within apartments or large-scale complexes, or make-shift spaces adapted for residential uses. The most vulnerable men among them rent a bed or a space to sleep that they may share in shifts with others.

Pockets of poverty are dilapidated urban blocks that can be found in most middle and low-income city quarters. These are abandoned residential or office buildings that were transformed into make-shift arrangements as small-scale apartments or rooms housing migrant workers and displaced Syrians. They are scattered across urban landscapes as both individual buildings and adjacent blocks that form clusters of residential facilities, typically run by a single individual. Their location in areas where urban services and infrastructures are usually extended secures better quality services and higher accessibility to employment. However, living conditions are tight and dwellers suffer from high levels of overcrowding.

Precarious urban neighborhoods typically display similar morphologies: they are formed of dense, multi-story, dilapidated buildings and narrow streets, overcrowded rooms and apartments, and crumbling physical infrastructure. In several contexts, as in the

Sabra, Shatila, and the Ayn el-Hilweh area of Saida, these areas form a continuous, variegated form of vulnerable urbanization in what Martin (2015) has described as “campscape.”<sup>98</sup> (See also Romola Sanyal, Kamel Dorai for similar observations.) Surveys in these urban contexts indicate that housing conditions are particularly bad in these areas. Most housing arrangements are overcrowded, walls are damp, water and electricity services are frequently interrupted and unreliable, and buildings display evident signs of structural damage and leaks. Furthermore, most of these areas have never benefited from government upgrading or interventions. (See SECTION 4.2 for a discussion on housing interventions).

It is possible to distinguish across several types of precarious urban neighborhoods that have historically housed vulnerable population groups. First, there are the dilapidated historical cores of cities such as Saida or Tripoli, where largely abandoned areas have provided a sizable stock of housing units known to attract vulnerable population groups who rent shelter either from middle-men or families who have moved out of these areas. This is the case in Saida where forced war-related displacement and modernization trends in housing practices led to the transformation of many houses in the historical core into shared apartments or units for several decades, many of which having housed Palestinian refugees.

Second, there are areas that grew around established refugee camps. Over decades these adjacent areas have turned into precarious neighborhoods where rooms or apartments can be rented by vulnerable population groups. To give but a few examples, one can cite Beirut’s Armenian refugee camps and particularly its vicinities (Nabaa), as well as numerous Palestinian camps in Beirut’s suburbs, Tripoli, Tyre, and Saida, that have expanded and spilled over in the early 1970s (e.g. Shatila and surrounding areas, Ayn el Hilweh counts today more than 10 neighborhoods, considered “gatherings”, around it).<sup>99</sup> Territorially, Palestinian camps are administered by their own local governing bodies made

### **Primary Settlement Typologies: Urban**

*Pockets of Poverty:* dilapidated urban blocks containing abandoned buildings that have been transformed into substandard residential quarters. Each building or complex is typically managed by an individual “landlord”.

*Precarious Urban Neighborhoods:* urban neighborhoods with dense, multi-story, dilapidated buildings. Typically characterized by overcrowded rooms and apartments, and crumbling physical infrastructure.

<sup>98</sup> Diana Martin, “From Spaces of Exception to ‘Campscape:’ Palestinian Refugee Camps and Informal Settlements in Beirut, *Political Geography* 44, (2015): 9–18.

<sup>99</sup> The camp’s proper areas were set up by the United Nations Relief and Works Agency (UNRWA) that rented these properties typically from private property holders. Tents were eventually consolidated and services

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of up of representative committees from each neighborhood in the camp. Land is usually rented by the United Nations Relief and Works Agency (UNRWA) and the Agency also provides critical physical and social infrastructure services (e.g. healthcare, education). Empirically, camps have come to form pockets of affordable space in the city to all vulnerable groups and their population extends well beyond the population of displaced persons to numerous vulnerable groups including migrant workers and, more recently, displaced Syrians.<sup>100</sup> These groups rent out premises typically held by Palestinians either in the form of apartments or rooms.

Spill over areas or camp vicinities have been referred to as “gatherings” or “adjacent areas” by relief agencies.<sup>101</sup> Their production can be attributed to the same forces that led to the development of other informal settlements described below: space limitations for Palestinian refugees in recognized camps, the lack of affordable formal housing options, and displacement from refugee camps and other settlements during Israeli attacks, the Lebanese civil war, and ensuing conflicts and unrest. Unlike camps, these settlements have no officially recognized status and UNRWA has refrained from extending its services while local authorities have typically overlooked them.<sup>102</sup> However, extreme levels of poverty and the recognition of the role these areas play in providing shelter in otherwise impossible housing conditions have encouraged several international organizations to intervene in the provision of urban infrastructure.<sup>103</sup>

Numerous additional precarious neighborhoods have also developed in urban peripheries in response to rising urban housing demand. Waves of Lebanese rural migrants and foreign workers sought economic opportunities in Lebanon’s industrializing cities of the 1960s and could not secure affordable housing through formal channels, which is in line with the global trends of the time that accompanied industrialization in the developing world. Other precarious neighborhoods developed throughout the civil war or during the Israel-Lebanon war, as the result of vast population swaps. Some of these areas developed first as illegal land subdivisions, others as squatter settlements. With some exceptions, these neighborhoods are located in urban peripheries outside the city’s administrative borders.

Precarious neighborhoods differ in their patterns of property ownership. For example, in refugee camps such as Baddawi, el-Bass, or Shatila, early comers among Palestinian refugees claim ownership over housing structures that they can rent out or exchange, but not the land on which the house is built. There is no legal basis for this “ownership” but its claimants maintain paperwork and their transactions are widely recognized among other members of their social groups. In other neighborhoods such as Hayy el Sellom of Raml el-Ali, land is held in shares by groups of dwellers who had purchased property during the civil war. Here, dwellers may exchange homes or rent out property on the basis of property claims held in shares while the actual legal status of their building is typically unrecognized. In other areas such as Ouzai, Sabra, or Hayy el Tanak, and also on riverbeds, land is illegally occupied but

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provided. Over the years, and given the lack of affordable space, camps became denser as single housing units became multi-story apartment buildings.

<sup>100</sup> Mona Fawaz, “Conceptual Framework: Understanding Gatherings within the Lebanese Context,” in *Profiling Deprivation: An Analysis of the Rapid Needs Assessment in Palestinian Gatherings Host Communities in Lebanon*, 2014: 21-23.

<sup>101</sup> The 2001 legal restriction on property ownership for Palestinians increasing exponentially the stigmatization and levels of informality in gatherings.

<sup>102</sup> UNDP, “Improving Living Conditions in Palestinian Gatherings Host Communities: Towards More Comprehensive and Sustainable Solutions,” UNDP, 2016, [http://www.lb.undp.org/content/lebanon/en/home/operations/projects/crisis\\_prevention\\_and\\_recovery/improving-living-conditions-in-palestinian-gatherings-host-commu.html](http://www.lb.undp.org/content/lebanon/en/home/operations/projects/crisis_prevention_and_recovery/improving-living-conditions-in-palestinian-gatherings-host-commu.html).

<sup>103</sup> UNDP, “Improving Living Conditions.”

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dwellers may claim ownership of a property, rent it out, or even sell it at discounted rates. This is also the case for some of the quarters of the old city of Saida while others are divided and rented out by their title holders.

For newcomers to the city, be they persons displaced from Syria, poor Lebanese or non-Lebanese migrants, these different property statuses rarely translate into concrete differences in the housing options they can secure since most newcomers will resort to renting a small space, a room or an apartment depending on their financial conditions. Unlike rural areas, however, informal housing markets are highly developed in urban areas where vulnerable population groups are likely to rent rooms or apartments through slumlords or realtors who will charge them with fees, threaten them if they are late in paying the rent, and generally control their presence in the neighborhoods. There is also ample evidence in these dilapidated areas of efforts to expand the housing stock by local property owners or slumlords by adding rooms or floors on existing buildings, subdividing existing apartments into smaller units, or building temporary structures on empty lots. In Beirut's suburbs, earlier research showed that these slumlords sometimes manage stocks of housing units left by their owners who return to the neighborhoods only to collect rent.

Similar to rural areas, access to shelter in urban areas is often predicated on employment. Thus, a sizable number of displaced persons have found shelter through employment in the household, typically male, as concierges, or building doorkeepers. The pattern predates the war in Syria, when this employment was widely seen as reserved for Syrian males. Typically, these migrant workers sent money to their families who remained in Syria where access to services was more affordable. Since the outbreak of the war, however, many Syrian doormen have brought their families while others, inspired by relatives or friends, have avidly sought this arrangement. Single males also access shelter for work on construction sites, but this arrangement typically precludes family residency, making it less viable as a route of access for households.

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## 6 Housing Ecosystem for Displaced Syrians

Throughout the country there is deep reliance on market channels, often informal, for most vulnerable populations' processes of housing acquisition, whether they are located in urban or rural areas. In most cases, market channels govern access to apartments and houses as much as they govern access to land and a tent. There is no doubt that the rental market, through all its forms, is the most common pathway for securing shelter for the vast majority of both vulnerable and displaced people. Still, other pathways exist. Based on the field research conducted for this study, the following sections elaborate on the market channels used by displaced Syrians as well as one non-market channel that is of particular relevance for displaced Syrian households: interventions by local and international NGOs.

We further note the high levels of informality through which this housing is made available across all its forms, and the fact that this informality, as we describe below, is in large part integrated within the modes of governance through which public agencies organize and manage the territories under their control.

### 6.1 Typology and Supply of Housing

In both Minieh and Bar Elias, many landlords added floors and rooms to existing apartments to increase the number of rental units available, which confirms trends noted in Shatila and Nabaa. In addition, a number of Palestinian families had opted to either rent out the “family home” left empty because they had left the country or to move out of the camp and rent their units. The new housing units had been placed on the market as the temptation of renting with higher rental rates had increased incentives for families to place housing on the market. One landlord in Daiah, a poor area in Minieh, added two floors to his existing two-story building and split each floor into two units. He kept two apartments for himself and his son and rented out all the remaining units to Syrian families. In addition, the International Rescue Committee rented one unit on the ground floor that was used as a nursery.

In Minieh, some Syrian families rent storage spaces property owners have turned into make-shift apartments to accommodate the demand for housing from displaced Syrians. Make-shift housing is more common in Minieh than Bar Elias, perhaps because it has fewer buildings. In other cases, Syrian families find the storage units and contact INGOs to complete the subdivisions and add toilets and kitchens. Typically renting at USD 150 to 200 (LBP 226,425 to 302,000) per month in Bar Elias, these storage spaces are much cheaper than comparable apartments.

Other families live in collective shelters in buildings intended for other uses. For example, in Minieh 32 families (140 persons in total) from the same village in Syria, were living in an abandoned school that was built with the support of a Kuwaiti Fund for displaced Syrians. However, the school was never completed. When they first found the building they contacted an INGO whose team installed windows, doors, electric wiring, and kitchens. The INGO comes twice a month to follow-up and provides maintenance related training to some of the displaced persons. Currently, the building consists of 30 rooms each with a shower and a kitchen. On each floor there are 4 toilets, for a total of 12 toilets. According to the family we interviewed, rent is about USD 133 (LBP 201,000) per family per month, including water and electricity.

Aside from renting apartments, 13% of displaced persons live—as shown by recent shelter surveys—in what are commonly referred to as tented settlements. Most of these settlements are rentals where displaced persons access a raw housing ingredient, land, to incrementally establish shelter. They sometimes receive assistance from humanitarian organizations and INGOs which install toilets and

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septic tanks, improve access to water and provide some shelter material such as wood, plastic, and building blocks.<sup>104</sup>

Many landlords with whom we spoke expressed their increased level of satisfaction after renting out the land plots to displaced Syrians in tented settlements instead of keeping it as agricultural land, because revenues are significantly higher.

## 6.2 Informality of Arrangements

In rural areas, where a significant portion of displaced households live in informal tented settlements, two primary rental arrangements were noted, both of which rely on renting out land through a middle-person with whom the agreement is made. The “middle-man,” often referred to as “Shaweesh,” is consistently a middle-aged male who had worked for years in Lebanon prior to the war. Building on his networks, the Shaweesh is able to rent out small land parcels to displaced families and support and coordinate the process of building tents. The Shaweesh charged rent to all families on the land but also, in one of these arrangements, he also receives a percentage of the wages these families earn working in nearby areas and organizes and distributes their labor, negotiating with all potential hirers. For example, a Shaweesh in one tented settlement in Bar Elias rents 2,400m<sup>2</sup> of land with 6-7 tents for USD 2,000 (LBP 3,020,000) per year. He earns USD 800 (LBP 1,207,600) per tent per year. Also, males living in these tents work in construction and the Shaweesh makes them work for two shifts and takes USD 1 (LBP 1,501) per worker per shift from their daily remuneration. Another Shaweesh receives a salary from the land owner where the refugees work in agriculture. In other words, access to shelter in informal settlements run by a Shaweesh is closely intertwined with the availability of ‘labor’ in the family, and individuals (including women) aged 14 to 60 who are capable of taking daily jobs. Conversely, families with large numbers of young children are typically unable to sell their labor through these middle-men, since mothers stay with younger children and only one individual (the father) typically works. Some of these families are being thrown out of Shaweesh run settlements and organizing their own form of housing arrangements, in more remote areas, where they can afford the land collectively on a single-income basis and without paying a section of their labor.

In Shatila, only one of the twenty respondents had a written contract and none of the others had heard of a transaction where a contract had been signed.<sup>105</sup> Despite the absence of contracts, dwellers felt they had some level of agreement about their access to the housing unit: they didn’t expect increases in rental prices more than once a year, for example, and within a certain range. Rents in Shatila appeared to be also extremely high for dwellers, averaging for our sample of 20 respondents USD 250 (LBP 378,000) for a 1-bedroom apartment, a price that many listed to take over 50%, sometimes more, of their total income. Many recognized that in periods of unemployment they often had to borrow money to pay the rent. In line with what was found in Nabaa,<sup>106</sup> Minieh, and elsewhere,<sup>107</sup> rent was the primary concern and the biggest burden for all tenants. This makes up for the highest exposure to eviction: the potential failure to pay the rent for which they are never granted more than a month. One respondent in Shatila reported that her landlord gave her a twelve-hour notice of eviction for a 2-day delay in payment. As for the quality of their homes, here as in Hayy el Sellom, Nabaa, Tripoli’s Hayy el Tanak, housing conditions were poor: the respondents lived in crowded situations with poor services and

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<sup>104</sup> For building a small wall in the tent that is no more than four blocks high.

<sup>105</sup> The contract had been recorded with the local Palestinian committee, and was signed by property owners and dwellers. It had been issued at the demand of a local donor who was ready to restore the apartment and extended over two years.

<sup>106</sup> Fawaz, et al, 2015

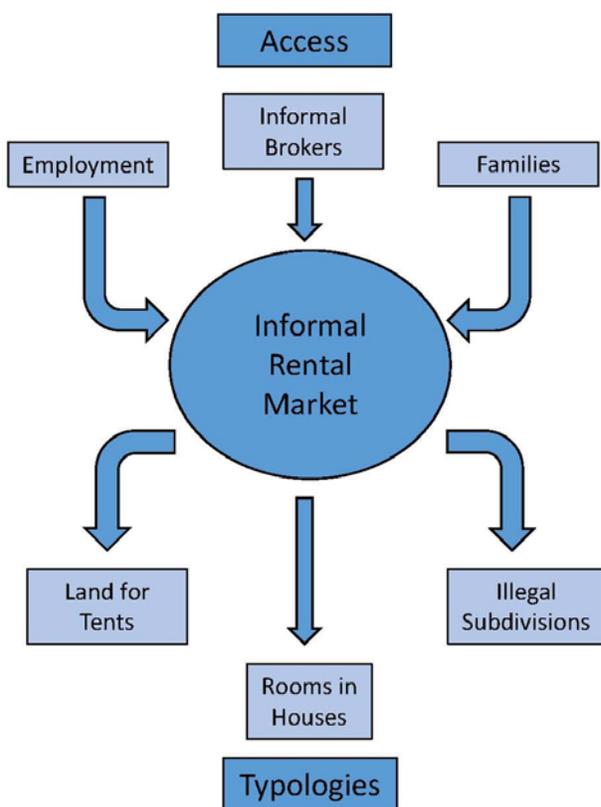
<sup>107</sup> Nupur Kukrety, “Poverty, Inequality and Social Protection in Lebanon.”

crumbling apartments. Most respondents occupied units in nuclear families, but the survey of 20 households in Shatila found at least one example of three families cohabitating with a total of 14 members.

### 6.3 Access to Informal Housing Markets

The main characteristic of the rental housing market faced by new entrants to Lebanese cities over the past twenty years has been its high level of informality, particularly characterized by the lack of contracts, lack of recourse for concerns, and sub-standard conditions. Looking specifically at the patterns/processes of housing acquisition for displaced Syrians in several urban localities (Minieh, Bar Elias, Beirut, Sabra, Shatila, Nabaa and Halba<sup>108</sup>), we found common patterns, perhaps with higher levels of vulnerability in the Beirut vicinities. It is apparent that displaced Syrian families access informal markets for housing through one of three channels: family connections, employment networks established prior to displacement, or informal brokers with connections to absentee landlords.

Figure 11: Typologies and Pathways of Access to Informal Markets



In Minieh, Bar Elias, and the Shatila refugee camp, almost all the refugees we interviewed had reached the apartments they occupied through informal networks. In Minieh and Bar Elias they either worked near the area prior to the war and/or could list friends or relatives who had done so. Many among them had in the past negotiated access to housing as seasonal or permanent migrant workers. This was especially true in Bar Elias, which has very close ties to Syria, given that its proximity to the border and the agriculture based nature of its economy previously attracted many seasonal Syrian workers, mostly male.

In and around the Shatila refugee camp, most tenants had gone through an intermediary with some form of (political) backing who could enforce stricter restrictions on rent payments. The trend was confirmed through interviewing an informal broker<sup>109</sup> who indicated that he charges households a one-time fee of USD 50 (LBP 75,600) to help them find a house. The broker further outlined the organization of the market, explaining processes of price setting (e.g. quality of

<sup>108</sup> The information for Minieh and Bar Elias comes from interviews conducted by the team for the purposes of this report. Information from other locations comes from additional sources, including past and on-going research from Mona Fawaz.

<sup>109</sup> The brokers are not formally registered brokers, but individuals who serve as intermediaries between absentee landlords and the households. Therefore, this is still considered to be an informal channel.

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apartment and size, quality of the street) and described a trend in Shatila (again noted in Nabaa, 2015) where property ownership had become a lucrative business attracting “investments” from better off Palestinians as a steady source of income.<sup>110</sup>

Almost all respondents in Shatila had negotiated access with an absentee landlord, who rented out a multi-story apartment building to settle in a better consolidated neighborhood, a pattern consistent with earlier findings in Nabaa a few years ago and elsewhere.<sup>111</sup> This was equally true for Palestinian refugees from Syria and displaced Syrians, although the former reported a higher level of stability and a sense of being among “their own” in the Shatila Palestinian refugee camp. It is also worth noting that all women consistently recognized having “good relations” with neighbors and were able to list who among them they visited recently while (Syrian) men seemed more isolated and typically afraid of their surroundings.

Outside large cities, rental markets are generally easier to access and tenure is generally more stable. There, most exchanges are directly conducted with landlords, rates are lower, but so are incomes, and the rent burden remains very high and the first concern of most persons displaced from Syria.

## 6.4 Non-market Channels

In both rural and urban areas, historical and contemporary interventions by international organizations have secured shelter access for displaced persons outside market channels. In the 1950s, development and free provision of new housing produced a sizable percentage of the housing stock that was occupied by Palestinian refugees. Today the new development interventions are much more limited, as both local and international NGOs primarily provide temporary shelter, cash assistance, or assistance to landlords in expanding and consolidating available housing stock.

The most sizable percentage of permanent housing that is available outside market channels for vulnerable population groups in Lebanon is located in nationally designated (Palestinian) refugee camps and squatter settlements located within/in close vicinity to large urban centers, particularly Beirut, Tyre, Tripoli, and Saida, four of the five largest cities in the country. It is important to note that these areas generally secure non-market shelter for only a small section of their population, the first comers. Over time, early residents of INGO provided housing have become de-facto landlords renting out rooms or apartments to other vulnerable families through the informal markets described above.

In response to the Syrian crisis, a number of interventions have led to a regrowth of the direct provision of housing outside of market channels, though generally on a temporary basis. Many of these interventions are associated with one of two parallel responses: the International NGO response operating within the Lebanon Crisis Response Plan (LCRP); and local NGOs working outside of the LCRP.

### 6.4.1 Local NGO Interventions

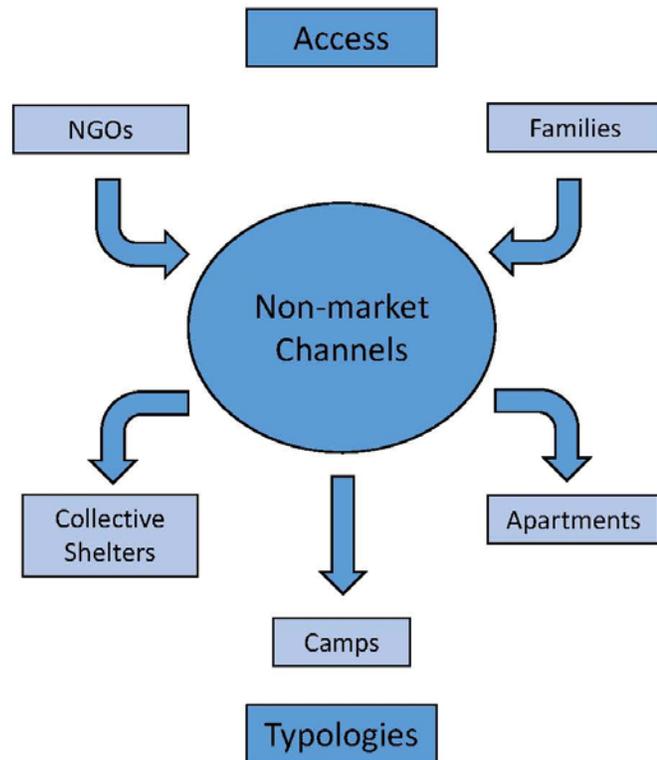
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<sup>110</sup> Interview held in July 2016 in Shatila with realtor.

<sup>111</sup> Fawaz et al, 2015.

The most active local NGO making advancements in direct provision is Union of Relief and Development Associations (URDA), a collective of several dozen local and international NGOs most of which are religiously affiliated.<sup>112</sup> The organization has set up 36 shelter centers and eight model productive villages (2 in Bar Elias, 1 in Akkar, 3 in Aarsal and 1 in Mount Lebanon) over the past 3 to 4 years. This response grew directly from an acknowledgement of Syrians' need for shelter, and over 13,000<sup>113</sup> displaced Syrians have benefitted from free shelter, albeit at varying levels of tenure security. For example, the Al-Awda model productive village in the vicinity of Bar Elias was established three and a half years ago on land owned by URDA. URDA provided pre-fabricated caravans, built-up rooms, water, electricity and wifi, a small market, medical center, a school, and a community center. Families arrived on a first-come, first-served basis and when the camp was saturated with around 350 families<sup>114</sup> (about 2,000 people), they established a waiting list. Accommodation is free of charge save for USD 20 (LBP 30,240) per tent per month for various services and utilities. To accommodate an additional 300 families, URDA established Yasmine village close to Al-Awda camp.

Figure 12: Typologies and Pathways of Access to Non-market Housing



Similarly, in the vicinity of the city of Saida, URDA has set up a large collective center known as al-Ouzai. The center was originally designed as a university campus where a number of the current residents had worked in the years preceding the war in Syria. However, lack of funding prevented the continuation of the works and the NGO signed an agreement with the university in which it agreed to complete construction in exchange for two years of free rent for displaced families. Since then, however, funding has dropped and today displaced families live with the threat of eviction since no rent has been paid to property owners for three years.

#### 6.4.2 International NGO Interventions

Shelter programming by international organizations has also sought to expand available housing options, without directly intervening in their production. These interventions include a variety of activities that seek to provide affordable and adequate shelter conditions at minimal acceptable standards, as outlined in one of the shelter sector outcomes of the Lebanon Crisis Response Plan (LCRP)

<sup>112</sup> Note that URDA was first formed in 2006, in response to the Israel war-on Lebanon and dissolved after the end of the conflict. It was reformed in 2011-12, when the refugee crisis was gaining grounds in Lebanon.

<sup>113</sup> URDA, "Shelter," [urda.org, http://urda.org.lb/en/Programs.aspx?PID=9](http://urda.org.lb/en/Programs.aspx?PID=9).

<sup>114</sup> We did not find a clear criterion for accepting families. URDA does not consider the legal status of the families, that is whether they are registered as refugees or not.

2017-2020. It is under this category that organizations such as NRC, UNHCR, Save the Children, ACTED, CARE, PU-AMI, Solidarités International, CONCERN, CISP, CHF, DRC, MEDAIR, and many others have provided services and temporary shelters for the most vulnerable category of displaced persons.



**Activities in informal settlements:** weatherproofing or maintaining makeshift shelters, provision of temporary shelters, site improvements and fire risk mitigation



**Activities in existing sub-standard residential and non-residential buildings:** weatherproofing, maintenance, rehabilitation, upgrade, repairs of units into adequate shelters, fire risk mitigation and upgrade of common building areas

In addition, some organizations are implementing programs in which sub-standard structures are repaired and/or improved to provide minimal shelter adequacy. These activities are often done through agreements with landlords in exchange for securing the tenure of one or more displaced Syrian households in the repaired units for 12-15 months depending on the degree of improvements made. Tenure is secured through multiple programs such as occupancy free of charge (OFC) – meaning the household is allowed to stay in the unit for one year without paying rent – rent freeze, or rent reduction, depending on the cost and extent of the activity. Table 5 below shows the distribution of rental agreements by type per governorates. It is worth noting that in more urbanized areas such as Beirut, Mount Lebanon and the North, the majority of agreements are rent freezes whereby in all other governorates, the vast majority of agreements are OFC.

Table 5: Shelter Rehabilitation Rental Agreements 2015-2016 (per Governorate) <sup>115</sup>

Governorate	Rent Free	Rent Freeze	Rent Reduction	Total Number of Rental Agreements
Beirut	19%	78%	3%	216
Mount Lebanon	34%	65%	2%	2,178
North	24%	66%	19%	5,324
Akkar	84%	8%	8%	3,420
Baalbek – El Hermel	97%	3%	0%	852
Bekaa	94%	4%	2%	2,648
South	75%	25%	0%	3,168
Nabatieh	96%	4%	0%	3,266
Total (National)	65%	30%	4%	21,702

These interventions have been replicated by many agencies. The map below shows which organizations are reporting shelter activities in each district in Lebanon. They secure temporary relief for families seeking shelter while upgrading a large stock of structures into units at livable standards with no cost incurred on the Lebanese landlords. These units are released on the market as soon as the agreements expire, thus expanding the stock of low-cost housing (most likely for rental) for other vulnerable groups who can afford to occupy them while others are used by the landlord's family, for example as an accommodation for newly married children.

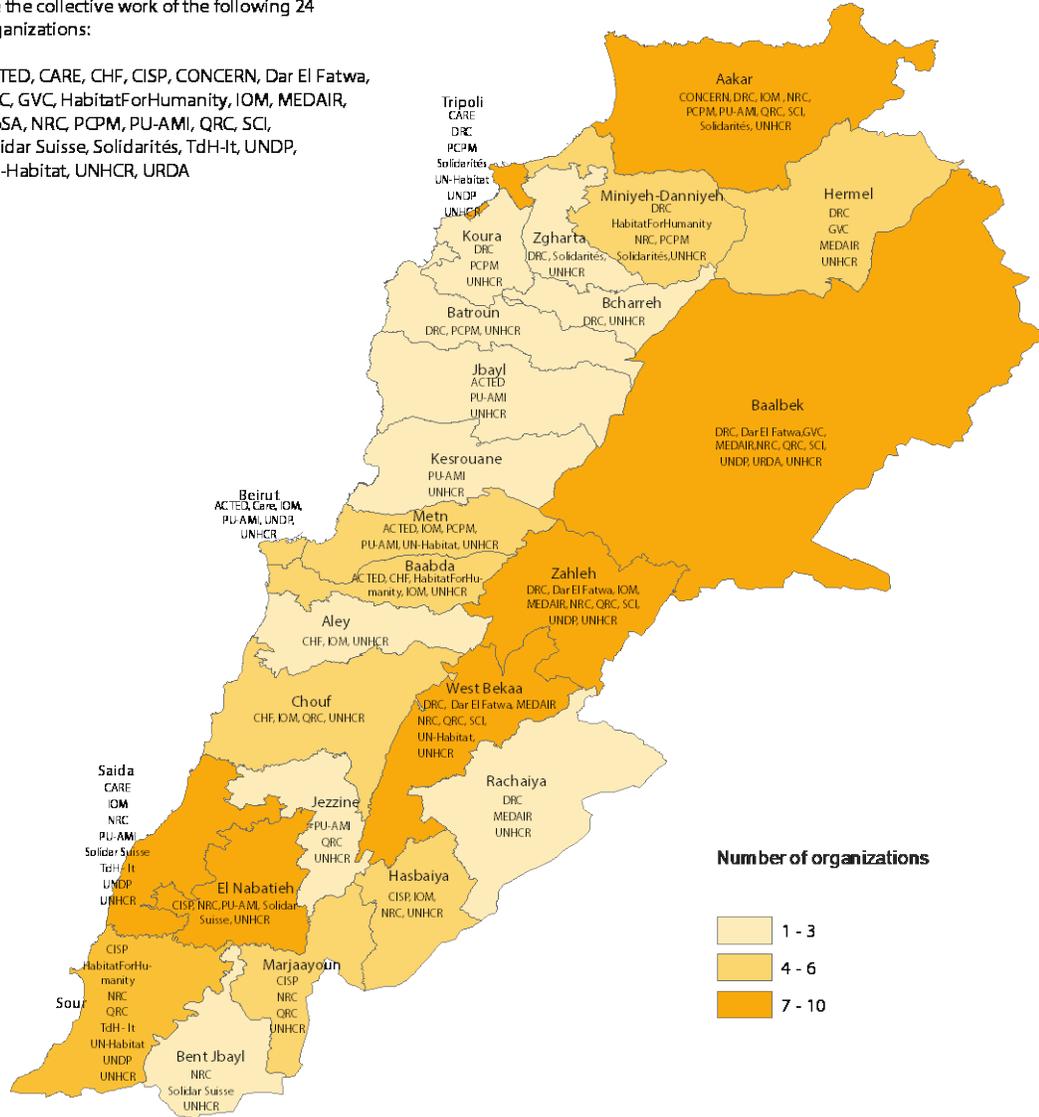
<sup>115</sup> UNHCR (gathered and prepared by AHI team).

Figure 13: Distribution of INGO shelter activity in Lebanon  
 Source: Inter-Agency Coordination Lebanon, January-December 2016

## Organizations per district

The achievements described in this dashboard are the collective work of the following 24 organizations:

ACTED, CARE, CHF, CISP, CONCERN, Dar El Fatwa, DRC, GVC, HabitatForHumanity, IOM, MEDAIR, MoSA, NRC, PCPM, PU-AMI, QRC, SCI, Solidar Suisse, Solidarités, TdH-It, UNDP, UN-Habitat, UNHCR, URDA



### 6.4.3 Market Impacts of INGO programs

In order to understand the transition of displaced Syrian households from OFC programs into other housing arrangements, the NRC conducted an owner survey<sup>116</sup> in 2016 in the Bekaa Valley to assess the status of rehabilitated properties after the end of the OFC program. In documenting the current uses of rehabilitated apartments this survey, and further interviews, provide an indication of the impact that these programs have on expanding affordable housing stock for both displaced populations and host communities.

The NRC survey revealed that 66% of the rehabilitated units remained occupied after the end of OFC, and that landlords were successfully collecting rent from these tenants. This survey also showed that the majority of occupants were the original household that NRC had referred to the unit or other Syrian households. The AHI team also conducted a phone survey with owners in Bar Elias (25 owners) and Minieh (28 owners) to assess the impact of the OFC program on the housing market in these areas. The vast majority of respondents in both areas stated that they have benefited from the rehabilitation works that were done as part of the OFC program, but they all had to do additional improvements to their units due to the fact that the rehab works were not enough to attract displaced Syrian families to renting their units. Landlords indicated that the OFC-related improvements either did not meet expectations for a minimal standard of living, or the works were worn out shortly after the stay of the

**EXCERPT FROM THE "CHALLENGES" SECTION OF THE INTER-AGENCY COORDINATION 2016 YEARLY DASHBOARD FOR THE SHELTER SECTOR.**

*More and more displaced Syrians (up to one third and increasing) reside in poor urban areas along the coast, especially in and around Beirut, in the hope for better income opportunities. In these areas, not only general costs of living are high, but also rent is relatively higher than other areas as well. The Shelter sector's aim to extend lease agreements, especially for severely vulnerable families not receiving multipurpose cash assistance, is challenged by the lack of interest of the (commercial) landlords to participate in low-cost repair/rehabilitation of low-rent apartments for low-income, displaced people. National and international partners face a lot of challenges when providing shelter assistance in the aforementioned stressed poor urban areas. Some of the challenges faced are: security is not ensured; communities and stakeholders diverge, the needs are multi-sectorial and the complex shelter projects require more time and funds.*

household and thus weren't sustainable on the long term. However, respondents expressed gratitude and positive experiences with the OFC program, especially in preparing their units for future use. Most of the respondents stated that the OFC agreements were not renewed due to one of three reasons: NRC didn't want to renew; the landlord wanted to use their rehabilitated apartments for personal use; or the landlord wanted to lease them freely with rents varying between \$100 and \$400 per month. Very few respondents still hosted the same NRC households; however, the majority of units that are still occupied are being rented by other Syrian households, with only 2 cases leasing to Lebanese households in Bar Elias. These surveys show that the interventions by INGOs have had positive impact on expanding the housing stock in rural areas and that stock is mainly being used as rental

apartments for displaced Syrian families more so than low-income Lebanese renters. However, it is not

<sup>116</sup> Owner survey: status of properties 3 to 6 months after contracts expire, NRC, February 2016.

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as clear where displaced Syrian households who leave apartments at the end of the OFC agreement move to, so it is possible that many of the families benefiting from the OFC program are resorting to finding shelter in the informal settlements close to where they're staying after the expiry of the agreement with the landlord.

In urban areas INGOs are also facing challenges in extending lease agreements, as outlined in the challenges section of the 2016 yearly shelter dashboard published by the UN Inter-Agency Coordination office in Lebanon, along with difficulties in securing all the funding needed to continue to support these programs.

The influx of the Syrian refugees in Lebanon has had mixed consequences on the housing ecosystem. On the one hand, property owners have benefited from the presence of refugees as demand on their apartments has increased and they were able to benefit from the assistance offered by INGOs. On the other hand, the increased demand on the limited affordable housing options has made it difficult for refugees and other vulnerable populations in Lebanon to find adequate shelter. In this context, it is important for INGOs to explore a combination of innovative solutions that maximize the impact of their interventions, while bridging the needs of refugees and those of vulnerable Lebanese households, taking into consideration the limited cooperation of national and local government authorities. Additionally, this study confirms the importance of investigating vulnerable populations relationally with respect to housing, without over-generalizing vulnerable populations as a monolithic group, and understanding that the shelter options of newcomers are also a potential source of income for other vulnerable groups.

Analysis from the field work conducted for this study confirms several trends related to housing access for vulnerable populations in Lebanon. The first finding is that rent burden is considerably high for refugees. Rental affordability is a top priority for refugees, as they seek the cheapest possible option in the market to avoid further forced displacement should they no longer be able to pay rent. For this reason, tenure security is one of the main challenges faced by refugees. It is also one of the main challenges of rental programs initiated by international organizations. While OFC and other rental freeze or rental reduction programs are popular with both landlords – because they provide an opportunity to upgrade their units – and tenants – because they provide access to relatively good quality housing – the main challenge for tenants is that these types of arrangements do not offer tenure security beyond one or two years. The third main finding is that informal settlements address many of the shelter challenges that refugees face. Although the creation of new formal refugee camps is not allowed by the Lebanese government, and the informal settlements that have been established are criticized for their impermanence and isolation from formal social services and infrastructure, refugee families we interviewed who were living in these settlements appear to be moderately content with the situation. Some of these settlements provide rent-free accommodation in a clean, safe and organized environment, tenure security, privacy (each unit has its own kitchen and bathroom), access to regular support from a range of organizations and access to on-site services such as clinics, schools, and recreational activities. In addition, several families we interviewed said that they prefer to live in informal or tented settlements instead of apartments because living in caravans, built-up rooms, or tents more closely resembles the way they used to live in single story houses in Syria. And finally, what is most strongly confirmed, is that a range of housing solutions is required to address the needs and preferences of vulnerable populations in Lebanon.

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## 7 Recommendations and Way Forward

Based on the research, fieldwork and analysis conducted, we have identified several potential areas for recommendations. These areas include: strengthening the interaction between international organizations and local authorities, partnerships among public sector, private sector and civil society, housing as a tool in improving relations between Syrian refugees and the Lebanese host communities and exploration of innovative funding mechanisms that link humanitarian aid funding with longer term funding sources for the provision of affordable housing.

For example, as mentioned previously in this report, municipalities in Lebanon have rarely engaged directly with private developers or local non-profit organizations to provide housing for refugees or for vulnerable Lebanese households. However, the fieldwork, particularly in Minieh, uncovered opportunities for such cooperation which could be leveraged to create more sustainable housing solutions for the vulnerable communities in the area. Additionally, to be effective, shelter solutions must be integrated with other socioeconomic initiatives: without access to income generating opportunities, the housing situation of vulnerable populations will largely remain precarious.

Future shelter solutions must also take into consideration cultural sensitivities. The Syrian refugee households that we interviewed considered privacy a high priority when evaluating shelter options. As such, many refugees prefer to live in tented settlements because each family has its own room, kitchen, and bathroom. This contrasts with apartments or make-shift housing where families usually have to share toilets, showers, or kitchens with other families.

Finally, international organizations working in shelter in Lebanon have an opportunity to explore more innovative and creative sources of funding. Lack of funding is one of the main obstacles to expanding the shelter programs currently offered by international organizations, yet there may be opportunities to combine donor funding with other sources that could be more sustainable, engage the private sector, and be used over a longer period of time.

### 7.1 Challenges to be addressed

Based on the analysis in the previous sections of the report, the recommendations target four main challenges:

1. Limited supply of good quality affordable housing for vulnerable populations.
2. The poor quality of affordable stock and the surrounding neighborhoods particularly in urban areas where many vulnerable population groups have settled and where housing arrangements are overcrowded, infrastructure is crumbling and buildings display signs of structural damage and leaks.
3. The challenge of tenure security faced by many vulnerable populations, due to precarious legal arrangements or their inability to pay the rent.
4. The limited resources available to national and local government, local NGOs, and humanitarian organizations to address the above challenges.

### 7.2 Guiding forces

The recommendations outlined below are shaped by the following parameters, derived from the analysis in the previous sections of this report:

1. ***The shortage of low-income housing solutions has exacerbated the housing situation for all vulnerable groups within Lebanon.*** As discussed in previous sections of this report, due to structural challenges in the ecosystem – in the absence of comprehensive low-income housing policies, and the lack of enough stock of permanently affordable housing – the housing situation of the most vulnerable households has worsened overtime, forcing them to secure shelter on illegally occupied land, or in illegal or substandard housing located in increasingly dense urban slums that lack adequate infrastructure and basic services.
2. ***The shift by humanitarian organizations to longer-term development-focused activities and effective interventions is an opportunity to address structural challenges and bottlenecks in the low-income housing ecosystem in Lebanon through looking at comprehensive affordable housing solutions for all vulnerable populations.*** By focusing on initiatives that impact the entire ecosystem, humanitarian organizations can bring in knowledge and experience from other contexts on effective solutions for affordable housing development, neighborhood upgrading, and service provision and demonstrate practical impact on communities which can facilitate and enable an eventual shift in national level policies.
3. ***Broader consensus could be reached, politically and socially, by adopting housing solutions that simultaneously support multiple vulnerable social groups (e.g., Lebanese families, migrant laborers, Palestinians, and Syrians).*** As discussed in the report, the current social exclusion takes many housing-related forms, such as the denial of accommodation by private property owners, imposing restrictive conditions, and opposition from neighbors. Shelter solutions that address multiple populations can be a catalyst for safe and stable societies, increased social cohesion and stronger local communities.
4. In the context of Lebanon’s subdued overall economic growth and limitations imposed on residency, mobility and employment, ***the ability of many vulnerable households to cover the costs of housing is severely limited, and, as such, they are likely to remain heavily dependent on governmental and non-governmental aid for the foreseeable future.*** Thus, some recommendations focus on housing as a potential employment generator and ways in which it could help refugee families improve their financial stability through employment opportunities and increase their equity assets despite limitations.
5. ***Recommendations cannot heavily rely on the Lebanese government's support at the National level, given the pace of government decision making and the political sensitivities surrounding shelter assistance for some vulnerable groups. However, willing municipalities are potentially reliable as partners.*** Municipalities which want to improve the low-income housing ecosystem, usually do not have enough budget capacity and few have previous experience in housing. Accordingly, given their international weight and connections, international humanitarian organizations could support local authorities through facilitating targeted capital and technical assistance.
6. ***Recommendations should seek to build on Lebanon’s vibrant civil society, grass roots organizations, community of volunteers and activists, and large philanthropic sector*** to channel effective and long-lasting housing solutions, given their mission-oriented nature.

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7. **Finally, it is important to set expectations about what can be accomplished given the above listed constraints.** Without major political and economic reforms at the national level, and serious and concerted efforts by the Lebanese government to address the country's socio-economic woes, including the lack of affordable housing, interventions by humanitarian organizations will remain limited in their impact.

### 7.3 Recommendations

The following section elaborates on twenty recommendations that have been developed based on the analysis completed for this study, conversations with stakeholders during the fieldwork, and AHI's experience elsewhere. The options presented are not a monolithic solution, but are meant to contribute to the diversity of the housing gene pool. In this context, the purpose of these recommendations is to help Lebanese stakeholders identify a selection of viable schemes that could be adopted which target the most vulnerable and improve the overall functioning of the Lebanese housing ecosystem. Implementation of each of these options will depend on the specific context (e.g. rural or urban, existing built environment or green-field, size and mix of vulnerable populations), therefore the recommendations are structured to provide the kernel of an idea so that individual organizations, entities, and communities can further build out or design programming that is applicable to their resources and context.

The recommendations are grouped into the following main categories:

1. **Modifying or expanding existing programs**
2. **New supply-side (building) initiatives**
3. **New demand-side (financing) initiatives**
4. **New mechanisms to fund housing initiatives**

Within each category, recommendations are grouped from the least to the most intensive in terms of time and resources. Where applicable, international case studies have been referenced to provide further context for how such initiatives could be developed and/or implemented. Referenced case studies can be found in *ANNEX 3*.

The following table summarizes the recommendations, key actors to be involved, and approximate timeline for implementation.

Recommendation	CBOs	Municipal Govt.	National Govt.	Private Sector	INGOs	Time to Implementation
<b>7.3.1 Modifying or expanding existing shelter interventions</b>						
1A. Monitor the "Shaweesh"	✓				✓	Short
1B. Partner with willing municipalities to increase effectiveness	✓	✓			✓	Short
1C. Provide legal support on housing to vulnerable households	✓	✓			✓	Short / Medium
1D. Expand existing OFC and similar programs	✓	✓		✓	✓	Short / Medium
1E. Expand existing urban upgrading interventions		✓	✓		✓	Medium / Long
2A. Link INGO housing interventions with municipal plans	✓	✓	✓		✓	Short / Medium
2B. Expand housing options with the construction of accessory units	✓	✓		✓	✓	Short / Medium
2C. Incentivize private developers to build or rehabilitate more affordable housing	✓	✓	✓	✓		Medium / Long
2D. Activate the role of non-profit organization in housing	✓	✓	✓		✓	Short / Medium
2E. Explore alternative land tenure models	✓	✓	✓		✓	Medium
2F. Create public-private-community partnerships to develop housing for adaptive reuse	✓	✓		✓	✓	Medium / Long
2G. Promote stronger integration through self-build housing programs	✓	✓			✓	Long
2H. Develop well designed collective housing	✓	✓			✓	Medium
3A. Advocate for and pilot rent-to-own programs	✓	✓	✓	✓	✓	Short / Medium
3B. Negotiate collective lease agreements with landlords	✓			✓	✓	Short
3C. Increase opportunities for employment through construction in the housing sector	✓			✓	✓	Short
3D. Support carefully designed rental voucher programs	✓			✓	✓	Medium / Long
1. Partner with local philanthropic organizations to access new sources of funding.	✓			✓	✓	Short
2. Setup a financing facility that combines donor and private funds				✓	✓	Medium
3. Explore innovative funding mechanisms for housing interventions		✓		✓	✓	Long

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### 7.3.1 Modifying or expanding existing shelter interventions

#### 1A. Monitor the "Shaweesh"

<b>Description</b>	NGOs should supervise individuals acting as a Shaweesh.
<b>Key Actors</b>	Community Based Organizations (CBOs), INGOs
<b>Where</b>	Housing situations that have a Shaweesh, such as tented settlements or collective shelters.
<b>Why</b>	While undoubtedly Shaweeshs have an important role to play in negotiating rental contracts, maintaining order in collective settlements, and liaising with different stakeholders on behalf of refugees, conversations with many Syrian refugees revealed cases where the Shaweeshs abuse their powers by differentiating between refugee families in rental payments, threatening tenants with eviction, and unlawfully confiscating aid to their families.
<b>How</b>	This could be done by establishing a code of conduct for Shaweeshs that clearly outlines unacceptable behavior, setting-up safe and effective complaint mechanisms, imposing disciplinary action against violators, and allocating greater resources to field monitoring.
<b>Funding Required</b>	This initiative may not require significant additional funding.
<b>Role of Key Actors</b>	Work with communities to develop codes of conduct and feedback mechanisms. Work with households, both resident and displaced, so that local and transient households have common expectations of behavior and processes for land shelter/acquisition and tenure agreements.
<b>Potential Impacts</b>	Because the most vulnerable households are the most likely to be exploited by Shaweeshs, this initiative could significantly improve their quality of life.
<b>Limitations</b>	Shaweeshs may still find ways to abuse their powers.

#### 1B. Partner with willing and capable local municipalities to increase the effectiveness of shelter interventions.

<b>Description</b>	Involve municipalities more heavily in existing interventions, such as the Occupancy Free of Charge (OFC) program.
<b>Key Actors</b>	Municipalities, INGOs.
<b>Where</b>	In municipalities with active shelter programs run by INGOs.
<b>Why</b>	Although involving municipalities inevitably means dealing with additional political agendas or constraints, the advantage of increased "formality" of rental agreements and local knowledge of the market could outweigh these risks.
<b>How</b>	Given their intimate knowledge of local markets, residents, and landlords, municipalities could: (i) maintain a database of available units, buildings, plots, developers interested in partnering with INGOs, etc.; (ii) take part in multi-party contracts, especially bulk contracts, to improve accountability. This may deter both landlords and tenants from violating any terms of the contracts; and (iii) provide local tax incentives, such as waiving of

	registration fees or rental income tax for contracts registered at the municipality between landlords and vulnerable families.
<b>Funding Required</b>	No additional funding required.
<b>Role of Key Actors</b>	Municipalities: Develop systems to track and liaise between INGO and private development initiatives. Become a third party to contracts. Develop incentives to encourage the registration and engagement by local residents in programming that benefits a range of vulnerable populations within the community.  INGOs: Tailor partnerships based on the situation, conditions and requirements of each municipality.
<b>Potential Impacts</b>	Partnering with municipalities may benefit vulnerable households by increasing the scope of programs, such as the OFC and protect the rights of the most vulnerable tenants.
<b>Limitations</b>	Navigating political agendas of municipalities can be challenging.
<b>Reference case studies</b>	Case studies 1 and 3.

### **1C. Provide legal support to beneficiaries of shelter programs and other vulnerable households.**

<b>Description</b>	CBOs and INGOs should implement legal shelter support programs, or scale existing ones, such as NRC's ICLA program, which empowers residents to know and demand their housing, land, and property rights and settle disputes between landlords and tenants.
<b>Key Actors</b>	CBOs, municipalities, INGOs.
<b>Where</b>	In areas with high concentration of displaced Syrian households.
<b>Why</b>	Implementing legal programs and/or expanding existing ones would provide much needed services to strengthen tenure security for tenants, many of whom do not sign contracts with landlords, are subjected to unjustified rental increases by tenants, and are constantly under threat of eviction.
<b>How</b>	NRC's ICLA program, which was developed over decades of experience, could be scaled to other INGOs or CBOs through a concerted and structured capacity building approach. Small offices could be established that provide legal counsel, contract templates, and other housing specific information and counsel.
<b>Funding Required</b>	Requires additional funding from donors and other sources for scaling.
<b>Role of Key Actors</b>	CBOs/INGOs: secure funding for expansion; establish and scale local offices through capacity building of CBOs and municipal staff.  Municipalities: work with INGOs and CBOs to establish local offices and create outreach to households; provide municipality-specific information as required.
<b>Potential Impacts</b>	Legal support would be provided to the most vulnerable households.

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**Limitations** None.

### **1D. Expand the existing Occupancy Free of Charge (OFC) and similar programs**

**Description** Humanitarian and development donors must recognize the success of this type of programming and seek its expansion. Programs such as these increase the number of housing units in the market and, at the same time, offer rent-free accommodation to displaced households for a one-year period, which can be extended based on agreements with landlords. The programs, successfully developed and implemented by NRC others, supports the hosting process by offering a package of upgrades for unfinished buildings and other structures in exchange for the 12 month rent-free hosting of a displaced household. The rehabilitation is carried out in accordance to an upgrade package of minimum standard shelter conditions that are common to all primary beneficiaries.

**Key Actors** Municipalities, INGOs and local property owners

**Where** In areas with high concentrations of vulnerable families.

**Why** Most of the municipalities, local authorities, landlords and residents we met during our fieldwork praised the OFC program for providing good quality free shelter for refugees, albeit for a limited period of time, and for giving Lebanese landlords the opportunity to complete their housing units. Living rent-free allowed beneficiaries to allocate scarce income to basic expenditures, helped them avoid high levels and debt, and improved their living conditions. Expanding the program would provide more landlords, residents, and displaced households with access to these opportunities.

**How** A deeper investigation of the different approaches to this kind of programming is necessary to understand how it could be expanded. Key questions to answer include: how local NGOs might be able to implement this program since it has proven to be an effective use of resources; whether INGOs or local NGOs could take on units at an earlier stage during the construction process to increase the number of housing units in the program; whether the program be expanded to cover entire buildings and not just individual housing units; and (iv) whether the time horizons for rental tenure be expanded to the benefit of both Syrian refugee families and Lebanese landlords?

Also, NRC must communicate the success of its particular program based on a "rent-free" model, instead of "rent-freeze" or "rent-reduction".

**Funding Required** Significant funding from donors and other sources is required to expand the program.

**Role of Key Actors** Municipalities: works with INGOs and local NGOs to ensure that property owners respect program agreements and contracts, identify areas which would particularly benefit from upgrading through this type of intervention  
INGOs: source additional funding, develop clear lessons learned and toolkits for implementation by local NGOs, expand existing programs as practical

<b>Potential Impacts</b>	Expansion of this kind of programming has the potential to improve the housing stock and infrastructure in vulnerable communities, provide temporary housing to more displaced families, establish the conditions for future income generation and through rental by the property owners, and ultimately increase the investment and stability of these communities.
<b>Limitations</b>	High costs to scale. The multiplicity of program types (OFC, rent-freeze, reduced-rent) may set competing expectations within communities. Creating a common model of program to be implemented by multiple NGOs could be difficult.
<b>Reference case studies</b>	Case study 5.

### **1E. Expand existing urban upgrading interventions to improve quality of existing affordable housing and neighborhoods.**

<b>Description</b>	Invest in integrated neighborhood upgrading projects in shelter, infrastructure, services, public spaces, and community building.
<b>Key Actors</b>	Municipalities, MOSA, DGU, Ministry of Public Works and Transport, INGOs, CBOs
<b>Where</b>	Informal settlements across Lebanon.
<b>Why</b>	As mentioned elsewhere in this report, with the exception of the Elyssar project, the Lebanese government has never designed a policy on the upgrading of informal settlements nor implemented projects to specifically improve these areas, although their numbers are increasing and a sizable percentage of vulnerable urban households live in them. However, Parliament has recently passed a decision to regularize a large illegally occupied housing complex in the city of Saida, indicating a possible shift in public policy. As such, a strong push towards such programs that look beyond interventions at the housing unit level must be a priority.
<b>How</b>	National and local authorities should continue to invest in urban upgrading programs with the support of humanitarian and development donors and organizations. This should be at a large scale and as part of a comprehensive program driven by a collective effort to implement the program and advocate for supportive policies at the national level.
<b>Funding Required</b>	Significant funding is required from donors and other sources.
<b>Role of Key Actors</b>	Municipalities & national government: planning and coordinating a comprehensive upgrading program in partnership with national and local authorities, CBOs, and INGOs; establish a fund capitalized by the local private sector, international donors and financial institutions to support and invest in slum upgrading related projects.  INGOs: advocating for community driven urban upgrading, including formulating, financing and implementing upgrading programs, building innovative solutions, and training CBOs.
<b>Potential Impacts</b>	Since the most vulnerable households usually live in informal settlements,

	upgrading these settlements will directly improve their quality of life.
<b>Limitations</b>	It could be challenging to get the approval of national and local authorities for a comprehensive urban upgrading program. It will take time to bring members of the community together and create a plan that addresses a variety of needs and interests.
<b>Reference case studies</b>	Case study 1.

### 7.3.2 New supply-side initiatives

#### 2A. Link INGO housing interventions with low-income housing municipal plans

<b>Description</b>	Municipalities and INGOs should work together to develop a low-income housing strategy that would benefit all vulnerable groups and support long-term positive outcomes from INGO programming.
<b>Key Actors</b>	MOSA, Order of Engineers and Architects (OEA), Directorate General of Urbanism (DGU), municipalities with high concentrations of vulnerable groups, INGOs.
<b>Where</b>	Initial efforts should be focused on municipalities with a high concentration of vulnerable populations.
<b>Why</b>	As discussed in the report, some municipalities in Lebanon have experimented with the provision of low-income housing in a limited number of cases. Given the acute shortage of such housing, INGOs should leverage their position to build the capacity of municipalities to put in necessary systems to roll-out low-income housing solutions, and should ensure that their interventions are in support of a long-term vision for improvement of affordable housing stock.
<b>How</b>	MOSA, OEA and DGU should invite municipalities with a high percentage of vulnerable households, local NGOs, and INGOs involved with shelter programming to a charrette (or a series of charrettes) to explore local strategies to increase the supply of low-income housing. Based on the outcomes of these charrettes, local NGOs and INGOs could decide how to most effectively build the capacity of municipalities to implement their strategies and shape their programming to lay the foundation for future implementation.
<b>Funding Required</b>	At this time, the only funding required would be to cover the costs of organizing charrettes. Later funding would be required to build the capacity of municipalities.
<b>Role of Key Actors</b>	MOSA, OEA, DGU: organize series of charrettes Local NGOs and INGOs: advocate to and support MOSA, OEA, and DGU to organize these charrettes; actively participate in them to identify their potential role as implementation partners. Municipalities: participate in charrettes, organize smaller-scale local charrettes when possible
<b>Potential Impacts</b>	INGOs could steer municipalities towards strategies that target the most

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vulnerable households. Municipalities could help INGOs plan their programming in ways that will have both immediate and long-term positive impacts on the greater local community. National government actors could use the municipal plans and strategies as the basis for development of a national-level strategy.

**Limitations** Municipal representatives may not always be able to articulate innovative strategies to address their challenges. As such, these charrettes should be facilitated by housing and planning experts.

**Reference case studies** Case studies 1, 3, 5

## **2B. Expand housing options through the construction of accessory units.**

**Description** Identify surfaces, such as rooftops in existing structures, or open yard space in rural contexts, where property owners, with financial support from INGOs, could add affordable and easy to assemble structures, such as modular homes, to accommodate Syrian refugee families rent-free for an agreed upon period of time.

**Key Actors** Municipalities, property owners, INGOs.

**Where** In areas with a high concentration of vulnerable groups and active municipalities.

**Why** Accessory Dwelling Units (ADUs) could be a quick and relatively affordable way to attach small units to existing structures. ADUs are increasing in popularity in many parts of the world. In the US, such units are sometimes known as granny flats, in-law units, laneway houses, secondary dwelling units, among many other names. People build them for many reasons most commonly to gain income via rent and house a family member. ADUs would increase the supply of housing in a relatively quick way, while providing income to Lebanese property owners.

**How** INGOs would lobby municipalities to clearly define ADUs and amend any necessary regulations to permit their use and construction. For example, ADUs must be adequately connected to the utilities network of the base structure. Municipalities could also introduce incentives, such as a fast approval process or fee exemptions, to encourage property owners to build ADUs.

**Funding Required** Initially only minimal funding would be necessary to support municipalities in amending or developing appropriate regulations. Significant funding would later be required from donors or other sources for construction, though many families might be willing to self-fund if affordable financing/loans were available.

**Role of Key Actors** Municipalities: develop/amend regulations to allow for and easily permit ADUs

Property owners: build ADUs, act as landlords

INGOs: support municipalities in developing regulations, could provide construction funds (partial or full) in exchange for rent-free

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accommodation for displaced households, or other critically vulnerable populations for an agreed-upon period of time correlated with the amount of funding

**Potential Impacts** Would improve the available housing stock in a regulated, but relatively quick, manner. The involvement of NGOs in funding could make this housing rent-free or low-rent for a period of time to make units accessible to the most vulnerable households.

**Limitations** Property owners may prefer to add an additional floor to their house that to build a small accessory unit.

## 2C. Incentivize private developers to build or rehabilitate more affordable housing.

**Description** Develop and support a network of private developers interested in building or acquiring housing that could be leased in bulk by Community Based Organizations (CBOs) to house vulnerable groups.

**Key Actors** Municipalities, Order of Engineers and Architects (OEA), the Real Estate Developers Association - Lebanon (REDAL)

**Where** Areas with the most cooperative municipalities, that are willing to work with private developers to increase the stock of low-income housing.

**Why** In Lebanon's current soft real estate market, developers are looking for profit-making opportunities in housing for low-income households. Such programs would generate opportunities for Lebanese developers, while guaranteeing a stock of affordable housing.

**How** In areas with a high percentage of vulnerable households, municipalities, OEA and REDAL could identify real estate developers interested in low-income housing and understand the challenges they face in delivering such housing. Consequently, the various stakeholders could offer private developers incentives to develop housing fully or partially dedicated to low-income housing that meets the requirements of vulnerable households. For example, CBOs could offer developers guaranteed bulk-off take long-term lease commitments and municipalities could offer such developers land at below market cost, density bonuses, or exemption from municipal fees or parking requirements.

**Funding Required** No funding is required. Municipalities will offer developers incentives through relaxing zoning codes and/or required taxes and fees. Some subsidy funding will be required to support the most vulnerable households.

**Role of Key Actors** Municipalities: develop incentives for private developers to build affordable housing; provide land for development; consider a bulk-offtake guarantee or long-term lease commitment  
CBOs: consider buying some of the units to ensure their affordability to the most vulnerable households in perpetuity; facilitation to bring the different development stakeholders together to roll out larger projects to the benefit of low-income households; become long-term leaseholders, providing developers with the assurance of a secured tenant during the

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pre-development phase.

Developers: commit to the development of affordable housing; work with municipalities, and CBOs to ensure that the housing developed is appropriate for the intended vulnerable populations

**Potential Impacts**

**Limitations**

Negotiating with private developers requires knowledge of the real estate development process to ensure that municipalities do not overreach in offering incentives.

Experience from other countries shows that it is very difficult for local authorities to provide enough incentives to make building for the most vulnerable households feasible to developers, in which case financing is required to support households in paying their rents.

**Reference**

**case studies**

Case studies 1 and 6

## 2D. Activate the role of non-profit organizations in housing

**Description**

Develop and support a network of reliable community based organizations, interested in helping residents with their housing needs through, for example, developing and/or rehabilitating housing, providing rental assistance, or negotiating longer-term rental contracts with landlords.

**Key Actors**

Ministry of Social Affairs (MOSA), Municipalities, INGOs, Religious Authorities, Community Based Organizations (CBOs), particularly those providing humanitarian aid and assistance, community services, implementing development projects, and providing legal support for marginalized groups

**Where**

MOSA and INGOs must first focus on CBOs working in areas with a high concentration of vulnerable populations.

**Why**

Although Lebanon has very active CBOs, very few provide housing assistance, with the exception of religious organizations as discussed previously in the report. However, experience elsewhere has shown that CBOs are crucial to increasing and preserving a stock of affordable housing in perpetuity, given the mission oriented nature of these organizations. As such, there may be several CBOs in Lebanon that are interested in assisting vulnerable Lebanese and displaced Syrian households to secure adequate housing but do not know how, given the complex nature of housing relative to the activities they typically engage in<sup>117</sup>.

**How**

To launch this initiative, MOSA and INGOs should: (i) survey CBOs in areas with high concentrations of vulnerable populations to build a database of interested organizations; (ii) investigate the work of the few CBOs already providing housing assistance, such as the Maronite Social Fund, which

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<sup>117</sup> For example, in Al Minieh, the head of one of the local community based organizations expressed interest in developing a plot of land that the organization owns as housing for vulnerable population but needed guidance on how to go about it.

builds a limited number of housing units for qualified members of its community, to understand the challenges they face in scaling their work; and (iii) invite CBOs interested in providing housing assistance to a workshop to develop an understanding of how the various CBOs could work in their communities and the type of assistance that they require. Depending on the nature of housing related activities that CBOs are interested in, support from INGOs could take the form of training, capacity building, or access to funding.

**Funding Required** Significant funding is required to increase the capacity of CBOs and partially fund their activities, either through long-term loans or grants. Including commercial space and renting some units to higher-income families could help cross subsidize rent for the more vulnerable populations. CBOs will need to generate funds either from fundraising or from other income generating activities to cover the cost of maintenance and long-term management.

**Role of Key Actors** MOSA/Municipalities: Create enabling conditions for CBOs to play a greater role in the housing ecosystem by supporting capacity building for interested CBOs; developing and maintaining a database of organizations engaged in the housing sector; providing incentives through land or tax reductions to CBOs engaged in development projects.

CBOs: Develop capacity to build and manage housing properties/programs.

INGOs: Depending on their mission and operational capacity, the role of INGOs could vary from a facilitator (bringing together stakeholders) to a funder (long-term loans or grants) to a capacity builder (to ensure that CBOs have the required expertise). Depending on the context INGOs could also engage in discussions and decisions concerning eligibility and priority for housing.

**Potential Impacts** Increase of adequate and affordable housing stock in communities with high populations of vulnerable households. Greater capacity of local actors to engage with and support vulnerable populations to access suitable housing in the long-term. Additionally, CBOs are well placed to provide the most vulnerable families with other social assistance given their intimate knowledge of local conditions in their communities.

**Limitations** For CBOs wishing to directly develop or rehabilitate housing, the pre-construction process, involving capacity building, securing land and appropriate funding, and navigating legal requirements may require a long time to be completed.

**Reference case studies** Case studies 1, 2, 4, 5

## **2E. Explore alternative land tenure models to make land more available and affordable for low-income housing development.**

**Description** Work with CBOs and community groups to design appropriate models for

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	cooperative mechanisms of land ownership, such as Community Land Trusts (CLTs), which have been gaining popularity internationally over the past decade, as a solution to evictions and gentrification. While the exact structure of a CLT would vary across communities, the basic idea is that CLTs are CBOs whose mission is to provide affordable housing in perpetuity by owning land and leasing it to those who live in houses built on that land.
<b>Key Actors</b>	CBOs, municipalities, and INGOs.
<b>Where</b>	In areas with proactive municipalities, with access to public land, and active CBOs.
<b>Why</b>	Land is the main bottleneck in the provision of housing in Lebanon, and this is generally due to its cost and/or constraints on its use. Introducing mechanisms that extract land –particularly urban land- from the market in the form of land trusts would increase that supply. In rural areas such initiatives could encourage the finalization of pending land surveys and either loosen or create effective ways to work around constraints on land. Moreover, the social cohesion CLTs engender, by bringing together members of the community, can pave the way for other social initiatives, such as workforce training, childcare and other social services.
<b>How</b>	CBOs and INGOs in partnership with municipalities would determine the appropriate niches of a CLT, taking into consideration the availability of land whose ownership could be transferred to a CLT. This could either be public land, or land donated by individuals or local nonprofit organizations. Depending on their capacity and resources, once a CLT was established NGOs could initiate projects (where they act as developers or partners with developers), purchase land and buildings from sellers to incorporate in the CLT, or acquire land where informal housing has already been built and regularize the right to use the properties through sale or lease agreements. Municipalities could act as sponsors of local CLTs and offer access to funding, staff support and regulatory assistance.
<b>Funding Required</b>	The amount of funding required will vary depending on the projects to be initiated by CLTs. Sources of funding (long-term loans or grants) could include public funds, local donors or long-term lenders, or international donors or long-term lenders.
<b>Role of Key Actors</b>	<p>CBOs: contribute land into a CLT, act as or partner with developers, outreach to community to participate in the planning and/or contribute land</p> <p>Municipalities: create an enabling regulatory environment for CLTs; sponsors local CLTs to encourage their creation and success; contribute land to CLTs where applicable; outreach to communities to participate in the initiatives</p> <p>INGOs: bring expertise in implementing CLTs in other countries and conduct workshops to explore the potential of CLTs in various municipalities; build the capacity of local municipalities to support CLTs; channel international sources of funding to CLTs.</p>
<b>Potential Impacts</b>	Land would be made available at an affordable price for housing of

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vulnerable populations. Because CLTs are embedded within communities, and can be designed with covenants on affordability they could potentially ensure that the most vulnerable households are served.

**Limitations**

Setting up a CLT and finding the appropriate plot, or plots, of land to acquire takes time. Governments may be reluctant to cede control of land to community based organizations. Developing or buying completed buildings requires large capital costs.

**Reference case studies**

Case study 4.

**2F. Create public-private-community partnerships to develop housing with potential for adaptive reuse.**

**Description**

This initiative combines options 7.3.2.B and 7.3.2.C above through creating housing development programs in partnership with municipalities, private developers and CBOs. As part of this partnership, an INGO could channel funding or act as the developer, municipalities could provide land and trunk infrastructure, and CBOs could become long-term owners or managers of the properties.

**Key Actors**

Municipalities, private developers, CBOs and INGOs.

**Where**

In areas with a high concentration of vulnerable households, active municipalities, available land, experienced developers and dynamic CBOs.

**Why**

New partnerships and working relationships would be formalized between the public sector, the private sector and community organizations which could lead to greater collaboration on several long-term housing initiatives. Moreover, developments that serve the immediate housing needs of various vulnerable groups and other low to middle-income households (for cross subsidy) would increase social cohesion.

**How**

Each stakeholder plays a different role in the development process: (i) municipalities could provide land (greenfield or as part of urban upgrading initiatives), trunk infrastructure, exemption from fees and taxes, and expedited approval process to low-income housing developers. In return, ownership of a certain percentage of units could be transferred to municipalities; (ii) private developers contribute their expertise and may include commercial spaces or market rate units in the project to improve its feasibility. Such projects could be built as modular or multipurpose housing to increase their future adaptability; (iii) CBOs could either become long-term owners, leaseholds, or managers of the properties to ensure that projects are well maintained and are continuously occupied by deserving households. CBOs may also provide residents with other complimentary services such as health services, after-school activities, and job training; (iv) and INGOs, depending on their objectives and operational capacity, could channel funding from donors and "impact investors" into housing projects which reserve a certain percentage of housing for the most vulnerable households;

<b>Funding Required</b>	Significant funding would be required for the development intervention, and long-term subsidy funds may be required for management of properties, depending on the resources of the resident population.
<b>Role of Key Actors</b>	<p>CBOs: Build capacity to develop and manage property. Provide additional social services to residents of the property.</p> <p>Municipalities: Support CBOs in the development of capacity for property management. Allocate public land for affordable housing development, where applicable.</p> <p>INGOs: Initiate this process by bringing together the different actors and channel funding from donors and "impact investors" into this type of long-term development program.</p>
<b>Potential Impacts</b>	Donor and private-sector funds are leveraged for long-term and broad impact on the housing ecosystem. The involvement of municipalities, INGOs and CBOs will ensure that the most vulnerable households have access to housing.
<b>Limitations</b>	The pre-development phase, which includes getting all the stakeholders to agree on a development, find the right plot of land and secure adequate funding, will most likely be lengthy.
<b>Reference case studies</b>	Case study 3.

## **2G. Promote stronger integration through self-build housing programs.**

<b>Description</b>	Vulnerable families participate in building suitable basic accommodation on land owned by municipalities or local CBOs.
<b>Key Actors</b>	Municipalities, CBOs, INGOs.
<b>Where</b>	In areas with a high concentration of vulnerable households with experience in construction and/or limited economic opportunities, active municipalities, available land, and dynamic CBOs.
<b>Why</b>	Such schemes leverage the construction skills of some of the members of vulnerable households and allow them to build units that are suitable for their own needs. Also, the process of building a community together promotes social cohesion between the refugee and the host communities.
<b>How</b>	INGOs would provide the necessary funding to purchase local building materials, fund necessary infrastructure, and organize the building process. Local municipalities or CBOs would retain ownership of the built assets, while refugees or vulnerable families occupy them free of charge or for minimal rent. Such programs could also be paired with modified rent-to-own programs which would allow the families to build equity over time. Stakeholders could also recruit volunteers to assist in the building process.
<b>Funding Required</b>	Significant donor funding would be required to cover construction costs and program management. Municipal or national funds could be directed toward trunk infrastructure.
<b>Role of Key Actors</b>	INGOs would initiate this process by bringing together the different actors

	and channel funding from donors and "impact investors".
<b>Potential Impacts</b>	This is achieved through the involvement of the most vulnerable households in the construction of their own houses.
<b>Limitations</b>	Finding adequate land on which to build may be a challenge. This solution would be most useful in rural settings because urban settings would require a multi-story building typology, which adds significant complexity to the building process and increases the level of skill required.
<b>Reference case studies</b>	Case study 2

## 2H. Develop well-designed collective housing

<b>Description</b>	Reconfigure and upgrade buildings, such as abandoned and unfinished schools, hotels and factories, to be used as collective housing.
<b>Key Actors</b>	CBOs, municipalities and INGOs.
<b>Where</b>	In areas with: (i) a high concentration of vulnerable households; and (ii) where CBOs, municipalities and INGOs identify buildings that could be repurposed as collective housing.
<b>Why</b>	Co-living arrangements are gaining popularity in many parts of the world, against the backdrop of rising house prices, soaring rent and a shortage of homes. Such living arrangements offer small private quarters and several communal rooms and facilities. Compared to leasing individual units from landlords, collective housing offers vulnerable households more tenure security as bulk long-term leases are negotiated with landlords, while mitigating some of the risks associated with living in informal tented settlements.
<b>How</b>	CBOs and INGOs work with municipalities to identify opportunities for new collective shelters as well as rehabilitating overcrowded and dilapidated ones. On a case by case basis, agreements would have to be made with landlords to either lease it on a long-term basis, or complete the rehabilitation work in exchange for free rent for an agreed-upon number of years. When the building is ready, INGOs would be able to offer rent-free or low rent housing units to eligible beneficiaries.
<b>Funding Required</b>	Significant funding is required for this initiative.
<b>Role of Key Actors</b>	CBOs and INGOs: Rehabilitate buildings, identify beneficiaries, and manage the housing.  Municipalities: Create policies and regulations to facilitate the development and repurposing of buildings for temporary and/or long-term residential use. Work with CBOs and INGOs to identify appropriate buildings.

<b>Potential Impacts</b>	Formalize the process of building adaptation that is already occurring to provide low-cost housing for vulnerable populations, thereby ensuring higher quality accommodations and minimum adequate standards. Depending on the funding and program structures, CBOs and INGOs might be able to offer this housing on a rent-free or low-rent basis, making units accessible to the most vulnerable households.
<b>Limitations</b>	Living in collective housing limits the integration of vulnerable households in the wider local communities.
<b>Reference case studies</b>	Case study 1.

### 7.3.3 New demand-side initiatives

#### 3A. Advocate for more extensive rent-to-own programs, and eventually pilot them.

<b>Description</b>	In the absence of the resources to build equity through homeownership, vulnerable populations need mechanisms that allow them to securely participate in the rental market and have long-term benefits.
<b>Key Actors</b>	CBOs, INGOs, Public Corporation for Housing (PCH), Real Estate Developers Association Lebanon (REDAL).
<b>Where</b>	Areas with active municipalities and responsive developers.
<b>Why</b>	Rent-to-own schemes offer many advantages including locking in a purchase price in markets with increasing home prices, living in a house before committing to buying it, and building equity over time at lower cost than conventional mortgages will allow.  In 2006, the Lebanese parliament approved a "rent-to-own" law, but it was never implemented. Earlier this year, a few members of the parliament announced that they are working on a new version of the law, which provides a number of incentives to participating developers including waiving fees, access to low-interest loans, and density bonuses. Also, the proposed law would be applied to new and already completed buildings.
<b>How</b>	Design potential program modalities and advocate to government entities on the basis of impact such programming could have in increasing investment in vulnerable communities. Once traction is gained in establishing the legal-basis for rent-to-own programming, INGOs and CBOs could play a key role in designing and implementing pilot programs. Furthermore rent-to-own programming could be made accessible to a wide range of vulnerable populations if the program were designed so that at a future point in time the accrued savings could either be converted to an ownership stake (for Lebanese households or foreign households that have received permission to stay), or withdrawn as cash equity (for foreign households who wish to leave).
<b>Funding Required</b>	This initiative does not require significant funds to start. Piloting programs at a later date would require more funding.
<b>Role of Key Actors</b>	CBOs and INGOs: Convene a working group of stakeholders to design

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potential rent to own programs, study the proposed law and advocate for its passing or for its modification, if necessary. Eventually build entity capacity to implement and manage such programs.

PCH: Take an active role in the working group, provide insights from development and implementation of current programming targeting lower-income households.

<b>Potential Impacts</b>	Additional paths to affordable homeownership established for low-income households. Low-income, but steadily employed, households given an opportunity to build equity in an affordable manner. Greater collaboration among developers, municipalities, CBOs, and INGOs which will have positive impacts on the supply of housing throughout Lebanon.
<b>Limitations</b>	This initiative targets households who can afford to pay rent for a specified period (usually with steady jobs) based on the agreement between the buyer and the developer. As such, it does not target the most vulnerable households. Passing the law through the parliament and getting developers to implement it to the benefit of low-income households may be challenging.

### **3B. Negotiate collective lease agreements with landlords.**

<b>Description</b>	CBOs and INGOs could negotiate bulk long-term lease agreements with large landlords.
<b>Key Actors</b>	CBOs, INGOs and property owners
<b>Where</b>	In areas with high concentration of vulnerable households.
<b>Why</b>	In Lebanon's current soft real estate market, landlords and real estate developers may be willing to negotiate bulk lease agreements with INGOs. Such long-term lease agreements would strengthen tenure security and the concentration of vulnerable families in one building or development and would facilitate the integration of other community support services, such as health, education, and social services. Property owners may also be willing to lower rental costs because of the income security such a lease arrangement would provide.
<b>How</b>	CBOs and INGOs would identify buildings with units suitable for vulnerable households or landlords that have several dispersed but suitable units and negotiate bulk long-term lease agreements with landlords. Units would then be leased to vulnerable families at reduced rents.
<b>Funding Required</b>	Moderate funding would be required for this initiative, as the CBOs and INGOs would be liable for any rent that wasn't to be covered by the ultimate tenants. Funding requirements would vary based on targeted vulnerable population group and their ability to pay. Funding would also be required to manage the selection of and follow-up with vulnerable households.
<b>Role of Key Actors</b>	CBOs and INGOs: Identify buildings, negotiate collective lease agreements,

	and select suitable families as tenants.
<b>Potential Impacts</b>	Housing costs potentially reduced. Tenure security increased for vulnerable households. Relationships developed between property owners and CBOs which could lead to greater future collaboration on more intensive programming or housing development.
<b>Limitations</b>	Since families are still expected to pay rent, this initiative may not target the most vulnerable families who cannot afford the rent. Identifying a large enough number of units to be leased from one landlord and that are suitable to the requirements of INGOs.

### **3C. Increase opportunities for employment through construction in the housing sector.**

<b>Description</b>	Focused efforts on building permanent housing solutions for vulnerable populations and increasing affordable housing stock has the potential to increase the number of jobs available. Parallel initiatives should also be developed to ensure that these jobs are made available to skilled labor within the targeted vulnerable populations.
<b>Key Actors</b>	Private developers, construction companies and INGOs.
<b>Where</b>	In areas with high concentrations of vulnerable households and active shelter programs.
<b>Why</b>	The housing sector holds a wealth of opportunities for employment in construction and other related trades. Connecting vulnerable populations to jobs boosts their ability to pay for shelter.
<b>How</b>	This could be done through: (i) negotiating construction work for Syrian refugees in all shelter interventions; and (ii) establishing a database for suitable jobs and matching employers with refugees.
<b>Funding Required</b>	This initiative does not require significant additional funds to initiate. It leverages the funding that would already be going towards construction of housing to create a secondary impact of increased incomes for vulnerable populations. Some additional funding might be required for training of program participants.
<b>Role of Key Actors</b>	Developers and Construction Companies: commit to working with INGOs to source skilled labor for housing development; develop training programs in collaboration with CBOs, and municipalities.  INGOs: establish a database of interested developers and construction companies by region/municipality; create a database of potential workers within vulnerable populations served; act a liaison between potential workers and construction companies
<b>Potential Impacts</b>	Increases income of vulnerable populations. The specificity of the programming may create opportunities for income-generation by displaced Syrian households that they might not otherwise have due to legal restrictions.
<b>Limitations</b>	The many legal barriers surrounding the issue of employing some vulnerable groups, such as Syrian and Palestinian refugees.

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**Reference case studies** Case studies 1, 2, 5.

### **3D. Support carefully designed tenant-based rental voucher programs.**

<b>Description</b>	Provide eligible displaced Syrian households and vulnerable Lebanese families with rental vouchers that they can give to landlords.
<b>Key Actors</b>	CBOs and INGOs.
<b>Where</b>	In areas with high concentrations of vulnerable households.
<b>Why</b>	Several countries, such as India, have recently launched rental voucher schemes to facilitate quick access to affordable housing. Although expensive to maintain, the proven advantages of rental vouchers are: (i) supports access to the rental market, which is the most common pathway for vulnerable populations to secure shelter in Lebanon; (ii) reduces crowding, housing instability, and homelessness; (iii) reduces poverty by helping vulnerable families make ends meet; and (iv) give vulnerable families more choice in where to live. In today's soft real estate market, with a high rate of vacant units, such a program would be appealing to landlords.
<b>How</b>	The program must be carefully designed so as not to encourage market distortion and inadvertently cause an increase in rental prices. The amount of the rental voucher must be based on the size of the household and local market rents. As such, INGOs must periodically gauge fair market rents in across various locations and property types, possibly with the assistance of trusted brokers. If the rent is more than the voucher, the household pays the difference. Implementing partners would also need to establish parameters regarding the minimum adequate accommodation to which vouchers could be applied, and a monitoring system to ensure that these standards are met.
<b>Funding Required</b>	Setting-up and running the tenant-based rental voucher program requires significant funding. INGOs could partner with local organizations to assist in funding such a program through, for example, zakat donations which match donors with vulnerable households
<b>Role of Key Actors</b>	Design the program, eligibility criteria, minimum adequate accommodation standards, and run housing voucher programs.
<b>Potential Impacts</b>	This program would be designed to specifically target the most vulnerable households.
<b>Limitations</b>	Significant funding and administrative work is required to maintain the program over the long-term. Households may not be able to find suitable accommodation.
<b>Reference case studies</b>	Case study 5.

### 7.3.4 New mechanisms to fund housing initiatives

#### **4A. Partner with local philanthropic organizations to access new sources of funding.**

<b>Description</b>	Access cooperative financing or additional sources of philanthropic funding, such as zakat donations, to expand existing programs, such as the OFC.
<b>Key Actors</b>	CBOs, local philanthropic organizations, INGOs.
<b>Where</b>	In major Lebanese cities.
<b>Why</b>	Building new partnerships with local organizations may open up new funding streams and will help mitigate perceptions of imbalanced levels of support to displaced Syrian households as local organizations may link programs to local vulnerable populations, or facilitate greater connections between existing programming with vulnerable populations and international humanitarian aid to displaced Syrians.
<b>How</b>	Survey local organizations, with guidance from local authorities and other partners, to identify most promising organizations to partner. Publicize INGO and CBO activities in the context of the interest and outlook for these organizations. Propose new programming opportunities to such organizations, who may be interested in being seen as a leader within the field and open to supporting innovative approaches.
<b>Funding Required</b>	None required.
<b>Role of Key Actors</b>	CBOs and INGOs: Identify and develop relationships with local philanthropic entities to explore innovative and expanded programming in the housing sector.
<b>Potential Impacts</b>	Additional, and potentially more flexible funding, becomes available to pilot innovative housing solutions – such as those described in other recommendations. If successful, such pilots could prove the concept and enable access to greater funding from international or government-based funders – depending on the specific intervention.
<b>Limitations</b>	Developing relationships with and securing funding from local nonprofit organizations takes time and effort.

#### **4B. Set-up a financing facility that combines donor and private funds**

<b>Description</b>	Use donor funds in innovative ways to leverage investment by private sector.
<b>Key Actors</b>	Donors, INGOs, local private companies.
<b>Where</b>	Throughout Lebanon
<b>Why</b>	Affordable housing development is almost always adversely selected against by private sector entities because they (a) see the sector as too risky, or (b) don't see it as a potential profit-making venture. Structuring donor funds to be used as capital incentives and combining the release of such funds with targeted technical assistance encourages private sector entities to better understand the lower-income market and encourages them to find innovative ways in which to enter it. In addition, such

	programs make the donor dollars go further by spurring private sector entities to invest their capital.
<b>How</b>	Use donor funding to set-up financing facilities that provide a combination of capital incentives and technical assistance to both developers and financing institutions to encourage both the creation of units and financial products for lower-income segments of the market. Such a facility could be structured as either a revolving fund or a grant-making entity.
<b>Funding Required</b>	Setting-up such an impactful facility requires significant initial funding from donors and the private sector.
<b>Role of Key Actors</b>	Donors: commit to providing funds for innovative and broad-reaching initiatives in the housing sector  INGOs: develop project proposals, conduct further research to identify the key activities that would be supported by the fund and optimal modes of implementation; establish and run the facility
<b>Potential Impacts</b>	Additional capital incentivizes financial institutions and developers to move down-market to provide products and units for lower-income households. Can also be linked to green building initiatives to improve the quality of accommodations, and thus neighborhoods that serve vulnerable populations.
<b>Limitations</b>	Convincing donors to allocate their funding differently, and then securing funding from donors takes time and effort.
<b>Reference case studies</b>	Case study 6.

**4C. Explore the possibility of using innovative funding mechanisms for shelter programs which tap socially conscious investors as an alternative to relying on traditional donor funding.**

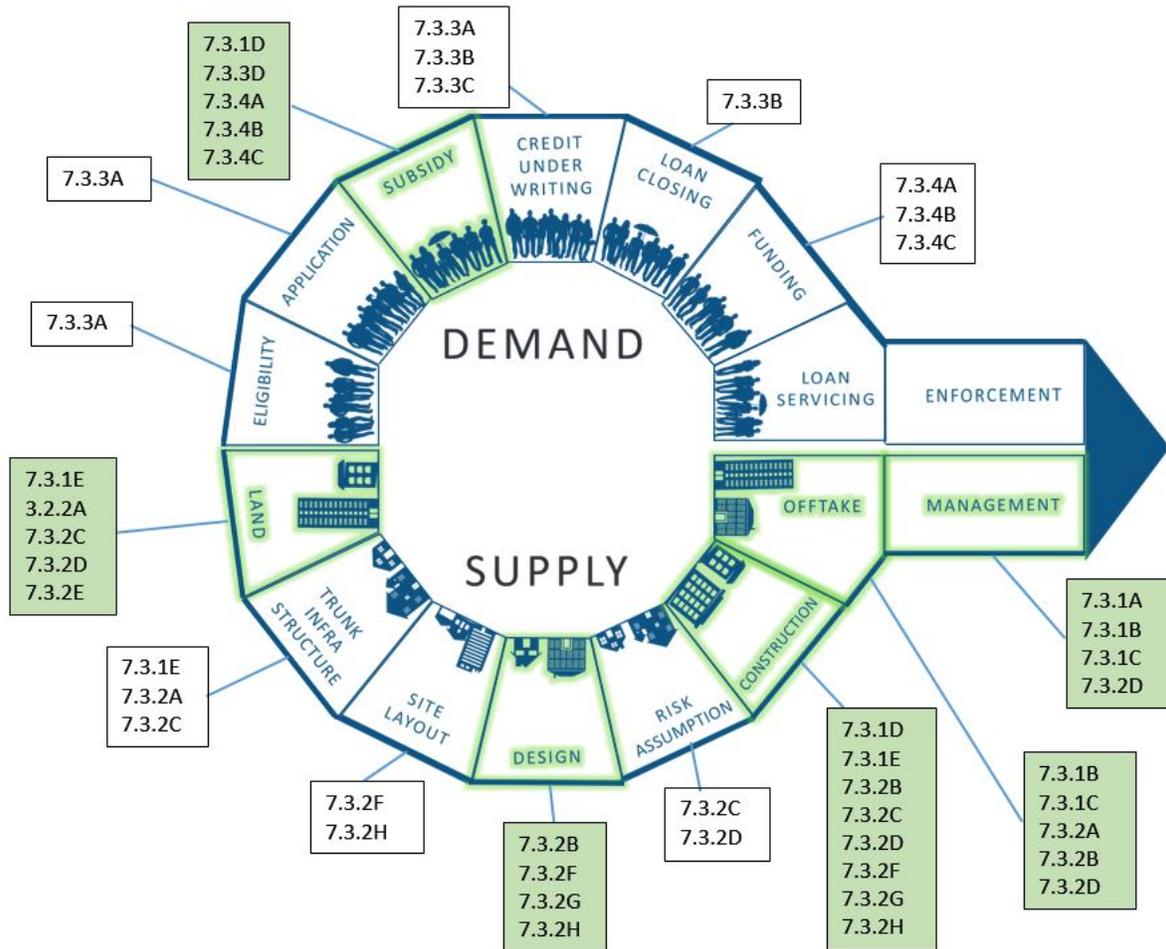
<b>Description</b>	Thoroughly investigate new and innovative sources of funding. New financing mechanisms that have been gathering momentum and attracting the attention of governments and public authorities, investors, social services providers, researchers, and evaluators in other parts of the world include Social Impact Bonds (SIBs), or "pay for success" financing, that harnesses private capital to fund expensive interventions in human services that have the potential of generating cost savings in the long-run.
<b>Key Actors</b>	INGOs.
<b>Where</b>	Lebanon.
<b>Why</b>	Innovative financing instruments complement traditional international aid to mobilize additional private sector resources to address specific market failures. Such instruments are worth exploring as Corporate Social Responsibility (CSR) and Corporate Philanthropy appear to be growing trends in Lebanon and the rest of the Arab World, where businesses are looking for various ways to integrate social impact programs into their business plans.  SIBs reduce the pressure on donors to come up with high up-front costs and shift the risk to private investors. They also encourage the collection of

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robust data on program performance. Earlier this month, the International Committee of the Red Cross launched what it is referring to as the world's first "humanitarian impact bond" to build and run three physical rehabilitation projects. Similarly, the World Bank developed a Pay-for-Results (PforR) financing instrument, and many other development funders are committed to "pay-for-success" or "pay-for-performance" models of financing.

<b>How</b>	Commission a study examining relevant case studies of new, smarter, and long-term financing methods and their applicability in the Lebanese context.
<b>Funding Required</b>	Minimal funding for an initial study of opportunities. Pilot funding to develop promising mechanisms and pilot them with appropriate programming.
<b>Role of Key Actors</b>	Commission a study, design and test the new mechanism, implement programming consistent with the funding design.
<b>Potential Impacts</b>	Longer-term and revolving funds become available for interventions in the housing sector, thereby enabling growth and innovation in solutions, and scalability across a range of vulnerable populations and geographies within Lebanon.
<b>Limitations</b>	More research and design required before implementing a pilot. Setting up new financing mechanisms can take time and coaching of funders/investors.
<b>Reference case studies</b>	Case study 6.

Figure 14: Housing value chain links targeted by the recommendations



## 7.4 Way Forward

Though vulnerable populations in Lebanon face many challenges in accessing adequate and affordable housing, they are not insurmountable. There are concrete opportunities to improve the ecosystem by directing existing and new resources toward the development of strategic and sustainable solutions. The national government has an opportunity to create an enabling environment through the development of carefully designed policies and programs. Municipalities have an opportunity to create change in their jurisdictions by engaging actively in partnerships to develop affordable housing, and incorporating goals into future planning that address the highlighted challenges. Local community based organizations working in the shelter sector can act as mission-oriented developers in the design and implementation of housing initiatives. They can also act as facilitators or catalysts for greater engagement by the private sector (in both supply side and demand side activities), which is increasingly willing to get involved in the low-income housing development ecosystem. With concerted focus, new partnerships, innovative thinking, and strategic direction of resources housing policies and interventions can be designed and implemented that will substantially increase access to quality and affordable housing for vulnerable

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populations in Lebanon. Potential interventions will have to be designed on a case-by-case basis because there are, of course, variations in the interest level and capacity of different stakeholders throughout the country. However, we have tried to propose interventions that are based on partnership among organizations, so that complementary capacities can be leveraged and partners' engagement levels can vary over time. Additionally, and finally, we expect that with reasonable levels of support in capacity building, municipalities and CBOs could increase their role over time to ensure the sustainability of the interventions.

## Annex 1 Legal Challenges for Displaced Syrians in Lebanon

*The following information was collected through written reports and un-structured interviews with staff from NRC and UNHCR in Lebanon.*

In thinking through the legal status of displaced Syrians in Lebanon, it is important to consider the following:

1. **Entry to the Country:** Lebanon is not a signatory of the 1951 refugee convention. Instead, many consider that displaced Syrians entered Lebanon under the 1993 agreement that legislates Syrian-Lebanese relations and allowed Syrians to work in Lebanon. Since Dec. 2014, in violation of the above listed agreement, Lebanon imposed restrictions on Syrians to enter the country. From there on, Syrians can enter the country only through one of the six types of visa categories (e.g. business/work, tourist, student, property owner, or medical). These legal barriers have made it virtually impossible, in the assessment of NRC's lawyer, for displaced Syrians to enter Lebanon legally since that date.
2. **Maintaining a Legal Status:** There are numerous barriers for Syrians to maintain/keep a legal status in Lebanon today particularly because the legal framework that legislates their presence in the country has changed numerous times. To begin with, a ban placed on UNHCR to register new refugees since 2015 has rendered a large section of the displaced Syrians "invisible" or "unregistered". Furthermore, the legal framework organizing the presence of refugees and their access to work has changed numerous times, with the imposition of residency permits, sponsorship systems (*kafala*), the payment of fees, etc. All in all, NRC estimates that the residency status of some 80-90% of Syrians in Lebanon is "illegal". Similar figures (80%) are proposed by UNHCR whose recent report notes that between 2015 and 2016, when registration was stopped, the number of "illegal" refugees went from 9% to over 70%. UNHCR connects this spike to the fuzziness of the legal system, the fees it imposes on displaced Syrians to secure legal papers, and the slowness of the process.

Furthermore, to be "legal", most displaced Syrians –needing work- require/required a "sponsor" or "kafeel", a Lebanese individual who would guarantee their presence and secure their employment. Since one's legal status depends on one's employer, dependence of refugees on employers was increased, consequently increasing their vulnerability towards the same person and thus the potential for abuse. UNHCR has found evidence of severe abuse of refugees, including sexual abuse, for securing a legal status.

3. **Securitization of displaced Syrian presence:** Syrians in Lebanon have been subjected to numerous restrictions since 2012. Some of these restrictions stem from the position of the national government that has resorted to a security-based response to the presence of refugees, setting up a security cell in January 2013 and generally framing the presence of refugees through a security framework. This "securitization" seeps in popular media and discourses where refugees are presented as a "threat."
4. **Restrictions:** Throughout the country, many municipalities have resorted to taking measures to reduce the freedom of displaced Syrians and refugees, either through written and open statements or just by word of mouth. The most typical measure has been imposing curfews after a certain hour but others have also taken their papers, imposed financial penalties on them, prevented them from

accessing public gardens, prevented their presence in particular areas and, more recently, their presence in entire municipal territories. Curfews may be effectively imposed by municipal police but also by young men in villages, creating severe tensions between communities.

In sum, displaced Syrians are placed in a vulnerable and precarious position due to their legal status. This vulnerability constrains their mobility, and consequently their access to work, decent shelter and livelihoods.

**We can safely say that the legal framework in which displaced Syrians presence is legislated increases their housing vulnerability and the poor shelter conditions in which they dwell.** More specifically, there are at least three things we can think of:

1. The vulnerable legal status of many displaced Syrians has strong repercussions on their social positions and consequently, their ability to negotiate the conditions of their presence. At work, there is ample evidence that refugees are more likely to settle for lower or no pay at all, and unwilling to step up and seek any recourse because of fear of exposure. In shelter, they are less likely to resist rent increases and/or evictions, even if the latter are unfair. This is because they fear any interaction with the police and can have no recourse if there are conflicts/problems. Given their status, there is no way they would consider going to court, visiting official agencies and/or other public agencies that could support them in their claims.<sup>118</sup>

Interviewed about the quality of their homes, residents explicitly spoke of an inability to negotiate with anyone. One family told us that they sometimes spend days hungry just to pay the rent, as they know *they cannot negotiate*.

2. The fact that many displaced Syrians depend on the same person for their tenure security, employment, and housing is again a critical reason for their heightened vulnerability. In other words, they are unable to negotiate improvements on any of these sectors as they are often highly dependent on the same person for three sources of livelihood (i.e. secure presence, work, and shelter).<sup>119</sup>
3. Research has shown that people rarely invest in housing when the threat of displacement is very high. In other words, individuals will not invest in their shelter and community as long as they realize they can be evicted anytime. This will have the long-term effect of reducing the chances of any housing improvement or consolidation, with potentially negative side effects for the cities and towns where they dwell.

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<sup>118</sup> For example: In Hermel and in Halba, one of the researchers interviewed men (for another project) who had worked on jobs where employers refused to pay them after the fact, arguing that *they had not done a good job*. In both cases, the men knew that that was not the case, but they could not argue since they said explicitly they were afraid “of a fight”.

<sup>119</sup> This point was stressed by NRC lawyer repeatedly, this high dependence on the same person. A team member interviewed a family in Saida whose employer had granted them an apartment. He eventually asked the man to do a night shift/guard the store, which meant that the man would come home for 2 hours to shower and leave. Sometimes, his son would replace him, so he can sleep for a little longer, but the son then leaves school.

## Annex 2 Detailed Housing Value Chains

### **Supply-Side**

**Stakeholders:** General Directorate of Land Registry and *Cadastre* (DLRC) under the Ministry of Finance, Cadastre Administration (*Da'irat al Massaha*), Land Registry, Urban Planning Authority, Ministry of Finance, Ministry of Environment, Direction des Antiquités, municipalities

### **Land administration**

The General Directorate of Land Registry and Cadastre (DLRC) is the public entity in charge of land administration. Within the DLRC, the Land Registry records, registers and identifies land properties and updates the cadastral plans and surveys. Based on these documents, the Cadastre Administration establishes and updates the Land Registry as modifications occur (sales, allotment, and expropriation). The *Cadastre* only covers 50% of the total land surface of the country.<sup>120</sup> State and municipal public land/domain and state private land are not registered. Other public entities are active in the realm of land administration. The Ministry of Environment intervenes in the protection of coastal urban land, the preservation of natural parks, the management of waste and the prevention of risks related to the environment. The Directorate of Antiquities, created in 1933 under the Ministry of Culture, is responsible for the inventory of architectural heritage and the preservation of historical neighborhoods.

Land administration policies are geared towards the modernization of the *Cadastre* and the reform of land taxation. The DLRC launched the *Cadastre Opération* Modernization and Automation Project (COMAP) in 1993. The project was financed by the PNUD and the World Bank.

Currently, it takes 8 procedures, 34 days and it costs 5.9% of the property value to register a property in Lebanon. Sales deeds are signed with a notary or directly with the Land and Trust services. Recently, registered properties have increased in number but decreased in value.<sup>121</sup> The detailed steps, time and cost involved in registering property in Lebanon<sup>122</sup> are summarized below:

- Obtain an updated Real Estate Certificate from the Land Registry (1 day and USD 7 or LBP 10,600)
- Obtain an official cadastral map (1 day and USD 13 or LBP 19,655)
- Obtain an urban plan certificate from the Urban Planning Authority and the Municipality (10 days and USD 4 or LBP 6,050)
- Obtain tax clearance from the Municipality (3 days and USD 5 or LBP 7,560)
- Preparation of the sale agreement by the notary (2 days and USD 993 or LBP 1,501,000)
- Inspection of the property by the Tax Authority to get an official estimate of its rental value (10 days and no cost)
- Obtain an official estimate of the rental value of the property from the Tax Authority (3 days and USD 3 or LBP 4,500)

Apply for registration at the Land Registry (10 days and USD 49 or LBP 74,100 (Flat taxes) + 5% of property value and other fees)

<sup>120</sup> General Directorate of Land Registry and Cadastre, Republic of Lebanon, Ministry of Finance, 2011.

<sup>121</sup> General Directorate of Land Registry and Cadastre, 2011.

<sup>122</sup> The World Bank, *Doing Business 2017: Equal Opportunity for All*, The World Bank, 2017, <http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Annual-Reports/English/DB17-Report.pdf>

### **Land use policies**

The regulatory framework related to construction allows for a much higher exploitation of a plot of land, especially after the changes to the Building Law in 2004. In 1995, a new regulation (Law 402/1995)<sup>123</sup> allowed hotel developers to double the exploitation ratios imposed by urban regulations. Later in 2004, a new building law (Law 646/2004) was issued, increasing considerably allowable built-up areas. For instance, the ratio of building height to street width was increased from 2 to 2.5 and certain elements were excluded from the calculation of the allowable building percentage (such as balconies, staircases, elevators, and parking areas up to a certain limit). According to interviews with civil servants and private developers (Krijnen and Fawaz, 2010)<sup>124</sup>, the 2004 law was drafted by developers, seeking to facilitate the construction of high-density developments for the high-end market.

### **Property taxation policies**

The fiscal system also encourages speculative investments on land and buildings. Land prices and private property are favored by low taxation. Profits made by joint-stock and limited liability companies from residential real estate developments are taxed at a rate 50% less than regular revenues, holding companies are exempted from paying income taxes, and real-estate developers are entitled to adjust the price of land to its market rate in 1992 rather than the price at which they had purchased the lot, hence reducing considerably the taxes they have to pay on the profit they make.<sup>125</sup>

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<sup>123</sup> "This law was issued for the duration of 5 years and extended in 2001 by Law 339, which expired in 2006. It is not yet clear if and when the law will be renewed but according to a legal expert at IDAL (interviewed by M.K. on 28 December 2009) the authorities intend to renew it." In Krijnen and Fawaz, "Exception as the rule: high-end developments in neoliberal Beirut," *Built Environment* 36, no. 2, (2010).

<sup>124</sup> Krijnen and Fawaz, 2010.

<sup>125</sup> Krijnen and Fawaz, 2010.

### ***Property ownership by foreigners***

On one hand, the legislation facilitates the acquisition of property for non-nationals for investments (Law 772/2006 and Law 771/2006), offering incentives such as tax exemptions.<sup>126</sup>

On the other hand, the Lebanese legislature passed a law in 2001<sup>127</sup> stating that “No real right of any kind may be acquired by a person who does not carry a citizenship issued by a recognized state or by a person if such acquisition contradicts with the provisions of the Constitution relating to the prohibition of permanent settlement.” The law amended the rules in terms of ownership by foreigners with the result that Palestinians living in Lebanon are prevented from buying or selling plots of land or houses. The amendment also provided that Palestinian refugees who owned a property prior to 2001 cannot pass it onto their children.<sup>128</sup> The government will seize any property belonging to a deceased Palestinian. In January 2011, the government rejected the UN Human Rights Council’s recommendations that Lebanon needs to recognize the right to property ownership to Palestinians.<sup>129</sup>

#### ***Key challenges:***

- Under-reporting is large in magnitude (part of the sales are not reported or reported after a long period of time). It is also impossible to distinguish between sales and successions.
- Declared values are also under-reported in order to minimize the tax burden
- Undeveloped and unbuilt properties are not taxed
- Land speculation is significant due to the flexibility in the regulations.
- Main political actors, some of them members of the Parliament, are also main real estate investors.
- Fiscal revenue from land and property related activities are limited.

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<sup>126</sup> Abir Saksouk, “Where is Law? Investigations from Beirut,” Public Works Studio.

<sup>127</sup> Amendment 296 of the 3<sup>rd</sup> April 2001

<sup>128</sup> Canada: Immigration and Refugee Board of Canada, *Liban: traitement réservé aux réfugiés palestiniens, y compris concernant les pièces d'identité, la liberté de circulation, les droits de propriété, l'accès aux services sociaux, à l'éducation et à l'emploi, ainsi que les conditions de vie*, November 15, 2011, <http://www.refworld.org/docid/5075533a2.html>.

<sup>129</sup> UN, Human Rights Council, “Report of the Working Group on the Universal Periodic Review: Lebanon,” January 12, 2011.

**Stakeholders:** Ministry of Energy and Water Resources, water establishments, municipalities, NGOs

**Process:** According to the Council for Development and Reconstruction (CDR), only 65% of households have access to water networks in the North region.<sup>130</sup> This study also highlights the fact that the influx of displaced Syrians is putting an additional pressure on water demand, from 8 to 12%. According to a survey conducted by UNHCR, 39% of the displaced Syrians interviewed did not have access to ‘improved’ drinking water sources and often rely on alternative delivery systems such as bottled water or delivery trucks.<sup>131</sup>

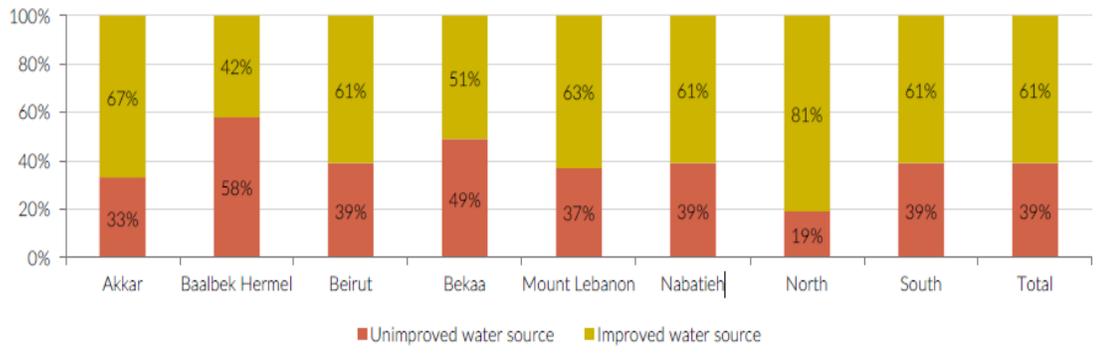


Figure 15. Percentage of households using improved and unimproved drinking water sources. Source: UNHCR, Vulnerability assessment of Syrian refugees in Lebanon in 2015.

At national level, 65% of households are connected to sewage networks.<sup>132</sup> There are significant differences between regions. The use of unimproved sanitation facilities, like open air canalizations, septic tanks and open pit latrine, is higher in rural than in urban areas.

This situation could be explained by fast urbanization, which marked the War and post-War periods, and the lack of local authorities’ resources and capacities to invest in costly infrastructure.<sup>133</sup>

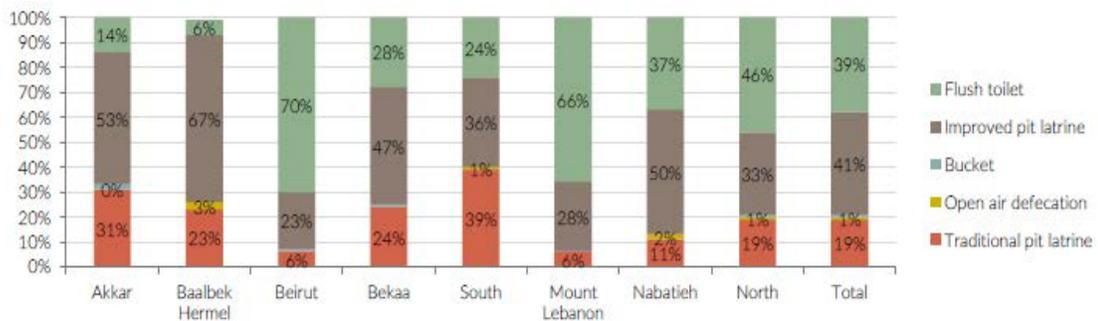


Figure 16. Percentage of households using sanitation facilities by governorate. Source: UNHCR, Vulnerability assessment of Syrian refugees in Lebanon in 2015.

<sup>130</sup> CDR, 2016, *op.cit.*

<sup>131</sup> UNHCR, UNICEF, WFP, 2015, *op.cit.*

<sup>132</sup> CDR, 2016, *op.cit.*

<sup>133</sup> CDR, 2016, *op.cit.*

The CDR, in collaboration with the Ministry of Energy and Water and the water establishments, has implemented a number of sewage networks and waste water treatment plants (WWTP) in coastal & inland main localities: Today 18 WWTP are completed (8 of which are coastal and 12 are inland).<sup>134</sup> Other 32 small inland WWTP was implemented by US AID in consultation with the Municipalities. However, only 45% of these plants are functional. The Syrian crisis has increased the already existing pressure on wastewater and sewage networks, thus making the focus on developing and upgrading these networks a priority for municipalities across Lebanon. However, many of the implemented WWTPs have not been functional due to high operational costs and absence of connecting networks.

The Syrian crisis is estimated to have caused a rise of 8% to 14% in wastewater production, which has primarily affected the Cazas of Zahle, Baalbek, Akkar, and Baabda. It has also impacted natural resources in Lebanon, such as the Litani River Basin area in the Bekaa, where wastewater has risen from 12% to 19%.<sup>135</sup> Furthermore, overcrowding and lack of public sanitation facilities in informal tented settlements have been a major hygiene issue. However, in the last two years, large investments in WASH projects, led by NGOs and international organizations, have contributed to solutions, especially in addressing informal tented settlements.

**Key challenges:**

- Limited ability to connect to infrastructure
- Water quality deterioration and increase of diseases related to water contamination
- Overstressing of existing water, solid waste, wastewater management, and electric infrastructure
- Increased pollution of surface and ground water

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<sup>134</sup> CDR, 2016, *op.cit.*

<sup>135</sup> CDR, 2016, *op.cit.*

**Stakeholders:** Directorate General of Urbanism (DGU), Higher Council for Urban Planning (HCUP), Council for Development and Reconstruction (CDR), municipalities

**Process:** The Directorate General of Urbanism (DGU) is the public entity in charge of urban land management in Lebanon.<sup>136</sup> The DGU is responsible for developing and reviewing master plans all over Lebanon. The Urban Planning Code (n. 69/1983) provides three categories of urban tools related to three scales of planning:

- The territorial land use plan (the main framework for all local urban plans and regulations). However, the issuance of the territorial land use plan came late, in 2009, whereby no national territorial land use plan was ever adopted
- The Master Plan (legally binding solely for public authorities and should function to promote public interest by defining major land use orientations and setting priority issues for planning)
- The Detailed Master Plan (conceived at the scale of the plot and is legally binding for all citizens) is the main tool mobilized by public institutions in Lebanon to control urban sprawl whereby, in 2014, there were 568 active Detailed Master Plans, in addition to the development of new Detailed Master Plans in the preceding decade. That said, public administrations commonly deviate from the recommendations of Detailed Master Plans, especially in terms of implementation of infrastructure projects.

One of the main gaps of the urban planning code however, is that it did not revoke an existing law allowing construction in all unplanned areas within the country, which has severely undermined the effectiveness of the code in controlling urban sprawl.

In 2005, the Higher Council for Urban Planning (HCUP) decided to reduce the exploitation ratios on lands not covered by urban plans from 40 to 25% for floor areas, and from 80 to 50% for the total built up areas.<sup>137</sup> This decision was a first step in answering the issue of the increasing development of non-planned territories in Lebanon, which had been fostered by the regulations of the building code and the increased use of private land pooling and land subdivision activities.

The construction of housing units in remote areas forces the government to extend existing infrastructure and provide access roads, water networks and electricity. However, the legislation provides for the developers to participate and cover the additional expenses.<sup>138</sup>

**Key challenges:**

- Development of non-planned territories in Lebanon
- Construction of housing units in remote areas

<sup>136</sup> UN-Habitat, *Reforming urban planning system in Lebanon: Findings of the research/assessment*, June 2013.

<sup>137</sup> UN-Habitat, 2013, *op.cit.*

<sup>138</sup> UN-Habitat, 2013, *op.cit.*, p 39.

<b>Design</b>	<p><b>Stakeholders:</b> Private developers, architecture firms</p> <p><b>Process:</b> In 2007, population occupied 31% individual houses and 67% apartments.<sup>139</sup> Half of the housing units are in Beirut and Mount Lebanon. In 2007, households lived mainly in 4 rooms units (31%), 3 rooms (25%) and 5 rooms (21%). Very few lived in studios or 1 bedroom (2%).<sup>140</sup> At the national level, the average dwelling is 132m<sup>2</sup>. (Average of 30m<sup>2</sup> per person) and 42% of the units are between 80-130m<sup>2</sup>. Areas are smaller in Beirut. (118m<sup>2</sup>).</p>
<b>Risk assumption</b>	<p><b>Stakeholders:</b> Private developers</p> <p><b>Process:</b> Lebanese developers are mostly small to medium entrepreneurs with a wide network of subcontractors. There are some large developers, like Solidere, (Société libanaise pour le développement et la reconstruction), which focus mainly on high-end commercial and residential developments. Solidere's activities include planning, allotment, site preparation, and management of services.</p> <p><b>Key challenges:</b></p> <ul style="list-style-type: none"> <li>• Most existing developers focus on high-end developments, mainly in large cities like Beirut.</li> </ul>

<sup>139</sup> Najwa Yaacoub and Lara Badre, *Population and Housing in Lebanon*, Statistics In Focus (SIF), Central Administration of Statistics, Lebanon, issue number 2, April 2012.

<sup>140</sup> Yaacoub and Badre, 2012, *op. cit.*

**Stakeholders:** Construction firms, private developers, Directorate General of Urban Planning (DGU), Higher Council for Urban Planning (HCUP), Ministry of Public Works, Ministry of Finance, Beirut Order of Engineers, Real Estate Registry, municipalities

**Process:** After 2008, the number of construction permits application grew significantly. 90% of building permits concern luxury developments in Beirut and more than 50% in the entire country since the beginning of the real estate boom. However, there is now an increase of the unsold stock of luxury housing in Beirut.<sup>141</sup> This lower demand for large areas, along with the increase of land prices has led to a shift toward the development of smaller areas.

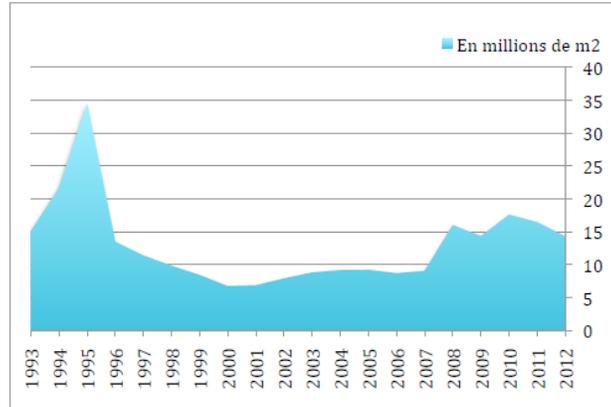


Figure 17. Construction permits in Lebanon 1993-2012.  
Source: Banque du Liban, Clerc 2013.

<sup>141</sup> Clerc, "Revue des Politiques," 12-13.

To obtain a construction permit it takes an average of 244 days and 18 procedures<sup>142</sup> (13 on the building quality control index (0-15)):

- Obtain a recent planning certificate (7 days and USD 500 or LBP 755,975)
- Obtain a topographic study (3 days and USD 5,000 or LBP 7,559,750)
- Hire a technical auditor and obtain approval of drawings (10 days and USD 4 or LBP 6,050)
- Obtain approval of file by Order of Engineers (where engineer is registered) and pay duties to Order (4 days and USD 1,291 or LBP 1,952,000)
- Submit building permit application to Urban Development Department (1 day, no charge)
- Request and receive pre-approval inspection from Urban Development Department (40 days, no charge)
- Pay building permit taxes to the municipality (1 day and USD 6,572 or LBP 9,937,000)
- Obtain building permit (120 days, no charge)
- Obtain starting order permit from Order of Engineers (3 days and USD 132 or LBP 200,000)
- Submit permit from Order of Engineers to the police (1 day, no charge)
- Request and receive inspection from the Ministry of Public Works for water and sewage (10 days, no charge)
- Submit application and receive approval for an occupancy permit from the Order of Engineers (4 days, USD 199 or LBP 301,000)
- Submit application and receive approval for an occupancy permit from the DGU (1 day, no charge)
- Receive on-site inspection from the DGU (1 day, no charge)
- Obtain occupancy permit (30 days and USD 17 or LBP 26,000)
- Receive onsite inspection from the Ministry of Finance and obtain estimate of leasing value of the warehouse (1 day and USD 3 or LBP 4,500)
- Register the building with the Real Estate Registry (14 days and USD 4,518 or LBP 6,831,000)

The building code provides minimum acceptable standards for ensuring ventilated and sunlit constructions. However, in practice, these standards are not met due to limited inspection and control in post construction. Moreover, the building code itself has known relatively few amendments and consequently does not sufficiently integrate new internationally recognized requirements particularly in terms of sustainability, hazardous construction materials, and accessibility for people with disabilities.<sup>143</sup> To address limited building construction standards in Lebanon, many actors are mobilizing to widen the scope of requirements in the present building code.<sup>144</sup> In the context of large projects, the Directorate General of Urban Planning (DGUP) tends to impose additional requirements regarding environmental and accessibility issues. The Order of Engineers and Architects has been active in proposing amendments to the code in order to take aspects relating to sustainability and material quality into consideration. Specialized NGOs, like the Lebanese Green Building Council (LGBC) and the Association Libanaise de Maîtrise de l'Énergie (ALMEE), have developed standards for sustainable building requirements specific to Lebanon.<sup>145</sup>

<sup>142</sup> The World Bank, 2017, *op cit.*

<sup>143</sup> CDR, 2016, *op.cit.*

<sup>144</sup> CDR, 2016, *op.cit.*

	<p><b>Exemption procedures</b></p> <p>Earlier research indicates that informal exemptions from legal mandates are one of the main ways in which lower income dwellers (especially those living in informal settlements) are admitted to the city with truncated entitlements.<sup>146</sup> They are, for example, given a one-time-only permission to build limited size homes or are provided services through year-by-year exemptions that entitle them to receive water or electricity exceptionally because their homes are described as violating urban or building regulations.</p> <p>Private actors also benefit from exceptional procedures. The process to obtain a building permit for a high-end development often differs from the formal procedure described above and follows a more exceptional and informal process.<sup>147</sup> The Higher Council of the Directorate General of Urbanism (DGU) grants permits on case by case basis. This exceptional permitting procedure is based on the “special architectural and urban characteristics” of a project that are considered valuable for the neighborhood where it is located. The minimum lot size for the building must be 4,000 m<sup>2</sup> to file under this exceptional procedure. The majority of high-end developments built in Beirut during the last decade benefited from some form of exemption.<sup>148</sup></p> <p><b>Key challenges/ successes:</b></p> <ul style="list-style-type: none"> <li>• Limited inspection and control of the construction site and the buildings</li> <li>• The exceptional permitting procedure favors high-end property developments.</li> </ul>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Offtake</b></p>	<p><b>Stakeholders:</b> Private developers</p> <p><b>Process:</b> Developers are in charge of the selling of the housing units once the construction is completed, mainly to individuals.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Management</b></p>	<p><b>Stakeholders:</b> Tenants, private developers</p> <p><b>Process:</b> Old buildings are not bound by regulations requiring ongoing maintenance, leading to the deterioration of such buildings and possibly heightened risk of collapse. This is largely the case of old buildings with high real-estate value in central areas of Beirut. In fact, land value is more profitable in these areas than the possible rental value of already constructed buildings. Awaiting a lucrative transaction, landlords therefore tend to refrain from renovating these old buildings.</p>

<sup>145</sup> CDR, 2016, *op.cit.*

<sup>146</sup> Fawaz, 2009a.

<sup>147</sup> Krijnen and Fawaz, 2010.

<sup>148</sup> Krijnen and Fawaz, 2010.

## Demand Side

### Eligibility

**Stakeholders:** Commercial banks, PCH, Housing Bank, Central Bank, NGOs, Ministry of Displaced People and Autonomous Fund for the Displaced, Council for the South, MFIs, Directorate General of Cooperatives

### **Traditional mortgages**

Commercial banks offer market-rate housing loans (for purchase, construction, or renovation of a house) in US dollars or Lebanese pounds to Lebanese citizens living in Lebanon or abroad. Loans finance up to 75% of the value of the property over a repayment period of 5-30 years, with variable interest rates typically ranging from 4-8% (cost of funds plus 3.5%). They usually have processing fees (file fees and real estate fees) that range from several hundred to over a thousand dollars and require life insurance covering the loan amount (typically paid over 2/3<sup>rd</sup> of the loan period), fire and disaster insurance, other guarantees (i.e. primary and secondary collateral), and proof of steady income. Each commercial bank usually requires borrower to use a particular contracted insurance provider. They also have a minimum loan amount, a minimum monthly income requirement and age restrictions (maximum age of 64 at maturity), and monthly payments typically cannot exceed 35% of household monthly income. Some commercial banks also offer Sharia-compliant housing loans and loans for buying land (for example, Byblos Bank).

### **Loans through public agencies**

Commercial banks also offer specialized housing loans via agreements signed with government agencies. The Central Bank lends to commercial banks at a 1% interest rate for these loans, which have preferential interest rates and/or no fees and include the following:

- Military housing loan (Cooperation Protocol signed with Housing System for Military Volunteers)
- Internal Security Forces member (Cooperation Protocol signed with General Directorate of Internal Security Forces)
- Judge housing loan (Cooperation Protocol signed with the Cooperative Fund of Judges)
- General Security housing loan (Cooperation Protocol signed with the General Directorate of General Security)
- Displaced housing loan (Cooperation Protocol signed with Ministry of Displaced)

Under the BDL Intermediate Circular 313, interest rates for specialized housing loans were set as follows: 2.128% for the Military Housing Loan, 2.128% for the Judge Housing Loan, 2.128% for the Displaced Housing Loan, 2.128% for the ISF Housing Loan and 2.128% for the General Security Housing Loan.

### **Government-subsidized private bank home loans**

A number of commercial banks also offer two types of government-subsidized home loans: the Public Corporation for Housing loan and the Central Bank (Banque du Liban; BDL) housing loan.

### BDL housing loan:

Since the mid-1990s, the Central Bank has offered incentives for private banks to provide housing loans<sup>149</sup> by reducing their required reserves.<sup>150</sup> Over 26 commercial banks offer the BDL housing loan, which is available in USD or LBP and for Lebanese citizens (residents and expatriates) only. The loan finances up to 90% of the property value, has a repayment period of 7 to 30 years, and a maximum amount of LBP 800 million or USD 530,350.

### Eligibility Criteria and Loan Terms for BDL Loans\*

Eligibility Criteria	Loan Terms
<ul style="list-style-type: none"><li>Lebanese citizen residing in Lebanon or abroad.<ul style="list-style-type: none"><li>Income: at least USD 1,000 (LBP 1,511,950)/month for employees and USD 2,000 (LBP 3,023,900) for self-employed.</li></ul></li><li>Employment: at least 2 years of work experience.</li><li>Purpose: targeting those who want to purchase or build a house or apartment.</li></ul>	<ul style="list-style-type: none"><li>Loan-to-value ratio: 75% for Lebanese residents and 70% for Lebanese expatriates.</li><li>Loan tenor: 30 years.</li><li>Maximum loan amount: USD 530,350 (LBP 800 million)</li><li>Interest rate: 25% of the return on 1-year Treasury Bills + 2.5% for the remaining loan period.</li></ul>

- \*: Eligibility criteria and loan terms may vary slightly from bank to bank.

### Public Corporation for Housing (PCH) housing loan:

Eligibility Criteria	Loan Terms
<ul style="list-style-type: none"><li>Income: three income categories, up to 10 times minimum wage. Category A (&lt; USD 400 / LBP 605,140); Category B (USD 400-1,200 / LBP 604,780 – 1,814,340) and Category C (USD 1,200 – 2,000 / LBP 1,814,340– 3,024,000).</li><li>Employment: fixed job for 2 years and a fixed monthly income.</li><li>Purpose: targeting those who want to purchase or build a house or apartment. Loan can also be used for refurbishing, restoration, completion or expansion of existing homes.<ul style="list-style-type: none"><li>Apartment: area restricted according to income category (maximum 200m<sup>2</sup>.) and maximum price of the house is restricted to USD 350,000 (LBP 529,200,000).</li></ul></li><li>Age: 21 up to 65 at conclusion of 75% loan repayment.</li></ul>	<ul style="list-style-type: none"><li>Loan-to-value ratio: 90%</li><li>Loan tenor: 7 to 30 years<ul style="list-style-type: none"><li>Maximum loan amount: USD 180,000 (LBP 272,151,000); payments not to exceed 30% of monthly income.</li></ul></li><li>Subsidy: PCH settles the interest for the first half of the mortgage period and the borrower pays back the interest to PCH during the second half at a reduced rate.<sup>151</sup> Principal installments are paid to the commercial bank.</li><li>PCH beneficiaries exempted from property registration fees and stamp fees.</li></ul>

<sup>149</sup> Fawaz, *Access to Housing by the Poor*, 29.

<sup>150</sup> Specifically, the Central Bank established the BDL housing loan, offered in Lebanese pounds, as part of its 2009 Circular no. 185 to incentivize lending by reducing banks' reserve requirements to 60% of the loan portfolio amount and lending to the banks at a 1% interest rate for such loans. Until 2009, commercial banks only offered PCH housing loans in Lebanese pounds; however, at this time, deposits in the Central Bank were sufficient to grant banks the exemption from the reserve requirement.

<sup>151</sup> Executive magazine, Real estate special report, June 2015, p 68.

The Public Corporation for Housing (PCH; l'Établissement Public de l'Habitat) was established in 1997 by Law 539 to facilitate housing loans in Lebanese pounds for lower income households who are unable to access regular bank loans. Though initially set up to run a program to promote access to housing in the Elyssar project's redevelopment of the southwestern suburbs of Beirut, the PCH ended up serving all of Lebanon with the introduction of its loan program in 1999.<sup>152</sup> The housing loan program is a partnership between the PCH and Lebanese private banks, though a public-private protocol signed with around 28 banks. The PCH loan program draws on property-related government revenues, such as a portion of construction and building permit fees.<sup>153</sup>

Loans finance up to 80% of the property's value for Lebanese residents and 70% for Lebanese expatriates.<sup>154</sup> After the borrower deposits their down-payment for the home purchase, they can access 90% of the approved loan amount at the commercial bank that has agreed to issue the loan. This bank will wire the remaining 10% of the loan to PCH, where this amount is held in an interest-bearing account to the benefit of the borrower.<sup>155</sup> Repayment of the PCH loan is divided into 2 phases.<sup>156</sup> The interest rate is variable (adjusted every one to two years) and based on two-year Treasury Bills plus 3.5%.

In February 2017, the PCH announced that it would drop its interest rate on housing loans by 33% (from 5.07% and 4.67% to 3.73% and 3.285%) to enable more Lebanese citizens to buy homes.<sup>157</sup> Banks also offer a PCH housing loan with a 0% interest rate that finances up to 100% of the primary residence value.<sup>158</sup>

PCH housing loans represent half the number of mortgages in the market,<sup>159</sup> though the income eligibility criteria<sup>160</sup> restrict them from reaching a greater number of low-income households. About 80% of the PCH loans cover purchases of apartment units in Beirut and Mount Lebanon.<sup>161</sup> Since 1999, PCH has serviced 67,000 households, amounting to a cumulative loan value of LBP 7.3 trillion (USD 4.8 billion). These loans are predominantly used to purchase finished apartments.<sup>162</sup> In 2011, PCH increased its loan ceilings, largely in response to increased demand for housing in smaller areas.<sup>163</sup>

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<sup>152</sup> Executive magazine, 2015, *op.cit.*

<sup>153</sup> Fawaz, 2003, *op. cit.*, p. 29.

<sup>154</sup> The loan-to-value can be increased to 80% for expatriates if the applicant provides an additional guarantee agreed upon by the bank, such as a real estate mortgage, or a bank guarantee, or a guarantor working in Lebanon.

<sup>155</sup> Executive Magazine, 2015, *op. cit.*, p. 68.

<sup>156</sup> For the first 15 years, the borrower pays the monthly instalments (of the principal) to the private bank, while PCH covers the interest. For the next 15 years, the borrower pays back the interest from the first 15 years plus 3% to the PCH, a total amount that is reduced by the deduction of the 10-year income generated from the 10% set-aside of the loan to PCH. In granting PCH loans, banks benefit from a reduction in reserve requirements to 80% of the PCH loan portfolio, which offset the banks' interest deficit. Moreover, the Central Bank allows commercial banks to invest part of their required reserves, a value equal to 40% of their PCH loans, in treasury bills.

<sup>157</sup> "Institute of Public Housing to Cut Interest Rates on Loans," *The Daily Star Lebanon*, February 28, 2017, <https://www.pressreader.com/lebanon/the-daily-star-lebanon/20170228/281672549722116>

<sup>158</sup> Banque Libano-Française, "PCH Housing Loan 0%," BLF, <http://www.eblf.com/en/PCH-Housing-Loan-zero?TG=0>.

<sup>159</sup> Alieh, "Fewer Loans," 2016.

<sup>160</sup> Monthly net household income must be greater than 675,000 LBP and cannot exceed 6.75 million LBP.

<sup>161</sup> Clerc, 2013, *op.cit.*

<sup>162</sup> Schellen, 2015, *op.cit.*, p. 64.

<sup>163</sup> CDR, 2016, *op.cit.*

Given the income restrictions, the PCH loan does not serve the lowest income groups in Lebanon. To reach lower income populations, PCH has encouraged rent-to-own systems in response to the Law 767/2006, which recognizes and legalizes rent-to-own leasing, as well as to mechanisms that encourage developers to invest in rent-to-own housing.<sup>164</sup>

*Housing Bank loans:*

<i>Eligibility Criteria</i>	<i>Loan Terms</i>
<ul style="list-style-type: none"> <li>• Income: at least USD 1,300/month (LBP 1,966,000).</li> <li>• Employment: fixed job for 2 years and a fixed monthly income.</li> <li>• Purpose: targeting those who want to purchase or build a house or apartment. Loan can also be used for refurbishing, restoration, completion or expansion of existing homes.</li> </ul>	<ul style="list-style-type: none"> <li>• Loan-to-value ratio: 80% for Lebanese residents and 60% for Lebanese expatriates.</li> <li>• Loan tenor: 30 years</li> <li>• Maximum loan amount: USD 530,350 (LBP 802,000,000); payments not to exceed 30% of monthly income.</li> <li>• Interest rate: 3%.</li> </ul>

The Housing Bank (Banque de l’Habitat) was established in 1977 as a public institution, and it was recapitalized in 1995 to be 80% owned by private banks, insurance companies, and individual investors and 20% owned by the public sector. In addition to managing the portfolio of Foreign Worker’s Certificates of Deposit,<sup>165</sup> the Housing Bank provides subsidized housing loans in Lebanese pounds and at a fixed interest rate to Lebanese households who are in an income category higher than those who are eligible for PCH loans, as well as to housing cooperatives.

In January 2017, the Housing Bank reduced its loan interest rate from 5% to 3% for both Lebanese working in Lebanon and abroad.<sup>166</sup> The minimum monthly household salary required to be eligible for a Housing Bank loan is 3 times the minimum official wage, and the maximum loan amount is 8 million Lebanese pounds.<sup>167</sup>

Although the Housing Bank is authorized to collect deposits, it mainly finances its lending through loans from commercial banks at a market interest rate, and the difference between the cost of resources and the interest rate offered to borrowers for their housing is mainly covered by income from a Stability Fund (USD 46.2 million / LBP 70 billion), financed by taxes collected from employers of foreign employees). As with other subsidized loans, the Housing Bank loans also benefit from a lower reserve requirement than for banks.<sup>168</sup>

<sup>164</sup> CDR, 2016, *op.cit.*

<sup>165</sup> “Who We Are,” Banque De l’Habitat, <http://www.banque-habitat.com.lb/about-us/who-we-are/#>.

<sup>166</sup> “Banque De l’Habitat Reducing the Loan Interest Rate from 5% to 3%,” Banque De l’Habitat, <http://www.banque-habitat.com.lb/news/banque-de-l-habitat-reducing-the-loan-interest-rate-from-5-to-3/>.

<sup>167</sup> “Housing Loan,” Banque De l’Habitat, <http://www.banque-habitat.com.lb/housing-loan/>

<sup>168</sup> Clerc, 2013, *op.cit.*, p. 63.

	<p><b>Loans to cooperatives</b></p> <p>The government has provided subsidies and incentives to the housing cooperative sector via the Directorate General of Cooperatives, which was established to form housing cooperatives to improve housing conditions for low income households.<sup>169</sup> The Public Corporation for Housing offers subsidized housing loans to housing cooperatives that are registered with the Directorate General of Cooperatives.<sup>170</sup> A total of 195 housing and credit cooperatives were registered as active with the Directorate General of Cooperatives in 2010.<sup>171</sup> However, housing cooperatives have had a minimal impact in the financing and delivery of low-income as a result of limited technical expertise and human and financial resources.<sup>172</sup></p> <p><b>Key challenges:</b></p> <ul style="list-style-type: none"> <li>• Eligibility restrictions for conventional and subsidized housing loans exclude most low-income households and all non-Lebanese households.</li> </ul>
Application	<p><b>Stakeholders:</b> Commercial banks, Housing Bank, NGOs, Ministry of Displaced People and Autonomous Fund for the Displaced, Council for the South, MFIs, Directorate General of Cooperatives</p> <p><b>Process:</b> For unsubsidized loans, PCH, and BDL loans, the application can be done online or at a bank branch. For Housing Bank loans, the individual must visit the head branch in Dora or one of the 4 other branches (Saida, Raouche, Zahle, and Tripoli).</p>
Subsidy	<p><b>Stakeholders:</b> Commercial banks, Central Bank, PCH, Housing Bank</p> <p><b>Process:</b> For subsidized loans (BDL or PCH) and Housing Bank loans, borrowers have preferential interest rates, waived or reduced file fees. Central Bank-authorized reductions in reserve requirements for commercial banks for BDL and PCH loans offset the interest deficit.</p>
Credit	<p><b>Stakeholders:</b> Commercial banks, Housing Bank, MFIs</p> <p><b>Process:</b> Many banks (including the Housing Bank) advertise that housing loan approvals or preapprovals are granted within 24-48 hours of submitting the application. The creditor usually requires the borrower to submit a real estate certificate to ensure that no other liens exist over the collateral.<sup>173</sup></p>

<sup>169</sup> Clerc, 2013, *op.cit.*, p. 62.

<sup>170</sup> <http://www.pch.gov.lb/Cultures/ar-lb/Pages/default.aspx>

<sup>171</sup> Hüseyin Polat, "Cooperatives in the Arab World: Reaffirming their validity for local and regional development," International Labour Organization, November 2010, 11.

<sup>172</sup> Clerc, 2013, *op.cit.*, p. 62.

<sup>173</sup> International Financial Law Review, "2013 Project Finance Report: Lebanon," International Financial Law Review (IFLR), <http://www.iflr.com/Article/3307291/2013-Project-Finance-Report-Lebanon.html>.

<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Loan closing</b></p>	<p><b>Stakeholders:</b> Commercial banks, Housing Bank, Real Estate Department, MFIs</p> <p><b>Process:</b> For a Housing Bank construction loan: loan is paid out in four payments against another real estate temporary guarantee or a bank guarantee. The last payment is made after issuance of completion of secretion and signature of another agreement to be registered in the Real Estate Department. After the issuance of a new property deed in the borrower’s name and a mortgage in favor of the bank, the temporary guarantee is released.<sup>174</sup></p> <p>Loans often require multiple types of collateral, including a first-degree mortgage, secondary collateral, and life and home insurance. Lebanese law requires four types of collateral: 1) mortgage over real property, 2) pledge over movable goods, 3) guarantee, and 4) assignment of insurance rights or payouts.<sup>175</sup> A security interest is established by the signing of a written agreement between the parties. Additional requirements depend on the security interest type (i.e. for mortgages, the security interest needs to be registered with the Real Estate Registry and secondary collateral must be filed with special registries for the respective type of good).<sup>176</sup></p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Funding</b></p>	<p><b>Stakeholders:</b> Commercial banks, Central Bank, PCH, Housing Bank</p> <p><b>Process:</b> For PCH loans, the Central Bank allows commercial banks to invest part of their required reserves, a value equal to 40% of their PCH loans, in treasury bills.<sup>177</sup></p> <p>The Housing Bank manages public and private funds and the portfolio of Foreign Worker’s Certificates of Deposits. Although it collects deposits, it mainly finances its lending through loans from commercial banks at a market interest rate, and the difference between the cost of resources and the interest rate offered to borrowers for their housing is mainly covered by income from a Stability Fund (USD 46.2 million / LBP 70 billion), financed by taxes collected from employers of foreign employees).</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Loan servicing</b></p>	<p><b>Stakeholders:</b> Commercial banks, Central Bank, PCH, Housing Bank</p> <p><b>Process:</b> BDL loans have a grace period of 6 months, and Housing Bank loans have a grace period of 3 or 6 months. Grace periods for unsubsidized commercial bank housing loans vary by bank. For loans administered by commercial banks, monthly payments are made at bank branches or via online payments.</p> <p>For PCH loans (up to 30 years), during first half of the loan period, principal is repaid to the bank; for the remaining half of loan period, the interest is repaid to PCH.</p>

<sup>174</sup> “Housing Loan,” <http://www.banque-habitat.com.lb/housing-loan/#result>

<sup>175</sup> “2013 Project Finance Report: Lebanon,” <http://www.iflr.com/Article/3307291/2013-Project-Finance-Report-Lebanon.html>

<sup>176</sup> Ibid.

<sup>177</sup> Clerc, 2013, *op.cit.*, p. 63.

**Stakeholders:**

**Process:** The Lebanese laws on secured lending allow for dispossession of collateral and the enforcement of the secured party's rights through the judicial system.

**Key challenges/ successes:**

- Enforcement procedures are lengthy.<sup>178</sup>

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<sup>178</sup> Randa Abousleiman, "Secured Lending in Lebanon: Access to Finance, IFC," SME Finance Forum, 2013, [https://www.smefinanceforum.org/sites/default/files/post/files/459822\\_s2 - secured lending in lebanon - randa\\_abousleiman.pdf](https://www.smefinanceforum.org/sites/default/files/post/files/459822_s2_-_secured_lending_in_lebanon_-_randa_abousleiman.pdf).

## Primary Actors and Initiatives in the Lebanese Housing Sector

<u>Institution/Initiative</u>	<u>Supply or Demand</u>	<u>Year Established</u>	<u>Type</u>	<u>Role</u>
Various NGOs (mostly religious)	Both			Produce and sell housing at subsidized rates to targeted populations. Provide housing loans
Central Bank	Demand		Public Entity	Manages numerous housing finance programs, including PCH, Banque de Habitat, and Displacement Fund)
Housing Cooperatives	Supply			Produce housing
Administration and Justice Commission			Under the jurisdiction of the Ministry of Justice	
Public Corporation for Housing (PCH)	Demand	1997	Under the jurisdiction of the Ministry of Social Affairs	Offers housing loans to those with limited and middle-income to build, buy, or renovate a house.
Banque de l'Habitat	Demand	Established in 1977, restructure in 1996	Public sector holds 20%; rest is owned by the private sector	Offers long-term housing loans at low interest rates to Lebanese families.
Ministry of the Displaced and the Central Fund for the Displaced (Displacement Fund)	Both	1993	Public Sector Agency	Helps war-displaced people return to their towns and villages through paying compensation to squatters, financing repairs or reconstruction and rebuilding housing. Provides/provided compensations for people whose homes are damaged. The Fund also participated in the construction of a large-scale, public housing complex in Tripoli in the 2000s.
ELYSSAR	Supply	1996 No longer active	Public Agency	To re-plan Beirut's South Western Suburb and relocate residents of

				existing settlements.
National Office for Reconstruction		No longer active		
Autonomous Fund for Housing		1980 (replaced in 1997 by PCH)		Provided long-term housing loans to low-income households.
The Council for the South		1970		Finances repair and reconstruction of damaged houses directly affected by Israeli bombardments
The Directorate General of Cooperatives (DGC)	Demand			
The National Corporation for Cooperatives Lending	Supply	1968		Collects financial resources from the housing cooperative sector and re-distributes them to member cooperatives in the form of loans to set up housing projects.
Ministry of Housing and Cooperatives		Suspended in mid-1990s		Replaced by the PCH
National Office of Reconstruction		1956 (Later Dissolved)		Disbursed land for housing reconstruction and participated in the costs of infrastructure and construction materials
Council of Reconstruction and Development	Supply	1979	Public Sector Agency	Manages all large scale social and infrastructure projects, interfaces with large-scale financial organizations, etc.
DGU	Supply	1959	Public Sector Agency.	Organizes land use and building codes, provides guidelines for urban and regional development. It also proposes/manages laws such as the “refugee law” that facilitated building activities for populations displaced by wars, etc.

## Annex 3 International Reference Case Studies

### Purpose of the Case Studies

The following case studies illustrate a range of affordable housing and refugee housing initiatives from around the world. The particular initiatives have been selected because they contain structural elements that could be adapted and applied to the Lebanese context and could help to inspire new thinking on permanent housing initiatives that would simultaneously serve the need of refugee and host communities. Therefore, each case study is structured with four parts – a program summary, a description of the primary stakeholders and their relationships, description of the initiative and its relation to the supply or demand value chains, and initial thoughts on the relevance to the current Lebanese context. The intention is not to import any of these solutions as a whole into Lebanon, but to use them to inspire new and creative thinking along the following lines:

- How do the entities involved in these initiatives take on new roles, or build new partnerships, to make them successful?
- How can funding sources be used differently to increase impact?
- How can entities that might not typically see themselves as relevant to the question of housing being engaged to partner in solutions?
- How can sources of funds that are centralized in one entity (e.g. government or a humanitarian organization) be distributed in a way that support multiple entities to engage in the design and implementation of solutions as well as bring their own resources to the table?

The case studies were selected in an iterative process with the development of the recommendations. Where applicable, the case studies have been noted as reference material for particular recommendations, but neither the case studies nor the recommendations are intended to be comprehensive in their scope. Our hope is that the combination of the two will provide an inspirational platform from which multiple actors within the housing and humanitarian sectors can find new ways forward to meet the increasing challenge of housing for vulnerable populations in Lebanon and other similar contexts.

## Case study 1: Urban Development Action Grant (UDAG)

**Location: United States**

**Target population: Communities in small, economically distressed cities**

### *Summary of program*

The Urban Development Action Grant (UDAG) program was a capital block grant initiative created to provide federal funding to small, distressed urban areas. UDAGs were designed to act as a general program that could function in multiple contexts using “various assumptions and theoretical perspectives.”<sup>179</sup> UDAG programs aimed to unite “equity, location theory, the efficacy of government as an allocator (or reallocator) of resources, industrial policy, and place-based targeting.”<sup>180</sup> The main objective was to intervene on the local level in small, distressed urban communities to revitalize economies, reinvigorate growth, and “represented an evolution in the federal urban aid process” in that it “fostered economic development in distressed cities by subsidizing private investment.”<sup>181</sup>

As federal housing programs moved away from direct provision of housing stock, it was key to use federal funding to attract private interest and community organizations in public-private partnerships to intervene where the market was receding. The role of the federal government as facilitators rather than providers was a strategy to bring municipal and local authorities into the process of addressing issues specific to areas and regions. Former Department of Housing and Urban Development (HUD) secretary Patricia Harris explained UDAG as an initiative to give “maximum discretion to the cities on how they revitalize their cities... and... to bring in the private sector to aid in the development of cities in a way that would keep the private sector there, but more importantly, would have the private sector there at the beginning.”<sup>182</sup>

Urban Development Action Grants were meant to be flexible. Uses of UDAG funds could vary from “land banking, infrastructure improvements at or near project sites, direct project assistance or as grants or below-rate loans to developers,” and projects were designated as one of three types: “neighborhood, industrial and commercial.” The target areas for UDAG projects were also grouped into two categories: “metropolitan cities and urban counties, and nonmetropolitan areas.”<sup>183</sup>

### *Primary stakeholders and their relationships*

Since UDAG programs could vary greatly from one locality to the next, the kinds of stakeholders could also vary. Of course, the primary recipients of funds were small municipalities or urban counties, but what they chose to spend the money on was up to them. In some instances, UDAG funds were given directly to industrialists that were losing out to global competition in the steel sector in an effort to revitalize the central driver of a small municipality’s economy.<sup>184</sup> Ultimately, UDAG funds were meant to

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<sup>179</sup> Amy Shriver Dreussi and Peter Leahy, “Urban Development Action Grants Revisited,” *Policy Studies Review* 17, no. 2/3 (Summer/Autumn 2000): 123.

<sup>180</sup> Dreussi and Leahy, “Urban Development,” 121

<sup>181</sup> Ibid.

<sup>182</sup> “Urban Development Action Grant Program Remarks at a White House Reception Commemorating the Second Anniversary of the Program,” 19 October, 1979, *The American Presidency Project*, accessed 5 September, 2017, <http://www.presidency.ucsb.edu/ws/?pid=31561>.

<sup>183</sup> Dreussi and Leahy, “Urban Development,” 121-123.

<sup>184</sup> Ibid. 124

invite private investment and stimulate job growth, particularly among minority populations in American urban centers. However, being a place-based program that targeted a civic structure rather than a population oftentimes meant the intended beneficiaries were left out of both the decision making process, and, in most cases, saw no direct improvement to their quality of life, even if a successful program was in place.<sup>185</sup> Despite some drawbacks, which were often political, UDAG worked to strengthen municipal power when it came to encouraging private investment in areas that were not just overlooked, but in deep recession. Of course, this municipal power was derived from an existing federal or national structure eager to give money away.

#### *Supply side or demand side intervention*

The Urban Development Action Grant programs were supply side interventions. They represented an experiment in large-scale grant funding or subsidization of public-private partnerships at the municipal level. UDAG grants were intended to target areas that required some form of urban renewal in order to stimulate economic growth and employment by providing capital to municipalities that then enticed private involvement in a broad range of development projects.<sup>186</sup>

#### *In the Lebanese context*

While the political will of a national government was key to the successes of the UDAG program, a significant takeaway is how the use of federal grants and subsidies was largely up to the municipal authorities. Regions and cities in Lebanon can structure grant proposals based on specific needs and objectives, so long as they are targeting the needs of vulnerable populations. The ambiguity of “distressed” in the UDAG context can be a both a benefit or a hindrance to addressing the needs of both impoverished refugee communities and poor Lebanese families. Municipal discretion allows for refugee populations to be among the beneficiaries of a project that “targets” Lebanese citizens, without having to formally address them as beneficiaries on a national level. This is related to the theoretical foundation of UDAG, which included new thinking around area-based approaches to development that had as their intended consequence the improvement of vulnerable populations who happened to live within the areas targeted for development and renewal. While this intended consequence was not always fulfilled, new organizational structuring of area-based approaches could make this more possible.

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<sup>185</sup> Maurice Y. Mongkuo and William J Pammer, Jr, “The impact of Targeted Partnership Grants on Minority Employment,” *The Review of Black Political Economy* 22, no. 3 (Winter 1994): 19.

<sup>186</sup> For a list of the various kinds of projects that UDAG helped fund see HUD, “An Impact Evaluation of the Urban Development Action Grant Program,” January 1982, p. 13.

<https://www.huduser.gov/portal/Publications/pdf/HUD-050939.pdf>.  
*Strategic Housing Solutions for Vulnerable Populations in Lebanon – Annex 5*  
*Affordable Housing Institute*

## Case study 2: Mutual self-help housing

**Location: United States**

**Target population: very low and low income families/individuals in rural areas**

### *Summary of program*

Mutual self-help housing programs in the United States engage with private and governmental nonprofit organizations to provide technical assistance to homeowners in rural areas. A federal grant is made from the Rural Development office of the US Department of Agriculture (USDA RD) to a trusted organization that guides families in constructing their own homes and those of their neighbors. Homeowners provide “sweat equity,” by performing “a substantial amount (approximately 65 percent) of construction labor on their own and each other’s homes under qualified supervision.”<sup>187</sup> By participating in the construction of their own home, labor costs are significantly reduced, making the homes far more affordable than if they were built and purchased at market value.

To qualify for the program, individuals or families must have low or very low incomes, usually between 50 and 80 percent of the area median income (AMI), and must demonstrate that they “are unable to buy decent, safe, and sanitary housing through conventional methods.”<sup>188</sup> In addition to providing technical support, the Rural Housing Service (RHS) “provides direct loans and also guarantees loans for mortgages extended and serviced by others.”<sup>189</sup> In this way, families that participate in this program are able to build equity and pay down a mortgage that they would otherwise not be able to afford. Tenure for home loans are 33 years (sometimes longer), and do not require a down payment on behalf of the borrower, and there is a subsidized interest promissory note interest rate based off the borrower’s income.<sup>190</sup> Restrictions on the program limit the use of funds to advisory functions. Funds may not be used for the direct procurement of supply side goods such as real estate, labor, building materials, and other related costs.<sup>191</sup>

USDA RD also provides direct loans and grants for farm labor housing. The program is similar, only the target population are those who cannot access financing “that will allow them to charge rents that are affordable to low-income tenants.” Tenants for this kind of housing include migratory, seasonal, or year-round laborers. Again, “sweat-equity” is used to significantly reduce costs, making developments affordable for low-income agricultural workers.<sup>192</sup>

### *Stakeholders and their relationships*

The primary stakeholders of these self-help housing initiatives are the federal government, represented by the United States Department of Agriculture Rural Development office, private and governmental nonprofit organizations, and financial institutions. The guidelines and restrictions are dictated by federal law and handed down to the recipient organizations and banking institutions respectively.

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<sup>187</sup> <https://www.rd.usda.gov/files/fact-sheet/RD-FactSheet-RHS-MutualSelfHelpHousingTechAssistance.pdf>

<sup>188</sup> [https://portal.hud.gov/hudportal/documents/huddoc?id=19565\\_502\\_SelfHelp.pdf](https://portal.hud.gov/hudportal/documents/huddoc?id=19565_502_SelfHelp.pdf).

<sup>189</sup> Ibid.

<sup>190</sup> Ibid.

<sup>191</sup> <https://www.rd.usda.gov/files/fact-sheet/RD-FactSheet-RHS-MutualSelfHelpHousingTechAssistance.pdf>

<sup>192</sup> <http://www.ruralhome.org/storage/documents/rd514.516.pdf> and <https://www.rd.usda.gov/programs-services/farm-labor-housing-direct-loans-grants#footnote1>

### *Supply side or demand side intervention*

The government acts as a facilitator in these self-help housing programs that have implications on both the supply side and demand side of the value chain. By providing capital grants to organizations who then advise and assist homeowners on how to construct their houses, the supply side value chain is monitored and fulfilled by grant recipients and homeowners, but federal funds are not directly used for supply side costs. The government also intervenes at nearly every step on the demand side of the value chain including eligibility, application, subsidies, credit underwriting, loan closing, funding, and loan servicing.

### *The Lebanese context*

Self-help housing initiatives have the potential to work in both rural and urban Lebanese contexts. While Syrian refugees cannot own land, and there are major restrictions regarding work, families can still be remunerated for labor by being awarded an apartment or house that they have participated in either renovating or building. Such a program also has the ability to empower and involve local NGOs, landlords who wish to see the quality and value of their property appreciate, and private developers. Low-interest financing already exists for middle-class first-time buyers in Lebanon, and a strategic targeting of low and very low income Lebanese families would have to be involved in the project.

Beyond the obvious benefit of reducing the cost of labor to more easily finance housing construction and renovation, such a program would necessarily be an integration and community building program. Everyone must help everyone else's home, which leads to mutual dependency, trust, and solidarity. In a stroke, Lebanon can begin to build both an affordable housing strategy with an ownership class and a rental class that also accommodates refugee families.

Implementation of self-help housing schemes in Lebanon would need to be carefully designed with appropriate mechanisms to ensure that participating families had a route to either formal ownership, an alternate equity stake in the new developments, or a proportional exchange of reduced/free rental for the labor input provided. While such a program would not provide direct employment to participants – refugee or otherwise – it would provide an alternate path to safe and stable housing at an affordable rate, which in turn could provide greater stability and economic opportunity for the household overall.

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## Case study 3: Modular, transitional, and multipurpose housing

**Location: Germany**

**Target population: Refugees distributed across Germany (> 1 million)**

### *Summary of program*

In Germany, a quota system is used to proportionately distribute refugees and asylum-seekers among German states. This system allocates a specific percentage of asylum applicants to each state, based on tax revenues and total population. Despite governmental efforts to design a fair and efficient system, this framework does not take into account many critical factors affecting cities' absorption capacity, such as surface area, density, and housing costs. This has resulted in an increased pressure on city-states<sup>193</sup> and large cities, which already have tight affordable housing markets. In spite of these constraints, municipalities have been playing a critical and active role in meeting the housing needs of incoming vulnerable populations by investing heavily in new housing developments. In 2015, municipalities started sponsoring non-traditional forms of housing for welcoming refugees. This is not the result of a structured program at the national level, but rather a series of specific municipal interventions in an effort to meet the quota and provide a rapid and efficient response to the increase in population.

### *Stakeholders and their relationships*

Municipal governments (*Gemeinden*) and district governments (*Kreis*) are the main actors of these housing interventions. Cities like Berlin, Frankfurt, or Hanover have taken on the responsibility of providing housing and other services for refugees. Cities have gone further in the process by designing the programs and figuring out solutions to finance them. The city of Hamburg provided an emergency response by setting up container villages (the set up requires only one week), but also longer-term solutions by retrofitting some existing buildings. The city of Berlin set up a light frame construction hall in the landing area of the former airport Tempelhofer as an immediate solution to accommodate refugees in the short-term. The city has combined this type of interim solutions to more permanent housing options with the development of multiple residential container complexes and the renovation of residential buildings to house Syrian refugees. The city of Hanover, which took in 4,000 refugees in 2015, chose to develop dormitories, housing projects, and apartments. At the federal and state level, the building code was amended in 2015 and construction requirements were eased to make available pre-existing shelters and facilitate the building of new ones on sites for which no land-use plan exists.

### *Supply side or demand side intervention*

The housing projects carried out are supply-side interventions mainly funded at the local level. German municipalities have benefited from a favorable financing environment and easy access to funding to implement these housing developments. However, "disparities between financially strong and

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<sup>193</sup> Berlin, Hamburg and Bremen are the three German city-states (*Stadtstaaten*). They have the exact same rights and duties than other states.

financially weak municipalities with respect to budget balance, debt and investment levels have deepened further" according to KfW Group Chief Economist Dr. Jörg Zeuner.<sup>194</sup>

The new housing units are mostly low-rise, modular homes built in unused building plots on the outskirts of German cities. Empty factories or former barracks are also being transformed to provide more possibilities. Priority is given to speed of execution and flexibility, but the units still have to be conform to urban planning standards and proposed for a long-term use. The different types of units developed are halls, prefabricated containers that form container villages, modular timber constructions, and office buildings converted into apartments.

#### *In the Lebanese context*

The main characteristics of this new housing stock is the ease of construction and cost but also its modularity. These new housing developments are being planned by local authorities with an eye to longer-term use. The additional housing stock is flexible enough that it could accommodate a variety of populations including at-risk population's families, or even students in flat shares. German local authorities have been addressing and linking both immediate shelter needs and longer term housing demand. Making urban land available, particularly prime inner-city land, has been critical in contributing to these two goals. This planning strategy could be considered in Lebanon to house not only Syrian refugees but also vulnerable Lebanese. Municipalities could engage with local agencies in order to develop modular housing for immediate refugee use and future Lebanese use.

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*Strategic Housing Solutions for Vulnerable Populations in Lebanon – Annex 5*  
*Affordable Housing Institute*

### **Examples of housing projects for refugees across Germany**

The projects presented hereunder were made possible and backed by Germany's strong economy and financial sector and, therefore, these typologies are not meant to be replicated in the Lebanese context. However, the thinking process and the mechanisms behind these projects could inform future housing programs for at-risk populations in Lebanon.

Source: <http://www.makingheimat.de/en/refugee-housing-projects/database>



#### **Container housing**

(Left: Refugee residence in Hanover. Right: Housing for asylum seekers in Tübingen.)



#### **Modular building in wood-panel construction**

(Left: Community building in Hünfeld. Right: Housing for asylum seekers in Tübingen.)



#### **Building renovation and conversion into apartments**

(Left: Residential building in Solingen. Right: Office building in Munich.)

## Case study 4: Community-driven housing: The Baan Mankong project and the Community Organizations Development Institute (CODI)

**Location: Thailand**

**Target population: Low-income communities in slums and rural areas**

### *Summary of program*

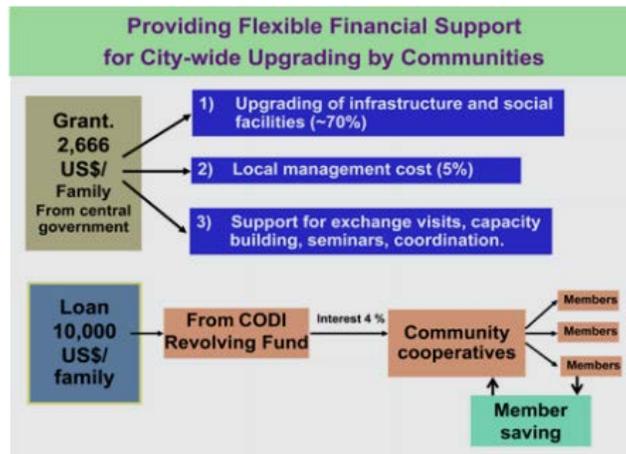
The Community Organizations Development Institute (CODI) is a government agency funded by the Thai government that supports poor communities' organizations in the improvement of standards of living, income earning, housing, and general environment for their members. CODI started the Baan Mankong ("secure housing") Collective Housing Program in 2003. It has been a successful and unique slum upgrading program with the goal of developing housing solutions and increasing tenure security not only at the neighborhood level but on a city-scale, while placing poor communities at the center of the process. It targets low-income households lacking tenure security, in both rural and urban areas. The program aims at upgrading informal settlements through the provision of housing loans and infrastructure grants. Baan Mankong lends money to investor groups in low-income communities specifically for the improvement, repair, construction or reconstruction of houses in slums or rural communities, while CODI itself provides soft loans and low interest loans. Since its beginning in 2003, Baan Mankong has reached approximately 91,800 households and has spent approximately 5 million bahts/180 million €, giving poor communities more decision-making power.

### *Stakeholders and their relationships*

The Baan Mankong program fosters cooperation between low-income communities, government authorities (from municipalities to public land owners) and agencies like CODI, architects, planners and NGOs. CODI is a fundamental actor in the implementation of the program. CODI works with community networks in different cities across Thailand, supporting them particularly at the stage of land tenure negotiation. Tenure is always granted on a collective basis, as a way of ensuring participation and a sense of collective responsibility in the process. At the city level, CODI officials coordinate with municipal officials to integrate upgrading plans developed by the communities into citywide development plans. Once the city-wide plans are finalized and upgrading projects are selected, CODI channels the infrastructure subsidies and housing loans directly to the communities. One of the outcomes of the Baan Mankong program has been the formation of a network of low-income communities, called NULICO (National Union of Low Income Community Organizations), which puts into practice the program's ideals of knowledge sharing between communities.

### *Supply side or demand side intervention*

The Baan Mankong program represents a shift from the traditional national policy of direct housing delivery to a demand-driven policy designed and implemented by the beneficiaries at the local level. The program channels government funds, in the form of infrastructure subsidies and soft housing and land loans, directly to poor communities. Then the communities plan and carry out improvements to their housing environment (house, services, land tenure...). The end goal of the program is the upgrading of the settlements and the larger living environment, and the improvement of land tenure security.



Source: Baan Mankong: Thailand's City-wide, Community-Driven Slum Upgrading and Community Housing Development at National Scale, CODI, July 2012.

#### *In the Lebanese context*

In this upgrading program, the decision making process is decentralized and local communities have become the main actors of the implementation. The participatory nature of this program has allowed communities to bypass economic and institutional constraints in order to meet their housing needs. Similarly, poor and vulnerable communities in Lebanon could play a key role in developing long-term comprehensive housing solutions in partnership with municipalities and the relevant government agency. Lack of funding is also one major constraint on housing programs for vulnerable populations in the Lebanese context. The innovative dimensions of CODI's organizational structure could potentially be replicated in Lebanon, particularly its flexible finance scheme (CODI gives out loans to communities and not to individuals, reduced-interest loans for land acquisition, housing upgrading or construction, loans for infrastructure) and its technical support (support in securing land tenure). Additionally, there could be opportunities in Lebanon for integrating low-income households' community-driven projects into city development plans and address them as part of a larger planning strategy.

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## Case study 5: Moving to Work

**Location: United States**

**Target population: low-income residents receiving some form of housing assistance**

### *Summary of program*

Moving to Work (MTW) is a federal demonstration program in the United States that works with Public Housing Authorities (PHAs) to find innovative solutions to local housing challenges. Individuals and families do not directly participate in MTW and, despite its name, is not solely related to employment. The program “is a broad deregulatory initiative” that “allows HUD to waive most of the statutory and regulatory provisions that govern vouchers and public housing, establish special funding formulas for MTW agencies, and permit agencies to shift voucher and public housing funds between the programs or to other users.”<sup>195</sup> The program is designed to give local PHAs more flexibility and discretion as to how they use federally allocated resources through special agreements. The agreements are based on the notion that the proposed PHA experiment would provide more people, or the same amount of people, access to affordable housing, although this has not always been the case.<sup>196</sup>

### *Primary stakeholders*

The primary stakeholders for Moving to Work are various federal agencies and local/state public housing agencies. Special agreements between federal agencies and local agencies determine the scope, terms, and length of programs, provided they benefit the existing target population of very-low to low income people needing rental assistance.

### *Supply side and demand side intervention*

MTW has both demand side and supply side intervention components. MTW adjusts how government funding and subsidies are used and managed to address local housing issues, sometimes for the purposes of constructing new, affordable housing stock, renovation, but also the use of housing vouchers and rental assistance subsidies.

### *The Lebanese context*

A program similar to Moving to Work, though requiring long-term structuring and thinking, could be implemented in Lebanon as a way to allow local entities to decide how best to use funding to address local housing issues. Since a great deal of the funding in MTW is related to housing vouchers, or using money for a demonstration that would otherwise go toward vouchers, it is possible to develop a system where Lebanese housing entities use a voucher system or entitlement program for vulnerable Lebanese populations, while using the deregulatory, special agreement method of MTW to address issues related to refugee housing.

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<sup>195</sup> Will Fischer, “HUD seeks Significant Improvements to ‘Moving to Work’ Demonstration, But Additional Changes Needed,” Center on Budget and Policy Priorities, January 21, 2015, <https://www.cbpp.org/sites/default/files/atoms/files/1-21-15hous.pdf>.

<sup>196</sup> Will Fischer, “Sharp Expansion of HUD’s MTW Demonstration Raises Serious Concerns,” Center on Budget and Policy Priorities, January 22, 2010, <https://www.cbpp.org/sites/default/files/atoms/files/1-22-10hous.pdf>.

For Example, in Massachusetts the Department of Housing and Community Development (DHCD) implemented an Owner Incentive Fund program, similar to the Norwegian Refugee Council's existing OFC program. The goals of the initiative were to increase the number of quality units available to lease for low-income residents, either through upgrading units, or by encouraging new home-owners to participate.

While there may not be the regulatory system to “deregulate” in Lebanon, the space in which the MTW program functions could be cultivated so that an entity could emerge within the housing ecosystem that serves a similar role.

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## Case study 6: Haiti HOME

**Location:** Haiti

**Target population:** Low-to-moderate-income households, financial institutions and developers

### *Summary of program*

The Haiti Homeownership and Mortgage Expansion (HOME) program is a three-year program started in 2015 by the United States Agency for International Development (USAID) to increase the supply and affordability of housing in Haiti by mobilizing private sector entities to engage with lower-income segments of the market. Through the provision of targeted capital incentives and technical assistance, Haiti HOME leverages the USAID funds to capitalize on available private sector resources. On the demand side, the goal is to increase the number of housing loans for low-to-moderate-income families by working with financial institutions – banks and credit unions. Haiti HOME supports financial institutions to develop and fund products for low and middle income families who want to build or improve their house. To date, more than 450 loans have been delivered through local cooperatives and credit unions. On the supply side Haiti HOME works with small-scale developers to tailor their projects to be affordable to a lower-income segment of the market and profitable for them. Initially designed as a \$3-million-dollar revolving fund that could receive additional capital inputs from other socially-oriented investors, the current program uses pay-for-performance grants to disperse the capital. Participating entities were chosen through a competitive RFP process to ensure that funds would be used for maximum impact, and that private sector entities were able to invest their own capital in the projects, so that the USAID funds could be more widely distributed.

### *Primary stakeholders and their relationships*

The program is funded by USAID and implemented by a consortium of NGOs including the World Council of Credit Unions (WOCCU), Habitat for Humanity International (HFHI) and the Affordable Housing Institute (AHI). This consortium, led by WOCCU, manages the program and provides participating banks, credit unions and developers with training and technical assistance alongside the disbursement of funds. The use of donor funds to support the housing sector in this way is unprecedented and has led to new and promising interactions among banks, developers, and NGOs.

### *Supply side or demand side intervention*

Haiti HOME simultaneously targets both the supply side and demand side value chains. Overall the program works to increase the housing supply by mobilizing the development of affordable housing and increased financing to support developer-driven housing development through pay for performance incentives. With these financial mechanisms, HOME creates incentives for developers to target lower income segments of the population while reducing the sales price of the home. In this way, houses are more affordable to Haitian households, and developers realize that working down market still offers meaningful profits. With small incentives, HOME can thus leverage private sector funding to build up the affordable housing stock. To date, HOME's supply side partners have committed more than \$16.5 million in private funds. This external commitment includes \$6 million of housing mortgages that partner financial institutions committed to exclusively support developer-driven housing developments and \$10.5 million that developers have committed to invest under the "pay for performance" agreements. Pay for performance incentives are paid by HOME under conditions that units are sold to

clients within HOME's approved income distribution spectrum, and payments are distributed upon full verification of claims by the developers.

On the demand side HOME works with financial institutions to address constraints affecting the demand for housing in Haiti. Using similar pay for performance incentives, HOME encourages larger banks to grow their housing loan portfolios while expanding into down market segments. HOME also supports the capacity of smaller institutions through technical assistance to facilitate growth of their housing portfolio, and to ensure the design of products appropriate for the target population, mitigating household credit risk and potential over-indebtedness. To date, with less than a quarter million in incentives, HOME's partner financial institutions have disbursed over \$3.6 million for 551 housing loans – thus, leveraging about 15 times in private capital to incentives provided.

#### *In the Lebanese context*

The pilot program Haiti HOME could inform future supply-oriented strategies for low-income households in Lebanon. Lebanon lacks private developers who are willing to engage in the lower segments of the housing market, in part because it is seen as riskier and less profitable than other types of residential and commercial development. Appropriately designed incentives could encourage developers to go down-market and develop affordable housing. Training and direct technical advisory support, such as that carried out by Haiti HOME, could also be provided to strengthen the entire sector.

Haiti HOME also represents a new model for use of donor and philanthropic funds. By creating a multi-year program that is aimed at creating systemic change in the housing ecosystem, the funds can be leveraged to create broader and more sustainable impact. In addition, the combination of capital incentives and targeted technical assistance creates a new relationship with local stakeholders and builds their capacity to further impact and improve affordability within the market.

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## Annex 4 Perception Analysis Report

*This report summarizes the key findings of the stakeholder interviews that were conducted as part of the study “Strategic Housing Solutions for Vulnerable Populations in Lebanon: Exploring the Lebanese Housing Ecosystem during the Protracted Syrian Crisis.”*

### Interview settings

The stakeholder interviews were conducted in Bar Elias and Minieh in May and June 2017. The objective of the set of interviews was to understand the relationship and dynamic between - (i) aid and economic development programs, (ii) international organizations and local authorities, (iii) private sector players and low income housing seekers, (iv) refugees, aid, and housing programs.

Minieh, located in the north, has a mixed population of refugees and local Lebanese. The shelter options available to refugees include both ITS and more permanent solutions, thus providing some opportunity for comparison within the area itself. It is a semi-urban context with a high level of unemployment. NRC has local staff in the area, who were ready and were able to facilitate AHI’s research activities as required.

Bar Elias, located in the Bekaa region to the west, has the highest concentration of Syrian refugees relative to the local Lebanese population. The region had significant commercial and social ties to Syria prior to the war, which provided some interesting insights into the relationships between Syrian refugee and Lebanese populations. It is a predominantly agricultural economy, and there has been a significant degree of informal rental of both land and units to Syrian refugees. The mayor is apparently very concerned with the current situation and motivated to improve the options available. In addition, NRC has staff located in the area who were available to support AHI’s research activities as necessary. It is also an area that has been highly studied by the UN, which provided the team with a good database of information to start with.

In-depth interviews were held with housing providers, facilitators and residents: Syrian refugees, *shaweesh* of various settlements, landlords, developers, the mayors of the two cities, and members of the NRC, Solidarités and other INGO shelter teams. The interviews were conducted in informal settlements, rental apartments in the private market, apartments under NRC or Solidarités programs, and rented shops or warehouses.

### Limitations

As mentioned above, the field work was conducted over the course of 3-4 days in each study location. By nature of the short timeframe this limited the number of stakeholders who could reasonably be interviewed. That said, the observations that we collected are consistent with other established findings that are known and circulating throughout the NGO community in Lebanon. This suggests that, while the survey is not quantitatively substantial, those perceptions we collected and categorized are reasonably representative of larger trends and conditions.

In considering the results below it is important to keep in mind the following limitations of the study:

1. Days allocated to interviews per initial workplan and contract;
2. Small sample size of respondents/participants;

3. Fewer refugee participants than expected; refugee participants in Bar Elias were limited to residents of ITSs and not to refugees operating within established rental market.
4. The content of the interviews provided us with more observed, descriptive facts than perceptions or qualitative responses to existing conditions. However, this information is valuable for existing benchmarks.
5. Official camps are no longer a viable option for the Lebanese Government nor, therefore, for NGOs and actors participating in the shelter sector. The observations recorded from those living within informal tented settlements provide on-the-ground context and conditions that any serious shelter sector actor will need to take into account when developing more feasible short-term and long-term strategies.

## Analyzed Findings

### Tenure arrangements and security

#### *Informal tenure*

Sheltering refugees is considered by landlords to carry great benefits, particularly increased revenue from the use of their land for fewer labor hours. A landlord in the Abu Dahab camp in Minieh said that he was very pleased with the experience of sheltering refugees, which he has been doing since 2014. He says he is better off renting his land to refugees than he was farming and harvesting his oranges, which would normally bring him LBP 1 million per month. However, housing providers also see a number of disadvantages in sheltering refugees. A municipal official from Minieh we spoke with said that Syrian refugees represent a strain on water and electricity, and one landlord in Bar Elias reproached two families he hosted for overconsuming electricity and water, an extra cost he had to take responsibility for. The same landlord also complained about noise levels. Other landlords are concerned of potential long term damage to land and property from renting to Syrian refugees.

The majority of landlords interviewed agreed that rental contracts for Syrian refugees were mainly informal; written contracts are rare or nonexistent and everything is based on verbal agreements. Renters confirmed the absence of written agreements or any formal proof of tenure. A Syrian refugee who lives in makeshift housing in Minieh and pays USD 200 (LBP 302,100) per month in rent and utilities said that his family will stay in the unit until the end of the year but that they do not have a contract. He also mentioned that he did not get receipts for his previous payments. "In general, transactions are very informal and there is very little paperwork", said one of the INGO employees who has experience working in the shelter program. "We tried as much as possible to formalize the rental contract when we paid for a family. To tell you the truth, people never respected the contracts, people look at rent as a business, a source of income. It's like that."

The interviewees had very different perceptions about the informality of their rental contracts. For some landlords, this situation is acceptable because it affords them more power and enables them to avoid paying municipal taxes on their finished units. Usually, landlords don't owe taxes because their houses are incomplete. An NRC employee explained that municipalities use the NRC program to pressure owners to pay taxes on other properties. For other landlords, like one we interviewed who had properties in Minieh, there was interest in having the contracts signed with a third party such as the municipality to have more legitimacy and for landlords to take them more seriously. He also thinks that the municipality should keep a list of all the units that have been renovated as part of the NRC program and another list of all the Syrian families looking for housing. For renters, this informality is problematic

and creates uncertainty as to their future housing situation. Additionally, some landlords do not respect the agreements. One landlord from the Abu Dahab camp used NRC's money to upgrade his house but never allowed the Syrian family to move in. Eventually, he allowed them to set up their tent on his land. On the other hand, INGOs want municipalities to get involved. A NRC employee stated that INGOs typically insist for municipalities to sign the contracts. In Bar Elias, INGOs were able to convince the municipality to process rental agreements in order to formalize them and provided a template that has to be filled by those renting out for refugees. The municipality sees this step as important in maintaining an updated record of refugee residences and their rental rates, and in securing tenure and minimizing exploitation and evictions.

Landlords and brokers also reported that a lot of formal rental contracts are technically illegal since many buildings are not licensed and were constructed without permits. Furthermore, land ownership and inheritance of land are problematic in Minieh and in Bar Elias. Deeds are often in the name of a great grandfather and succession issues are often unresolved. A landlord and resident of Daiah we spoke with, estimated that a very small percentage of the buildings in Minieh are properly licensed. An INGO employee from Bar Elias commented that very few landlords register with the municipality and record their rental activities as required by the law. This is typically because buildings are in violation of building, urban, and/or zoning codes.

### *Affordability*

For the Syrian refugees we interviewed, affordability was their main concern when it comes to housing. They seek the cheapest option possible so they are not susceptible to forced displacement when they cannot pay the rent anymore. One of the Syrian tenants interviewed declared that most families are behind their payments and are increasingly struggling to pay their rent. The shaweesh of the first camp we visited in Minieh also stressed the fact that paying the rent was the households' main struggle. The landlord in the second camp in Minieh explained that shaweesh have some privileges and don't pay rent for instance. In exchange they are in charge of the security in the camp. He also mentioned that some refugees do not pay rent but work instead. However, he did not provide more explanations on the details of this type of arrangement. Refugees in Al-Awda camp in Bar Elias pay only a small monthly fee to cover the utility costs provided, mainly water and electricity, which makes this arrangement the most convenient in terms of affordability. However, the camp manager said that this arrangement discouraged some refugees from going to work outside the camp when offered, and receiving compensation.

### *Tenure stability and evictions*

Due to the informal nature of the contracts and other legal conditions, Syrian refugees do not have tenure security. Their trajectories are unstable: they move back and forth between temporary locations; informal settlements, collective shelters, and apartment units. One refugee shared her experience and the lack of future visibility about her housing situation: "We stayed there for free for a year and then we rented the same apartment for two months. Then someone told us about the Al-Awda camp." Most refugees interviewed said they wanted to live in an NRC housing unit.

Most of the households interviewed did not report being under imminent threat of eviction. The Al-Awda camp supervisor also declared that there was no threat of eviction in his camp as long as the refugee families are cooperative community members. However, another family in an ITS further from Al-Awda and run by a shaweesh said that their camp had been cleared several times by the army, and, according to an INGO employee, evictions are increasing and less and less disputed. "There are no realtors in Minieh like those you described in Nabaa, he said. This is because refugees came to a place

where they had historical ties. As a result, they were not abused by landlords the same way as elsewhere. Still, there are very ugly story of evictions with families that were unable to pay the rent”.

It also became apparent that Syrian refugees are not the only ones suffering from evictions. An official from the Union of Municipalities asserted that some landlords started evicting their Lebanese tenants to replace them with Syrians who had subsidies and could pay more.

#### *Selection of the tenants*

NGOs play some role in the selection of the tenants for their programs. NRC selects its shelter beneficiaries based on vulnerability criteria, which include existing sub-standard living conditions and inability to find adequate shelter alone, female or child-headed households, disability and people with other special needs. However, the final selection rests with the landlords. This is a concern to the municipalities because they think landlords may not follow the vulnerability criteria. A city official from Bar Elias declared that he was bothered by the fact that the municipality has no control over the selection of the tenants. He added that tenants were selected by the owners and sometimes were not the most vulnerable.

#### *Health and safety*

Health did not seem to be a significant concern to interviewees, although they did report safety issues. There seems to be some contradictory perceptions regarding safety. One camp manager in Bar Elias said that the households would prefer to live in an apartment in Bar Elias, where they would be safe from harassment and security forces. However, a refugee living in the Al-Awda camp said he feels secure in the camp because it is more regulated and he is not under the mercy of a shaweesh, even though the camp witnessed some raids during which motorbikes are confiscated and some men are taken for interrogation. This criticism of the shaweesh was reported by other households, particularly the fact that shaweesh steal donations, including food. The INGO Solidarités reported that the police or the army did a raid on the camp and arrested some of the refugees because they were not legally registered.

## Housing Features in camps in Bar Elias and Minieh

### Al-Awda Village, Bar Elias



The Al-Awda camp was built by the Union of Relief and Development (URDA) in Bar Elias. In June of 2017 the camp had about 400 “tents” or units. Originally, units were pre-fabricated caravans, but overtime the camp began to include built-up single room units made of concrete blocks. According to a camp supervisor, each tent or unit has one room, a kitchenette, and a WC. The capacity for each unit ranges between 3-8 people and tenants are supposedly not charged rent. Al-Awda also has a clinic, a mosque, a religious school, a small market and a community center.

We spoke with a Syrian refugee who had been living in a house through NRC before moving to Al-Awda. When he arrived at the camp he described being given an unfinished room, most likely one of the concrete structures. He had to paint the walls, complete the plumbing and electrical work, and pour concrete to make a stable floor. With regards to privacy, this particular tenant at Al-Awda prefers life in the URDA camp because at least he has his own space. Living in NRC provided homes typically meant sharing the house/apartment with one or more families, with more supervision from NRC and the landlord. Considering the fact that this refugee came from Syria with his parents and siblings, eleven people in total, and the size of the units in Al-Awda, privacy here seems to be related to proximity families outside of one’s immediate and extended family, and not restricted to perceptions about personal space. Another refugee, this one from Idlib, was a member of one of the first families to move to Yasmeeen village, an extension of the Al-Awda camp. He had been living in NRC housing for two years



before having to move. Once there, he thought the conditions of the URDA-run camp were clean and well organized.

### **Camp Two, Bar Elias**

There is a second camp of one room tents in Bar Elias located about a mile from Al-Awda. Tenants in this camp have access to electricity which is metered. Water for general use is accessed from a well and drinking water is provided by the UN. Tents are heated using wood stoves and some have some kind of insulation, often plastic sheets made with some kind of thermal material. This camp is run by a shawesh but he does not provide the households with work in exchange for living in his tents.

### **Minieh**

According to a realtor that works in Minieh, some of the refugees coming from Syria since the beginning of the crisis have been living in formal housing, where owners are dividing them into smaller and smaller units to accommodate more people. Others are living in storage containers that have been repurposed into makeshift housing units and are put on plots by the landowners.

For refugees having difficulties paying rent in apartments and other formal housing, they are now moving to tents or living in unfinished homes. In an interview with the director of a MOSA owned medical facility in Minieh, she said conditions are getting worse and the tents that refugees move to are of a substandard quality. She did not give more detail about what she meant. She did, however, mention that in Beqaa, there were tents of a higher quality that should be used more regularly throughout the region.

In Daiah, one of Minieh's poorest areas, a landlord we spoke with has rented part of his home to Syrian refugees and has used NRC services to make upgrades. However, the degree to which people consider features to be complete or adequate varies. The landlord wanted to tile his entire bathroom, but NRC guidelines only go so far as to guarantee that one or two meters be tiled. He is one of the property owners who has divided his house into smaller apartments, which is not exactly in accordance with some NRC recommendations. The apartments on the second and third floors into which the landlord has split his home seem to consist of a living room, a bedroom, bathroom, and a kitchen sink. The first floor also has two nurseries that Hafeez rents to the International Rescue Committee.

## Access to resources

### Employment

Before the crisis, the area of Bar Elias used to see seasonal Syrian migrant workers who would come across the border to primarily work in the agricultural sector. Since the war, Syrians are settling in the area but continue to find employment in agriculture, sometimes construction, trade, and other forms of informal work. Most people in Bar Elias rely on a hybrid set of sources to secure income. There is also WFP support and some work in the local stores or with carpenters, bakeries, and some of the smaller factories. Others are even trying to be entrepreneurial. A number of NGOs came and did vocational training which was promising, but with no work outlets the training did not have as great an impact as people hoped. According to a municipal official, Syrian workers receive lower wages compared to their Lebanese counterparts and work is not always available.

There are still high levels of unemployment according to the Al-Awda camp supervisor, who says most residents are entirely dependent on aid. A volunteer in the camp, says there are some examples of people running their own small businesses, but the supervisor says both the dependence on aid leads to a decrease in employment initiatives, and the decreases in aid have had immediate short-term consequences.

A city official said that 60 percent of shops along the main highway in Bar Elias were Syrian run. It appears that Landlords and shop owners prefer to rent to Syrian business tenants because they are able to charge them more rent than Lebanese business owners. This is despite the fact that the governor issued a decision to close shops run by Syrians following the demands of other groups in the area.

Access to employment is seen as a key to easing the problems that Syrian refugees are facing since the beginning of the war. One interviewee indicated one possible positive sign for the future is the Bar Elias section of the Arab Highway that will bring a new shopping mall to the area as well as potentially more investments and jobs. It is not clear whether this will affect employment for Syrians or only Lebanese workers in the area.



The new mall

In Minieh, the mayor mentioned that employment is the biggest problem facing everyone in the area. There is a major lack of financing available to help create jobs.

In an informal focus group, a number of conflicting opinions were given by locals about the employment benefits and problems since the arrival of Syrian refugees. Positions varied from seeing the refugees' presence as very beneficial to people who work in medical professions, religious courts, and schools, because there is a greater need for those particular services. Others believe that Syrians are performing all kinds of work that could be done by Lebanese workers. While another suggested that Syrians were working hard but receiving abuse in the workplace and unfairly low wages.

### **Financial assistance and aid**

Most financial assistance is through NGOs and aid organizations. Some people receive assistance with paying for utilities, rent, or medical supplies. Otherwise, people engage in personal loans with relatives. We heard from a family of refugees that some people are receiving \$173 per month in financial assistance, in addition to \$27 for food and \$733 per year for heating. But others, they said, do not receive any form of financial assistance and the criteria for being accepted or rejected for assistance was not clear or consistent.

Aid is delivered through a number of different channels and can vary depending on location. Some consider aid to be a hindrance to developing more sustainable paths to better the overall quality of life. This perspective is shared by some within the NGO community as well as some people living entirely on aid. Others see the aid as absolutely necessary while there are no other opportunities for work or access to resources. Municipal officials commented on the slow delivery or the absence of aid, but also indicated that they generally benefit from it since they cannot provide the services that people need on their own.

### **Health and medicine**

Access to healthcare and medicine was seen as inconsistent and varied widely. The Ministry of Social Affairs has small a medical center in Bar Elias that charges visitors LBP 7,000 for some services but also gives medicine away for free to both Syrians and Lebanese. Some interviewees considered the MOSA medical center to be a failure, though, because they often do not have an adequate supply of medicine.

### **Education**

There are schools in some camps but the interviewees indicated concern with the quality of education. High numbers of refugee children makes it difficult to adequately provide resources for education. Many schools in the area of Bar Elias are full and cannot accept anymore, while NGOs such as Beyond and Caritas provide some educational services for children, but the school run by Beyond had been shut down for a month as of June 2016.

### **Utilities**

Access to utilities is inconsistent and affected by whether or not a person is living in formal or informal housing. Some people living in tents or built-up units in camps have access to water, electricity, and heat, while others do not. The sources of electricity can also be formal or informal, metered or not. Water is accessed from wells for general purposes in some areas and the United Nations provides drinking water to the URDA run camp Al-Awda.

Waste removal is carried out a number of different ways. Some people employ refugees to be trash collectors in camps, while other NGOs have built septic tanks and sewage systems in some of the camps.

## Interactions

Stakeholders reported both conflictual and sympathetic relations between Lebanese residents and Syrian refugees in Bar Elias and Minieh.

In the early phase of the crisis, Lebanese households welcomed Syrian refugees with compassion and solidarity, and provided them with support, but according to an INGO employee, “it is over now.” In an interview with employees from NRC, they explained that there was more hostility towards Syrian refugees in Zahle than in Bar Elias. They explained that one of the main obstacles to expanding the program was tension with the host community and refugees: “Some Lebanese families decide that they don't want the [money] and they don't want the Syrian families living in their units.” According to a realtor in Minieh, the police arrested many people in a large housing complex in Minieh where 80% of the tenants were Syrians because Lebanese neighbors had reported acts of prostitution and drug dealing. We interviewed an official from the Union of Municipalities and he said that Lebanese citizens did not want to host Syrians because there were too many people and caused disturbances to the neighboring families. He also mentioned resentment from Lebanese who feel they do not receive as much aid and services as Syrians coming into the country. Syrian households have also reported difficulties associated with having Lebanese neighbors, such as feeling coerced and dependent.

Others have emphasized the solidarity among Lebanese and Syrian residents. A landlord from Minieh said that none of his tenants had been later than three months in paying their rent. He said that the project is successful because he lives with them: “They all feel like they are family, there are no fights, we get along and help each other.” He also reported a fire where his tenants helped the neighbors since they had received some fire-prevention and emergency training from the NRC. Since the fire, their relationship with their neighbors has greatly improved. Social initiatives have also brought both communities closer together. The director of the medical center in Minieh gave the example of an inclusive education program implemented by the NGO War Child, in which Lebanese and Syrian children are integrated. At first, Lebanese were opposed to the idea and there was a lot of resistance to the program but things have progressively improved. He also pointed out that Syrians are reluctant to be treated as one cohesive group. They distinguish between those who come from an urban or a rural environment, and those who live in houses and those who live in tents.

## Annex 5 Field Study Selection Criteria

### Overview

Based on the initial research it has become clear that the focus of the study will need to be narrowed to two, possibly three, areas of interest in order to complete the study within the time and resources currently budgeted. Though Lebanon is a small country, it is a highly complex environment with many political dimensions that have a direct effect on the shelter and housing possibilities for both Syrian refugees and low-income Lebanese and would require more time and resources than are available to adequately profile. Thus, rather than attempting to create a study of the housing situation across the entire country, the team has agreed with NRC to select 2-3 representative sites that will provide a basis for comparison and allow for conclusions to be drawn across varied contexts. This more focused view will allow for the creation of recommendations that are based on the specifics of particular contexts, but applicable as broadly as possible.

Working with three fundamental criteria established with NRC – that study areas have a relatively high concentration of both refugees and low-income Lebanese populations, that there are known cooperative stakeholders in the area, and that the sites are geographically diverse – the AHI team has selected four possible study sites for consideration. These four are Minieh, Bar Elias, Bourj Hammoud, and Old Saida. The following tables compare these sites across a set of criteria created to ensure a diverse, relevant, and broadly applicable set of focus areas.

**Minieh**, located in the north, has a mixed population of refugees and local Lebanese. The shelter options available to refugees include both ITS and more permanent solutions, thus providing some opportunity for comparison within the area itself. It is a semi-urban context with a high level of unemployment. NRC has local staff in the area, who are ready and able to facilitate AHI’s research activities as required.

**Bar Elias**, located in the Bekaa region to the west, has the highest concentration of Syrian refugees relative to the local Lebanese population. The region had significant commercial and social ties to Syria prior to the war, which may provide some interesting insights into the relationships between Syrian refugee and Lebanese populations. It is a predominantly agricultural economy, and there has been a significant degree of informal rental of both land and units to Syrian refugees. The Mayor is apparently very concerned with the current situation and motivated to improve the options available. In addition, NRC has staff located in the area who are available to support AHI’s research activities as necessary. It is also an area that has been highly studied by the UN, which should provide the team with a good database of information to start with.

**Bourj Hammoud**, located adjacent to Beirut, represents a densely urban condition with multi-story apartment buildings. Historically established as an Armenian refugee settlement, particularly its southern section has become a nexus for vulnerable Lebanese populations, migrant workers, and other refugees because of the availability of a large stock of affordable rental housing. It is an industrial zone that represents the classic planning typology of a “slum” with multiple typologies of dense sub-standard housing. This neighborhood has been extensively studied, so information should be relatively easy to acquire, however it may be so well studied that the AHI research would be repetitive of what has already been done.

**Old Saida**, in the south, represents an urban condition of lesser density, but with a significant mix of populations that has included since the 1950s a large percentage of Palestinian refugees. Studies have

previously been done of the area, however there is likely a lot more that can be learned from this site. It has been a nexus for the most vulnerable social groups for decades and is likely to persist as such. It also has a variety of low-cost housing types. The Municipality is very interested in urban research that could lead to improvements in the city, UN-Habitat is currently doing fieldwork in the area for their neighborhood profiling effort, and the team has pre-existing contacts in Old Saida, all of which should facilitate the collection of information.

**I. Geographic/Demographic Comparison**

<b><u>Criteria</u></b>	<b><u>Locations</u></b>			
	<b><u>Minieh</u><sup>197</sup></b>	<b><u>Bar Elias</u><sup>198</sup></b>	<b><u>Bourj Hammoud</u><sup>199</sup></b>	<b><u>Old Saida</u><sup>200</sup></b>  ("Saida el Qadimeh" in UNHCR reports)
<b>1. Location</b>	<p>Minieh is the capital of the Minieh-Danniyeh District in North Governorate.</p> 	<p>Bar Elias is a town located in the Zahle District in the Bekaa Governorate. It is halfway between Beirut and Damascus.</p> 	<p>Bourj Hammoud is a town and municipality located north-east of the capital Beirut in the Metn District, and is part of Greater Beirut.</p> 	<p>Old Saida is located in Saida, the third largest city in Lebanon, in the South Governorate.</p> 
<b>2. Area</b>	16 square kilometer	35 square kilometer	2.4 square kilometer	0.2 square kilometer
<b>3. Altitude</b>	Up to 200 meters above sea level	900 meters above sea level	Sea level	Sea level
<b>4. Population</b>	65,000	60 – 80,000  The Municipality estimates the Lebanese population in Bar Elias at 9,190 individuals	150,000  (very high density)	16,500 in old Saida (2011, Hariri Foundation) <sup>201</sup>

<sup>197</sup> [www.nna-leb.gov.lb](http://www.nna-leb.gov.lb).

<sup>198</sup> [www.wikipedia.com](http://www.wikipedia.com)

<sup>199</sup> [www.bourjhammoud.gov.lb](http://www.bourjhammoud.gov.lb)

<sup>200</sup> [www.saida.gov.lb](http://www.saida.gov.lb)

<u>Criteria</u>	<u>Locations</u>			
	<u>Minieh</u> <sup>197</sup>	<u>Bar Elias</u> <sup>198</sup>	<u>Bourj Hammoud</u> <sup>199</sup>	<u>Old Saida</u> <sup>200</sup> (“Saida el Qadimeh” in UNHCR reports)
5. <i>Economy</i>	Agriculture, agro-based manufacturing (e.g., honey, oil, flour), artisanal work (e.g., soap, copper utensils), light industrial production (e.g., clothes, furniture, building materials), and trade.	Predominantly agriculture with some commercial activities.	Manufacturing, artisanal activities, and commerce. (Main center of economic activity in Beirut)	Commerce and artisanal activities, archeological/ heritage site.
6. <i>Religious mix</i>	Mixed: Muslims and Christians 60% Sunni and 10% Christian.	Mostly Sunni Muslims (89%) and a 10% Christian population.	Mixed: Muslims and Christians of Armenian descent.	Mixed: Muslims (82% Sunni and 11% Shiite) and Christians [much fewer Christians 1%]

<sup>201</sup> This area is considered sometimes as a “Palestinian gathering” in UNDP and NRC reports, meaning an area of high concentration of Palestinian refugees *not considered an official camp*.

**II. Criteria for Choosing Case Studies**

<b><u>Criteria</u></b>	<b><u>Locations</u></b>			
	<b><u>Minieh</u></b>	<b><u>Bar Elias</u></b>	<b><u>Bourj Hammoud</u></b>	<b><u>Old Saida</u></b>
1. <i>Availability of information</i>	NRC and other INGOs have been working there. NRC has a very knowledgeable local delegate at the Municipality.	NRC and other INGOs have been working there.	Because many studies have been conducted there, the team has information on which to build.	Hariri Foundation and Audi Foundation are very active there.  We also expect NRC to have information about the area because it is sometimes listed as a “Palestinian gathering”.  UN-Habitat is currently profiling this neighborhood.

<b><u>Criteria</u></b>	<b><u>Locations</u></b>			
	<b><u>Minieh</u></b>	<b><u>Bar Elias</u></b>	<b><u>Bourj Hammoud</u></b>	<b><u>Old Saida</u></b>
2. <i>Over studied/ not studied</i>	Under studied	Somewhat studied	Over studied	Somewhat studied
3. <i># or proportion of Syrian refugees in the jurisdiction</i>	<p>15,535</p> <p>We propose to focus on the Minieh area within the Minieh district.</p> <p>According to the UNHCR figures the area has 21,320 Lebanese people which means that 73% of the population is actually a refugee.</p>	<p>192,045 in the Zahle District<sup>202</sup></p> <p>9,186 in Bar Elias itself.</p> <p>UNHCR figures indicate that there are 31,510 registered refugees in this area, making the proportion of refugees to local population the most dramatic in Lebanon at 343%.</p>	<p>75,866</p> <p>In total, 15,199 refugees are registered with UNHCR in this area. This population is largely concentrated south of Bourj Hammoud, in the areas typically called “Nabaa”.</p>	<p>50,147 in Saida<sup>203</sup></p>

<sup>202</sup> UNHCR, Bekaa Governorate Profile, 07/06/2015.

<sup>203</sup> UNHCR, Syrian Refugees Registered in Lebanon, 31/03/2015.

<b><u>Criteria</u></b>	<b><u>Locations</u></b>			
	<b><u>Minieh</u></b>	<b><u>Bar Elias</u></b>	<b><u>Bourj Hammoud</u></b>	<b><u>Old Saida</u></b>
4. <i>Multiplicity of vulnerable groups in the jurisdiction</i>	69,227 Lebanese are considered deprived in Minieh-Danniyeh District <sup>204</sup> . It is considered one of the most vulnerable localities in the North.	36, 426 Lebanese are considered deprived in Zahle District. Bar Elias is one of the most vulnerable localities in the Zahle District <sup>205</sup> .	Lebanese, Syrian and Palestinian refugees and (foreign/ African and Asian) migrant workers.  In Nabaa neighborhood alone <sup>206</sup> : <ul style="list-style-type: none"> <li>• 14,760 residents in total</li> <li>• 33% are Lebanese</li> <li>• 63% are Syrian refugees</li> <li>• 0.2% are Palestinian refugees from Lebanon</li> <li>• 3.8% African, Filipino, Sri Lankan, Bangladeshi, Indian</li> </ul>	Refugees, migrant workers, Palestinian refugees, and low-income Lebanese  Old Saida: 2011 study by Hariri Foundation <sup>207</sup> <ul style="list-style-type: none"> <li>• 16,500 inhabitants</li> <li>• 2,795 housing units</li> <li>• 53% Lebanese</li> <li>• 57% tenants</li> <li>• 28.5% owners</li> </ul>
5. <i>Urban/ peri-urban/rural</i>	Peri-urban	Rural  Close to the borders	Urban	Urban  Urban heritage site

<sup>204</sup> UNHCR, North Governorate Profile, 08/07/2015.

<sup>205</sup> UNHCR, Bekaa Governorate Profile, 07/06/2015.

<sup>206</sup> UN-Habitat, Nabaa Neighborhood Profile, 2016

<sup>207</sup> [http://www.medcities.org/documents/22116/135803/3.+Saida\\_+Diagnosis\\_Cultural+and+Natural+Heritage.pdf/a63dafac-c6cc-471e-bed3-c5f09e7e12af](http://www.medcities.org/documents/22116/135803/3.+Saida_+Diagnosis_Cultural+and+Natural+Heritage.pdf/a63dafac-c6cc-471e-bed3-c5f09e7e12af), p.21

<b><u>Criteria</u></b>	<b><u>Locations</u></b>			
	<b><u>Minieh</u></b>	<b><u>Bar Elias</u></b>	<b><u>Bourj Hammoud</u></b>	<b><u>Old Saïda</u></b>
6. <i>Predominant type of housing for Syrians</i>	Tented settlements, upgraded apartments, and non-residential buildings	Tented settlements, upgraded apartments, and non-residential buildings	Apartments re-subdivisions, ground floor stores, illegal additions of rooms	Large stock of dilapidated housing, some of which of contested property ownership, available for affordable rent in the form of rooms and apartments.

<b>Criteria</b>	<b>Locations</b>			
	<b>Minieh</b>	<b>Bar Elias</b>	<b>Bourj Hammoud</b>	<b>Old Saïda</b>
7. <i>Replicability/ relevance/ how typical the condition is for Lebanon</i>	<p>Diversity of housing options</p> <p>Typical housing options for low-income households in rural areas</p>	<p>Diversity of housing options will allow us to explore particularly make-shift and more temporary/precarious options that were expanded during the last years.</p> <p>Typical housing options for low-income households in rural areas</p> <p>Maybe it has specificities pertaining to areas close to the borders in terms of housing market for refugees, not replicable/ typical of the condition of Lebanon.</p> <p>The scenario of close proximity between Syrians and Lebanese in these areas present interesting conditions, typical of border areas (e.g. Akkar, Hermel, etc.) that would not be observable in other areas.</p>	<p>The housing typology (typically referred to as informal settlements, irregular settlements, self-help housing, etc.) in this area, which consists of multi-story apartment buildings with numerous illegal additions, provides a typical mix of housing options for low-income households in urban areas including Beirut, Saïda, Tripoli, Tyre and more. This stock is currently expanded to include refugees but on the long run, an upgrade of such areas would provide an excellent opportunity for experimenting with settlement upgrading policies of the type developed across the world but never tried in Lebanon.</p>	<p>Might not be "too" replicable as the other 3 areas to the condition of Lebanon because the historic preservation efforts in this site intertwine with the housing stock conditions, talks are on "restoration of the housing stock" more so than affordability &amp; living conditions, which is not the case elsewhere.</p> <p>Importance lies in the fact that this area, along with other "old city cores" such as Tripoli, Tyre, and Baalbek offer a replicable case of dilapidated historical cores that have housed low-income/vulnerable city dwellers for several decades.</p> <p>Investments/interventions in these areas could be beneficial in the long term in leaving a national stock of affordable housing.</p>

<b><u>Criteria</u></b>	<b><u>Locations</u></b>			
	<b><u>Minieh</u></b>	<b><u>Bar Elias</u></b>	<b><u>Bourj Hammoud</u></b>	<b><u>Old Saïda</u></b>
8. <i>Availability of cooperative stakeholders/ local informants</i>	NRC & other active organizations	NRC & other active organizations Mayor of the area	Active organizations People who have already done research there	Active organizations Municipality People who have already done research there

# Annex 6 UNHCR Vulnerability Assessment 2016 - Shelter

## SHELTER

The majority (71%) of refugee households were living in residential buildings: in regular apartments or houses (often sharing with other families), or in the micro-apartments designed for the building doorman/superintendent (*natour* in Arabic). Of the remainder, 12% were living in non-residential structures, such as worksites, garages and shops, and 17% were living in informal tented settlements. Refugees were living in similar types of shelter in 2015.<sup>6</sup>

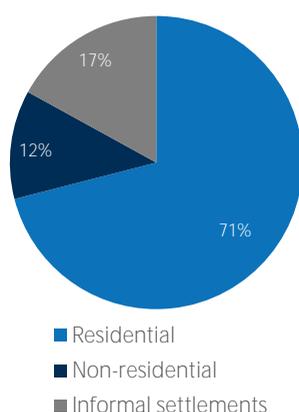


Figure 18. Share of households by type of shelter

Residential buildings were most common in Beirut and Mount Lebanon (88%), while informal settlements were most common (42%) in the Bekaa. Female-headed households were almost twice as likely as male-headed households to live in informal settlements (29% of female-headed versus 15% of male-headed), and were less likely to live in residential buildings (61% of female-headed versus 73% of male-headed).

### Residential buildings:

Apartments, houses or doorman rooms

### Non-residential buildings:

Worksites, garages, shops

### Informal settlements:

Tents created from timber, plastic sheeting and other materials

Half of households lived in homes measuring less than 35 square meters. The average home was composed of two rooms (excluding bathrooms and toilets), with three people per room on average and 10 square meters per person.

### Shelter Conditions

Forty-two per cent of households lived in dwellings that do not meet the minimum humanitarian standards, suffering from one or more of the below:

- Overcrowding
- Dangerous structural conditions or urgently needed repairs
- Lack of a toilet

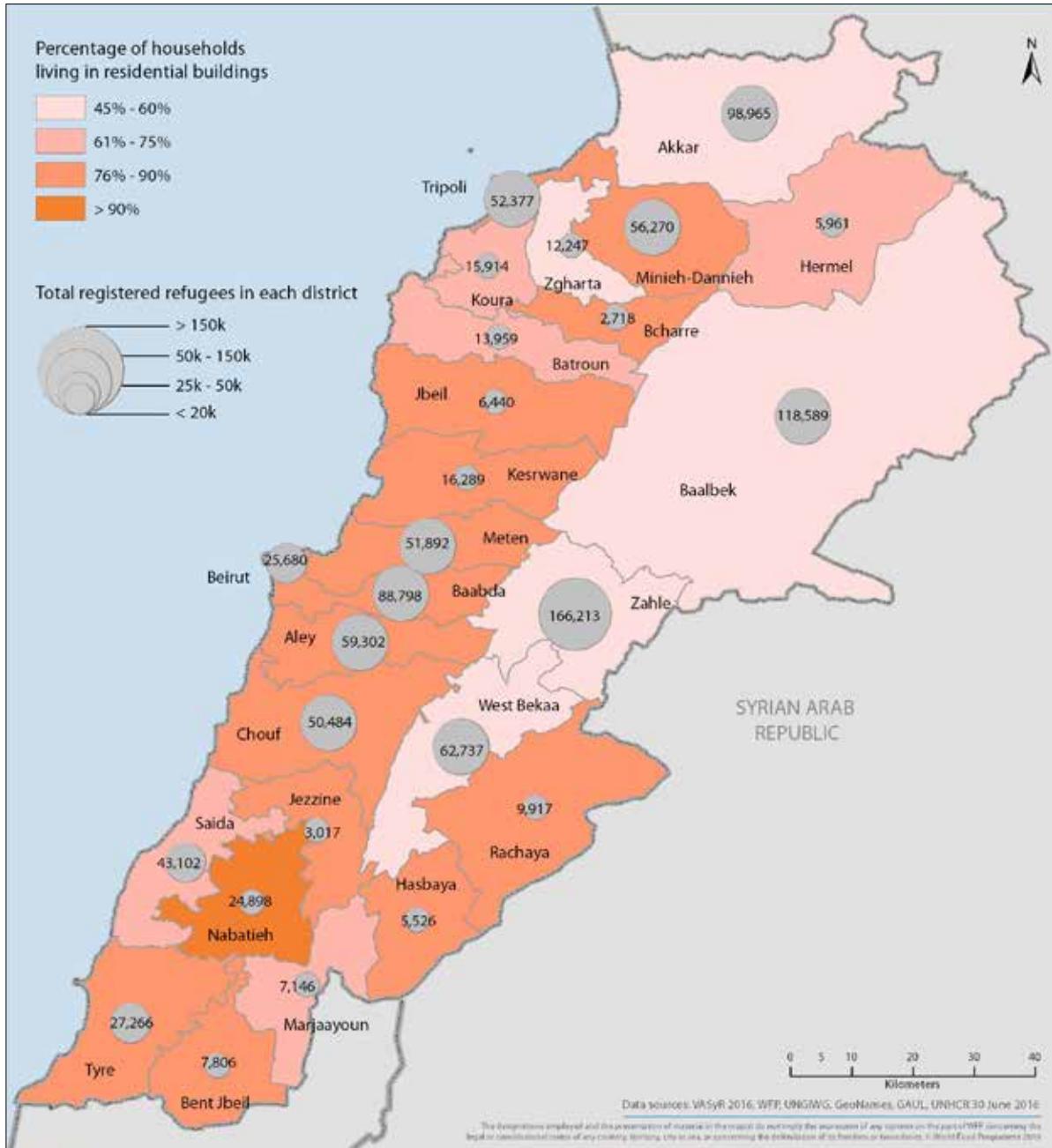
More than one quarter (27%) of homes were overcrowded, with less than 4.5 square meters per person, the minimum humanitarian standard. Overcrowding is much more common in tents and non-residential structures than in residential structures (38%, 40% and 23% respectively). Overcrowding was significantly more common in the Bekaa (34%), where tents are more prevalent.

Similarly, more than a quarter of shelters (26%) were in notably poor condition. Twelve per cent of shelters were in dangerous condition, severely damaged and/or at risk of collapse, while 14% had other urgent repair needs, such as unsealed windows, leaking roofs, or other significant issues (damaged plumbing, latrines, bathing facilities or electricity). The share of shelters in poor condition ranged from 23% in the South, to 30% in the Bekaa.

Less than 1% of households lacked a toilet, forcing household members to rely on buckets or open air defecation. Toilets and washrooms are discussed in further detail in the chapter on water, hygiene, solid waste and energy.

Inadequate shelter was most common in the Bekaa (49%) and least common in Nabatieh (31%). This was likely related to the higher prevalence of tents and non-residential structures in Akkar and the Bekaa. Indeed, non-residential structures and tents were almost twice as likely as residential dwelling to be inadequate (62% and 36% inadequate, respectively).

<sup>6</sup> In the 2013–2015 VASyRs, respondents who were living in 'one room' structures were classified as living in substandard buildings. A 2016 follow-up phone survey of 'one room' households revealed that most (75%) of these households were living in residential buildings, often working as building *natours*.



Map 1. Percentage of households living in residential buildings

## Risky Living Conditions

For the most vulnerable Syrian refugees, living conditions are often dire. These comments by focus group participants paint a vivid and distressing picture:

- “There are places that are being rented out for 200 dollars per month, but that should not be inhabited by humans. Sometimes storage spaces that were never meant for living are being turned into housing rented out to Syrians.”
- “Our camp and another one in proximity lack toilets. As a result, four families have to share one toilet.”
- “I am living in a room with no access to water. I get water from the neighbors and the landlord is always complaining about it.”
- “Our tents are in a dire state and our children are suffering because of that. We need insulation material such as nylon covering and wood. If we have those, we will be able to fix the tents ourselves.”
- “My home is full of cockroaches, mice and rats. My daughter is ill because of the filth.”

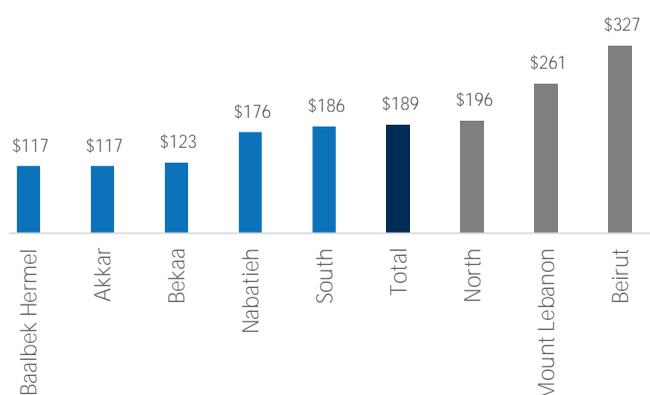
## Rent Costs

Eight-five per cent of households reported paying rent, and this burden was cited among the top concerns for refugees who participated in the focus group discussions. The nominal rent costs ranged from an average of US\$ 53 for an informal settlement (tent) to an average of US\$ 248 for a non-shared apartment/house. Average monthly rent was US\$ 189, with the lowest rents found in Akkar or Baalbek-Hermel and the highest average in Beirut. Thirty-nine per cent of households stated that water supply was included, and 34% reported that electricity was included.

Rent cost was also the most important factor affecting the choice of dwelling (36% of the households), followed by the proximity of the dwelling to their families (24%) and proximity to livelihoods (16%).

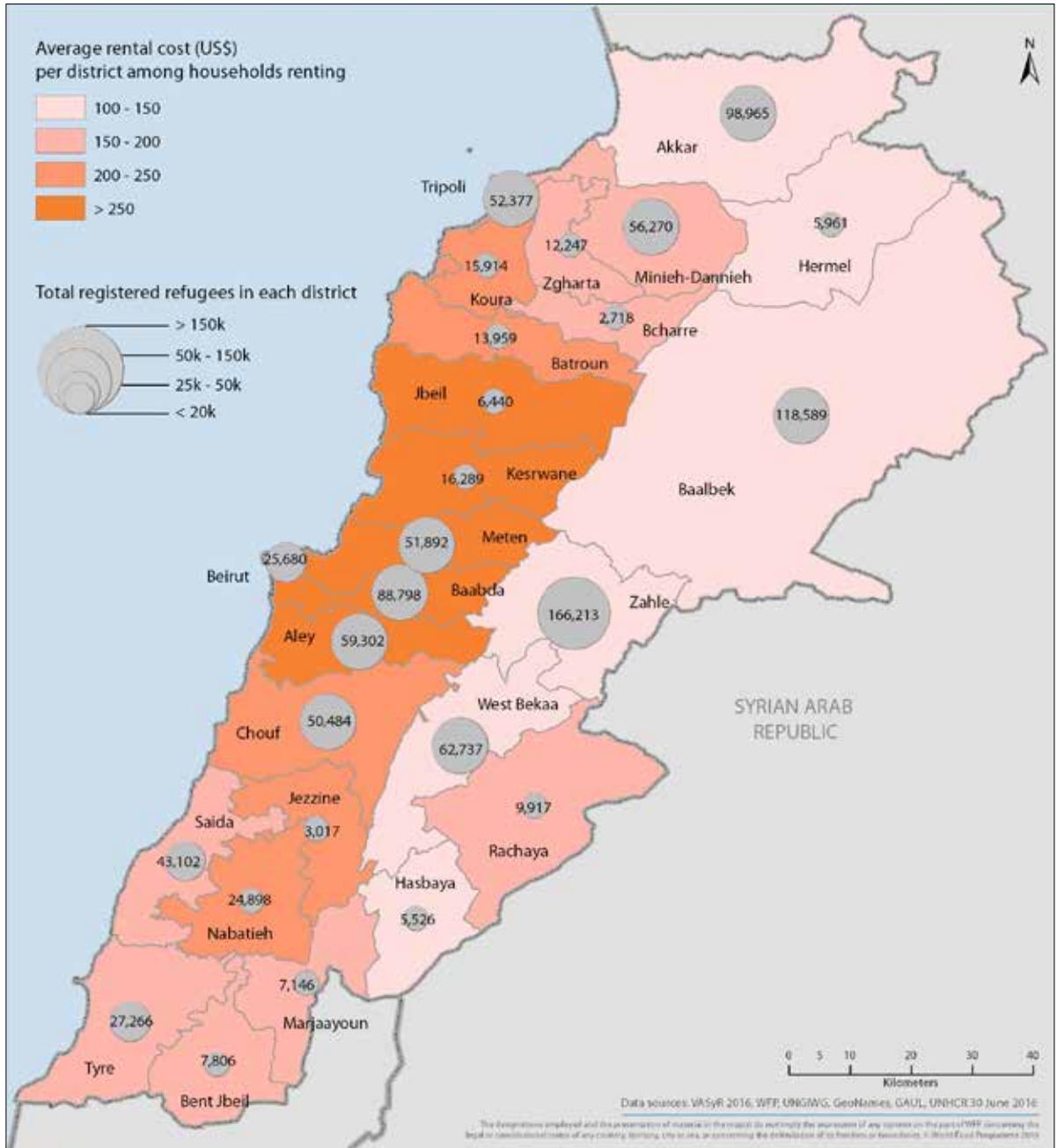
## Mobility

According to the survey, 13% of total households acknowledged that they had moved or changed their accommodation during the last six months. Only 7% of households planned to move in the following six months, with a higher prevalence in Chouf (14%) and Aley (13%). The three main reasons cited by households for a recent or planned move were: rent expenses, threat of eviction (mainly due to inability to cover the rent costs), and unacceptable housing conditions. Threat of clashes or difficulties with host communities were mentioned by just 2% of households who had recently moved.



**Average monthly rent was US\$ 189, with the lowest rents found in Akkar or Baalbek-Hermel and the highest average in Beirut**

Figure 19. Average rental cost per month by governorate (US\$)



Map 2. Average rental cost (US) per district among households renting

Table 6. Reason for moving by mobility status

	Households that moved in the last six months	Households that expect to move in the next six months
<b>Total (out of all households)</b>	13%	7%
	Reasons for recently moving	Reasons households are planning to move
<i>Rent expense</i>	33%	28%
<i>Threat of eviction</i>	20%	25%
<i>Unacceptable housing conditions</i>	18%	12%
<i>Other</i>	8%	12%
<i>No work</i>	6%	4%
<i>No privacy</i>	5%	10%
<i>Seeking free rent</i>	3%	3%
<i>Tension with landlord</i>	3%	1%
<i>Tension with community</i>	2%	2%
<i>Security</i>	1%	3%
<i>End of rental period</i>	0%	1%
	100%	100%

### The Burden of Rent

Focus group discussions revealed that rent was a primary concern for many refugees. "We can always secure food and drink, but not such a large amount [of money] for rent," said one. Many respondents were constantly worried about eviction. Another respondent stated, "The rents are high. I have eight children, which makes ten of us in the household. We live in a one-bedroom apartment, on the last floor. The rooftop is always leaking, and despite this, the rent is \$550."

Those living in tents are not immune—refugees pay monthly or annual fees in order to keep their tent on the land.

UNHCR/ S. Baldwin



# Annex 7 Lebanon Crisis Response Plan 2017-2020 – Shelter



## SHELTER SECTOR

### PEOPLE IN NEED



### PEOPLE TARGETED



### REQUIREMENTS(US\$)



### PARTNERS



### GENDER MARKER



### CONTACTS

#### LEAD MINISTRY

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#### COORDINATING AGENCIES

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## SECTOR OUTCOMES

### Outcome #1

\$30.8 m

Enhance the shelter resilience of displaced vulnerable populations in temporary structures.

#### Indicators

Percentage of vulnerable displaced population groups whose temporary shelters in informal settlements or shelters in non-residential buildings in substandard conditions are kept proofed against weather, flooding and risks of fire.

### Outcome #2

\$105.3 m

Enhance vulnerable populations' access to affordable shelters at minimum standard.

#### Indicators

Percentage of vulnerable population groups having increased access to residential shelter at minimum standards affordable for vulnerable populations.

Percentage of assessed or profiled areas / over all listed areas with high percentage of vulnerable populations in Lebanon (500).

### Outcome #3

\$1.2 m

Enhance contribution of national organizations and institutions to the housing situation in Lebanon.

#### Indicators

Percentage of Lebanese NGO, national and local organizations participating in the Shelter sector response / all agencies and organizations participating in the Shelter sector.

Percentage of national and local institutions, participating in the shelter sector, that contribute to a housing policy for Lebanon.

## POPULATION BREAKDOWN

POPULATION COHORT	PEOPLE IN NEED	PEOPLE TARGETED	51% Female  49% Male	
Lebanese	111,250	74,166	36,861	37,305
Displaced Syrians	678,180	481,987	248,223	233,764
Palestine Refugees from Syria	30,600	20,000	10,100	9,900
Palestine Refugees in Lebanon	180,690	20,000	10,100	9,900

## Situation analysis and context

### 1.1 Overview

The Government of Lebanon's (GoL) no-camp policy has led to the formation of ad-hoc informal settlements, where currently 17 percent of the overall displaced population reside, largely in governorates bordering Syria. The remaining 73 percent of the displaced Syrians reside in residential buildings, while only nine percent reside in non-residential buildings<sup>1</sup> mostly in suburban and urban areas in and around the main cities of Tyre, Saida, Tripoli<sup>2</sup> and in municipalities of Greater Beirut.<sup>3</sup> The Palestine Refugees from Syria are largely hosted by Palestine Refugees in Lebanon in their congested camps, adjacent areas and informally built gatherings. Economic vulnerability and increased debt accumulation has forced 53 percent of the displaced population to reside in inadequate<sup>4</sup> shelter conditions. In 2017, the percentage of displaced Syrians residing in overcrowded<sup>5</sup> shelters with less than 4.5m<sup>2</sup> per person, increased from 27 percent<sup>ii</sup> from the previous year to 33 percent.<sup>iii</sup>

As the crisis becomes protracted, the **socio-economic situation** of many displaced Syrians has worsened. Seventy-six percent of displaced Syrian households<sup>iv</sup> (an increase of five percent since 2016) and nearly the entire population of Palestine Refugees from Syria are severely or highly economically vulnerable. The combination of the limited job market, expensive housing and scarce basic services (e.g. water, electricity), which are further stretched by the high presence of displaced Syrians, **increases the threat of tensions** between displaced populations and hosting communities.

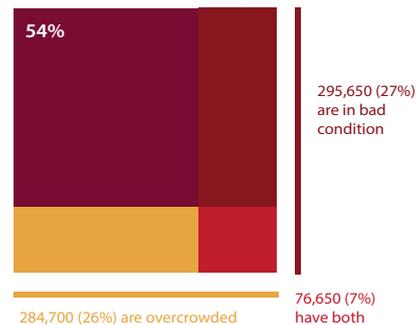
This increasingly vulnerable displaced population experiences difficulty in covering the **costs of rent** within a limited low-cost-housing market that cannot match demand, neither in quantity nor quality.<sup>v</sup> Displaced Syrians who cannot afford their rent (which is on average \$183 per month)<sup>vi</sup> sometimes only covers part of the cost. This can lead to accumulated debt with the landlord which endangers their security of tenure and increases their **risk of eviction**. Of the Syrian households who are expected to change their accommodation in the next six months, 40 percent<sup>vii</sup> expect do to so due to eviction by their landlord and only five percent due to eviction by authorities linked to security concerns. Overall, 45 percent were expecting to change accommodation in the next six month due to evictions, this increased from 25 percent in 2016.<sup>viii</sup>

### 1.2 Shelter needs and challenges

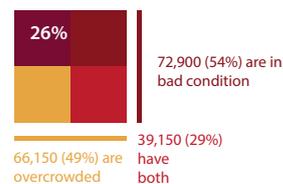
The majority (73 percent) of the displaced population are residing in residential buildings. Twenty five percent

of these shelters are deemed below minimum physical humanitarian standards<sup>6</sup>. The average rental cost per household remained at less than \$190<sup>7</sup> per month, which constitutes a third of the value of a Minimal Expenditure Basket (MEB) for an average family size of five persons per household.<sup>ix</sup> Out of the displaced Syrians that have changed accommodation in the first six months of 2017, 32 percent<sup>x</sup> said that they have done so due to eviction by the landlord. Only six percent have fixed rental conditions through a written lease agreement.<sup>xi</sup>

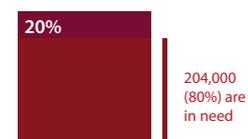
#### 1.1 million people in residential buildings



#### 135,000 people in non-residential buildings



#### 255,000 people in informal settlements



Programmes targeting displaced Syrians living in residential buildings face several challenges: most live in urban/semi-urban areas surrounding main cities and coastal areas where rental costs are high and security of tenure limited. Shelter conditions are poor but the housing demand is high. Therefore landlords, particularly those owning large low-quality shelter units, have little interest in reducing rental fees in exchange for the upgrades offered by the shelter rehabilitation program. Displaced Syrians are more likely to only receive a formalized rental agreement in exchange of the completed upgrades<sup>xii</sup> than benefit from reduced rental fees.<sup>8</sup>

Seventeen percent of the displaced population lives in informal settlements, primarily in the rural areas in the Bekaa and the North. These households are assisted with temporary materials, in accordance with GoL guidelines. Due to wear and tear of the materials, recurrent weatherproofing activities are necessary to ensure that these shelters remain liveable and resilient to the elements. While in previous years more than 80 percent of families living in informal settlements were

(1) Non-residential buildings are structures that were built for non-residential functions, ex<sup>x</sup> warehouses, garages, farms, worksites...etc.

(2) Tripoli City Profile. UN-Habitat, Oct. 2016. Further profiles have been started for the cities of Tyre, Saida and Beirut, as well Baalbeck and Zahle.

(3) City of Beirut constitutes its own Governorate; neighbouring municipalities belong, administratively, to the Governorate of Mount Lebanon.

(4) Could be one or multiple of the following: structure in dangerous condition, quality of shelter much below shelter standard, overcrowding (<4.5sqm per person)

(5) Refer to shelter standards such as SPHERE or by UNHCR. In Lebanon, minimal living space such not be below 4.5m<sup>2</sup>/person.

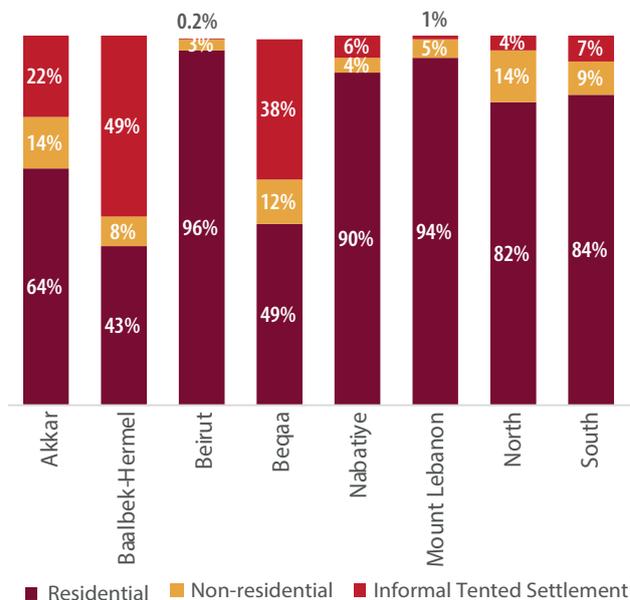
(6) This figure excludes overcrowding which is (<4.5sqm per person) in the shelter

(7) Average rent paid: 2016: \$189; 2017: \$183 (VASyR 2016 and VASyR 2017; (UNDP, UNHCR, WFP, 2016 and 2017). 80 percent of all HH of displaced Syrians pay rent, seven percent work in exchange for the rent costs, seven percent are hosted for free by Lebanese host, four percent by agencies + charities.

(8) It is becoming more difficult in certain main coastal cities to secure rent reduction agreements in exchange of shelter rehabilitation/upgrade. It is however still highly accepted in certain districts within regions, namely the Bekaa.

assisted with shelter materials on a yearly basis, in 2017 only 65 percent of families received this assistance. The reduction in funding forced the Shelter sector to revise its shelter kit composition as well as its targeting mechanism to focus on families with acute shelter needs. Those not included in shelter assistance in the short term will likely require heavier interventions in the longer term, due to the inevitable deterioration of the temporary shelter materials. The growing threat of eviction has increased the challenges of the Shelter response in informal settlements. In 2017, multiple evictions affected more than 1,700 Households, requiring the Shelter sector to respond immediately by providing shelter kits in accordance with the assessed needs. This caused a partial depletion of shelter material designated for regular winterization shelter programming in informal settlements. The Shelter sector should prepare –within its capacity<sup>9</sup> - to respond in case more evictions occur in the coming years.

Of the nine percent living in non-residential buildings – already considered below standard as they were not originally designed for residential use – more than 48 percent<sup>10</sup> are considered so far below standards that they are deemed unsuitable for upgrading to adequate standards. While they will remain below humanitarian standards, acute emergency assistance, such as providing weatherproofing kits for minor repairs and WASH interventions, can somewhat improve conditions in non-residential shelters. Displaced Syrians living in such dire conditions, especially those in areas where winters are harsh, cannot be left without this temporary but crucial form of assistance.<sup>xiii</sup>



### 1.3 Progress in 2017

With the Shelter sector funded at 25 percent in October 2017, Shelter sector partners assisted over 115,000 individuals: 64 percent displaced Syrians, 33 percent vulnerable Lebanese and three percent Palestine

(9) E.g.: Through maintaining a contingency stock of shelter stock and fire kits to be utilized in case of sudden evictions

(10) The condition of the non-residential shelters is claimed, for six percent, to be in dangerous conditions, and for 48 percent to be below the minimum shelter standard.

Refugees from Syria or in Lebanon. Almost 78,000 displaced Syrians benefitted from humanitarian-focused assistance which maintained their temporary shelters at habitable conditions. The Shelter sector reached 65,427 individuals under the distribution of weatherproofing kits in informal settlements by October 2017. This relatively lower number reflects a different approach in 2017 when the bulk of weatherproofing kits were reserved for winterization assistance and only distributed to acute cases earlier in the year. Another 43,000 vulnerable people – both displaced and (Lebanese) hosting communities – benefitted from upgrading/repair of their residential or non-residential shelters to minimum standards. This amounted to 17 percent of the yearly target by October 2017 (compared to 29 percent in 2016; the target in 2017 has increased by 25 percent). Progress was mainly in the governorates of the North, Akkar and Bekaa, where apartments can be upgraded to a minimum standard with affordable costs and homeowners are willing to agree to extend the lease agreements under the same terms of conditions. But in urbanized areas of Beirut and surrounding Mount Lebanon, where the financial and technical challenges to rehabilitation of substandard<sup>11</sup> buildings are greater, only 11 percent of the 2017 target has been met.

Some 24,000 people, mostly but not limited to displaced Syrians residing in informal settlements, have been sensitized to the risks of fire, how to prevent such risks and how to fight fire with materials distributed to them. The Shelter sector is leading the integration of fire safety awareness, prevention and response into regular programming.

The 'Cash for Rent' program, a smaller-scale intervention which targets highly and severely socio-economically vulnerable families living in adequate shelters and not benefitting from the Multi-Purpose Cash Assistance program (MCAP), has reached 17,500 individuals in 2017. All mentioned forms of assistance were delivered in all eight governorates.

Four Temporary Technical Committees (TTCs) were formed in 2017 to discuss challenges and update guidelines for the following activities: 1) Weatherproofing of substandard shelters mainly in informal settlements; 2) Upgrading of substandard buildings (SSB) to minimal standards; 3) Upgrading of common areas within residential buildings; 4) Fire Risk Prevention, Preparedness and Response.

## Overall Sector Strategy

The overarching aim of the Shelter sector is to mitigate the decline of shelter and economic conditions and strengthen the access of displaced Syrians and vulnerable host communities to an adequate standard of living, through affordable shelters in safe and secure conditions with enhanced security of tenure. The shelter objectives are key contributors to ensuring the dignity and privacy of the displaced population. Shelter sector

(11) Refer to technical guidelines on 'upgrading of substandard buildings' for elaboration on what is considered as substandard.

has and will continue to contribute to mitigating health and protection risks caused by living in inadequate shelters that are exposed to the elements. Guidelines addressing the vulnerabilities of people with special needs (specifically physical disability or mobility impairments) will be mainstreamed in the shelter activities mostly through improving physical access to shelters and internal circulation within shelters.

Strengthening access to shelter (and related access to basic services) for all vulnerable populations also contributes to social stability and peaceful coexistence of displaced Syrians and Palestine refugees from Syria with their hosting Lebanese and Palestinian communities.

Overall, the shelter situation has not significantly changed in the last years. The main objective remains to shift the shelter assistance from reacting to acute shelter needs towards more sustainable interventions so that a larger part of the vulnerable population has increased access to affordable shelters at minimum standards. The strategy also takes into consideration declining funds and the possibility to explore additional funding options.<sup>12</sup> In order to define the most impactful as well as the most sustainable strategy, the Shelter sector has to take into account:

- The vulnerable population with acute shelter needs remains large and includes economically vulnerable Syrians, Lebanese and Palestine refugees in all parts of the country.
- A major part of the displaced population continues to live in temporary conditions that cannot be improved on a sustainable basis, either because of the official restrictions that apply to the typology, e.g. informal tented settlements, or because the condition of the structure cannot be cost-effectively improved to minimal residential standards. The impact of improving shelter conditions in substandard residential buildings is greater when shelter assistance also includes the strengthening of security of tenure, the improvement of common building areas<sup>13</sup> and access to basic services (health, education...etc). The combined assistance involving these activities coupled with inter-sector assistance provides more impactful and tangible results when applied to an area, e.g. to a neighbourhood or an area within a village.
- Given the technical capacities of the Shelter partners and the declining humanitarian funding, it is increasingly imperative for the Shelter sector to partner with public and private sectors as well as the academic sector and to support national and local institutions to improve the housing situation in Lebanon, especially for vulnerable populations.

The Shelter sector will, in the framework of the LCRP and

according to well-established standards,<sup>14</sup> continue to apply the following principles in the implementation of its strategy:

- 1. Inclusiveness:** The sector shall primarily target the shelter needs of the displaced populations but shall also assist, within its capacity, the most shelter vulnerable and socio-economically vulnerable of the hosting communities.
- 2. Balanced:** The volume of the assistance shall be balanced between the temporary response to acute needs in informal settlements and non-residential buildings, and the more comprehensive assistance to improve the shelter situation in substandard residential buildings. The assistance has started to shift to the latter in 2017, and will continue to do so over the coming years.
- 3. Targeted and tailored assistance,** as assessed on site, to encounter the specific shelter needs of the vulnerable. Sustainable and cost-efficient measures to avoid repetitiveness and ensure effective improvement.
- 4. Coordinated:** Shelter assistance mainstreamed primarily with local authorities, communities and landlords.
- 5. Gender marker:** The assistance takes into account the specific needs of women, girls, boys and men.
- 6. Regularly monitored** activities to ensure they target the people most in need. They shall also be evaluated to ensure the activities achieve the sector's goals. The shelter assistance acknowledges the specific shelter needs for Persons with Specific Needs (PwSN) and for young and elderly persons.

For 2018, the Shelter sector, in partnership of local authorities and national organizations, will:

- Assist displaced populations living in temporary shelters in order to withstand adverse weather conditions.
- Assist displaced and hosting communities by rehabilitating or upgrading their shelters to minimum standards.
- Conduct studies and produce reports on the housing value chain to contribute to a better understanding of the housing situation in Lebanon and to the potential development of a national housing policy that also caters to the needs of the most vulnerable.
- Conduct multi-sectoral assessments/profiling of areas (e.g. neighbourhoods) hosting vulnerable populations in order to advocate for and support coordinated upgrading of areas.

To achieve the abovementioned aims, this shelter strategy is based on three main pillars:

1. Address acute shelter needs with emergency humanitarian assistance.

(12) E.g.: development donors and private sector funds

(13) A new activity that was developed in 2017 with technical guidelines on implementation endorsed in September 2017

(14) Reference is made to technical documents of each of the shelter activities drafted by Temporary Technical Committees (TTC).

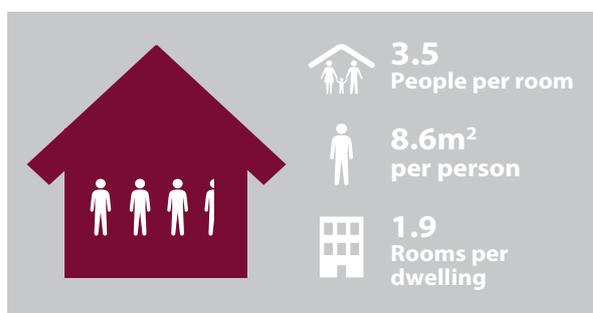
2. Increase access to affordable shelters at minimum standards combined with supporting the security of tenure.
3. Foster partnership with national institutions and organizations (local authorities, national organizations, academia and local communities).

## Main Sector Objectives

The shelter sector aims to address shelter needs by providing temporary and sustainable assistance, combined with supporting the security of tenure of the assisted households.

The sector balances assistance between:

- a. Immediate assistance to meet acute needs of those displaced living in degraded temporary shelters;
- b. Sustainable stabilization-oriented assistance to upgrade residential buildings and security of tenure.



### Humanitarian assistance for protection against weather, fire and other hazards

Almost one third of the displaced Syrians are forced to reside in non-residential buildings and low standard makeshift shelters in informal settlements, where the often hazardous conditions can only be mitigated **temporarily**. The sector will continue to address urgent shelter needs in informal settlements and non-residential buildings through weatherproofing, site improvement and other temporary solutions. The people of concern in such locations will also receive training and awareness-raising sessions to reduce the threat of fire, flooding and other hazards.

### Enabling sustainable shelter upgrades to improve the shelter situation

Residential buildings that are currently below minimum standards but which are structurally safe shall be upgraded to a minimum standard through rehabilitation works. These interventions contribute positively to the quality of housing, including positive impact for landlords, while also improving security of tenure specifically for displaced Syrians. Rehabilitation interventions for the displaced population are linked with a lease agreement for one or several years, with a longer lease period wherever possible. The same objectives can be achieved through providing cash assistance to cover the rent when appropriate (Cash for Rent).<sup>15</sup> These standard

(15) This has been coordinated between the Core Groups of the Basic Assistance and Shelter sectors in September 2016.

shelter interventions can be accompanied by further forms of shelter assistance targeting the improvement of common areas of residential buildings.<sup>16</sup>

### Security of Tenure and HLP rights

In Lebanon, a middle-income country, access to **affordable** shelter conditions at minimum standard is often prevented by high rental costs. Addressing these cost-related challenges lies either in the provision of increased opportunities for income generation or in the provision of financial support to meet these costs. The Shelter sector can contribute to the above by strengthening security of tenure by linking shelter assistance to lease agreements and by providing cost-efficient, targeted assistance that does not lead to increased rent for beneficiaries. Moreover, security of tenure is strengthened by raising awareness of tenants of their rights and by promoting a written lease agreement with the landlord.

### Area Based Approach

The impact of interventions is greater and more visible when assistance is focused in areas with a high number of vulnerable people, for example, in poor urban neighbourhoods that have witnessed a drastic population increase, saturating the local housing market and stretching the already limited basic services. Additionally, these cramped and underserved environments can often breed social tensions between communities. The Area Based Approach is essentially coordinated by local authorities with the support of humanitarian actors and allows for a comprehensive multi-sector upgrading of an area. It is meant to mitigate the deterioration of the socio-economic condition of the vulnerable populations residing in that particular area. The multi-sector assessment and profiling of vulnerable areas (e.g. neighbourhoods, villages, etc.) by the Shelter sector serves as a tool to promote such a coordinated Area Based Approach. The results of such profiling can serve various sectors as a basis to plan and implement their activities in order to reduce the vulnerability and potential for tension.

### Foster partnership with national institutions and organizations

A comprehensive, longer lasting response to shelter needs in areas of social tensions is sought through engagement of national institutions and organizations as well as other stakeholders that are familiar with the local situation.<sup>17</sup> The Shelter sector cooperates with aforementioned entities to elaborate, pilot and implement innovative shelter initiatives. The sector also intends to foster their contribution to the response through strengthening their shelter/housing related capacity where needed, jointly conducting and sharing shelter-related studies and engaging them in a new shelter platform.

(16) E.g. to clear off debris material, to secure safe access, to light the staircases, to mitigate leaking walls, to set up water tanks on the roof and to seal exposed parts of the façade.

(17) Includes NGOs and organizations of Lebanese civil society, e.g. religious, social, non-profit commercial organizations and private companies with non-profit components.

One of the ways to foster collaboration with national institutions and organizations as well as other sectors<sup>18</sup> is through joint assessments such as the neighbourhood profiling<sup>19</sup> exercise. The latter will be done mainly in urban contexts with precarious shelter conditions and overstretched basic services.

## 2.1 Shelter Sector Outcomes and Outputs

### Outcome 1 - Enhance the shelter resilience of displaced vulnerable populations in temporary structures.

The outcome shall be achieved by one output relating to mitigating the deterioration of conditions in emergency shelters with acute shelter needs. The related activities can all be measured by the same type of indicator: the number of individuals benefiting from the accomplishments of each of the specific activities.

#### Output 1.1 - Temporary shelters hosting vulnerable displaced population maintained at liveable and safe conditions.

The acute shelter needs of vulnerable displaced Syrians that are forced to reside in temporary shelters shall be targeted, mainly within informal settlements, but also in substandard non-residential buildings that cannot be upgraded to minimum standards. The shelter assistance in the named shelters and settlements shall only be temporary in nature. Interventions take into consideration the very minimum requirements in regard to Protection (dignity, privacy, people with special needs, GBV) and tailored assistance is provided to the most vulnerable. At site level, fire awareness and mitigation materials will be provided in informal settlements and substandard buildings, while flooding mitigation measures will be undertaken in informal settlements.

In case of emergencies, such as evictions, partners will provide affected families with shelter kits where needed. In case of a significant change in context, the sector will assess and assist the affected population as needed and within its capacity and scope of work.

### Outcome 2 - Enhance vulnerable populations' access to affordable shelters at minimum standard.

The outcome shall be achieved by two outputs, the first relating to improving access to adequate shelters at minimum standards, which are affordable for vulnerable populations. The related activities of the first output can all be measured by the number of individuals benefiting from the accomplishments of each of the specific activities and the number of private and public organizations contributing to the sector. The second output relates to the profiling of vulnerable areas to promote an inter-sectoral upgrading and response to needs. The latter will be measured by the number of profiles completed.

#### Output 2.1 - Access to adequate shelters at minimum standards, affordable for vulnerable populations, is increased.

(18) In collaboration with other sectors, namely Water, Social Stability and Basic Assistance.  
(19) Partners plan to profile neighbourhoods in and around the major cities of Lebanon, e.g. UN-Habitat is profiling, this and next year, neighbourhoods in and around the cities of Tripoli, Beirut, Saida, Tyre, Baalbek and Zahle.

Lebanon has a limited quantity of shelters that are affordable for the poorer segment of the population. Affordable shelters are often below minimum humanitarian shelter standards. The Shelter sector can contribute to the stock of adequate housing by upgrading substandard shelters, both within apartments and in common building areas. Upgrading activities have the added benefit of improving security of tenure by requiring a written lease agreement in exchange for the upgrades, and the freeze, reduction, or even waiver of rent for a certain period.

The provision of affordable shelters at minimum standards is not the sole responsibility of the international humanitarian community and requires the support of the Lebanese national system. The Shelter sector therefore seeks to establish partnerships with national or local private and public organizations to contribute to the Shelter sector. The sector will also explore how new shelter initiatives can be elaborated, tested and implemented in partnership with local authorities, the academic sector, think tanks, NGOs and the private sector.

#### Output 2.2 - Areas of vulnerable populations promoted to be upgraded in a coordinated, cross-sectoral approach.

The Shelter sector will be conducting multi-sectoral assessments/profiling of areas (e.g. neighbourhoods) hosting vulnerable populations in order to advocate for and support coordinated area upgrading.

In 2017, the Shelter sector has prepared a series of Neighbourhood Profiles and Strategies that can contribute to coordinated programming by the different sectors according to their mandates, guidelines, capacities and priorities. The Neighbourhood Profiles identified highly vulnerable neighbourhoods, assessed their needs, and identified gaps to be addressed through collaboration between municipalities and different sectors.

### Outcome 3 - Enhance contribution of national institutions and organizations to the housing situation in Lebanon.

In 2017, an increased focus will be given to this development-focused outcome to shift away from temporary humanitarian activities and towards building the capacity of national systems to provide adequate housing for vulnerable populations.

The outcome is measured by national organizations, academic sector, local authorities and Lebanese NGOs that will contribute to the Shelter response at different levels.<sup>20</sup> It will also be measured by the contribution of the Shelter sector to research on the housing sector in Lebanon. This will inform the contributions of local authorities, national and international organizations.

#### Output 3.1 - National institutions and organizations

(20) Measured by the degree of involvement, contribution and participation, e.g. national NGOs co-implementing shelter activities in neighbourhoods, networks with local shelter stakeholders, contributions in Temporary Technical Committees (TCC), # of witnessed lease agreements by municipalities

### capacitated to contribute to the shelter and housing situation in Lebanon.

The Shelter sector invites these entities to contribute actively within the Shelter response. The Shelter sector shall contribute to this output by:

- Strengthening, if required, the shelter-related capacity of local and national organizations through training and collaboration;
- Inviting private sector, national academic and local organizations to share their expertise by creating an engagement platform on planning and housing at national and field levels;
- Assessing the capacity of public institutions and private corporations to provide affordable housing;
- Drafting and disseminating studies to better understand the urban and housing context.

## 2.2 Identification of sector needs and targets at the individual/household institutional and geographical level

In 2018, the Shelter sector is targeting **596,144** individuals,<sup>21</sup> including Syrians, Lebanese and Palestinians. The total figure of individuals targeted has increased by **11 percent** (from 536,000 individuals in 2017).

The Shelter sector seeks to better target persons with special needs (PwSN) and those with specific vulnerabilities, such as female-headed households, with tailored shelter assistance. In order to track this effort, the Shelter partners have been requested to provide, wherever possible, disaggregated data on beneficiaries.<sup>22</sup>

**Base-line figure:** The shelter needs of Syrians registered as refugees with UNHCR are identified through the VASyR 2017 and extrapolated over the entire displaced Syrian population of 1.5 million.

In practice, shelter agencies assist displaced Syrians that live in inadequate shelters conditions and are also socio-economically vulnerable, regardless of their registration status. The Shelter sector's scope of work, however, excludes the following:

a) Households that are residing in areas live with inadequate observable conditions in the immediate surrounding area.<sup>23</sup>

b) Shelters that only fall under the overcrowding category, especially when families are forced to reduce the rental costs in order to share an apartment. As this does not require building upgrading but financial assistance, e.g. unconditional cash grants, the sector cannot address this issue.

c) Buildings in dangerous conditions<sup>24</sup> that require

(21) This excludes the 75,000 individuals that are due to be assisted in case of security related evictions as this is considered as a backup plan.

(22) Reporting of achievements on Activity Info disaggregated by cohort, gender, age (children, elderly) and needs (PwSN).

(23) Areas with proximity to physical dangers and in isolated areas far from services.

(24) Shelters that have structural damage or other physical damage that might oppose a threat to residents. This applies only to residential and non-residential buildings.

extensive technical evaluation and substantial investments exceeding the financial capacities of the Shelter sector. In such cases the Shelter sector will flag these concerns with the residents as well as advocate for the relocation of the families with local authorities and landlord.

### Target Figures by Nationality

On base of 2017 VASyR figures, targets estimated by shelter type and on country level sum up to:

Target figures for displaced Syrians in Lebanon

- **208,800** individuals<sup>25</sup> (14 percent of displaced Syrians) with shelter needs living in informal settlements (2017: 205,020 individuals).
- **182,998** individuals<sup>26</sup> (12 percent of displaced Syrians) living in substandard conditions in residential buildings (2017: 157,883 individuals).
- **67,680** individuals<sup>27</sup> (4.5 percent of displaced Syrians) living in substandard conditions in non-residential buildings (2017: 55,982 individuals).
- **22,500** individuals assisted with Cash for Rent.
- **75,000** individuals (five percent of displaced Syrians) indicating that they are threatened by security-related evictions (2017: 25,869 individuals).
- Overall, there are **481,978**<sup>28</sup> displaced Syrians with targeted shelter needs (2018).

### Target figures for Palestine Refugees from Syria and Palestine Refugees in Lebanon

- **20,000** of the most vulnerable **Palestinian Refugees from Syria** living in substandard shelter conditions (59 percent of the 34,000 Palestinian Refugees from Syria in Palestine camps and gathering, as indicated by UNRWA).
- **20,000** of the most vulnerable **Palestine Refugees in Lebanon** living in substandard shelter conditions (seven percent of the estimated 277,985 Palestine Refugees in Lebanon in Palestine camps and gatherings as indicated by UNRWA).

### Vulnerable Lebanese

There are 445,000 vulnerable Lebanese under the poverty line.<sup>29</sup> While the sector will target the shelter needs of the extremely poor, the shelter situation of the most vulnerable Lebanese is yet to be explored.<sup>30</sup> It is

(25) Eighty percent require shelter assistance of the 261,000 residing in informal settlements (17 percent of the total of 1,500,000 displaced Syrians).

(26) Out of the 1.5M displaced Syrians, (1,098,000) 73.4 percent live in residential buildings out of which (274,500) 25 percent are deemed to be in substandard conditions. The sector aims to assist (182,998) 66 percent of displaced Syrians living in substandard residential buildings.

(27) Out of the 1.5M displaced Syrians, (141,000) nine and a half percent live in non-residential buildings out of which the Shelter sector targets (67,680) 48 percent which are deemed to be in substandard conditions.

(28) This excludes the 75,000 individuals that are due to be assisted in case of security related evictions as this is considered as a backup plan.

(29) Further data on the general shelter situation of vulnerable Lebanese are expected from the GoL on base of the NPTP.

(30) E.g.: through field assessments and possibly through the profiling of some of the poorest urban neighbourhoods affected by the context.

then assumed that 25 percent<sup>31</sup> of the aforementioned population are living in substandard shelter conditions in residential buildings out of which the Shelter sector will target 66 percent.

- **74,166** individuals (17 percent of vulnerable Lebanese under poverty line) living in substandard conditions in residential buildings (2017: 77,298 individuals).

## Geographical

In all governorates and districts, the sector primarily targets the shelter needs of displaced populations and, to the extent possible (depending on the sector capacity), those of the host communities who are most affected by the Syrian crisis. Updated and detailed information allows the identification and location of the needs of the displaced Syrians.<sup>32</sup> Assistance to Palestine Refugees from Syria and to Palestine Refugees in Lebanon will focus on Palestinian camps, their adjacent areas and gatherings, which are mostly located in the North, South and around Beirut. In reference to the economically vulnerable Lebanese, a better understanding of their shelter needs shall be explored through the multi-sectoral profiling of different areas due to take place in the coming years.<sup>33</sup>

**Governorates of Akkar, Baalbek-Hermeland Bekaa:** 46 percent<sup>34</sup> (around 678,160 people) of all displaced Syrians reside in governorates bordering the Syrian territories. Here, 35 percent (239,750 individuals) live in informal settlements<sup>35</sup> spread in rural areas, 13 percent (85,300 individuals) live in non-residential buildings and almost 52 percent (353,110 individuals) of displaced Syrians resides in apartments in semi-urban areas and cities.<sup>36</sup> The Shelter sector will provide assistance in the three governorates to around 301,869 displaced Syrians, split between temporary assistance to 190,953 individuals in informal settlements and 41,000 individuals in non-residential buildings. Upgrading, rehabilitation and conditional cash for rent will support the shelter needs of 70,269 displaced Syrians.

**Governorates of North, South and Nabatiye:** 27 percent<sup>37</sup> (around 409,700 people) of all displaced Syrians reside in these three governorates. Here, 4.5 percent (18,220 individuals) live in informal settlements, eight percent (33,960 individuals) live in non-residential buildings and the majority of 87 percent (357,520 individuals) live in residential buildings. The Shelter sector will provide assistance to around 95,017 displaced Syrians. The target includes covering the acute humanitarian needs of 31,714 displaced Syrians, equally split between

emergency assistance in informal settlements and substandard non-residential buildings. Upgrading, rehabilitation and conditional cash for rent will support the shelter needs of 63,303 displaced Syrians.

**Governorates of Beirut and Mount Lebanon:** 27 percent (around 412,140 people) of all displaced Syrians reside in Mount Lebanon and Beirut. With only few informal settlements with a small number of residents (3,030 persons amounting to less than one percent), not much attention has been given to the vulnerable population living in less visible but nonetheless hazardous shelter conditions (some 387,370 people, 94 percent in residential and only five percent (21,740) in non-residential buildings). In 2018, the Shelter sector targets to assist around 85,092 displaced Syrians. The target includes covering the acute shelter needs of around 13,166 displaced Syrians living in informal settlements and substandard non-residential buildings. Upgrading, rehabilitation, and conditional cash for rent will support the shelter needs of 71,926 displaced Syrians.

## Institutional

In view of the likely continuation of current conditions, the relevant local authorities and national organizations are encouraged to engage more directly in the response.

A first step is to promote and strengthen the capacity of local authorities and national organizations to implement one or several shelter activities at the local level. International NGOs and UN agencies are invited to enable the participation of national organizations by building their capacity to take active part in projects so that, by the end of 2018, further national organizations are more actively engaged in the Shelter response. Their capacity can be best strengthened through their participation in joint projects with existing international NGOs who can share their experience and allow the Lebanese NGOs, national organizations and institutions to engage in the implementation of shelter activities first-hand.

As shelter activities are always related to a site or a settlement, the Shelter sector specifically promotes authorities and national organizations at local level to participate in the Shelter response. Municipalities are of particular importance for the implementation of projects regarding settlements and shelter. Therefore, the Shelter sector aims to strengthen the shelter-related capacities of three persons for each of 40 entities.

In collaboration with national organizations and institutions, the sector promotes sharing of knowledge and expertise, through conducting or funding national studies and reports. This could contribute to a better understanding of Lebanon's housing sector, which will be valuable when a national housing policy is developed by the GoL. As an initial target, the sector will aim to complete eight studies/reports nationally.

The sector aims to establish a platform to engage with the private sector, national institutions and academic sector on housing and planning where they can share their expertise. This platform will aim to strengthen the

(31) Using same percentage of displaced Syrians living in substandard residential buildings as indicated by VASyR 2017.

(32) RAIS or figures for persons registered as refugees by UNHCR extrapolated on the preliminary results of the VASyR 2017 (WFP, UNHCR, UNDP).

(33) UN-Habitat started to profile the main cities in Lebanon and some highly vulnerable neighbourhoods within them. City profiles are planned for: Tripoli, Tyre, Saida, Beirut, Baalbeck and Zahle.

(34) Applying same localization percentage of persons registered as refugees applied to the 1.5million displaced Syrian population figure.

(35) Of the total persons registered as refugees by UNHCR living in informal settlements, 43 percent live in Bekaa, 34 percent in Baalbek-Hermel and 13 percent in Akkar

(36) An important number of displaced Syrians reside in and around Zahle and Baalbek, VASyR 2017; UN-Habitat has started city profiles.

(37) Applying same localization percentage of persons registered as refugees applied to the 1.5million displaced Syrian population figure.

capacity and knowledge of the Shelter sector to respond to the needs of vulnerable populations. The Shelter sector plans to engage nine stakeholders – national

institutions and organizations as well as international agencies – in the suggested platform.

### Total sector needs and targets 2018

Population Cohort	Total Population in Need	Targeted Population	No. of Female	No. of Male	No. of Children (0-17)	No. of Adolescent (10-17)	No. of Youth (18-24)
Lebanese	111,250	83,438					
Displaced Syrians	678,180	583,455					
Palestine Refugees from Syria	30,600	22,500					
Palestine Refugees in Lebanon	180,690	22,500					
<b>GRAND TOTAL</b>	<b>104,4579</b>	<b>711,893</b>					

Type of Institutions	Total	Targeted
Union of Municipalities	52	30
Lebanese organizations		10

## Mainstreaming of social stability, gender, youth, PwSN, conflict sensitivity and environment

Cross-sectoral points are taken into account by the Shelter sector through the following mechanisms:

- 1. International standards and specific guidelines**,<sup>38</sup> also including non-technical aspects, are applied to ensure humanitarian and specific protection objectives; in the analysis, the needs assessment and in the response modalities.
- 2. Cross-sectoral recommendations** are applied to ensure a holistic response to all main shelter activities, especially in the process of assessing/profiling complex urban neighbourhoods.
- 3. People with specific needs** shall be respected and accounted for in all relevant shelter programs through incorporating technical guidelines<sup>39</sup> that respond to the specific shelter needs of vulnerable groups, particularly: elderly and people with specifically physical disability or mobility impairments.
- 4. Youth:** The Shelter sector through the area profiling exercise maps and promotes the establishment of safe open spaces for outdoor activities for the benefit of young people, especially in dense and poor urban neighbourhoods.

- 5. Gender dimensions** are considered during the analysis and assessment of needs and in the design of shelter activities. The Shelter sector has participated in the rollout of the GBV guidelines exercise that was launched by the IASC. It has since worked on incorporating GBV guidelines and giving special consideration to gender dimensions in the revision of technical guidelines for the different shelter activities. Issues relating to enhancing safety and privacy in shelters were addressed in order to reduce the risk of gender-based violence and promote a safe living environment.<sup>40</sup> The Shelter sector has also suggested that field shelter staff be sensitized for and trained on GBV issues related to shelter as well as the referral pathways for victims of GBV. Gender mainstreaming in shelter activities will lead to a more effective response and safer environments for women, girls, boy, and men alike.

**A single, but disaggregated indicator:** The standard indicator for the Shelter sector activities (number of individuals benefiting from shelter activities) will, to the extent possible, be disaggregated by cohorts, age, PwSN, host communities and gender (girls, boys, women and men) to monitor how their specific needs have been met.

- 6. Cross-sectoral issues** are discussed and coordinated with other sectors to ensure that linked issues are noted and coordinated, particularly those linked to multi-sectoral activities.

(38) UNHCR or SPHERE standards, specific guidelines (e.g. Handicap International), Shelter sector guidance and other related references.

(39) These technical guidelines are taken from the Global Shelter Cluster handbook on technical guidelines for PwSN

### Conflict sensitivity

(40) IASC: Shelter, Settlement and Recovery: Guidelines for integrating gender-based violence interventions in humanitarian action, 2015

The Shelter sector will prioritize beneficiaries who are severely or highly vulnerable through an inclusive process, encompassing Syrians, Palestine refugee and Lebanese populations. Their indicated shelter needs are targeted in all governorates and are assisted in an appropriate manner taking into account their regional and local context. In coordination with the Social Stability sector, the Shelter sector also aims to strengthen the shelter-related capacity of local authorities and national organizations to become aware of aspects of conflict sensitivity in the Shelter response and how to mitigate – practically and technically – conflicts arising from the cohabitation between Lebanese and displaced persons.

### Environment

In collaboration with other sectors, e.g. the Water sector, the Shelter sector contributes to minimizing the negative impacts on the environment by taking into account:

(1) The effects of **informal settlements** on the environment, e.g. to creeks or rivers, while planning and implementing activities to improve these sites<sup>41</sup> and conducting trainings on fire prevention.

(2) In urban areas: **common building areas**, e.g. roofs or entrances are improved to avoid any hazardous impact on other buildings, public areas or on the environment in general.

### Fire Risk Mitigation

The risks of fire outbreak is especially high in informal settlements, where the ad-hoc planning can ease the spread of fire considering that there are no fire breaks between tents. Fire risks are also high in substandard residential and non-residential buildings where old doors do not provide a good barrier to the quick spreading of fire from one apartment to the next. The Shelter sector, in collaboration with the Lebanese Civil Defence (LCD) and the Lebanese Red Cross (LRC), has elaborated technical guidelines and IEC (Information, Education and Communication) material to raise awareness of fire risks. It also trains vulnerable populations on how to fight fires and make good use of the fire-fighting kits that are installed in informal settlements and in substandard residential and non-residential buildings. The Shelter sector plans to inform and sensitize other sectors and authorities and to promote joint trainings.

## Inter-Sectoral Linkages

The Shelter sector is coordinated by the Ministry of Social Affairs (MoSA), with co-leadership of UNHCR and UN-Habitat. MoSA's strong presence in the Shelter sector allows smooth coordination with various other line ministries.

Coordination between the Shelter and other sectors is ensured through joint meetings at the national and field level, by the sharing of information and guidelines, through joint ad-hoc working groups to target specific issues and through referral systems. The Shelter sector seeks to further strengthen inter-sectoral collaboration

on the national level to find solutions for complex issues through pragmatic, response-oriented coordination.

The Shelter sector gives special attention to coordinate its activities with the following sectors: **Basic Assistance:** Coordination with Basic Assistance sector is of major importance. The financial support provided by the Basic Assistance sector to displaced Syrians is essential to cover basic needs. Additional cash is provided to severely vulnerable families to meet the elevated costs for weatherproofing and heating (winterization). However collaboration between the two sectors is essential to ensure the populations that are most exposed are well prepared and protected against harsh winter weather conditions and that there is capacity to provide all the means for sound weatherproofing to all vulnerable populations in need, especially in informal settlements. Sectoral support will be essential to complement the Basic Assistance sector's cash support. The Shelter sector shall take into account the socio-economic vulnerability score (Desk Formula) that is devised by the Basic Assistance sector as an additional layer coupled with the shelter vulnerability scoring<sup>42</sup> for a tailored targeting process that aims at reaching the highly and severely vulnerable. Also, the targeting mechanism for some Shelter activities, e.g. Cash for Rent, are closely linked and to be coordinated with the Basic Assistance sector. For others, like minor repair and rehabilitation/upgrade, guidelines are continuously coordinated between the two sectors. This close collaboration is planned to continue in the upcoming years.

**Water:** The sector is responsible for the provision of water, sanitation and other services at a site level, while the Shelter sector focuses on ensuring provision of these services within the targeted shelters. The linkages between the two sectors are close. Regular meetings at field level foster joint commitment and coordination of the assistance:

- (1) Coordinated provision of basic services (mainly water and sanitation) to and within the shelters.
- (2) Site improvements in informal settlements and mitigation of flooding/inundation risks through separate, but coordinated activities; Shelter sector to take into account of ongoing assessments of Water needs in informal settlements in order to coordinate its assistance and to accordingly prioritize its informal settlements-related activities, e.g. weatherproofing, site improvement and fire risk mitigation.
- (3) Common building area upgrade activity, where the Shelter sector repairs and improves the infrastructure at the building level and within its plot boundary e.g. water and sewage pipes. The Shelter sector will refer buildings that are not connected to public water/sewage networks to the Water sector.
- (4) Coordinated efforts to upgrade the condition of not only shelter, but also water and sanitation in poor

(41) E.g. keeping distance to rivers and creeks, avoiding uncontrolled drainage to environmental sensitive areas, promote proper solid waste collection

(42) Obtained through in depth technical assessments conducted by shelter partners operating in the field.

areas, where basic services are stretched by the increased population. Collaboration targeting the needs of both sectors in the same neighbourhood is to be prioritized from 2018 onwards.

**Energy:** the Shelter sector advocates with landlords for the installment of legal electrical connections to the national grid. The sector also often promotes the installation of proper electrical connections within the different shelter types. Under the shelter rehabilitation/upgrading activity as well as upgrading common building area, the sector assists in improving the wiring within shelters to mitigate safety risks like fires and allow a safe connection to the network.

**Social Stability:** The Shelter sector will also coordinate its upcoming activities to train national staff with the Social Stability sector, which has gained much experience in awareness-raising trainings, such as on fire risks, and in involving local stakeholders, from municipalities to communities and other actors. Shelter sector guidelines promote coordination with local authorities in all its activities. Also, the Social Stability sector could support the Shelter sector by sharing available educational and training material to raise the awareness of frontline shelter staff on conflict management and mitigation. This could include material relating to land and property rights. Conflicts arising from evictions threaten the social stability between vulnerable displaced and hosting populations.

**Livelihoods:** The implementation of shelter activities may provide livelihood opportunities: construction materials are procured locally; homeowners and landlords are assisted in upgrading their shelters for the benefit of the displaced populations and for vulnerable Lebanese. Shelter activities are also an opportunity to generate income in areas with high unemployment. The Shelter sector will actively inform the Livelihoods sector of urban areas where livelihoods have been identified as a crucial need under the scope of the area-based approach. To maximize the impact of our respective interventions, the possibility of providing trainees/beneficiaries of Livelihoods sector activities with employment opportunities through shelter contractors will be further explored.

**Protection:** The sector will continue to collaborate with the Shelter sector on ensuring referrals by Protection partners of cases of forced and security based evictions, for elderly and PwSN as well as people with specific protection concerns. The Shelter sector is interested in the Protection Sector's experience and advice to the Shelter sector in reference to HLP rights to foster the security of tenure, an important protection aspect of the shelter needs. The Protection sector will continue ensuring that shelter frontliners are trained on safe identification and referrals of protection cases.

**GBV and Child Protection:** The shelter agencies and their staff will be sensitized and trained on: SGBV prevention and risk mitigation as well as the different needs of women, men, girls and boys will be addressed.

Measures such as well-lit public spaces, inclusive and safe access to sanitation, and measures to avoid or mitigate protection risks linked to privacy, such as the provision of partition walls, shall be prioritized. Also, the Shelter sector promotes the active participation of women, men, girls and boys in consultations regarding the appropriateness of shelter assistance, e.g. the distribution of shelter kits in informal settlements. Lastly, the comprehensive profiling tools designed to assess the situation of vulnerable areas include specific considerations to assess SGBV related risks and aspects of child protection.

The **Education** sector will share with the Shelter sector its maps of education facilities with high numbers of displaced Syrians, especially in and around the most vulnerable areas. This useful information will be incorporated in area assessments and comprehensive neighbourhood profiles, which can serve as a base for further planning of education facilities.

**Health:** The same principles on exchange of information also apply to the Health sector, who can inform the Shelter sector on major health threats that partners should take into consideration when designing programs. This is especially important for shelter assistance targeting people with special needs such as physical disabilities. In addition, when identifying locations for shelter rehabilitation/upgrade, the Shelter sector takes access to health facilities into consideration.

## Endnotes

- i. UNHCR registration data, December 2016.
- ii. UNHCR, UNICEF, WFP, *Vulnerability Assessment of Syrian Refugees 2016*.
- iii. UNHCR, UNICEF, WFP, *Vulnerability Assessment of Syrian Refugees 2017*.
- iv. Basic Assistance: New Desk Formula, August 2017.
- v. UN-Habitat: *No place to stay, 2015*.
- vi. UNHCR, UNICEF, WFP, *Vulnerability Assessment of Syrian Refugees 2017*.
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- viii. UNHCR, UNICEF, WFP, *Vulnerability Assessment of Syrian Refugees 2016*.
- ix. Refer to B.A. Minimal expenditure basket etc.
- x. UNHCR, UNICEF, WFP, *Vulnerability Assessment of Syrian Refugees 2017*.
- xi. UNHCR, UNICEF, WFP, *Vulnerability Assessment of Syrian Refugees 2017*.
- xii. UNHCR, Substandard Building Rehabilitation Evaluation 2017.
- xiii. Refer to Bekaa Shelter Survey. UNHCR Zahle 2017.

## Sector Logframe

## Outcome 1: Enhance the shelter resilience of displaced vulnerable populations in temporary structures

Indicator 1	Description	Means of Verification	Unit	Frequency
Percentage of vulnerable displaced population groups whose temporary shelters in informal settlements or shelters in non-residential buildings in substandard conditions are kept proofed against weather, flooding and risks of fire.	Vulnerable, displaced population groups have weatherproofed, repaired or maintained their temporary shelters to maintain in safe and livable conditions	Activity Info-Responsibility of the Shelter Sector	Percentage of people living in temporary shelters	Quarterly
 Lebanese	 Displaced Syrians	 Palestine Refugees from Syria (PRS)	 Palestine Refugees in Lebanon (PRL)	
Baseline: Target 2017 Target 2018 Target 2019	Baseline: Target 2017 Target 2018 Target 2019	Baseline: Target 2017 Target 2018 Target 2019	Baseline: Target 2017 Target 2018 Target 2019	
N/A N/A N/A N/A	40% 48% 90% 90%	N/A N/A N/A N/A	N/A N/A N/A N/A	

## Outcome 2: Enhance vulnerable populations' access to affordable shelters at minimum standard

Indicator 1	Description	Means of Verification	Unit	Frequency
Percentage of vulnerable population groups having increased access to residential shelter at minimum standards affordable for vulnerable populations	Percentage of vulnerable population groups having access to residential shelter at minimum standards, affordable for vulnerable populations, over the total of targeted vulnerable population in need of shelter with minimum standard at affordable conditions.	Activity Info-Responsibility of the Shelter Sector	Percentage of vulnerable people living in shelters at minimum standard	Quarterly
 Lebanese	 Displaced Syrians	 Palestine Refugees from Syria (PRS)	 Palestine Refugees in Lebanon (PRL)	
Baseline: 2017 Target 2018 Target 2019 Target 2020	Baseline: 2017 Target 2018 Target 2019 Target 2020	Baseline: 2017 Target 2018 Target 2019 Target 2020	Baseline: 2017 Target 2018 Target 2019 Target 2020	
8% 27% 46% 65%	75% 90% 95% 100%	5% 30% 55% 80%	65% 70% 75% 80%	

Indicator 2	Description	Means of Verification	Unit	Frequency
Percentage of assessed or profiled areas / over all listed areas with high percentage of vulnerable populations in Lebanon (500)	Areas in Lebanon listed with a high percentage of vulnerable populations are profiled in a cross-sectorial manner; or their shelter and other needs are assessed in such a manner that the main results are compatible between the assessments and profiles.	Activity Info-Responsibility of the Shelter Sector	Percentage of vulnerable areas assessed / all 500 indicated vulnerable areas in Lebanon	Quarterly

## Institutions/Areas

Baseline: 2017	Target 2018	Target 2019	Target 2020
2%	16%	24%	32%

**Outcome 3:** Enhance contribution of national organizations and institutions to the housing situation in Lebanon

Indicator 1	Description	Means of Verification	Unit	Frequency
Percentage of <b>Lebanese NGO</b> , national and local organizations participating in the Shelter sector response / all agencies and organizations participating in the Shelter sector	Lebanese national and local governmental, as well as non-governmental organizations participating in the Shelter sector response	Activity Info-Responsibility of the Shelter Sector	Percentage	Quarterly

**Institutions/Areas**

Baseline 2017	Target 2018	Target 2019	Target 2020
10%	20%	40%	80%

Indicator 2	Description	Means of Verification	Unit	Frequency
Percentage of national and local institutions, participating in the shelter sector, that contribute to a housing policy for Lebanon	Lebanese institutions on national, local or academic level engage towards a policy for affordable housing in Lebanon.	Activity Info-Responsibility of the Shelter Sector	Percentage	Quarterly

**Institutions/Areas**

Baseline 2017	Target 2018	Target 2019	Target 2020
10%	20%	30%	40%

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