

Ministry of Foreign Affairs –

(Department for Migration, Stabilisation and Fragility / Royal Danish Embassy in Beirut)

Meeting in the Council for Development Policy on 28 October 2021

Agenda Item No. 4


















1. **Overall purpose:** *For discussion and recommendation to the Minister*

2. **Title:** *Support to Syria and Syria's Neighbourhood (2021-2023)*

3. **Presentation for Programme Committee:** *14 September 2021*

4. **Previous Danish support to Syria and Syria's Neighbourhood presented to UPR** *Yes, previous phase presented on 29 October 2019*

Support to Syria and Syria's Neighbourhood (2021-2023)

<p>Key results:</p> <ul style="list-style-type: none"> Improved, inclusive access to livelihood opportunities, protection and services for refugees, IDPs and host communities in the region. Host communities are more stable and resilient, and displaced Syrians will have greater access to durable solutions in the future. <p>Justification for support:</p> <ul style="list-style-type: none"> Denmark's 2021 development strategy includes a priority for support to host communities and displaced people severely impacted by crisis and conflict. A priority is to apply a humanitarian-development-peace nexus approach for the Syria region. The Strategy also prioritizes fighting for gender equality, including girls' and women's access to rights. <p>Major risks and challenges:</p> <ul style="list-style-type: none"> The political context will remain volatile, and tensions between host communities and displaced people will persist. The Syria conflict will not find a lasting solution, and sustainable durable solutions will be difficult to achieve in the short- to medium-term. It will be increasingly difficult to work with Government authorities. Not only will it continue to be impossible to collaborate directly with government institutions and structures in Syria, but also increasingly in Lebanon. Donor funding to the Syria crisis may be reduced in general, and the Syria donor response may also become more fragmented. The crisis in Lebanon may lead to heightened social unrest and possibly even localized violence. 	File No.	2021-29178					
	Country	Jordan, Lebanon and Syria					
	Responsible Unit	MNS and Beirut					
	Sector	Humanitarian-development-peace nexus					
	<i>DKK million</i>	2021	2022	2023	2024	2025	Total
	Commitment	200	200	200	-	-	600
	Projected Disbursement	100	200	200	100	-	600
	Duration	36 months (commitments)					
	Finance Act code.	06.32.02.10					
	Head of unit	Merete Juhl/Marianne Kress					
	Desk officer	Thomas Thomsen /Jakob Rogild Jakobsen					
	Reviewed by CFO	Antonio Ugaz-Simonsen					
	Relevant SDGs						
 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation		
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production		
 Climate Action	 Life below Water	 Life on Land	 Peace & Justice, strong Inst.	 Partnerships for Goals			

Objectives for stand-alone programme:

To generate improved, inclusive access to livelihood opportunities, protection and services for refugees, IDPs and host communities in the region.

Thematic area 1: Access to protection and services	Partner	Total thematic budget: [mill.]
Strengthening the Social Protection System for Vulnerable Refugees and Lebanese through Community-based Protection (Lebanon)	UNHCR	50
2021 Call for Proposals (Jordan and Lebanon)	NGOs	90
Total		140

Thematic area 2: Access to livelihoods	Partner	Total thematic budget: [mill.]
Support to Land Reclamation and Water Reservoirs (Lebanon)	FAO	30
Support to Vulnerable populations in urban neighborhoods (Lebanon)	AFD	30
Support to health services for Syrian refugees (Jordan)	JHFR	50
Total		110

Thematic area 1 and 2	Partner	Total thematic budget: [mill.]
RDPP Phase 3 (Lebanon and Jordan)	RDPP	200
Unallocated	t.b.d.	145
Total		395
	Programme support	5

Total	600
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Table of contents:

1.	Introduction	6
2.	Context, strategic considerations, rationale and justification	6
3.	Programme Objective	17
4.	Theory of change and key assumptions	17
5.	Summary of the results framework	20
6.	Inputs/budget	22
7.	Institutional and Management arrangement	23
8.	Financial Management, planning and reporting	23
9.	Risk Management	24
10.	Closure	25
11.	Short summary of projects	26
	Annexes:	33

List of acronyms

3SN	Support to Syria and Syria's Neighbourhood
COVID-19	
DAPP	Danish-Arab Partnership Programme
GDP	gross domestic product
IMF	International Monetary Fund
IPP	internally displaced people
PSP	Peace and Stabilisation Programme
RDPP	Regional Development and Protection Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
WFP	World Food Programme

1. Introduction

The conflict in Syria has entered its eleventh year and has developed into one of the most complex and protracted crises in the world. The Danish Finance Act for 2021 includes a budget line for Syria (§06.32.02.10) of 200 million DKK. This budget is dedicated to an agile, solution-oriented and coherent Danish development engagement across the humanitarian-development-peace nexus for refugees, internally displaced and affected host communities in and around Syria. It has been proposed in the draft Finance Act for 2022 to maintain 200 million DKK for initiatives in 2022 and 2023. This programme document includes funding for proposed engagements for 2021-2023 and it builds in particular on past and ongoing engagements supported in the previous years under the Syria neighbourhood assistance.

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This programme document outlines the context, strategic framework and engagements for the 2021-2023 phase of Support to Syria and Syria's Neighbourhood (3SN), with an emphasis on Lebanon and Jordan. The support is part of Denmark's continuing efforts to strengthen assistance in areas and countries neighbouring crisis and conflict, targeting internally displaced people (IDPs), refugees and affected local communities in accordance with the priorities in Denmark's 2021 development strategy and the Global Compact on Refugees of December 2018. The overall development objective of the programme hereby presented is to generate improved, inclusive access to livelihood opportunities, protection and services for refugees, IDPs and host communities in the region.

The 3SN programme builds upon and complements other large-scale Danish engagements in the region, in particular the ongoing phase II of the Regional Development and Protection Programme (RDPP) covering Lebanon, Jordan and Iraq, the Danish-Arab Partnership Programme (DAPP), the Peace and Stabilisation Programme (PSP), covering Syria and Iraq, and humanitarian assistance. The proposed support seeks continuity and complementarity where possible and relevant in respect of past and ongoing engagements. It incorporates lessons learned and strives to further increase the impact of the Danish portfolio in the region through strategic partnerships in Jordan, Lebanon and Syria. The latter includes the full incorporation of RDPP phase III in the 3SN programme.

The proposed engagements have been selected through a series of virtual meetings, a recent review of 3SN engagements, a thorough desk review of programme documents and a validation mission to Beirut and Amman. The implementing partners were chosen based on a series of key criteria, which include the track record of effectiveness and efficiency and the demonstrated capacity to adapt to contextual changes. Conflict sensitivity, environmental sustainability, human rights, good governance and gender equality were cross-cutting priorities guiding the selection of partners and are reflected in each of the chosen engagements.

2. Context, strategic considerations, rationale and justification

The context of the Syria conflict and its multifaceted protracted crises has continued to evolve over the past years. On the face of it, limited territorial gains made in early 2020 point to the resurgence of Bashar al-Assad's government, albeit with heavy dependence on Russia and Iran. In

substance, however, the repressive behaviour of the authorities in Damascus remains the same. Non-state actors also maintain a highly oppressive behavior, as they mostly remain reliant on aligned armed groups to maintain security and protect and project interests. The foundational equation of instability in Syria therefore remains by and large the same. Nevertheless, there are circumstantial changes at various levels that programming needs to consider, such as Covid-19.

The aim of this section is to provide an overview of the most relevant national trends as well as their implications for engagements to be selected, a list of the key stakeholders and an overview of Danish priorities and strategic considerations for the programme.

Syria

The Syrian conflict is entering its eleventh year, with no foreseeable end to it. It is estimated that over 450,000 Syrians have lost their lives since March 2011, as the conflict has become militarized and regionalized with oppression and human rights violations by the authorities in Damascus as one of the primary drivers. 6.7 million people have been displaced internally within Syria, having been forced to leave their homes and seek protection in other parts of the country. The conflict also resulted in over 5.6 million refugees, fleeing mostly to neighbouring countries, where the consequences of the conflict are also intensely felt. This includes the fragile economies of Jordan and Lebanon, which have registered over 855,000 and 669,000 Syrian refugees respectively, with additional high numbers of de facto Syrian residents lacking refugee registration.¹

Attempts to achieve national, inclusive political change are deadlocked. Bashar al-Assad secured his fourth seven-year term as president in May 2021, emphasising that there will be no near-term changes to the political and security landscape in Syria. It remains a highly complex situation, with hostilities and violence expected to endure - at the time of writing, the biggest hotspots were the north-western region of Idlib, the north-east and south-west, notably Daraa. According to surveys conducted by the United Nations High Commissioner for Refugees (UNHCR), only a very small percentage (2.4%) of Syrian refugees have any interest in returning to Syria within the next 12 months; however, 70% do have intentions to return to their home country one day. Safety, security, livelihoods, housing and basic services are the main deciding factors that Syrian refugees take into consideration when evaluating the possibilities of return.

Security and political challenges are coupled with ongoing economic collapse. The Syrian economy is severely weakened after eleven years of conflict, the impact of COVID-19 and repercussions of the crisis in Lebanon, resulting in a macroeconomic crisis. Authorities in Damascus have less funds and, due to the conflict, more interest in narrowing access to services. The World Bank has estimated that the conflict has led to a negative gross domestic product (GDP) growth of -12% on average, over the period 2011–18, resulting in a GDP contraction to about one-third of the 2010 level. In 2020, the Syrian Pound suffered significant depreciation and there was a 236% increase in food prices, contributing to a record number of Syrians who are now food insecure.

Difficulties to programme implementation in regime-held areas has been a constant challenge to humanitarian actors inside Syria. The prohibitive cost of the official exchange rate, coupled with the lack of freedom of movement for implementing actors and the lack of ability to conduct an

¹ <https://data2.unhcr.org/en/situations/syria>

inclusive needs assessment has significantly limited the humanitarian response in the region. Given the scale of needs and vulnerability among the population in regime-held areas, support and engagement from international donors remains critical to try and overcome these barriers.

The conflict in Syria and the country's economic deterioration also have a tremendous impact on the lives of women and girls. According to the United Nations Population Fund (UNFPA), this impact presents itself in the form of gender-based violence, which includes forced marriages, domestic violence sexual harassment and sexual violence, all of which has become more and more normalized in Syrian society. This is combined with long-standing unequal and restrictive gender norms, which restrain women from making important life choices, such as their partners, movements, education, and dress code.

After eleven years, the Syrian conflict remains highly dynamic and the population as a whole is constantly faced with a variety of risks, ranging from a deteriorating economic situation to displacement and conflict events. It is, therefore, critical to build the ability to resist shocks and self-sufficiency at the individual, household and the community levels. There is a need to prepare the Syrian society, which has been devastated over the past eleven years, to an eventual reconstruction.

Lebanon

Syria's crisis severely affects Lebanon. The initial consequence of revolution and war in Syria was an influx - according to Lebanese government estimates - of up to 1.5 million Syrian refugees. With 855,000 of them registered with UNHCR, Lebanon has on that measure the highest proportion of displaced people per capita in the world. Furthermore, Lebanon has served as a financial and logistics hub for the authorities in Damascus and its regional backers², which has strained Lebanon's political economy – a political economy based on symbiosis between sectarian political actors, theoretically neutral state institutions and a banking sector marked by cronyism.

The emblematic disaster of the explosions in Beirut Port in August 2020 highlighted a government with limited accountability to its citizens. It took the Civil War of the 20th Century to compel and exhaust political leaders into agreeing on the current constitutional framework, which has become a straitjacket on possibilities for political reform. As shocks and stagnation have piled up, it is hard to exaggerate how far the country has dropped into a financial, economic and political crisis, and the social impacts are clear to see. The sharp depreciation of the national currency, hyper-inflation, increased unemployment, mounting inter-communal tensions and rising food insecurity are just a few indicators of how catastrophic conditions have become. The World Bank has indicated that the current financial and economic crisis in Lebanon ranks among the three most severe crises that have happened anywhere since the mid-nineteenth century. Without a government in place and a real will to initiate vital economic reforms, the International Monetary Fund (IMF) is not able to provide much needed support for recovery.

Real GDP growth is estimated to have contracted by 20.3% in 2020, following a 6.7% contraction the year before. Tourism was one of the sectors most significantly affected by travel restrictions implemented to contain the spread of COVID-19. Employment has also significantly decreased,

² Rebuilding Syria. The Middle East's Next Power Game? Dacrema, 2019

with one in five workers losing their jobs since October 2019. The debt-to-GDP ratio has also been exacerbated and it was estimated at 174% in 2020, a 3% point increase from the previous year. Among Lebanese, there has been an increase in emigration interest, to such an extent that there have been sporadic ventures to reach Cyprus by boat. Remittance inflows by the Lebanese diaspora remain vital to alleviate poverty, as it declined by only 6.6% in 2020 despite the multiple crises in the country, standing at the equivalent to 36.2% of the country's GDP in 2020.

UNICEF estimates that over half of the population in Lebanon is now under the poverty line, and 89% of Syrian refugees in Lebanon are below the extreme poverty line. An assessment conducted by the World Food Programme (WFP) during the Spring of 2021³ highlighted that the number of Lebanese families facing food shortages has increased, reflecting a continuous deterioration in the ability of households to access food and other basic needs. These numbers are likely to grow, given the dramatic decline of households' purchasing power over the last two years. This is partly linked to limited investments in agricultural productivity over the years as the structure of the economy has encouraged food imports.

Strained social services, the lack of job opportunities and poverty among refugees and Lebanese has generated worsening tensions, with localized incidents of violence on the rise, which indicates a growing challenge of community acceptance towards refugees who are sometimes blamed as scapegoats for the political crisis in Lebanon. These tensions indicate a latent need to improve living conditions and offer more inclusive and efficient access to essential services in the country. UNHCR's Gender-Based Violence Information Management System has also documented a continuing rise in incidents of child sexual abuse affecting both girls and boys, along with domestic violence and intimate partner violence since the Covid pandemic started affecting Lebanon.

International actors are underwriting a lot of services to refugees, some through government mechanisms and a lot through NGOs. The Lebanon Crisis Response Plan (LCRP)⁴ provides a framework for this, covering a variety of sectors, ranging from basic assistance to social stability and livelihoods. It is clear the government will struggle to invest much in refugee services until there is budget reform and more political breathing space to focus on the issue.

Given these challenges, Lebanon is in no condition to pursue the 2030 Sustainable Development Goals (SDGs) nor the inclusive approaches to refugee response that are called for in the Global Compact on Refugees. UNDP suggests that the most realistic option for the time being is to try to maintain achievements under the Millennium Development Goals. The country should strive to keep poverty levels from increasing further and avoid further deterioration of the environment. One approach to this has been developed by Lebanon, the World Bank and the UN in the form of a Lebanon Reform, Recovery and Reconstruction Framework (3RF). As with many such plans, the challenge is in finding implementation mechanisms to achieve its aims; modalities that rely on the government are risky as public service morale has declined and many institutions have seen a de facto fall in available personnel.

Over the past few years, as the inflow of foreign capital decreased and the currency suffered a sharp depreciation, the heavily import-dependent Lebanese supply chain broke and the country

³ WFP and WBG (April 2021). Lebanon m-VAM Vulnerability and Food Security Assessment.

⁴ The Lebanon Crisis Response Plan (LCRP) is part of the Regional Refugee & Resilience Plan (3RP), developed by affected governments and the UN in response to the Syrian refugee crisis.

could no longer afford to import critical goods. These events highlighted the need to build a more resilient and local economy, which can better respond to external shocks. In the immediate term, Lebanon needs to restore economic opportunities and rebuild livelihoods. There is a short-term need to rehabilitate business activity in the country, reducing the cost of doing business. By doing so in an inclusive manner, social cohesion will increase and tensions between different groups will alleviate. Donors should, therefore, strive to invest in local untapped potential, which can lead to a more resilient and self-sufficient economy.

Jordan

The Syrian crisis has had significant impacts on Jordan, including through the large influx of refugees. In August 2021, 669,497 Syrian refugees were registered with UNHCR in the country, 80% of whom are living outside of refugee camps. In 2015, the Government of Jordan collaborated with the UN and NGOs in developing the Jordan Response Plan (JRP)⁵. The 2020-2022 version of the JRP has as its top priority to protect the dignity and welfare of Syrian refugees and vulnerable Jordanians impacted by the Syrian crisis. The plan presents a collective approach across all sectors, with diverse stakeholders from government ministries, donors, UN agencies, national and international NGOs with the objective of addressing core needs. It reflects that Jordan has adopted highly inclusive approaches to hosting refugees by allowing them to work in selected sectors jobs and to access health care and education services.

Jordan has been successful at remaining stable and balancing its domestic politics with external shocks resulting from regional events. At every major regional turn of events that could have led to political breakdown, such as the Iraq invasion of 2003, Jordan remained resilient. The careful management of relations with the British, then with Israelis and Arab neighbours and finally with international actors concerned with the Middle East created the external conditions in which Jordan's statehood consolidated. The support of the international community and the inflow of foreign aid has been of critical importance to the country's development and stability.

Jordan's economy, which already showed high unemployment and debt levels, was badly hit by the pandemic. The unemployment rate spiked to 23% in the second quarter of 2020, a 3.7% increase from the previous quarter. World Bank research in 2020 showed that 54% of businesses in Jordan report that they fell, or are soon expected to fall, into debt. Additionally, one third of Syrian refugees who were employed before the start of the pandemic have lost their jobs, increasing risks of a further drop in the income of refugee households.

In addition to that, Jordan has one of the youngest populations in the world, with 63% under 30 years of age. A country with this age structure needs rapidly expanding job opportunities, which Jordan is struggling to produce. Youth unemployment stands at 40%; among Syrian youth unemployment is even higher, standing at 84%.

Over the medium-term, there is a need to facilitate and strengthen the national business and investment environment, aiming for boosting innovation and improving productivity. These will lead to more sustainable job-creation, repaving the way to economic growth. The support of international partners has been vital to maintain Jordan's economy resilient and stable, and will

⁵ The Jordan Response Plan (JRP) is, like the LCRP, part of the Regional Refugee & Resilience Plan (3RP).

remain of significant importance in the upcoming years, in particular after the extra burden imposed by COVID-19 on the country's resources.

Future scenarios and their implications

The most likely scenario for Syria over the next couple of years is that the conflict, with its constituent regional underpinnings, will not end. With no political transition on the horizon, it is unlikely that any event or trend will lead to a significantly larger number of sustained returns. There will be no negotiated settlement covering the whole country. There will be population movements, including some displaced people returning, but millions of people will remain displaced both within and beyond Syria. Further displacement is a possibility. Given the deteriorating economic situation in host communities, continuing humanitarian and development support will be vital to prevent a further aggravation of vulnerabilities. Programming in regime-held areas will remain difficult. The best conceptual focus for programming in Syria will be around resilience, i.e. flexibly taking opportunities at a local level to support capacities to respond to shocks, including by attaining sustainable livelihoods.

The expected scenario for Lebanon over the next three years is that although there is a formal government, no major political reform will occur and the sectarian division of power will be maintained. The economic situation is expected to remain critical, with a continuous decline of household purchasing power, and regular and irregular migration outflows are likely to increase as a result of crises in the country. Though tensions at the community level are likely to remain or worsen and political pressure might intensify, no official governmental action to push return for Syrian refugees is expected. There is likely to be slowly increasing reliance on service provision by some sectarian actors, including with ongoing sponsorship from Iran and potentially renewed support by countries in the Gulf. The emergence of social unrest or even armed conflict cannot be ruled out; there is a real risk of further national disintegration, which may lead to even greater vulnerabilities among refugees. Given the acute crises in Lebanon, the best programming approach is to alleviate immediate shocks and help protect from the worst threats, while working primarily with civil society and the private sector to develop medium-term foundations for economic growth and social cohesion.

The probability of political or financial instability in Jordan has risen, but the most likely scenario is that the government maintains control and the economy does not significantly worsen. The government will remain highly dependent on foreign aid, including because of COVID-19 impacts. According to the World Bank, economic growth will remain subdued, given structural impediments. It is not likely that the government embarks on significant reform to its political economy, so the best programming approach is to support working government systems and seek opportunities to develop practical civil society innovations, particularly on protection.

The 3SN has been developed with the flexibility to respond to contextual changes, including the ones outlined in the above scenarios. Aware of the increased instability in the region and the highly dynamic conflict inside Syria, Denmark's commitment to adaptive programme management will ensure that the engagements to be undertaken have the necessary flexibility to respond to emerging shocks and needs. The unallocated funds for 2023 will be another key feature of the programme's adaptability, ensuring that it is possible to respond to contextual changes and demands.

Additional cross-cutting issues

Gender-based violence is on the rise in the region, reducing the safety of women and girls within their own households and communities, and access to the necessary specialised services is limited. The deteriorating economic situation and the inability to meet the most basic needs also appears to have encouraged a rise in child marriages, and a heightened risk of sexual exploitation and abuse. There have been local and international initiatives to respond in Lebanon, to a lesser extent in Jordan, and in Syria there have been formidable contextual constraints to responding. The 3SN programme will support efforts to shift this development, both with safeguarding/mainstreaming approaches to project management and with projects that have GBV reduction as a specific objective.

In all three countries, the toll of crises and fragility can be seen in environmental degradation. All three countries suffer water scarcity overall and have pockets of great water stress among vulnerable communities. Greater poverty in parched areas makes it difficult for people to invest in mitigation or adaptation. Land use practices have tended towards neglect or unsustainability, including due to the constraints of conflict. Climate change impacts are not well-studied in the countries in the region, but their agricultural sectors generally lack resources to adapt. For the 3SN, the most likely opportunities to address climate change and environmental sustainability will be in livelihood activity design; to a lesser extent there may also be opportunities to mitigate impacts through protection-focused activities.

With the deepening political and economic crisis across the region, and in particular in Lebanon, there is growing tension between displaced population groups and local host communities. This results in increased animosity at the local level but also an increasingly aggressive line at the political level, with politicians calling for the return of Syrian refugees to their home country. In this situation, the space for inclusive approaches for refugees becomes increasingly narrow. Therefore, it is a priority for the programme to counter such tendencies through ensuring a cross-cutting focus on social cohesion.

The parties involved in the Syrian conflict have been indifferent to the rights of the country's population, which has led to a series of severe human rights violations over the last 11 years. Among the most severe violations are reports of unlawful or arbitrary killings by the authorities in Damascus, forced disappearances and torture. A human rights based approach will be at the core of all engagements undertaken under the 3SN, ensuring that the programmes are non-discriminatory and anchored in a system of rights.

Key Stakeholders

Government

Lebanon and Jordan are highly dependent on foreign aid but their governments have different capacities to engage with aid processes. Jordan has stronger central planning and oversight capabilities, while Lebanon has a weak state with strong social components. Both governments struggle with the need to balance foreign support to Syrian displacement with their focus on their own citizens' widespread poverty and issues of social cohesion. The government of Jordan and, to a lesser extent the government of Lebanon, have included Syrian refugees in their national plans as beneficiaries of specific types of service delivery. In Lebanon there is an expectation that Lebanese will be included as beneficiaries in programmes implemented by international actors. In Jordan, the policy is that any programme including Syrians should have a balance of 30% Syrians and 70% Jordanians.

When considering government stakeholders, due attention must be given to the sub-national territorial entities and administrative divisions, in order to anticipate challenges but also potential opportunities when dealing with national governments. This is important as large numbers of Syrian refugees live in host communities that range from smaller rural and urban settlements to larger agglomerations, notably around the capital cities. In this sense, responding to Syrian refugees' needs also implies proactively understanding the competencies and working mechanisms of the various administrative divisions, for example municipalities. In Lebanon, municipalities tend to have more authority vis-à-vis the central government, whereas Jordan's municipalities are somewhat more passive recipients of central government disbursements.

In line with EU consensus, the 3SN will not provide support to the authorities in Damascus, limited direct or indirect support through Lebanese government channels, and somewhat more interest in Jordanian government systems given the greater level of legitimacy and capacity for absorption, along with the inclusive approaches to the refugee response.

Civil society

In Lebanon, Jordan and Syria, local and international NGOs are key actors on resilience, livelihoods and protection. The 3SN includes an emphasis on localization wherever possible. In Lebanon and Syria, NGOs are operating in politically unstable (and in parts heavily oppressive) systems, with deteriorating economic circumstances and rising humanitarian needs. Syria's civil society has not been able to develop independently in areas controlled by Assad and in other areas there are heavy pressures to align with the authorities. There is a stronger tradition in Lebanon of active civil society advocacy towards the government on issues such as gender-based violence and access to services, whereas advocacy is less common in Jordan, and it is almost non-existent in Syria. This pattern is repeated in terms of broader civil society capacity: Lebanon contains strong, long-running, independent NGOs, including some that are rights-based, whereas Jordan's civil society primarily consists of charitable and developmental organizations with a stronger focus on service-provision.

The NGOs in the programming region are vital to ensure localization of donors' efforts, as their activities address a wide range of critical societal problems, such as social cohesion and GBV, and work towards long-term development and response to shocks. These civil society organizations

rely heavily on funding from the international community and the bigger INGOs, which is sometimes difficult to access. The programme foresees significant investments in localization among Lebanese NGOs and with a narrower range of Jordanian NGOs. Localization and capacity-building among Syrian civil society is a much more fluid process and should be led by those Syrians who can do so with the necessary degree of independence. This approach ensures that the programme will address local needs and help develop a strong civil society in the programming region.

Multilateral organizations

One indicator of Lebanon and Jordan's dependence on aid is the presence of many large delegations of UN agencies and the World Bank. In Syria, they have a much smaller presence.

The World Bank is an important partner in Lebanon. It plays an important role in identifying options for the government to engage in reforms. As the financial crisis has deepened, government systems have weakened and the Government's readiness to include refugees in Government led programmes have deteriorated, it has become increasingly difficult to obtain the required parliamentary approvals of agreements and ensure effective implementation. Denmark has already made strategically important funds available for Lebanon through the Global Concessional Financing Facility (GCFF) and, as the first donor to the Lebanon Financing Facility (LFF). It should, however, not be expanded until there is better prospects for economic reform and government capacity.

Jordan has very large projects with the World Bank in various areas under the Country Partnership Framework agreed in 2016 for 2017–2022. It encompasses long-term development commitments as well as sector-specific engagements, such as health, education and social protection). Jordan is by far the largest recipient of funding under the GCFF, to which Denmark has been one of the biggest donors. There is a demonstrated capacity for Jordan to implement World Bank projects, including those with a concern for displaced Syrians.

UN agencies in Lebanon and Jordan play an important role channelling international donor funds into local activities. In principle and in practice, some agencies have an important role in advocacy on behalf of Syrian refugees, for example UNHCR. However, as in many other countries, UN mechanisms for implementation are not always effective at generating sustainable capacity among the recipient NGOs or government agencies. As one indicator, there are many UN programmes that include a capacity-building component for NGO implementing partners - and have done so for a decade or more. The 3SN formulation approach has been to assess UN programmes for comparative advantages that go beyond convenience as a recipient of Danish funds.

Donors

Since the start of the Syrian crisis, large amounts of humanitarian donor funding has gone into the region in response to emergencies and displacement. Over the years and in particular since 2015, donors have been complementing humanitarian assistance with development aid, in order to increase resilience and longer-term solutions, in particular in the countries neighbouring Syria. Denmark has been at the forefront of this trend, and remains so with the 3SN. Further, it will generate alignment with other donors and international partners working in the region as has been the case with past and ongoing engagements in this area.

In Jordan, the USA is the biggest bilateral donor. Lebanon has a broader mix of significant donors, including the EU, Germany and the French Development Agency (AFD). The 3SN formulation process has included up-to-date coordination with EU and AFD project development processes, which has helped to ensure strategic alignment and broader coherence between this programme and other donor activities. Generally, the potential niches for Denmark are in topics that are less well-addressed by large donor programmes - for example gender-based violence and agriculture - as well as in innovating ahead of the curve on challenges like localization and resilience.

Danish Strategic Considerations

The formulation process has carefully considered the strategic priorities described in Denmark's 2021 development strategy, including a particular priority to the humanitarian-development-peace nexus. As humanitarian needs in the programming region have kept growing over the years, Denmark strives to prevent crises and reduce levels of humanitarian need among the population, following the humanitarian-development nexus in a carefully coordinated manner. Danish commitments in Syria and neighbouring countries are expected to amount to at least 700 million DKK in 2021. Denmark's efforts toward the Syria conflict and displaced Syrians in the region, which falls under the category of "poor, fragile countries and regions characterised by fragility", strive to address the following SDGs: 1) No poverty, 2) Zero hunger, 5) Gender Equality, 8) Decent work and economic growth and 17) Partnerships for Goals.

The "Government's Development Policy Priorities for 2021" outlines Denmark's interest in helping the host communities in the region, which have been severely impacted by the crisis. There are many advantages to helping host communities to deal with refugee influxes as close to their country of origin as possible. This is a major challenge at present in the 3SN region, with Lebanon and Jordan facing big pressures and some indications of greater interest in onward movement by refugees and by people from the host communities themselves.

The programme engagements described below are part of the Danish portfolio of engagements in the region, which work towards a series of aligned objectives. The Humanitarian Funds support and align a comprehensive response to the Syrian crisis by expanding humanitarian assistance, increasing humanitarian access and strengthening partnerships with both local NGOs and INGOs. The 3SN, together with the RDPP, directly address short and medium term needs which emanate from the Syrian crisis applying a humanitarian-development-peace nexus approach. The Peace and Stabilisation Programme and the Danish-Arab Partnership Programme aim to build stability in the region and advance good governance. The 3SN formulation occurred in parallel with steps to formulate a new Peace and Stabilisation Programme, which allowed for ensuring coherence across

their respective context analyses. Together, the programmes in the Danish portfolio have sought to achieve the objective of “Building a safe, resilient and prosperous Syria neighbourhood for generations to come”.

The Programme builds on lessons learned from completed and ongoing programmes in the Region, including the outcome of a recently completed mid-term review. Further, the programme has been developed with a view to strengthen cooperation and coherence across humanitarian, development and peacebuilding initiatives. The following priorities has guided programme formulation:

1. The programme is to form a comprehensive, coherent response to displacement affecting Syria, Jordan, and Lebanon, and should address needs and priorities among both forcibly displaced people and affected local communities.
2. The programme is to build on or complement ongoing engagements.
3. The programme is to ensure programmatic coherence and integration with other Danish humanitarian, development and stabilization engagements across the region from Lebanon to Iraq.
4. The programme should be aligned with relevant international and national strategies and plans in response to conflict and displacement in and from Syria.
5. Priority should be given to interventions, which support temporary and durable solutions for displaced persons, including returnees, along with affected local communities, thus ensuring their continued access to protection and livelihoods.
6. Conflict sensitivity and Do-No-Harm along with environmental sustainability, human rights, good governance and gender-based rights should be cross-cutting priorities.
7. The programme may involve different types of partnerships and funding modalities as is also the case with the current 3SN portfolio.

Further, Denmark has observed a latent need to balance between restoring services and stability in Syria and continuing to provide support to refugees in neighbouring countries. The need for flexibility and adaptability was a key factor across the process of selecting partners, as the situation in the region remains dynamic and ever evolving. The 3SN addresses both of these lessons in the portfolio of engagements. Unfortunately, however, the identification process did not provide sufficient confidence and assurances to propose immediate funding for activities with a hum-dev-peace focus in Syria as part of the 2021 funding package. Currently, only two programmes systematically explore possible approaches to building sustainable resilience within defined political principles and parameters for international assistance to Syria: The UN Joint Resilience Programme in Syria, and the Syria Resilience Consortium (SRC). In the short term, none of those are viable partners for possible Danish contributions. Hence, the current phase of the UN programme ends in June 2022 and a new phase will only be formulated in 2022, and SRC is already receiving Danish funding within a partnership that continues until the end of 2022. In view of this, it will be a priority for the programme to identify relevant partners in Syria for funding from unallocated funds in 2023. This might include one or both of the aforementioned programmes, if appraisals or evaluations support this. Other, more relevant opportunities, may arise during coming months.

As described in Denmark's 2021 development strategy, Denmark will be fighting for gender equality, including girls' and women's access to rights. The formulation process identified multiple

opportunities for Denmark to advance these objectives, noting that COVID-19 and the mitigation measures imposed by governments have severely impacted the wellbeing of women and girls in the region. Denmark will maintain its position as a strong global advocate of sexual and reproductive health and rights - the engagements have been reviewed for specific gender equality objectives as well as for cross-cutting sensitivity to gender in project design and implementation.

One of the priorities for Denmark under "The World We Share" is to promote sustainable development. Climate change can hinder achievements towards the SDGs, as it has serious negative consequences that affect the lives of those residing in fragile states, extenuating already dire circumstances. A large number of the population in developing regions engage directly or indirectly in agriculture and food production, a vital sector to promote resilience and that has been highly impacted by climate change. Denmark will continue to take a leading position on the fight to stop climate change and restore balance to the planet - engagements under the 3SN have been carefully reviewed for specific sustainability goals.

The 3SN is aligned with Denmark's principle to strengthen local involvement and ownership. Civil society is not only a critical pillar of democratic societies, but also a source of innovators and actors of change. Hence, the programme foresees significant investments in localization among Lebanese NGOs and with a narrower range of Jordanian NGOs, as well as capacity building through partnerships.

Denmark understands that the above goals cannot be achieved by the efforts of a single actor. Existing and new partnerships are at the core of the 3SN formulation, as they are key to strengthening Danish impact in the region. Denmark will work with other like-minded donors and organizations, favouring innovative and courageous partnerships.

3. Programme Objective

The overall programme objective is to generate improved, inclusive access to livelihood opportunities, protection and services for refugees, IDPs and host communities in the region. As described in the context analysis, there are two severe constraints on pursuing the programme objective - the lack of durable solutions in a formal sense and the deteriorating conditions in Syria, Jordan and Lebanon. The programming challenge is therefore to support effective partners who can adapt their services locally to address the needs and capacities of displaced people and host communities across a spectrum of humanitarian, development and peace activities.

4. Theory of change and key assumptions

Displaced Syrians will have better access to durable solutions in the future if they have access now to services that protect them, generate livelihoods and foster social cohesion. Given the challenging context, if the programme wants displaced Syrians to succeed, it will have to support Jordanians and Lebanese too. In particular and as described in the context analysis, the programme will need to invest in economic sectors that have a chance to generate incomes in urban and rural areas, support innovations that address social cohesion, not least for young people, and promote sustainable access to rights for all ages and genders. The programme's theory of change outlines a

four-track integrated approach to achieve the programme objective: to generate improved, inclusive access to protection, services and livelihood opportunities for refugees, IDPs and host communities in the region.

Integrated theory of change at the programme level				
Output level	<i>If</i> international actors support Lebanon and Jordan in making basic services available to refugees and host communities , while NGOs invest in innovation to make protection activities more sustainable and scalable,	<i>If</i> NGOs and international actors support individual and business job opportunities in urban areas, and international actors assist farmers to reclaim land and increase agricultural productivity in rural areas in Lebanon,	<i>If</i> there is a flexible capacity to deliver livelihoods, protection and social cohesion activities wherever opportunities arise at the community level in Syria,	<i>If</i> there is a mechanism that localizes research, design, implementation, evaluation and advocacy capacities,
	<i>Then</i>			
Short/ Medium Term Outcome level	there will be incrementally greater space to protect refugees, increase inclusivity of protection activities and foster social cohesion;	there will be immediate and medium-term benefits in livelihoods for Syrians and Lebanese, reduced economic drivers of community tension and a stronger base for economic expansion if national reforms occur;	resilience among Syrians will increase, and the limited space for durable solutions for displaced Syrians will grow as the context allows;	local NGOs will deliver more sustainable, innovative and responsive services to Syrian refugees, IDPs and host populations in Syria, Jordan and Lebanon;
	<i>Then</i>			
Long-Term Outcome level	There will be improved, inclusive access to livelihood opportunities, protection and services for refugees, IDPs and host communities			
	<i>And</i>			
	Host communities will be more stable and resilient			
	<i>And</i>			

Displaced Syrians will have greater access to durable solutions in the future as they become available.

The table below highlights assumptions surrounding the theory of change, as well as demonstrating how the focus may need to change if the assumptions do not hold.

Assumption	If this assumption is wrong...
Jordan: the government maintains the capacity to keep public order and there is no active armed conflict.	Engagements that depend on government systems may need review and there may be more need for humanitarian or stabilisation support. Gender inequalities may become worse.
Jordan and Lebanon: no steps are taken at a national level aiming to return or reject Syrians seeking asylum in Lebanon.	Medium-term livelihoods support for Syrians would become less feasible and there would be a greater risk of secondary movements to third countries outside the region. More advocacy and diplomatic engagement may become even more important, as would protection for returned Syrians and those in risk of being returned.
Jordan and Lebanon: the government is unwilling or unable to legislate change to strengthen protection of Syrians on issues such as labour rights.	Legislation, regulatory advice and advocacy to implement protections would become more valuable.
Jordan: the economic outlook remains difficult but does not deteriorate further, including because foreign donor support does not decline by more than 10% by the end of 2023.	Reduced prospects for medium-term livelihood outcomes, with a greater priority on humanitarian activities and gender inequalities.
Lebanon: subnational power-holders continue to see value in at least a weak national system. For example, there are no attempts to formally sever territory from a national regime.	Stabilisation and mediation support would become more important. Medium-term livelihoods outcomes may become more difficult in contested areas. Even less scope to rely on national government systems or support to reach all populations.
Syria: there continues to be zones that the current authorities in Damascus control, as well as areas where other authorities are in control.	If the authorities in Damascus expand their territorial control, there would be less scope for activities that NGOs are conducting with the cooperation of other authorities. If the authorities in Damascus retreat, the nature of new authorities is important. Those tolerating or supporting civil society may create more space for programme activities in Syria. By contrast, authorities intolerant of civil society will likely reduce programme access.
Syria: Large-scale fighting does not resume.	Within Syria and in neighbouring countries, priorities may shift further to humanitarian assistance and peace-efforts, with greater need for attention to gender inequalities and other protection concerns.

Syria, Jordan and Lebanon: There is severely limited space for durable solutions in the short and medium term.	<p>If there is <i>no</i> space for durable solutions in the next few years, priorities remain similar because they will achieve incremental progress and build a stronger platform for durable solutions when they become available.</p> <p>If there are more options for durable solutions, then the programme may shift investments to expand their use.</p>
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5. Summary of the results framework

The table below summarises the results framework for the programme along with illustrative examples at the engagement level. Further detail at the engagement level can be found in annexed project summaries. During the first six months of 2022, the programme management team will collaborate with partners to finalise results frameworks at the engagement level, a process which may require adapting the programme results framework shown below.

Programme Objective		To generate improved, inclusive access to livelihood opportunities, protection and services for refugees, IDPs and host communities in the region.
Programme Outcome		PO1: Improved, inclusive access to livelihood opportunities for refugees, IDPs and host communities in the region
Programme Outcome Indicators		<p>PO1.1: Income generated for refugees, IDPs and host community members</p> <p>PO1.2: Quality of work opportunities generated for refugees, IDPs and host community members</p> <p>Examples from the engagement level:</p> <ul style="list-style-type: none"> ● <i>FAO Lebanon Land Reclamation and Water Reservoirs</i> delivers short-term employment and creates recurring seasonal work for Syrians and unskilled Lebanese by expanding agricultural production. ● <i>RDPP Phase 3</i> supports access to employment for youth and women via skills development, mentoring and job placements.
Baseline	2021	N/A
Target	2023	TBD
Indicative Programme Outputs		<ul style="list-style-type: none"> ● Displaced Syrians and host community members identified for participation in livelihoods activities ● Skills development trainings delivered ● Partner NGOs who receive training on employment and skills development services ● New productive agricultural land ● Jobs created for displaced Syrians and host community members

		<ul style="list-style-type: none"> ● Learning products from programming (e.g. lessons learnt documents) published and disseminated
Programme Outcome		PO2: Displaced Syrians and affected host communities have sustainable access to protection and services
Programme Outcome Indicators		<p>PO2.1: Increased access to health, shelter, legal administration and civil administration services for displaced Syrians and IDPs</p> <p>PO2.2: Increased coverage of GBV prevention and response services among displaced Syrians, IDPs and host community members</p> <p>Examples from the engagement level:</p> <ul style="list-style-type: none"> ● <i>Protection through UNHCR Lebanon</i> makes civil administration, GBV awareness and other protection services available through Community Development Centres and Social Development Centres. ● The <i>2021 Call for Proposals</i> for sustainable activities that address vulnerabilities and social tension, and increase capacities for change, in particular among youth and women, through conflict-sensitive, protection-focused activities that strengthen access to basic legal, social and economic rights. ● <i>RDPP Phase 3</i> localizes GBV advocacy and reduces child labour through partner NGOs that engage with authorities and deliver services to displaced people. ● <i>Jordan Helath Fund for Refugees (JHFR)</i> provides funds in a multi-donor account in support of subsidized health services for refugees in Jordan and supports capacity building of the Ministry of Health, Jordan.
Baseline	2021	Governments, civil society actors, donors and beneficiaries have been effective at maintaining a basic protection space and some protection services for displaced Syrians. Coverage is not comprehensive and quality is heavily dependent on the support of foreign actors, such as European donors and international NGOs. GBV has worsened to chronic and critical levels since the start of the COVID-19 pandemic.
Target	2023	TBD
Indicative Programme Outputs		<ul style="list-style-type: none"> ● Number of Community Development Centres supported ● Number of beneficiaries supported with shelter, healthcare, documentation or other basic services ● Number of legal and civil service provider trainings delivered ● Number of GBV cases prevented and/or responded to ● Number of monitoring, evaluation and learning outputs produced by implementing partners

6. Inputs/budget

The programme budget is DKK 600 million, divided into three years of DKK 200 million each. The table below breaks down the budget by thematic priority and by year. Grants to implementing partners of the programme will be spent solely on activities leading to the expected outputs and outcomes as agreed between the parties. The implementing partner is responsible for ensuring that the funds are spent in compliance with the agreement and with due consideration to economy, efficiency and effectiveness in achieving the results intended.

Programme budget in million DKK (commitments)

Engagement	2021	2022	2023	Total
Thematic area 1: Access to protection and services	140			140
UNHCR Lebanon	50			50
2021 Call for Proposals* (Lebanon and Jordan)	90			90
Thematic area 2: Access to livelihoods	60			60
FAO Land Reclamation and Water Reservoirs (Lebanon)	30			30
AFD Neighbourhood (Lebanon)	30			30
Jordan Health Fund for Refugees (Jordan)			50	
Thematic area 1 and 2 (actual distribution t.b.d.)		200		200
RDPP Phase 3* (Focus on Lebanon and Jordan)		200		200
Total Planned Budget per Year	200	200	0	400
Unallocated funds** (24 per cent)			145	145
Reviews, technical support			5	5
Total Budget Allocated	200	200	200	600

Notes:

* The distribution of funds between Jordan and Lebanon roughly corresponds to the number of refugees hosted by the two countries. It does not reflect any binding planning assumptions. Actual division of future funding for the RDPP and the Call for Proposals will depend on contextual developments and needs.

** Preliminary long-list for contributions from unallocated funds are discussed below

Unallocated funding

The budget includes 145 million DKK (24 per cent) of unallocated funding for 2023 in light of the volatile environment. The economic, political, conflict and pandemic context demands this flexibility. In late 2022, the programme will tender for a review of engagement options for 2023, starting with the performance of existing engagements and their potential to employ new funds effectively. Normal appraisal processes will be followed. There are a number of options to consider, shown under the “Summary of Projects” below.

7. Institutional and Management arrangement

The arrangements here aim to ensure adequate reporting, dialogue, learning and timely decisions, including possible adaptations to ensure achievement of agreed outcomes. The approach is guided by Denmark’s “Doing Development Differently”. The context and the programme objective also demand flexible and adaptive management, given the certainty that new problems and opportunities will arise over a three-year period. To adapt well, programme managers will need the opportunity and readiness to consult with implementing partners and other stakeholders in the context, then turn this into policy dialogue and or administrative adjustments as relevant.

The Royal Danish Embassy (RDE) Beirut will lead programme management through its *Regional Displacement and Vulnerability Section*, which is staffed by a Head of Cooperation and 3SN Programme Advisor along with a Humanitarian Counsellor and an intern. The RDPP is in the process of being integrated as a dedicated unit within this section. The section will be equipped with financial management-support, either through deployment of a CFO and local management support or through continued dedicated resources for this purpose from MFA in Copenhagen.

In the context of Syria and neighbouring countries, there is a particular need to consider coherence and synergies across Danish instruments, such as humanitarian funding, the Peace and Stabilisation Programme and the Danish-Arab Partnership Programme (DAPP). RDE Beirut will coordinate between the 3SN, MENA, MNS, centrally-supported humanitarian activities (HCE) and policy developments in the Danish Government. Coordination will be embedded in a Task Force that convenes stakeholders from relevant units, such as HCE, MENA, MNS and the Peace and Stabilisation Advisors. The Task Force will have set quarterly or half-year meetings, supported by ongoing communication.

The 3SN will be implemented in accordance with Denmark’s zero-tolerance policies towards (i) Anti-corruption;(ii) Child labour; (iii) Sexual exploitation, abuse and harassment (SEAH); and, (iv) Anti-terrorism.

8. Financial Management, planning and reporting

The programme’s financial management will be handled in accordance with the MFA’s, [Financial Management Guidelines \(2019\)](#).

Individual partner agreements will be multi-annual and include disbursement schedules and processes. 2021 disbursements, which are scheduled for December, are likely to be front-loading partner programmes for 2022 activities. Agreements are then likely to include annual disbursements, based on satisfactory performance and reporting. Partners will submit narrative and financial reports to RDE Beirut in line with reporting cycles included in individual agreements. The 2021 call for proposals to NGOs will include selection criteria related to financial management, and grant agreements will require adherence to Danish rules and guidelines on financial management.

In contexts such as the Syria region, there are significant risks of corruption and fraud. Field auditing and monitoring is also difficult and expensive, in particular inside Syria. The programme therefore prioritises partners with effective financial management, fraud detection, internal accountability systems and transparent reporting on such risks. All agreements will contain an obligation on implementing partners to include stringent measures to control, mitigate and respond to misuse of funds. This includes a requirement to report cases of suspected misuse.

There are substantial financial risks in the programme; Annex 4 contains detailed risk assessment and describes responses in the event that fraud or misappropriation occurs. Generally, options include targeted audits and reclaiming funds from partners. The programme management team will alert partners and external stakeholders to the MFA’s whistleblower and anti-corruption reporting mechanisms and protections.

9. Risk Management

This section presents the preliminary risks that have been identified, their likelihood, impact and the possible mitigation measures. The risk management system should operate on several levels, with a central risk register at the core. All risks should have mitigation measures in place and should be reviewed regularly. Annex 4 provides the full risk management assessment.

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
(Lebanon and Jordan) Increased tensions between the host community and Syrian refugees leads to governmental action to start deporting displaced Syrians.	Unlikely	Major	More advocacy and diplomatic engagement may become more required, as would the implementation of protection mechanisms for returned Syrians along with those in risk of being returned.	Significant - Tensions are most likely to remain	Jordan seems to have accepted the presence of Syrians for a longer while than anticipated. Social tensions are already a factor of concern in Lebanon, given the country's dire scenario.
(Syria) Contextual changes lead to an increased number of returns and	Very unlikely	Major	If needed and politically feasible, unallocated funds might be used inside	Minor - host country governments might see an opportunity to	Only a very small percentage of Syrian refugees want to return to Syria soon. Jordan and Lebanon do not

shifting needs in the region.			Syria on projects to support returnees.	increase pressure on Syrian refugees for return.	appear to have an appetite to force this.
(Regional) Other donors reduce funding such that programme engagements are affected.	Likely	Major	Renegotiate partner agreements where feasible to maintain a useful impact. Otherwise, cease and reallocate funds..	Minor - likely that programme objectives can continue to be served even with a substantial reduction of other donor funds.	Donors to the Syria response are showing signs of fatigue, even while more people are facing poverty and refugees face greater insecurity.
(Lebanon) Political context will remain unstable within the next few years, imposing barriers to effective implementation of projects that require governmental approval.	Likely	Major	Ensure that government-focused activities are able to address municipal authorities. Maintain continuous communication to relevant ministries.	Minor - Little chance that projects will rely on national authorities and be significantly delayed or become unfeasible.	Government currently in care-taker mode waiting for a new government to be formed. Lebanon's government has failed to deliver the most basic services for years, and the disagreements between different sects have put the country in a paralysis when it comes to decision making. Multiple organizations have reported struggles when collaborating with the national government.
(Syria) Shrinking or rapidly varying space for operating partners reduces their effectiveness.	Likely	Major	Agreements assume that partners will need to adapt. Select partners with a track record of effective adaptation.	Major - still likely that effectiveness will be reduced by shifting pressures. Also possible that work must stop in some areas.	Partners have been forced to adapt frequently, undermining continuity and effectiveness.

10. Closure

Closure processes are specified at the engagement level. For the programme overall, an exit or transformation strategy will depend heavily on how circumstances develop in Syria and Lebanon. If Lebanon stabilises and sets a foundation for reform, then Danish interests may be served through supporting governance initiatives. Jordan seems more stable and the programme itself is aiming to increase sustainability through localization and government capacity-building.

11. Short summary of projects

The formulation of the 3SN programme included a long-listing and assessment of over 45 potential vehicles for cooperation and a shortlisted review of 28 engagements that appeared most relevant, assessed against criteria such as partner track record and strategic relevance to the portfolio.

Thematic area 1 and 2 (Access to protection, services and livelihoods)

Regional Development and Protection Programme (RDPP) Phase 3

Based on the experience from the first 2 phases of the RDPP, starting in 2014, a phase 3 of the RDPP will continue to deliver further advances in partnering with and supporting local capacities in order to generate livelihoods and protection to displaced people and host communities. This includes a comprehensive approach to decent, economically viable, and sustainable livelihoods through collaboration with the private sector to generate complementary supply and demand, supporting skills development with job placement and mentoring for more sustainable employment, and creating jobs through supporting start-up businesses or to existing business to expand to employ targeted vulnerable populations participating in skills development. In support of sustainable impact, there will be a particular focus on those sectors in which refugees are permitted to work, e.g. agriculture and waste management. Further, the focus for protection will remain on addressing sexual and gender-based violence, social cohesion, combatting child labour and promoting work on decent jobs. Youth, women and girls will be prioritized target groups.

The theory is that a mechanism dedicated to localizing research, design, implementation, evaluation and advocacy capacities will deliver more sustainable and responsive services to refugees and host populations. The documented comparative advantage of the RDPP is strong and clear as also reflected in several reviews and evaluations during past years. It is one of the few mechanisms in the region dealing with displaced people that creates a partnership between donors and local organizations in a way that supports them to innovate and develop in line with their strengths. The RDPP will have a dedicated focus on protection and economic and livelihood security through (private sector) jobs and sustainability of efforts through capacity development of local partners, strengthening their institutional and organizational capacities beyond direct project implementation.

Localization will be the core engagement principle, in line with the World Humanitarian Summit commitment to be 'as direct as possible', and reflecting the positive experience from this approach during phase 1 and 2.⁶ The RDPP's strength has been particularly obvious in co-creation processes with implementing partners that shape project designs to be more innovative and to move ambitions from immediate outputs to longer-term outcomes. This is one of Denmark's best examples of implementing a localization agenda and emphasising a solutions orientation to displacement responses.

⁶ In the current phase of the RDPP, two-thirds of partnerships are directly with local civil society actors. The other third focus on building the capacities of local partners.

The programme contribution to the RDPP will be 200 million DKK from the 2022 budget. The overall budget for the programme will depend on commitments from other donors, but the aim is for 400-500 million DKK. MNS and RDE Beirut are still negotiating with the EU to confirm the third phase. Known potential donors include the EU, Austria, Sweden, Netherlands, Ireland, and France. Geographically, the focus is on Lebanon and Jordan, but negotiations with donors and the EU may include consideration of continuing in northern Iraq. The project span will be 3-4 years. Phase 3 of the RDPP is expected to be managed by a team in RDE Beirut, with continued advisory support in Jordan if possible.

Thematic area 1: Access to protection and services

Protection through UNHCR Lebanon

The overall goal of UNHCR in Lebanon is to preserve a dignified protection space for refugees. The theory of the engagement is that supporting service delivery and staff capacity in government-linked service centres maintains a protection space now, which is also a prerequisite for finding lasting solutions when opportunities arise. The support from Denmark will build on the outcomes achieved through a first 2-year phase that started in 2018 when funds were committed to UNHCR's project on "Strengthening the Social Protection System for Vulnerable Refugees and Lebanese through Community-based Protection", including support to Community Development Centres (CDCs) and Social Development Centres (SDCs). The project will further advance access to shelter, options for legal residency and vocational skills. A particular strength of the CDCs and SDCs is visible in their case management approach, which allows targeting of refugees and Lebanese with specific needs, persons at risk and survivors of GBV, encompassing both prevention and response.

As Lebanon faces soaring vulnerability and poverty levels, the key project outcome to provide essential services to 35,000 Lebanese and refugees, comes at a critical time. Alongside direct service provision, the centres act as the nucleus for a network of volunteers; close to 1000 volunteers promote and enhance social cohesion activities, provide updated information on centre services and act as a feedback mechanism to UNHCR on needs and solutions.

Denmark's commitment to UNHCR will be 50 million DKK to strengthen capacities of the 267 CDCs and SDCs and staff. Donors who are contributing now and into 2022, include Germany, Norway, Japan and Sweden. The monitoring, evaluation and learning of the project may also include research into movements across the border with Syria or other themes of relevance to informing options for programming and policy dialogue. Maintaining a partnership with UNHCR is also strategically useful to monitor protection issues in the country and with relevance to return options in the future.

2021 Call for Proposals to Transform Protection Services

Civil society actors are of increasing importance in addressing protection concerns among both refugee and vulnerable host communities in both Lebanon and Jordan. This is exacerbated by mounting political, economic and social challenges in the region.

International non-governmental organisations have an increasingly relevant and important role in delivering protection services and in related advocacy, often in partnership with national civil

society organisations. The Programme will therefore issue a Call for Proposals (CfP) open to international non-governmental organisations, which are able to improve existing protection services or innovate new approaches to achieving sustainable protection outcomes. The CfP complements the overall programme priority related to localization.

The thematic CfP will have the following title: “Strengthening protection and social cohesion among displacement-affected communities in Lebanon and Jordan through improving access to basic legal, social and economic rights with a particular focus on youth and women”.

The purpose of the CfP is to generate projects from international civil society partners that focus on sustainable improvements in protection outcomes and seek to promote longer-term, inclusive and sustainable solutions for refugees and host communities in Jordan and Lebanon across the HDP nexus.

Specifically, the Call for Proposal will aim for sustainable activities that address vulnerabilities and social tension, and increase capacities for change, in particular among youth and women, through conflict-sensitive, protection-focused activities that strengthen access to basic legal, social and economic rights. For instance, this may be in the form of projects that:

- address challenges related to legal stay along with housing, land and property issues;
- address gender-based violence;
- improve mental health and psycho-social well-being;
- address child labour;
- empower youth as agents of change;
- or address any other central protection challenges as identified through a thorough context analysis

Critically, projects must innovate towards sustainable improvements in protection-related services and outcomes. This entails that projects must invest in the operational application of methods, tools, and evidence that provide a demonstrable increase in the sustainability and coverage of protection outcomes. Projects will likely include elaborate processes for learning and for documenting factors that may guide replication. Projects that are essentially a continuation of existing approaches will not be eligible for support.

The CfP will be aligned with the new Danish Strategy for Development Assistance and the overall parameters of the 3RP for Jordan and Lebanon.

The overall financial envelope available for this CfP is DKK 90 million. It will result in up to 3-5 grants each amounting to DKK 10-35 million with a duration of 24-48 months. Activities could be in one or both of the two countries.

The application process will include two stages. Firstly, a prequalification stage and, secondly, a project development stage. At pre-qualification, applicants will be invited to submit a concept note. Following the pre-qualification, successful applicants will be provided with feedback and information about a tentative level of funding, based on which they will be invited to submit a more elaborated project document. Final approval will be awarded on the basis of the project document.

In line with the above, a proposal should address the following core elements:

1. Focus on sustainability and/or scalability. The project will invest in methods, tools, or evidence that provide a demonstrable increase in the sustainability of protection outcomes and a proven method for ensuring coverage of an increased number of beneficiaries. This likely means that projects will need strong processes for learning and for documenting methodologies that will guide later replication.
2. The project theory of change should clearly link the overall objective of sustainability / scalability to an analysis of context and stakeholders and should describe how beneficiaries will be selected in line with the theory of change. For example, if a project focuses on a narrow group of beneficiaries, the theory should be clear as to how it will achieve enhanced and continued sustainability. Or, the proposal could elaborate how it may identify and demonstrate scalability for beneficiaries.
3. The project theory of change should address Jordan, Lebanon, or both countries. The theory of change should align with the choice of geographic focus. For example, if there is additional complexity, risk or cost in addressing two countries, then the theory of change should justify that choice.
4. The theory of change should explain how the project may incorporate learning from existing protection services in the region. For example, a project may have access to an existing protection service and use that to innovate an improvement, or the project could take a prototyping approach to inventing an entirely new service, grounded in an analysis of gaps in meeting beneficiary needs or in current approaches to meeting that need.
5. Demonstrate a conflict- and gender-sensitive, rights-based approach to stakeholder analysis and project design.

Thematic area 2: Access to livelihoods

FAO Land Reclamation and Water Reservoirs (Lebanon)

The contribution to FAO will be 30 million DKK from the 2021 budget. The theory is that by supporting Lebanese small farmers' investments in land reclamation and water reservoirs and providing the necessary training and support for them to make their lands productive, they will provide legal employment to Syrians and low-skilled Lebanese on a seasonal basis, ultimately boosting the size and quality of Lebanon's agricultural output. This can help to make the economy more sustainable and give more Lebanese access to income from a primary industry, while also strengthening food security. Notably, 60% of Lebanese have some rural land and the current crisis has encouraged many people to consider improving its productivity as a food, employment and income coping strategy. The opportunity from this grim situation is to develop the agricultural sector in such a way that it will deliver economic benefits to Lebanon well beyond the current period of crisis.

The primary mechanism of the engagement is a grant programme accessible to small farmers. Grants are for up to 70% of costs in preparing land and reservoirs. Donors such as the EU and the Netherlands have contributed to this mechanism and an impact evaluation found it to be effective. The project is implemented in partnership with the Green Plan, an agency under the Ministry of Agriculture. However, FAO retains full control of the grant selection process and pays directly to farmers in USD after verifying that agreed works have been completed. 25-40% of

successful applicants are women farm owners or women farm managers. FAO has a track record of delivering the grant programme efficiently, as well as providing strong monitoring and evaluation evidence.

The core outputs of the grant programme are increased productivity and profitability of 1,000 small-scale farmers by reclaiming about 450 ha of land and constructing water infrastructure, combined with advice on farm business management. These farmers are expected to plant 220,000 fruit trees which, upon maturity (3-5 years), will produce about 13,000 tons/year. Approximately 70,000 person-days in short term employment for unskilled workers will be created, in addition to circa 75,000 person-days per year of sustainable jobs for seasonal workers. Around the grant programme, FAO will also develop Farmer Business Schools to localize agricultural training for farmers - these will provide a mixture of business skills and agro-technical knowledge. In Lebanon, this model has not been well-tested, but it is a relatively low-risk investment in developing greater cross-sector productivity around the core grant programme that generates sustainable benefits for a large number of individuals.

FAO's programme will contribute to social cohesion and reduced tensions between host communities and displaced Syrians, which become more critical as the economic situation deteriorates. The project aligns well with the programme's theory of change and is the engagement that most directly advances environmental objectives, such as through sustainable harvesting of rainwater and reducing erosion.

AFD's Neighbourhood Approach

The programme allocates 30 million DKK to "Support for vulnerable populations in urban neighbourhoods in crisis in Lebanon". The project has a total budget of 70 million DKK (10 million Euro), of which Denmark will finance 40%. The purpose is to work in acutely vulnerable and tense urban communities with an area-based approach.

The project concept is based on a theory that participatory local development planning and delivery, alongside psychosocial services and mediation, will lead to sustainable improvements in living conditions and social stability. The project takes a conflict sensitive approach and incorporates a multi-confessional aspect into the participatory processes while having a particular focus on creating space for including youth in local governance and hence supporting their abilities to be actors of positive change.

The project targets 4-6 neighbourhoods in 1-3 cities that are characterised by a prevalence of rental housing, high levels of community tension, and a significant presence of Syrian refugees. Such neighbourhoods typically see rising unemployment, drug abuse, exacerbated gender inequalities and domestic violence, and an increased propensity for migration abroad. Public services are scarce and of low quality.

A consortium of international and national NGOs will be selected in a competitive process to implement the programme in partnership with AFD over the 3-4 year project span. The initial phase will place an emphasis on rapid delivery of tangible benefits, for example garbage and waste removal through employment intensive investments, housing rehabilitation, psychosocial support,

legal assistance etc. While in the middle term it will develop more complex interventions such as basic services, structural repairs to housing, public green spaces and sports fields.

The engagement is a useful component in the portfolio because it targets urban communities, with a focus on women and young people. It also fits strategically in providing a practical partnership with AFD, which has worked well before in operational and political terms. AFD is still formulating the project design through to the end of 2021. Denmark will make the commitment in December 2021, in an exchange of letters with AFD supporting the project design at that point, and confirming a delegated cooperation arrangement.

Jordan Health Fund for Refugees (JHFR)

The JHFR has been effective at opening up access to health services for Syrian refugees while supporting the Jordanian government developing its broader health system.. A new Danish contribution would be included for 2023 to cover the expected additional health cost for refugees covered by JHFR. It would supplement the previous Danish contribution of DKK 110 million from 2018 and 2020. In addition, the JHFR has received grants from USAID, Canada, Qatar and Italy through a joint financing model that builds on the Nordic+ model.

The lessons from the model is that the approach 1) puts the local ministry in the lead, thereby helping to ensure national ownership and responsibility, 2) enhances coordination, negotiation and policy dialogue for the specific ministry, and 3) enhances coordination among involved donors.

Based on the establishment of the JHFR, the Jordanian government decided to reverse the co-payment policy for refugees of all nationalities from 80 percent to 20 percent rate. On this basis, it is clear that the JHFR has resulted in improved and more equitable health for refugees in Jordan, particularly for women and girls. Intermediate and immediate outcomes include:

- Improved provision of primary and secondary health services by MoH health facilities for refugees, particularly for women and girls.
- Enhanced utilization of primary and secondary health services at MoH facilities by refugees, particularly for women and girls
- Increased capacity of MoH to manage data and disaggregate by sex, age, nationality, etc.
- Improved access to primary and secondary services at MoH health facilities for refugees, particularly for women and girls
- Increased awareness on policy change among refugees of primary and secondary health services, including those for women and girls.

Unallocated budget

At this stage, the context justifies holding some resources as unallocated in the 2023 budget. The formulation process has identified a number of options that the Programme Team will explore through 2022 to consider for 2023 allocations.

UN Joint Programme on Urban and Rural Resilience in Syria (UNJP Syria)

The UNJP Syria is a planning and monitoring platform for six UN agencies. Among international institutions, it is the only joint programme and the only pooled fund mechanism in Syria for non-humanitarian funding at present. The UNJP plans entered a first implementation phase at the end of 2020, prioritising locations in two governorates for participatory planning with a total of \$28m available to implement. As an alternative or in a complementary fashion to SRC, the Programme Team will maintain contact with the UNJP through 2022 to assess whether its initial phase has demonstrated effectiveness and whether it fits into the portfolio for 2023 allocations.

Lebanon NGO crisis management (Shabake 2)

Denmark has supported AFD's Shabake project in Lebanon; given the pandemic challenge and local crises that the project has faced, it has worked well operationally and it has worked as expected in generating a useful partnership with France. The theory is that dedicated capacity-building for Lebanese NGOs, including through service delivery and organizational management reforms, will strengthen civil society's effectiveness at crisis preparation and crisis response, which will reduce the impacts of crises and improve the recovery. The project is likely to continue being delivered through Expertise France and with a series of operational plus management development grants to Lebanese NGOs.

The launch of Phase 2 is likely to occur in quarter 3 of 2022. The Programme Team will work with AFD on the design process and will review 2022 monitoring and evaluation results before finalising a commitment.

AFD expects to have a preliminary project design to share in September 2021. Close coordination and collaboration is established and well-functioning between the AFD/Expertise France and RDPP teams in Lebanon.

Syria Resilience Consortium (SRC)

The SRC is an INGO-consortium led by CARE and with the Danish Refugee Council, Humanity and Inclusion, International Rescue Committee, Mercy Corps and Norwegian Refugee Council as additional members. Combined, they cover all regions of Syria. Delivery is through a mixture of direct implementation and partnerships with Syrian NGOs. The theory of this engagement is that a consortium of NGOs with complementary geographic access and service strengths can support livelihoods, protection and social cohesion wherever opportunities arise, and if activities are designed with a resilience framework, this will preserve and expand space for lasting solutions as the context allows.

Denmark has contributed to SRC's strategy for 2019-2022, alongside Sweden, Norway and Canada. Reporting so far suggests that the SRC has succeeded in flexibly delivering services across the humanitarian-development-peace nexus, with positive local benefits in terms of agricultural productivity, building community resilience to the negative compounding impacts of climate change, access to services and inclusive development planning. The recent review of the 3SN programme found SRC to be an important and relevant intervention in a very difficult context. It indicated that the SRC has a significant positive impact on social cohesion at the community level. Community cohesion in turn is a critical contribution to overall peace and (with time) to sustainable returns. SRC is right now in the midst of its own mid-term evaluation.

Annexes:

Annex 1: Context Analysis

Annex 2: Partner Assessment

Annex 3: Theory of Change, Scenario and Result Framework

Annex 4: Risk Management

Annex 5: Budget Details

Annex 6: List of Supplementary Materials

Annex 7: Process Action Plan for Implementation

Annex 8: Quality Assurance Checklist or signed table of appraisal recommendations and follow-up actions taken, depending on whether the appraisal has been conducted by a development specialist

Annex 9: List of Engagements Assessed

Annex 10: List of existing engagements supported earlier under Syrian neighbourhood

ANNEX 1: CONTEXT ANALYSIS

1. Overall development challenges, opportunities and risks

1.1. Contextualizing development challenges and the Syria crisis

Decades-old severe governance problems lie at the heart of the Middle East's multiple crises. Articulating themselves at the societal level, within states, and between countries, these problems have been exacerbated, laid bare or sometimes even created by international military involvement, too. The by far largest and most palpable articulation of these crises has been the one centring on Syria, where the domestic contestation of 2011 was met with brutal state repression, thus leading to a protracted civil and regional conflict as well as to the world's largest forced displacement crisis that has engulfed Syria's neighbours and created unprecedented political, social, and economic risks at a regional and global scales in recent years.

The Syrian displacement crisis dwarfs in comparison even the one caused in Iraq in 2014 by the terror organization of the so-called Islamic State (IS). Of Syria's pre-war population of around 22 million, 6.6 million people fled abroad, of which around 5.6 million reside in the region. Not less precarious is the situation of 6.7 million people who have been displaced inside Syria under severe circumstances, only to be finally forced to surrender as besieged areas fell back under the control of the Syrian regime, its Russian and Iranian allies, as well as their affiliated militias. In Syria itself, the remaining population has decreased to around 17 million people, with underlying ethnic and sectarian changes occurring across the country. Turkey with its own political ambitions in Syria, took in 3.7 million Syrians. Although this represents less than five percent of Turkey's 82 million population, the impacts continue to be felt across politics, economics, and society. Even more so, Lebanon with its 852,000 and Jordan with its 671,000 registered refugees both host the largest number of Syrian refugees per capita – against the background that the number including de facto residents without registration is even higher.⁷ Iraq is home to around 249,000 Syrian refugees, mostly in the Kurdistan Region Iraq (Iraq), where they constitute less than 5 percent of KRI population but add to Iraq's own displacement challenges that have not yet been fully resolved either.

The Syrian refugee crisis has compounded development challenges across the region that used to be negatively impacted by home-grown bad governance in the first place. The degree to which problems have been exacerbated is thereby considerably influenced inter alia by the relative demographic importance of refugees in their respective host countries. Consequently, overall development challenges are less affected in Turkey and Iraq, where the share of Syrian refugees in the overall population is relatively low and where other factors are more decisive in terms of economic growth, political participation, and social cohesion. Conversely, high shares of Syrian refugees as in Lebanon and Jordan have accentuated pre-existing political tensions, chronic economic imbalances, and overall societal development challenges. Finally, given the regional imprint of the Syrian revolution in 2011, the subsequent civil war, and the ongoing protracted crisis, attention paid to the neighbouring countries often conceals that the conditions for the future overall development of Syria itself have drastically deteriorated as a result of totalitarian rule, the conflict-induced brain drain, the destruction of infrastructure, and the disintegration of society.

⁷ <https://data.unhcr.org/en/situations/syria>

Beyond each country's individual challenges, the Syrian displacement crisis has therefore added further layers of problems. Considering them is necessary to understand the political course taken by countries as different as Turkey, Iraq, Jordan, and Lebanon, in addition to places farther afield and not covered here. While addressing these problems from a regional vantagepoint is necessary, viewing them through the prism of the Syrian crisis alone is not sufficient for a comprehensive assessment of what could be done about them in a given country-specific context. The following therefore outlines key political, economic, societal, environmental and security dimensions to establish a bird's eye view. This will be complemented in Section by a country-based analysis outlining key aspects of political economy and stakeholders.

Political dimension. – First, a genuine political transition in Syria is as remote as ever. With the Assad regime and its allied and affiliated forces under Russian and Iranian tutelage having regained ground across the country, incentives to engage in a meaningful political dialogue resulting in a political process are minimal. The mantra of a future peaceful, inclusive and democratic Syria so often repeated in international forums and by development actors underlines that the Syrian reality continues to be marked by the opposite characteristics. Despite well-meaning attempts at engendering a political process such as the UN-facilitated process of the *Syrian Constitutional Committee*, the experience of the past two years indicates that an unequal *rapport de forces* cannot result in the regime giving up influence. With the international community unable to act jointly and Western countries largely averse to acting (once more) unilaterally, the Syrian issue is once more down to the lack of political will and the primacy of political interests. With tangible progress stalling, the local integration of refugees as a durable solution continues not to be an option considered by host governments in Jordan, Lebanon, and Iraq. Turkey did take bold steps at integrating Syrian refugees in education and the workplace, though its own political designs in northern Syria may still foresee an alternative future for (parts of) its Syrian refugee population. However, conditions for refugees to return in safety and dignity are not yet in place in Syria. At the same time, the available resettlement spaces in third countries remain insignificant compared to the numbers of refugees in question. With refugees (and for that matter displaced persons inside Syria, too) lacking proper political leverage to influence decision making about their future, the only political space available for Syrians is in the sphere of temporary economic empowerment until a voluntary return can take place.

Economic dimension. – In the course of the unfolding Syrian crisis, various development gains of recent years and in fact decades have been lost. With no prospects for stability, expectations of economic growth and prosperity have been compromised. While economic activity declined sharply in Syria, the rest of the region did not remain unaffected either, setting into motion a vicious circle of decreasing consumption and investment. This was notably felt in Jordan and Lebanon, two countries with pre-existing economic conditions but also in Iraq, whose economy suffered from both the rule of, as well as the fight against, IS, in addition to being a rentier economy dependent not only on local production and export capacities and quotas but more importantly on price developments in global energy markets. However, against the background of a decade of financial support under the conditions of the Syria crisis, incoming aid has strengthened once more rent-seeking in countries regardless of the composition of their economies. International assistance notably to Jordan and Lebanon has entrenched governance patterns similar to the ones observed in countries governed by the redistribution of income from oil and gas exports. Whether based on hydrocarbons or on donor assistance, governments of Syria's neighbouring countries remained to a large extent detached from their own populations. While the initial selling point was for refugee hosting countries to point to the

heavy burdens on their public services in health and education as well as their high unemployment rates, a decade of assistance has passed, while services remain inadequate and regular labour market access is often wishful thinking. As always, this is felt disproportionately by vulnerable groups. Particularly among youth and women this has resulted over time in a detrimental reliance on negative coping strategies by seeking e.g. unsafe, exploitative employment without legal permit. Since 2020, Covid-19 was added to an already dire situation, with economies faltering, jobs becoming even more scarce, and a larger number of people falling under the poverty line. At the same time, enduring donor commitment is by no means certain, while donor fatigue is.

Societal dimension. – Just as relations at the state and intergovernmental levels have undergone tensions, the social cohesion in displacement-affected communities has slowly been eroding in many places. This does not only apply to the smaller economies of Jordan and Lebanon but also to Turkey and Iraq, notably in the KRI areas. There is increased competition and rivalry openly bordering on enmity over existing resources. This concerns the availability of basic needs in terms of water and electricity, access to educational and health services as well as access to the regular labour market. In all service and policy areas there is increased hostility regularly erupting in social tensions among the different groups in the host countries. In part, this is the result of large numbers of refugees entering the labour markets of all neighbouring countries in a largely unregulated manner. Illegal employment means lower salaries, no social protection, and a squeezing out of labour originating in the host countries. In part, governments committed themselves to addressing this issue through legal adjustments favouring the lawful integration of Syrians into not only education and vocational training but also the labour market. However, given the weakness of regulatory policies irrespective of the Syrian displacement crisis, the scope to which such legal changes can make a difference is in fact limited. With non-oil countries like Jordan and Lebanon behaving as if they were hydrocarbon economies, the import of domestic and industrial workers from South Asia, South-East Asia and East Africa had damaged labour market rules long before the Syrian crisis erupted. Likewise, Iraq continued even under harsh security circumstances to import labour for jobs for which nationals were supposedly not available. This alleged non-availability is, of course, a direct result of poorly regulated recruitment policies and their ensuing social dumping. Externalizing responsibilities for the scarcity of jobs on alleged preference for Syrian refugees in job creation schemes entails considerable risks in terms of societal coherence. Instead, it is worth paying attention to the mentioned deficient regulatory policies as well as to cultural norms. In terms of gender gap, the Middle East and North Africa reaches an average population-weighted score of only 60.9 percent (which means that around 40 percent are yet to be closed). Among the countries concerned, Jordan, Syria and Iraq all have less than 20 percent or less of women participating in the labour market, which constitutes the lowest rates worldwide.

Environmental dimension. – Inside Syria, a decade of warfare has led to environmental disasters across all sectors. This concerns not only the widespread use of weaponry and the long-lasting impacts of exploded and unexploded ordnance and poisonous substances. It also applies to basic environmental management of various forms of solid and liquid waste, including hazardous substances not necessarily linked to the conflict. The neglect of sewage systems impacts the quality of water for drinking and agricultural purposes. In the neighbouring countries, the environmental challenges are not directly related to military action but rather linked to the influx of large populations. Existing infrastructure in urban settings (e.g. Amman, Beirut) and in rural areas (e.g. Al-Mafraq in Jordan) used to be insufficient for the local population prior to the displacement hitting the

neighbouring countries. This concerns also the limited agricultural potential of Jordan and to a lesser extent Lebanon. While international humanitarian assistance continues to provide lifelines to millions of people under displacement, the bleak prospects for a safe and dignified return under a genuine political transition as outlined above give rise to serious questions of sustainability. While in some countries – like Jordan or Iraq – natural population growth would anyway increase the number of nationals beyond the size of the current refugee populations, the current environmental issues have merely brought forward challenges that would occur anyhow sooner rather than later. Again, while technocratic expertise to deal with these problems is locally available, the current governance and administrative setup of host countries is such that they will not be able to address these environmental dimensions effectively and efficiently.

Security dimension. – Given the stalled political process in Syria, the decreased attention by the international community, the potential for severe economic fallout, the latent and manifest societal tensions, as well as the environmental and livelihoods-related risks, the Syria crisis continues to be seen through the lens of security considerations. For some countries like Jordan or Lebanon, altering demographic balances supposedly constitutes a security risk that needs to be addressed. The way this has been done is by ensuring that incentives for staying are minimised although the marketing of what these countries have committed to in terms of facilitation vis-à-vis the international community is being maximised. In part, hard security considerations are at stake, notably through destabilisation attempts undertaken by Syrian regime security forces or through the spread of jihadi or other forms of political violence. In this respect, the Iraqi experience of the Syrian crisis is of even greater importance, as it was the Syrian regime that allowed the Sunni Iraqi insurgency to reconstitute across the border in Syria before waging war back in Iraq all the way down to Mosul in June 2014. Security considerations are further complicated by international actors. Ever since directly intervening in the power struggle in September 2015, Russia as well as Iran through the Lebanese Hezbollah and through other militias on the ground have imposed their political and security conditions. As a result, the uneasy alliance of the Syrian regime, Russia and Iran not only wield influence over security arrangements inside Syria but have the ability to project their power in the countries most affected by the Syria crisis. In this regard Turkey, too, continues to harbour ambitions and wields considerable influence on security issues. Other than the quasi-enclave of Idlib and the Kurdish issue this applies to potential weaponization of refugees towards Europe through Turkey's control or manipulation of irregular migration.

Against the background of these political, economic, societal, environmental and security dimensions, the overall development challenges are quite complex to grasp. On the one hand, the convulsions emanating from the Syrian crisis conceal these challenges to some degree, as they primarily originate in the political economy of each individual country rather than in the Syrian conflict per se or the displacement crisis as such. On the other hand, the regional crisis has exacerbated some of the pre-existing development challenges in neighbouring countries and made them more visible. The inability and unwillingness of the countries to engage in *political* reforms leading to improved governance is a point in case. The dysfunctional *economic* systems characterized by patronage and clientelism relations have become apparent once more. The weak *societal* integration of each country stands in stark contrast to their image as supposedly modern nation states. The *environmental* shortcomings refer to livelihoods and resources that have received attention by the international development community for decades. Finally, *security* issues have traditionally been high on the

agenda of the region's governments as they have been of primordial importance in particular to Western countries and their interests in the Middle East as a whole.

1.2. Opportunities

Operationalising the humanitarian – development – peace (HDP) nexus in the situation of Syria is therefore not straightforward. As long as the core issue of Syria – genuine political transition – remains pending or even elusive, it is difficult to conceive ways to engage for the country itself in anything meaningful at a larger scale beyond the various forms of incumbent humanitarian assistance. Support to agricultural livelihoods on the back of humanitarian assistance for example can be a bridge towards developmental approaches but usually limit themselves to making a difference to several households or possibly small-scale communities. The same would apply e.g. to cash-for-work projects by which parts of light infrastructure in rural or urban areas can be rehabilitated, though this would not be a replacement for broad-based development strategies. Subsequently, such quasi-development approaches can, at present, not add up to an overall movement towards peace. This does not mean that development approaches cannot be pursued. But it probably means that the limitations of such development approaches need to be recognized.

Operationalising the HDP-nexus in Syrian neighbourhood countries may, in contrast, be more promising, potentially scalable, and ultimately portable. To the degree that host governments are ready, able, and willing to formulate policies into which Syrian refugees are fully integrated, there is room for innovative development approaches that can target both dimensions, i.e. the host country and the 'guest' population. This is particularly the case of Jordan and Lebanon, given the scale of the Syrian refugee population and the intention of the respective governments to provide support only temporarily. Supporting e.g. technical and vocational education and training (TVET) for refugee women could endow them with skills that would be portable while at the same time engendering a move towards increased female participation in the labour market among Jordanian, Lebanese or Iraqi women. Supporting political awareness and civic activism among refugee youth would empower young Syrians and could potentially underpin the discourse on civil liberties in host countries, too.

Potential synergy effects between working on Syrian refugee populations and host communities requires applying highly adaptive approaches. Support provided to foreigners as opposed to nationals in Jordan or Lebanon has the potential to create resentment and reinforce envy. Conversely, a proactive and at the same time adaptive approach sensitive not only to arising opportunities but also responding flexibly to local conditions can help diffusing tensions or even anticipate and avoid them altogether. Furthermore, a close monitoring of policies implemented by actors in host countries could lead to a situation, in which not only the situation of Syrian refugees but also the effectiveness and efficiency as well as the integrity and accountability of host government action would be improved.

1.3. Risks

Prospects for development are contingent on mastering the instability emanating from the protractedness of the Syrian crisis. The latter is rooted in the oppressive longevity of the authorities in Damascus on the one hand and the inability of Syrian societal actors to offer themselves a powerful alternative peaceful and inclusive governance model based on participatory practices. The key challenge is therefore to contribute to a form of stabilization that provides empowerment without incurring the risk of advancing impunity for human rights violators. However, it is precisely calls for

pragmatism and leniency towards the Damascus authorities coupled with a general crisis fatigue among international actors that risks rehabilitating the Baath regime in parts or wholesale every now and then.

Ever more profound economic and financial risks related to the Covid-19 pandemic may yet set in. Given the precarious state of economic growth and the sub-standard public financial management, it would be wrong assuming that the international support received so far by countries in the region would have been handled in a more effective and efficient way than development assistance received over the past decades. The amount of funding received by Iraq, Jordan, Lebanon (and Turkey for that matter) were supposed to alleviate hardship regarding the Syria crisis but were certainly not designed to absorb the macro-level economic shocks resulting from the Covid-19 pandemic.

Key documentation and sources

- *UNHCR (2021). Syria Emergency*⁸.
- *WFP (2021) Syrian Arab Republic*⁹
- *EU, UN, WBG (2020). Lebanon Reform, Recovery and Reconstruction Framework (3RF)*¹⁰
- *WBG (2021). Lebanon Economic Monitor: Lebanon Sinking (To the Top 3)*¹¹
- *WFP and WBG (2021). Lebanon m-VAM Vulnerability and Food Security Assessment*¹²
- *WBG (2021). Jordan Economic Monitor: Uncertain and Long Trail Ahead*¹³
- *ILO (2020). Facing Double Crises*¹⁴
- *Global Gender Gap Report 2021*¹⁵

2. Political economy and stakeholder analysis

The manifold conflicts in Syria impacted pre-existing development challenges in the neighbouring countries originating in their political economies. Addressing the impact of the Syria crisis therefore requires considering the political, economic, social, and institutional factors that shape power relations in these countries.

2.1. Syria

After more than a decade of turmoil, Syria will remain a source of instability in the region. Its political setup has not changed, despite great sacrifices made by Syrian activists working for a democratic, peaceful and inclusive future for the country. While some sort of stability has returned to Syria on the back of military alliances with Russia, Iran and the Lebanese Hezbollah, the basic conditions that led to the revolution in 2011 have not changed. Not only are there territories in the north-west, north-east and south-west that retain some de facto self-government. The re-establishment of governance structures in other parts controlled by the Assad authorities in Damascus may indicate a Pyrrhic

⁸ <https://www.unhcr.org/syria-emergency.html>

⁹ <https://www.wfp.org/countries/syrian-arab-republic>

¹⁰ https://eeas.europa.eu/sites/default/files/lebanon_3rf_report_combined-121420.pdf

¹¹ <https://documents1.worldbank.org/curated/en/394741622469174252/pdf/Lebanon-Economic-Monitor-Lebanon-Sinking-to-the-Top-3.pdf>

¹² <https://docs.wfp.org/api/documents/WFP-0000129566/download/>

¹³ <https://documents1.worldbank.org/curated/en/831601624470221546/pdf/Jordan-Economic-Monitor-Spring-2021-Uncertain-and-Long-Trail-Ahead.pdf>

¹⁴ https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_743391.pdf

¹⁵ http://www3.weforum.org/docs/WEF_GGGR_2021.pdf

victory, the consequences of which are yet to play out. However, as Bashar al-Assad secured his fourth seven-year term as president in May 2021, there is little hope that there will be any near-term changes to the political and security landscape in Syria.

Security and political challenges are coupled with ongoing economic collapse and weak capacities to deliver basic services. The Syrian economy is severely weakened after eleven years of conflict. Over the last few years, trade sanctions imposed by foreign powers, the impact of the Covid-19 pandemic and the collapse of the financial system propping up Lebanon and its political economy added to economic hardship in Syria, too. The macroeconomic situation is unstable. The Syrian Pound suffered significant depreciation during 2020, while food prices rose by 236%, contributing to a record number of Syrians who are now food insecure. Most importantly, the Assad authorities in Damascus are increasingly unable to deliver basic services. The economy is in the service of regime survival, for which activities also extend to drug production and trafficking to raise the income required to maintain patronage networks and sustain the military oppression of the population.

In this sense, Syrians instead feel effective state action through ongoing oppression by their security apparatus of the Assad authorities in Damascus. Although Assad's grip to power is conditioned by international support primarily from Russia and Iran, Syrian statehood appears to have stabilized based on adaptive forms of managing oppression by the secret services and the military. There are areas in which the government has more direct power and others where the effectiveness of the state is weaker. In parallel, domestically as well as internationally, the Damascus authorities try to project an image of opening up towards 'moderate' opposition forces. However, the perception of government intentions is widely negative. This extends also to the *Syrian Constitutional Committee* convened under the auspices of the UN. Over the years, this has led to a certain degree of opposition fatigue and to less attention being paid to the Syrian issue internationally.

However, as long as oppressive policies continue, there is little prospect for any normalization of relations between Syrians and their state. This applies domestically to those Syrians who have remained inside the country, often fleeing areas under regime attack, only to be end up on secondary displacement after sieges. This applies even more to Syrians outside the country, especially those in neighbouring countries. For them, the necessary conditions to make returning to Syria a viable and safe option are not in place. According to surveys conducted by UNHCR, only 2.4 percent of Syrian refugees have any interest in returning to Syria within the next 12 months. However, 70 percent do have intentions to return to their home country one day. Safety, security, livelihoods, housing and basic services are the main deciding factors that Syrian refugees take into consideration when evaluating the possibilities of return. Displacement inside the country and refugees in neighbouring countries will continue to be key features impacting any political process in Syria.

- The regional approach to Syria by the international community is reflected in the ***Regional Refugee and Resilience Plan in Response to the Syria Crisis***.¹⁶ The focus is on multi-sectoral (protection, food security, education, health and nutrition, basic needs, shelter, WASH, livelihoods) programming in Lebanon, Jordan, Turkey, Iraq and Egypt with diverse stakeholders from government ministries, donors, UN agencies, national and international NGOs with the objective of addressing core humanitarian needs. Funding increased from 2.98 bn USD in 2013 to 5.99 bn USD in 2020.

¹⁶ <https://www.3rpsyriacrisis.org/>

- **The most likely scenario for Syria over the next couple of years is that the civil war will not end.** No event or trend will lead to a significantly bigger proportion of sustained returns. There will be no negotiated settlement covering the whole country. There will be population movements, including some people displaced across the region returning, but millions of people will remain displaced both within and outside Syria's national borders. The recommended programming approach is therefore to avoid any form of cooperation that would normalize relations with the Assad authorities in Damascus. Instead, support should be extended to civil society activists and organizations working on rights-based approaches, in particular those holding the Syrian authorities to account.

2.2. Jordan

Jordan has a longstanding experience of balancing its domestic politics with external shocks resulting from regional events. Prior to the Syrian crisis, Jordan was exposed to a long-lasting aftermath of the Iraq invasion of 2003, when many Iraqis fled to Jordan to seek refuge or to set up business there. This resembled a pattern not dissimilar to the Arab-Israeli wars of 1967 and 1948/49 and their successive waves of refugees. However, over time Jordan more or less successfully turned politically into a buffer state and economically into a transit country, which provided some degree of stability in the face of recurrent crises. At every major regional turn of events that could have led to political breakdown, Jordan ultimately managed to emerge potentially stronger.

Central to this relative stability is the construction of the modern Jordanian state around the monarchy. The careful management of relations with the British, then with Israelis and Arab neighbours and finally with international actors concerned with the Middle East created the external conditions in which Jordan's statehood consolidated. Internally, this was complemented by astute social engineering between the ruling family, the tribes of Transjordan, and immigrant populations from the Caucasus (Circassians and Chechens) that continue to play a key role in the security establishment. Poor in natural resources, Jordan's social contract consisted of political allegiance in exchange for stable jobs in government, whereby the mentioned segments of the population have traditionally been privileged. This resulted in a remarkable resilience of the Jordanian state against repeated attempts to overthrow the existing order.

Likewise important for the political development of Jordan has traditionally been its export of manpower. In particular Jordanians of Palestinian descent who were less likely to be recruited into public administration were compensated with job opportunities abroad, especially after the spike in global oil prices in 1973 provided the Arab Gulf states with massive income. The Palestinian segment of Jordanian society tended to become economically more dynamic than Transjordanians, which became manifest once more after many Palestinians were forced to leave their jobs in the Gulf in the wake of the Kuwait war 1990/1991. What was a tragedy at the personal level of families brought repatriated money and economic growth to Jordan, which in turn changed social dynamics.

However, despite being resource poor, Jordan's political economy resembles to some degree that of a rentier state, too. First, there is the chronic reliance on international financial support, be it in the form of development cooperation or for providing humanitarian assistance or to reward political loyalty. Second, remittances by Jordanians living and working abroad – primarily in the Arab Gulf states – have traditionally played an important role in the economic development of Jordan. Third, in a region marked by embargos and sanctions against individuals and states, Jordan has become a hub for substantial and often dubious financial transactions originating in Iraq, Syria, Lebanon, and elsewhere.

Although the state is not necessarily the direct recipient of financial inflows in the case of worker remittances or business operations, these forms of unearned income reduce nevertheless pressure on the Jordanian government to reform and improve public services, not only in education or health but also in municipal services like public transportation, etc.

Within Jordan's political setup, its public administration has traditionally been strong. This applies to the central level of government as well as to the governorates in which line ministries operate their field directorates. Consequently, government policies can be pursued effectively down to the local level. However, Jordan's governorates have traditionally overly focused on security issues, both domestic as well as transnational. It is only in recent years that strategies for decentralization were formulated, though the impact has remained weak so far. Development planning and political decision making remain within top-down approaches. The situation is similar for the municipalities of Jordan. Over the past ten years, municipal officials were familiarized with local development concepts in the hope that they could turn municipalities into motors of development. However, neither municipal competencies nor municipal financing has been sufficiently geared towards real decentralization.

Jordan's governance therefore remains characterized by an institutional setup that has not kept pace with changes at the societal level. Political mobilization occurred from January 2011 to October 2012 and renewed in 2018 and again in 2021. However, processes of societal engagement remain rather weak. The condition under which civil society operates in Jordan are benign as far as their activities deal with charitable activities or social development. However, whenever fundamental freedoms of association, peaceful assembly, expression and access to resources are concerned, the legal and political environment cannot be characterized as enabling. Likewise, the formal political process is rather unstructured. In the last parliamentary elections in November 2020, political parties played an insignificant role. Instead, tribal relations and business interests dominated. Interest in the electoral process is rather limited. Jordanians of a certain socio-economic profile who in other countries would be politically active usually stay clear of politics. However, the way in which the monarchy dealt with the alleged conspiracy by former Crown Prince Hamza bin Hussein, King Abdullah's paternal half-brother, in April 2021, revealed that latent political tensions also exist at the elite level.

The stability of Jordan's statehood and state institutions is paramount to all other policy considerations, including those related to the Syria crisis. This at times increases the prospects for a normalization of relations with the authorities in Damascus. It sometimes raises the issue of a return of Syrian refugees. However, given that their presence in Jordan provides the country with a de facto rent, this is unlikely to happen. The proclaimed social and political generosity by the Jordanian government towards Syrian refugees therefore needs to be understood in its context. Several observers recall that Jordan inflated the number of Iraqi refugees in 2003 and "charged" the international community more than they were willing to spend on services provided to these refugees. The international response to the Syria crisis therefore builds upon this experience, as many of the support measures incorporate host communities into the design of their programmes.

- In Jordan, international engagement related to Syria centres around the ***Jordan Response Plan for the Syria Crisis 2020-2022***.¹⁷ The JRP has as its top priority the protection of the dignity and welfare of Syrian refugees and vulnerable Jordanians impacted by the Syrian crisis. The plan presents a

¹⁷ <https://data2.unhcr.org/en/documents/details/77262>

collective approach across all sectors, with diverse stakeholders from government ministries, donors, UN agencies, national and international NGOs with the objective of addressing core humanitarian needs.

- **The expected scenario for Jordan over the next three years is that despite political and financial risks the government maintains control and the economy does not significantly worsen.** The government will remain highly dependent on foreign aid, related to both Covid-19 and the ongoing Syria crisis. According to the World Bank, economic growth will remain subdued, given structural impediments. It is not likely that the government embarks on significant reform to its political economy. The recommended programming approach is to primarily support working government systems and complement this by cooperating with civil society on rights-based approaches, including those that hold the Jordanian government to account.

2.3. Lebanon

Lebanon's consensual democracy model has been in crisis prior to the revolution in Syria and the ensuing conflict. Following the exit from its own 15-year civil war in 1990, Lebanese politics was reconstituted based on its incumbent confessional system, of which parts were heavily influenced by the Syrian Baath regime and other regional actors, notably Iran. These relations changed after the assassination of Prime Minister Hariri in 2005, which led to popular protests and the withdrawal of Syrian troops from the country. However, despite widely shared ambitions among Lebanese to overcome sectarian politics, patron-client relations based on socio-confessional loyalties were reinforced and a chance for political reform missed. In the wake of the Tunisian revolution in the winter of 2010 / 2011, public protests re-ignited in Lebanon and in March 2011 spilled over to Syria where popular discontent manifested itself. While mass protests in Lebanon ebbed at the end of 2011, the country became increasingly engulfed in what became as of 2013 an increasingly militarized regime response to the revolution in Syria.

The way Lebanon should position itself vis-à-vis the Syrian crisis has since been a prime marker of power relations among Lebanese politicians. This concerns catering to domestic constituencies based on the confessional divisions as well as to regional relations seen as socio-confessional (Shia/Sunna) and geopolitical (Israeli-Arab relations) reference points. Notwithstanding these diverging orientations, the Lebanon's political economy was able to provide a minimum degree of stability as long as patron-client relations could be maintained based on the free inflow of hard currency. This system involving the central bank of Lebanon (Banque du Liban, BdL), commercial banks, and related political networks was characterized as a state-run Ponzi scheme of gigantic proportions. It collapsed in 2019 following discontent about Lebanon's course on Syria and other issues by relevant actors in the Gulf as well as among Europeans and the US.

The collapse of Lebanon's 'house of cards' as illustrated by independent economists can hardly be overestimated in its importance.¹⁸ It led to a financial collapse, triggered an economic downturn, and deepened existing political rivalries. Compounded by the impact of the Covid-19 pandemic, real GDP growth is estimated to have contracted by 20.3 percent in 2020, following a 6.7 percent contraction the year before. Tourism, traditionally important for foreign currency, was one of the sectors most significantly hit in the period, given both pandemic-related travel restrictions as well as overall security

¹⁸ See the visualization at <https://www.thinktriangle.net/extend-and-pretend-lebanons-financial-house-of-cards-2/>

considerations. Employment has also been significantly affected, with one in five workers losing their jobs since October 2019. The debt-to-GDP ratio has also been exacerbated and it was estimated at 174 percent in 2020, a 3pp increase from the previous year.

The setup of Lebanon's financial system can be considered as equivalent to a rent. As such, it structured large parts of the economy in terms of oligopolistic behavior related to both public procurement as well as the private sector. Like any rent, it has detached government from society, giving the former considerable political leeway and limiting the latter's opportunities to demand change. As the flow of hard currency dried up, this direct relationship between controlling the economy and through it the political process has changed. At present, it is not possible to forecast whether, how and when the financial crisis in the narrow sense will be overcome. Any foreign support has been made contingent on a thorough forensic audit of Lebanon's central bank that has been at the core of the mechanism allowing Lebanon's political economy to perpetuate itself. After longstanding obstructionism by BdL, a new forensic audit has been commissioned but has yet to take place.

The collapse of the incumbent rentier system may therefore have improved the conditions for renewed political activism. While throughout 2021 the brain drain continued, Lebanese civic engagement has restarted, too. Although it was a member of Lebanon's old guard who became Prime Minister in September 2021, there is increasing pressure from journalists, academics, and societal activists at large not only to overcome the acute financial crisis but also the conditions that led to it in the first place. The ways in which this may play out are not clear. Lebanon's institutions are widely perceived as illegitimate and not trustworthy precisely because they represent the incumbent socio-confessional corporatism. Participatory politics in Lebanon is therefore always prone to being carried out in the street rather than in parliament or formal political institutions.

Whether the incumbent system will restabilize or new politics emerge, Lebanon's course will remain closely tied to events in Syria. Not only are social and human relations between the two countries much closer than e.g. between Syria and Jordan, political actors, too will continue striving for influence in both directions. For the Assad authorities in Damascus, Beirut has been part of its financial as much as Moscow and Tehran have been for its physical survival. On the other hand, Lebanon remains also an important bridgehead for Syrian opposition actors, be they refugees or activists operating out of Beirut on a visiting basis. While relations between Lebanese and Syrians have been complex and difficult over many years, there is also an increased alignment of ambitions and purpose by activists from both countries to develop political ideas that would be of benefit for a common future.

- In Lebanon, international engagement related to Syria centers around the ***Lebanon Crisis Response Plan 2017-2021***.¹⁹ The plan presents a collective approach across all humanitarian sectors, with diverse stakeholders from government ministries, donors, UN agencies, national and international NGOs. Funding developed from 44 million USD in 2011 to around 1 bn USD in 2013 and 1.44 bn USD in 2020, of which around 57% is foreseen for food security and agriculture.
- **The expected scenario for Lebanon over the next three years is that no major political reform will occur, and the sectarian division of power will be maintained.** The economic situation is expected to remain critical, with a continuous decline of household purchasing power, and regular and irregular migration outflows are likely to increase as a result of the crises in the country.

¹⁹ <https://data2.unhcr.org/en/documents/details/85374>

Though tensions in the community might remain, no official governmental action to push return for Syrian refugees is expected. The recommended programming approach is to primarily support civil society on rights-based approaches, including those that hold the Lebanese government to account.

3. Fragility, conflict and resilience

The Syria crisis and its regional impact has exposed different dimensions of fragility. For Syrians themselves, the implications are obvious in terms of physical security, livelihoods, and potential for development, both inside Syria as well as in their countries of displacement across the region. For neighbouring countries like Jordan and Lebanon, the protracted crisis in Syria has increased their own fragility related to political, economic, societal, environmental, and security issues. Dealing with them is a matter of urgency not only for the countries in the region. Europe, too, exposed strong vulnerabilities resulting from the combined Syria and Iraq crises, notably in terms of the impact of irregular migration and the security risks resulting from violent extremism.

The proposed programme on Syria and neighbouring countries cannot directly address the root causes of fragility in Syria itself. As outlined in the introductory part of the present context analysis, this can only partially be achieved by working inside Syria. It can, however, be achieved indirectly by targeting and collaborating with Syrians in conflict-affected, vulnerable, and fragile situations in the neighbouring countries, while at the same time applying a comprehensive approach to include host countries and communities in the programming. Accordingly, an integrated approach is needed that is responsive to fragility issues that are intertwined thematically and geographically. The programming therefore needs to consider different dimensions of fragility (politics, economics, society, environment, security) and apply them to the host countries – Jordan and Lebanon – in relation to their challenges emanating from the Syria crisis.

3.1. Jordan

The *Fragile State Index* that considers cohesion, economic, political and social indicators ranks Jordan within the middle tier countries at 67 out of 179 countries, with a total score of 76.8. However, Jordan considerably moved up the risk ladder over the preceding decades, as it was ranked at a less fragile rank of 96 in 2011.

3.1.1. Politics

The relative strength of Jordan's state apparatus should not conceal political fragility emanating from a lack of an open and participatory political process. Over the past decade, popular discontent has risen considerably and constantly, with grievances mostly related to the inability by the government to provide quality services. Rather than limiting such complaints on service provision to individual policy sectors (such as health), there is a general awareness that public service delivery has declined across the board. Accordingly, political elites have increasingly been seen as detached and / or incompetent.

3.1.2. Economy

Jordan's economy, which already showed high unemployment and debt levels, was badly hit by the pandemic. The unemployment rate spiked to 23 percent in the second quarter of 2020, a 3.7

percentage increase from the previous quarter. A study conducted by the World Bank Group showed that Jordan is among the countries with the most significant drop in total sales, and 54% of businesses reported that they fell or are soon expected to fall in indebtedness. The lack of job opportunities particularly affects the young people in the country's growing labour force. At the same time, Syrians and other Arab and foreign workers make up a great part of incoming migrant labour in Jordan. Regulatory policies targeting the labour market are poorly developed and not consistently applied. This creates added societal tensions beyond the more measurable economic weaknesses such as general budget deficits.

3.1.3. Society

The economic risks play out in a societal context that is marked by rather strong fragmentation. For all of its strong coherence in terms of statehood, Jordan's society is highly fractured. This applies not only to classical socio-economic categories in terms of income or wealth but more broadly to the composition of Jordanian society. While there is a sense of citizenship among all Jordanians, there are subtle differentiations. These do not only concern the basic distinction between Transjordanians and Jordanians of Palestinian decent. There are further subdivisions, in particular among the latter, but also concerning relations between Muslims and Christians (which are generally good) as well as with regard to Circassians and Chechens (who in part occupy important functions in the security apparatus and the army). As a result, there is a strong sense of communitarianism in Jordan. It has not erupted into the open but describes potential tectonic fault lines that could affect the Syrian refugee population in Jordan and destabilize the country at large.

3.1.4. Environment

Jordan's top fragility risk in the sphere of environment remains its water scarcity. However, this challenge has been repeatedly identified and supposedly addressed in numerous development cooperation projects. In addition to representing a physical problem of depleting resources, Jordan's water sector is a prime example for failed governance schemes. Water management policies are not consistent with the challenges and have for years contributed to increased tensions related to inequality in access to water among people in Jordan, including Syrian refugees.

3.1.5. Security

Jordan does not have an acute fragility risk in terms of security. Despite its geographic location, its demographic composition, and its proximity to regional security hotspots, Jordan has been able to manage domestic and transnational security issues rather successfully. However, there is a latent risk of spill over effects resulting from the situations in Palestine, Iraq, and Syria, including through the refugee and displacement dimension. Within the Middle East as the least peaceful region in the World, Jordan occupies the 4th most peaceful rank (worldwide rank: 63 of 163) according to the *Global Peace Index 2021*. This fragility covers potential security threat by actors from these countries but also relates to transnational threat patterns, such as Islamist radicalization. Successive Jordanian governments have been using references to potential security risks also as a way of countering popular demands for political participation. This is one of the reasons why political processes in Jordan have remained closed and rather opaque.

3.2. Lebanon

The *Fragile State Index* that considers cohesion, economic, political and social indicators ranks Lebanon relatively high up the list of fragile states at 34 out of 179 countries, with a total score of 89.0. The position relative to other countries thereby changed from rank 43 held back in 2011.

3.2.1. Politics

The fragility of statehood remains Lebanon's highest political risk. A major factor contributing to this is the declining state legitimacy as perceived by Lebanese who have become not only highly aware of the shortcomings of the incumbent system but also highly politicized. However, in the face of recurring mass protest against perceived kleptocratic governance, the Lebanon's political elite has time and again turned out to be resilient. This has led to an increased political and social polarization, in particular as the government's inability to provide public services has become more and more obvious.

3.3.2. Economy

Beyond the point of fragility, the economy of Lebanon is in free fall. The sharp depreciation of the Lebanese Pound, hyper-inflation, increase of unemployment rates and rise of food insecurity are just a few indicators of how catastrophic conditions have become. The World Bank has indicated that the current financial and economic crisis in Lebanon ranks among the three most severe crises that have happened anywhere since the mid-nineteenth century. The impact of this economic fragility is felt by all in Lebanon, including Syrians as well as migrant workers from different countries. Emigration and brain drain are on the rise, as is economic inequality. As of March 2021, OCHA estimated that 78% of the Lebanese population is currently impoverished and 36% has reached extreme poverty, and these numbers are likely to grow given the dramatic decline of households' purchasing power over the last two years.

3.2.3. Society

The economic hardship has not only polarized Lebanese society but also re-ignited resentment vis-à-vis Syrians. At the end of 2020, the lack of job opportunities and extreme poverty among both refugee populations and the host community, caused tensions and hostility between the two groups. There seems to be a significant worsening in refugee hosting environments, with localized incidents of violence on the rise. While the national government has not yet taken centralized action to push Syrian refugees back to Syria, the tensions are raising concern regarding the outlook of community acceptance towards refugees.

3.2.4. Environment

Against the background of dominant economic and political hardships and risks, environmental fragility is of little concern to policymakers in Lebanon. Pollution is pervasive and has led to tangible public health issues that are widely debated in society. This concerns the notorious inability and unwillingness to deal with solid waste in an appropriate way, as random landfill dumps are operated in a way that toxic substances can enter the food chain. Despite its relative abundance, this also concerns the pollution of water resources that appear to be the reason behind a spike in cancer cases in some areas of the country. Likewise, air pollution has increased considerably, most recently once more due to the use of individual electricity generators running on diesel.

3.2.5. Security

In terms of security, fragility risks emanate domestically from para-military forces undermining the state's monopoly of force and externally by Lebanon's exposure to intervention by actors from abroad. This relates to the country's regional relations with Syria and Iran, as well as to competing ties with the Sunni Arab monarchies of the Gulf that have, however, kept Lebanon at arm's length inter alia due to the regional cold war playing out between Saudi Arabia and Iran. Within the 20 countries surveyed in the Middle East, Lebanon occupies only the 15th rank (worldwide rank: 147 of 163) according to the *Global Peace Index 2021*.

Key documentation and sources

- *Institute for Economics and Peace: Global Peace Index*²⁰
- *Fund for Peace: Failed State Index*²¹
- *International Crisis Group country reports on Jordan and Lebanon*²²

4. Human rights-based approaches

In Syria and its neighbourhood – Turkey, Iraq, Jordan, and Lebanon – the qualities of statehood, the status of the separation of powers, and the strength of civil society vary from one country to another. In Syria, the Damascus authorities reclaimed territorial control and command of state structures at great cost to human life by pursuing a strategy of monopolising power and oppressing civil society. In Turkey, state structures are strong but are seen by many as undergoing state capture, with negative repercussions notably on the independence of the judiciary and pressure on an otherwise vibrant civil society. In Iraq, statehood was at risk of eroding in the years the terror organisation of the so-called Islamic State (IS) took control of large parts in the west of the country. On the back of the international fight against IS, statehood was strengthened, though Iraq remains characterized by fragmentation of power centres rather than by a proper separation of powers. Iraqi civil society has proven to be resilient, despite physical and legal threats. In Jordan, the state apparatus has traditionally been strong and effective in terms of operations, while civil society has historically been weak and has come a long way from heavy restrictions and instrumentalization in the past to being more autonomous now. In Lebanon, the state has traditionally been weak while society has been strong. It is the societal lines defined by confessional groups that characterize Lebanon's political environment and constitutional setup.

Syria definitely fares worst across the entire typology of human rights. In terms of *physical integrity rights*, torture and ill-treatment – including sexual and gender-based violence – are rampant, as are enforced disappearances and kidnappings. Extrajudicial killings or summary executions have marked not only the years of conflict but have a longer track record. While on the surface Syria promotes an image of tolerance in terms of religious beliefs, freedom of thought and conscience are not guaranteed at all. Even the concept of limited religious pluralism conceals the situation that the supposedly secular Baath regime is built inter alia on sectarian principles, privileging Alawites as being close to the Assad clan. The right to privacy is violated regularly, as are rights to citizenship, whereby gender and other

²⁰ <https://www.economicsandpeace.org/wp-content/uploads/2021/06/GPI-2021-web.pdf>

²¹ <https://fragilestatesindex.org/>

²² <https://www.crisisgroup.org/middle-east-north-africa/east-mediterranean-mena/jordan>
<https://www.crisisgroup.org/middle-east-north-africa/east-mediterranean-mena/lebanon>

forms of discrimination are practised. Given the totalitarian character of the state, *fair trial rights* are inexistent. Arbitrary arrests and detentions occur daily, detention conditions themselves are poor and prone to ending in ill treatment and torture, while the judicial system is clearly not independent but part of the broader state capture by the Baath elite. Subsequently, defendant rights at trial are not guaranteed at all. Against this background, *political freedoms* such as freedom of opinion and expression, the right to peaceful assembly and association, as well as the right to political participation do not exist. Given the regional and international interference in Syria, human rights violations are not limited to Damascus authorities but perpetrated also by other state as well as non-state actors.

Human rights-based approaches (HRBA) on Syria must therefore address a basic dilemma: Countries in which human rights violations are widespread are usually places in which defending and promoting these rights is generally difficult and dangerous. The example of Syria is a point in case. There is little that can be done in a direct way to address human rights violations without either putting at risk human rights defenders or granting recognition to authorities that do not deserve any normalization of ties.

In this respect, indirect strategies targeting Syria by focusing on Syrians in the neighbourhood can be a valid alternative approach. As outlined above in Section 1.2., development cooperation among the large number of Syrian refugees and their regional host communities is more promising, potentially scalable, and ultimately portable. This is particularly the case for **Jordan** and **Lebanon**, where sizeable Syrian refugee communities exist whose own goal of ultimately returning to Syria largely coincides with the political intentions of their host governments.

Applying human rights-based development approaches to Syrian and host populations primarily in the two neighbouring countries Jordan and Lebanon may have multiple effects:

- Syrians in Jordan and Lebanon will receive support and skills improving their status, current livelihoods, and future prospects.
- Such achievements made by Syrians residing in Jordan and Lebanon will ultimately benefit the future of Syria, once a safe and dignified return of refugees is possible.
- Support extended not only to Syrians but also to their host communities will improve social cohesion and ultimately benefit the host country, too.
- Support to Syrians in Jordan and Lebanon will strengthen the transnational networks and expand the trans-border activities notably by Syrian activists.

Critically, due to comparable and often similar cultural backgrounds, many of the human rights issues facing Syrians are not completely alien to Jordan and Lebanon either. This is not to insinuate a proximity of their respective political orders but rather refers to sometimes similar challenges these neighbouring countries need to address, too. In fact, issues of physical security rights, fair trial rights, and political freedoms are of paramount importance to societal actors in Jordan and Lebanon as well. Addressing them in the context of the Syria crisis will benefit both refugees and host communities.

Civic participation. – A basic tenet is that public affairs need civic involvement and hence participation. In this regard, problems and ambitions of Syrians in the neighbouring countries are not different from their host communities. Syrians can make their voices heard wherever their Jordanian or Lebanese (or other) peers can successfully claim the basic freedoms of association, peaceful assembly, expression, and access to resources. This allows activists and average citizens to take their lives into their own hands by advocating and doing rather than by waiting and being served. The approach should

therefore focus on promoting an enabling environment in Jordan and Lebanon, in which civic participation can be effectively practiced.

Equality. – Public participation requires a minimum consensus regarding the equality of individuals. This is a challenge particularly in societies that are hierarchically structured, socially fractured or characterised by neo-patrimonial relationship, whether they are tribal, confessional or otherwise. Often referred to as a culture of connections (*'wasta'*), the issue is not only one of strengthening integrity and accountability in public systems. Rather, the problem is that neutral statehood and state-citizen relations cannot develop in a system where the principles of governance are borrowed from the rulebook of private family affairs and applied to society at large. The approach should therefore focus on promoting direct citizen-state relations.

Gender. – Gender discrimination remains a thorny issue across the region regardless of the ongoing conflict. The Syria crisis has, however, reinforced gender-related rights violations ranging from sexual and gender-based violence to specifically legal forms of discrimination. Many of the latter are common not only in Syria but also in Lebanon and Jordan, as they emanate from social conventions and interpretations of religious (mostly Islamic) rules that are in contradiction with relevant international human rights conventions. This relates in particular to CEDAW and issues related to personal status law (marriage, divorce, inheritance) as well as the right to nationality / citizenship. The approach should therefore focus on contributing to addressing gender-based discrimination.

Good governance. – Going beyond the standards of participatory politics, good governance is a broader issue to be addressed in the context of Syria. It does not only refer to issues of a democratic setup of state institutions or to the requirements of government accountability. Good governance standards increasingly permeate all areas of public policies, as there is hardly any policy sector which does not touch upon human rights. The right to free quality primary education for example is through the *Convention on the Rights of the Child* a human rights issue as well as one of good governance. The approach should therefore work on promoting literacy in public policy making coupled with rights-based approaches.

Youth. – Among the most promising actors in terms of their potential role as multipliers and agents of change are young people. There is sufficient congruence in the challenges facing youth among Syrian refugees, Jordanians and Lebanese. Entry points are, other than education and employment, youth activism that can lead over to the civic participation theme. Within this group of actors, the gender empowerment aspect adds an additional layer, which makes girls and young women an important target group for programming. The approach should therefore include a combined youth and gender dimension that could be articulated in various thematic areas.

Key documentation and sources

- *Universal Period Review Lebanon (2021)*²³
- *Universal Period Review (2018)*²⁴
- *Human Rights Watch World Report (2021)*²⁵

²³ <https://www.ohchr.org/EN/HRBodies/UPR/Pages/LBIndex.aspx>

²⁴ <https://www.ohchr.org/EN/HRBodies/UPR/Pages/JOindex.aspx>

²⁵ <https://www.hrw.org/de/world-report/2021>

- *Danish Institute of Human Rights (DIHR): The Human Rights Guide to the Sustainable Development Goals*²⁶
- *World Economic Forum: Global Gender Gap Report 2020*²⁷
- *World Bank: The Human Capital Index 2020 Update*²⁸

5. Sustainable growth and climate change

5.1. Jordan

5.1.1. Sustainable growth

Jordan elaborated with international support from Germany's Ministry of Environment and the Global Green Growth Institute (GGGI) the *National Green Growth Plan* for Jordan in 2017. As other policy documents, it refers to all approaches relevant to the theme of ecologically sustainable growth. It also contains numerous references to Syrian refugees and the ways in which their presence in Jordan puts strains on Jordans performance.

It would require a thorough study to assess the degree to which the proposed policy initiative have been implemented, in particular given the larg number of stakeholders. Furthermore, many of the references to Syrian refugees appear to be rather self-serving in view of acquiring donor money rather than being based on sober analysis.

5.1.2. Climate change

Jordan produced a *National Climate Change Policy* early on in 2013 for the period leading up to 2020 that focused on three main objectives:

- Achieving a pro-active, climate risk resilient Jordan by remaining a low-carbon yet growing economy;
- Building adaptive capacities of communities and institutions, including social issues related to gender and vulnerable groups, to increase the resilience of ecosystems to climate change;
- Prioritizing both mitigation and adaptation to climate change, but with emphasis on adaptation given Jordan's relatively low carbon emissions.

As of 2021, an updated *National Climate Change Adaptation Plan* was elaborated by the Ministry environment. It elaborates further the priority Jordan attaches to an adaptive approach and provides country-based climate projections (temperature, precipitation) up to the year 2011 and related risks, in addition to outlining sectoral adaptation programmes related to water as well as agriculture and food security.

It would require a thorough study to assess the degree to which the seven short-term goals outlined in the 2013 policy document have been achieved. This applies in particular to the projected integration of climate change requirements into key sector policies like energy, transportation, and waste. It also applies to the occasional references to refugees as vulnerable groups in the 2021 update.

²⁶ <http://sdg.humanrights.dk>

²⁷ <https://www.weforum.org/reports/gender-gap-2020-report-100-years-pay-equality>

²⁸ <https://www.worldbank.org/en/publication/human-capital#Index>

5.2. Lebanon

5.2.1. Sustainable growth

Lebanon sees itself in no condition to achieve the 2030 SDGs. UNDP has declared that the most realistic option for the time being is to try to maintain the achievements under the *Millennium Development Goals*. The country should strive to keep poverty levels from further increase and avoid further deterioration of environmental sustainability.

5.2.2. Climate Change

Lebanon committed to national determined contributions as per the Paris Agreement and produced an updated *Nationally Determined Contribution* in 2020. The short document outlines first the widely known national circumstances before outlining projected climate action for sustainable development and a green economy, including references to climate action enablers and the concrete mitigation measures by which to reduce green house gases (GHG).

However, the actual performance of Lebanon would require a thorough study. Given the even worse circumstances of 2021, it is highly unlikely that any of the commitments will materialize according to plan.

Key documentation and sources

- *National Green Growth Plan for Jordan*²⁹
- *The National Climate Change Policy of the Hashemite Kingdom of Jordan 2013-2020*³⁰
- *The National Climate Change Adaptation Plan of Jordan*³¹
- *Lebanon's Nationally Determined Contribution. Updated 2020 Version*³²

6. Public sector capacity, public financial management, integrity and corruption

The two countries to which the outlined indirect approaches of support to Syrians and their host communities can be applied – Jordan and Lebanon – show different features regarding the administrative capacities and performance of their public sector.

6.1. Capacity of public sector

Jordan's public administration is generally assessed as being effective though not necessarily efficient to the same degree. Given its longstanding relations with donors and international development partners, the central government of Jordan has experience in the implementation of programmes channeled through its administrative units. It also has substantial experience in project implementation through separate project management units (PMU) geared towards individual sectors or towards specific territorial subdivisions (governorates, districts). The central government exercises

²⁹

<https://www.greengrowthknowledge.org/sites/default/files/A%20National%20Green%20Growth%20Plan%20for%20Jordan.pdf>

³⁰ <https://www.greengrowthknowledge.org/sites/default/files/downloads/policy-database/JORDAN%29%20The%20National%20Climate%20Change%20policy%20of%20the%20Hashemite%20Kingdom%20of%20Jordan%202013-2020.pdf>

³¹ http://www.moenv.gov.jo/ebv4.0/root_storage/ar/eb_list_page/final_draft_nap-2021.pdf

³² <https://climatechange.moe.gov.lb/viewfile.aspx?id=319>

full control over Jordan's administrative divisions, within which the governorates are by far the most important ones. Although competencies were supposed to be decentralized towards the governorates level as well as to the municipalities as basic administrative units in recent years, achievements have remained far behind initial ambitions. Municipalities are poorly funded and depend in terms of development planning and their general operations to a large extent on approvals by the central government and governorates.

Lebanon's public administration in contrast is perceived as little effective and highly dysfunctional.

This applies to the central government that is chronically unable to exercise effective functions of statehood as well as to the administrative divisions of governorates and districts with their respective competencies and responsibilities. Public functions are weak to a point that government entities are unable to implement policies, enforce regulations and provide public services. Given that the sectarian and confessional setup of Lebanese society is – outside Beirut – more homogeneous at the local level, municipalities tend to be in some areas more important than. Rather than depending on governorates or the national level, municipalities in Lebanon have traditionally exercised important functions directly. Societal engagement by civil society actors – including faith-based organizations and individuals – at the municipal level is traditionally strong. However, due to the lack of effective service delivery by government at all levels, Lebanon also has a strong – and expensive – tradition of providing public services privately, ranging from health and education to electricity generation.

6.2. Public financial management (PFM)

In **Jordan**, public financial management as per the reporting on *Public Expenditure and Financial Accountability* (PEFA) is seen as overall positive and relatively stable, though general budget deficits need to be structurally covered by substantial grants and loans. However, international support also means that Jordan had to align its economic management with the requirements of donors and international financial institutions according to international standards. Against the background of the economic repercussions of political developments in the region, Jordan maintains a medium-term fiscal framework (MTFF) and a medium-term expenditure framework (MTEF) on a rolling basis. Budget preparation is conducted by the General Budget Department (GBD) of the Ministry of Finance (MoF) applying at least rudimentarily principles of result-oriented as well as basic features of gender and child-oriented budgeting. Jordan's budget laws are regularly passed and published. Budget analysis by media or civil society is possible though not widespread, as the assessment of Jordan's budget performance is usually the domain of local and international technical experts.

In **Lebanon**, public financial management suffers from the dysfunctional political system and reinforces and perpetuates it in turn, leading to a vicious circle of political and economic patronage and clientelism. Budget laws were made public until 2013 though not necessarily credible then. After a three-year period during which budget laws were not available, publications recommenced in 2017, with the latest budget law dating from 2020, though none of the documents have much credibility in terms of quality. More importantly, Lebanon's public finance landscape was shaken when incumbent sources of foreign currency dried up in 2019, inter alia as a result of the regional politics emanating from the Syria crisis. The financial crisis became more protracted by the impact of the Covid-19 pandemic that undermined Lebanon's tourism sector, another important source of foreign currency. As a result, the financial crisis has aggravated into a broader and deeper economic crisis that in turn has reinforced the political crises underlying the setup of the Lebanese state.

6.3. Integrity and Corruption

Jordan occupies rank 60 out of 180 countries and territories surveyed in the *Corruption Perception Index* (CPI) by Transparency International (TI) in 2020. Its score is in the mid-range of 49/100, having improved by one point since 2012. However, integrity issues have become an increasingly important topic of debate among governance professionals, civil society, and the wider public. The *Audit Bureau* of Jordan has a pivotal responsibility. It has an overall audit plan and should in theory scrutinize not only accounting but also policy and budgeting processes. However, there are technical shortcomings in competencies, as auditors are not necessarily familiar with specific policy sectors. More importantly, auditing risks being conducted in an arbitrary manner, which sometimes leads to individual issues being highlighted with other possibly more important ones being neglected. Crucially, the Audit Bureau ultimately lacks – as does the judiciary – the degree of independence needed to enforce accountability. Likewise, media work on corruption is hampered by restrictions impacting the freedom of expression, which applies in particular to Internet-based communication channels.

Lebanon is down to rank 149 out of 180 countries and territories in Transparency International's CPI. In 2020 it scored only 25/100, having lost five points since 2012. As corruption is rampant, it is difficult to assess the functioning of Lebanon's audit bureau, the *Court of Accounts* (Cour des Comptes). Given the centrality of the Lebanese central bank (*Banque du Liban, BDL*) in operating the mentioned state-run Ponzi scheme, the Court of Accounts has recently in September 2021 approved a forensic audit of BDL by concluding contract with a foreign private auditing company based in the US. Against the background of continued obstructionism by BDL, this move had become necessary as the International Monetary Fund (IMF) requested this in-depth scrutiny of BDL accounts as a precondition for considering any future financial assistance to Lebanon.

Key documentation and sources

- *Jordan Economic Monitor, Spring 2021 : Uncertain and Long Trail Ahead*³³
- *General Budget Laws for Jordan* ³⁴
- *PEFA Assessment Jordan*³⁵
- *Extend and Pretend: Lebanon's Financial House of Cards. (November 2019)*³⁶
- *General Budget Laws for Lebanon* ³⁷
- *Lebanon Economic Monitor, Spring 2021 : Lebanon Sinking (to the Top 3)*³⁸
- *EU, UN, WBG (2020). Lebanon Reform, Recovery and Reconstruction Framework (3RF)*³⁹
- *Gender-Responsive Recovery in Lebanon: Recommendations for Fiscal, Social and Labour Policy Reform*⁴⁰
- *Ministry of Finance / General Budget Department (Jordan)*

Additional studies or analytic work are not foreseen.

³³ <https://openknowledge.worldbank.org/handle/10986/35849>

³⁴ <https://www.gbd.gov.jo/en/releases/law-min/2021>

³⁵ <https://www.pefa.org/country/jordan>

³⁶ https://secureservercdn.net/160.153.137.163/f62.e5d.myftpupload.com/wp-content/uploads/2019/11/Extend_Pretend_Lebanons_Financial_House_of_Cards_2019.pdf

³⁷ <http://www.finance.gov.lb/en-us/Finance/BI/ABDP/Pages/default.aspx>

³⁸ <https://openknowledge.worldbank.org/handle/10986/35626>

³⁹ https://eeas.europa.eu/sites/default/files/lebanon_3rf_report_combined-121420.pdf

⁴⁰ <https://arabstates.unwomen.org/en/digital-library/publications/2020/06/gender-responsive-recovery-in-lebanon>

ANNEX 2: PARTNER ASSESSMENT

1. Brief presentation of partners

UNHCR Lebanon

UNHCR has been operating in Lebanon since 1962. At the outbreak of the Syria conflict in 2011, the displacement crisis became the main focus of its activities. UNHCR's overarching strategy in Lebanon is to preserve a dignified protection space for refugees and works in close partnership with the Lebanese Government, UN agencies, and civil society organizations and partners. The strategic priorities for UNHCR Lebanon in 2021/22 are:

- **Access to Protection:** Ensure access to protection, temporary legal residency, and birth and civil status documentation for refugees, and their protection from refoulement.
- **Dignity in Exile:** Ensure inclusive access to social protection and a safety net to preserve the dignity and well-being of refugees in Lebanon, while supporting refugees' ability to develop their human capital.
- **Secure Continued Hospitality:** Preserve the hospitality of Lebanese communities and overall social stability.
- **Realize Solutions:** Facilitate refugees' attainment of durable solutions in the form of resettlement or complementary pathways to third countries and capacitate refugees to exercise their right to voluntary repatriation in safety and dignity.

AFD

Agence Française de Développement has had a presence in Lebanon since 1999. Pre-Syria crisis the main focus was on water and sanitation, support for the productive sector and urban development. Since 2011, AFD added an additional focus on:

- Socioeconomic inclusion through education, vocational training, and job creation
- Reinforcing the recovery of areas affected by the crisis via infrastructure, economic sectors, and social cohesion, as well as managing the consequences of the Syrian refugee crisis.

AFD's implementation modalities include grants, loans, guarantees, technical assistance, etc. and is targeting both public authorities (ministries, municipalities), civil society and the private sector. AFD has a long-standing position as a key partner of the Lebanese government and cooperation with the World Bank and EU Commission.

FAO

In February 1977, FAO and Lebanon signed an agreement to establish a country representation in Beirut. This office serves Syria, Jordan, Iraq and Iran, in addition to Lebanon. More recently, FAO has been supporting the coordination and planning mechanism for humanitarian and stabilization assistance to Lebanon in the context of the Syria crisis. Current FAO assistance in Lebanon is shaped by the 2016 – 2021 FAO Country Programming Framework, which has been jointly prepared with the Government and other development partners.

The strategic priorities for FAO are:

- Promoting sustainable agricultural and rural development

- Promoting sustainable management of natural resources
- Enhancing the resilience of communities hosting displaced Syrians

FAO's main methods are strengthening the capacities of the agricultural cooperatives, in particular women cooperatives; the application of climate-smart agricultural technologies; investments in agri-food value chains; and provision of grants to farmers.

RDPP

The European Regional Development and Protection Programme was launched in 2014 as a multi-donor European initiative supporting Lebanon, Jordan, and Iraq to better understand, plan, and mitigate the impact of the forced displacement of Syrian refugees on host communities. Following phase I of the programme, which was implemented through 45 strategic and innovative partnerships in the region, a second phase of the RDPP was initiated to run from October 2018 until December 2021.

A phase 3 of the RDPP will deliver further advances in the priorities area of:

- Partnering with and supporting local capacities in order to generate livelihoods and protection to displaced people and host communities.
- Developing comprehensive approaches to decent, economically viable, and sustainable livelihoods through collaboration with the private sector to generate complementary supply and demand, supporting skills development with job placement and mentoring for more sustainable employment
- Creating jobs through supporting start-up businesses or to existing businesses to expand to employ targeted vulnerable populations participating in skills development.

2. Summary of partner capacity assessment

Syria - The most likely scenario for Syria over the next couple of years is that the civil war will not end and that there will be no negotiated settlement covering the whole country. There will be population movements, including some people displaced across the region returning, but millions of people will remain displaced both within and outside Syria's national borders. The recommended programme approach is to avoid any form of cooperation that would normalize relations with the Assad authorities in Damascus. Instead, support should be extended to civil society activists and organizations working on rights-based approaches, in particular those holding the Syrian government to account

Jordan - The expected scenario for Jordan over the next three years is that the government maintains control and the economy does not significantly worsen. The government will remain highly dependent on foreign aid, related to both Covid-19 and the ongoing Syria crisis. According to the World Bank, economic growth will remain subdued, given structural impediments. It is not likely that the government embarks on significant reform to its political economy. The recommended programme approach is to support working government systems and complement

this by cooperating with civil society on rights-based approaches, including those that hold the Jordanian government to account.

Lebanon - The expected scenario for Lebanon is that there will be no significant political reform in the next three years, with a sectarian division of power remaining. The economic situation is likely to remain critical and continue further into decline, as a result regular and irregular migration flows are likely to increase. There will be no official government decision to push refugees back to Syria. The recommended programme approach is to support civil society on rights-based approaches, including those that hold the Lebanese government to account.

The proposed partners, UNHCR Lebanon, FAO, AFD and the RDPP were selected in part due to their track records in successfully managing both project and diplomatic priorities. The partners' financial and administrative capacities are illustrated in their past programme performances. Where a) partner activities include transfer of funds to sub-partners or b) new partners are identified through the CFP, then the capacity of these sub or new partners will also be assessed and should, as far as possible, build on existing available information, such as procedure manuals, previous audits and assessments.

ANNEX 3: THEORY OF CHANGE, SCENARIOS AND RESULTS FRAMEWORK

Theory of Change

The 3SN programme was given a broad direction to focus on durable solutions for displaced Syrians in Syria and neighbouring countries. As the context analysis in Annex 1 makes clear, there is extremely limited access to durable solutions at present. Only small numbers can access resettlement and dignified return is not available for most. Local integration is constrained: refugees can live in Lebanon and Jordan but without many rights and with official policy communicating to locals and Syrians that their stay is temporary.

Faced with that context, the theory of change for 2021-2023 is informed by long-term idealism and sets out with short-term pragmatism. Displaced Syrians will have better access to **durable solutions in the future** if they have access now to services that protect them, generate livelihoods and foster social cohesion. Given the challenging context, if the programme wants displaced Syrians to succeed, it will have to **support Jordanians and Lebanese** too. In particular, the programme will need to invest in economic sectors that have a chance to generate incomes in urban and rural areas, support innovations that address social cohesion, not least for young people, and promote sustainable access to rights for all ages and genders. The programme can also improve prospects for longer-term durable solutions by delivering impactful research and advocacy.

In summary, the **desired transformation** to 2023 is an expansion of economic opportunities and protection services, prioritising displaced Syrians and recognising that programming will need to include host communities. Writing in 2021, there is no guarantee that this will lead to greater access to formal durable solutions. The programme commits to advocacy but beyond that cannot influence the big social and political decisions that would significantly affect resettlement, return and local integration.

This transformation will require a number of intermediate changes, varying somewhat between the contexts in Syria, Jordan and Lebanon. On the economic front, the baseline scenario in 2021 foresees stagnation at the national level and many displaced-affected communities are going backwards. The programme would therefore be achieving positive change even if it only **mitigates pressures and creates modest opportunities** for medium-term individual, business and sector development. This requires deep market analysis on the one hand and iterative experiments on the other to identify skills, businesses, cooperatives and market failures that could be addressed to generate more income for displacement-affected communities.

In Jordan, the most important drivers of change will be **export-oriented and employment-intensive** businesses. The industrial parks model does not appear to have worked well, so the programme will need to explore alternatives that require more small-scale business and investment in developing the foreign linkages to generate export income. The government is supportive of new export opportunities where Jordanians benefit - partnering Syrians and Jordanians while upholding decent work standards is the best way to broaden access to income for displacement-affected populations. In searching for modalities to contribute, the challenge is to avoid replicating failures in the past, where international organizations or non-profit groups

have been unable to work effectively with what are ultimately private sector incentives and market networks.

In Lebanon, the short-term need is to stave off the effects of political paralysis and economic crisis. To preserve dignity, skills and businesses, a **more humanitarian approach** to programming is appropriate. Beyond cash for work and subsidies to sustain economically significant infrastructure, there are **opportunities amid the wreckage**. For example, currency devaluation and the pandemic have made it relatively more valuable to locate production in Lebanon rather than relying on imports - this is particularly relevant to the agricultural sector, which can also employ a lot of Syrians. There remains a lot of talent and capacity in the Lebanese private sector - the programme can assist in facilitating reforms and orienting to new markets, which also helps to identify skills and connections that would help displaced Syrians to obtain jobs. The most likely modalities to contribute are a mixture of international organizations and local NGOs, with partnerships in the private sector. The theory assumes that there is minimal investment directly in the government until it demonstrates a capacity for reform.

The Syrian economy is struggling to stay afloat, with terrible consequences for many displacement-affected communities. To **preserve foundations** for future returns and reintegration of refugees and IDPs, the best bet for the programme is to invest in highly localized business and cooperative opportunities through a resilience lens. There will likely be benefit to retraining and jobs placements as support to a refashioned private sector. In the foreseeable future, the only available modalities to contribute to this ambition are consortia of international NGOs or UN agencies, both of which have struggled to make impact in a hugely difficult environment.

On the protection front, the biggest thematic challenges are in **mitigating GBV and pressures to put children to work**. Regarding GBV, there is evidence for opportunities to disseminate more widely and deeply a practical knowledge for individuals and communities on preventing and responding to GBV risks. If the programme can support local actors with the skills and experience to scale this up, then it appears feasible to turn the tide. Regarding child labour, there may be value in more direct subsidies to mitigate pressures on the most vulnerable households, recognising that this is a short-term ameliorative approach. In the medium-term, norm change around GBV and child labour is at least partially hostage to material conditions affecting displacement-affected communities. For both the short term and long term, the best modalities to contribute are likely local NGO networks, with some benefit from engaging central mandate holders like UNHCR.

There are hints of a bigger protection challenge in Lebanon in particular, where there are stronger signs that Lebanese communities and politicians are **growing less tolerant** of hosting Syrians. (This may also be the case in Jordan but it is harder to identify discontent or dissent in Jordan's more closed political system.) If the programme is to mitigate these problems, it will need to deliver a mixture of direct services and effective research-to-advocacy that identifies win-win opportunities that cut across refugee-host divisions. It is highly likely that the programme would need to invest in some hands-on research to generate quality insights quickly and link these to high-level protection options for local stakeholders. There also appear to be strong enough networks of Jordanian and Lebanese organisations that are willing to advocate to

maintain a welcome for Syrians - the programme may find it strategically useful to support such local advocacy as a mitigation against worst-case changes in national policy towards refugees.

Key assumptions in the theory of change

Assumption: there is severely limited space for durable solutions in the short and medium term.

Evidence: the conflict dynamics in Syria and the political-economic dynamics in Jordan and Lebanon described in Annex 1 and elaborated as assumptions below suggest there is limited possibility for large-scale return in the next few years. Similarly, it appears very unlikely that Jordan and Lebanon will support long-term, formal local integration. Furthermore, countries that traditionally support resettlement have indicated limited places for Syrians for the foreseeable future.

If this assumption is wrong and there is **no** space for durable solutions in the next few years, priorities remain similar because they will achieve incremental progress and build a stronger platform for durable solutions when they become available.

If there are more options for durable solutions, then the programme may shift investments to expand their use, for example by investing in dignified returns.

Assumption: In Jordan, the government maintains the capacity to keep public order and there is no active armed conflict.

Evidence: The Jordanian regime has managed previously to turn surrounding crises and threats into continuity and updated bargains across its social elites. The biggest donors to Jordan have shown themselves unwilling to let the regime fail. Surrounding states have not demonstrated an interest in attacks or fomenting crisis. Terrorist or revolutionary groups have not demonstrated a capacity to stir social dissent into a focus on regime change. The regime has maintained relatively strong public administration, with an emphasis on security at the lower levels.

If this assumption is wrong, then the programme may need to reduce dependence on government systems. There may be more need for humanitarian or stabilisation support - the economic and protection opportunities for Syrians would likely deteriorate.

Assumption: Jordan and Lebanon take no steps at a national level aiming to return or reject Syrians seeking asylum.

Evidence: Both countries maintain a consensus that Syrians may reside for the indefinite future, although there are stronger hints in Lebanon of growing intolerance. Both countries' political systems see big benefits from international support related to Syria in general and hosting displaced Syrians specifically.

If this assumption is wrong, medium-term livelihoods support for Syrians would become less feasible and there would be a greater risk of secondary movements to third countries outside the region. More advocacy and diplomatic engagement may become even more important, as would protection for returned Syrians and those in risk of being returned.

Assumption: The governments of Jordan and Lebanon are unwilling or unable to legislate change to strengthen protection of Syrians on issues such as labour rights.

Evidence: Both governments appear to see the current mixture of rights and constraints on Syrians as tolerable. Neither has indicated an appetite to go much further on local integration, although a stronger Lebanese government may codify the status quo more strongly, which could have benefits for protection.

If this assumption is wrong, the programme could invest much more in legislative, regulatory and implementation advice to roll out protections and opportunities faster and broader.

Assumption: the Jordanian economy will remain constraint but does not deteriorate further from its current state. This includes an assumption that foreign donor support does not decline by more than 10% by the end of 2023.

Evidence: the evidence here admits a wide range of possibilities. Jordan's biggest foreign supporters have shown themselves firm in their aid volumes in the past. However, it is easy to imagine impacts from the COVID-19 pandemic and from surrounding countries pushing the economy down further.

If this assumption is wrong, there will be reduced prospects for medium-term livelihood outcomes, with a greater priority on humanitarian activities and gender inequalities.

Assumption: subnational power-holders in Lebanon continue to see value in at least a weak national system.

Evidence: there are minimal signs that any major political actor is pushing for dismemberment. Major actors all benefit heavily from a state and from keeping it weak. The major push for secession or breakup would come from outside powers supporting Lebanese political parties to do so. This is possible but no outside power is indicating that it considers the benefit remotely worth the cost of doing so.

If this assumption is wrong, stabilisation and mediation support would become more important. Medium-term livelihoods outcomes may become more difficult in contested areas. Even less scope to rely on national government systems or support to reach all populations.

Assumption: there continues to be zones that the current authorities in Damascus control, as well as areas where other authorities are in control. Large-scale fighting does not resume in Syria.

Evidence: as described in Annex 1, this is a reasonable baseline scenario to expect for the next few years.

If this assumption is wrong and authorities in Damascus expand their territorial control, there would be less scope for activities that NGOs are conducting with the cooperation of other authorities. If the authorities in Damascus retreat, the nature of new authorities is important. Those tolerating or supporting civil society may create more space for programme activities in Syria. By contrast, authorities intolerant of civil society will likely reduce programme access.

If large-scale fighting resumes, then in Syria and in neighbouring countries, priorities may shift further to humanitarian assistance and peace-efforts, with greater need for attention to gender inequalities and other protection concerns.

ANNEX 4: RISK MANAGEMENT

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Political					
(Lebanon and Jordan) Increased tensions between the host community and Syrian refugees leads to governmental action to start deporting displaced Syrians.	Unlikely	Significant	More advocacy and diplomatic engagement may become more valuable, as would the implementation of protection mechanisms for returned Syrians.	Significant - Tensions are most likely to remain	Jordan seems to have accepted the presence of Syrians for the medium-long term. Social tensions are already a factor of concern in Lebanon, given the country's dire scenario.
(Lebanon) Political context will remain unstable within the next years, imposing barriers to effective implementation of projects that require governmental approval	Likely	Significant	Ensure that government-focused activities are able to address municipal authorities. Maintain continuous communication to relevant ministries.	Minor - Little chance that projects will rely on national authorities and be significantly delayed or become unfeasible.	Government currently in care-taker mode waiting for a new government to be formed. Lebanon's government has failed to deliver the most basic services for years, and the disagreements between different sects have put the country in a paralysis when it comes to decision making. Multiple organizations have reported struggles when collaborating with the national government.
Societal					

(Syria) Contextual changes lead to an increased number of returns and shifting needs in the region	Very unlikely	Significant	If needed and politically feasible, unallocated funds might be used inside Syria on projects to support returnees.	Minor - host country governments might see an opportunity to increase pressure on Syrian refugees to return.	Only a very small percentage of Syrian refugees want to return to Syria soon. Jordan and Lebanon do not appear to have an appetite to force this.
Security					
(Lebanon) Security situation deteriorates such that programme activities can not be carried out safely.	Unlikely	Significant	Ongoing observation of security and political climate.	Major - project implementation becomes impossible.	Lebanon is ranked a low number 147 out of 163 countries in the global peace index. The absence of a fully functioning executive authority threatens already dire socio-economic conditions and fragile social peace.
(Lebanon) The emergence of extreme social unrest or even armed conflict, leading to even greater vulnerabilities among refugees	Unlikely	Significant	Ensure civil society partners develop medium-term foundations for economic growth and social cohesion.	Significant - tensions and possible unrest and armed con	Social tensions are already a factor in Lebanon. Minor eruptions of civil unrest have been occurring in the last 12 months.
(Syria) Armed conflict spreads to larger parts of the country such that activities can be carried out safely.	Likely	Significant	Ongoing observation of security and political climate.	Major - project implementation becomes impossible.	Syria is ranked 161 out of 163 countries in the global peace index and the civil war is unlikely to end in the near future.
Programmatic risks					
(Lebanon & Jordan) Political will to engage in projects may fluctuate and some activities are dependent on cooperation with authorities	Unlikely	Significant	Continued communications and engagement with authorities.	Minor. Authorities no longer support or become adversaries to the project and it is not possible to complete the implementation	Some Lebanese political elements have been critical of work that supports Syrian refugees in Lebanon. While the Jordan government has presented an ambitious health reform plan, political momentum could potentially diminish over time.

(Syria) Shrinking or rapidly varying space for operating partners reduces their effectiveness	Likely	Significant	Agreements assume that partners will need to adapt. Select partners with a track record of effective adaptation.	Major - still likely that effectiveness will be reduced by shifting pressures. Also possible that work must stop in some areas.	Partners have been forced to adapt frequently, undermining continuity and effectiveness.
(Regional) Other donors reduce funding such that programme engagements are affected	Unlikely	Significant	Renegotiate partner agreements where feasible to maintain a useful impact. Otherwise, cease and reallocate funds..	Minor - likely that programme objectives can continue to be served even with a substantial reduction of other donor funds.	Donors to the Syria response are showing signs of fatigue, even while more people are facing poverty and refugees face greater insecurity.
(Syria) Shrinking or rapidly varying space for operating partners reduces their effectiveness	Likely	Significant	Agreements assume that partners will need to adapt. Select partners with a track record of effective adaptation.	Major - still likely that effectiveness will be reduced by shifting pressures. Also possible that work must stop in some areas.	Partners have been forced to adapt frequently, undermining continuity and effectiveness.
Increased tension between host communities and refugees making it harder to involve refugees and host communities in the programs.	Unlikely	Major	The planned engagements are to provide both host and refugees with services, which alleviates tension and sense of unfairness.	Major - tensions continue as perceptions that refugees get an unfair share of the support.	Social tensions are rising in Lebanon, as the quality of public services decline and economic pressures increase.
Institutional risks					
(Lebanon and Jordan) Partners are politically affiliated. Dependency on private funders makes them vulnerable to being used for political purposes.	Unlikely	Major	Partner selection will involve a thorough screening process. Ongoing programme monitoring of partners and activities.	Minor. Affiliations lead to bias in targeting beneficiaries.	In the past there was limited international funding for NGOs in Lebanon and Jordan. This led to reliance on political or sectarian groups for funding. However, the Syrian crisis led to an increase in available funding and as a result this risk is considered unlikely.

<p>(Lebanon & Jordan) Corruption and/or financial mismanagement. Both local and international organisations may have inadequate financial management structures and controls</p>	<p>Unlikely</p>	<p>Minor</p>	<p>Implement high-quality financial controls, ensure that partners understand auditing, reporting and transparency expectations. Prioritise partners who already have thorough financial management systems in place</p>	<p>Minor. Minor fraud goes undetected. Reputational risk to Denmark's aid. .</p>	<p>In Lebanon corruption is considered to be widespread across all levels of society and the country ranks 137 out of 180 in the Transparency Corruption Perception Index 2017.</p> <p>Jordan ranks 48 in the same index.</p>
<p>Sexual exploitation and abuse misconduct by staff in supported partners</p>	<p>Somewhat unlikely</p>	<p>Major</p>	<p>All contracts with partners will include a Sexual Exploitation and Abuse (SEA) clause, and all partners will need to show evidence of mechanisms being in place to detect and address SEA cases.</p>	<p>Minor. SEA cases go undetected or unreported. Reputational risk to Denmark's aid.</p>	<p>Recent years have seen a growing awareness of SEA cases committed by foreign and local aid workers.</p>

Annex 5: Programme budget in million DKK

Engagement	2021	2022	2023	Total
Thematic programme 1: Access to protection and services	50			50
UNHCR Lebanon	50			50
Thematic programme 2: Access to livelihoods	60			60
FAO Land Reclamation and Water Reservoirs (Lebanon)	30			30
AFD Neighbourhood (Lebanon)	30			30
Thematic programme 1 and 2 (actual distribution t.b.d.)	90	200		290
RDPP Phase 3* (Lebanon and Jordan)		200		200
2021 Call for Proposals* (Lebanon and Jordan)	90			90
Total Planned Budget per Year	200	200	0	400
Unallocated funds**			195	195
Reviews, technical support			5	5
Total Budget Allocated	200	200	200	600

Notes:

* The distribution of funds between Jordan and Lebanon roughly corresponds to the number of refugees hosted by the two countries. It does not reflect any binding planning assumptions. Actual allocation between the two countries for the RDPP and the Call for Proposals will depend on contextual developments and needs.

** Preliminary long-list for contributions from unallocated funds:

- The Jordan Health Fund for Refugees (Jordan)
- AFD Shabake (Lebanon)
- UN Joint Urban and Rural Resilience Programme (Syria)
- UNDP Tension Monitoring (Lebanon)
- Syria Resilience Consortium (Syria)

Programme budget in million DKK - ongoing and new phase (commitments - typically of 36 months duration each)

Engagement	2018-2020			2021			2022			2023			Sub-totals			Total
	Jord an	Leba non	Syria	Jord an	Leba non	Syri a	Jord an	Leba non	Syri a	Jord an	Leba non	Syri a	Jord an	Leba non	Syria	
																-
Thematic programme 1: Access to protection and services	110,0	81,5	10,0	30,0	110,0								140,0	191,5	10,0	341,5
UNHCR Lebanon		58,0			50,0									108,0		
AFD DRM		20,0												20,0		
UNDP Lebanon		3,5												3,5		
JHFR	110,0												110,0			
UNDP Syria			10,0												10,0	
2021 Call for Proposals* (Lebanon and Jordan)				30,0	60,0								30,0	60,0		
Thematic programme 2: Access to livelihoods	-	37,5	90,0		60,0									97,5	90,0	187,5
Syria Resilience Consortium			90,0												90,0	
FAO Land Reclamation and Water Reservoirs (Lebanon)					30,0									30,0		
AFD Neighbourhood (Lebanon)					30,0									30,0		
WBG Lebanon Finance Facility		37,5												37,5		

Thematic programme 1 and 2 (actual distribution t.b.d.)	175,0	240,0	-	-	-		66,7	133,3					241,7	373,3		615,0
RDPP Phase 2 and 3* (Jordan, Lebanon and Iraq)	72,0	143,0					66,7	133,3					138,7	276,3		
MADAD	33,0	67,0											33,0	67,0		
AFD SHABAKE (Lebanon)	-	30,0												30,0		
GCOFF (Jordan)	70,0												70,0			
Total Planned Budget per Year	285,0	359,0	100,0	30,0	170,0	-	66,7	133,3	-	-	-	-	381,7	662,3	100,0	1.144
Unallocated funds**													195,0	195,0		195,0
Reviews, technical support		12,0											5,0	5,0		5,0
Total Budget Allocated		756,0			200,0			200,0					200,0	1.356,0		1.356

Notes:

* The distribution of funds between Jordan and Lebanon roughly corresponds to the number of refugees hosted by the two countries. It does not reflect actual assumptions. Actual division of future funding for the RDPP and the Call for Proposals will depend on contextual developments and needs.

** See the main programme document "Summary of projects" for a preliminary long-list for contributions from unallocated fund

ANNEX 6 – LIST OF SUPPLEMENTARY MATERIALS

#	Document / Material	Source
1	AFD Feasibility ToR	AFD
2	AFD Neighbourhood Approach Mission	AFD
3	AFD Shabake Full Project	AFD
4	AFD Shabake Annual Report 2019	AFD
5	AFD Shabake Post Beirut Blast Adjustments	AFD
6	FAO Concept Note Land Reclamation	FAO
7	FAO Green Plan Impact Assessment	FAO
8	FAO OSRO Term Report	FAO
9	FAO Revised Logframe	FAO
10	UNHCR Lebanon SP Capacity Building	UNHCR
11	UNHCR Lebanon Operational Update 2021	UNHCR
12	UNHCR Concept Note	UNHCR
13	UNHCR Final Report Strengthening Social Protection	UNHCR
14	RDPP Final Evaluation	RDPP
15	RDPP Annual Report 2019 - 2020	RDPP
16	RDPP Annual Report 2018 - 2019	RDPP

ANNEX 8: PROCESS ACTION PLAN

Action/product	Deadlines	Responsible/involved units	Comment/status
Identification			
Complete recruitment of consultants	15/06/2021	MNS	Completed
Inception note and meeting	17/06/2021	Consultants, MNS, Beirut	Completed
Identification note	18/06/2021	Consultants, MNS, Beirut	Completed
Potential partner meetings, expert meetings	05/07/2021	Consultants, MNS, Beirut	Completed
Validation meeting	06/07/2021	Consultants, MNS, Beirut	Completed
Formulation, quality assurance and approval			
Validation mission to Jordan and Lebanon for partner meetings	11/08/2021	Consultants, MNS, Beirut	Completed
Submit draft formulation	20/08/2021	Consultants	Completed
Submission to Programme Committee	20/09/2021	MNS	Completed
Forward TOR for appraisal to ELK	01/09/2021	MNS/Beirut	Completed
Receive draft appraisal report, including summary of conclusions and recommendations		ELK	Completed
Final appraisal report		ELK	Completed
Final draft programme document	04/10/2021	Consultants	Completed
Issue Call for Concept Papers targeting both Danish and international NGOs	18/10/2021	MNS/Beirut	First step will only involve a call for short concept papers as a basis for initial shortlisting
Final documentation, annexes and appropriation	18/10/2021	Beirut/MNS	

cover note forwarded to ELK			
Initiate preparation of appropriation act	23/10/2021	MNS/APD	
Presentation to the Council for Development Policy	28/10/2021	Beirut/MNS	
Call for full NGO-proposals, based on shortlisting	16/11/2021	MNS/Beirut	Deadline for submission of full proposals: 26/11/2021
Ministerial approval	Early November	ELK submits the proposed project/programme together with the minutes of meeting	After Council for Development Policy meeting
Submission of appropriation act to parliamentary Finance Committee	Early-mid November	APD /MNS	Immediately after ministerial approval
Initial actions following the Minister's approval			
ELK facilitates that grant proposals are published on Danida Transparency after the Minister's approval		ELK	
Sign agreements with implementing partners	After the Minister's approval	MNS	AFD, UNHCR, FAO along with outcome of call for proposals (likely 3 – 4 grants).
Register commitment(s) in MFA's financial systems within the planned quarter	After agreement(s) are signed	MNS	

ANNEX 9: LIST OF ENGAGEMENT ASSESSED

1. RDPP Phase 3
2. UNHCR Lebanon Social Protection
3. UNHCR Lebanon Capacity Building and Livelihoods
4. UNHCR Jordan Livelihoods
5. Syria Resilience Consortium
6. UN Joint Programme on Urban and Rural Resilience in Syria
7. AFD Neighbourhood Approach
8. AFD Shabake
9. AFD Basatine
10. World Bank Global Concessional Financing Facility
11. UNICEF Lebanon Youth and Adolescent Development Programme
12. UNICEF Lebanon Social Assistance Programme
13. UNICEF Lebanon Child Protection and Gender Based Violence Programme
14. NRC Jordan ICLA
15. UNDP Lebanon Tension Monitoring and Social Cohesion
16. FAO Lebanon Land Reclamation and Water Reservoirs
17. FAO Lebanon and Jordan, Enhancing resilient livelihoods and food security
18. ILO Jordan, COVID-19 Emergency Unemployment and Employment Stabilization Fund
19. ILO Jordan PROSPECTS
20. DRC Lebanon Integrated Research
21. DRC Jordan Strengthening the Protection Environment in Jordan
22. LINKED Consortium
23. UNFPA Jordan Gender Equality and Women's Empowerment
24. UNFPA Lebanon Adolescents and Youth
25. UNFPA Lebanon Sexual and Reproductive Health
26. WBG Lebanon Financing Facility for Reform, Recovery and Reconstruction
27. Jordan Health Fund for Refugees
28. WFP Lebanon Livelihoods Programme

ANNEX 10: LIST OF EXISTING ENGAGEMENTS SUPPORTED EARLIER UNDER THE SYRIAN NEIGHBOURHOOD PROGRAMME

The Support to Syria and Syria's neighbourhood – Lebanon and Jordan (3SN) Programme

The 3SN gradually emerged in 2018 when it was decided to bring together Danish development engagements targeting displaced people, refugees and host communities into one “single/comprehensive” programme with an overall common objective. This was done in recognition of the protracted nature of the conflict and associated need to continue and reinforce medium-term approaches. This approach was strengthened even further in 2019 when a dedicated budget line was introduced in the Danish Finance Act with a provision covering 2020 as well. The overall objective is to *“Achieve sustainable solutions for refugees, internally displaced and affected host communities in and around Syria.”*

So far, the 3SN has consisted of the following ten engagements:

1. Syria Resilience Consortium (SRC) through Care Norway

The SRC was formed in 2016 with strategic and financial support from Denmark. In 2019, the SRC renewed its strategy, and the 3SN contributed 90 million DKK to a multi-donor fund (MDF) for a three-year period up to December 2022. Other donors are Sweden and Norway, which have contributed similar amounts. The SRC consists of six INGOs, namely Care, Danish Refugee Council, Humanity & Inclusion, International Rescue Committee, Mercy Corps, and Norwegian Refugee Council. The SRC takes a HDP nexus approach and strives to equip individuals, families and communities in Syria with the tools and skills for a better future. Irrespective of geography, until and after reconstruction begins it supports Syrians seeking livelihood opportunities. The nature of the SRC puts beneficiary need before organisational construct.

2. UNDP Syria - The Social Cohesion and Cultural Heritage Project

The project is a 10 million DKK, two-year engagement, running from January 2020 to December 2021. The project takes a conflict sensitive, participatory approach to help communities come together around cultural heritages, tangible and intangible, and do mapping and small community heritage projects, such as traditional cooking events with dishes from the participants' home areas, improvement of green common areas, transplanting flower, story telling, planning, community houses etc. The project pilots an approach, which is used and integrated into the wider UN Syria system in conflict sensitive programming. It also produces context sensitive analyses and heritage map.

3. AFD Lebanon - SHABAKE Strengthening Resilience of Lebanese Civil Society to Improve Crisis Prevention and Management

The project is a 70 million DKK delegated partnership of which Denmark finances 30 million DKK, i.e. 40%, and AFD the rest. It runs from January 2019 to May 2022, and will be followed by a SHABAKE II. It is implemented by Expertise France. The project has four components: 1) building capacity of Lebanese organizations, 2) letting the organizations practice new capacity through mini projects, 3)

integrating the organizations into the aid ecosystem, and 4) helping the organizations respond to the Beirut blast. SHABAKE works with seven originally selected organizations, added two after the blast, and still plans to add 4-5 more.

4. AFD Lebanon - Community-Based Disaster Risk Management (DRM) in Lebanon

The project is a 90 million DKK delegated partnership of which Denmark finances 20 million DKK, i.e. 22%, and AFD the rest. It runs from June 2020 to June 2024. It is implemented by a NGO consortium consisting of Solidarité International (SI), Lebanese Red Cross (LRC) and French Red Cross (FRC). SI is the consortium lead. The project supports communities and municipalities to set up DRM committees in two river basins in Lebanon, which suffer from frequent flooding. Additionally, it implement rapid rehabilitation work of water ways and public spaces to support the communities in the same two river basins. All interventions build on careful diagnosis and analysis.

5. UNHCR Lebanon - Strengthening the Social Protection System / Community-Based Protection

The project was a 58 million DKK, 2-year project, completed in December 2020. It aimed at 1) increase the effectiveness of the refugee birth registration system through MoSA and the Social Development Centers (SDCs) and 2) engaging refugees and host communities in training courses, networking and counselling in the NGO-driven Community Development Centers (CDCs). The project had a reserve fund of 15% of the total budget, which could help Syrians return if a large scale return would have started. As this did not happen, the reserve fund was allocated to child protection and psychosocial support to victims of the port explosion in Beirut.

6. UNDP Lebanon – Tension Monitoring System (TMS)

Three and a half (3½) million DKK was committed from the unallocated funds to support UNDP Lebanon's TMS. The support covers a two-year period from January 2021 to December 2021. After the Beirut blast and due to economic crisis tensions are rising in Lebanon, not only Syrian-Lebanese, but also Lebanese-Lebanese and community-state tensions. The TMS monitors tensions through frequent surveys and data collection and builds capacity of other UN agencies and NGO partners for conflict sensitive programming and implementation.

7. WBG Lebanon – Lebanon Financing Facility (LFF)

Denmark has contributed 37½ million DKK from the unallocated funds to the LFF. The LFF is a WBG umbrella fund, which was established in December 2020 and runs to end 2025. It works as the financing arm of the Reform, Recovery and Reconstruction Framework (3RF) for Beirut, a donor architecture set up after the Beirut blast with the aim of supporting Lebanon rebuild and recover. Denmark was the first country signing a contract with the LFF. Later France, Germany, the EU and Canada have contributed as well. The first project was signed off in August 2020. It supports small business and MFIs in the blast area. Other projects will follow in 2021 to clean up hazardous waste from the port, rehabilitate traditional buildings and provide social support to victims.

8. Jordan Health Fund for Refugees (JHFR)

Denmark committed 60 million DKK in 2018 and 50 million DKK in 2019 to the JHFR. The JHFR is set up inside the Jordanian Ministry of Health. The aim of the fund is to shoulder Jordan's attempt to include refugees in public health services – an attempt which is unique among refugee hosting nations. Other donors are USAID, GAC and Qatar. The JHFR is providing health infrastructure and services. Jordan's Covid-19 response and vaccination campaign was financed, among others, by the JHFR.

9. MADAD EU Trust Fund

Since 2015 Denmark has contributed a total of 400.7 million DKK to the MADAD EU Trust fund. The latest contribution was 100 million DKK committed in 2019. The MADAD covers countries affected by the Syria crises, including Lebanon, Jordan, Iraq, Turkey and Egypt. MADAD has a list of almost 100 projects, many of which fund large UN agency interventions in education, health and agriculture, as well as specific projects to support children, youth and women. MADAD closes in December 2021 as the new NDICI program will be established by the EU.

10. The WBG's Global Concessional Financing Facility (GCFF)

Since 2015, Denmark has contributed a total of 507.1 million DKK to the GCFF, thereby funding 11% of the total GCFF budget. The latest contribution was 70 million DKK given in 2020 and earmarked to Jordan. The GCFF is a financial intermediary fund established to help middle-income countries affected by refugees to borrow on same concessional terms as low income countries. The GCFF was established in 2016 and runs up to end of 2023. Preparations for a next phase is on the table. 90% of the GCFF's budget is used around the Syria crisis in Lebanon and Jordan. The last 10% is used around the Venezuela crisis. Projects are funded through a combination of loan and grants and are mainly large infrastructure and health projects. GCFF has, for example, funded the Covid-19 response and vaccine rollout in Lebanon.

11. The Regional Development and Protection Programme (RDPP) Phase II

RDPP II is a three-year programme starting in 2018, but a no-cost extension has been requested to allow the programme to run an additional year until 2022. RDPP is funded through joint multi-donor engagement with a total budget of approximately 54.1 million EUR committed by the Czech Republic, Denmark, European Union, Ireland, and Switzerland. Denmark currently manages the programme on behalf of the contributing donors and is overall responsible for the implementation of the RDPP.

The programme aims to support *refugees and host populations living in displacement affected communities to access their rights, and are safe and self-reliant, while also supporting refugees to avail themselves of a durable solution.* RDPP implements through direct funding to selected partners in Lebanon, Jordan and KRI programming around three thematic areas to address both short- and long-term needs of displacement affected

communities, while also establishing a an evidence base on which RDPP partners and others can develop programming and policies for a conducive environment for durable solutions: 1) *livelihoods towards durable solutions*, 2) *upholding and expanding protection space* for vulnerable refugees, IDPs and host communities, and 3) *applied research and advocacy* to contribute to a more conducive environment for durable solutions.