

# Review of the Government Spending on Social Protection in Lebanon

## 2017-2024

*8 July 2025*

# — Rising vulnerabilities underlined the need for evidence-based, — equitable, and sustainable social protection system



Economic Collapse & Rising Informality



Poverty & Inequality Deepened



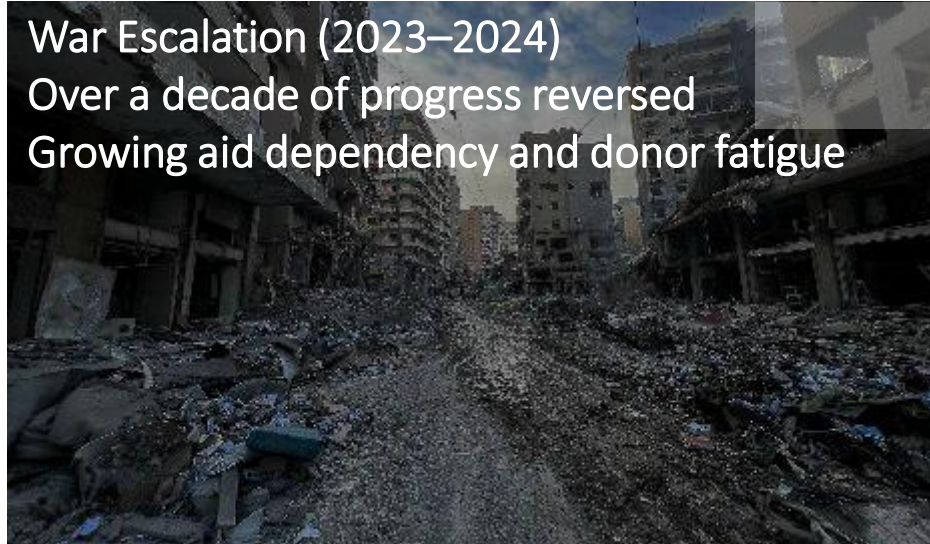
Unemployment Soared



Malfunctioning Public Sector

## War Escalation (2023–2024)

Over a decade of progress reversed  
Growing aid dependency and donor fatigue



## Progress in Social Protection (2023–2024)

- National Social Protection Strategy adopted by the Government
- Targeted social safety nets reinforced with the AMAN program
- Launch of the National Disability Allowance (22,000 beneficiaries)
- Private Sector Pension Law No. 319 ratified



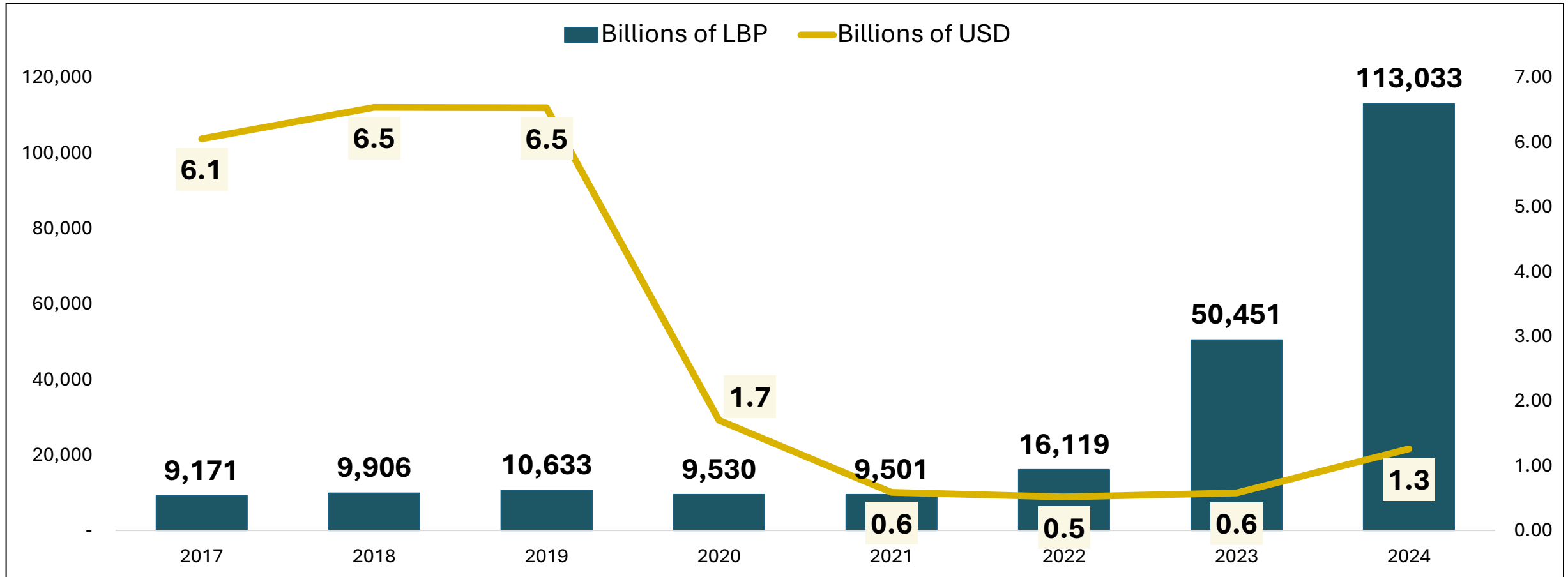
# 1

## A MACRO-FISCAL ANALYSIS OF SOCIAL PROTECTION SPENDING FROM 2017 TO 2024

1

Allocations for social protection increased in nominal LBP but declined in USD, reflecting a significant erosion in expenditure capacity

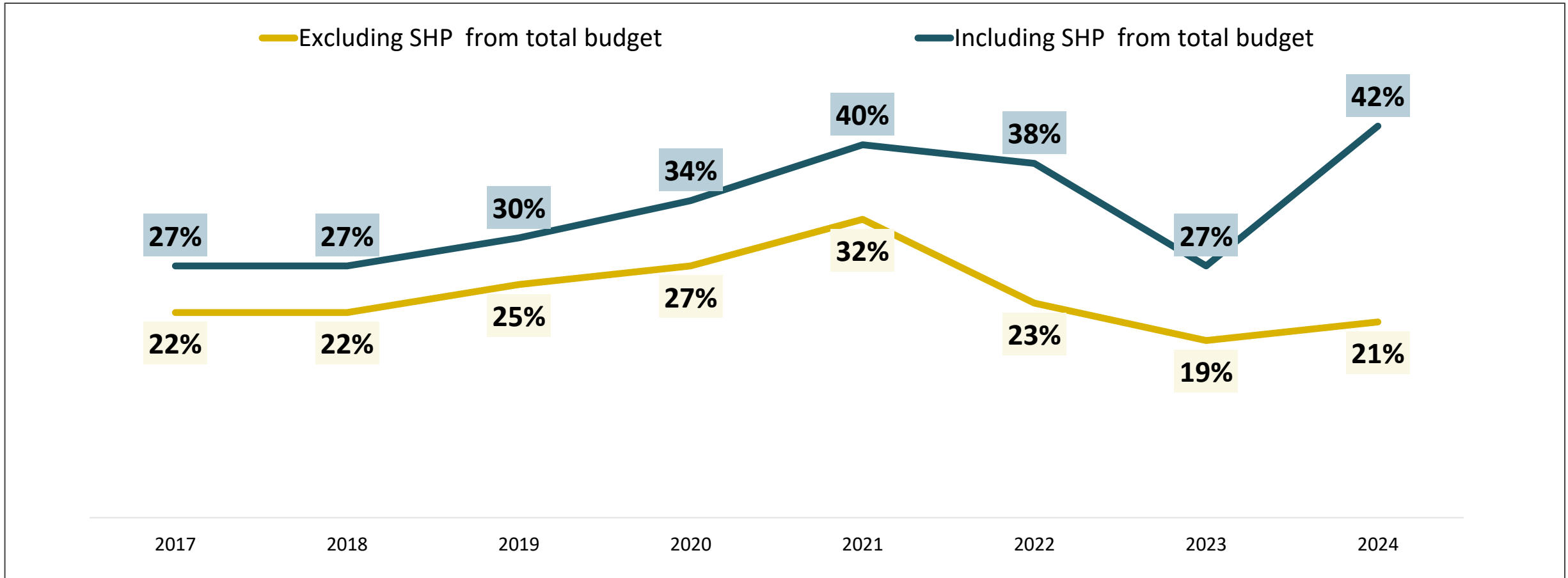
Social Protection Budget Allocations – 2017-2024 (Including Social Health Protection)



2

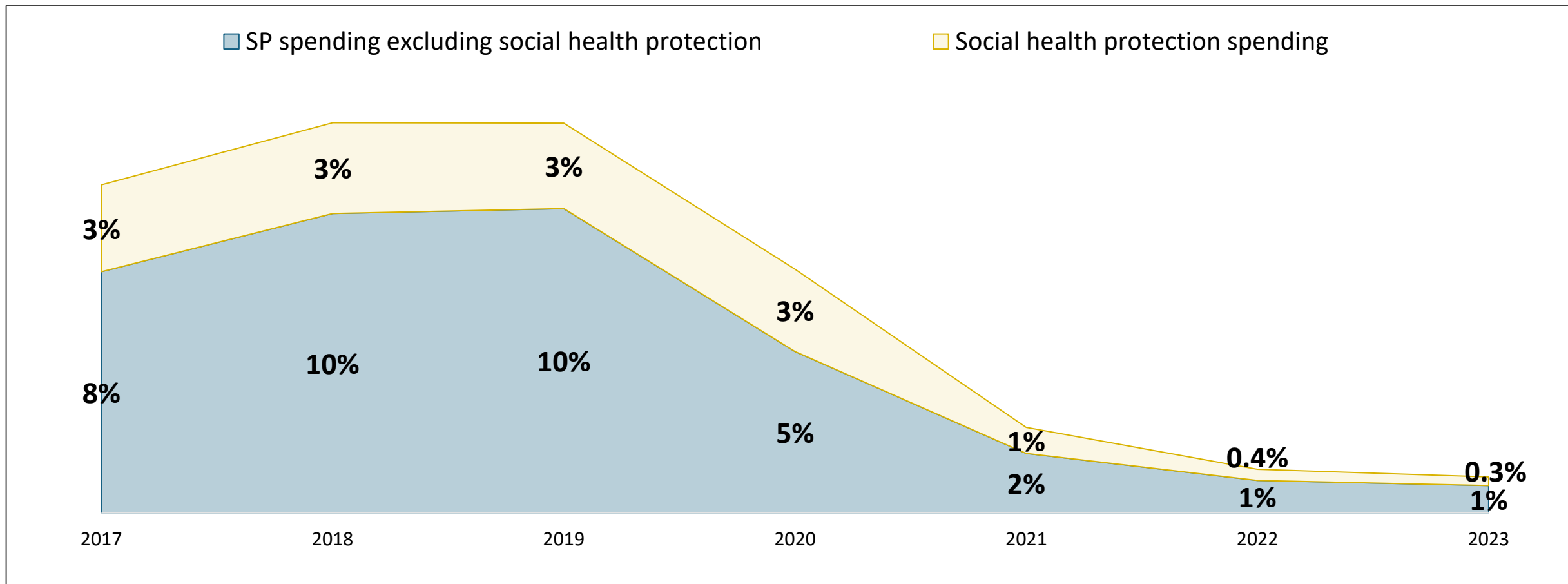
The share of budget allocated to Social Protection increased, with funding mostly earmarked for Social Health Protection

Size of Social Protection as Share of the Budget between 2017 and 2024 (in percent)



### 3 Social Protection spending lost ground relative to GDP

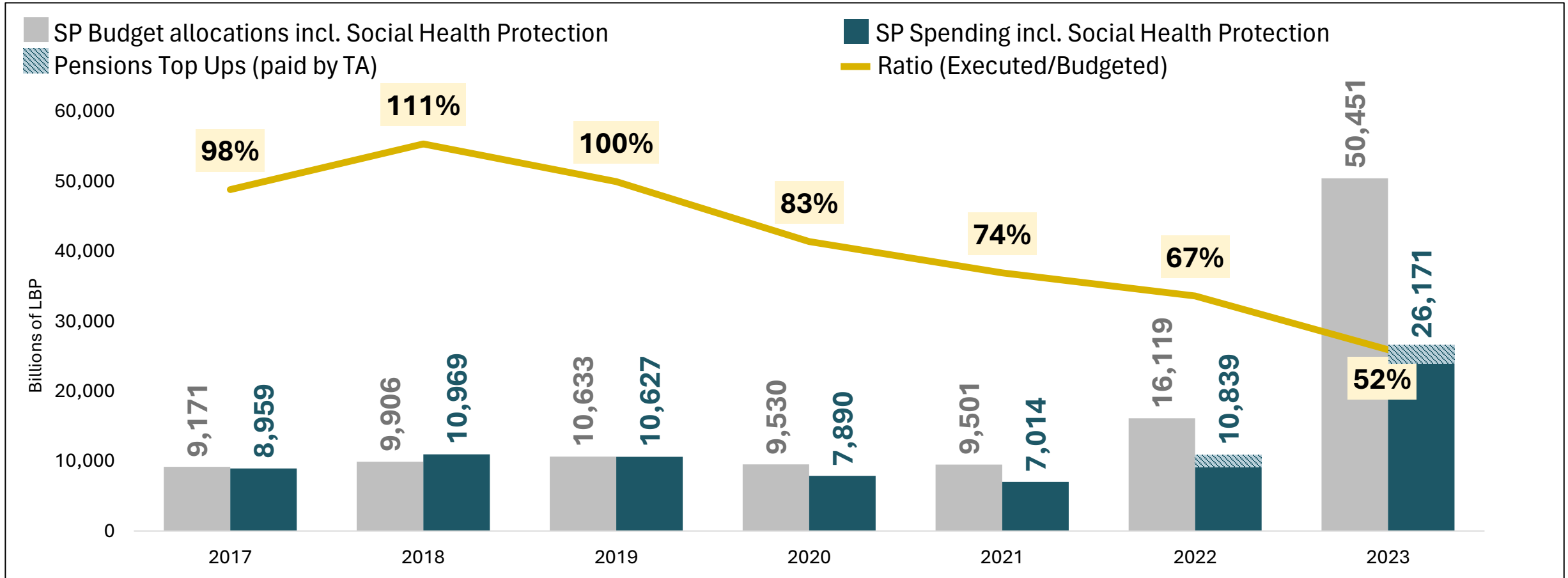
Social Protection Spending as share of GDP between 2017 and 2024



## 4

# Spending was constrained by weak capacity and recurrent delays in the budget process

Social Protection Spending Outturns between 2017 and 2023 (in billions of LBP)



# 2

## SOCIAL PROTECTION SPENDING ANALYSIS FROM VARIOUS PERSPECTIVES



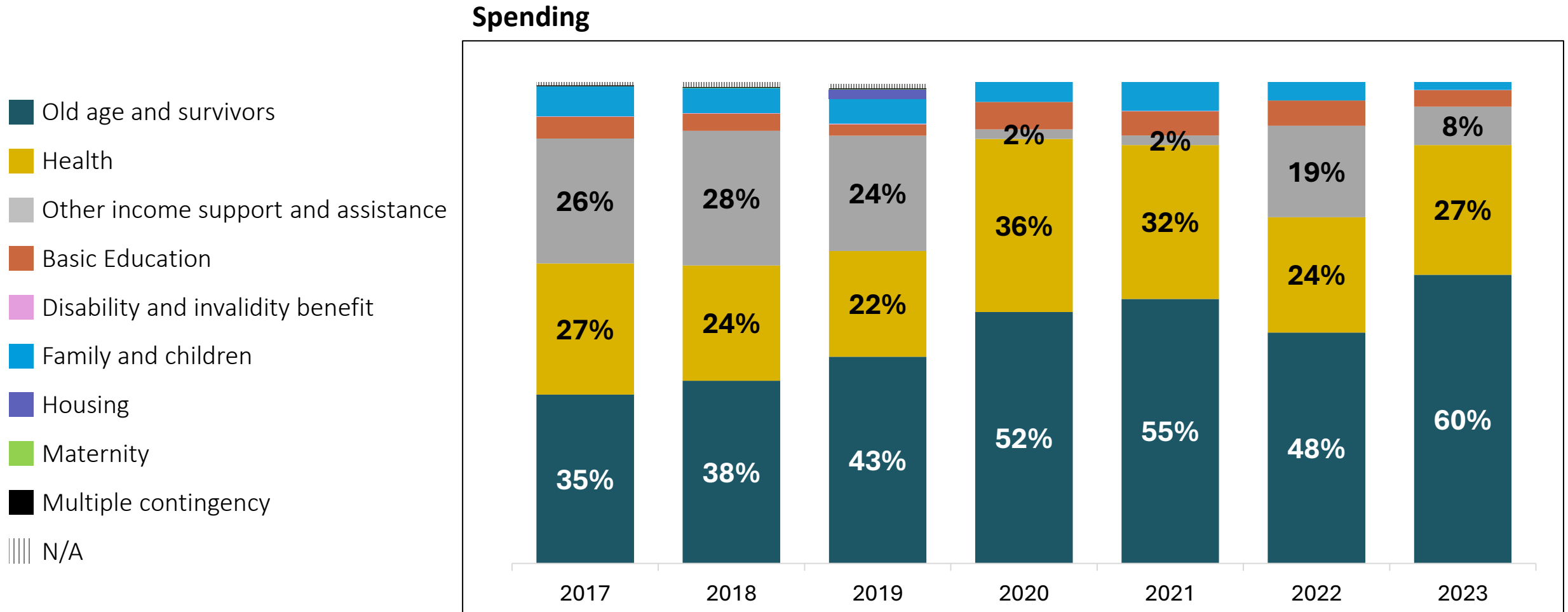
# — Social Insurance and Financial Access to Health dominate SP — spending *(analysis as per the pillars of the NSPS)*

**Social Protection Spending as per the pillars of the National Social Protection Strategy (2017-2023)**

	Financial Access to Education	Social Insurance	Social Assistance	Social Welfare	Financial Access to Health	Economic Inclusion & Labor Activation
2017	4%	43%	23%	2%	27%	2%
2018	4%	45%	25%	1%	24%	1%
2019	2%	50%	23%	1%	22%	1%
2020	4%	59%	0%	1%	36%	0%
2021	3%	64%	0%	0.4%	32%	0%
2022	4%	72%	0%	0.3%	23%	0%
2023	2%	71%	0%	1%	27%	0%

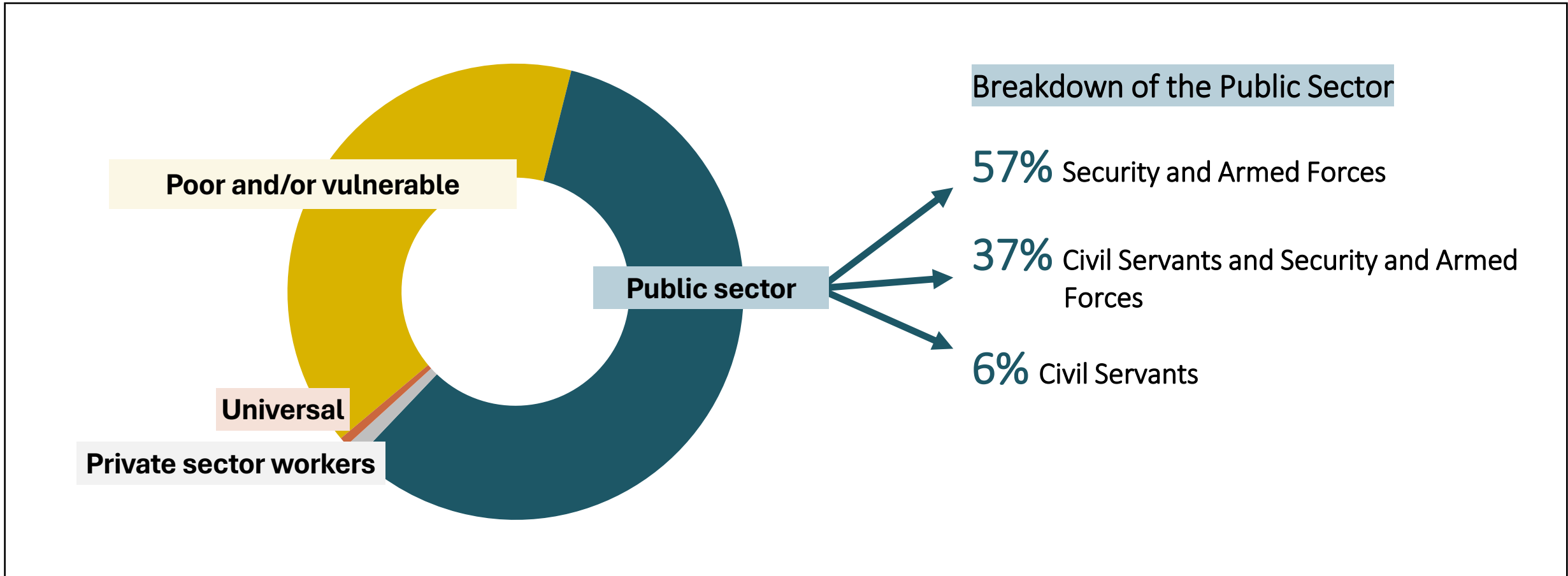
Figures include Subsidies such as Transfers to EDL

# Retirement benefits crowd out spending on other lifecycle contingencies *(analysis as per the ILO lifecycle contingencies)*



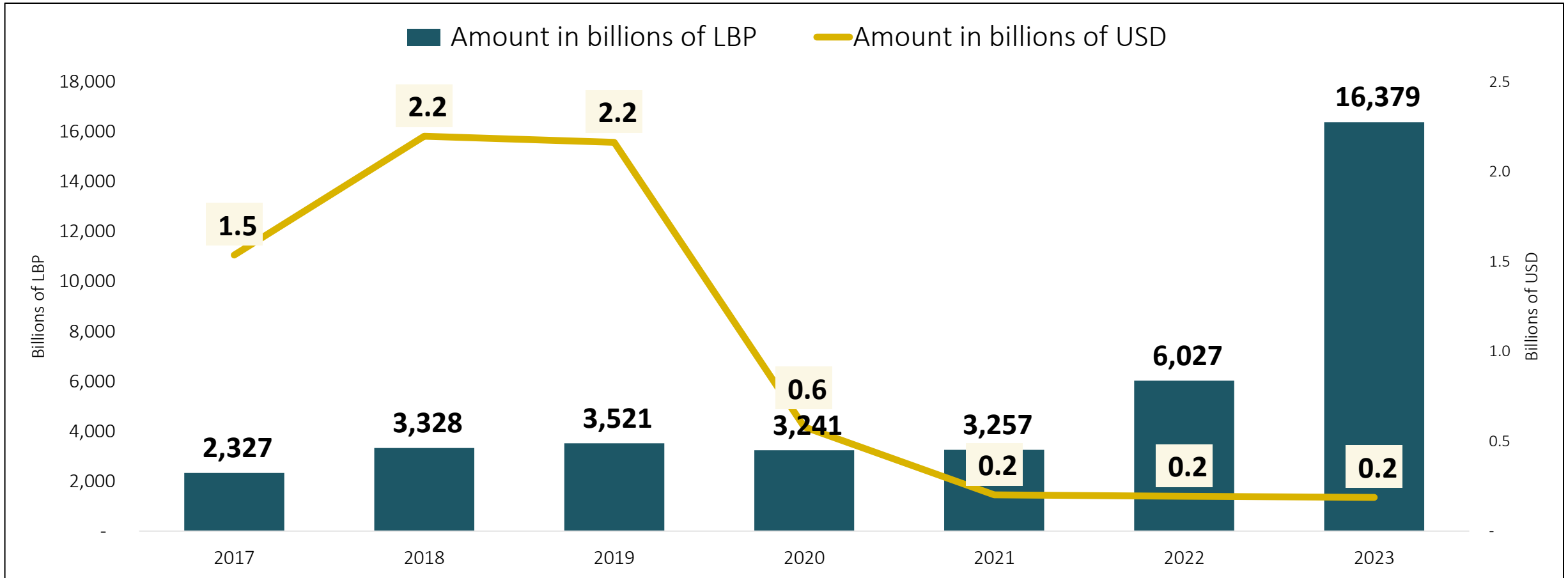
— The public sector remains the largest beneficiary of spending on  
— social protection

### Budget allocations to Social Protection by beneficiary groups for 2024



- The public pensions scheme in need of reform, with benefits
- now at less than 25% of their pre-crisis real value

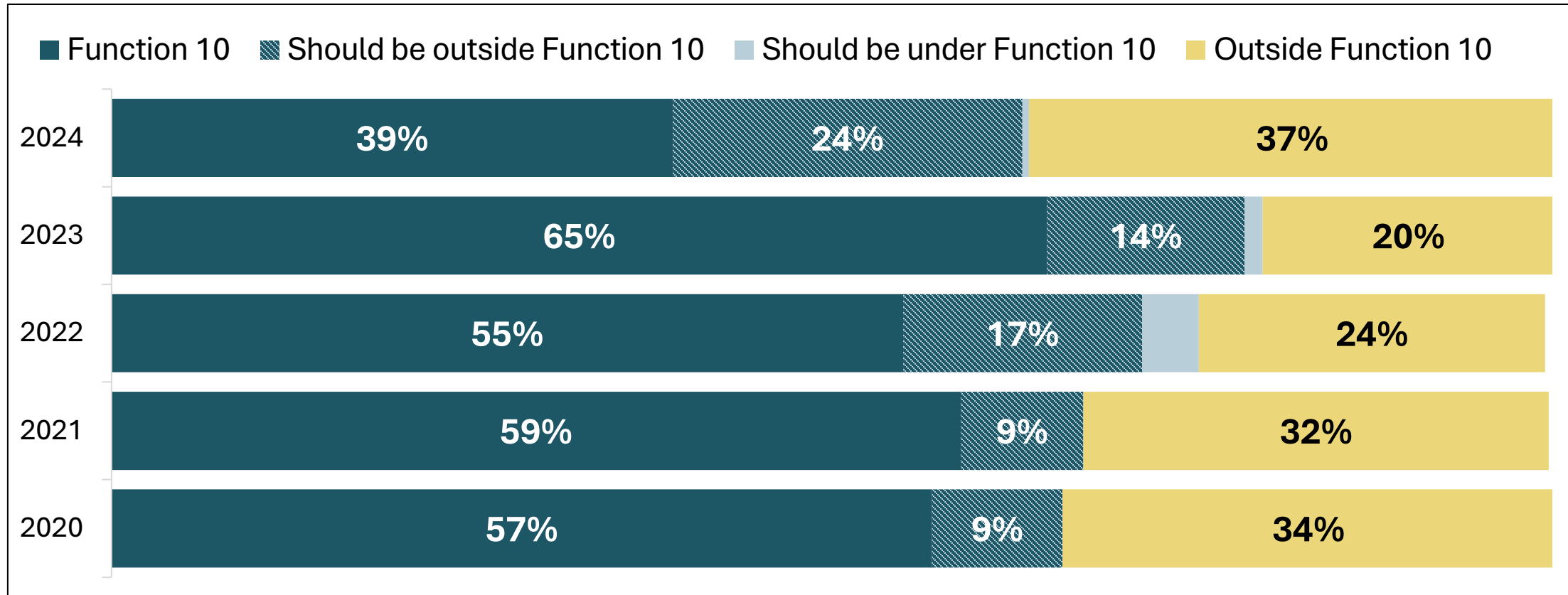
Comparative Spending on Pensions (2017-2024) in LBP and USD



# Available budget data does not accurately reflect spending on social protection

Budget lines classified under "Function 10 – Social Protection" have been distorted by large public sector social allowances (top-ups) post-crisis, requiring cautious interpretation.

The Government classifies its spending on social protection under Function 10 – Social Protection (2017-20024)

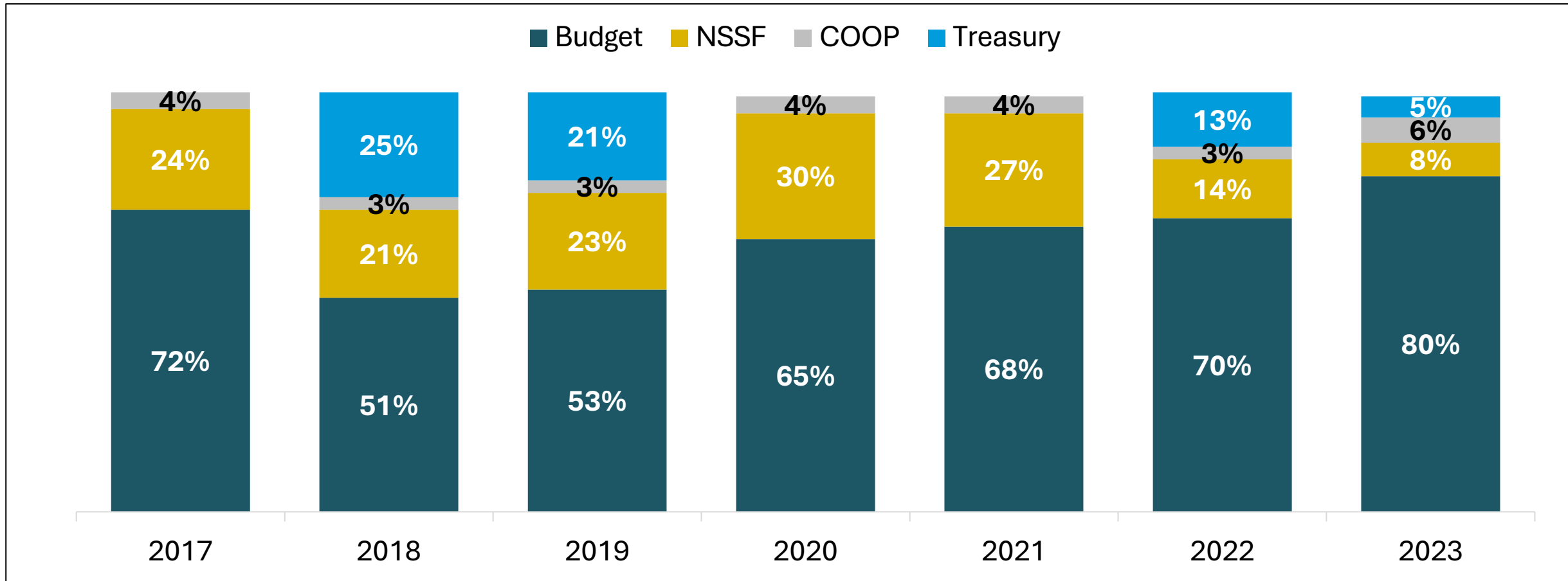


# 3

## THE FINANCING STRUCTURE OF SOCIAL PROTECTION

Available domestic financing dedicated to SP is at 9% of its pre-crisis level

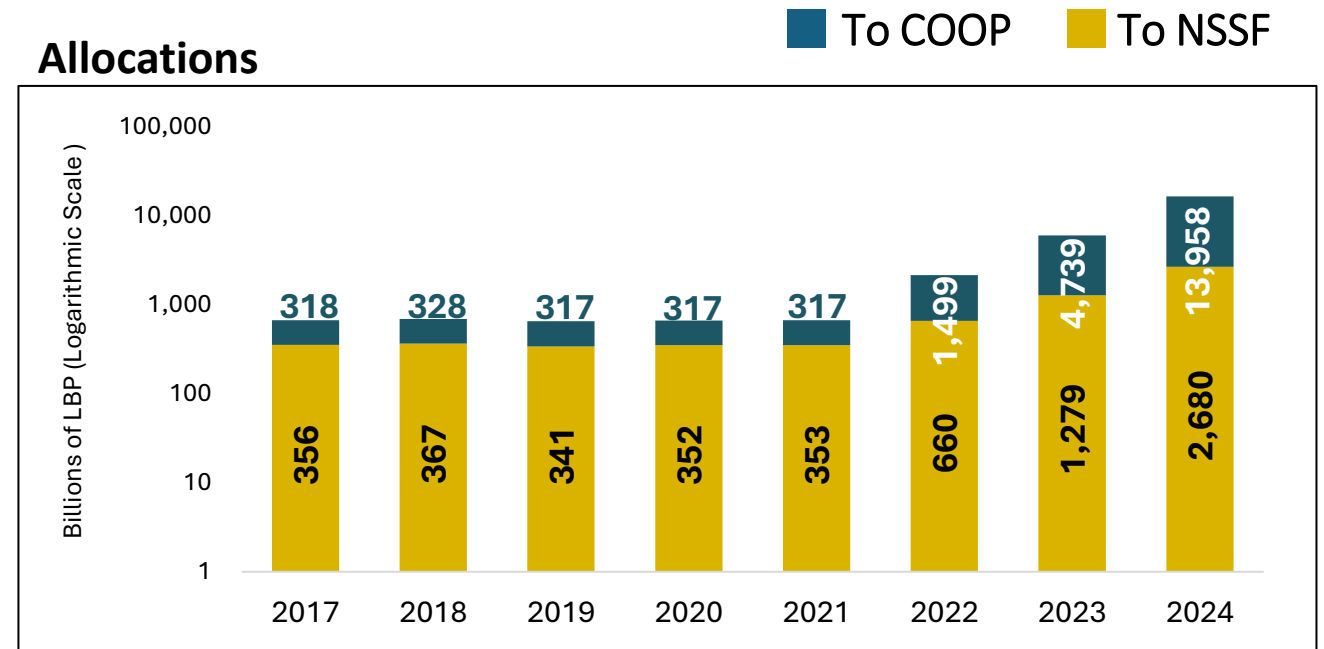
Domestic financing sources of Social Protection programs



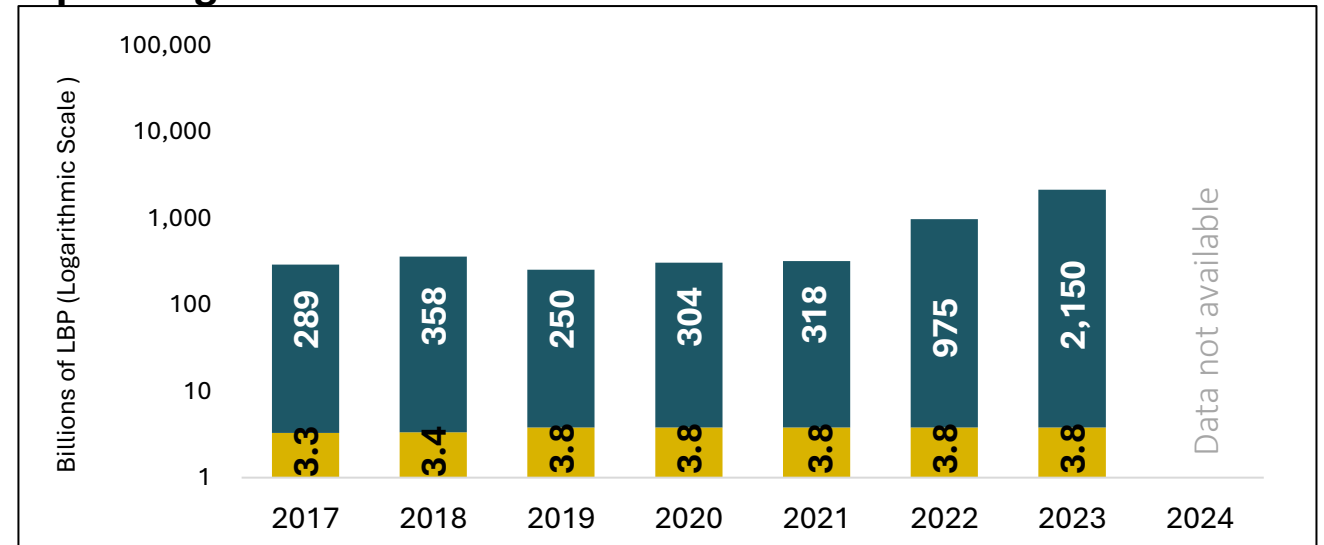
# Government Arrears Undermine NSSF and CSC capacities

- Government failure to pay its employer contributions to the NSSF weakens the financial sustainability of social protection through existing social insurance funds.
- Accumulated arrears to NSSF, along with only partially settled dues to the for Civil Servants Cooperative, are adding pressure to already fragile social insurance finances.

## Allocations



## Spending





# Off-Budget Spending provided temporary relief but is unsustainable

- 1 | The Government resorted to Treasury Advances to finance social protection during the crisis

In 2023, the Government approved LBP 57,518 billion in TA.

**32%** of the total advances were allocated to social protection.

- 2 | Cash assistance programs were primarily financed by Official Development Assistance



- 3 | Supplementary Financing from the SDRs to Social Protection

**60%** of SDRs were allocated to subsidies for medication, wheat, and fuel, before being partially then totally lifted.

# 4

## CONCLUSIONS AND RECOMMENDATIONS



# Towards more universal, shock-responsive, and affordable social protection system

- 1** | Pre-crisis structural shortcomings - social protection skewed towards the non-poor, and mainly targeted at social insurance – continue to dominate the spending structure of SP.
- 2** | Mobilizing further financing than currently available is critical to address the erosion in coverage and adequacy.
- 3** | Focus can be set on increasing the government's share in financing non-contributory schemes and reallocating resources towards vulnerable households and categories.
- 4** | The drop in the number of active contributors due to rising unemployment, compounded by the rapid devaluation of contributory schemes' benefits, is expected to weigh significantly on the future pensions and end-of-service settlements of an aging population.
- 5** | Increasing the share of formal employment is also a critical step in addressing informality and expanding the base of contributory schemes.



# Recommendations

## 1. Enhancing Data on Social Protection

- Enhance spending classification
- Resume Public Finance Monitor publication and ensure access to data
- Strengthen fiscal transparency
- Set up an integrated financial MIS with MoF
- Resume integration ODA into the budget

## 3. Creating Fiscal Space

- Earmark taxes for social protection, introduce mono-tax, and remove tax exemptions
- Improve tax collection and address illicit financial flows and tax evasion
- Seek a balanced contributory financing mix
- Limit the use of treasury advances

## 2. Strengthening Institutional Capacities

- Update budget reviews systemically
- Enhance and build capacity in budget planning, costing, and reporting
- Resolve unpaid government contributions
- Enhance capacity of MoF on social protection

## 4. Speeding Up Structural Reforms

- Accelerate implementation of Pension Law 319, and initiate public pension reform
- Conduct a costing study for NSPS programs
- Gradually transition to program-based budgeting
- Set concrete budgetary goals (e.g., share of GDP, digital disbursement)

## 5. Overcoming Resistance to Change

- Raise awareness of the Social Protection Strategy and highlight universal benefits
- Engage with MoF and Parliament, using data-driven scenarios to support social spending

# Access to data: Lebanon's Social Protection Spending Tracker

## Lebanon's Social Protection Spending Tracker

2017 – 2024 Data

Version 1.1 | 18 June April 2025

The **Lebanon's Social Protection Spending Tracker** is an interactive dashboard that allows users to track government spending on social protection over the years. It provides insights into both the actual expenditures and the budgeted amounts, offering a clear comparison between what was planned and what was spent. The platform presents detailed data on key social protection programs, including pensions, health coverage, social assistance, and labor market interventions. Users can explore trends, analyze funding gaps, and assess how government priorities have shifted over time. This tool is designed for policymakers, researchers, and citizens seeking transparency in public spending on social welfare.

[Learn more about Social Protection in Lebanon](#)



Dashboard

About

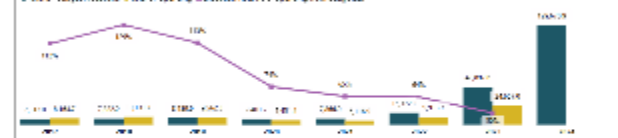
User Guide

### Lebanon's Social Protection Spending Tracker

Amounts in billions of LBP

Share of Social Protection spending from total spending

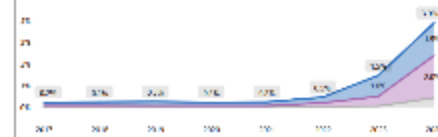
● Actual Spending ● Budgeted Spending ● Difference (Actual - Budgeted)



50%  
Share of Social Protection from GDP

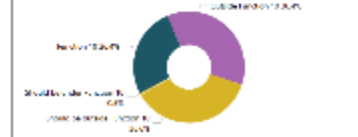
Share of SP from GDP

● Actual Spending ● Budgeted Spending ● Difference (Actual - Budgeted)



Functional classification of social protection budgetary spending, in % of GDP

● Health ● Social Assistance ● Labor Market Interventions ● Pensions

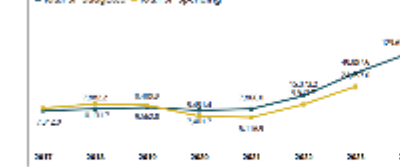


### Lebanon's Social Protection Spending Tracker

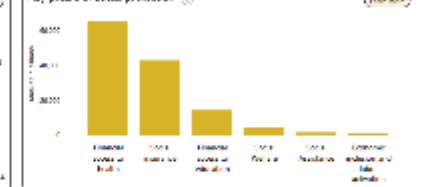
Amounts in billions of LBP

The Price of Protection: Total Expenditure Compared

● Total SP Budgeted ● Total SP Spending



Key pillars of social protection



Targeting Support: SP Spending by Group

● Poor and vulnerable categories ● All categories



Risks and Challenges Addressed by Social Protection Spending



### Lebanon's Social Protection Spending Tracker

Amounts in billions of LBP

Distribution of Social Protection Spending as per the new LD framework for social protection – 2020 – 2019 – 2021 – 2022

Year	Category	2020	2019	2021	2022
Social Protection	Health	1,111.1	1,111.1	1,111.1	1,111.1
	Social Assistance	1,111.1	1,111.1	1,111.1	1,111.1
	Labor Market Interventions	1,111.1	1,111.1	1,111.1	1,111.1
	Pensions	1,111.1	1,111.1	1,111.1	1,111.1
	Unemployment Insurance	1,111.1	1,111.1	1,111.1	1,111.1
Total	Health	1,111.1	1,111.1	1,111.1	1,111.1
	Social Assistance	1,111.1	1,111.1	1,111.1	1,111.1
	Labor Market Interventions	1,111.1	1,111.1	1,111.1	1,111.1
	Pensions	1,111.1	1,111.1	1,111.1	1,111.1
	Unemployment Insurance	1,111.1	1,111.1	1,111.1	1,111.1

Distribution of Social Protection Spending as per the new LD framework for social protection



# Thank you

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