

BASIC ASSISTANCE WORKING GROUP

19 MARCH 2021

AGENDA

- 1) Sector Updates:
 - a) Update on dollarization discussions
 - b) Assistance- February 2020
 - c) Coverage of MPCA and transfer value
 - d) Economic indicators
- 2) LOUISE Operational Updates
- 3) WFP RAM Situational Analysis
- 4) BA Research Questions
- 5) BA LRCP COVID19 Business Continuity Plan



1) Sector Updates:

Update on Dollarization Discussions

Updates on Dollarization Discussions

- Under the leadership of the RC/HC a Value-For-Money, Economic, and Risk Analysis for currency of disbursement of humanitarian and development aid to Lebanon has been drafted focusing on direct cash assistance.
- Risk Analysis focused on programmatic, operational and protection risks.
- Following the urgent need to neutralize the impact of currency fluctuations and exchange rate spreads on humanitarian and development funds.
- The donor group, WB, and HC/RC have formalized their decision in a letter to the GoL and awaiting a formal agreement.
- Priority areas for next steps:
 - Community Consultations on possible dollarization
 - Further understanding potential risks/concerns linked to Transfer Value setting and adjustments in USD



1) Sector Updates:

Assistance- February 2020

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February 2021 Assistance Summary

89, 855 vulnerable households received multi-purpose cash grants

80,457 SYR HHs

1,395 LEB HHs

8,003 PRS HHs

SEASONAL CASH ASSISTANCE 51,943 SYR 218 LEB

UNICEF's Integrated Child Wellbeing Program
6,853 Children (4,875HHs)
UNICEF One-Off Year-End Social Grant
14,918 Children (12,333 HHs)



15,831 blankets and 3,125 mattresses distributed



1322 **heaters** distributed



2,077 **Clothing kits** distributed



8,525 **Other NFIs** distributed

Multi-Purpose Cash Assistance to Syrians- 2021 planned caseloads

Coverage

Total Population: 300,000 HHs 273,000 Families in poverty

267,000 Families in extreme poverty

129,000 Families living in extreme poverty and Not receiving MPCA.

138,000 Families Assisted with MPCA (51%).

43,000 receiving both MPCA + cash for food
(UNHCR and WFP)
58,000 receiving MPC/CFF (WFP)
36,000 HHs receiving MPCA (UNHCR MCAP without food)
~2,000 assisted by LRC, SCI, Oxfam, ACF

Transfer Value

Survival Minimum Expenditure Basket (Dec2020)=1,537,000 LBP/month

Food SMEB=648,000 (HH size=5)

Non-Food SMEB=889,000 LBP/ Month GAP=290,000 LBP/ Month

Estimated income[~] 200,000/HH/Month

MPCA transfer
Value=400,000 LBP/
Month

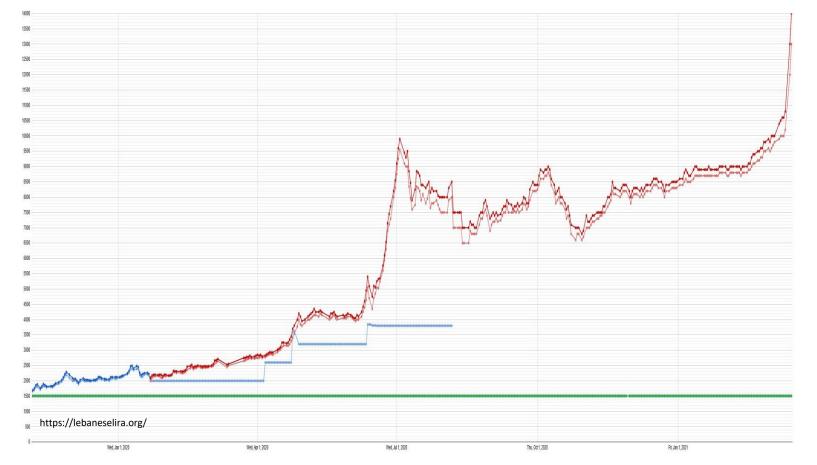


1) Sector Updates:

Economic Indicators

Exchange rate

Black Market Exchange Rate LBP/USD Used as a proxy for purchasing power of cash beneficiaries



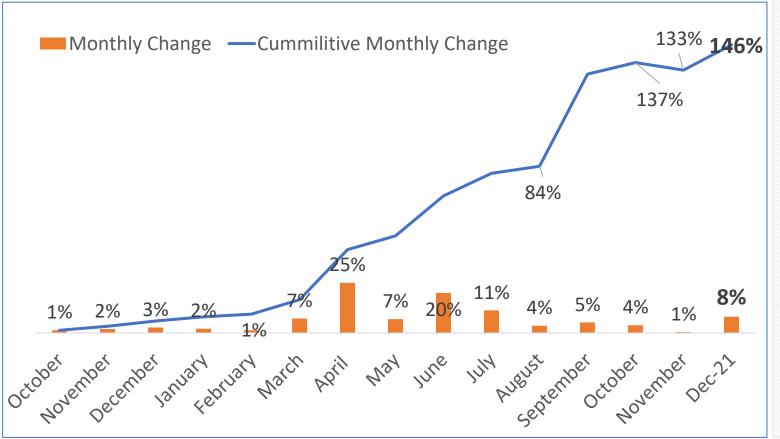
Rate reaching a new high, registering at around 14,000 on 16/3/2021 with some sources reporting selling at 15,000LBP/USD.

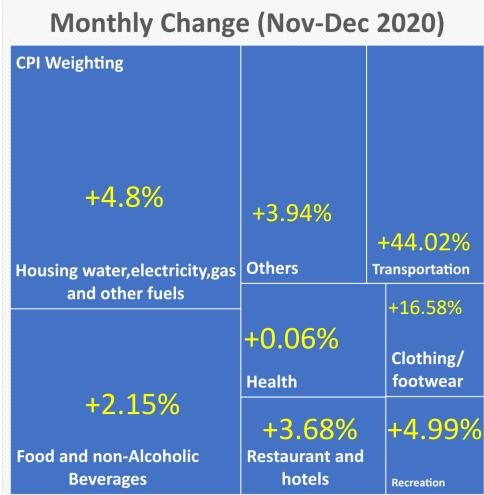
Other rates (Official government, official syndicate) remain unchanged.

Reminder to partners to report exchange rates used by FSP for cash assistance per month through dedicated Activity Info form

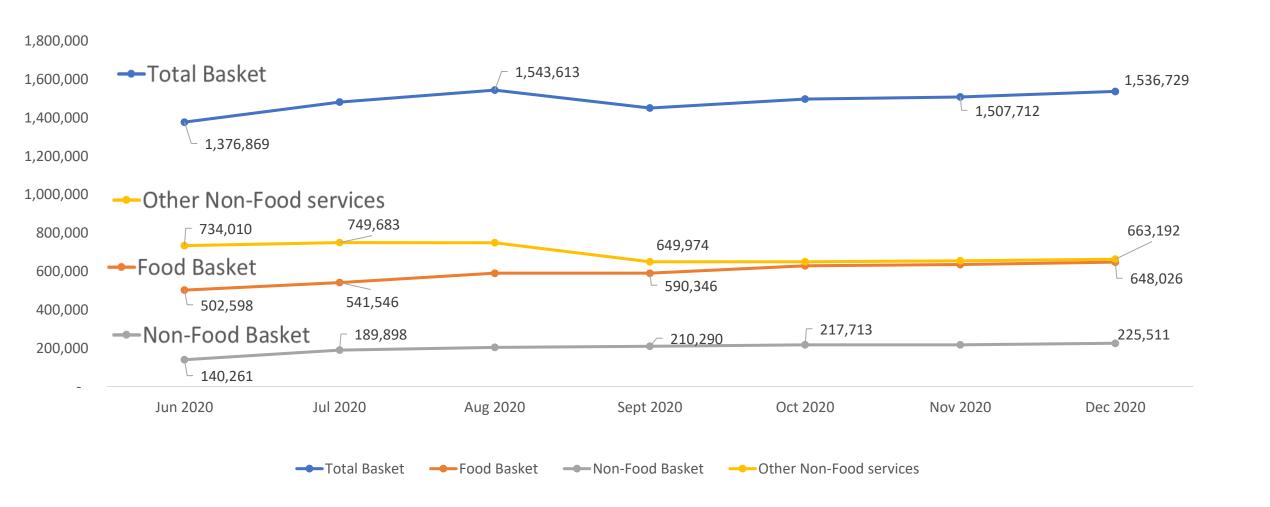
Consumer Price Index

Yearly Change, December 2019 to December 2020: 146% Monthly Change, November 2020 to December 2020: 8%





SMEB monitoring





LOUISE Programmatic Updates & Mitigation Measures

Mitigation Measures to Safeguard LOUISE Operations

LOUISE Preferential Exchange Rate:

• 6,240 LBP/USD as of February 2021

Staggering of Upload Schedules for March 2021:

- Akkar, T5, Bekaa: loading over 11 days (MCAP/CFF and MPC)
- South and BML: loading over 8 days (MCAP/CFF and MPC)
- WFP e-card food voucher loadings staggered over 4 days.
- No uploads planned for weekends (to account for limited replenishment over weekends

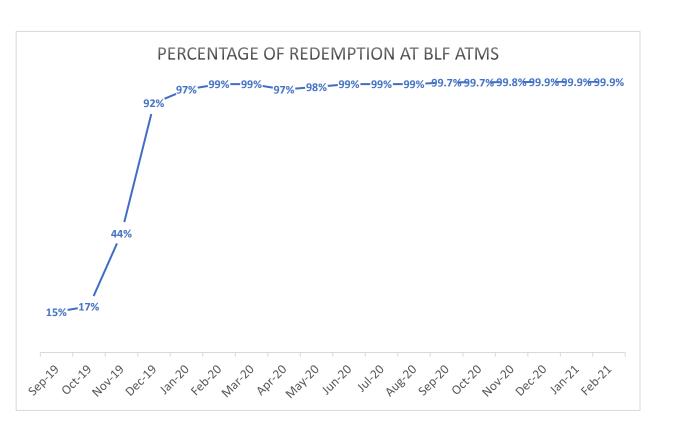
ATM Monitoring:

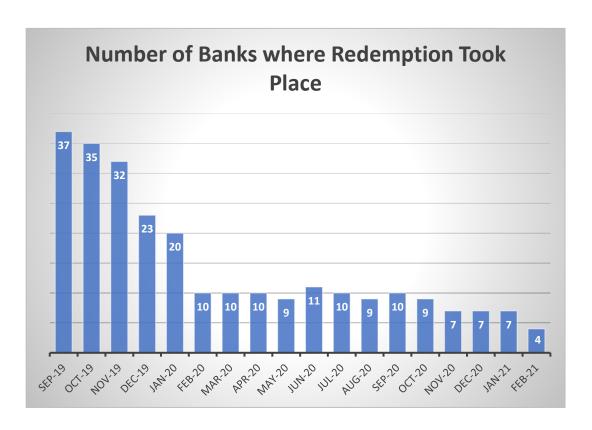
- Regular monitoring by UNHCR/WFP/UNICEF field teams.
- In the North, LRC (WFP partner) has contracted a security company for ATM monitoring and crowd control; the training of the security company is underway, and the company will be deployed to all designated ATMs as per the LOUISE ATM Monitoring and Crowd Control SOPs.

Installation of New ATMs by BLF:

- ATM installed in El Tlayle (Kwechra, Akkar) in December 2020, bringing the number of installed BLF in 2020 to a total of 12.
- ATMs in the pipeline: Al Menieh (north region) and possibly in North Bekaa and the South.

Concentration of Redemption at BLF ATMs As of February 2020





Redemption rates for the month of February 2021 stood at 96%

LOUISE Programmatic Updates

1. UNHCR Expansion Plans, March 2021

• Increase caseload of MCAP assistance by 31,100 households. All households were previously non-assisted households, in order to reduce the gap of unassisted populations.

2. WFP Expansion Plans, March 2021:

- Total increase of overall WFP caseloads across all programs from 820,000 to 847,000 in February 2021, and a further increase to reach 900,055 individuals in March 2021 (increase to reach 971,055 individuals in April 2021).
 - MPC Caseload: Expansion of MPC caseload to 48,301 households (263,000 individuals) in March, plan to reach 349,000 individuals (approximately 63,000 households) by April 2021
 - Bottom-up approach in expansion (moving e-card beneficiaries to MPC and adding unassisted populations to the e-card food voucher assistance).

A total increase of 12,000 GRM cases (7,000 WFP cases -both CFF and MPC), and 5,000 UNHCR MPCA cases.

4. UNICEF Reaching School Program:

• Loading a few remaining cases that were not in possession of active cards in February (100 cases).

5. Terre Des Hommes-L: MCAP assistance to approximately 200 households (completed in January 2021)

6. Shield Association: Two Cash for Work projects in response to COVID-19 outbreak.

- First CfW project in the Marjaoun, Bent Jbeil and Nabatieh areas completed in December. Second project in the Hasbaya region (forest management)-(June 2020-May 2021)-total of 133 workers., distribution of cards ongoing.
- 7. New Agencies Joining LOUISE in the pipeline: PUI-AMI, IRC, and UNFPA (pending letter of intent approval by LOUISE GB)

LOUISE Programmatic Updates

(Transfer Values Update)

- 1. Food Component Transfer Value: 100,000 LBP/individual as of November 2020.
- 2. MCAP/MPC Transfer Value: remains at 400,000 LBP/HH since July 2020

WFP and UNHCR in discussions with MoSA to increase food component to 130,000 LBP/individual, and MCAP/MPC assistance to 480,000 LBP/household.

3. UNICEF:

i. Integrated Child Well-being Program (ICWBG): increase in transfer value to 380,000 LBP/child in February 2021 (capped at 2 children).

	January-March 2020	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Program	Monthly Entitlement Amount (in LL)/HH	Updated Monthly Entitlement (in LL)/HH	Updated Monthly Entitlement (in LL)/HH	Updated Monthly Entitlement (in LL)/HH	Updated Monthly Entitlement (in LL)/HH	Updated Monthly Entitlement (in LL)/HH	Updated Monthly Entitlement (in LL)/HH	Updated Monthly Entitlement (in LL)/HH	Updated Monthly Entitlement (in LL)/HH	Updated Monthly Entitlement (in LL)/HH	Updated Monthly Entitlement (in LL)/HH	Updated Monthly Entitlement (in LL)/HH	Updated Monthly Entitlement (in LL)/HH
WFP CFF Assistance	40,500/individual	50,000/individual	50,000/individual	60,000/indvidual	70,000/individual	70,000/individual	70,000/individual	70,000/individual	100,000/individual	100,000/individual	100,000/individual	100,000/individual	100,000/individual
WFP MPC Assistance	260,250	260,250	320,000	320,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
MPC Food Component	40,500/individual	50,000/individual	50,000/individual	60,000/indvidual	70,000/individual	70,000/individual	70,000/individual	70,000/individual	100,000/individual	100,000/individual	100,000/individual	100,000/individual	100,000/individual
WFP E-card Food Voucher Program	40,500/individual	50,000/individual	50,000/individual	60,000/indvidual	70,000/individual	70,000/individual	70,000/individual	100,000/individual	100,000/individual	100,000/individual	100,000/individual	100,000/individual	100,000/individual
WFP RON cash for Food Assistance	40,500/individual	50,000/individual	50,000/individual	60,000/indvidual	70,000/individual	70,000/individual	70,000/individual	70,000/individual	100,000/individual	100,000/individual	100,000/individual	100,000/individual	100,000/individual
UNHCR MCAP Assistance	262,500	262,500	320,000	320,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
UNHCR MCAP Assistance (RON)	262,500	262,500	320,000	320,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
UNHCR Winterization Assistance	954,000 LBP									954,000 LBP	954,000 LBP	n.a	n.a
UNICEF Reaching School Program*	56,250/hh	56,250/hh	56,250/hh	56,250/hh	NA	NA	NA	NA	NA	NA	NA	50,000/child	50,000/child
UNICEF Integrated Child Wellbeng													
Program (ICWBG)**	120,000	160,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	380,000/child	380,000/child
UNICEF One-Off Social Grant***										460,000 LBP/child	460,000 LBP/child	380,000-500,000 LBP/child	n.a

^{*} Reaching School Program resumed in February 2021, with a TV of 50,000 child, uncapped

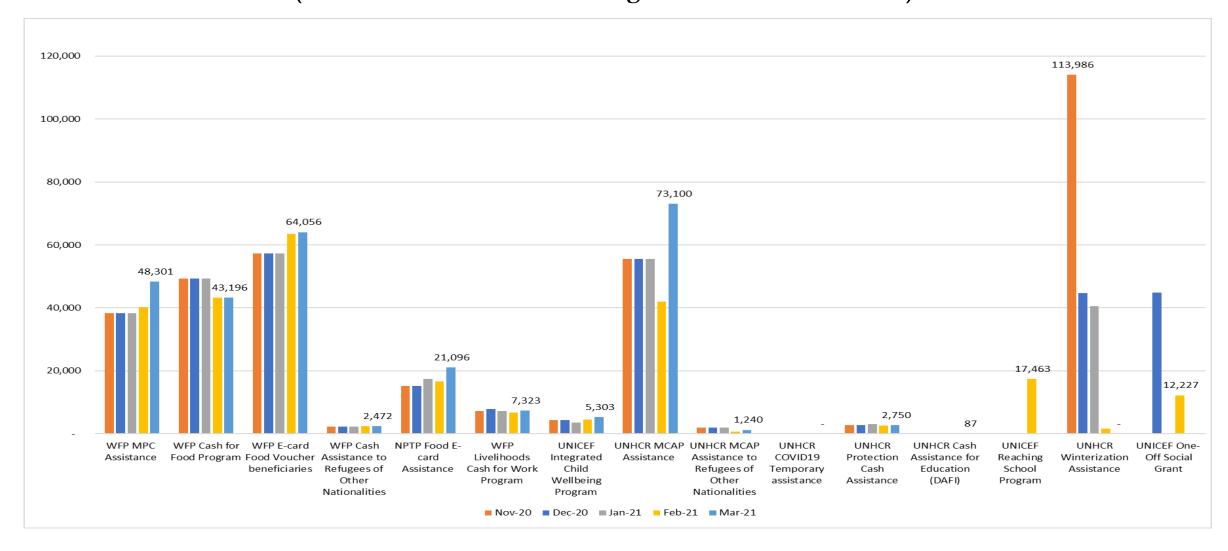
^{**}Transfer Value per Child, capped at 2 children

^{***}Transfer Value per Child, capped at 3 children

LOUISE Programmatic Updates (Number of Households Targeted as of March 2021)

4													
	January-March 2020	20 Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Program	Number of	Number of	Number of	Number of Households	Number of	Number of	Number of	Number of	Number of				
Program	Households				Households	Households	Households	Households	Households Reached	Households	Households Reached	Households	Households
<u> </u>	Reached	Housenoids Reached	Housenoius Reacheu	Reactieu	Reached	Reached	Reached	Reached	Housenoius Reacheu	Reached	Housenoius Reacheu	Reached	Reached
UNHCR MCAP Assistance	33,000	33,000	33,000	49,800	49,800	55,577	55,577	55,577	7 55,577	55,577	55,577	42,000	73,100
WFP CFF Assistance	33,000	33,000	33,000	37,600	40,168	47,580	49,370	49,384	4 49,384	49,384	49,384	43,196	43,196
WFP MPC Assistance (includes Food						4	4						
transfer value)	23,650	0 23,650	0 23,650	0 34,910	34,910	37,457	38,213	38,255	38,255	38,255	5 38,255	40,239	48,301
WFP Food E-card Assistance	54,500	0 54,500	0 54,500	0 55,830	55,922**	57,147**	57,139**	57,317	57,317	57,317	7 57,317	63,492	64,056
WFP RON cash for Food Assistance	3,030	0 3,030	0 3,030	0 3,030	2,253	2,253	2,253	2,253	2,253	2,253	3 2,253	2,472	2,472
UNHCR MCAP Assistance (RON)	1,500	1,500	1,500	1,641	1,641	2,037	2,037	2,037	7 2,037	2,037	7 2,037	750	1,240
UNHCR Winterization Assistance									113,986	44,644	40,570	1,713	
					()		4						
UNICEF Reaching School Program	31,836	6 32,348	32,790	33,018	ر ال	4			4		A	17,463	
					()		4						
UNICEF Integrated Child Wellbeng Program	3,817	7 3,722	3,851	3,807	4,871	3,865	3,918	4,276	76 4,419	4,419	9 3,516	4,575	5,303
UNICEF One-Off Social Grant										44,774	-	12,227	-
**Total expanded beneficiaries for the food e-card has remained the same to account for the former e-card beneficiaries that have been moved to CFF and MPC assistance													

LOUISE Programmatic Updates (Number of Households Targeted as of March 2021)





3) WFP RAM Updates



WFP RAM & Retail/Supply Chain Unit Lebanon

National BAWG – Situation Analysis

BAWG Meeting

19 March 2021

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Table of Content

- ➤ Food Security Situation Highlights
- Supply chain and WFP contracted shops situation
- ➤ Demand: food & non-food price developments and exchange rate fluctuations
- ➤ Subsidies: Latest developments



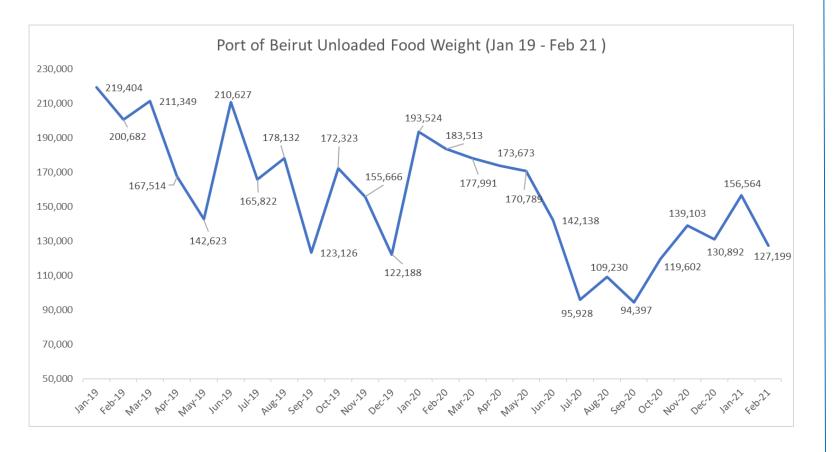
Food Security Situation in Lebanon - Highlights

- Currently at least 20 percent of Lebanese population is food insecure.
- Food insecurity increased by 20% since 2019 and now every second Syrian refugees is food insecure.
 Women are more likely to be food insecure. The number of food insecure Syrian households will soon reach 1.3 million individuals if their access to food continues to be hindered.
- Rising unemployment is one of the key reasons why Lebanese and Syrian refugees are becoming food insecure. WFP surveys found unemployment rates for both Lebanese and Syrians to be 39 percent, up from 2019.
- In 2020, the share of food expenditure out of total expenditures has increased amongst all residents in Lebanon (Lebanese, Syrian refugees, refugees of other nationalities).



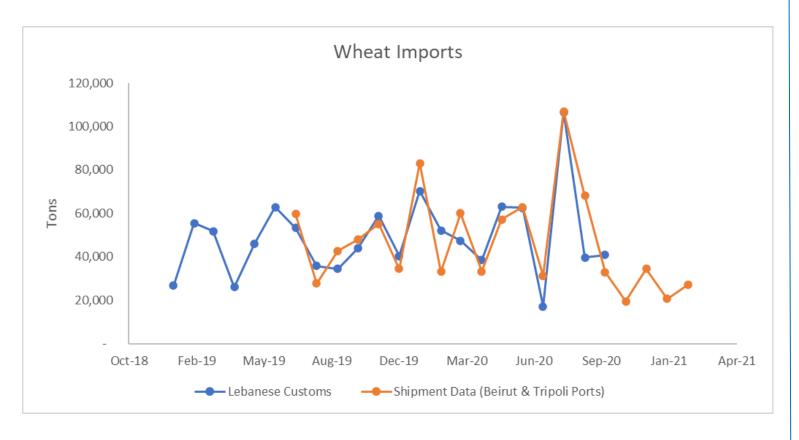
Supply chain and WFP contracted shops situation

Port of Beirut Good Movement from January 2019 till February 2021 (in mt)



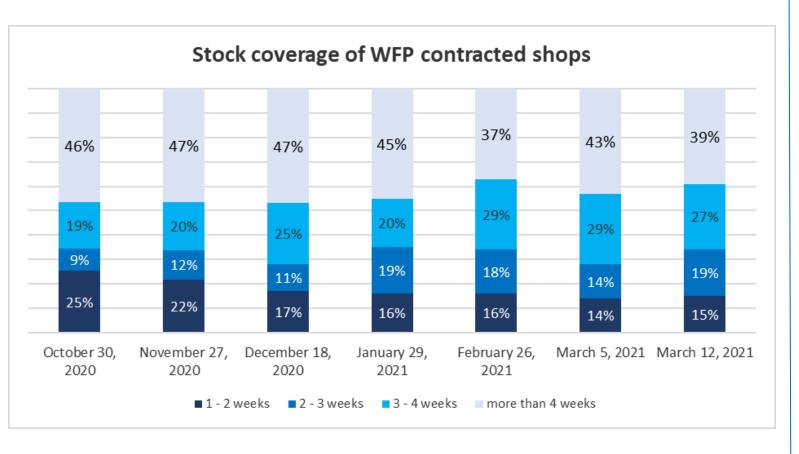
- ➤ A decrease of 22% is noticed when comparing Aug 2020 Feb 2021 figures against the same period the previous year.
- ➤ A decrease of 31% is registered when comparing Feb 2021 figures to Feb 2020 figures.
- ➤ A decrease of 16% is registered when comparing 2019 figures to 2020 figures.

Wheat Imports Evolution (in mt) – January 2019 to February 2021



- ➤ Between January and October 2020, Lebanon imported 537,993 tons of wheat, based on the Lebanese Customs published data, 23% higher than the same period in 2019 ().
- ➤ Based on WFP shipment data, Lebanon imported 622,443 tons of wheat in 2020 through its Beirut & Tripoli ports (see orange line).
- ➤ Between August 2020 and February 2021, Lebanon imported 309,571 tons of wheat, 4% less than same period the previous year (323,913), through Beirut and Tripoli ports (Source: WFP shipment data).
- In February 2021, Lebanon imported 20,550 tons of wheat, versus 33,005 tons in February 2020 (down 38%).

Stock coverage evolution of WFP contracted shops (as of March 12th 2021)



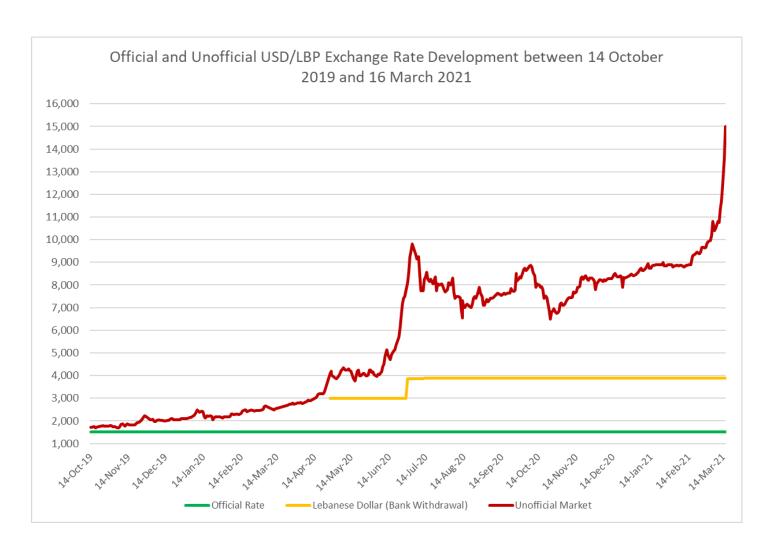
85% of WFP-contracted shops reported to have more than 2 weeks of stocks.

Based on March 12th weekly shops assessment survey results:

- > 72% (57% first week of Feb) of WFP contracted shops reported scarcity in certain products, such as grains, oil & fats, fresh products and sugar.
- > 51% (63% first week of Feb) of shops reported scarcity in the subsidized products.
- ➤ 49% (41% first week of Feb) of WFP-contracted shops reported suppliers not delivering the full ordered quantities.
- > 73% (74% first week of Feb) reported having subsidized items at the rate of LBP 3,900.
- > 59% (46% first week of Feb) reported that suppliers are accepting new orders for subsidized products.
- No shops (3% first week of Feb) that received subsidized items reported receiving the full ordered quantities.

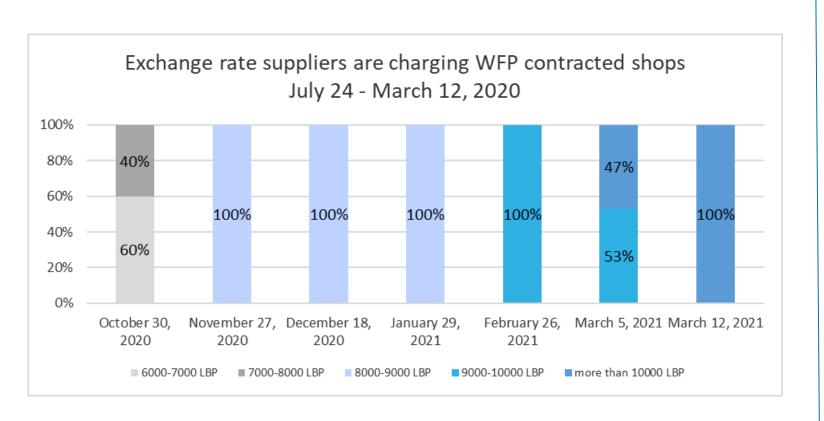
Demand: food & non-food price developments and exchange rate fluctuations

Daily (official and unofficial) exchange rate development between mid October 2019 and March 16 2021



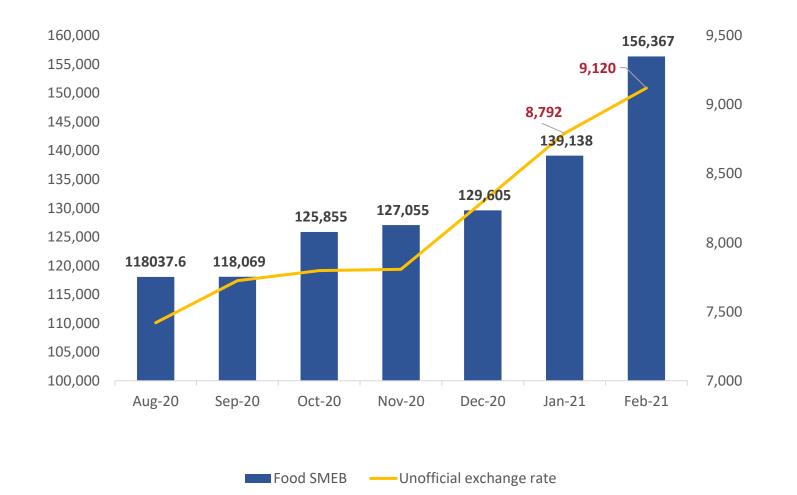
- Black market rate heavily affected by developments on the political scene (red line). Rate has been witnessing increases lately. Rate reached the LBP 15,000 level.
- Parallel market rate inactive following central bank decision on August 6 to resume paying incoming money transfer in US dollar notes for non-financial institutes. Last recorded rate was LBP 3,800 (blue line).
- Rate for withdrawal from non-fresh money dollar account in LBP currently set at LBP 3,900 by the central bank currency exchange platform. Circular allowing such withdrawals extended till March 31st, 2021 (yellow line).
- Official exchange houses rate as set by the central bank currency exchange platform (Sayrafa) is between LBP 3,850 & LBP 3,900 (purple line).

Weekly exchange rate based on contracted retailers' feedback (national level)



- ➤ Exchange rates applied by suppliers of contracted shops continues to follow the informal market developments.
- ➤ In the first week of March 2021: **47%** of WFP-contracted shops were using an exchange rate higher than LBP 10,000, while the rest was charged a rate between LBP 9,500 LBP 10,000.
- ➤ In the second week of March 2021, all shops were being charged a rate higher than LBP 10,000

Change of Monthly revised food SMEB price in LPB (national average)

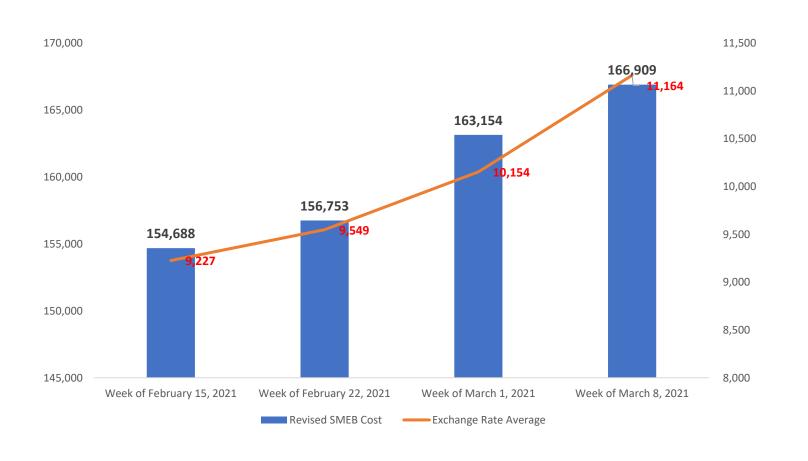


- ➤ Revised Food SMEB recorded a 12% increase between January and February 2021, at LBP 156,367.
- The cost of the revised food SMEB in February 2021 is higher than August 2020, the date the basket was initially set, by 32%.

Source: WFP price data, 2020, & 2021 as of 8 March 2021, subject to changes. The weights of the commodities used in the calculation of the price of the basket was further updated in the calculation of the basket cost from February 2021. Further revisions to the previously published prices might take place in the future.



Change of Weekly revised food SMEB price in 2021 (national average) versus exchange rate weekly average

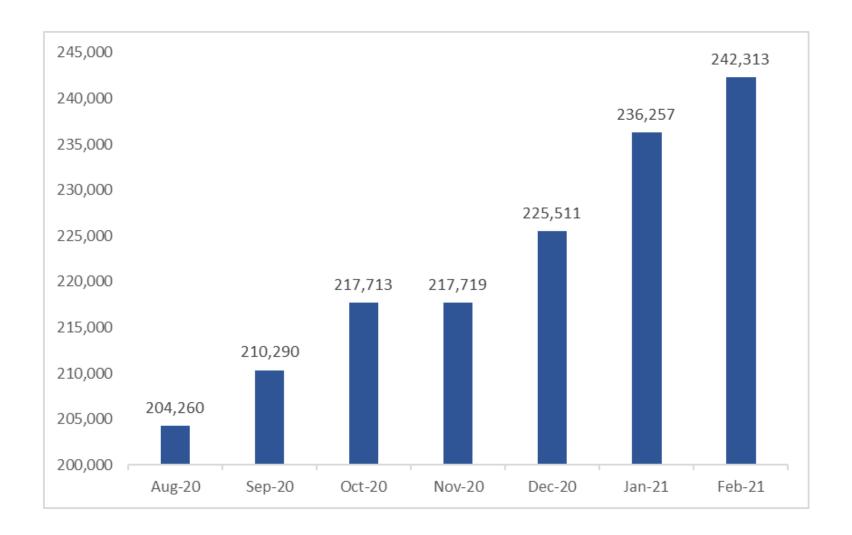


- ➤ Revised Food SMEB weekly price recorded a 8% increase between mid February and mid March, based on preliminary data from WFP retail database.
- ➢ Between the weeks of March 1st and March 8th, the basket recorded an increase of 2%, based on preliminary data from WFP retail database.

Source: WFP price data, 2020, & 2021 as of 17 March 2021, subject to changes. The weights of the commodities used in the calculation of the price of the basket was further updated in the calculation of the basket cost from February 2021. Further revisions to the previously published prices might take place in the future. March data based on only 63 percent of shops data.



Revised Non Food Items (NFI) Monthly Price Development in LBP

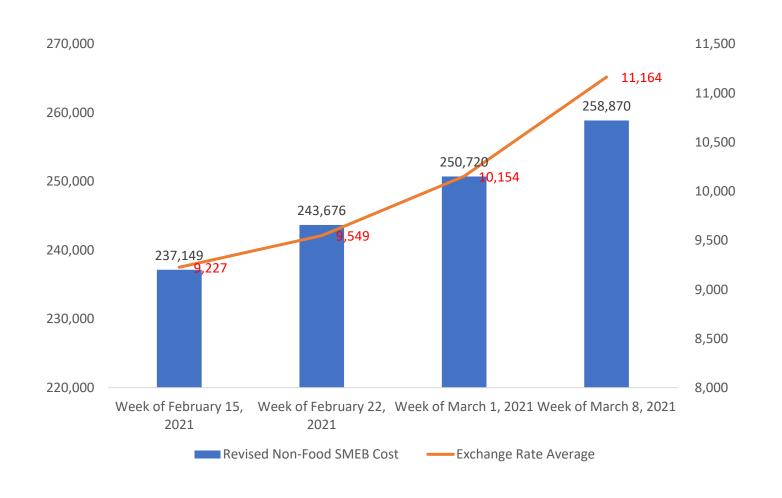


Source: WFP price data, 2020 & 2021, as of 8 March 2021, subject to changes & IPT Fuel Price for Cooking Gaz: https://www.iptgroup.com.lb/ipt/en/our-stations/fuel-prices - Blanket Price from UNHCR Retail Team - The weights of the commodities used in the calculation of the price of the basket was further updated in the calculation of the basket cost from February 2021. Further revisions to the previously published prices might take place in the future.

- ➤ The revised non-food items basket of 12 commodities is composed of the same items as the 2014 non-food basket, except hypoallergic soap that was removed. The basket include in addition 5 toothbrushes (changed every 3 months) and 5 blankets. Cooking gas quantity was further increased compared to the 2014 basket.
- ➤ Between August 2020 and February 2021, an increase of 18% was registered.
- ➤ Between January February 2021, a 2.6% increase was registered.



Change of Weekly revised Non Food Items SMEB price in 2021 (national average) versus exchange rate weekly average



- Revised Non-Food SMEB weekly price recorded a 9% increase between mid February and mid March, based on preliminary data from WFP retail database.
- ➢ Between the weeks of March 1st and March 8th, the basket recorded an increase of 3%, based on preliminary data from WFP retail database.

Source: WFP price data, 2020, & 2021 as of 17 March 2021, subject to changes. The weights of the commodities used in the calculation of the price of the basket was further updated in the calculation of the basket cost from February 2021. Further revisions to the previously published prices might take place in the future. March data based on only 63 percent of shops data.



Subsidies: Latest developments

Subsidies Removal Latest Updates as of Mid March 2021

- No official decision on the current subsidization mechanism covering combustible fuel, wheat, medicine/medical equipment, infant milk, and the basket of food/agricultural items has been taken yet.
- > Authorities have remained vague about how the subsidies will be reduced, though meetings are ongoing.
- Finance Minister announced in an interview with Bloomberg that remaining reserves are around USD 16 billions, of which USD 1 to 1.5 billions can be used for subsidies, covering two to three months at the current rate
- Finance Minister indicated that certain products will be removed, including certain food items from the basket of 300 food items, as well as lowering the fuel subsidy.
- Fuel importers official representative implied in an interview on March 18th that fuel subsidy removal/modification is most probably happening in the coming period.
- ➤ Parliamentary committees approved a USD 200 million advance expense to buy fuel oil for electricity generation. This would cover the needs for the next two months and delay the complete blackout that was expected to happen at the end of this month. The expense still needs to be approved by the full parliament.
- ➤ Bread price kept fixed for now, however weight further lowered to 870 grams (LBP 2,500) for larger package, and 385 grams for medium package (LBP 1,500). Bread price for the large package has now increased by 67 percent since June 2020, while the package weight has decreased by 13 percent.

Source: Daily Star, Bloomberg, Al Jadeed

Potential Impact of Subsidies Removal

- > The below potential price increases assume an informal exchange rate of LBP 15,000.
- Additional depreciations of the LBP in the informal exchange rate market will lead to further increases in the cost of the different subsidized commodities.

➤ Bread:

- A 870 loaf of bread costs today LBP 2,500. A 370 load of bread costs LBP 1,750.
- Potential price increase of 1.5 to 4.25 times the current price once subsidies are removed.

Combustible Fuel:

- Potential price increase of more than 5 times the current price once subsidies are removed.
- ➤ Subsidized Food Basket at the cost of LBP 3,900
 - Potential price increase of up to 285 percent once subsidies are removed.
- ➤ Medicine/medical equipment:
 - Potential price increase of up to 326 percent once subsidies are removed.

Latest Combustible Fuel Price Inflation

Date	Gasoline	Diesel	Cooking Gas		
Week of					
December 1st,					
2020	24,300	16,200	18,600		
Week of March					
15 th , 2021	38,900	27,700	28,100		
Price increase	14,600	11,500	9,500		
% increase	60	71	51		

- > Fuel price continued their increase.
- ➤ Gasoline price has increased by 60 percent, diesel by 71 percent, and cooking gas by 51 percent, between the first week of December 2020 and the third week of March 2021



WFP VAM 2020 Key Products

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4) BA Research Questions

LCRP- Research questions and knowledge gaps

- Through 2019, the Inter-Agency Coordination Unit worked with Sector focal points under the LCRP to identify evidence and knowledge gaps in the current context.
- 100 research questions have been collected at inter-sector, cross-sector and sector levels. Research questions are varied-strategical, verification of assumptions, or impacts centered.
- Priority questions are available online in the effort to coordinate and prioritize conducted research towards areas that can be most impactful.
- Research institutes, academics and others can better understand what sectors identify as gaps in knowledge or research and gauge their efforts towards these topics.

BA research questions

DA research questions	
2019 Research questions	Notes
What is the impact of CBIs under the Sector on local economies?	Research conducted in 2015.
How do CBIs contribute to better protection outcomes for vulnerable populations? (GBV, child labour, negative coping mechanisms, early marriage, etc.)	Several research endeavors over 2019/2020-but do these remain relevant given the changing context?

Has cash assistance provided under the Sector helped economically vulnerable households meet their basic needs, without increasing negative coping mechanisms?

Same as above

Research questions 2019

2019 Research questions

Notes

Vulnerability profiles in Lebanon: What is the profile of refugees who would need to be maintained in a social safety net and who would be potentially eligible for graduation?

Is this relevant given that a "graduation" approach does not currently exist?

How effective has the targeting approach been in identifying and discriminating levels of vulnerability?

Focus on econometric model; covered through various validation methods.

How to enhance targeting given rising vulnerabilities?



5) LCRP COVID19 Business Continuity Plan

Background

- The BCP reviews on-going impact on LCRP operations and outlines risks and critical interventions.
- Regularly reviews and updates through the Inter-Sector Working group and provides a general guidance for partners throughout the COVID19 outbreak in Lebanon.

The BCP includes:

- Current impacts on the operating environment
- Identified key risks
- Preparedness and prevention measures
- On-going response
- Life saving interventions
- Critical activities
- Critical gaps and response priorities
- Support to national response plan
- Guidance on organization of meetings

- High levels of poverty, coupled with limited income opportunities due to COVID 19.
- Overcrowding at ATMs (esp. in Bekaa and Akkar) + Long travel to ATMs.
- Tensions at ATMs.
- Lack of complete coverage of basic assistance to the most vulnerable.
- Major assistance gap in coverage of vulnerable Lebanese.

- Cash Assistance
 - Card Distribution
 - Ensuring Access to- and replenishment of ATMs
 - Monitoring Prices and purchasing power
- In-kind Assistance
 - In-kind distribution for emergency and seasonal needs