

# Ensuring Meaningful Cash Assistance for Vulnerable Families in Lebanon.



Inter-Agency  
Coordination  
Lebanon

Basic Assistance Sector Advocacy Note – September 2022.

## Introduction

Since 2015, the Basic Assistance Sector, under the Lebanon Crisis Response Plan (LCRP), has supported vulnerable families to meet their basic needs. The primary modality used by the sector is the provision of unconditional cash assistance, including through Multi-Purpose Cash Assistance (MPCA), seasonal cash assistance and other social grants targeted to support families with specific vulnerabilities (children, elderly, and persons with disabilities).

Despite significant challenges to the provision of cash assistance within the current social and economic landscape in Lebanon, cash is still considered a feasible, relevant and flexible modality to provide basic assistance to vulnerable families. To continue providing this lifesaving assistance in a meaningful and efficient way, partners, donors, and government institutions must continue to adapt to the volatile context. This advocacy note is aimed at laying out the key challenges faced by partners in the Sector, the impact of a failure to provide meaningful basic assistance to vulnerable families and key recommendations to partners, donors, and the Government of Lebanon.

## Challenges to providing meaningful assistance

### **“ Since 2019, the Lebanese Pound (LBP) has lost more than 90 per cent of its value”**

Since 2019, Lebanon has faced a multi-faceted economic and financial crisis, further compounded by the COVID-19 health crisis, the Beirut port explosion in August 2020 and the more recent conflict in Ukraine. The Lebanese Pound (LBP) has lost more than 90 per cent of its value, impacting the purchasing power of individuals living in the country and driving a continuous increase in the cost of living. By June 2022, the Survival Minimum Expenditure Basket (SMEB) had increased by 186 per cent since the same time in 2021.<sup>1</sup> In March 2022 alone, following the onset of the conflict in Ukraine, the SMEB value increased by 8 per cent as compared to the preceding month. With persisting instability in the country and looming global price increases in key commodities due to the conflict in Ukraine, prices of basic goods and services in Lebanon are expected to continue rising.

### **“By June 2022, the Survival Minimum Expenditure Basket had increased by 186 per cent since June 2021”**

Throughout the past two years, partners providing MPCA to vulnerable families in Lebanon have struggled to maintain the coverage of the cash transfer value achieved prior to the crisis. The main barriers to this include concerns around social stability (creating a division between recipients of assistance and those who are not supported), securing preferential exchange rates with financial service providers, as well as funding constraints

within the humanitarian and stabilization response. The former has emerged as a serious concern across the country, partly due to the previously low levels of cash assistance reaching vulnerable Lebanese families, in contrast to a wider coverage of Syrian refugee families. This is all in addition to a drastic increase in needs across population groups.

### **“As of September 2022, around 65,000 Lebanese families, 190,000 Syrian families and 8,000 Palestinian families from Syria have benefited from regular cash transfers under the Basic Assistance Sector”**

Since 2019, the Syrian population in need increased from 825,000 individuals to 1,320,000 while over half of the Lebanese population is estimated to be living in poverty. However, since the start of the crisis, assistance to vulnerable Lebanese has been scaled up through the National Poverty Targeting Program (NPTP) and other programs including child grants and MPCA provided by UN agencies and NGOs. As of September 2022, around 65,000 Lebanese families, 190,000 Syrian families and 8,000 Palestinian families from Syria have benefited from regular cash transfers under the Basic Assistance Sector<sup>2</sup> (in addition to cash and in-kind assistance and services provided to help meet basic needs *across populations*, under other sectors within the response).

While partners disbursing cash assistance in U.S. dollars have been able to align transfer values with current levels of costs in the country, there is

<sup>1</sup> Prices are tracked through WFP retail price monitoring and the national consumer price index. <https://app.powerbi.com/view?r=eyJrjoiYmYzNTVhYmYtMTE4MCO0Nzk3LWlW2YzctNTI0MDNiZTMiNjc1IiwidCI6ImU1YzZM3OTgxLTy2NjQ0NDZlNC04YTBlLTlYNDkMmFmODBiZSIsImMiOiJh9&pageName=ReportSection>

<sup>2</sup> This includes MPCA through the NPTP (implemented by WFP), child grants through UNICEF's Haddi program and NGO MPCA programs.

growing concern over the sustainability of regularly updating transfer values to meet expected increases in living costs, given available funding. That being said, the majority of families, namely Syrian, who are supported under the Sector are currently receiving a transfer value in LBP that covers less than 40% of the known non-food costs of the Survival Minimum Expenditure Basket (SMEB), with purchasing power on a continuous decline. This has led to a large discrepancy in grants being provided to recipients in USD versus in Lebanese Pounds. In addition to funding constraints, there is a

growing concern that increasing the transfer value of regular cash assistance to displaced Syrians may have a potential impact on social stability and inter-communal tensions.

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## Families continue to struggle amidst financial hardship

The impact of dis-alignment of transfer values with living costs is evident in reports from partners on the monitoring of activities. Post distribution and outcome monitoring activities show that the proportion of assisted families that report being able to meet their basic needs is concerningly low. In addition, the prevalence of negative coping mechanisms, including borrowing money, continues to rise<sup>3</sup>. Among Lebanese families, almost one third reported not being able to meet basic needs because of lost employment, and just under half reported taking on debts, with the majority accruing debt to cover basic household expenditures.<sup>4</sup>

**“Almost one third of Lebanese families are not able to meet basic needs because of lost employment”**

Since 2020, Syrian families have continued to cite financial constraints as the main barrier to not being able to secure access to needed healthcare. For children, the inability to cover costs associated with education material and transportation remained the main reason why they were not attending school.<sup>5</sup> These patterns of overwhelming financial barriers to accessing health and education are evident across nationalities, impacting Lebanese and displaced communities. Regarding accessing legal services, just under half

of families that had not registered a child's birth, cited cost as the barrier to doing so. Some evidence also suggests that socio-economic vulnerability may play a role in an individual's legal status with slightly higher rates of legal residency being reported among households that have higher levels of monthly expenditure.<sup>6</sup> This is not surprising as families struggle to meet their basic needs, including food and non-food purchases. Additionally, transportation and communication costs in the country have increased substantially in the recent period, adding additional access constraints and financial burdens to vulnerable families. One of the most relied-upon coping mechanisms tends to be a reduction of expenditures on key services, namely on health, education, and food<sup>7</sup>. It can be expected that as families sink deeper into poverty and are unable to meet their most basic needs, partners implementing interventions in other sectors may see diluted impact and face difficulty seeing expected outcomes. The inability to cover costs associated with education material and transportation remained the main reason why children were not attending school.”

**“As families are unable to meet their most basic needs, partners implementing interventions in other sectors may see diluted impacts”**

## Sector priorities and concerns

To support partners, the Basic Assistance Sector has ensured that regular monitoring of the SMEB costs is readily available to partners implementing MPCA. Sector partners at the Core Group level have developed detailed guidance on calculating, monitoring, and reviewing transfer values in different currencies. The Sector also continues to feed into discussions around cash and transfer values at the Inter-Sector level, raising challenges

faced to collectively define solutions. Coverage of regular assistance to vulnerable communities (both Lebanese and the displaced) have increased over the past year, with the achievement of the Sector for regular cash assistance having increased by 10 percentage points since the end of 2020. This level of coverage must be maintained and scaled up to combat both increasing poverty levels in affected

<sup>3</sup> UNHCR Post Distribution and Outcome Monitoring for MPCA, June 2022

<sup>4</sup> Multi-sector needs assessment (MSNA), 2022

<sup>5</sup> Vulnerability Assessment of Syrian Refugees (VASyR), 2021.

<sup>6</sup> *ibid*

<sup>7</sup> Households in 2022 similarly to 2021, continue to resort to purchasing less expensive food (79% of respondents), reducing meals per day (55% of respondents), reducing portion sizes (53% of respondents) and limiting their food intake by adults (37% of respondents).

populations, as well as to minimize risks related to growing tensions across and within communities. The scale up of coverage must also be met with the provision of meaningful transfer amounts, partners' ability to adjust to the volatile market and continued expansion of government-led social safety nets to support vulnerable Lebanese.

**“Regular cash assistance has increased by 10 percentage points since the end of 2020.”**

## Recommendations/advocacy lines

### To the government:

- Continue to invest in expanding social protection programs, including the National Poverty Targeting Program (NPTP) and life-cycle interventions that include cash grants to support the growing number of unassisted groups
- Increase government spending on public wages including salary scale adjustments to ensure workers in the public sector are receiving adequate wages in line with the rising cost of living.
- Positively consider increases in transfer values introduced by UN agencies, NGOs, and civil society organizations.

### To donors:

- Increase funding for Multi-Purpose Cash and social protection assistance programs such as the NPTP, social grants, and leverage leadership to incentivize national budgetary allocation increased support for social protection.
- Continue to fund multi-purpose cash assistance programs, including those targeting specific sub-populations, across nationalities to ensure poor populations can meet their basic needs.
- Ensure transfer values are increased following variations in exchange rates and market prices, to preserve the value of assistance provided to vulnerable families.
- Ensure coordination with the Basic Assistance Sector to optimize use of available resources.

### To partners:

- Continue to implement, and scale up, when possible, Multi-Purpose Cash Assistance interventions to vulnerable populations.
- Ensure alignment with sector guidelines to contribute to overall coordination efforts.
- Consider targeting across nationalities and supporting both displaced population as well as vulnerable Lebanese to minimize potential tensions or conflict and take on board advice on conflict sensitive programming through engagement with conflict sensitive mainstreaming actions across the response.