

| Basic Assistance Working Group Meeting: August 2021- Minutes of Meeting | | | |
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| Date | 26/8/2021 | Time | 11:00am |
| Facilitators | Ruba Cheaib | Duration | 2 hours |
| Minutes Prepared by | Ruba Cheaib | | |
| Agenda | <ol style="list-style-type: none"> 1. Sector updates July Assistance and coverage 2. Survival Minimum Expenditure Basket (SMEB) 2021 Update 3. Dollarization- Update from Partners 4. WFP situational Analysis 5. Winter 2021 Basket and Transfer Value 6. Update on the Protection Risk Analysis | | |
| Agencies represented | Action Against Hunger (ACF); ACTED; ANERA; Arcenciel; Basmeh & Zeitooneh; British Embassy Beirut; Cash Monitoring, Evaluation, Accountability and Learning Organizational Network (CAMEALEON); Caritas Austria; Caritas Lebanon; Caritas Switzerland; CESVI; CISP; Danish Refugee Council (DRC); DORCAS; ECHO; FCDO; Humanitarian Corridors; ICRC; Inter-Agency; INTERSOS; IRC; Islamic Relief Lebanon; Lebanese Red Cross(LRC); Lebanon Humanitarian INGO Forum (LHIF); LebRelief; Ministry of Social Affairs (MoSA); Norwegian People's Aid; Norwegian Refugee Council; Nusaned; Oxfam GB; PARCIC; People In Need Slovakia; Relief International (RI); Secours Islamique France (SIF); SPHERE Building Tomorrow (SBT); Solidarités International (SI); Swiss Cooperatipn Office; Tabitha; Tafaol Association; UNFPA; UNICEF; UNHCR; UNFPA; URDA; WeWorld-GVC; WFP; World Bank | | |

1. Sector Updates (presented by Ruba Cheaib)

- a. Assistance- July 2021- (coming from Activity Info Reporting)
 - In July 2021, around 233,263 households received multi-purpose cash assistance (MPCA), the majority of which (around 232,009; around 80% coverage) were Syrian households. Around 1,200 Lebanese and 8,000 Palestinian households (pending confirmation from UNRWA who are currently finalizing figures).
 - Coverage of MPCA to displaced Syrians has increased in July, mainly due to expansions in the UNHCR caseload. For Lebanese, a small drop is noted since May- however this is due to delays in payments from some partners currently finalizing retro-active payments.

- The total amount of U.S. Dollar (USD) value disbursed in July is US\$6,600,000. This USD value is calculated using respective partner exchange rates as assistance is disbursed in Lebanese Pounds (LBP), with a few partners who have begun cash disbursement in USD.

2. Survival Minimum Expenditure Basket (SMEB) 2021 Update

- The SMEB is divided into three main components- the food basket and two components that make up the non-food basket. The food basket is developed using a hybrid approach (expenditure and rights-based) that relies on consumption data but also ensuring that the basket is nutritionally adequate. The update of the food basket is on-going. The first sub-components of the non-food basket is the ‘Non-Food items’ which includes a list of nine core hygiene items as well as blankets, mattresses and cooking gas. The second sub-components, often referred to as the ‘Non-food services’ includes set of non-asset related needs such as health, education, electricity, transportation and others. The non-food service component is primarily updated using data coming from the annual Vulnerability Assessment of Syrian Refugees (VASyR) as most items rely on an expenditure-based approach. Thus, expenditure data from the VASyR is used to determine how much families are spending on certain components and in turn used to define needs. July prices for the SMEB are presented, keeping in mind that they will be further updated once the July Consumer Price Index (CPI) is released by the Central Administration of Statistics (CAS).
- Data collection for the 2021 VASyR took place between Mid-June and Early July 2021. A joint Basic Assistance (BA) and Food Security Sector meeting will be schedules in early September to present the results of the VASyR.
- Non-food items: The list of core hygiene items and their respective quantities defined within the SMEB are determined using a rights- based approach (mainly international SPHERE standards). The prices are retrieved from WFP retail data and VASyR data is not used for this component. Prices for blankets and mattresses are sourced from the UNHCR supply team. The price of one blanket per person per year is included in the SMEB. Mattresses are only included in the Minimum Expenditure Basket (MEB) and includes the cost for one mattress per person per year. VASyR data is used to determine the needed quantity per family for cooking gas. Average monthly expenditure on cooking gas coupled with the price of cooking gas is used to estimate the quantity needed. In 2021, the estimated quantity was around 12 kilograms per month (compared to around 14 kilograms in 2020). The SMEB is updated monthly with the most recent official prices on cooking gas in the country.
- Non-food Services:
 - o Clothes: Average expenditure all clothes from the 2021 VASyR was around 4,000LBP per family per month, similar to 2020. This will be updated monthly using the CPI.
 - o Communications: This is one of the components that follows a rights-based approach using the average price needed to keep a phone line

active for one month from the two telecommunication companies in Lebanon. In the MEB, internet cost is factored in as well.

- Rent: Average rent (5% trimmed mean) across shelter types gathered from VASyR is reflected in the SMEB. Previous to 2020, the average rent used was only covering costs of informal settlements, however that was found not to be a realistic approach. Average rent has increased slightly since 2020. Rent in the MEB is only reflective of shelters that are in a ‘good conditions’, meaning that they do not have any adverse structural issues and are not overcrowded.
- Water: Costs if water rely on an expenditure-based approach, including the cost of drinking water and water for domestic use.
- Transportation: The cost of transportation is also estimated using an expenditure-based approach. From the 2021 VASyR, families spent, on average, 19,000LBP per month on transportation, a significant increase since 2020. However, there is still reason to believe that this is underestimated, given recent changes in fuel prices change. Thus, the CPI will be used to update transportation costs monthly. In addition, other sources of data (ex. Post distribution monitoring) may also be used to ensure that the transportation cost reflected in the SMEB is accurate.
- Electricity: Using the VASyR 2021, average expenditure on electricity for families that reported having at least 20 hours of electricity per day (regardless of the source of electricity) was 83,000 LBP per month. Given recent changes in electricity availability and costs, it is likely that this has increased since June. This component will be updated monthly using the CPI data initially. If CPI data is not accurate, alternative sources of information may need to be identified.
- Health: For the SMEB, expenditure among families that accessed primary health care is used while for the MEB a smaller subset of families that also accessed hospital care is used. Both have increased since 2020. During the 2020 review of the SMEB, a rights-based approach to determined health costs was explored and the costs were similar to what is noted through the expenditure-based approach.
- Education: Expenditure data from the 2021 VASyR on education was very low (around 8,000LBP per family per month). This is likely because schools were closed at the time of the data collection. A rights-based approach to education costs is being explored with support from colleagues in the Education Sector.
- Debt repayment: A lengthy discussion was had last year during the review on this component, and it was deemed important to include knowing this population is very much in debt and that debt rates are increasing substantially annually. The cost for debt repayment is estimated using the average unpaid debt per family and dividing it by 12.

- Residency permits: The cost of residency permits is included only in the MEB and the price to renew residency has not changed over the years.
- Looking the overall trends in the SMEB, the largest monthly increase from June to July is noted. The total basket increased by 18%, the food basket has increased by around 23%, the non-food items increased by increased quite substantially (34%) and the non-food services component has increase by 21%.
- Income: The transfer value for MPCA takes in to account some level of income. The estimated income from VASyR was found to be 518,000LBP per household per month (compared to 262,000 LBP in 2020)
- Transfer Value: A request has gone from UNHCR/WFP to the HC/RC and then to requesting a transfer value increase for MPCA up to 800,000LBP per family. The request highlights the new data received from the VASyR 2021 and used to update the SMEB. The current transfer value of 400,000LBP is only covering less than 50%. The food basket is estimated to be over 300,000LBP per individual per month while the transfer value for food remains at 100,000LBP. Within the same request from the HC/RC to increase the MPCA transfer values, a request was also submitted to increase the transfer value for food to 300,000LBP per person per month.

3. Dollarization- Update from Partners

- The two phased approach to Dollarization of cash assistance was presented last month. The first phase will include dollarization of the National Poverty Targeting Program (NPTP) as well as other programs that don't specifically focus on Syrians, including assistance to Palestinian refugees, but also programs outside the NPTP that target Lebanese and Syrians. The second phase will cover cash programs that specifically target Syrians.
- It has been confirmed that the coordination of the dollarization of cash assistance is to take place through the Cash Task Force, under the Humanitarian Country Team. In the meantime, key discussions, namely on the transfer value of MPCA in USD have been initiated within the BA Core Group. The estimated USD transfer value (using the average unofficial exchange rate for August) the recommended 800,000LBP transfer value equates to around 45 USD.
- Under the BA sector, three partners have begun disbursing cash assistance in USD. UNICEF, who launched their Haddi program in June, UNRWA MPCA to Palestinian refugees from Syria, and the Lebanese Red Cross (LRC) who target both Lebanese and Syrian under their MPCA program.
- Updates from UNRWA (presented by Aoife Keniry):
 - UNRWA has been exploring dollarizing assistance since January. The re-tender for the financial service provider took that into consideration (Liban post and Credit Libanaise). Payments have been made in USD to both Palestinian Refugees in Lebanon (PRL) and Palestine Refugees from Syria (PRS) in July.
 - Extensive discussions were had with Liban post around the availability of dollars which delayed the process. A lot of work was done around validation and physical presence of beneficiaries as well as ensuring

distribution sites were safe from a protection perspective. So far, no issues are reported, noting that the beneficiary's population is smaller and more concentrated. However, moving forward more payments are planned to a larger number of PRL (under 18s, disabled and elderly). Access issues are being explored with the protection team given the larger number of people, larger amounts of cash and the changing security context. For Palestine refugees there are informal exchange processes that take place in camps and people have said that they are more content with receiving USD than LBP. The physical safety of PRS was a concern, given the wide public availability of information on assistance packages, however, thus far, monitoring results (from a sample of 500 PRS) have shown there have not been any security issues and people have been able to exchange at the daily rate. Packages include two values for PRS (100USD from Madad project and 100,000LBP for cash for food, supported by WFP). For PRL, 27USD is provided quarterly as part of the social safety net program, noting that the cash for food component and the safety net component are below the needs due to funding gaps. A recent high frequency monitoring survey shows that 80 to 90% of PRL are now in extreme poverty.

- *Updates from the Lebanese Red Cross (presented by Hikmat Al Amine):*
 - o LRC has been exploring dollarizing assistance from the beginning of the year while also advocating for an increase in the transfer value. The main driver that influenced the decision for LRC to dollarize assistance was findings from an impact evaluation of the cash projects where a positive impact of assistance was almost non-existent. Thus, an internal decision was taken to move forward with dollarization, starting with tendering for a new financial service provider. Through the new agreement with the Banque Libano-Française (BLF) cards were set to have a dual currency, and can be used at POS, ATM of both allowing for flexibility to adapt to any changes.
 - o Due to a small caseload of less than 3,000 households (equally split between Lebanese and Syrian) dispersed over multiple areas, protection concerns are less extreme than other agencies. The transfer value provided is 75 USD per household per month, calculated to cover the full SMEB and using the average black-market rate. LRC is currently in the process of conducting retro-active payments and thus households are receiving two payments in one loading (150 USD).
 - o So far, no protection issues or challenges are reported. LRC has a strong field presence through well-known centers across Lebanon. A Post Distribution Monitoring (PDM) has been tailored specifically for dollarization and will be conducted soon, the results of which will be shared with the Working Group. Areas to explore through the PDM will include perception of non-beneficiaries, pressure from landlords, increases in rent, ways in which beneficiaries are exchanging to Lebanese Pounds and

details on exchange rates. Monitoring through the bank reports show that household have been able to withdraw as little as 20 USD at the ATM. If the PDM presents positive results, LRC will continue to provide cash assistance with this methodology and are open to discussions on transfer values and to align with other cash actors.

- *Updates from UNICEF (presented by Abed Alrahman Faour):*

- The Haddi program, launched in June 2021, was designed to respond to the current economic situation and intends to provide integrated social assistance to the most vulnerable families through our existing programs. The Haddi program served as a pilot program, endorsed by the Resident Coordinator's Office, for the disbursement of cash assistance in USD. The cash component includes a monthly cash transfer, in USD, over a period of six months (potential extension to cover 12 months). The program targets around 70,000 individuals, 30% Lebanese, 20% Palestinian, and 50% Syrians. Transfer values are 40 USD for families that have one child or individual enrolled in UNICEF services, 60 USD for families with two children/individuals, or 80 USD for families that have three or more children/individuals being disbursed though OMT offices across the country. As a pilot for USD cash assistance, UNICEF is monitoring all processes of program implementation with continuous follow up on the developed risk and mitigation plan which includes conducted rapid surveys.
- After 24 hours of the first cash disbursement, a phone survey was conducted with random sample of beneficiaries. Additionally, a mini-PDM was just finalized which included an extended questionnaire of the rapid surveys conducted with a sample of households that redeemed their second. A full PDM is also planned soon with a sample of households that will be receiving the third payment and have successfully redeemed the assistance. An impact evaluation is also ongoing, with a control and treatment group. The baseline survey has already been conducted and the mid-line is expected soon.
- The mini-PDM targeted a sample of 362 families that received their second payment with the main objective to evaluate the processes of the program including challenges that were facing during redemption or currency exchange. Results show that the majority (94%) did not face any problems or challenges redeeming assistance from OMT agents. For those that did, the challenges were mainly related to electricity cuts as well as the availability of the small denominations of the USD. These were raised to the financial service provider and families that were not able to redeem assistance are being followed up on a case-by-case basis in order to redeem their assistance. The OMT head office has also contacted OMT agents to ensure the availability of the smaller USD bill denominations throughout the period of assistance disbursement. 12% of the families stated that they were not able to withdraw the full amount of the USD

transfer. Reasons included lack of availability of small denomination of the USD bills at the OMT office. Some beneficiaries were offered to exchange the USD at the market rate at the OMT office. While UNICEF coordinates with the OMT office to only provide the cash in USD, some beneficiaries prefer to exchange to LBP on site to save time and transportation costs. Whether families withdraw their assistance directly in LBP or exchange the USD at the OMT office is not a concern since they are able to access to equivalent amount in LBP at the market rate. For cases that received USD from the OMT office, over 75% are exchanging to LBP (at OMT or exchange office). Around 10% did not feel safe when redeeming assistance mainly due to distance to get to the exchange office, crowded conditions or feeling threatening by the community. These cases will be contacted to understand further details.

- For those cases that went to an exchange office to exchange the USD to LBP, two cases stated that they faced minor issues getting the market rate. 12% of families reported that the OMT office was a bit crowded, and UNICEF is currently working with OMT to solve this issue. The caseload is being staggered to avoid crowding and mitigate any potential tensions.
- Beneficiaries are not required to pay any fee when redeeming assistance, UNICEF pays any fee on behalf of the beneficiaries and this they are able to redeem the full amount of assistance.

4. WFP situational Analysis (presented by Abdallah SOUHANI)

- A decreasing trend of food imports continues since 2019. Compared January and July 2021 to the same period in 2020, a 16% further decrease of the weight of unloaded food is noted. The main decreases are happening within the edible vegetable category (41% decrease), live animals (21% decrease) and sugar and confectionery (19% decrease).
- Based on the WFP contracted shops stock levels, nearly 86% of the shops still had more than two weeks of stock coverage, and were still able to basically restock,. The food import decreases has namely had an impact on the brand diversity of certain products, which has decreased.
- At the beginning of this month, product availability and delivery at WFP contracted shops remained stable. 94% of shops were able to receive their order within a week and 74% reported suppliers delivering the full order quantities. However, and with the latest further electricity outages and the more severe fuel shortages, retail shops across the country have been affected. Shops have been turning off their refrigerators to save on diesel consumption. The head of the Syndicate confirmed that supermarket owners have been decreasing the demand for fresh products such as fresh meat and cheese. The Food Importers Syndicate also raised the alarm over the availability of diesel. First, affecting the distribution to supermarkets and also affecting the availability of products that require refrigeration. Th supply chain has been affected by the fuel shortages with regard to delivery, for example, with bottled water where there has been a decrease in the ability to distribute the needed quantity in the market.

- Informal market exchange rate: High volatility noted following the resignation of the former Prime Minister, the new nomination, and other political developments. Since mid-July, the LBP has been trading around the 19,000 LBP/USD. Other rates remain stable with regard to the withdrawal from non-fresh dollar account (3,600LBP/USD) and no new updates on the implementation of Circular 158 which was previously for the withdrawal of some USD amount in the banks.
- SMEB: The revised food SMEB stands at roughly 350,000 LBP by July, a 30% increase from the month of June and a staggering 557% increase since October 2019. By the week of August 9th, from preliminary data, the basket has continued to increase reaching roughly 384,000 LBP per person. The non-food items basket has increased by 32% since June reaching 540,000 LBP registering a 525% increase since the start of the crisis. Based on weekly preliminary data, the non-food basket is at roughly 620,000 LBP by the first week of August.
- Subsidization rates: The Central Bank announced that they cannot continue subsidizing fuel imports, and that they would be providing the needed currency for import at the market trade. However, following exchanges between them and the government was decided that a fund of 225,000,000 USD would be opened by the Central Bank for the government, and the government would cover that amount in their treasury for next year. This amount would be used to cover the difference between the new subsidization rate of 8,000 LBP and the market rate only until the end of September. Prices of all combustible fuel including gasoline, diesel, cooking gas have increased by roughly 66%.
- Latest updates: Media coverage regarding the Financial Support Card, previously approved by the Parliament at the end of June, indicates that it would cover an amount of up to 126 USD and 500,000 families. However, further details were revealed, through the media, around how that amount was calculated- 15 USD per person, capped at six per family, with an addition 25 USD top-up and 11 USD for families with a member above 75 years old. Details are not officially confirmed, and information is received through various media outlets.
- A potential plan for assistance for electricity is being discussed with the provision of natural gas from Egypt to Jordan, which would then produce further electric output and then transmitted to Lebanon. As well as the transfer of some of that natural gas directly to Lebanon that could be used in some stations to produce further electricity. Timeline and source of funding have not been confirmed.
- A decision was taken to increase the daily transportation allowance public sector employees to 24,000 LBP (previously at 8,000 LBP).
- Price of bread has further increased with the latest increases in the price of combustible fuel. The large package of bread can go up to 5,000 LBP (depending on the point of sale)- a 233% increase since June 2020.

- *Challenges from partners related to fuel and electricity shortages:*
- One of the main challenges that's being reported from the beneficiary perspective is the increased transportation costs or the difficulty to find transportation to distribution sites or ATMs.
- Inputs from UNHCR: LOUISE financial service provider have reduced the operating hours of certain number of ATMs, leaving only five hours of operation for beneficiaries. In addition to that, in many other locations, ATMs are running out of power making it even more difficult for beneficiaries to develop strategies on how to redeem their assistance. Situations have become evident where refugees are handing over a number of cards to people who are redeeming the assistance on behalf. Some mitigation measures being explored include implementing different modalities (other providers, other types of delivery) in the near future. UNHCR and WFP are also considering loading two months of assistance at once to mitigate overcrowding and transportation costs. Communication lines for that will be shared soon.
- Inputs from ACF: Considering cumulative distribution- loading two months of assistance at once to reduce transportation costs.

5. Winter 2021 Basket and Transfer Value

- The developed winter basket includes both the set of non-food items which includes mainly clothing but also other items like blankets, mats, and mattresses, as well as a second component which includes the cost for heating. The components of the basket were presented in the last BA working group meeting, but the prices were not finalized at that time.
- The non-food component of the basket is presented in USD and LBP using the unofficial market rate. From the list, three baskets are developed in order to prioritize assistance depending on coverage and caseloads. The full basket includes all the non-food items, and a medium and small basket are also suggested. The rationale for cutting down on items included de-prioritizing items that may not need to be purchased every year. For the VASyR 2021, a large number of families reporting having heaters and mattresses. Additionally, and noting that in kind assistance isn't necessarily distributed to everyone, following a storm or flooding, the response is usually to provide in-kind assisted, usually clothes, mattresses, and blankets to make up for any loss of assets.
- For heating costs, the average of different potential heating sources (diesel, wood and gas) is included. From the VASyR 2021, the top three reported heating sources were diesel, wood, and gas. Less than 20%, reported that they didn't have any heating sources. Due to uncertainty in the availability of fuel and gas, it was important to include wood as an alternative heating source.
- The presented price of diesel takes the average of the most recent official prices as well as the black-market rate (provided by UNHCR Supply team). Prices are subject to change as the context changes.
- Wood prices were sourced through consultation with UNHCR field offices. Wood prices, quantities, and types of wood in the different regions were taken into

consideration to develop an average cost. The prices are sourced in LBP and the USD value is calculated using the unofficial exchange rate to calculate that.

- The recommendation for the Transfer Value from the Sector perspective is to cover at least three months of heating and at most five months of heating. A range of a recommended transfer is provided with the minimum amount just covering heating costs for three months and the maximum amount covering heating costs plus the medium non-food items basket. Cash assistance can be provided as a monthly cash transfer, or as a one-off lump sum at the beginning of winter (around October/November) and this helps families prepare for the coming months ahead. The minimum transfer value recommended is 47USD per month or 147 USD covering three months.
- After the sector mapping exercise earlier in July, three partners have confirmed winter cash assistance programs. For winter, all populations living in poverty are targeted for cash. UNHCR targets all Syrians families living under the MEB (around 270,000 families) and 30,000 Lebanese families. Other agencies will also be supporting both Lebanese and Syrian families.
- A booking system will be set up on RAIS, similar to what is in place for MPCA, for winter cash assistance to avoid overlap and duplication. UNHCR will begin booking cases for assistance in mid-September, starting with families who do not receive regular cash assistance throughout the year. In order to give priority to the smaller NGOs to cases need to be booked before the 15th of September.
- A number of agencies that have also indicated plans for in-kind assistance. Some are already planned while some flagged that in-kind is provided on an ad-hoc basis following storms.
- A drafted sector guidance note on winter cash assistance will be shared with BA Sector members.

7. Update on the Protection Risk Analysis (PRA)

- Following the different consultations at the field level, the BA core group and the BA working group earlier in the year, BA coordinators have been working closely with the Protection Sector to move forward with the PRA. The Protection Sector have been supporting to prioritize risks looking anecdotal evidence as well as Protection Sector overall priorities. Thus, risks were prioritized as high, medium, or low.
- Several high priority risks are addressed through the mainstreaming of the Prevention of Sexual Exploitation and Abuse (PSEA) that is on-going through the identification of two PSEA BA focal points. Work that will soon be launched through the M&E taskforce will also feed into some mitigation measures identified in the PRA as well as on-going work on strengthening referrals. Some of the risks identified as high priority require support from the Protection Sector in terms of dissemination of training material, assessing what kind of trainings are needed and participation in the BA M&E Taskforce.
- The updates BA PRA matrix will be shares with BA members. This will include details on actions taken so far as well as any identified next steps. Any feedback or additional suggestions are welcome.