



| Basic Assistance Working Group Meeting: March 2021- Minutes of Meeting | | | |
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| Date | 19/3/2021 | Time | 10:00am |
| Facilitators | Ruba Cheaib | Duration | 2 hours |
| Minutes Prepared by | Ruba Cheaib | | |
| Agenda | <ol style="list-style-type: none"> 1. Sector Updates: <ol style="list-style-type: none"> 1. Update on dollarization discussions 2. Assistance- February 2020 3. Coverage of MPCA and transfer value 4. Economic indicators 2. LOUISE Operational Updates 3. WFP RAM Situational Analysis 4. BA Research Questions 5. BA LRCP COVID19 Business Continuity Plan | | |
| Agencies represented | <p>Action Against Hunger (ACF); Agency for Technical Cooperation and Development (ACTED); Arcenciel; Arci Cultura e Sviluppo (ARCS); Armadilla; Cash Monitoring, Evaluation, Accountability and Learning Organizational Network (CAMEALEON); Care International in Lebanon; Caritas Austria; Caritas Lebanon; Caritas Switzerland; Danish Refugee Council (DRC); Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ); ECHO; EU; Foreign, Commonwealth & Development Office (FCDO); German Embassy; Gruppo di Volontariato Civile (GVC); HelpAge International; Humanitarian Corridor - Fédération de l'Entraide Protestante; Inter-Agency- UNHCR; International Committee of the Red Cross (ICRC); International Rescue Committee (IRC); International Organization for Migration (IOM); Intersos; Islamic Relief Worldwide- Lebanon; Lebanese Red Cross (LRC); Lebanon Humanitarian INGO Forum (LHIF); The Lebanon Protection Consortium (LPC); LOUISE Agencies Representative; MERATH; Ministry of Social Affairs (MoSA); Nusaned; OCHA; Oxfam; Relief International (RI); Save the Children (SCI); Secours Islamique France (SIF); SHEILD; Son of Man Association; Son of Man Association; UNDP; UNHCR; UN Women; WFP; World Bank</p> | | |

1. Sector Updates

a. Update on dollarization discussions

- Discussions around dollarization of aid have been led by the Resident and Humanitarian Coordinator in Lebanon (HC/RC). The HC/RC, with a group of donors and the World Bank, requested for a Value for money, economic and risk analysis of the currency of disbursement of humanitarian aid to Lebanon.
- This comes from the very pressing concern of currency fluctuations and exchange rates and the impact that is having on humanitarian and development funds in the country. This analysis outlined the preferred solution of dollarizing direct cash assistance to Lebanon.
- This decision has been formalized in a letter, from the HC/RC, the donor group, and the World Bank, that was sent to the government of Lebanon, pending a written response.
- In order to ensure that this transition happens successfully there has been a risk and mitigation measure analysis drafted focusing on programmatic operational and protection risks of possible dollarization of aid. The analysis focused on direct humanitarian cash assistance. the drafting team composed of UN agencies, LHIF, LHDF and various representatives from different embassies and development offices.
- Partners have fed into this risk and mitigation measures analysis whether directly to the HC/RC, through LHIF or LHDF, or through specific meetings held under the HC/RC leadership. Thus, there is a general consensus that this analysis is inclusive and reflects the views of implementing actors. If any partner has not had the chance to feed into this analysis or is concerned that their inputs are not reflected, please reach out to Ruba Cheaib to take that forward. Once finalized, the analysis will be shared back with the Humanitarian Country Team on April 2nd for further guidance on next steps.
- Priority areas that have been identified to take the discussion forward include community consultations and discussions around transfer values.
- The need to have consultations with the community has been highlighted as a key step in the risk and mitigation measure analysis. The protection sector will serve as the focal point for these discussions, while being inclusive of other sectors as well. The initial phase will include designing the consultations and agreeing on what information would need to be gathered. The consultations will include both potential recipients and non-recipients, paying attention to persons with specific needs, elderly and other specific profiles.
- The second priority area around transfer values includes understanding risks and potential concerns that come out of transfer value setting and how transfer values would be adjusted in the event of switching to USD disbursement. The Basic Assistance (BA) sector will be heavily involved in these discussions given the obvious implications on interventions under the Sector and challenges the Sector is already facing with Transfer Values.

- It has been flagged and acknowledged that the bulk of direct cash assistance in Lebanon is being coordinated under the Lebanon Crisis Response Plan (LCRP) and the BA sector is one of the largest sectors with cash-based interventions. No decisions have been made regarding transfer values in USD for any of the cash-based interventions (multi-purpose cash assistance, cash for work or others).
- While some donors have already approached partners to make the shift to USD, however it is very important that we maintain a joint and harmonized approach. Preliminary discussions are starting on March 24th and once there is more clarity on the process moving forward, it will be communicated to partners widely. There is no set timeline on when the shift in currency disbursement would occur.
- There is effort being made to start incorporating this into the overall LCRP Business Continuity Plan (BCP) which will include engaging in larger consultations on the topic.

b. February 2021 Assistance Summary (Activity Info)

- Around 90,000 households receiving multi-purpose cash assistance (MCPA), 80,500 of which were Syrian, 1,400 Lebanese and 8,000 Palestinian refugees from Syria. Around 52,000 Syrian families received winter cash assistance in February 2021 while 200 Lebanese families received a winter cash transfer. Agencies that had ongoing winter cash assistance programs in February included UNHCR and the Lebanese Red Cross.
- Through UNICEFs integrated child well-being program around 6,000 children received social grants. UNICEF's year-end one-off social grant covered around 15,000 children in February.
- Through in-kind assistance around 15,000 blankets, 3,000 mattress, 2,000 clothing kits and 8,500 other non-food items were distributed.

c. Coverage of MCPA to Syrians and transfer value

- Starting March 2021, UNHCR and WFP had expansions to their caseloads and started assisting a higher number of families with MCPA. In April, some NGOs will also launch cash programs under the Sector.
- It is expected that around 138,000 Syrian families will be assisted, constituting 51% of those estimated to be extremely poor. As per the 2020 Vulnerability Assessment of Syrian Refugees (VASyR), 89% of the population are living in extreme poverty or under the survival minimum expenditure basket (SMEB). This is estimated to equate to 267,000 families. Thus 129,000 families that are extremely poor are not receiving multi-purpose cash assistance.
- The SMEB value as of December 2020 is estimated at around 1,500,000LBP/month/family of five. This includes both the food basket and the non-food basket. The transfer value for MCPA focuses on the non-food portion of the SMEB which is estimated to be 890,000LBP/month/family of December 2020.

- Food assistance in the form of cash from WFP reaches around 170,000 households (over 1,000,000 persons). Some families that receive MPCA are not currently receiving food assistance while some of the MPCA assisted families are receiving food assistance.
- Taking in to account a household's level income value of 200,000LBP/month and the current MPCA transfer value of 400,000LBP/month, a gap of 290,000LBP in the coverage of the SMEB remains. This is assuming the food basket is fully covered.
- As mentioned in the last BA working group meeting, UNHCR and WFP submitted a formal request to the Ministry of Social Affairs (MoSA) to increase the monthly transfer value for MPCA. However, there are conflict concerns when increasing the transfer value beyond the 400,000LBP/month as the Lebanese population remains largely unassisted.
- With the situation escalating in this way, negotiations and discussions on transfer values remain a high priority for the Sector.

d. Economic indicators

- Over the past week, the exchange rate has reached near 15,000LBP/USD, followed by roadblocks and protests. As the exchange rate is going up, purchasing power of cash assistance beneficiaries is going down.
- Last year, a dedicated form on Activity Info had been set up to track exchange rates that partners have secured with their financial service providers (FSPs). This form is separate from the Activity Info form used to report progress on BA interventions.
- Reporting on BA Activity Info database in is USD while disbursement is happening in USD. Thus, tracking partners exchange rates with providers is important to better understand the LBP monetary amounts of assistance while also keeping track of different rates used by different FSPs.
- Latest data on the Consumer Price Index (CPI) covered December 2020 (presented in detail at the February BA working group meeting). Annual change in the CPI from December 2019 to December 2020 was registered at 146% and the monthly change from November to December 2020 at 8%.
- Figures presented for the SMEB cover costs up till December 2020, as some components of the basket rely on CPI data for adjustments and update. The food and non-food basket are monitored a monthly basis through WFP price monitoring and this more recent updates are available. A dashboard presenting the details of the SMEB monthly monitoring is being developed.

2. LOUISE operational updates

- Exchange rate through LOUISE FSP stands at 6,240LBP/USD.
- For UNHCR and WFP MPCA and cash for food, in the North and Bekaa, loading as staggered over eleven days while in the South and BML, over eight days. WFP food voucher assistance is staggered over four days. No loadings are occurring over the weekends.
- Regular ATM monitoring is being conducting by UNHCR, WFP and UNICEF partners and field teams. In the North, the Lebanese Red Cross (WFP

partner) has secured a security company for ATM monitoring and crowd control.

- Total number of ATMs by the FSP stands at 12, with some new ATM installations in the pipeline in the North, Bekaa and South.
- Almost all redemption occurs through BLF ATMs with the number of banks accepting LOUISE cards decreasing to four. Total redemption rate: 96%.
- UNHCR has increased their multi-purpose cash assistance (MCAP) program caseload by 31,000 households whom were previously un-assisted.
- WFPs overall caseload, across all programs has increased from 825,000 to 847,000 individuals. A further increase to reach 900,000 individuals in March and 971,000 individuals in April. Multipurpose cash (MPC) caseload aims to reach around 63,000 households by April 2021.
- A total increase of 12,000 households to MPC and MCAP through the GRM is expected.
- Transfer values for MCAP/MPC and cash for food remain stable at 400,000LBP/month and 100,000LBP/person/month, respectively.
- UNICEFs Integrated Child Wellbeing Program transfer value increased to 380,000LBP as of February 2021.

3. WFP RAM and Retail/Supply Chain Unit- Situational Analysis

- Key highlights on food security in Lebanon: At least 20% of the Lebanese population is food insecure. Food insecurity among Syrian refugees has increased by 20% since 2019. Rising unemployment was key reason that both Lebanese and Syrians are falling deeper in the food insecurity.
- Supply chain updates: Data from the Port of Beirut shows a decrease of 6% in imported food goods comparing 2020 to 2019. Looking at the period following the Beirut Blast in August 2020, a decrease of 22% is noted comparing August 2020 to February 2021 to the same time in the preceding year and a 31% decrease comparing February 2021 to February 2020.
- Wheat imports: A small decrease in wheat imports is noted comparing August to February of 2019 and 2020 (4%). Examining February 2021, wheat imports decreased by 38% compared to the same time in 2019. Wheat continues to be subsidized at the rate of 1,015LBP/USD.
- Stock coverage at WFP contracted shops: Data is based on a network of more than 400 WFP contracted shops across the country. While the trend had been stable in last quarter of 2020, a small decrease is noted towards the end of February due to the COVID-19 related lockdown measures that were put in place across the country. During the week of March 15th, supplies also decreased due to road blockages and exchange rate fluctuations which preventing suppliers from delivering goods. As of March 15th, 85% of shops had a stock coverage of more than two weeks. The head of the syndicate of food importers announced that stocks in warehouses will cover two months. 51% of shops reported having scarcity in subsidized products and while 59% of shops reported that suppliers were accepting

new orders for subsidized products, no shops reported that they had received their full order.

- Exchange rate: The LBP to USD exchange rate reached 15,000LBP/USD earlier in the week and has since decreased to around 11,000LBP/USD. The circular allowing the 3,900LBP/USD for withdrawal of USD at Lebanese is set to end as of end of March. A meeting will be held next week, regarding the extension. At the beginning of March, 47% of WFP contracted shops were being charged at an exchange rate above 10,000LBP/USD. In the second week of March, all shops were being charged more than 10,000LBP/USD.
- Monthly monitoring of the food SMEB: By February 2021, the price of the revised food SMEB was at around 156,000LBP (up by 32% since August 2020, and 12% since January 2021). Preliminary weekly price data shows an 8% increase between mid-February and mid-March and a 2% increase between the 1st and the 8th of March.
- Monthly monitoring of the non-food SMEB: By February 2021, the price of the revised non-food SMEB was at around 242,000LBP (up by 18% since August 2020, and 3% since January 2021). Preliminary weekly price data shows an 9% increase between mid-February and mid-March and a 3% increase between the 1st and the 8th of March.
- Subsidies Latest Developments: In an interview with Bloomberg, the Finance Minister indicated that the remaining reserves are at USD16 Billion, of which USD1-1.5 Billion can be used for subsidies- enough to cover two to three months at the current rate (~USD500Million/month). The finance minister also indicated specific food item subsidies that would be removed, while also indicating to lower the fuel subsidies. The parliamentary committee has approved (pending approval from the full parliament) a USD200Million advance expense to buy fuel of electricity, covering around two months. Bread prices remain fixed; however, the weight was lowered leading to a 67% increase in price since June 2020 coupled with a weight decrease of 13%. With the removal of subsidies, bread prices are expected to increase by 1.5 to 4 times to current price. Prices for combustible fuel could rise by up to 5 times the current price. The cost of the subsidized food basket and medical supplies could increase to more than 4 times their current rate.
- Latest prices on combustible fuel: Between December 2020 and March 2021, gasoline prices have increased by 60%, diesel by 71% and cooking gas by 51%.

4. BA Research Questions

- The compilation of research questions is an initiative set up through the Inter-Agency and inter-sector coordination teams under the LCRP. The aim is to identify evidence and knowledge to ensure that any research conducted is prioritized and guided in a way to be most impactful and address what Sectors have identified as gaps and needs. Throughout 2019, around 100 research questions had been collected covering inter-sectoral,

cross-sectoral, and sector-specific areas of interest and are available online via the Inter-Agency Information hub. Scope of research questions vary from strategical questions, verification of certain assumptions and impact or evaluation research questions.

- The latest review of research questions for the basic assistance sector occurred in late 2019 and thus it is important that research questions are updates to ensure that the scope reflects the needs of the Sector.
- These research questions serve as a resource for research institutes, entities or academics looking to conduct research under the scope of the LCRP and related responses.
- Currently, five research questions are listed under the BA sector that were developed in 2019 and open for review. The review of these questions can suggest needed changes to the scope of the question, determine the relevance and also propose any new research questions.
 - o 2019 research questions and reflections:
 - *What is the impact of Cash Based Interventions under the Sector on local economies?* The latest research done on this topic was conducted in 2015.
 - *Two current questions on the impact of interventions on families. One focusing on contributions to better protection outcomes and the other looking to examine ability of assisted families to meet their needs.* A number of research studies has been conducted examining the impact of cash assistance on families in past year, however, the context has changed significantly so perhaps these topics remain relevant.
 - *The third research question examines profiles of vulnerability in relation to eligibility for social safety nets and graduation.*
 - *The fourth question looks at assessing the effectiveness of the targeting approach in identifying levels of vulnerability.* This question focuses specifically on the econometric model for targeting. There has been substantial evidence to show the effectiveness of the model, as part of the overall research to test the validity of the approach.
 - *Recommendation from discussion:* understanding debt dynamics and MPCA impacts.

5. BA LCRP COVID19 Business Continuity Plan (BCP)

- The BCP is a document that reviews the impact of the ongoing COVID-19 situation on LCRP operations while outlining operational risks and critical activities. The BCP is updated and reviewed regularly. It is also used for advocacy with authorities to define critical activities that need to be maintained during periods where COVID-19 related restrictions are in place across the country.
- Next week marks the start of the fourth phase of the national lockdown where restrictive measures will substantially be eased.
- Outlined under the BA sector in terms of the impact on the operating environment includes:
 - o High levels of poverty, coupled with limited income opportunities

- Overcrowding and tensions at ATMs and long travel time to reach ATMs.
- Gaps in assistance leading to large number of vulnerable families not receiving assistance, specifically for Lebanese.
- Lifesaving interventions that are listed under the basic assistance sector include card distributions, ensuring access to and replenishment of ATMs, monitoring prices, and in-kind distributions. ATM monitoring is not explicitly stated in the BCP currently- this will be updated in the next revision.
- No additional activities were flagged by participants to be included in the BCP.