



December 2020

Research Report

# PINNING DOWN MOVING TARGETS

**ADAPTING HUMANITARIAN CASH  
PROGRAMMES TO THE MULTI-PRONGED  
CRISES IN LEBANON**

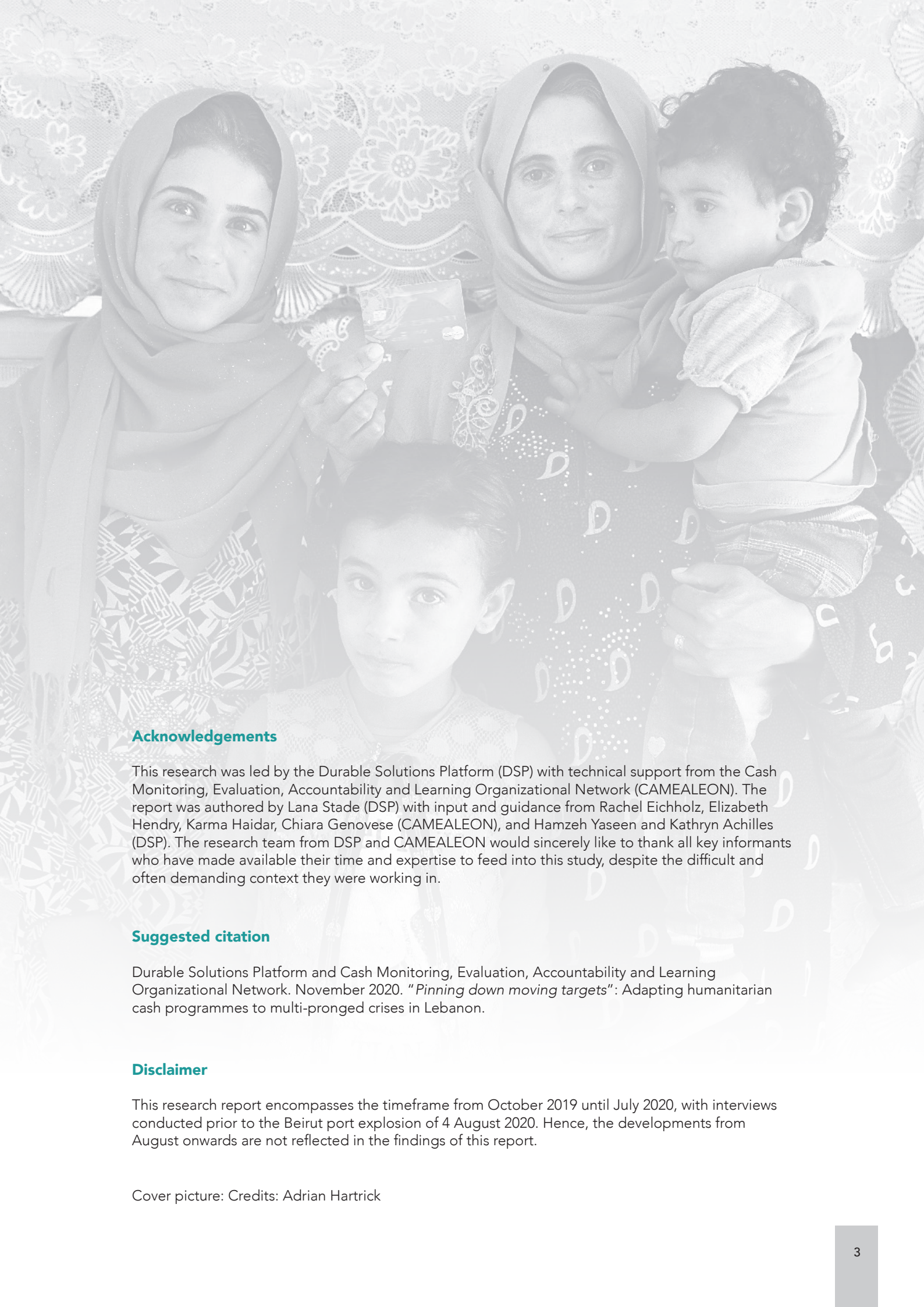
The Durable Solutions Platform (DSP) aims to generate knowledge that informs and inspires forward-thinking policy and practice on the long-term future of displaced Syrians. Since its establishment in 2016, the DSP has developed research projects and supported advocacy efforts on key questions regarding durable solutions for Syrians. In addition, DSP has strengthened the capacity of civil society organizations on solutions to displacement.

CAMEALEON is an NGO-led network, co-managed by the Norwegian Refugee Council, Oxfam and Solidarités International. The purpose of CAMEALEON's work is to conduct independent research and analysis in support of the World Food Programme's multi-purpose cash programme for Syrian refugees in Lebanon, as well as a contribution to wider cash-related learning. CAMEALEON's partners include the American University of Beirut (AUB), Economic Development Solutions (EDS), Ground Truth Solutions (GTS), the Overseas Development Institute (ODI) and the Cash Learning Partnership (CaLP).



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### Disclaimer

This research report encompasses the timeframe from October 2019 until July 2020, with interviews conducted prior to the Beirut port explosion of 4 August 2020. Hence, the developments from August onwards are not reflected in the findings of this report.

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## LIST OF ACRONYMS AND ABBREVIATIONS

ATM – Automated Teller Machine

BA – Basic Assistance

BAWG – Basic Assistance Working Group

BDL – Central Bank of Lebanon - Banque du Liban

BLF – Banque Libano-Française

CAMEALEON – Cash Monitoring, Evaluation, Accountability and Learning Organizational Network

CAS – Central Administration of Statistics

COVID-19 – Coronavirus disease of 2019

DSP – Durable Solutions Platform

ECA – Emergency Cash Assistance

FGD – Focus Group Discussion

ILO – International Labour Organization

INGO – International Non-Governmental Organization

ITS – Informal Tented Settlement

LBP – Lebanese Pound

LCRP – Lebanon Crisis Response Plan

LOUISE – Lebanon One Unified Inter-Organisational System for E-card

MPC/MCAP – Multi-purpose cash assistance programme

MEB – Minimum Expenditure Basket

MPC – Multi-purpose cash

NFI – Non-food item

NNGO – National Non-Governmental Organization

NPTP – National Poverty Targeting Programme

PCAP – Protection Cash Assistance

PDM – Post-Distribution Monitoring

PRL – Palestine Refugees from Lebanon

PRS – Palestine Refugees from Syria

SDC – Social Development Centre

SGBV – Sexual and Gender-Based Violence

SMEB – Survival Minimum Expenditure Basket

SOP – Standard Operating Procedure

UN – United Nations

UNHCR – Office of the United Nations High Commissioner for Refugees

UNRWA – United Nations Relief and Works Agency for Palestine Refugees

USD – United States Dollar

VASyR – Vulnerability Assessment of Syrian Refugees in Lebanon

WFP – World Food Programme

WG – Working Group

## EXECUTIVE SUMMARY

**With over one million Syrian and Palestinian refugees estimated to seek refuge in the country, Lebanon has the highest per capita proportion of refugees in the world,<sup>1</sup> coupled with one of the most advanced humanitarian cash responses globally.** Whilst most humanitarian responses across the globe are having to navigate the impact of the Coronavirus pandemic, in Lebanon the challenges related to COVID-19 emerged on top of an unprecedented protest movement, political instability, and a rapid deterioration of the economy leaving it near the point of collapse. This has led to a major deterioration in the situation for Lebanese, migrants and refugees alike, with about half of all Lebanese estimated to be under the poverty line,<sup>2</sup> and a reported increase in social tensions.<sup>3</sup> Some of the most fundamental programmatic assumptions of humanitarian cash assistance in Lebanon, a functioning banking sector and a lack of access issues, have been operationally tested over the past 12 months.

**Moreover, as Syrians' displacement is increasingly protracted and soon reaching its tenth anniversary, it has become critical to explore the most optimal and conflict-sensitive approaches to assisting severely vulnerable refugees, while at the same time supporting the scale up of assistance to vulnerable Lebanese and building a social protection framework for Lebanon.** In response to the economic crisis and the COVID-19 outbreak in Lebanon in 2020, cash-based assistance modalities have emerged as a particularly key intervention for supporting displacement-affected populations. It is important to capture learning, not only to help equip the Lebanon response going forward in a difficult operational and socio-economic climate, but also to contribute to global learning about cash programme adaptations to economic and health crises and to do so in a manner that supports future sustainability of social protection systems.

**This report documents and assesses collective learning and decision-making on the adaptations of selected multi-purpose cash (MPC) and protection cash programmes in Lebanon in light of the economic challenges and COVID-19 response.** The report draws on the perspectives of a combination of response actors, including United Nations (UN) agencies, international non-governmental organizations (INGOs), national non-governmental organizations (NNGOs), donor agencies and response coordinators. The research findings and recommendations presented in this study draw on available literature and 36 key informant interviews (KIIs) conducted between 26 May and 27 July 2020.

**Overall, this research indicates that cash programmes under the Basic Assistance (BA), food security and protection sectors have successfully mitigated a number of challenges.** This includes mobility restrictions as a result of the protest movement starting October 2019, banking and economic challenges including the devaluation of the Lebanese pound (LBP), challenges to withdraw cash and COVID-19 starting February 2020. Cash programmes have proven resilient and relevant in the Lebanese context. The most notable examples of cash adaptations for MPC included negotiating preferential exchange rates with financial service providers; staggering transfers and deploying field staff at ATMs for monitoring and crowd control; adding new ATMs in not well-serviced geographical areas; and increasing regular monitoring of prices of food and commodities. Notable adaptations for protection cash included revising the targeting criteria, flexibility in cash disbursement including cash in envelopes and scaling up emergency cash assistance (ECA) and Protection Cash Assistance (PCAP), as well as increasing the transfer values of PCAP.

Cash programmes have proven their relevance to support beneficiaries' dignity in displacement by helping them meet basic needs and avoid evictions. In the words of a donor respondent, "*Cash has been a life-saving tool for beneficiaries [...]. It would have been catastrophic if we did not have cash programmes.*"<sup>4</sup> **However, a closer analysis reveals a number of overarching challenges experienced by cash programmes, which they will arguably continue to face over the short- and medium-term.** A key consideration relates to the extent to which the transfer amount is

1 UNHCR. 2020. UNHCR Lebanon at a glance. Available at: <https://www.unhcr.org/lb/at-a-glance>

2 World Bank. 2019. World Bank: Lebanon is in the Midst of Economic, Financial and Social Hardship, Situation Could Get worse. Available at: <https://www.worldbank.org/en/news/press-release/2019/11/06/world-bank-lebanon-is-in-the-midst-of-economic-financial-and-social-hardship-situation-could-get-worse>

3 UNDP and ARK. 2020. Social Relations and the Tensions Landscape in Lebanon. Nationwide results. Tensions Monitoring System. September 2020.

4 Virtual interview with a donor respondent, July 2020

actually responding to needs of beneficiaries. Ensuring that the cash amount is as meaningful as possible ideally requires a review of the Minimum Expenditure Basket (MEB) and Survival Minimum Expenditure Basket (SMEB). Moreover, decisions around moving towards horizontal or vertical cash expansion in a context with increasing poverty, needs and risk of social tensions and hyperinflation is a timely concern, which involves difficult trade-offs. Experience from Lebanon has shown that a careful balance between both approaches has been the most appropriate way forward so far.

Prior to 2019, Lebanon's banking sector had been considered well-functioning and conducive for supporting a large-scale humanitarian cash response. **The rapid deterioration of the banking sector and economy in the last quarter of 2019 led many cash actors to reflect on how to best adapt to and mitigate banking sector issues to not only sustain existing caseloads, but also to scale up cash-based programming as needs increased.** Interview respondents emphasized the need to ensure strengthened mitigation and contingency plans for cash disbursement modalities. Whilst there has been a growing focus on orientating assistance to a more holistic package of services that meet refugee basic needs, humanitarian actors are still struggling to articulate what this could look like in practice. Over the medium-term, analysis of the needs of Lebanese along with other vulnerable groups will be critical to assess in order to address them in a more holistic and conflict-sensitive manner.

**Protection cash plays a strategic role in filling gaps that emerge from the larger multi-purpose cash assistance programme (MPC/MCAP), as it can help capture non-assisted families and prevent or address protection-specific risks such as evictions.** However, in a context with increasing socio-economic needs, the specific role of protection cash – and the linkages between protection cash and MPC – need to be better articulated. In addition, while cash programmes are relevant, non-cash programmes – which constitute around two thirds of the humanitarian response – continue to fill critical gaps. Going forward, cash and non-cash programmes should better complement each other through expanded 'cash plus' or integrated programmes that address needs in a more holistic manner. More strategic thinking is needed to make cross-sectoral linkages that can enable more integrated approaches to self-reliance and job creation possible.

**In this difficult time for many people in Lebanon, cash assistance is effective in meeting essential needs.** As the Syrian refugee crisis is increasingly protracted, the planning, execution and expansion of social protection interventions that can enable self-reliance, and can support pathways towards durable solutions, are becoming more relevant. While cash assistance by itself is not sufficient to enable an individual or household to become self-reliant, in the medium-term strategic linkages between agencies and sectors should be prioritized to ensure that assistance efforts can meet the multiplicity of people's needs, that could be a springboard for supporting self-reliance. For this, donor funding and flexibility for cash assistance provision remain key. The structural nature of the crises in the country means that the Government of Lebanon (GoL) needs to articulate a clear vision and take the lead in responding to the situation on the ground. Collective learning from the humanitarian response on cash and other services can provide helpful guidance to Lebanese social protection efforts and support some extent of alignment, including to ensure comparability of vulnerabilities and poverty among all population groups in Lebanon, which would help provide a more complete picture of needs in the country.

## INTRODUCTION

As the importance of forging closer links between humanitarian and development programming is increasingly evident, there is growing consensus on maximizing the use of social assistance to provide more effective and sustainable responses to displacement-affected populations. One of primary objectives of social assistance is to reduce poverty and vulnerability by transferring resources, either cash or in-kind, into households. In different contexts around the world, cash assistance – as part of social assistance – has shown its ability to increase self-reliance and support pathways to durable solutions for displaced persons.<sup>5</sup> In Lebanon, the primary purpose of multi-purpose cash assistance (MPC) is to stabilize the situation of refugee families living below the extreme poverty line and to help them meet their basic needs. However, there is also ambition to strengthen linkages between MPC and social protection systems, and orientate MPC assistance to a more social safety net approach by combining it with complementary services.

This report assesses the conditions that provided opportunities and hindrances for adapting cash responses and their effectiveness in Lebanon, documenting and assessing the adaptations made by cash actors during the economic challenges and COVID-19 response until July 2020. It focuses on cash assistance programmes supporting displaced people from Syria - including Syrians and Palestinian Refugees from Syria (PRS), as well as support for Palestinian refugees from Lebanon (PRL) and vulnerable Lebanese where possible. It focuses on programmes in three sectors of humanitarian response: basic assistance, including MPC; food security, primarily cash for food and broader social safety net programmes; and protection, including emergency protection cash (ECA) and protection cash assistance (PCAP).

The majority of Syrian refugees face no viable prospects for a durable solution – safe return and reintegration, local integration or resettlement – to end their displacement in the near future. It is therefore more critical than ever to explore what sustainability of the cash response should look like in Lebanon and how this can be used to maintain pathways to future durable solutions in a deteriorating context. MPC in Lebanon focuses on supporting the most vulnerable Syrian refugee households to have sufficient resources to meet the most basic survival needs, while not even able to reach all of the households that qualify for assistance. Acknowledging the nascent conceptualization of cash as a social safety net, this report takes an active step in supporting the strategic thinking on how cash could be part of more durable social protection systems in Lebanon, and some of the key considerations for the short and medium term.

Cash and vouchers currently represent one third of the humanitarian response in Lebanon.<sup>6</sup> Between January and June 2020, 82,712 Syrian refugee households received monthly MPC and cash for food assistance,<sup>7</sup> while 600 vulnerable Lebanese households received MPC and 15,000 received food e-cards. In addition, 7,924 Palestinian refugee households from Syria received assistance during this time period.<sup>8</sup> This research sets out a number of steps for enhancing cash responses in the short- and medium-term in the country and concludes with a series of recommendations to cash actors, donors and the Government of Lebanon, including with relevance to cash responses in other contexts.

Economic crisis, fuelling protests in October 2019 which toppled the government, COVID-19 and most recently, the explosion in Beirut, have all forced rapid readjustments, real-time learning and increasing demand for support from an increasing number of hugely vulnerable people – both refugees and Lebanese. Cash actors described having to work in and constantly adapt to an uncertain environment. Continuous adaptations to cash programmes, including adapting the transfer value, programmatic adaptations linked to the staggering of payments and increase in number of households in need as well as facilitation to accessing ATMs, have all supported the operational continuation of cash programmes.

5 For more details on this see F. Bastagli, J. Hagen-Zanker, L. Harman, V. Barca, G. Sturge, T. Schmidt, L. Pellerano. 2016. Cash transfer: what does the evidence say? Overseas Development Institute. Available at: <https://www.odi.org/sites/odi.org.uk/files/resource-documents/10749.pdf> and European Civil Protection and Humanitarian Aid Operations (ECHO). 2019. Tools and Methods Series: Reference Document No 26. Available at: [https://socialprotection.org/sites/default/files/publications\\_files/European%20Commission%202019%20Reference%20Document%20No26%20-%20SPaN%20Guidance%20Package%20-%20revised.pdf](https://socialprotection.org/sites/default/files/publications_files/European%20Commission%202019%20Reference%20Document%20No26%20-%20SPaN%20Guidance%20Package%20-%20revised.pdf)

6 R. McCormack, A. Jacobs, G. Smith, A. Chopra, A. Gupta, T. Abell. 2018. The state of the world's cash report: cash transfer programming in humanitarian aid. The Cash Learning Partnership. P. 136. Available at: <https://www.calpnetwork.org/publication/state-of-the-worlds-cash-report/>

7 BAWG Power Point, July 2020

8 This number is extracted from RAIS and refers to UNRWA's MPC for PRS.



The challenges with the banking system in Lebanon, which had come to the surprise of most cash actors, raised the question of rethinking the delivery of cash assistance through traditional banking structures and diversifying this delivery to benefit beneficiaries in the best way possible. The degree of standardization and harmonization in place played an important role in facilitating successful adaptations. In order to contribute to the learning efforts of the broader humanitarian and development response in Lebanon, the Durable Solutions Platform (DSP) with the Cash Monitoring, Evaluation, Accountability and Learning Organisational Network (CAMEALEON) documented adaptations and learning from cash actors during the economic challenges and COVID-19 response. This report is aimed at practitioners and policymakers working on and interested in cash assistance in Lebanon but also more broadly the region and other relevant contexts.

This paper first examines the challenges and subsequent adaptations by cash actors, before examining conditions facilitating and hindering adaptation. It sets out a series of next steps for cash actors and approaches in the context, setting out a series of recommendations for cash implementers, donors, government actors and coordination structures.

### Research methodology

The research took place between April and July 2020 using a qualitative methodology. A total of 36 KIIs were conducted with 40 individuals from the United Nations (UN), international NGOs (INGO), national NGOs (NNGOs), and donor agencies, drawn from three main types of stakeholders; cash programme and humanitarian coordinators, cash programme implementers and donor agencies funding cash assistance programmes, between May and July 2020. Additional secondary literature and documents, including relevant research reports and papers, agency updates, sectoral updates and guidance notes were also assessed and incorporated into the paper.

The research for this paper was concluded in July 2020. On 4 August 2020, a serious explosion of ammonium nitrate in Beirut's port caused widespread devastation across large parts of the city, killing more than 200 people, injuring thousands and causing widespread destruction to homes and businesses already in crisis.<sup>9</sup> While this report does not assess adaptations made as part of the humanitarian response to the blast, the recommendations made in this report were discussed at a validation workshop on 21 September 2020 with 24 cash actors to ensure their relevance in light of the blast response.

## 1. CONTEXT

Lebanon's economic fragility – born of long-term neglect and corruption – deteriorated over the course of late 2018 and into 2019. In 2018, Lebanon had a mounting debt burden of 151% – one of the highest in the world – as well as a large chronic fiscal deficit and high unemployment.<sup>10</sup> The country's dollar-dependent economy has had a consistent capital outflow since 2011,<sup>11</sup> adding strain to the Central Bank's – Banque Du Liban's (BDL) – foreign currency reserves. In October 2019, commercial banks imposed discretionary capital controls and the country's currency, and the LBP lost more than 50% of its value against the U.S. dollar (USD) as the government failed to develop an adequate plan in response to the crisis.<sup>12</sup> Economic growth stagnated as firms either closed or laid off employees, which led to a higher unemployment rate, increase in poverty, and inequality which disproportionately hurt the most vulnerable communities in the country.<sup>13</sup> Simultaneously, the liquidity and banking problems continued to worsen.

Underlying frustration with the government and the political elite had been accumulating for years, with public anger escalating in recent years over electricity and water shortages, as well as the government's failure to manage the country's waste and economic crises. In October 2019,

- 9 B. Hubbard, M. Abi-Habib, M. El-Naggar, A. McCann, A. Singhvi, J. Glanz and J. White. 2020. How a Massive Bomb Came Together in Beirut's Port. The New York Times. 9 September 2020. Available at: <https://www.nytimes.com/interactive/2020/09/09/world/middleeast/beirut-explosion.html>
- 10 Ministry of Finance. 2019. General Debt Overview. Available at: <http://www.finance.gov.lb/en-us/Finance/PublicDebt/PDTS/Documents/General%20Debt%20Overview%20Updated%20as%2031%20August%202019.pdf>
- 11 Blominvest Bank S.A.L. 2020. 'Balance of Payments.' Brite Indicators and Trends. Available at: <https://brite.blominvestbank.com/series/Balance-ofPayments-2535/>
- 12 Durable Solutions Platform and Lebanese Center for Policy Studies. 2020. What Ways Forward for Protracted Displacement in Lebanon? Policy Brief. <https://dsp-syria.org/addressing-protracted-displacement-lebanon-policy-brief>
- 13 Durable Solutions Platform and Lebanese Center for Policy Studies. 2020. Addressing Protracted Displacement in Lebanon: A Medium-Term Outlook for Syrian Refugees and Lebanese Host Communities. Research report. Available at: <https://www.dsp-syria.org/addressing-protracted-displacement-lebanon>

widespread protests took off across the country, which continued into early 2020 in an unprecedented collective move to protest against corruption, failing public services, and a faltering economy.<sup>14</sup> Protesters' long-term demands included more accessible public services; better living conditions including jobs, housing, and social security; and an effective state. Following the Beirut port explosion on 4 August, the Lebanese government announced its resignation on 10 August.<sup>15</sup> Since then, a prime minister designate has abandoned efforts to form a new government,<sup>16</sup> with parliamentary consultations to choose a new prime minister announced to begin on 15 October 2020.<sup>17</sup>

By the end of February 2020, continuing currency fluctuations had led to dramatic price increases for basic goods. Registered unemployment had spiked at around 40% with around 300,000 people newly unemployed in the formal economy alone.<sup>18</sup> In the meantime, discretionary capital controls imposed by commercial banks continued restricting foreign exchange withdrawals, transfers from abroad and withdrawals from personal bank accounts, while transfer interruptions, ad-hoc controls and charges, as well as contradictory bank guidance affected business continuity across multiple sectors.<sup>19</sup> In March 2020, the Lebanese government defaulted – for the first time in its history – on a USD 1.2 billion Eurobond.<sup>20</sup> Since 16 March 2020, the country has been in a state of emergency in response to the COVID-19 pandemic. In mid-April, nearly 90% of businesses, including companies, malls and restaurants were closed.<sup>21</sup>

### The conceptual links between cash assistance and pathways to durable solutions

In contexts of protracted displacement, especially for Syrian and Palestinian refugees, it is more critical than ever to explore how pathways towards durable solutions, including through supporting steps towards self-reliance and resilience, can be supported. The ability to achieve self-reliance can be a crucial stepping-stone to support displaced people's pathways towards durable solution. Self-reliance should not be equated with durable solutions but rather be seen as a step towards achieving progress towards them. While self-reliance is a possible positive outcome for some displaced people given the right policy and practical conditions, it may remain unattainable for others due to pre-existing or displacement-related vulnerabilities such as chronic health conditions, older age or disabilities. Responses to displacement that support pathways to durable solutions enable refugees to support themselves, while strengthening the capacities of host communities.

As the importance of forging closer links between humanitarian and development programming is increasingly evident, there is growing consensus on maximizing the use of social protection systems to provide more effective, efficient and sustainable responses to affected populations in displacement. As the Syrian refugee crisis becomes increasingly protracted, the planning, execution and expansion of social protection interventions that can enable self-reliance are becoming more relevant. Critically, cash assistance by itself is not sufficient to enable an individual or household to become self-reliant, as cash alone cannot alleviate non-financial and structural barriers to the improvement of living standards, and may not achieve positive outcomes when beneficiaries are excluded from quality healthcare, schools, markets, or other services.

In the specific case of Lebanon, multi-purpose cash has as its objective to support the most vulnerable refugee households to meet their basic needs, with the transfer value being calculated

- 14 A. Sleiman. 2019. A Moment for Change: The Lebanese Uprisings of 2019. Democracy Reporting International. Available at: [https://democracy-reporting.org/de/dri\\_publications/a-moment-for-change-the-lebanese-uprisings-of-2019/](https://democracy-reporting.org/de/dri_publications/a-moment-for-change-the-lebanese-uprisings-of-2019/)
- 15 BBC News. 2020. Lebanese government resigns as public anger grows. 10 August 2020. Available at: <https://www.bbc.com/news/av/world-middle-east-53730902>
- 16 BBC News. 2020. Lebanon's PM-designate Adib fails to form new government after blast. 26 September 2020. Available at: <https://www.bbc.com/news/world-middle-east-54307896>
- 17 Daily Star. 2020. Aoun to hold binding parliamentary consultations on new PM next week. 6 October 2020. Available at: <https://www.dailystar.com.lb/News/Lebanon-News/2020/Oct-06/512755-aoun-to-hold-binding-parliamentary-consultations-on-new-pm-next-week.ashx>
- 18 Naharnet Newsdesk. 2020. Report: Unemployment Hits 40% in Crisis-Hit Lebanon. 19 February 2020. Available at: [www.naharnet.com/stories/en/269289](http://www.naharnet.com/stories/en/269289)
- 19 Durable Solutions Platform, Danish Refugee Council, International Rescue Committee, Mercy Corps, Norwegian Refugee Council and Save the Children. May 2020. What next for livelihoods programmes in Lebanon? Responding during economic crisis and COVID-19. Available at: <https://dsp-syria.org/what-next-livelihoods-programmes-lebanon>
- 20 The Economist. 2020. For the first time, Lebanon defaults on its debts. 12 March 2020. Available at: <https://www.economist.com/middle-east-and-africa/2020/03/12/for-the-first-time-lebanon-defaults-on-its-debts>
- 21 Daily Star Lebanon. 2020. Lockdown wreaks havoc on Lebanon's economy. 17 March 2020. Available at: <https://www.dailystar.com.lb/Business/Local/2020/Mar17/502919-lockdown-wreaks-havoc-on-lebanons-economy.ashx>

to meet survival needs only. Moreover, the policies governing Syrian refugees restrict formal employment and financial inclusion, which coupled with the deteriorating economic climate, make progress towards self-reliance more difficult. Going forward, there is a need to document what greater self-reliance for Syrian refugees could look like in the context of restrictive policies, and to explore how cash assistance programmes, combined with additional programme components or linkages to other services, can better support a dignified life in displacement and increased self-reliance longer-term.

Since October 2019, needs among all population groups have been increasing. The situation of Syrian refugees was already dire prior to October 2019, with 78% of surveyed Syrian refugees aged 15 and above not having legal residency when surveyed in April and May 2019.<sup>22</sup> The same assessment reported that Syrian refugees continued to live in conditions below humanitarian standards, and were becoming more economically vulnerable.<sup>23</sup> With an increasingly protracted displacement and a restrictive regulatory framework towards refugees, the humanitarian response has not been able to provide unconditional cash assistance to all Syrian refugee households classed as living under the SMEB. The situation of Palestine refugees from Syria was as dire, with 87% living below the absolute poverty line and 11% below the extreme poverty line, as reported by the socio-economic survey conducted in February 2020.



By Mais Salman/DRC

22 UNHCR, UNICEF and WFP. 2019. Vulnerability Assessment of Syrian Refugees in Lebanon (VASyR). Available at: <http://ialebanon.unhcr.org/vasyr/#/>

23 UNHCR, UNICEF and WFP. 2019.

During the last months of 2019 and until February 2020, increased socio-economic vulnerabilities were observed as thousands of people lost their jobs and livelihoods. The coalescence of the COVID-19 and financial crises worsened the situation to the point where serious reflections were shared and actions were taken on adapting targeting criteria to the emerging vulnerabilities. Already in November 2019, the World Bank had estimated that more than 50% of the Lebanese population could fall beneath the poverty line in 2020 if economic challenges were not addressed.<sup>24</sup> By early 2020, more people were falling into debt, and families that were previously middle-class were increasingly becoming poor.<sup>25</sup> Tensions have been rising due to fears of a COVID-19 outbreak within the refugee communities.<sup>26</sup> Social cohesion is at risk of being further strained because of potential competition for the work that is available and in the immediate aftermath of any easing of restrictions

### Definitions

- **Multi-Purpose Cash transfers (MPC):** Multipurpose Cash Transfers (MPC) are transfers (either periodic or one-off) corresponding to the amount of money required to cover, fully or partially, a household's basic and/or recovery needs. The term refers to cash transfers designed to address multiple needs, with the transfer value calculated accordingly. MPC transfer values are often indexed to expenditure gaps based on a Minimum Expenditure Basket (MEB), or other monetized calculation of the amount required to cover basic needs. All MPC are unrestricted in terms of use as they can be spent as the recipient chooses.<sup>27</sup>
- **Cash plus:** An intervention that combines cash transfers with one or more types of complementary support. Types of complementary support can consist of (i) components that are provided as integral elements of the cash transfer intervention, such as through the provision of additional benefits or in-kind transfers, information or behaviour change communication or psychosocial support, and (ii) components that are external to the intervention but offer explicit linkages into services provided by other sectors, such as through direct provision of access to services, or – to a lesser extent – facilitating linkages to services.<sup>28</sup>
- **Social assistance:** An intervention that falls under the non-contributory schemes of social protection. Social assistance programmes are designed to help individuals and households cope with poverty and vulnerability. These programmes target the poor and vulnerable. Cash transfers represent one form of social assistance, along with vouchers and in-kind transfers.<sup>29</sup>
- **Social protection:** Set of public measures that a society provides for its members to protect them against socio-economic shocks caused by the absence or a substantial reduction of income as a result of various contingencies, e.g. sickness, employment injury, unemployment, and provide them with the provision of healthcare and benefits for families with children.<sup>30</sup>

24 The World Bank. 2019.

25 A. Vohra. 2020. The Death of Lebanon's Middle Class. Foreign Policy. 21 May 2020. Available at: <https://foreignpolicy.com/2020/05/21/lebanon-coronavirus-middle-class-poverty/>

26 Lebanon Crisis Response Plan. 2020. Lebanon: COVID-19 Impact on Social Tensions as of 22 March.

27 The Cash Learning Partnership (CALP). 2020. Glossary of Terms. <https://www.calpnetwork.org/library-and-resources/glossary-of-terms/>

28 Drawing on: A. Bonilla- Garcia and J. Guat. 2003. Social Protection: A Life Cycle Continuum Investment for Social Justice, Poverty Reduction and Development. GSDRC. <https://gsdrc.org/document-library/social-protection-a-life-cycle-continuum-investment-for-social-justice-poverty-reduction-and-sustainable-development/>

29 Drawing on: B. Carter, K. Roelen, S. Enfield and W. Avis. 2019. Social Protection Topic Guide. Revised Edition. K4D Emerging Issues Report 18. <https://www.ids.ac.uk/publications/social-protection-topic-guide/>; Oxford Policy Management. 2017.

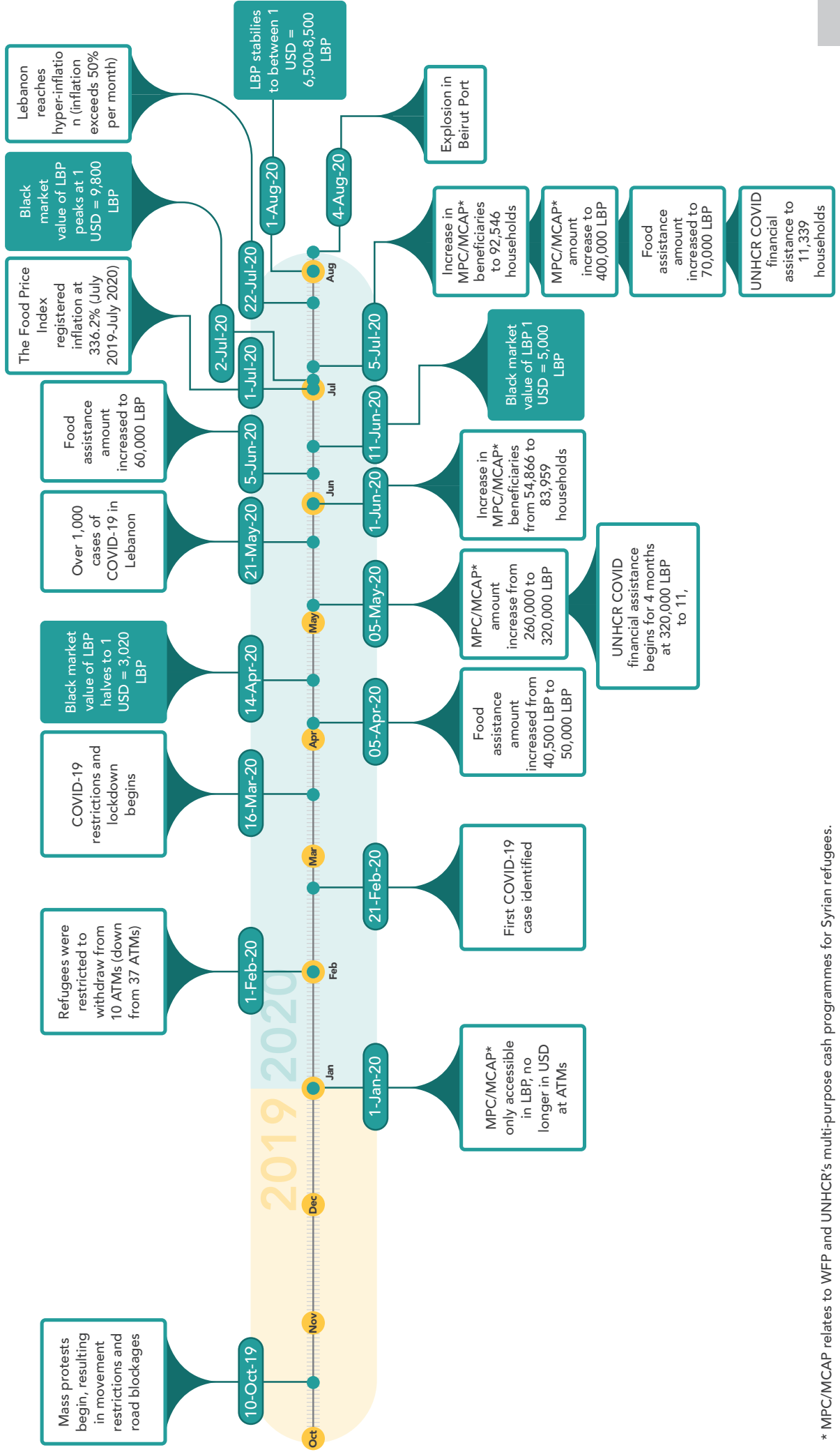
30 Drawing on: A. Bonilla- Garcia and J. Guat. 2003.

Figure 1: Overview of cash programmes

Type of Assistance	Objective of Assistance	Duration of Assistance	Monthly Entitlement Amount in LBP/ HH in July 2020	Number of Households Reached in July 2020
<b>UNHCR MCAP Assistance</b>	To assist the most vulnerable households in meeting their basic needs	12 months	400,000	49,800
<b>WFP MPC Assistance</b>		12 months	400,000	34,910
<b>NGO MPC Assistance (e.g. ICRC, LRC, OXFAM, RI, IOM, SCI)</b>		Up to 12 month	400,000	1,039
<b>WFP Cash for food assistance</b>	To assist the most vulnerable households in meeting their food needs	12 months	70,000/per person	40,168
<b>WFP E-card food voucher assistance</b>		12 months	70,000/person	55,922
<b>UNRWA Cash for food assistance</b>	To assist vulnerable households in meeting their food needs	12 months	70,000/person	7,963
<b>UNRWA MPC for PRS</b>	To assist vulnerable households in meeting their basic needs	12 months	390,000	7,963
<b>UNHCR COVID Financial Assistance</b>	Temporary cash assistance related to COVID-19, targeting those who scored severely vulnerable and are not receiving any assistance	4 months	400,000	11,339
<b>Emergency Cash Assistance (ECA)</b>	To remedy or mitigate an urgent need arising from exposure to protection incidents faced by refugees.	One-off	Up to 450,000	694
<b>Protection Cash Program (PCAP)</b>	To address, prevent or mitigate a protection incident or situation	3 to 12 months	450,000	2018
<b>WFP supported National Poverty Targeting Programme food e-card</b>	To assist the most vulnerable households in meeting their food needs	Continuous	70,000/person	15,000

31 The programme continues to assist the same population group based on an annual re-targeting exercise.

Figure 2: Timeline of cash programme adaptations (October 2019 – July 2020)



\* MPC/MCAP relates to WFP and UNHCR's multi-purpose cash programmes for Syrian refugees.

## 2. CHALLENGES AND ADAPTATIONS

This section of the report examines the main challenges faced by the MPC and protection cash responses in Lebanon during October 2019 and July 2020, and outlines the main adaptation measures. The challenges and adaptations pertain to the fragility in the banking sector and disbursement issues, social tensions as a result of liquidity and discretionary control measures, remote monitoring, and critically the implications of the currency devaluation including the transfer value adjustment.

### 2.1. FRAGILITY IN THE BANKING SECTOR AND DISBURSEMENT CHALLENGES

#### 2.1.1. Adapting to disbursement challenges through the banking system

Until late 2019, MPC beneficiaries were able to choose their preferred currency, either USD or LBP, reflecting the two-currency system which existed in Lebanon until that point. From late 2019, cash withdrawals were restricted to LBP only due to the lack of USD banknotes. Subsequently, the number of banks that accepted withdrawals from non-customers reduced starting from November due to cash liquidity. In November, 32 banks accepted Banque Libano-Française (BLF) cards.<sup>32</sup> In January 2020 that number dropped to 20 banks and has continued to decline. As a result of these limitations, the UNHCR MCAP started loading the combo-wallet as early as April 2020, allowing beneficiaries the flexibility to use as much of the monthly assistance at World Food Programme (WFP) contracted shops. The latter may be located closer to beneficiaries' residences than ATMs, which became convenient during the time of movement restrictions; temporarily allowing purchase of non-food items (NFIs) during the months of April to June 2020. In the case of UNRWA, payment to Palestine refugees from Syria (PRS) was not affected and refugees continued withdrawing their cash through BankMed ATMs.

By March 2020, only 10 non-BLF banks continued to accept BLF cards to redeem MPC provided by UNHCR and WFP at their ATMs due to non-customer restrictions.<sup>33</sup> A UN implementer explained, "We went from 50 banks to having one bank – depending on where you live, give or take a few more or fewer ATMs. Beneficiaries sometimes travel up to two hours to redeem the assistance."<sup>34</sup> With that, the pressure on BLF to increase agility in light of the increased demand on its services grew. UN MPC cash actors interviewed reported that safeguarding the Lebanon One Unified Inter-Organisational System for E-card (LOUISE) operations was only possible through close coordination with BLF. This included the continued issuance of new cards, keeping the metallic doors of the bank open until curfew time, and replenishing existing, and installing new, ATMs. By July, 10 new BLF ATMs were installed in locations requested by LOUISE agencies, including at the UNHCR Zahle centre, in other locations in the Belaa (Zahle and Aarsal), as well as in the North of Lebanon (Akkar). By April, all BLF ATMs had the option to withdraw the maximum amount of assistance in one withdrawal. During the 10-13 April bank holiday, BLF ATMs were not replenished leading to long queues of refugees to redeem assistance. This was a lesson for the next bank holiday, 16-19 April, during which ATMs were exceptionally replenished therefore avoiding a similar scenario.

"We are struggling to withdraw the assistance. After reducing the number of available ATMs to only 2 or 3, we're spending a full day in order to proceed this operation. Sometimes, I sleep in Zahle." *Syrian man, 37, Dalhamiye*

"I tried many times to withdraw the assistance because there was a lot of overcrowding at the ATM. Although not all beneficiaries receive the message at the same time, overcrowdings occur especially in Bekaa because there are a lot of beneficiaries and only few ATMs". *Syrian man, 33, Saadnayel*

"This month, the withdrawal operation was excellent at the ATM of BLF Manara in Zahleh. There was no overcrowding like the other months. Previously, the situation was very bad, there was a lot of overcrowding, and people did not follow rules. This time in June, two staff members were managing the queue in terms of leaving two meters between individuals. The staff was checking our IDs, and did not let anyone withdraw for another family." *Syrian man, 38, Ain Bourday*

Source: CAMEALEON, ATM usage and confidence research; not yet published, quote taken June 2020

32 The Lebanon One Unified Inter-Organisational System for E-card (LOUISE) operates through the Banque Libano-Française (BLF). See: <http://iamlouise.com/>

33 Basic Assistance Working Group 2020. Updates July 2020.

34 Virtual interview with UN implementer, June 2020

In addition to mitigation measures coordinated with BLF, LOUISE agencies (WFP, UNHCR, and UNICEF), decided to stagger cash transfer uploads. Rather than making all transfers on the fifth day of the month in November, transfers were made over the course of four days between 5 and 8 November 2019.<sup>35</sup> A similar pattern was adopted for the following months. By June 2020, MPC payments were staggered over 14 days in the North (Akkar and T5) and the Bekaa, and over seven days in all other areas (BML and South). At the time of this report being published, staggered MPC payments are still in place. The aim of this mitigation strategy is to alleviate overcrowding at ATMs, which would lead to long waiting times and social tensions, and to allow for timely replenishment given the shortage of liquidity across the banking sector. The replenishment of ATMs was also further exacerbated by the restrictions to movements and roadblocks hindering timely replenishment.

Additionally, interview respondents stressed that the heavy reliance on one contracted service provider brought a number of challenges. Protection cash actors and NGOs faced a more difficult time negotiating with financial service providers and in navigating the challenges, which respondents associated with their smaller programmes. An NGO implementer stated, "Juggling between banks, financial transfer agencies and cash in envelopes allowed us to stay operational. It was not ideal but better than not being able to provide cash assistance."<sup>36</sup> In some geographical areas, certain banks or financial transfer agencies had no offices, leading cash actors to start new partnerships at short notice and in difficult circumstances while incurring delays.

#### Key mitigation measures to banking issues

Many cash implementers were forced to develop mitigation measures and contingency planning at a short notice. Mitigation measures that were developed included:

- Ensuring regular communications with the financial service provider and informing beneficiaries of any changes or delays as soon as possible
- Replenishing ATMs more frequently, including during public holidays
- Staggering payments to allow for timely replenishment given the shortage of liquidity from Central Bank, and to reduce tensions (see section below)
- Stationing field staff at ATMs to monitor cash withdrawal, reduce cases of fraud and ensure adherence to public health guidelines
- Providing cash in envelope to protection beneficiaries, as case management services were moved remotely (applies to ECA only)
- Exploring diversification of financial services, including the opening of a second bank account and considering alternative plans for cash disbursement, including agreement with a money transfer agent or partnerships with in-kind service providers

### 2.1.2. Overcoming disbursement challenges for ECA

Protection cash assistance relies heavily on in-person case management, and so the movement restrictions brought by the COVID-19 lockdown measures were "completely unexpected and new".<sup>37</sup> Implementers had to be creative in ensuring that beneficiaries received their payments. Some decided to opt for in-kind assistance, food- and NFIs, in case beneficiaries had to go into isolation. Others decided to provide cash in envelope, with cash assistance distributed directly by caseworkers through envelopes, without mentioning names to protect confidentiality. An NGO implementer explained, "When the protests started, our first question became how do to deliver the cash. [...] So we approved cash in hand delivery as our field staff has experience doing this."<sup>38</sup>

The primary concern with this approach as explained by a number of respondents is the gap in accountability, resulting in a possible misuse of the cash. Respondents laid out the pros and cons of the cash in envelopes modality. One respondent stated, "it is interesting that the general practice in Lebanon is to provide ECA in envelope. There are higher risks for staff, increased risk of fraud in the distribution process"<sup>39</sup> while another stressed that "the reason why ECA tends to be provided

35 WFP ATM withdrawal report April 2020.

36 Virtual interview with NGO implementer, June 2020.

37 Virtual interview with an NGO implementer, June 2020.

38 Virtual interview with an NGO implementer, July 2020.

39 Virtual interview with an NGO implementer, June 2020.



as cash in envelope is because beneficiaries can have documentation or protection issues where they do not feel comfortable, or it is not safe for them to move and cross checkpoints."<sup>40</sup> In addition, the provision of in-person case management services upon which the assessments and decisions to disburse protection cash to beneficiaries depended remained challenging, with certain groups, including Syrian women living in informal tented settlements (ITS) not able to move easily and most at risk of being left behind in programme responses.



By Sam Tarling

## 2.2. MITIGATING SOCIAL TENSIONS

From mid-October 2019 onwards, economic growth decreased,<sup>41</sup> as firms either closed or laid off employees, which led to a higher unemployment rate, increase in poverty, and inequality disproportionately hurting the vulnerable communities in the country.<sup>42</sup> As the banking system was becoming less reliable, the tensions and problems that banks faced in relation to communities affected refugees. Lebanese people sometimes perceived banks as providing the increasingly scarce cash in the country to refugees, and perceived refugees as "taking their money". As a UN coordinator stated, "at the time of the economic crisis, Lebanese were not able to access their cash, but would see refugees withdrawing more cash. The perception was that refugees were emptying the ATMs, leaving no cash for Lebanese."<sup>43</sup>

Cases of discrimination and harassment at cash disbursement sites were reported. Because of increased mobility restrictions, increased cost of transportation and limited access to ATMs, some refugees living in remote areas, for example Aarsal, would delegate cash withdrawal to one person, who would withdraw cash from several ATM cards at once. One NGO implementer said: "the flare up of tensions with refugees crowding outside of ATMs was a problem. Refugees were thought to continue to receive their assistance in USD, which was not true. But the visual sight of many refugees queuing at one ATM was triggering for some Lebanese."<sup>44</sup>

When municipalities started restricting Syrians' mobility and access to ATMs, the decisions were

40 Virtual interview with an NGO implementer, June 2020.

41 At the time of writing, the economic growth has a negative projection. See: Bank Audi. 2020. Lebanon Economic Report, third quarter 2020. <https://pwstg02.blob.core.windows.net/pwfiles/ContentFiles/10862PublicationFile.pdf>

42 Durable Solutions Platform and Lebanese Center for Policy Studies. 2020.

43 Virtual interview with UN coordinator, May 2020.

44 Virtual interview with an NGO implementer, June 2020.

made to change loading dates and stagger uploads of cash assistance. The first day of loading remained the 5th day of the month, but in November was staggered over three days until the 8th November. This led to refugees withdrawing their cash on different dates, which led to reduced wait times at the ATM. As explained in section 3.1.1., the staggering of payments helped to reduce crowding at banks and ATMs, and therefore lower social tensions between Lebanese and Syrian refugees.

*"The last time I went to the ATM, a Lebanese woman screamed at me: You, the Syrians, are able to withdraw your assistance while us, the Lebanese, we haven't access to our money."* Syrian man, 54, Al Beddoui

*"For the past few months there was a lot of tensions at the ATMs, in some case a Lebanese would tell us to step aside so that they can withdraw and once a Lebanese yelled at the ATM that we Syrians are creating a crowd."* Syrian man, 33, Saadnayel

*"Once I went to the ATM in Zahle and got beat up by two other people standing in the queue and from then on I don't use any ATM in Bekaa and go directly to Beirut."* Syrian man, 36, Temnine El Tahta

*Source: CAMEALEON, ATM usage and confidence research; not yet published, quote taken June 2020*

In addition to the general COVID-19 emergency restrictions, many municipalities had imposed additional restrictions that targeted refugees – particularly Syrians. These included additional curfews, limited access to villages and towns, financial penalties for not wearing masks or gloves, and confiscation of vehicles to limit movement options.<sup>45</sup> As of 2 April 2020, at least 21 Lebanese municipalities had introduced discriminatory restrictions on Syrian refugees that did not apply to Lebanese residents as part of their efforts to combat COVID-19.<sup>46</sup> An immediate mitigation measure by cash actors was to deploy field staff at the busiest ATMs between 8am and 5pm to ensure that beneficiaries of cash assistance were abiding by the public health measures and to deal with any suspicious activities. According to a UN implementer, this move was "well received by local authorities, as they sometimes decided to shut down ATMs after fights between Lebanese and Syrians and reported cases of fraud."<sup>47</sup>

## 2.3. MOVING TOWARDS REMOTE SERVICES AND MONITORING

### 2.3.1. From in-person to remote protection services

The lockdown brought with it concrete challenges for service delivery linked to protection cash. For those beneficiaries who were receiving protection cash assistance, case management was continued remotely. In the context of the lockdown, limited confidential spaces and living in close quarters with an abuser made the provision of remote case management services more difficult. Living conditions in ITSs or crowded flats meant that many women often felt uncomfortable accessing services. The lack of physical contact also meant that communication relied primarily on access to a mobile phone. Not all beneficiaries had access to a phone and implementers were not able to provide these because of donor restrictions.

Another important difficulty linked to moving protection services to remote formats was related to the identification of eligible cases for ECA. Due to the specific nature of ECA, and in order to mitigate tensions around it, eligible cases are usually referred. According to an NGO implementer, "We knew the needs were there, but the caseload of ECA beneficiaries was not increasing during this period because the field teams only had access to the field for life-saving assistance, making it difficult to identify cases."<sup>48</sup> In other words, the lockdown highlighted the reliance of in-person networks and connections for referral of ECA cases. The closing of centres also made the identification of new ECA beneficiaries difficult.

45 Durable Solutions Platform, Danish Refugee Council, International Rescue Committee, Mercy Corps, Norwegian Refugee Council and Save the Children. May 2020.

46 Human Rights Watch. 2020. Lebanon: Refugees at Risk in COVID-19 Response. Discrimination Risks Harming Syrians, Lebanese Alike. Available at: <https://www.hrw.org/news/2020/04/02/lebanon-refugees-risk-covid-19-response>

47 Virtual interview with a UN implementer, June 2020.

48 Virtual interview with an NGO implementer, June 2020.

### Switching from in-person to remote service delivery and referrals for protection cash

- **Increase in remote assessments.** Communications activities with communities included more remote assessments, with linking those where possible to case management.
- **Cash in envelope provision,** adhering to public health guidance. Case management and field staff remained operational on a rotational basis, and would deliver the cash with one-meter distance. In ITs, staff would remain outside and ensure not being seen by anyone else.
- **Only the most severe cases allowed to see case worker in-person.** This was done while adhering to public health measures.
- **Covering beneficiaries' transportation cost where possible.** During the lockdown period, there were many issues around accessing transport because of the lack of buses; taxis not being permitted to take separate guests at the same time.
- **Increasing remote referral mechanisms.** Implementers worked to train health and shelter actors who had most access to the field on how to identify and refer severe protection cases.
- **Supporting beneficiaries with phone credit top-ups.** To ensure confidentiality and access to remote case management, beneficiaries were supported with provision of phone top-up credits.

### 2.3.2. Adapting monitoring activities

Several actors mentioned how they had to shift to remote monitoring, increase the frequency of existing activities, or add new monitoring activities. Inflation, supply chain disruptions and changed consumption patterns led WFP to monitor the supply chain – especially the stocks of the 400 WFP approved retailers – more closely. Even though prices of contracted shops were collected on daily basis through an established system before the economic crisis, bi-weekly phone calls to shop keepers were initiated since October 2019 to gather additional information, such as stocks level at retailers and exchange rate used to re-stock their commodities. Increased communication with retailers was also helpful in monitoring challenges they faced, for instance issues in paying suppliers for goods due to daily fluctuations in the black-market value of the LBP to the USD.

For the MPC/MCAP, close monitoring of ATMs was crucial to ensuring effective cash disbursement. Analysis from the transaction reports produced by BLF showed which ATMs beneficiaries used the most. This allowed agencies to prioritize these ATMs by sending field staff to selected ATMs that could assist and monitor the situation on the ground and liaise with local authorities. A positive example of data monitoring was the alignment of transfer dates between UNHCR, WFP and UNICEF through the LOUISE platform. Analysis of the withdrawal patterns showed that UNICEF beneficiaries, who were also receiving cash assistance by UNHCR and/or WFP assistance, would have to make multiple trips to withdraw the cash assistance due to different transfer dates. Aligning the uploading dates meant that beneficiaries could make one trip instead. Close monitoring was also essential in mitigating tensions between people, ensuring that beneficiaries abided by social distancing, mask-wearing and limiting the risk of fraud.

However, a number of cash implementers stated that they were forced to put certain activities on hold because of mobility restrictions. While some of these suspensions took place before February 2020, they were heightened with the COVID-19 lockdown. For example, the physical validation of ATM red card holders held by recipients of LOUISE agency assistance – to determine whether the right person is in the possession of the right card – was not possible between March and June. Rather than suspending activities, many cash actors tried to shift to remote modalities, for instance shifting from in-person to phone call communication, and through strengthening call centre capacities. Household assessment visits turned into phone call assessments, and post-disbursement monitoring (PDMs) conducted through phone calls or via apps. Cash actors expressed being concerned at first about the remote nature of monitoring, but were overall satisfied with the adaptations. However, increased monitoring and quick adaptations created additional stress on case workers and front-line staff, who were also dealing with the implications of lockdown themselves.



Credit: Elias El Beam

## 2.4. GRAPPLING WITH TARGETING AND RELEVANCE OF CASH DUE TO INCREASING NEEDS

### 2.4.1. Targeting adaptations

Different cash programmes rely on different ways to target cash assistance. For example, the biggest multi-purpose cash programme in Lebanon – the MPC/MCAP provided by WFP and UNHCR delivered through the LOUISE platform – relies on a formula based on a proxy-means test approach, which is revised on a yearly basis using the latest Vulnerability Assessment of Syrian Refugees in Lebanon (VASyR) data. The formula measures the socio-economic vulnerability of Syrian refugee households by estimating a score that represents the monthly expenditure per capita for each refugee household. Households are ranked based on their score and eligibility is determined in relation to the SMEB: refugee households with a score below the SMEB are eligible to receive cash assistance. Other MPC programmes also rely on this score ranking, while a few have developed their own targeting criteria based on internal multi-sectoral assessments and other data collection efforts, or in the case of UNRWA are providing blanket assistance to PRS. For ECA and PCAP, eligibility criteria are well defined through sectoral standard operating procedures (SOPs) and cases are assessed on an individual basis by case management.

A key challenge expressed by MPC actors is the continued delay of the 2020 VASyR, which was due to start in the first quarter of 2020 but had not yet been conducted while primary data for this paper was being collected. One way of adapting to these delays has been to extend the duration of the programme cycle. When discussing the implications of such an ‘extension’ of assistance to households receiving MPC assistance, a UN implementer raised that such an adaptation would have “an impact on budgeting, fundraising ability if donors think the targeting is not accurate and potentially to frustration among non-assisted refugees.”<sup>49</sup> The data collection of the VASyR finished at the end of August and at the time of writing the report had not been published. Initial VASyR findings show that the economic and COVID-19 crises pushed almost the entire refugee population, or 88%, to below the SMEB.<sup>50</sup>

49 Virtual interview with a UN implementer, June 2020.

50 Inter-Agency Coordination Lebanon. 2020. VASyR 2020 Key findings Socio economic Vulnerability. 23 October 2020. PowerPoint. Basic Assistance Working Group.

An additional concern centred on whether the information collected during VASyR accurately captured all relevant variables. A UN coordinator explained that, “The models being used for targeting have not been designed or tested for a pandemic context, especially not one that also faces an economic crisis with prices changing every week.”<sup>51</sup> The living conditions in lockdown altered spending patterns and resulted in decreased purchasing power. These unprecedented changes, as a result of the multiple crises including the pandemic, may present a challenge for the analysis of findings from the VASyR and other relevant assessments. For example, indications that the majority of household expenditure is spent on food may be due to a lack of resources, but could also be potentially exacerbated by a lockdown situation, making access to markets to buy other commodities more difficult. Donors stressed this point, in the words of a donor respondent “a challenge has been the rise of poverty and the increased challenges identifying the most vulnerable refugees in Lebanon.”<sup>52</sup> Key informants raised the fact that there are limited lessons learned from similar contexts to Lebanon, and limited scientific literature on dealing with targeting challenges during a pandemic situation. Going forward, it is important to lay out and critically assess assumptions on vulnerability. For instance, it is vital to ensure that relevant collected data is analysed and feeds into decision-making on targeting, and that lessons learned from Lebanon and other countries are shared more widely.

UNRWA adopts blanket targeting for its cash programme for Palestine refugees from Syria. A precondition for such an approach is a thorough database of all individuals or households who are eligible. UNRWA maintains a list of registered Palestine refugees, however since it is based on voluntary registration it does not necessarily reflect all and may still include people who left Lebanon. Another issue is related to the low amount provided to each PRL family at USD 130 per year, and the limited impact this assistance will have on the family. A number of cash programme implementers described adapting their targeting criteria to COVID-19 specific vulnerabilities, for instance including elderly, people with disabilities, and chronic diseases among others, as a result of discussions with donor agencies. According to a donor respondent, “A key challenge has been to include households based on COVID-19 vulnerability criteria, due to limited field access.”<sup>53</sup> Implementers and donors agreed that sifting through the database of beneficiaries to identify those with COVID-19 related vulnerabilities was challenging, primarily due to technical difficulties extracting the right information from existing databases. Moreover, some interviewed implementers questioned the need to target based on COVID-19 vulnerabilities, due to the wide-ranging economic impact of the pandemic, leading to increase in vulnerabilities across the board.

#### 2.4.2. Relevance of protection cash

Protection actors also observed an uphill demand for cash, but wondered whether the protection cash modalities of ECA or PCAP were the most suitable to address the needs given their specific eligibility criteria and objectives. The challenging socio-economic situation and conditions of many households led many protection actors to reflect on the criteria for protection-specific cash. Many protection cash respondents explained that the eligibility criteria can be difficult to understand for actors working in other sectors. Protection implementers repeatedly raised the conundrum they faced regarding the critical role ECA and PCAP play in addressing protection concerns and the increased needs among all populations.

A UN coordinator summarised the main dilemma: “For protection, cash modalities are complementary to standard activities. ECA or PCAP fill a specific protection gap. But now the gap is much bigger and affecting all segments of the population. Before, a household with two children and a father who is able to work would not be eligible but now these families are approaching us [organizations] for support. Now, the issue is much bigger – it is an economic, not just a protection one.”<sup>54</sup> Respondents also mentioned having internal discussions and circulating adapted guidance internally to ensure that the focus remained on protection-specific vulnerabilities. According to several respondents, a number of new protection risks could be identified including the loss of livelihoods (including individuals being laid off, paid fractions of their salaries or closing their business) and increased risk of evictions due to individuals not being able to pay rent or landlords demanding rent in an unfavourable exchange rate.

51 Virtual interview with a UN coordinator, May 2020.

52 Virtual interview with a donor respondent, July 2020.

53 Virtual interview with a donor respondent, July 2020.

54 Virtual interview with a UN coordinator, June 2020.

### How protection cash actors' experience navigating early challenges was helpful in mitigating financial and COVID-19 related challenges

Before February 2020, challenges were relatively manageable. Protection cash actors had more to adapt to, given the nature of case management and the assessment and delivery of ECA and PCAP. According to many protection respondents, the early adaptations were useful to foresee challenges and prioritize mitigation measures. For example, ECA is generally done with hard cash but this was difficult when facing movement restrictions including the lockdowns. Implementers ensured that staff had access to the cash and learned how to navigate increased bureaucratic hurdles, e.g. negotiating with banks and taking out cash advances. Ensuring that cash stocks in field centres were refilled every week required a significant amount of internal communication between field and finance teams. Because of the mobility restrictions during the time of the protests, guidance was provided on remote case management for child protection and gender-based violence (GBV), including on how such services could be safely provided remotely. Because of this experience, some protection actors stated that they were more prepared than they would otherwise have been when COVID-19 hit.

## 2.5. CURRENCY DEVALUATION AND TRANSFER VALUE ADJUSTMENT

A key challenge cash implementers were faced with and worked to adapt to was the worsening financial situation, especially the devaluation of the LBP. Between October 2019 and March 2020, the prices of the food items of the SMEB had increased by 47% due to inflation. Because of that increase, the number of refugees living under the SMEB was estimated to have risen from 825,000 in 2019 to around 1,245,000 in March 2020, representing a 51% increase in extreme vulnerability.<sup>55</sup> In April, WFP aligned the food transfer value with the current prices of the SMEB food basket, to ensure that eligible Lebanese under the National Poverty Targeting Programme (NPTP) and refugee families were able to meet their minimum survival food needs.<sup>56</sup> Since then, transfer values were adjusted on a monthly basis (until July 2020, as covered by this study).

Figure 3: Transfer values between April and July 2020

	Food assistance	MCAP/MPC	SMEB food basket cost
March	40,716 LL	263,900 LL	52,829 LL
April	50,000 LL	260,000 LL	58,868 LL
May	50,000 LL	320,000 LL	78,954 LL
June	60,000 LL	320,000 LL	81,559 LL
July	70,000 LL	400,000 LL	100,006 LL

A UN cash coordinator reflected on the difficulties this poses in setting transfer values: "How do you calculate the minimum value of transfer in a situation where prices are changing on a weekly and daily basis? What is a good transfer value for refugees?"<sup>57</sup> Starting in April, LOUISE agencies agreed to adopt an approach that compensated beneficiaries for inflation and expanded assistance to additional refugees through the adjustment of the transfer value of the food component and adding new beneficiaries. This was achieved through a preferential exchange rate (2,000 LBP to the USD in March 2020, then raised to 3,000 LBP/USD in April and May 2020, and 3,900 LBP/USD since July 2020 by BLF), providing an opportunity to allocate additional resources – around 33% in LBP – to their programmes without deducting extra costs in USD.<sup>58</sup> UNRWA, through negotiations, also got the same preferential exchange rate of 3,900 LBP.

"The living cost increased a lot; we are not able to handle all expenses, not even basic needs. We wait for the first of the month to receive the assistance and we don't know how to spend it; should I buy food or go to the pharmacy to buy medications for my sick mother?" *Syrian man, 36, laa*

55 At the time, these numbers were based on estimations and not on actual rates. Basic Assistance Working Group. 2020. Updates April 2020.

56 Basic Assistance Working Group. 2020. Updates April 2020.

57 Virtual interview with a UN coordinator, May 2020.

58 LOUISE Proposal for Additional Allocation to Programmes. April 2020.

Source: CAMEALEON, ATM usage and confidence research; not yet published, quote taken June 2020

"I just wish the cash amount [would increase] as well because everything has become more expensive and I have 6 children out of which 3 need diapers and milk. I am buying them canned milk but that too has become expensive. You know how it is...I know the UN is doing its best to help us and I thank them. If it wasn't for them, we would be on the streets." Syrian woman, 42, Al Fayda

"Everything has become more expensive and the cash assistance is my only source of income. I had to move to my parent's house 10 days ago because I could no longer pay for my rent. It had been three months that I could not pay my landlord the rent. The cash assistance can barely cover our food needs. We are eight people in the family". Syrian man, 48, Deir Aamer

Source: CAMEALEON, COVID-19 Rapid Assessment; April 2020

The size of the MPC programme, facilitated by the scale of the 'fresh money'<sup>59</sup> brought into Lebanon, provided a certain level of advantage for negotiating a preferential exchange rate with the financial service provider of the UN LOUISE agencies, in this case, BLF. An NGO implementer explained, "You cannot apply a preferential exchange rate for money that you have in local banks – agencies do not talk about this very much but it is difficult to negotiate when you do not have 'fresh money.'"<sup>60</sup> This automatically puts national NGOs at a disadvantage, as they may not have bank accounts abroad through which funding could be channelled. The same challenge applies for agencies that already had their funding stored in Lebanese banks and therefore do not have access to 'fresh money'. The first preferential rate was a precedent for future adaptations among other agencies.

The savings generated through the preferential rate meant that more beneficiaries could be included in the provision of assistance until the next retargeting exercise. In May 2020, UNHCR targeted an additional 11,500 households – who were not being assisted with cash assistance – with temporary cash assistance (LBP 320,000) based on the targeting formula, for an initial duration of three months from May to July 2020. The purpose of the assistance is to support economically vulnerable households cope with the economic strains caused by the COVID-19 outbreak. The second batch of 12,000 additional new families received assistance from August to October 2020, and were also selected using the same economic vulnerability criteria as the first batch. The transfer value for this assistance was brought up on par with MCAP/MPC assistance, at LBP 400,000 per household.



Credit: Adrian Hartrick

59 The term 'fresh money' refers to money that is transferred from outside Lebanon into the country. Money that was transferred from outside Lebanon ensures that banks would have physical money to use.

60 Virtual interview with an NGO implementer, June 2020.

In June, the UNHCR MCAP caseload was increased by 16,800 households (horizontal expansion), the WFP MPC caseload was increased by 11,260 households, 4,615 households began receiving cash for food, and a total of 17,000 previously non-assisted households started receiving e-card food voucher assistance through WFP.<sup>61</sup> July, August and September saw a further scale up of households receiving assistance. In contrast, other implementers expressed struggling more intensely with the official bank rates. Several NGO respondents expressed how, because of the smaller scale of their project, reaching fewer beneficiaries, they were not able to successfully negotiate a preferential rate with their financial service provider. UNRWA was one of the agencies that decided to switch from using a bank to using a money transfer agency for their emergency cash transfer, where they received a better exchange rate. Generally, adaptations did not catch up to meeting the informal exchange rate at market value, but nonetheless improved the purchasing power and limited risk on the survival threshold for vulnerable households.

Many UN and NGO cash implementers continued to negotiate with their financial service providers and explore alternative options, comparing preferential exchange rates between banks and money transfer agencies. According to a survey conducted by the Lebanon Humanitarian INGO Forum (LHIF), NGOs had partnerships with 14 financial service providers in Lebanon to provide cash assistance services, such as BLF, CSC bank, Western Union, and Liban Post. In outlining the challenges faced with identifying appropriate financial service providers, a UN implementer stated that “there was no reference of the best service providers to use, we had to come up with solutions on our own”,<sup>62</sup> while an NGO implementer mentioned that the learning through trial and error took “a long time, especially for beneficiaries who expect to get paid after a week, not one or two months.”<sup>63</sup>

#### **The challenges around establishing an adequate transfer value for cash assistance in Lebanon**

In interviews, key informants discussed the limitations of adapting to a more realistic exchange rate in the Lebanese context. The MPC/MCAP can be provided to households who fall under the MEB and SMEB, with the latter taking priority. Because of the increasing needs and based on the availability of funds, in the past years, the MPC/MCAP provided was not able to even meet all households who fall under the SMEB. Every year, a targeting exercise through the VASyR ranks households on whether they fall under the MEB or SMEB. The value of the MEB and SMEB was last officially updated in 2014.

Humanitarian actors are regularly collecting data on Syrian refugees that shows that the MEB and SMEB values have changed, however it is problematic to pursue an official revision for a number of reasons. While the humanitarian assistance to Syrian refugees and service delivery to Lebanese operate largely as two separate systems, the interdependence of both systems becomes visible on transfer values. The main concern is that a revision of the values in a context of hyperinflation could increase the nominal values of the SMEB and MEB beyond the threshold of the cash assistance the GoL had announced it would provide to its citizens in need, which is LBP 400,000,<sup>64</sup> and potentially beyond the minimum wage for Lebanese.<sup>65</sup> In other words, the assistance provided to Syrians by the humanitarian community, if revised officially, could exceed what many Lebanese, including many public sector employees, receive.

61 Basic Assistance Working Group 2020. Updates June 2020.

62 Virtual interview with a UN implementer, July 2020.

63 Virtual interview with an NGO implementer, June 2020.

64 The GoL announced on 8 April 2020 that it would provide LBP 400,000 in cash assistance to vulnerable Lebanese who were affected by the financial crisis and COVID-19. See: T. Azhari. April 2020. Lebanon launches coronavirus aid measures with cash payments. Aljazeera English. 8 April 2020. Available at: <https://www.aljazeera.com/economy/2020/4/8/lebanon-launches-coronavirus-aid-measures-with-cash-payments>

65 According to a UN coordinator, the minimum wage in Lebanon amounts to USD 450 or 675,000 LBP with the official exchange rate. Virtual interview, May 2020.



## 3. CONDITIONS FACILITATING AND HINDERING ADAPTATION

### 3.1. DRIVING FACTORS FOR ADAPTATIONS

Interviews with cash programme implementers and coordinators show that the macro-economic challenges were the main drivers for deciding to make adaptations. Many respondents mentioned the devaluation of the currency, price increases of goods, decreased purchasing power and increased unemployment as the main challenges, and protection actors stressed the increased risk of evictions due to an inability to pay rent and the increased poverty levels in the country. Decisions on when and how to adapt cash programmes resulted primarily from internal discussions within agencies, especially for MPC actors. The LOUISE platform enabled technical discussions between members before information was more widely shared with donors or the BA sector. A number of respondents mentioned the useful role of technical discussions in the BA sector in influencing their internal decisions.

A number of external actors reportedly influenced agencies' decisions to adapt. Some respondents stressed the feedback from beneficiaries themselves; "the most important driving factor are our beneficiaries – are they able to access ATMs and markets? Do they feel safe doing so? When this was an issue, we had to adapt."<sup>66</sup> Others mentioned how inter-sector- and sector-level discussions contributed to their decision-making on adapting cash programmes, including the BA, food security and protection working groups (WGs) as fora where useful information was shared. Protection actors were vocal about the instrumental role of the guidance and technical-level discussions in the protection sector working group. An NGO implementer mentioned that, "as a local NGO, the information shared through the sector is helpful as we have limited capacity to conduct extensive assessments."<sup>67</sup>

### 3.2. RISK REGISTERS

Findings from interviews reveal that most of the risk registers did not include information related to the events that ended up unfolding, leading many actors to revise and adapt their risk registers to new realities in the country as they happened. Protests and civil upheaval were not pre-identified risks to cash operations. An NGO implementer stated, "Generally when working on contingency planning, we tend to consider natural disasters, a war or security issues – in comparison, we faced the inflation and issues with the banking sector."<sup>68</sup> Cash actors repeatedly mentioned how they were ill prepared for the banking issues and financial crisis. The difficulties of accessing ATMs, overcrowding, the network of ATMs increasingly shrinking and movement restrictions were issues that cash actors had not predicted would happen. A UN implementer admitted that "the almost collapse of the banking system was not something we were looking at when designing a cash programme, this was not properly mitigated before."<sup>69</sup>

The complexity of the situation meant that some risks are continuously fluctuating, making it difficult to develop adequate mitigation measures in advance. For example, the macro-economic challenges and rising cost of living and inflation mean that cash assistance values may not necessarily be able to cover survival needs, with the only possible mitigation measures being to regularly monitor the prices and expenditures, and reviewing the SMEB. Public health risks were also not featured in risk registers before COVID-19. A number of respondents mentioned how they swiftly started integrating mitigations in order to stay operational. Agencies are updating risk registers to feature mitigations over the course of multiple months.

66 Virtual interview with an NGO implementer, June 2020.

67 Virtual interview with an NGO implementer, June 2020.

68 Virtual interview with an NGO implementer, June 2020.

69 Virtual interview with a UN implementer, June 2020.

### 3.3. DONOR ENGAGEMENT AND FLEXIBILITY

MPC and protection cash implementers highlighted the importance of flexibility from donors to adapt to the multiple systemic shocks in Lebanon. MPC actors stressed that certain projects that were difficult to continue due to lockdown circumstances were repurposed into cash or in-kind assistance. According to a UN implementer, “For donors, flexibility comes with evidence. Luckily, donors were very flexible as they were aware of the challenges in Lebanon and the importance of cash.”<sup>70</sup> Protection cash implementers raised how donors were generally flexible when it came to payment modality and targeting criteria, making it possible to scale up ECA, facilitate disbursement of cash assistance and cover people with newly emerging vulnerabilities. According to an NGO implementer, “In October [2019], everything came as a shock and we were relieved to see how flexible donors were.”<sup>71</sup>

The main challenge concerning flexibility as raised by MPC actors was the complexity and time-consuming nature of providing all necessary evidence to justify adaptations. In a turbulent period, many cash implementers felt that critical adaptations were sometimes forced to be delayed, as expressed by one UN coordinator, “it can take us a month to come up with a rationale and justification for donor approval. In a crisis that is moving this fast, we need mechanisms that are faster than this.”<sup>72</sup> Donor respondents were aware of this challenge, acknowledging frustrations but stressed that “flexibility should be evidence-based and informed and [should not be] a license to do anything.”<sup>73</sup> Furthermore, protection cash implementers highlighted a number of other issues that were impacted by limited flexibility, including limited flexibility on the nationality of the targeted population and budget for protection cash programmes not being flexible enough.



*Credit: Adrian Hartrick*

70 Virtual interview with a UN implementer, June 2020.

71 Virtual interview with an NGO implementer, June 2020.

72 Virtual interview with a UN coordinator, June 2020.

73 Virtual interview with a donor respondent, July 2020.

### 3.4. COORDINATION STRUCTURES

#### 3.4.1. Improved coordination efforts

Overall, there was consensus that the scale of coordination and information sharing has improved since October 2019. An NGO implementer explained, “During lockdown is when you were able to see how much coordination was going on. We managed to finalize an inter-agency mapping tool for Syrians and Lebanese and increasingly involved Lebanese actors in the discussions.”<sup>74</sup> Key informants explained how cash coordination had come a long way over the past few years, with improvements including a common targeting approach, assistance packages, reporting on aggregate indicators and harmonized monitoring. Cash actors broadly described the increased information generation and sharing, and the technical discussions at the BA sector level as valuable, beneficial, constructive and useful. For instance, there has been an increase in the amount of analysis generated by and shared among agencies, which respondents flagged as helpful in navigating a difficult operational situation.

A number of MPC actors mentioned the prevalence of informal exchanges off the back of larger coordination meetings, which increased during early 2020. Cash coordinators reported an increased collaboration between sectors. According to an NGO implementer, “after October, there have been more meetings and increased linkages between livelihoods, protection, food security and basic assistance and social stability sectors”.<sup>75</sup>

As part of mitigation measures in cases of further banking challenges and price fluctuations, reaching out to different types of actors outside of the Lebanon Crisis Response Plan (LCRP) partners has been positive. Moreover, sectoral core groups were perceived as playing a critical role in guiding the work of the bigger group and also as a forum to find practical solutions and support the development of guidance notes to the broader sector. Protection core group actors especially stressed the usefulness of this forum to inform internal programme adaptations. A guidance note for using ECA and PCAP in the context of COVID-19 was published in April 2020, covering flexibility of criteria and cash disbursement modalities.<sup>76</sup> Protection cash implementers mentioned how the note was helpful in supporting their decisions to adapt their cash programmes. For implementers supporting Palestine refugees, the community-level engagement and coordination was increased, including the support in identifying eligible cases for protection cash.

#### 3.4.2. Challenges for coordination

However, multiple crises also strained coordination efforts for cash programmes. Respondents frequently expressed that the BAWG was not a forum for open discussions and collective decision-making. The sheer volume of information, coupled with the urgency of making said adaptations due to the increasing needs, sometimes meant that the turnaround time for decision-making was rapid and internal, leaving little time for collective review. Cash coordinators expressed that early discussions and decisions were dominated by UN agencies, often leaving little space for voices of NGOs implementing smaller cash programmes. The experience of the BAWG is not unique. Protection respondents also mentioned the lack of active participation in the WGs, with people remaining silent. Moreover, a key stakeholder that is arguably missing are beneficiaries themselves. According to an NGO implementer, “the beneficiary insight and feedback is missing. Voices from the field do not come across as well.”<sup>77</sup>

Structural barriers mean that it is not always possible to freely discuss critical points during the existing coordination structures. The politically sensitive nature of the cash value complicates formal workings of cash coordination. In the words of a UN coordinator, “*coordination with the government of Lebanon is the main challenge, especially with limited alternatives for Lebanese.*”<sup>78</sup> The challenges related to the MEB and SMEB revisions and the GoL’s return agenda for Syrians inadvertently forces some coordination to take place informally. This also meant that it has not always been possible to formally publish guidance to MPC actors, with most guidance and strategic discussions remaining at the informal level.

74 Virtual interview with an NGO implementer, June 2020.

75 Virtual interview with an NGO implementer, June 2020.

76 Inter-Agency Coordination Lebanon. 2020. Recommendations for the use of Emergency Cash Assistance (ECA) and Protection Cash Assistance (PCAP) in the Context of the Response to COVID-19. Protection Working Group. March 2020. Available at: <https://data2.unhcr.org/en/documents/download/75633>

77 Virtual interview with an NGO implementer, June 2020.

78 Virtual interview with a UN coordinator, May 2020

### 3.4.3. Opportunities for linkages

Many respondents stressed that while there has been a lot of coordination so far, more investment is needed, especially on the technical level, to make it more efficient and effective. For instance, an NGO implementer stated, “We could do better in sharing documents and research”.<sup>79</sup> In light of the challenging situation, the need to monitor many trends warrants a coordinated approach among agencies. A donor respondent expressed that they had expected more initiative from agencies to divide monitoring tasks among themselves, which could have led to “more collaboration and common advocacy.”<sup>80</sup> Moreover, a lack of clarity about what level of engagement is most suitable for the sectoral WGs and how NGOs could strengthen their role in these fora were raised.

Stronger linkages between sectors was identified as an opportunity going forward, especially between BA, protection, livelihoods and food security sectors. A few respondents questioned the current response architecture in light of the increasingly complex situation in the country. The increasing needs of Lebanese and Palestine refugees put into question a purely ‘Syrian refugee’-focused response architecture. A donor respondent stated, “With the economic crisis more Lebanese will fall into poverty. We need to rethink the assistance, [and do] more than just including ‘quota’ Lebanese.”<sup>81</sup> However, respondents who argued for a rethink of the current aid architecture did acknowledge that this was a huge undertaking, with smaller adjustments being able to fill the gaps in the shorter term.

## 4. CASH ADAPTATIONS AND BENEFICIARIES’ FEEDBACK

From an accountability perspective, beneficiaries’ feedback is important to understand the preferences without making assumptions. Analysis of people’s complaints and challenges should be seen as an essential part of the project cycle management to support adaptations, particularly in a context where field access is curtailed. While a vast majority of respondents emphasized the importance of collecting and incorporating beneficiaries’ feedback, many acknowledged that in practice there was limited collection of preferences and incorporation of feedback into the cash programme adaptations.

### 4.1. METHODS FOR COMMUNICATION AND FEEDBACK

Cash implementers use multiple mechanisms for communication and feedback from beneficiaries. Almost every MPC agency interviewed had a hotline that beneficiaries could call to ask questions or register any issues and feedback. Most respondents also mentioned receiving information through PDMs or an online satisfaction form, which monitors how easy beneficiaries found it to collect cash and what they used the cash for. Fewer protection actors interviewed had a hotline and collected feedback through PDMs, and many used evaluations, focus group discussions (FGDs), field observations and visits. Among both MPC and protection cash implementers, national NGOs tended to have a more diverse set of feedback mechanisms, including in-person activities at the community centres, complaint and feedback boxes in the centres, and WhatsApp and community focal point system. Because of COVID-19, most in-person methods for communication had to be put on hold. Overall, monitoring mechanisms seem to primarily be an opportunity for agencies to capture feedback related to operational and practice matters, rather than people’s preferences and opinions.

### 4.2. TYPE OF FEEDBACK RECEIVED BY BENEFICIARIES

Cash implementers interviewed observed differences in the type of feedback beneficiaries and non-beneficiaries provided during October 2019 and July 2020. MPC and protection cash actors mentioned that beneficiaries expressed how the transfer value was not enough anymore. An NGO implementer explained, “beneficiaries were saying that the transfer value was not enough before the crises, but even more are saying this now. We refer them to other services where possible but are not able to adapt the assistance itself.”<sup>82</sup> Moreover, respondents pointed towards an

79 Virtual interview with an NGO implementer, July 2020.

80 Virtual interview with a donor respondent, July 2020.

81 Virtual interview with a donor respondent, July 2020.

82 Virtual interview with an NGO implementer, June 2020.

increase in calls and feedback by unassisted refugees. In the words of a UN implementer, “We are receiving an unprecedented number of calls from non-assisted beneficiaries about why they were not selected. After October, more people have been asking for food assistance.”<sup>83</sup> According to UNHCR, increased requests by refugees themselves on spreading assistance thinner rather than providing fewer families with more assistance – through continuous anecdotal evidence – had led them to adapt their cash programme to expand horizontally. Protection cash actors mentioned how beneficiaries are increasingly asking for cash assistance over direct service provision.

#### **Adapting programmes based on beneficiaries’ feedback**

“During the protests, beneficiaries living close to a securitized area, and who needed to access the financial service provider located in an affected area, expressed fear in being held at checkpoints and jailed. We spoke to the service provider and asked them to allow beneficiaries to collect their cash at another branch. Beneficiaries asked to be informed and we increased the frequency of our SMSs to them.”<sup>84</sup>

“Over May and June, we were concerned about beneficiaries facing cash redemption issues. We thought it might make sense for them to collect the cash assistance for two months at a time, reducing crowding at ATMs. However, beneficiaries informed us that they were not happy with the double loading and preferred one-time loading, as they ended up using both months’ worth of assistance in the first month. We went back to monthly transfers after that.”<sup>85</sup>

“We were able to change a lot in the implementation based on beneficiaries’ feedback. The main challenge was justifying it to other stakeholders [to approve the changes]. For example, based on beneficiaries’ feedback we moved the winterization top-up cycle from December to March to November to February. We also adapted our activities from early morning to noon and our SMS timing to inform beneficiaries about activities based on their feedback.”<sup>86</sup>

### **4.3. CHALLENGES FOR COLLECTING AND INCORPORATING BENEFICIARIES’ FEEDBACK**

Respondents raised a number of challenges when it came to collecting and incorporating beneficiaries’ feedback, which mainly relate to external factors. MPC actors explained the difficulty of addressing questions related to exclusion from the cash assistance. The complexity of the targeting model, which is based on a desk formula, and the often small variables between selected and non-selected households, are challenging to communicate. In addition, not all of those who are under the SMEB threshold are able to be assisted due to funding constraints. An NGO implementer said, “We try to explain in simple language what the targeting mechanism is and inform beneficiaries of the grievance redress mechanism. We receive a lot of referrals as a cash actor in the community, but it is not up to us to add names as it works by the system.”<sup>87</sup>

Moreover, protection cash implementers mentioned how they were not able to address the feedback related to the cash amount not being sufficient, as it is mainly a budget and preferential rate issue. The fact that beneficiaries need to pay to use MCAP hotlines might hold them back from sharing general feedback. Several MPC and protection implementers mentioned that they require research and MEAL support to better capture feedback, as most frontline field staff do not have the required technical skills. While hotlines have proven to be a useful tool for beneficiaries to enquire vis-à-vis cash implementers, its potential for gathering preferences is currently under-utilized. Across the board, cash implementers have expressed facing challenges in ‘digging deeper’ into beneficiaries’ feedback. One reason cited by interviewees relates to the power relationship between cash recipients and cash agencies, which may potentially create barriers for receiving genuine feedback. A few implementers pointed towards this concern, with one NGO implementer saying that “after nine years, beneficiaries have lost faith in complaining and thinking it will lead to something. It is counter-intuitive to call the same actor that is providing you with cash, we need third party monitoring.”<sup>88</sup>

83 Virtual interview with a UN implementer, June 2020.

84 Virtual interview with an NGO implementer, June 2020.

85 Virtual interview with an NGO implementer, July 2020.

86 Virtual interview with an NGO implementer, June 2020.

87 Virtual interview with an NGO implementer, June 2020.

88 Virtual interview with an NGO implementer, July 2020.

## 5. NEXT STEPS FOR CASH ASSISTANCE

In talking about the future of cash assistance in Lebanon, interview respondents pointed towards exploring the potential of cash plus and of how and where direct service provision can meet needs of vulnerable people that cash cannot directly meet. In light of the government's policy shift in being open to providing cash assistance to Lebanese, respondents also discussed the potential to strengthen linkages and share learning between the humanitarian and national social assistance systems.

### 5.1. CASH PLUS AS A MEDIUM-TERM APPROACH

Cash plus is the idea that cash alone may not be sufficient to alleviate non-financial and structural barriers to improving living standards, and that cash combined with different services can be a more effective way to support people to meet their household's needs. It is important to acknowledge that the discussion on cash plus approaches in Lebanon is ongoing at the time of writing, with more questions than answers. Cash implementers, donors and coordinators interviewed overall agreed that cash plus is a direction cash should be moving towards, but few concrete suggestions or directions were provided in the interviews, highlighting the nascent state of discussions.

Interview respondents mentioned a number of potential modalities cash plus could be taking. The most common cash plus approach involves linking cash recipients to external services through signposting and referrals. Respondents often expressed that this may not be enough to be considered 'cash plus', but implementers also said they had limited resources to assist beneficiaries themselves. During the peak of the lockdown and COVID-19 response, the closure of activities and increased needs meant an increased burden on referrals to other sectors, especially shelter because of increased evictions. As an NGO implementer explained, "We were receiving a lot of requests from hotline and field teams for evictions, and were struggling to refer them to shelter and protection actors [...] Even within the shelter sector, they were struggling [with the amount of cases]."<sup>89</sup>

#### Example of an integrated response to a family's needs

Farid is a 30-year-old Syrian working as a carpenter near his house in Aley. He lives in a rented one-bedroom apartment with his wife Dima and his two-year-old son Fouad. In normal times, Farid is able to provide for his family's food needs but struggles to pay rent or cover health needs for his boy who suffers from asthma. Farid had a work accident and lost two of his fingers, requiring emergency surgery that he could not afford. Farid's surgery was not covered by UNHCR so he had to borrow money to cover part of the bill and was left with debt, unemployed, late on rent and at risk of eviction. Under the cash plus programme,<sup>90</sup> Farid received assistance that helped cover the remaining medical fees, was referred to the case workers for case management and received emergency cash assistance for 6 months. The emergency cash assistance supported him in paying rent thus avoiding eviction and homelessness but also purchasing his family's food and basic needs. His son was referred to a health centre, and his wife benefitted from vocational skills training. The health centre offered paramedical services as well so Farid could benefit from physiotherapy sessions.

The role of sectors in supporting coordination and complementarity across and within agencies is critical to move cash plus approaches forward, by linking beneficiaries to a variety of sectors and services. Respondents emphasized that this could support a form of integrated service provision across agencies. An NGO coordinator reflected how "NGOs can play a role in providing companion programming, especially to larger UN-led programmes such as MCAP, due to their flexibility for conducting pilot and innovative programmes. The question remains of how NGOs can effectively support and contribute."<sup>91</sup> Donor respondents stressed the importance of better including NGOs into consultative processes, alongside acknowledging the need to review programme funding to prioritize those that meet multiple needs simultaneously.

89 Virtual interview with an NGO implementer, July 2020.

90 ESCAPE Emergency Cash for Protection project implemented by Caritas Lebanon with funding from and technical support of Caritas Switzerland.

91 Virtual interview with an NGO coordinator, June 2020.



Credits: Zaynab Mayladan/ NRC

The objective of a programme also plays a critical role. While the MPC is not designed as a holistic cash plus programme, a coordinated referral system supports it going into this direction. Protection cash is much more closely tied to direct case management and other accompanying services, and so is already more closely aligned with a cash plus approach. Another key challenge in scaling up cash plus approaches is that they heavily rely on the availability of services. Given the human and other resources required for additional services, it makes targeting criteria and capacity-building more relevant. Across interviews, respondents did not provide concrete suggestions of how to move forward with cash plus approaches. During the validation workshop for this study, a UN implementer stated, “Cash plus is a fabulous idea but we fail to have concrete ways to take this forward. Referrals are good but how do we do mass referrals? It is difficult to meet the needs of so many people. If we are to concentrate the assistance on the same families that could seem like we favour certain people.”<sup>92</sup>

The latter concern was raised by a number of respondents, who cautioned in proceeding head-on with cash plus approaches due to the increasing needs in the country. In the words of an NGO coordinator, “We are entering a time where the economy is flatlining and more cash to more people is needed, rather than more for the same families.”<sup>93</sup> A core challenge lies in understanding the most suitable balance between cash and additional services depending on the needs of a household. It is therefore imperative to better understand what basic needs can be met with cash only, and what needs require specialized services and programming. While cash has proven extremely useful for helping to meet basic needs, a question mark remains on whether with the same level of resources, linking cash and other services together can have a bigger impact in supporting self-reliance and pathways to durable solutions. More evidence is needed on this topic. A donor respondent stated, “By working in a system and linking interventions, there can be more efficacy [...] In Lebanon going forward, this approach is totally relevant.”<sup>94</sup> In practice, cash plus approaches will need to explore how service provision for both Syrian refugees and Lebanese can come together in a more effective way.

92 Virtual research validation workshop, 21 September 2020.

93 Virtual interview with an NGO coordinator, June 2020.

94 Virtual interview with a donor respondent, July 2020.

### The graduation approach

The graduation approach combines support for immediate needs with longer-term investments in life skills and technical skills training, livelihoods grants or job placements, savings and future planning. Interview respondents oscillated between enthusiasm and scepticism on the role of the graduation approach in Lebanon, and described the level of strategic thinking as nascent with more discussions needed on how to implement it in practice, and the degree to which it is operationally viable in the political and economic context of Lebanon. Respondents identified a few challenges with implementing the graduation approach, including the identification of eligibility criteria – which requires understanding vulnerabilities and poverty for all population groups, the risk of social tensions as a result of whether and how different nationalities would be enrolled, the regulatory restrictions for refugees with regards to work, as well as the difficult economic climate overall.

## 5.2. AN OPPORTUNITY TO STRENGTHEN NATIONAL CAPACITIES AND SHARE LEARNING FROM HUMANITARIAN CASH PROGRAMMES

While cash has not been a structured modality of assistance under line ministries in Lebanon, efforts to share learning and provide technical capacity on social assistance for Lebanese have already been ongoing. For example, learning from the humanitarian response in Lebanon and from other countries has already fed into the NPTP. As the policy discussion on social assistance has been picking up under the LCRP, and the GoL expressed its intent to provide cash assistance to vulnerable citizens, collective learning from humanitarian cash programmes should feed into strategic planning for cash for Lebanese. Humanitarian cash programmes can provide learning related to designing and administering a complex cash program, including automated processes around data and cash management, such as predictability of transfers to a large caseload, validation approaches and ways to manage transfers in remote parts of the country.

Lessons around targeting approaches and vulnerability assessments could also prove useful for discussions on how to target vulnerable Lebanese households. A UN coordinator stated, “Learning can be shared on the approaches we are using for identifying vulnerable persons and on how cash is complemented by other services. What we are doing can be used and adapted for the Lebanese population.”<sup>95</sup> Additionally, humanitarians’ experience on data protection standards and mechanisms, and how to best protect databases across geographical locations and centres, could prove helpful. As lessons from the humanitarian cash response could provide best practices for supporting a potential shock-responsive and scalable national system, political will is vital to move into the direction of an effective social protection system for Lebanese. Critically, the political will of the GoL presents an essential requirement for the above.

Moreover, cash plus approaches may support sustainability through utilizing and strengthening local services and government infrastructures. The main challenges are the limited capacities and resources of local NGOs, Social Development Centres (SDCs) and other local actors. For example, SDCs have been argued to be too dependent on the central structure for taking decisions and resources. Municipalities were mentioned by a few respondents as an overlooked partner, due to their wider autonomy, strong community connections and leverage. An NGO implementer working closely with public entities described municipalities as the “gateway to communities”.<sup>96</sup> Better collaboration with municipalities, SDCs and other local actors may lead to prioritizing social spending and more investment in enhancing their capacity to deliver services to the community.

## 5.3. INFORMATION AND EVIDENCE AVAILABILITY

Evidence and information to underpin decision-making is not always available in Lebanon, both because of the rapidly changing situation as well as longer-standing issues related to refugee status and presence in the country. A majority of respondents stressed the importance of regular monitoring of the impacts of the economic fluctuations on all vulnerable populations, in order to assess whether and to what extent transfer values and cash programmes are meeting needs. Monitoring of food and non-food components of the SMEB, as well as market prices and cash redemption rates, remain priorities, and are currently being monitored by WFP on a regular basis.<sup>97</sup> Many respondents wondered whether the value of the cash transfer was appropriate. In the words of a donor respondent,

95 Virtual interview with a UN coordinator, May 2020.

96 Virtual interview with an NGO implementer, July 2020.

97 The cash redemption rates are presented at each BAWG and WFP regularly monitors changes in prices of food items and NFIs under SMEB.



“on paper, it is not appropriate. But we do not have the evidence that the amount is insufficient.”<sup>98</sup> With many people losing the income streams they might have had, more evidence is required to advocate for crossing the 400,000 LBP threshold if and when this is necessary.<sup>99</sup>

Many respondents raised the need for a comprehensive vulnerability assessment for the Lebanese population, “we know that we need to expand and reach Lebanese, but we do not have the necessary data.”<sup>100</sup> At the time of writing, efforts to update the household budget survey for Lebanese are underway, with technical support from the World Bank. While this is a promising step, this endeavour will take some time. Meanwhile, WFP and World Bank produced the Vulnerability and Food Security Assessment of Lebanese.<sup>101</sup> While this is an important step in understanding the vulnerability of Lebanese, further assessments are required as this study was done through phone survey due to COVID-19 movement restrictions, and still lacks some information such as expenditure and income data, which can only be collected through face-to-face surveys.

In the meantime, data of Syrian vulnerabilities should continue to be captured and analysed on a regular basis, including the differences in coping mechanisms.<sup>102</sup> Several respondents pointed out that while much data has been generated, they find missing enough analysis of this data. An NGO implementer said, “What does this [data] mean for a family? What does it look like for people that are more vulnerable? One story about a family is not meaningful if we cannot verify it, but an over-focus on quantitative data is not as telling.”<sup>103</sup> Some respondents raised a gap in consulting with beneficiaries on their preferences and the importance to build more on consultations with them. Protection actors flagged that with the lockdown, information gaps on remote case management and sexual and gender-based violence (SGBV) services emerged, and it remains unclear how well remote services are going, putting into spotlight how accountability, grievance and redress mechanisms need to be adapted to remote working formats.

## CONCLUSION

As vulnerabilities of refugees are likely to increase in Lebanon and many will continue to rely on cash assistance due to a lack of other options, continuing to prioritize funding for cash assistance while ensuring that strategic planning for cash includes reflections on cash plus approaches, sector linkages and exchanges between the humanitarian experience and the Lebanese social protection efforts will be vital. While response actors have been trying to work towards bridging humanitarian and development efforts, the Lebanese context has not been lending itself towards sustainable solutions. Given the protracted nature of Syrians’ displacement, response actors should view cash assistance as a medium-term response that can reduce poverty and vulnerability by transferring resources to households.

Technical elements of cash assistance provision require further review. This includes the transfer amount, an acknowledgment of where targeting mechanisms may fall short and how different types of cash and non-cash programmes could fill certain gaps in needs<sup>104</sup>. Second, operational considerations for cash programmes in the context of Lebanon largely revolve around mitigating banking sector issues and diversifying options for disbursement of cash assistance in the country. While it is important to continue using banks, it is also useful to explore alternative financial disbursement modalities as back-up plans, as done by some cash actors. Third, changing socio-economic dynamics mean that it is useful to seek a balance between horizontal and vertical cash expansion, that service delivery – especially cash assistance – should be conducted in a conflict-

98 Virtual interview with a donor respondent, July 2020.

99 The GoL announced on 8 April 2020 that it would provide LBP 400,000 in cash assistance to vulnerable Lebanese who were affected by the financial crisis and COVID-19. A revision of the values in a context of inflation could increase the SMEB and MEB beyond the threshold of the cash assistance the GoL had announced it would provide to its citizens in need, and potentially beyond the minimum wage for Lebanese.

100 Virtual interview with a UN coordinator, June 2020.

101 WFP and World Bank Group. 2020. Lebanon - m-VAM Vulnerability and Food Security Assessment. July – August 2020. <https://docs.wfp.org/api/documents/WFP-0000119575/download/>

102 See WFP. 2020. Assessing the Impact of the Economic and COVID-19 crises in Lebanon. June 2020. <https://docs.wfp.org/api/documents/WFP-0000116784/download/>

103 Virtual interview with an NGO implementer, June 2020.

104 An update of the SMEB was conducted by agencies under the leadership of the BAWG and in collaboration with the Food Security Working Group. The report was first publicly circulated in November 2020.

sensitive way and that beneficiaries' feedback and preferences should be adequately solicited, captured and fed into cash programmes.

Several NGO implementers and donor respondents expressed disappointment and frustration with the speed at which cash programmes were able to respond to changes on the ground, especially with regards to the transfer value. A number of respondents mentioned that having had learning from similar situations in other country contexts would have been useful to better plan ahead and design contingency options. Moreover, a number of interview respondents expressed that the early discussions and decisions were largely dominated by UN agencies as they are the biggest cash actors, with often little space for voices of agencies implementing smaller cash programmes. More open communication and advocacy with donors from cash actors on the need for increased flexibility, ideally circumventing existing administrative processes that delayed decision-making on adaptations, would have been helpful early on in the process. Overall, cash programmes have proven their resilience and relevance despite the multiple crises in Lebanon, and will likely remain an important intervention to support self-reliance and pathways to durable solutions in the short- and medium-term.

## RECOMMENDATIONS

### ADDRESSING OPERATIONAL DIMENSIONS

- **Cash implementers should:**
  - Include diversified cash transfer options to mitigate risks from a fragile banking sector. While implementers should not diverge from the banking system as long as it is working, it is advisable to have contingency plans in place.
  - Continue advocating for evidence-based, adapted and adequate cash transfer values for Lebanese and Syrians, including a revised SMEB for all population groups.
- **Inter-sector should:**
  - Map out currently used and available financial service providers, including exchange rates, pros and cons of modalities, and any requirements to collect the assistance.
- **Donor agencies should:**
  - Continue supporting flexible funding, as well as increase funding, for cash programming over the medium-term.
  - Engage in advocacy with the government to promote an enabling environment and regular dialogue to allow agencies to negotiate better exchange rates for cash interventions and have an evidenced-based transfer value that is consistently adapted to the changing economic context.

### STRENGTHENING COORDINATION

- **Cash implementers should:**
  - Share lessons learned from humanitarian programming with the Government of Lebanon and other actors developing a national social protection plan, with support from platforms and networks.
  - Continue to explore concrete opportunities for linkages between cash and direct services to address needs in a comprehensive manner, as well as better understand what types of services cannot be met by cash alone and therefore require service delivery.

- **Inter-sector should:**
  - Take a leadership role on identifying cash plus opportunities and understanding what direct services vulnerable refugees require the most, to take a further step in conceiving of cash assistance as a response that seeks to support self-reliance.
- **NGO platforms and networks should:**
  - Strengthen inter-NGO collaboration and collective advocacy on cash programmes, while sector groups and UN agencies should ensure that NGOs have adequate space to meaningfully engage within the wider cash community.
- **Donor agencies should:**
  - Engage in advocacy with the government to incorporate lessons from humanitarian programming in the development of a national social protection plan, and explore providing technical support to a national coordination structure for cash support to vulnerable Lebanese.

## IMPROVING ACCOUNTABILITY

- **Cash implementers should:**
  - Improve the systematic inclusion of beneficiaries' preferences and feedback into cash programmes, including through remote data collection modalities, e.g. by investing in qualitative data collection methods, piloting questionnaires, including questions to more deeply understand beneficiaries' preferences, analysing all collected data including from hotlines and field visits, and where there is third party monitoring, consider including an emphasis on accountability and independently capturing beneficiary feedback.
- **Donor agencies should:**
  - Continue to support implementers by ensuring adequate funding for capturing and assessing beneficiaries' feedback, and by requiring solid accountability standards.

## FILLING EVIDENCE GAPS

- **Cash implementers should:**
  - Seek to fill evidence gaps that would facilitate medium-term strategic thinking on how cash assistance can form part of a social safety nets approach, continuing to build the evidence-base on how the financial and economic situation is affecting all vulnerable population groups and exploring how the complementarity of cash and direct services can improve outcomes for families.
- **World Bank Group should:**
  - Continue to prioritize and create the space for a household budget survey for Lebanese nationals, including supporting relevant national capacities, such as the Central Administration for Statistics, to enable this process.
- **Donor agencies should:**
  - Ensure funding for filling necessary evidence gaps and supporting engagement and buy-in from the government.
- **Government of Lebanon should:**
  - Conduct a lessons-learned exercise from its cash distribution to document what has worked well and what needs to be improved, in order to inform potential expansion of cash disbursement to vulnerable Lebanese.

