



Medium-term priorities for cash assistance in Lebanon

RESEARCH NOTE

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With over one million Syrian refugees estimated to seek refuge in the country, Lebanon has the highest per capita proportion of refugees in the world.¹ The humanitarian response in Lebanon, which has one of the most advanced humanitarian cash responses globally, continues to navigate the impact of COVID-19, as well as an unprecedented protest movement, political instability, and a rapid deterioration of the economy leaving it near the point of collapse. There is increasing consensus among practitioners on the usefulness of social assistance, including unconditional cash transfers, to support displacement-affected people meet their basic needs. The needs among Syrian refugees and Lebanese are high, with 89% of Syrian refugees living under the survival minimum expenditure basket (SMEB),² and extreme poverty registering a threefold increase from 8% in 2019 to 23% in 2020 among Lebanese.³ With the situation not expected to improve in the short-term, it becomes critical to generate learning on cash programme adaptations to inform future interventions.

The Durable Solutions Platform (DSP) and CAMEALEON undertook research to document and assess collective learning and decision-making on the adaptation of selected multi-purpose cash (MPC) and protection cash programmes in Lebanon in light of the economic challenges and COVID-19 response between October 2019 and July 2020.⁴ The study captures lessons learned from cash programme adaptations to help equip the Lebanon response going forward in a difficult operational and socio-economic climate, and contribute to global learning about adaptation of cash programming in relation to economic and health crises and in a manner that supports progress towards eventual durable solutions to displacement. This brief summarizes the main priorities and considerations for cash assistance in Lebanon over the short and medium-term as the economic and political context evolves in the country.

- 1 UNHCR. 2020. UNHCR Lebanon at a glance. Available at: <https://www.unhcr.org/lb/at-a-glance>
- 2 Inter-Agency Coordination Lebanon. 2020. VASYR 2020: Key Findings of the 2020 Vulnerability Assessment of Syrian Refugees in Lebanon. Available at: <https://www.unhcr.org/lb/wp-content/uploads/sites/16/2020/12/VASyR-2020-Dashboard.pdf>
- 3 ESCWA. 2020. Poverty in Lebanon. Policy Brief. Available at: https://www.unescwa.org/sites/www.unescwa.org/files/20-00268_pb15_beirut-explosion-rising-poverty-en.pdf
- 4 Durable Solutions Platform and Cash Monitoring, Evaluation, Accountability and Learning Organizational Network. 2020. "Pinning down moving targets": Adapting humanitarian cash programmes to multi-pronged crises in Lebanon.

THE ROLE OF CASH ASSISTANCE IN PATHWAYS TO DURABLE SOLUTIONS

The majority of Syrian refugees in Lebanon have no viable prospect for a durable solution – safe return and reintegration, local integration or resettlement – to end their displacement in the near future. In March this year, the Syrian conflict will enter its eleventh year, making it ever more critical to explore how to support Syrian refugees’ – and vulnerable hosting communities’ – abilities to support themselves and plan for their future. Helping to bolster refugees’ self-reliance can contribute to the search for durable solutions to displacement by supporting them to better plan for, and make informed decisions about, their futures. Over the medium-term, finding avenues to ensure that refugees are able to meet their basic needs in a more sustainable way and live in dignity may reduce protection risks down the line, including making dangerous movement decisions out of desperation, such as spontaneous returns or onward flight through dangerous routes. In practice, supporting self-reliance is difficult, not least due to legal and socio-economic barriers faced by Syrian refugees in Lebanon, including highly restricted access to the formal labour market, complex and costly legal registration procedures, and the worsening economic situation and its broader impacts on the wider population.

In the specific case of Lebanon, multi-purpose cash for Syrian refugees has as its objective to support the most vulnerable refugee households to meet their basic needs, with the transfer value being calculated to meet survival needs only. Currently, cash assistance programmes are not sufficient to enable an individual or household to become self-reliant, as cash alone cannot alleviate non-financial and structural barriers to improve living standards of beneficiaries and may not achieve positive outcomes when beneficiaries are excluded from quality healthcare, schools, markets, or other services. However, with Syrian refugees’ displacement increasingly protracted and the importance of forging closer links between humanitarian and development programming becoming more apparent, there is a growing focus on the role of social assistance – including unconditional cash transfers – to provide more effective, efficient and sustainable responses to affected populations in displacement contexts. 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 programs, combined with additional programme components or linkages to other services, can better support a dignified life in displacement and increased self-reliance longer-term.

ABOUT THE RESEARCH

This study took place between April and July 2020 using a qualitative methodology. A total of 36 KIs 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 for Syrian refugees and Palestinian refugees from Syria, 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. The findings and recommendations from this research were discussed at a validation workshop on 21 September 2020 with 24 cash actors.

KEY FINDINGS AND RECOMMENDATIONS

- **Meaningful cash assistance: Adjusting the transfer amount to match inflation.** A key medium-term consideration relates to the extent to which the transfer amount is actually responding to needs of beneficiaries, especially in a context of currency devaluation and economic challenges. The devaluation of the currency has meant that assistance value has needed to be continuously adjusted upwards and this was made possible by a more preferential exchange rate. Cash implementers should continue advocating for higher transfer values for Lebanese, Syrians and Palestinians alike, in line with inflationary pressures. Evidence

such as the monitoring of prices of food and commodities alongside needs and expenses, and a revised SMEB, are crucial for this but will take time, resources and sectoral consensus.

- **Striking a balance between horizontal or vertical cash expansion.** A recurring concern among cash actors centered on whether to assist an existing caseload of beneficiaries with the same funding, arguably to provide more meaningful assistance, or to expand the programme to include more households in need. In practice, a combination of both approaches has proven optimal, according to a UN implementer, Lebanon One Unified Inter-Organisational System for E-card (LOUISE) agencies have *“increased the transfer value based on estimates and data, but also freed up additional resources to horizontally expand programmes.”*⁵ While this has presented a workable solution in Lebanon given the availability of funding and preferential exchange rate received for cash programmes, it remains to be seen whether such an approach can be sustained in light of worsening socio-economic conditions. As part of this process, cash implementers should rely on and improve the systematic consideration of beneficiaries’ preferences and feedback into cash programmes, including through remote data collection modalities. This needs to be combined with a framework for guiding decision-making on setting a meaningful transfer value, which also takes into consideration coverage.
- **Mitigating risks from a fragile banking sector by diversifying cash transfer options.** Cash programme adaptations have for the most part been related to the devaluation of the LBP, liquidity and preferential exchange rate issues, banking and mobility restrictions. At this critical juncture, while it is vital to continue going through the banking system, cash implementers should ensure solid mitigation measures and contingency plans to cash disbursement modalities, for instance by contracting more than one bank, or contracting money transfer services that can act in tandem with or as a stand-alone service provider. Moreover, the 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.
- **Understanding the needs of all vulnerable populations, including host communities.** Over the medium-term, it will be vital to analyze and assess the different needs of Lebanese and refugee households. Without shifting the attention from the Syrian crisis, it is important to see how common challenges are affecting host communities, and better incorporate them into the response. Making cash assistance more conflict sensitive remains a priority; support to Lebanese should go hand in hand with systems strengthening and the development of a national social protection system. Cash implementers should continue to build the evidence-base on how the financial and economic situation is affecting all vulnerable population groups, and the World Bank 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.
- **Continued funding and flexibility for cash assistance.** Given the protracted nature of Syrians’ and Palestinians displacement in Lebanon, a number of cash actors expressed concerns around how long donor funding will keep up cash assistance and the existing humanitarian structure. With the continued challenges in the country, donors should continue supporting flexible funding, as well as increase funding, for cash programming over the medium-term. An open dialogue between donors and implementers to discuss what is possible in terms of cash assistance modalities and relevant services is a continuous necessity.
- **Filling a gap: the strategic role of protection cash.** Several protection actors have questioned the use of protection cash in a context where socio-economic needs are increasing. As more people face protection incidents, including the risk of evictions, exposure to sexual and gender-based violence, and resorting to negative coping mechanisms, protection cash continues to play a vital role. Going forward, creating linkages with multi-purpose cash beneficiaries would potentially support beneficiaries in overcoming protection risks.

5 Virtual interview with a UN coordinator, June 2020.

- Carving out space for cash plus approaches in Lebanon.** While cash programmes are relevant, certain needs continue to require direct service delivery. Understanding what structural issues and barriers exist to challenges that cash cannot solve will be critical. For instance, while cash can support children’s access to schools and reduce child labor, targeted programmes are needed to support institutional capacities of schools and reduce violence, bullying and social tensions. Increasingly, the complementary nature of cash and non-cash programmes is being recognized. Innovative NGO programmes that have tried to combine cash assistance with complementary services show initial positive impact and a potential for scaling up. More strategic thinking is needed to make cross-sectoral linkages that can enable more integrated approaches, self-reliance and pathways to durable solutions. Cash implementers and the inter-sector should work 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.
- National priorities requiring government ownership.** The structural nature of the crises means that the Government of Lebanon (GoL) needs to articulate a clear vision and provide leadership. Both cash coordinators and implementers stated that close coordination with the government to ensure that more sustainable solutions could be found is critical. The sensitivity of cash programming in recent months and increasing social tensions make diplomatic engagement and the search for political consensus – to the extent that it is possible – a better approach in the medium-term. The GoL should conduct a lessons-learned exercise from its cash based programming and social service provision to document what has worked well and what needs to be improved, in order to inform potential expansion of cash disbursement to vulnerable Lebanese, while donor agencies should ensure funding for filling necessary evidence gaps and supporting engagement and buy-in from the government.



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