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BORROWING TO SURVIVE:
WHY CASH ASSISTANCE NEEDS A DEBT LENS — AND WHAT THAT LOOKS LIKE

Report 2025

solidarités international

NRC NORWEGIAN REFUGEE COUNCIL

OXFAM

QUALISUS CONSULTING

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ACRONYMS

ATM	Automated Teller Machine
BML	Beirut and Mount Lebanon
CAMEALEON	Cash Monitoring, Evaluation, Accountability, and Learning Organizational Network
CFF	Cash for Food
CFP	Cash for Protection
CVA	Cash and Voucher Assistance
DGD	The Directorate-General for Development Cooperation
ECA	Emergency Cash Assistance
GBV	Gender-Based Violence
HH	Household
IDIS	In-Depth Interviews
IDP	Internally Displaced Person
IM	Information Management
KIIS	Key Informant Interviews
LL	Lebanese Lira (currency)
M&E	Monitoring and Evaluation
MEB	Minimum Expenditure Basket
MPCA	Multi-Purpose Cash Assistance
MSME	Micro, Small, and Medium Enterprises
MSNA	Multi-Sectoral Needs Assessment
NRC	Norwegian Refugee Council
OECD	Organisation for Economic Co-operation and Development
PRL	Palestinian Refugees in Lebanon
PWDS	Persons with Disabilities
SIDA	The Swedish International Development Cooperation Agency
SIM	Subscriber Identity Module
SMEB	Survival Minimum Expenditure Basket
TCA	Temporary Cash Assistance
TOR	Terms of Reference
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
VASYR	Vulnerability Assessment of Syrian Refugees in Lebanon
VSLA	Village Savings and Loan Association
WFP	World Food Programme
WHH	Women-Headed Household

EXECUTIVE SUMMARY

INTRODUCTION

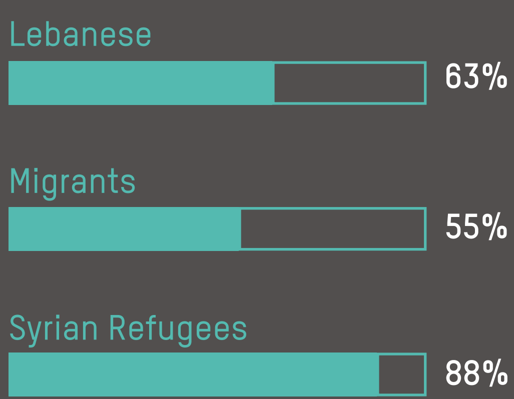
Debt is widely recognized as a double-edged instrument: at the macro level, it can fund growth and essential services, but at the household level, it often represents both survival and constraint. In fragile settings, where formal safety nets are limited, borrowing increasingly serves as a de facto social protection mechanism, allowing families to secure food, housing, or healthcare when income falls short. Yet this coping strategy carries emotional and financial costs, deepening cycles of dependence, stress, and inequality, particularly among poorer households, women, and refugees.

Since 2019, Lebanon has faced overlapping crises, economic collapse, the COVID-19 pandemic, the Beirut Port explosion, and the on-going conflict, that have collectively weakened livelihoods and household resilience. Public debt now exceeds 180 % of GDP, inflation surpassed 200% in 2023, and unemployment continues to rise. As a result, borrowing has surged across all population groups. Recent assessments (VASyR 2024; MSNA 2024) show that 63 % of Lebanese, 55 % of migrants, and 88 % of Syrian refugees are in debt, often relying on informal credit to meet basic needs. However, these sources mainly document the scale of indebtedness rather than its drivers. This study therefore fills a critical data and analytical gap by examining how households in Lebanon perceive, manage, and adapt to debt under crisis conditions and how Cash and Voucher assistance (CVA) influences borrowing, repayment, and resilience.

Public Debt
>180%
of GDP

Inflation
>200%

Debt Levels



PURPOSE & SCOPE

This study was commissioned by Oxfam, under the CAMEALEON consortium, and implemented in partnership with the Norwegian Refugee Council (NRC). Its primary purpose is to generate a deeper understanding of how CVA interacts with household debt dynamics in Lebanon, particularly within the context of protracted crises, shrinking humanitarian funding, and growing economic fragility. The findings aim to inform strategic and programmatic decisions at both agency and inter-agency levels to improve CVA design and to support evidence-based advocacy on effective cash modalities.

THE SCOPE OF THE RESEARCH WAS DEFINED ACROSS FOUR KEY DIMENSIONS:

- **Thematic scope:** Examined household debt dynamics and their drivers, the influence of cash assistance on borrowing and repayment, the effectiveness of cash programmes in achieving intended objectives under social and economic pressures, and the coping and resilience strategies households adopt to manage financial hardship and inform more sustainable social assistance models.
- **Modalities covered:** Focused quantitatively on Multi-Purpose Cash Assistance (MPCA) and complemented these findings with qualitative insights from Cash for Rent and Emergency Cash Assistance (ECA) to capture diverse programme designs and their effects on debt.
- **Geographical scope:** Covered four main areas where Oxfam and NRC operate: Tripoli (North), Baalbek-Hermel (Bekaa), Saida (South), and Beirut-Mount Lebanon (Dawra).
- **Time frame:** Conducted between April and October 2025.

METHODOLOGY

The study applied a **mixed-methods design**, integrating quantitative and qualitative data to capture both the scale and lived experience of household debt and cash assistance use in Lebanon.

QUANTITATIVE METHOD

A structured 30-minute phone survey was administered by trained enumerators to 698 households (92 % of the 756-household target) receiving MPCA under Oxfam's programmes.

QUALITATIVE METHOD

- It included **101 In-Depth Interviews (IDIs)** with cash recipients across three modalities (MPCA, Cash for Rent, and ECA).
- **11 IDIs with lenders** (shopkeepers, pharmacists, and other service providers)
- **12 Key-Informant Interviews (KIIs)** with sector experts and programme staff.

LIMITATIONS AND CHALLENGES

The study faced methodological and field-level limitations that may influence the interpretation and generalisability of findings.

- **Scope of quantitative data:** The survey covered only Multi-Purpose Cash Assistance (MPCA) recipients. Findings on Cash for Rent (CFR) and Emergency Cash Assistance (ECA) are based solely on qualitative data, which limits comparability across modalities.
- **Access and participation:** Security constraints, displacement dynamics, and lenders' limited availability restricted in-person interviews in some areas. The team mitigated this by shifting to remote interviews and adapting schedules to participants' availability.
- **Social desirability and under-reporting:** On sensitive topics such as debt, borrowing, and protection risks, some participants may have provided socially acceptable answers or withheld details due to stigma or fear. Private interviews, neutral phrasing, and data triangulation helped reduce bias but cannot eliminate it entirely.
- **Sensitivity and safeguarding:** Discussing debt and coping mechanisms was emotionally distressing for some participants, especially women and vulnerable groups. Trauma-sensitive interviewing and referral mechanisms were applied throughout data collection to enusre Do No Harm approach.

FINDINGS

Section 1:
The key drivers and characteristics of household debt in Lebanon

DETERMINANTS AND PATTERNS OF DEBT

Debt in Lebanon functions primarily as a means of survival rather than a financial strategy. Survey results revealed a sharp gap between household income and basic living costs, driving families to borrow mainly for food, rent, and healthcare, with debt repayment remaining a constant but secondary concern. Borrowing occurs almost entirely through informal, trust-based arrangements that are verbal, interest-free, and without fixed deadlines, as consistently reported by respondents and lenders alike. Yet repayment is often enforced through social pressure, and in some cases, harassment or public humiliation for unpaid debts.

Trinagulated evidence shows that Lebanese households carry higher debt due to broader access to both formal and informal credit networks, while Syrian refugees and migrant workers are confined to smaller loans under stricter and less forgiving conditions, reflecting limited access rather than lower need.

> ”
> *There is a sharp gap between household income and basic living costs.*

Qualitative evidence highlights how gender and social identity shape borrowing roles: women, especially those heading households, frequently approach lenders for daily expenses and child-related needs, while men typically borrow larger sums for rent or livelihood costs. LGBTQ+ individuals, particularly trans persons, face the most exploitative lending conditions, underscoring how gender identity, legal status, and social inequality intersect to heighten financial vulnerability.

IMPACT OF DEBT ACCUMILATION

Findings across all data sources confirm that debt in Lebanon extends far beyond an economic issue, functioning as a driver of multi-dimensional vulnerability. At the personal level, it generates anxiety, shame, and psychological strain, while at the household level, it increases conflict, and limits children's education and wellbeing. Economically, debt drains scarce income and humanitarian assistance away from food, rent, and livelihoods, locking families into cycles of dependency and financial exhaustion.

While survey data captures the visible financial stress, qualitative evidence specially from experts in protection and case management highlight a deeper protection dimension. Indebted households, particularly women, refugees, and migrants, face heightened exposure to exploitation, eviction, and abuse, with social stigma and loss of dignity compounding these risks. The findings highlight that debt must be recognised as both a symptom and a driver of protection threats, underscoring the need to integrate financial vulnerability into protection analysis and response.

IMPACT OF CRISIS AND CONFLICT ON DEBT

Findings confirm that Lebanon's overlapping crises since 2019, economic collapse, inflation, and recurrent conflict, have intensified existing debt patterns and pushed already fragile households into deeper vulnerability. Quantitative results show that nearly 74% of surveyed households increased their debt over the past year, and qualitative accounts illustrate how inflation, income loss, and aid gaps have turned short-term borrowing into chronic indebtedness. Families now rely on debt as a permanent survival mechanism, struggling to recover amid shrinking wages and limited access to credit.

74%
of households increased their debt over the past year

The recent and on-going conflict further compounded these pressures. Interviews with displaced households and lenders revealed new borrowing to cover rent, transport, and basic survival costs, while repeated displacement and prolonged hardship have undermined trust between borrowers and lenders, reducing access to informal credit and weakening community solidarity. Key informants and validation workshop discussions highlighted how each new crisis cycle multiplies debt burdens and stretches social support systems to their limits.

Together, these findings show that debt has become a structural feature of Lebanon's crisis economy, with each external shock deepening household fragility and narrowing the prospects for recovery.

Section 2:
The Role of Cash Assistance in Household Finances and Debt

USE & ADEQUACY OF CASH ASSISTANCE

Findings from all data sources confirm that cash assistance provides essential but short-lived relief, enabling households to cover immediate needs, mainly rent, food, and healthcare; but rarely sufficient to reduce debt or sustain livelihoods. 85% of MPCA recipients said assistance only partially met their needs, and for 90%, it lasted less than two weeks. Transfers temporarily ease arrears and improve relations with creditors, but debts quickly reaccumulate once payments stop, particularly among women, migrants, and LGBTQ+ individuals facing sharper trade-offs between essentials and repayment.

Beyond its material impact, social norms strongly influence how assistance is managed and prioritised. Most households reported no sharing or diversion of cash, yet interviews revealed hidden pressures: recipients frequently concealed assistance to avoid envy, gossip, or repayment demands, particularly among refugees and migrants. This secrecy preserved control over limited resources but weakened community solidarity and access to informal help. Women carried the main responsibility for budgeting and repayment, balancing household needs with moral expectations to "cover debts," while migrant workers faced additional pressure to send remittances back home. These patterns show that cash assistance mitigates hardship but remains constrained by limited adequacy and persistent social obligations, preventing meaningful reduction in long-term indebtedness.

DEEP-DIVE INTO THE TYPES OF CASH ASSISTANCE & THEIR INFLUENCE ON DEBT

Triangulated evidence from survey data, qualitative interviews, and technical consultations confirms that the impact of cash assistance on debt depends primarily on its design, duration, and adequacy. Cash helps households stabilise temporarily, ease creditor pressure, and prevent harmful coping, but its effect remains short-lived.

- **MPCA**—typically 100-145 USD for 3-6 months—offers flexibility to cover daily needs and small arrears but is too limited in value to change overall debt trajectories. Quantitative results show that 52% of recipients reduced their debt and 38% saw no change, with longer, predictable transfers (e.g., six-month DGD modality) proving more effective than shorter, one-off rounds (SIDA modality).
- **ECA**—a one-time transfer of 90-150 USD—helps prevent eviction and exploitation in acute crises, especially for women, but borrowing quickly resumes once the emergency passes.
- **Cash for Rent**—provided for 6–12 months at up to 250 USD—has the strongest protective effect, securing housing stability and formalising tenancy agreements with landlords, yet its benefits remain time-bound.

Section 3:
Coping Strategies Adopted by Vulnerable Households

IDENTIFICATION OF COPING STRATEGIES, CONSTRAINTS & ENABLERS

Triangulated evidence from surveys, interviews, and expert consultations shows that most Lebanese, Syrian, and migrant households are locked in fragile cycles of survival driven by shrinking income, informal credit, and exhausting labour. Nearly 72% reported reducing food consumption, 47% borrowed or bought food on credit, and one-third cut spending on health, clear signs of widespread reliance on negative coping.

72%
reduced food consumption

47%
borrowed or bought food on credit

1/3
cut spending on health

While many families also attempt to adapt through home-based work, micro-enterprises, or extended work hours, these strategies are increasingly unsustainable and expose women, children, and marginalized groups to higher protection risks.

The ability to cope depends on a fragile balance between material and social enablers. Stable income, education, and predictable aid provide temporary stability, while family and community support offer crucial but weakened social safety nets. As economic and social systems weaken, coping shifts from adaptation to endurance, leaving most households locked in short-term survival rather than recovery. Strengthening both economic stability and social cohesion is therefore essential to transform coping into resilience and ensure families can plan beyond crisis.

IMPACT OF CASH ASSISTANCE ON THE USE OF NEGATIVE COPING MECHANISMS

Findings confirms that cash assistance plays a critical protective role in reducing harmful coping mechanisms such as meal skipping, borrowing for food or rent, and resorting to exploitation. Survey data show that 61% of households avoided reducing food consumption, 42% avoided buying food on credit, and 41% avoided cutting healthcare thanks to cash support. Qualitative interviews add depth to these numbers: women and caregivers described cash as the difference between feeding their children and begging for credit, while men noted it helped them avoid unsafe or exploitative work.

However, this protection is short-lived when transfers are too small, irregular, or brief. MPCA offers temporary relief from debt and food insecurity; ECA prevents immediate harm but lacks durability; and Cash for Rent remains the most protective, directly preventing eviction, harassment, and survival sex by covering the largest household expense. Across modalities, adequacy, predictability, and duration are the main determinants of effectiveness. Sustained, multi-month, and well-calibrated cash particularly rent-linked and protection-focused remains the strongest safeguard against negative coping and deepening debt in Lebanon's protracted crisis.

Photo by: Adrian Hartrick

RECOMMENDATIONS

DEBT IN CASH-BASED INTERVENTION PROGRAMME DESIGN

For Oxfam and Other Agencies Implementing Cash Programming

- **Integrate Debt Considerations into Programme Design:** Embed debt reduction, management, and protection from debt-related risks as explicit objectives in cash programming, recognising that borrowing has become a universal survival mechanism across population groups.
- **Keep Debt Manageable as a Programme Goal:** Design cash assistance to help households maintain sustainable borrowing levels and positive relationships with lenders, protecting those most at risk of unmanageable debt.
- **Ensure Predictable, Unrestricted Cash Cycles:** Prioritise regular monthly transfers, preferably for periods exceeding six months, to enable families to plan, repay debts gradually, and avoid harmful coping strategies.
- **Adjust Transfer Value and Frequency to Reflect Debt Realities:** Calibrate assistance amounts and timing to reduce financial strain and mitigate protection risks, favouring consistency and longer cycles over one-off or short-term transfers.
- **Monitor Debt-Related Outcomes Systematically:** Integrate debt indicators (levels, repayment, and protection risks) within programme M&E frameworks to strengthen adaptive management and evidence-based advocacy.

For Donors

- **Support Debt-Sensitive Cash Programming:** Encourage the development of sector-wide technical guidance on measuring and addressing household debt and its link to protection risks.
- **Integrate Debt Indicators into Reporting Requirements:** Require implementing partners to report on how cash assistance affects household debt and borrowing behaviour to improve accountability, comparability, and learning across contexts.

TARGETING AND DEBT RELATED RISK FACTORS

For Oxfam and Implementing Agencies

- **Integrate Debt-Related Risk Factors into Targeting:** Prioritise households most exposed to exploitative lending and repayment practices, especially Syrian refugees, migrant workers, and women-headed households, by incorporating debt-related protection risks into targeting criteria.
- **Link Cash and Protection Programming:** Strengthen operational synergies between Cash and Protection teams through joint targeting, referral systems, and integrated case management to address the economic and protection dimensions of indebtedness more holistically.

For the Sector (Working Groups and Coordination Platforms)

- **Harmonise Debt-Sensitive Targeting Frameworks:** Promote the consistent integration of debt-related risk factors across Basic Assistance, Protection, and Shelter sectors.
- **Develop Common Guidance and Indicators:** Establish harmonised criteria (e.g., debt-to-income ratio, repayment stress, type of lender) to improve comparability, coherence, and accountability in reaching the most financially and socially at-risk households.

SUSTAINABILITY AND COMPLEMENTARITY SUPPORT

For Oxfam and Implementing Agencies

- **Combine Cash Support with Debt Mediation:** Pair predictable, adequate cash transfers with community-based debt mediation to help households negotiate fair repayment terms, reduce exploitation, and strengthen trust between borrowers and lenders.
- **Adjust Cash Benefits During Shocks:** Temporarily increase transfer values or provide top-ups during displacement and crisis periods to offset rising costs and reduce debt-related protection risks such as GBV and child labour.
- **Embed Safeguards in Cash Delivery:** Ensure discreet and secure delivery of assistance to prevent creditor pressure, harassment, or coercion, allowing recipients to prioritise their needs independently.

For Donors

- **Support Flexible and Adaptive Cash Programming:** Enable agencies to adjust transfer values and durations during crises to prevent debt escalation and protection risks.
- **Invest in Safeguarding and Mediation Systems:** Fund local mediation initiatives, case management, and safe delivery mechanisms that protect vulnerable recipients from financial and social exploitation.

SUSTAINABILITY AND COMPLEMENTARITY SUPPORT

For Oxfam and Implementing Agencies

- **Integrate Cash-Plus Exit Strategies:** Link cash assistance to longer-term livelihood, training, or protection services, ensuring referrals remain inclusive of the most vulnerable households.
- **Adopt a Multipronged Approach to Debt Reduction:** Focus on maintaining manageable debt levels and strengthening links with livelihoods, legal aid, and protection services to support a gradual shift from relief to self-reliance.
- **Leverage Community Systems:** Engage trusted local actors such as cooperatives, shopkeepers, or savings groups, as partners in aid delivery and debt mediation to restore solidarity networks and expand protective reach.

For Donors and Coordination Bodies

- **Promote Cash-Plus Interventions:** Support and fund cash programmes that combine immediate relief with livelihood and protection components to enhance sustainability and long-term recovery.
- **Foster Cross-Sector Collaboration:** Encourage coordination among agencies across cash, livelihoods, education, and legal sectors to ensure cash assistance contributes to durable resilience and social protection outcomes

Photo by: Ahmad Akacha

Indebted households, particularly women, refugees, and migrants, face heightened exposure to exploitation, eviction, and abuse.

INTRODUCTION

This Final Report presents the main findings of the research assignment ***"Cash and Voucher Assistance (CVA) and Household Debt Dynamics in Lebanon"***, commissioned by Oxfam under the CAMEALEON consortium, and implemented in partnership with the Norwegian Refugee Council (NRC). The study was conducted by Qualisus Consulting between April and October 2025, with the purpose of exploring how cash and voucher assistance (CVA) interacts with household debt dynamics in Lebanon, particularly in the context of protracted crises and reduced humanitarian funding. The report provides an overview of the methodology adopted during the research assignment and lays out the findings across the three main research questions. The report consists of the following sections:

Background	Introduces the context and rationale of this research.
Purpose and Scope	Presents the research objectives and key questions, clarifies the population groups and the covered geographic areas.
Methodology	Outlines the mixed-methods design, data collection tools, sampling framework, and analysis approach. It also includes the Quality Assurance Measures and Ethical Considerations upheld throughout the research.
Limitations and Challenges	Presents constraints and risks encountered during research process, highlighting factors that may have influenced the study's findings. It also presents the strategies and mitigation measures adopted to address these challenges.
Findings	Details the results and findings across the three research questions, drawing on both quantitative and qualitative evidence.
Recommendations	Provides actionable, evidence-based suggestions to strengthen CVA design and delivery by addressing debt dynamics, supporting resilience, and ensuring sustainability, while guiding Oxfam, NRC, and partners' decisions and contributing to sector-wide learning on cash assistance in Lebanon.

BACKGROUND

OVERVIEW ON DEBT

Debt is often described as a double-edged concept, a financial tool that can promote opportunity and growth, but also one that can generate hardship and dependency. Its meaning and impact depend greatly on the broader social, economic, and policy environment in which it arises.

At the **macroeconomic level,** debt is widely recognized as a legitimate policy instrument when managed in ways that balance short-term fiscal needs with long-term development objectives. Institutions such as the Organisation for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF) highlight that responsible public borrowing can fund essential services, stabilize economies during crises, and maintain investment in social sectors (OECD, 2025; IMF, 2024). However, when debt becomes excessive or poorly targeted, it can undermine public trust and limit fiscal space for social protection and poverty reduction.

At **the household level,** debt takes on a far more personal and multidimensional character. Borrowing represents both survival and aspiration: it allows families to maintain consumption, support children's education, or respond to emergencies when income is insufficient. At the same time, it can serve as an investment in the future through student loans, small business ventures, or housing. In fragile settings where formal safety nets are weak or inaccessible, household debt increasingly functions as a **de facto form of social protection**, enabling families to meet basic needs and mitigate immediate protection risks such as eviction, hunger, or inability to access health care.

As recent evidence from crisis contexts shows, borrowing often replaces or complements formal assistance, especially for those excluded from humanitarian or state support systems (UNDP, 2023; World Bank, 2023).

Yet this coping mechanism comes at a high emotional and financial cost. Debt can relieve immediate hardship but also expose families to cycles of dependence, stress, and stigma when repayment becomes difficult. Scholars such as Sussman and Shafir (2012) highlight that individuals evaluate their financial well-being not only through objective indicators but through the emotional burden of indebtedness "how being in debt feels."

Household debt is therefore shaped by multiple dimensions. **Economically**, it reflects limited income stability and restricted access to affordable credit. **Behaviourally**, it is influenced by attitudes toward risk, borrowing, and the social norms that define acceptable ways to seek help (Brown et al., 2005; Aksoy et al., 2024). **Socially**, it is embedded in relationships of trust and reciprocity: debt can signal reliability and belonging when repaid, or lead to exclusion and shame when obligations are unmet (Sweet et al., 2013; Gammage et al., 2021).

In **crisis-affected settings**, these dynamics intensify. Inflation, displacement, and income loss heighten both the need for borrowing and the barriers to repayment. Debt can offer short-term protection, helping households bridge income gaps or avoid resorting to negative coping strategies, but it can also deepen existing inequalities. Poorer households, women, and refugees are often forced to borrow under harsher conditions, with higher interest rates or fewer repayment options, reinforcing the very disparities that make them vulnerable in the first place (UN ESCWA, 2023; Oxfam, 2024).

Moreover, the language and framing of debt strongly shape how it is experienced and managed. Terms such as "obligation" or "liability" trigger guilt and moral duty, while "credit" or "support" suggest empowerment and access. In Lebanon's current context, marked by on-going conflict, economic collapse, limited state support, and rising living costs, borrowing has become a central element of household survival. Debt thus represents both resilience and distress: it allows families to endure immediate shocks but, in the absence of structural safety nets, can lock them into prolonged hardship.

Therefore, understanding household debt in Lebanon requires using this complex lens to examine how borrowing practices shape economic stability, protection outcomes, social relationships, and trade-offs within crisis-affected communities. The study primarily examines monetary borrowing, it also recognizes that households often rely on other informal credit arrangements such as unpaid balances or in-kind exchanges, as part of their wider coping and survival strategies.

Debt is often perceived as a double-edged concept, a financial instrument of opportunity and investment on one hand, and a source of vulnerability and constraint on the other. Its meaning and weight depend greatly on the social, economic, and policy context in which it occurs. At the macroeconomic level, institutions, such as the Organisation for Economic Co-operation and Development (OECD), view debt as a legitimate policy tool when managed responsibly and aligned with long-term fiscal and development goal s. The OECD Global Debt Report (2025) , for instance, emphasizes that sustainable borrowing can finance essential public services and absorb economic shocks, but also warns that excessive or poorly targeted debt can compromise resilience and public trust (OECD, 2025).

At the **household level,** however, debt takes on a more complex meaning to encompass economic necessity, behavioural tendencies, and social norms. For many families, borrowing money represents both survival and aspiration: it can help maintain consumption, support children's education, or cover emergencies when income falls short; it also serves as an investment for the future in the cases of student loans and small business capital. Yet it can also create chronic stress, indebtedness, and stigma when repayment becomes unmanageable. Scholars such as Sussman and Shafir (2012) highlight that individuals assess their financial well-being not merely through their balance sheets but through the emotional weight of their liabilities meaning "how being in debt feels". Household debt is thus **multidimensional**.: Economically, it reflects liquidity constraints and limited access to stable income and creditability to smooth consumption.; Bbehaviourally, it is influenced by risk attitudes and debt aversion, an intrinsic discomfort with owing money even when borrowing may be rational (Brown et al., 2005; Aksoy et al., 2024); and socially, it carries moral and symbolic connotations, denoting signaling responsibility when repaid or shame when defaulted upon (Sweet et al., 2013).

In development and crisis-affected contexts, the framing of household debt becomes even more ambivalent. On one hand, access to credit or informal borrowing can be seen as a form of **financial inclusion**, enabling households to meet essential needs and manage volatility in income. On the other, it can reinforce dependence and deepen financial precarity make it harder to recover financially (Boz et al., 2020). The OECD Debt Transparency Initiative (2022) similarly highlights that the effects of debt, whether stabilizing or destabilizing, depend on transparency, predictability, and the conditions under which borrowing occurs. As highlighted by the World Bank's *Global Financial Inclusion Report (2023)*, the effects of borrowing on household well-being depend largely on the conditions of access, fairness of terms, and protection mechanisms that accompany it.

Moreover, the language and framing of debt strongly influence how it is experienced and managed. Terms such as "obligation" or "liability" evoke guilt and moral responsibility, whereas "credit" or "support" imply empowerment and access, demonstrating that household debt is as much a matter of narrative as it is of numbers (Aksoy et al., 2024). This framing is particularly significant in fragile economies such as Lebanon, where households rely on borrowing, both formal and informal, as a key coping strategy amid inflation, displacement, and income insecurity. Here, debt reflects a continuum of resilience and distress: it enables survival in the short term but can also perpetuate long-term vulnerability when structural safety nets are absent. The study primarily examines monetary borrowing, it also recognizes that households often rely on other informal credit arrangements such as unpaid balances or in-kind exchanges, as part of their wider coping and survival strategies. Therefore, understanding household debt, therefore, requires looking beyond financial ratios to the broader meanings, relationships, and trade-offs it represents.

DEBT IN THE LEBANESE CONTEXT

Since 2019, Lebanon has been experiencing one of the most severe crises in modern its history, marked by overlapping economic, financial, political, and social shocks. The financial collapse resulted in hyperinflation exceeding 200% in 2023, with the Lebanese pound losing over 90% of its value against the US dollar, rendering basic goods unaffordable and heightening reliance on humanitarian aid (World Bank, 2023). The COVID-19 pandemic devastated businesses and employment, while the 2020 Beirut Port explosion caused an estimated USD 4 billion in damages, displacing thousands and worsening food insecurity (UNOCHA, 2020). The collapse of Lebanon's banking sector, characterized by capital controls and multiple exchange rates, has further complicated aid delivery and hindered the effectiveness of financial assistance (UNDP, 2023).

Photo by: Phil_berry/Shutterstock

The recentongoing Israeli war on Lebanon, in September 2024, drove the country into deeper economic and social decline. The conflict reversed fragile signs of recovery, pushing Lebanon's Human Development Index back to 2010 levels and causing the economy, already contracted by nearly 40% since 2019, to shrink further by up to 10% in 2024, with continued decline projected into 2025 (United Nations, 2025). According to a recent publication by the United Nations on the socioeconomic impacts of 2024 war, job losses reached one quarter in private sector employment, Micro, Small, and Medium Enterprises (MSMEs) faced widespread closures, and vital sectors such as tourism and agriculture endured severe damage. Capital inflows and remittances also dropped sharply, undermining household income and social stability. These shocks aggravated an already unsustainable fiscal position, with public debt at 180% of GDP and government revenues at historic lows, leaving little fiscal space for recovery. For vulnerable households, the combined effect of lost income, shrinking safety nets, and rising prices has intensified reliance on debt as a survival mechanism, further entrenching financial vulnerability (United Nations, 2025).

HOUSEHOLD DEBT PATTERNS

In Lebanon, household debt remains a widespread phenomenon, particularly among the vulnerable population. The Vulnerability Assessment of Syrian Refugees (VASyR) and the Muti-Sector Needs Assessment (MSNA) implemented under REACH initiative provide evidence on the increase of reliance on debt across the years; noting that these assessments were published in 2024, however, they refer to data collected during 2023. MSNA data from 2023, shows that **63% of Lebanese**, **55% of migrant**, and **41% of Palestinian Refugees** in Lebanon (PRL) households reported having more than $100 in debt. The average reported debt value from borrowing money that had not yet been paid back reached 988 USD in 2023. This debt level spiked considerably compared to approximately 200 USD in the previous year. While VASyR 2023 data highlights that **88% of Syrian refugees** are in debt, the highest percentage among all population groups. Among those households that reported having debt, the average amount was 44.9 million LBP, equivalent to 500 USD. This high debt burden among Syrian refugees is primarily linked to limited income sources, repeated shocks (e.g., theft, illness), insufficient humanitarian assistance, and delays in aid transfers (WFP, 2024). These disparities are further shaped by legal status, gender, and displacement, with women-headed households, refugees, and migrants facing the highest barriers to stable income generation.

78%
of Syrian refugees
are in debt

IMPACT OF DEBT

Debt is considered a major driver of household vulnerability in Lebanon. While borrowing can provide short-term relief, it often leads to harmful coping strategies and long-term harm, undermining economic security, straining social ties, and increasing protection risks (MSNA, 2024; Sterck et al., 2020).

For example, among Syrian households, reliance on informal credit has been linked to increased housing insecurity, exposure to exploitation, and tensions with host communities. Debt often forces families into substandard shelter conditions, with women and children especially at risk of eviction and abuse. In some cases, shopkeepers retain ATM or SIM cards as informal collateral, further limiting household autonomy (WFP, 2024). Families also resort to child labour, child marriage, and reduced food consumption as means of survival (UNICEF, 2023; Save the Children, 2023).

Other vulnerable groups also report debt-related harm. 28% of PRL, 14% of migrant, and 13% of Lebanese households reported experiencing harassment, while small shares reported threats or coercion (MSNA, 2024). The psychological toll is also significant, with many experiencing anxiety, fear, and helplessness, which can increase risks of gender-based violence and other forms of harm.

THE ROLE OF CVA IN STABILIZING HOUSEHOLDS

Within this fragile economic environment and the rising needs, CVA plays a critical role in enabling households to stabilize and secure their most basic needs. It allows families to access food, water, and shelter as basic needs. It also reduces harmful coping strategies including child labour and dangerous work among adults (Save the Children, 2024), lowering dietary coping such as meal skipping (Mercy Corps, 2024). It can further improve school attendance by covering transportation and supply costs and ease household tensions by reducing financial stress (VASyR, 2024).

How households allocate cash reflects both unmet needs and the burden of debt. Most transfers are spent on food, followed by rent, utilities, and healthcare (VASyR and MSNA, 2024).

However, data shows that debt repayment often lags behind new borrowing, leaving families caught in a cycle of arrears (IRC, 2024). Only some programmes that include “Cash Plus” components demonstrate that cash can reduce borrowing and contribute to partial debt repayment. **Cash Plus programmes**[1] integrate cash transfers with complementary services, such as financial literacy, vocational training, psychosocial support, and livelihood opportunities; these components have the potential to better address debt dynamics, strengthen resilience, and reduce aid dependency (CALP, 2023; UNOCHA, 2023; CAMEALEON, 2022; CALP, 2024; BASIC, 2025).

Overall, while CVA helps households cover essential needs and occasionally repay debt, its effects are temporary. Once assistance is reduced or discontinued, families tend to revert quickly to borrowing and negative coping strategies. This underscores both the importance and the limitations of CVA in relation to debt.

DATA GAPS AND ADDED VALUE OF THIS RESEARCH

Despite a growing body of evidence on household vulnerability in Lebanon, significant data gaps remain regarding the drivers of debt dynamics and the interlinkages between Cash bases interventions and household debt. Existing assessments often capture the scale of borrowing and general coping mechanisms, yet little is known about how assistance influences debt acquisition, repayment, and overall financial stability. This study addresses these gaps by examining how households in Lebanon perceive and manage debt amid prolonged economic crisis, and how these perceptions shape their financial behaviour and resilience strategies.

By linking the economic and social dimensions of debt, the study generates insights to inform more relevant and sustainable CVA programming that strengthens household stability.

1. Cash Plus regroups a very wide variety of designs and objectives, most of them do not integrate debt as a primary or secondary objectives.

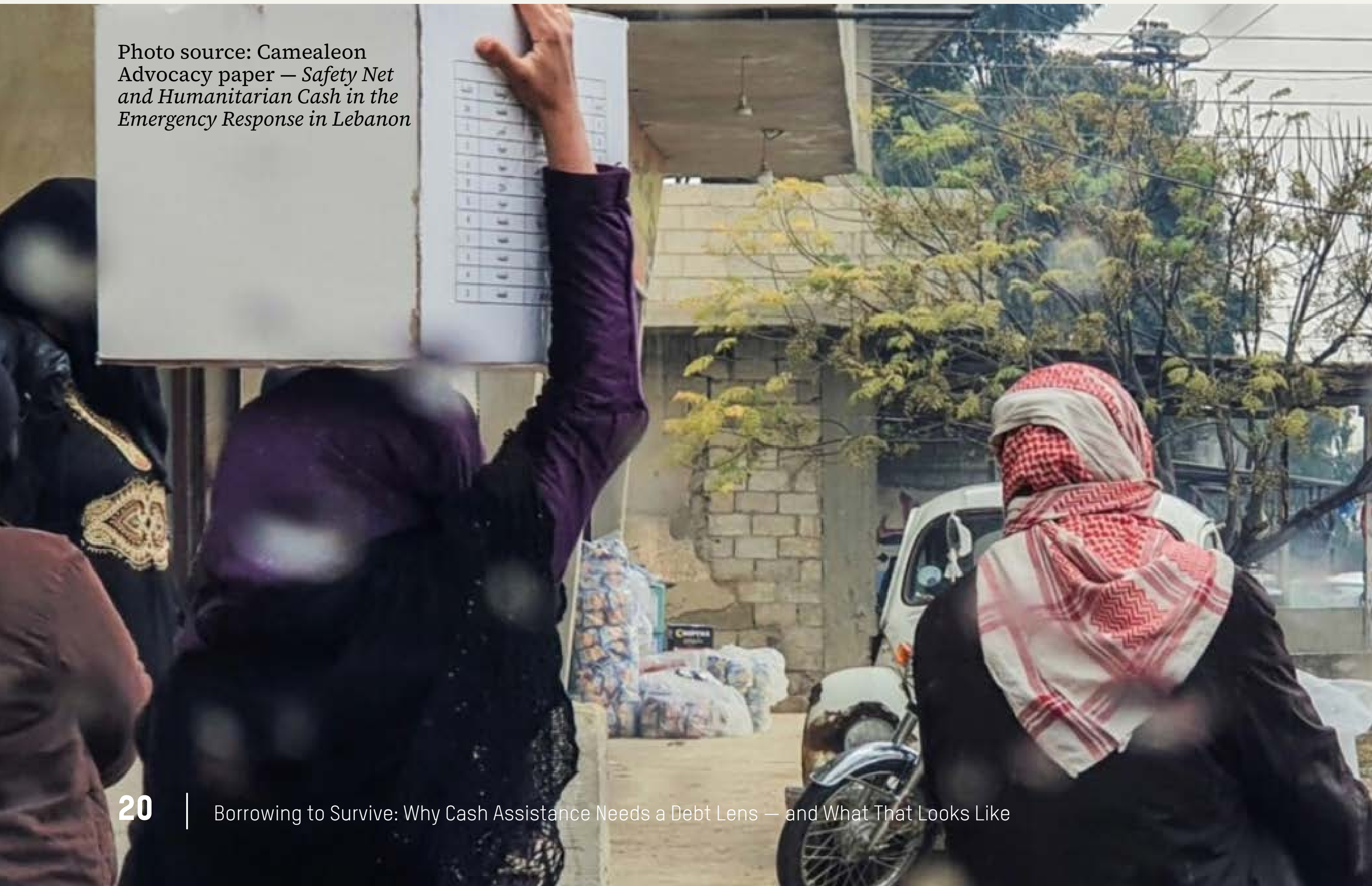


Photo source: Camealeon Advocacy paper — *Safety Net and Humanitarian Cash in the Emergency Response in Lebanon*

RESEARCH PURPOSE AND SCOPE

PURPOSE

As per the Terms of Reference (ToR), this research assignment was commissioned by Oxfam as part of the CAMEALEON consortium and was implemented in partnership with the Norwegian Refugee Council (NRC). As articulated above, the main purpose was to generate a deeper understanding of how CVA interacts with household debt dynamics in Lebanon, particularly in the context of protracted crises and shrinking humanitarian funding. Findings will inform strategic and programmatic decision-making at both agency and inter-agency levels to enhance CVA design and implementation in basic assistance, protection, and shelter sectors; support evidence-based advocacy on effective cash modalities.

SCOPE

The scope of inquiry was defined across three dimensions:

Thematic scope

The study examined the following key areas related to debt and CVA:

- **Debt Dynamics and Drivers:** The key characteristics and drivers of household debt, and how debt accumulation interacts with broader economic, social, and political shocks to affect household well-being and stability.
- **CVA and Household Debt Outcomes:** The ways in which cash assistance influences borrowing, repayment, and overall debt trajectories within vulnerable households.
- **CVA Effectiveness in Meeting Objectives**: The extent to which cash assistance achieves its intended objectives under prevailing social, cultural, and economic pressures.
- **Adaptation and Resilience Strategies:** The coping and adaptation practices employed by vulnerable households and communities to navigate financial hardship and overlapping crises, and how these practices can inform more relevant, sustainable social assistance models amid declining international support.

Scope of Cash Assistance Modalities

As part of the inception phase, a comprehensive desk review and preliminary consultations with Oxfam staff were conducted to map the diversity of CVA programming in Lebanon. This review highlighted the significant variation in modality, targeting, transfer size, and duration across projects, which posed challenges for generating comparable findings. To ensure analytical consistency, the study narrowed its scope to specific types of assistance studies under each method (please refer to the inception report, *Annex A*, for more details on the selection of programme modalities and *Annex B* for more details on the projects included under the scope of the study).

- **For the quantitative component,** the study focuses exclusively on **Multi-Purpose Cash Assistance (MPCA)** initiatives provided by Oxfam that met a minimum threshold of three months' duration. Here it is important to distinguish between two modalities: in the first project (funded by the Swedish International Development Cooperation Agency, SIDA) targeting Internally Displaced

Persons (IDPs) affected by the ongoing war on Lebanon, cash was first distributed as one-off 200 USD payment at first then followed by 145 USD for a round of 3 months (following the Food Security and Basic Assistance sectors guidance). As for the second project (funded by the Directorate-General for Development Cooperation, DGD, in Belgium) targeted long-term vulnerable residents, including Syrian refugee households, 100 USD payment was provided for 6 months. This distinction enables the study to examine how different modalities and displacement status shape the use of cash and its interaction with debt dynamics.

- **For the qualitative component**, the scope was broadened to capture additional modalities of particular relevance to household debt. These include **Cash for Rent** provided by NRC, which is conditional on proof of rent payment and directly linked to one of the primary drivers of borrowing; one-off **Emergency Cash Assistance (ECA)** to address acute medical or protection needs; and reflections on Cash for Protection from sector experts, while excluding direct engagement with beneficiaries in this category for ethical reasons.

By focusing the quantitative analysis on MPCA; and complementing it with qualitative insights from Cash for Rent and emergency assistance (ECA), the study ensures a robust yet feasible exploration of how different types of cash assistance interact with household debt in Lebanon.

- **Geographical scope:** This research was implemented in **four areas** across Lebanon where Oxfam and NRC implement different types of Cash Assistance. The specific locations are North (Tripoli), North Bekaa (Baalbek/Hermel), South (Saida), and Beirut Mount Lebanon (Dawra).

4 AREAS

North | North Bekaa | South

Beirut Mount Lebanon

- **Time scope:** The study was conducted from **April 2025 till October 2025**, capturing perspectives and outcomes in the context of Lebanon's ongoing economic, social, and displacement crises.

Incorporating these insights from the desk review, the research team formulated the study methodology, constructed the research matrix ***(Table 1)***, and designed the data collection tools (refer to ***Annex B*** – Research Matrix and Data Collection Tools). The research matrix served as a structured framework linking each main question to sub-questions, harmonised definitions, and measurable indicators, while specifying data sources and recall timeframes. This ensured consistency across tools, enabled disaggregation by gender, nationality, displacement status, and cash modality, and maintained analytical rigour, while still allowing space for emergent themes during fieldwork.

Table 1 - Research questions

Main research question	Research Sub-Questions	
RQ 1. What are the key drivers and characteristics of household debt in Lebanon, and how do debt dynamics and accumulation interact with broader economic, social, and political shocks to affect household well-being and stability?	**1.1.**	What are the main reasons, amounts, sources, and types of household debt?
	1.2.	What is the impact of debt accumulation on household and community dynamics, economic security, livelihoods, and exposure to protection threats?
	1.3.	How have recent external shocks—such as conflict, inflation, political instability —influenced household debt characteristics?
RQ 2. How does cash assistance shape household financial decision-making and debt outcomes in Lebanon, and to what extent does it meet its intended objectives amid social, cultural, and economic pressures?	**2.1.**	How do households allocate their monthly income—including cash assistance—across debt repayment, basic needs, and other expenses, and what proportion is typically spent on repaying debt?
	2.2.	How do different types of cash assistance influence household debt levels, repayment behaviour, and the need to borrow?
	2.3.	How do cultural norms and social expectations shape the use of cash assistance, and how might these factors contribute to sustained or increased debt despite receiving support?
	2.4.	To what extent does cash assistance meet its intended objectives (e.g., covering basic needs), and how does its adequacy—or inadequacy—affect household reliance on debt?
RQ 3. What adaptive strategies are employed by vulnerable households and communities in Lebanon to navigate financial hardship and overlapping crises, and how can these inform more effective social assistance and humanitarian responses amid declining international support?	**3.1.**	What strategies and coping mechanisms are households and communities employing to manage economic and social stressors?
	3.2.	To what extent does cash assistance reduce the use of negative coping mechanisms, and how does this vary by type of cash assistance provided?
	3.3.	What factors enable or constrain household adaptive strategies?
	3.4.	How can insights from local adaptation practices inform the design of more relevant and sustainable cash assistance programmes amid declining international financial support?

RESEARCH METHODOLOGY

METHODOLOGICAL FRAMEWORK

This research adopted a **systems-informed approach** to explore how various forms of CVA shape household-level debt trajectories and financial coping strategies across Lebanon. A systems-informed perspective recognises that recipient behaviour and outcomes are shaped by dynamic, interconnected influences across micro, meso, and macro levels, including household needs, social obligations, market access, credit availability, and institutional practices. By situating CVA within this broader ecosystem, the research could better account for feedback loops, adaptation, and unanticipated effects that linear models may overlook (Ramalingam et al., 2008; Béné et al., 2012).

The methodology was also informed by a **resilience-oriented framework**, focusing on how households navigate financial stress and uncertainty in protracted crises. Rather than assuming linear impacts, the study investigated how cash influences **borrowing motivations, repayment strategies, informal credit dynamics**, and the perceived value of different cash modalities (MPCA, temporary cash assistance, emergency cash, protection cash, and cash-for-rent). The aim was not attribution but contribution—to understand enabling and constraining factors that shape CVA outcomes for different groups.

Comparative analysis allowed for cross-program learning between Oxfam and NRC interventions and between different CVA modalities.

Overall, the approach was tailored to ensure **context sensitivity, programmatic relevance,** and meaningful engagement with the lived experiences of cash recipients.

RESEARCH DESIGN

The research approach was structured to generate robust evidence through a **mixed-methods design**, combining **quantitative surveys, qualitative In-depth Interviews (IDIs)**, and **Key Informant Interviews (KIIs)**. The design was intended to capture diverse perspectives and lived experiences across a wide range of cash recipients and stakeholders, including both Oxfam and NRC programme participants, lenders, and technical experts. A summary of the methodology is presented in *Table 2*.

Photo by: Adrian Hartrick

Table 2 - Research Methods

METHOD	DESCRIPTION	PURPOSE	MODALITY
Secondary Data Collection			
LITERATURE REVIEW	The research team conducted a comprehensive desk review, including a search for studies relevant in nature and published within the past 10 years in Lebanon. A summary of the literature review findings has been presented in the inception report (Annex A).	Inform research methodology and compare research findings against existing knowledge base.	Following a Literature Review Protocol
Primary Data Collection			
SURVEY	30-minute survey was administered individually by Qualisus data collectors to **MPCA cash recipients** from the pool of Oxfam's CVA programming.	Quantify household debt levels, sources, and characteristics (formality, interest rates), analysing variations by demographics and assessing cash assistance impact on debt reduction.	Remote Phone Calls
IN-DEPTH INTERVIEWS (IDIS)	A 1-hour In-Depth Interview was conducted with recipients of **MPCA, ECA, and Cash for Rent** assistance across both Oxfam's and NRC programming.	Explore household debt levels, sources, and characteristics (formality, interest rates), analysing variations by demographics and assessing cash assistance impact on debt reduction as well as adaptive strategies used by households in debt.	In Person, Remote (15 IDIs) modality was only adopted in case the location of the participant was far from the centre.
IN-DEPTH INTERVIEWS	A 1-hour In-Depth Interview was held with **informal lenders** (pharmacies, shop owners etc.) identified through key stakeholders/informants in the area.	Capture lender perspectives on trust, repayment terms, and evolving lending practices.	In Person Remote (5 IDIs) modality was only adopted in case the location of the participant was far from the centre.
KEY INFORMANT INTERVIEWS (KIIS)	A 1-hour interview was conducted with: • **Sector experts** from the Basic Assistance, Protection, and Shelter Working Groups. • **Technical specialists** from both Oxfam and NRC. • **Case management staff** from Oxfam partner organisations covering four areas: North, Bekaa, South and BML	Leverage technical insights to contextualize debt patterns and programmatic interactions.	Online Meetings

SAMPLE SIZE

The study employed distinct sampling approaches for the quantitative and qualitative strands, aligned with the overall research questions. Stratification and purposive selection were used to ensure both representativeness and diversity, while capturing programme variation (type of assistance) and population heterogeneity (gender, nationality, IDP status, and disability).

Quantitative Sample

This study employed a **probability-based sampling design** for the quantitative survey, ensuring that findings were statistically robust and representative of the broader population of Oxfam cash assistance recipients. The survey targeted adult beneficiaries who received **multi-month cash assistance**, specifically under Oxfam's **MPCA** programmes, across three projects: DGD implemented in Tripoli targeting long-term residents; and two SIDA Rapid Response projects implemented in North and BML respectively targeting IDPs.

A total of 756 respondents were selected using stratified random sampling from official beneficiary lists provided by Oxfam (see tables 3 and 4). The sampling frame consisted of **1,042 households** across the three programmes.

To ensure statistical validity, the minimum required sample size was calculated using the standard sample size formula:

n = (Z^2 * p * (1 - p) * N) / [d^2 * (N - 1) + Z^2 * p * (1 - p)]

Where:

- N = 1,042 (total number of eligible households),
- Z = 1.96 (for a 95% confidence level),
- p = 0.5 (assumed proportion for maximum variability),
- d = 0.035 (margin of error = 3.5%).

A design effect of 1.30 was applied to account for partial clustering by locality. This yields a required sample of approximately **706 respondents**, to which a **7% oversampling buffer** was added to account for non-response or incomplete interviews, resulting in a final target of **756 respondents**. The latter were selected using **stratified random sampling** from official beneficiary lists provided by Oxfam.

The primary strata were defined at the project level. Within each stratum, completion rates were monitored for key variables nationality, gender of household head, and IDP status. (Refer to Annex B for more details about sampling). Surveys were conducted through **surveyor-assisted phone calls**, chosen to maximise reach, address literacy limitations, safeguard both enumerators and respondents when discussing sensitive financial topics, while also participant privacy, and consistency in data collection across regions. and reduce security risks compared to in-person household visits . The total number of respondents was 698, 92% of the target. The achieved sample was assessed to be representative, with no significant deviations across key strata (region, nationality, or gender); therefore, no weighting or statistical adjustment was required.

The demographic profile *(table 53)* of the 698 participants who completed the survey highlights variation across project type, gender, nationality, and disability status reflecting the same composition as the original target population. The gender distribution included 33% menales, 62% womenfemales , and 5% participants identifying as another gender.

In terms of nationality, 64% Lebanese, 22% Syrian, and 14% other nationalities. As for disability, 22% of the sample included people with disability as identified by the Washington Ggroup questions whereby the highest disability was difficulty walking (68%), followed by difficulty seeing (38%), 10% reported difficulty in hearing, and 3% reported difficulty in self-care and remembering simultaneously.

Geographically, respondents were spread across multiple areas: 66% in Tripoli, 24% in BML which were the main areas covered by the programmes in addition to 6% in the South, 43% in Akkar, and less than 1% in Baalbek.

Table 3 - Demographics of Quantitative Sample

	FREQUENCY	PERCENTAGE
Displacement Status		
IDPs	455	65%
Non-IDPs	243	35%
Gender		
Male Men	227	33%
Female Women	436	62%
Other (LGBTQI+)	35	5%
Nationality		
Lebanese	448	64%
Syrian	152	22%
Other (Migrants)	98	14%
Disability		
No	547	78%
Yes	151	22%
Type of Disabilities		
Difficulty seeing, even if wearing glasses	61	38%
Difficulty hearing, even if using hearing aid	16	10%
Difficulty walking or climbing steps	108	68%
Difficulty remembering things or paying attention	5	3%
Difficulty with self-care such as washing all over or dressing	11	7%
Difficulty communicating, (for example understanding or being understood by others)	4	3%

Qualitative Sample

IDIS with Cash Recipients

The qualitative component targeted participants who received one-off or specialised forms of assistance (e.g. cash for rent, or ECA), as well as those who received MPCA or TCA. A total of **101 In-Depth Interviews** were conducted with beneficiaries, following a **purposive sampling** approach that ensured diversity across gender and nationality (refer to Annex B for more details on sampling).

Demographics of the qualitative sample (as per table 4): Participation was highest among respondents from the MPCA and Cash for Rent, each with a total of 51 and 25 IDIs completed respectively. While for ECA, 11 IDIs were completed due to challenges in reaching the individuals after lists were exhausted. There was a gender balance between males men and females women who each represented 46% of IDI participants while other genders constituted 78%. By nationality, the majority were Lebanese at 48%, while Syrians comprised 45%, and participants of other nationalities represented 87% of the qualitative sample.

Geographically, the distribution of IDIs reflected a relatively balanced representation across areas, with 29% in BML, 27% conducted in Tripoli, 24% in the South, 29% in BML, and 20% in Baalbek-Hermel.

IDIsS with Lenders

Additionally, **11 interviews** were conducted with **informal lenders** (e.g. pharmacy owners, shop owners, restaurant owner), selected via **snowball sampling** through key informants in the area and only in BML., Pparticipants were asked to identify lenders in the area, while ensuring confidentiality and anonymity, given the urban context and the difficulty in identifying informants. These interviews explored lending practices, trust dynamics, and the evolution of credit provision from the perspective of lenders.

Category	Strata	Number of participants
TYPE OF CASH ASSISTANCE	MPCA – Modality 1	33
	MPCA – Modality 2	18
	ECA	11
	Cash for Rent	39
GENDER	Men	46
	Women	46
	Other (LGBTQ+)	7
NATIONALITY	Lebanese	48
	Syrian	45
	Other (Palestinians and migrant workers)	8
LOCATION	North (Tripoli)	27
	Baalbek Hermel	20
	BML	30
	South (Saida)	24

***Table 4 -** Demographics of Qualitative Sample*

KIIs with Key Stakeholders

Finally, **12 Key Informant Interviews (KIIs)** were carried out with sector-level actors, including technical specialists, case management staff, and working group representatives. These interviews helped contextualise household-level findings within broader programmatic and policy frameworks.

This comprehensive sampling approach ensured that the research captured a wide spectrum of experiences with debt and cash assistance, enabling comparative analysis across modalities, population groups, and regions.

DATA COLLECTION

Data collection took place between 26 August and 10 September 2024 across the North, Beqaa, South, and BML regions, covering both the quantitative survey and qualitative interviews with cash recipients, lenders, and technical stakeholders. The process was implemented by the Qualisus research team in close coordination with Oxfam in Lebanon and its partners (Nabaa, Nabad, Utopia, Shift, and Nousaned), ensuring diverse geographic and stakeholder representation. Enumerators and facilitators were carefully selected, trained, and equipped to uphold safeguarding and ethical standards. Comprehensive quality assurance measures, including piloting, field supervision, daily verification, and debriefing sessions were applied throughout to ensure data reliability and consistency. Further details on training, fieldwork coordination, and quality control procedures are provided in Annex D.

DATA ANALYSIS & REPORTING

The analysis explored the contextual factors and implementation conditions that contributed to the effectiveness, sustainability, and scalability of the CVA.

The analytical approach combined **project-level, comparative, and cross-cutting analysis**. Each of the three Cash models (MPCA, Cash for Rent, Emergency Cash Assistance) were analysed individually to provide a contextualised assessment of their design, implementation, and outcomes. **comparative analysis** then examined differences across modalities, contexts, and target groups, followed by a synthesis of cross-cutting lessons and implications for future cash programming.

Quantitative data underwent data cleaning and processing prior to analysis to address outliers, missing data, and data entry errors. The analysis encompassed both descriptive and inferential statistics using SPSS software. Descriptive statistics, such as mean, median, and standard deviation, summarised quantitative results visually using charts, graphs, and tables. Inferential statistics, including Chi-square tests, t-tests, ANOVA, and correlation analysis, explored relationships between demographic variables and various outcomes.

Qualitative data underwent a verbatim transcription. Thematic analysis identified patterns and themes, involving initial code generation, theme organisation, review, refinement, interpretation, and reporting. MAXQDA, a qualitative analysis software, facilitated this process. After coding, themes and interpretations were incorporated into a Detailed Analysis Matrix, ensuring alignment to the study objectives and indicators.

To further strengthen validity, an **internal analysis workshop** was conducted with programme stakeholders, data analysis experts, and team leaders to validate findings and incorporate diverse perspectives. Multiple internal reviews of the analysis also enhanced quality control.

Finally, a **validation workshop** was held on October 2 with key stakeholders from Oxfam, CAMEALEON, and NRC to present the main findings and gather feedback on data interpretation and emerging recommendations. The discussions provided valuable insights that helped refine the analysis, validate key conclusions, and ensure that the report reflects both programmatic realities and stakeholder perspectives.

LIMITATIONS & CHALLENGES

This section outlines study-level limitations that may affect the validity, reliability, or generalisability of findings. While mitigation strategies were applied wherever possible, these factors should be considered when interpreting results.

AT THE METHODOLOGICAL LEVEL

Quantitative data was collected exclusively from MPCA recipients. As a result, findings related to other modalities such as Cash for Rent (NRC) and Emergency Cash Assistance (ECA) are derived solely from qualitative evidence. These insights provide valuable depth but cannot be validated against survey data or generalized to the wider population.

AT FIELD LEVEL

- ***Data completeness and consistency:*** Some beneficiary databases presented gaps or outdated entries, such as changes in household location or displacement status not yet reflected in records. For instance, certain households initially registered in the North were later found to have relocated to the South, after the conflict. These inconsistencies occasionally complicated targeting and sampling, which may have affected the precision of representativeness.
- ***Challenges in reaching and engaging respondents:*** Reaching some respondent groups proved difficult due to a combination of logistical, contextual, and trust-related barriers.
    - Identifying lenders through focal points was largely ineffective, requiring reliance on beneficiaries to facilitate introductions to business owners such as shopkeepers, pharmacists, or service providers. Many lenders had demanding schedules, which limited their availability. To mitigate these challenges, the data collection approach was adapted by shifting to a remote modality and accommodating lenders' time constraints through flexible scheduling and follow up calls in case of interruption during the interview, ensuring data quality and safety.
    - Across both Lebanese and Syrian households, survey fatigue and mistrust were evident, some respondents hesitated to participate for fear that their feedback could affect aid eligibility. This was mitigated through clear communication of confidentiality, the use of trusted community enumerators, and leveraging Oxfam and NRC networks for introductions.
    - Additionally, security restrictions and displacement dynamics in areas such as North Bekaa and the South limited in-person access to certain cash-for-protection and cash-for-rent recipients. Remote interviews were conducted as an alternative, but these adaptations may have reduced rapport and the richness of qualitative insights.
- ***Social desirability bias and response conditioning:*** Participants may have provided answers they perceived as socially acceptable or aligned with what aid agencies

expect, particularly on sensitive issues such as borrowing, debt repayment, or use of assistance. Many respondents were familiar with vulnerability assessment questions and agency criteria, which may have influenced how they framed their responses in ways they believed could sustain eligibility for support. Additionally, topics linked to protection risks, such as harassment, exploitation, or survival sex carry significant social stigma and may often be under-reported due to fear, shame, or distrust.

To mitigate these risks, interviews were conducted privately by trained enumerators using neutral phrasing, indirect questioning, and assurances of confidentiality. Triangulation with qualitative narratives, key informant interviews, and secondary sources was also used to strengthen validity. Despite these measures, some degree of bias and under-reporting is likely to persist, particularly on highly sensitive or stigmatized issues.

- ***Sensitivity, safeguarding, and protection considerations:*** Discussing debt, borrowing, and coping strategies was often emotionally distressing for participants, particularly women and other vulnerable groups. Enumerators and facilitators were trained in trauma-sensitive interviewing and followed clear protocols on how to respond to signs of distress or disclosure. Safeguarding protocols were also emphasized, including the use of referral pathways and provision of hotline information. Any identified protection concerns, including cases of sexual exploitation or self-harm ideation, were immediately reported to Oxfam following established procedures. Despite these safeguards, social shame, fear of stigma, and prior exposure to vulnerability assessments may have influenced how openly participants discussed protection risks and sensitive financial experiences.

Photo by: Sun_Shine/Shutterstock

FINDINGS

The findings are organized into **three main sections**, corresponding to the research questions and analytical framework established at the outset of the study:

SECTION 1:
The key drivers and characteristics of household debt in Lebanon

SECTION 2:
The Role of Cash Assistance in Household Finances and Debt

SECTION 3:
Coping Strategies Adopted by Vulnerable Households

Each section begins with an overview of the main findings, followed by detailed evidence drawn from quantitative analysis, qualitative interviews, and secondary data sources. The results are triangulated across multiple methods and population groups, providing a comprehensive understanding of the subject under study.

Section 1

THE KEY DRIVERS AND CHARACTERISTICS OF HOUSEHOLD DEBT IN LEBANON

This section explores the drivers and characteristics of household debt in Lebanon, situating borrowing practices within the wider context of prolonged crisis. Drawing on quantitative survey data and qualitative insights from households, community members, and lenders, the analysis presents the financial profile of interviewed households to illustrate how debt features in their everyday lives. It examines the main reasons for borrowing, the amounts and types of debt accumulated, and the sources households rely on when income falls short. Beyond these financial dimensions, the findings highlight how debt shapes well-being at personal, household, and community levels, undermining economic security, straining relationships, and increasing exposure to protection risks. The section also shows how successive crises, economic collapse, conflict, and displacement, have intensified borrowing and deepened household vulnerability.

1.1. DETERMINANTS AND PATTERNS OF DEBT

This sub-section examines the main factors shaping household debt in Lebanon, exploring how income gaps, borrowing needs, and access to credit differ across groups. It traces how economic pressures and social roles influence borrowing behavior highlighting the interplay between gender, nationality, and financial vulnerability.

Household financial profile

The financial profile of surveyed and interviewed households is studied to contextualize their debt patterns. By comparing figures from multiple data sources, it illustrates the extent to which income and expenditure imbalances underpin households' reliance on borrowing as a survival mechanism.

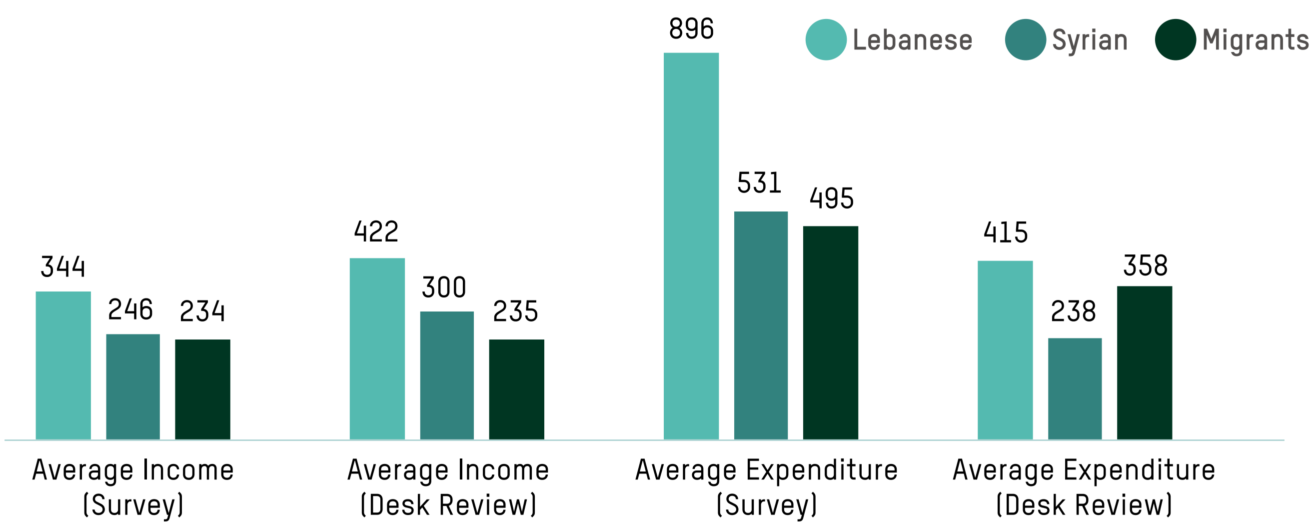


Figure 1 *- Comparison of Average Income and Expenditure*

Survey results reveal pronounced structural gaps between household income and expenditure *(figure 1)*, reflecting the severe economic strain across all groups. On average, respondents reported **monthly expenditures of 763 USD** at household level against an **income of 276 USD** per household, indicating that familiesare spending nearly three times what they earn.

When examining the data through a **gender lens** and consideeting the respondents' role as the main financial decision-maker in the household, it is observed that men reported higher average incomes (359 USD) than women (285 USD) and LGBTQ+ individuals (256 USD). However, women reported slightly higher average expenditures (775 USD) compared to men (763 USD), while LGBTQ+ individuals also reported lowest expensiture (56 USD). This pattern reflects entrenched gender roles in which men are viewed as primary providers, while women have more resposibilities in manage day-to-day household needs despite earning less. The lower income levels among LGBTQ+ respondents further highlight their exclusion from formal employment and stable livelihood opportunities.

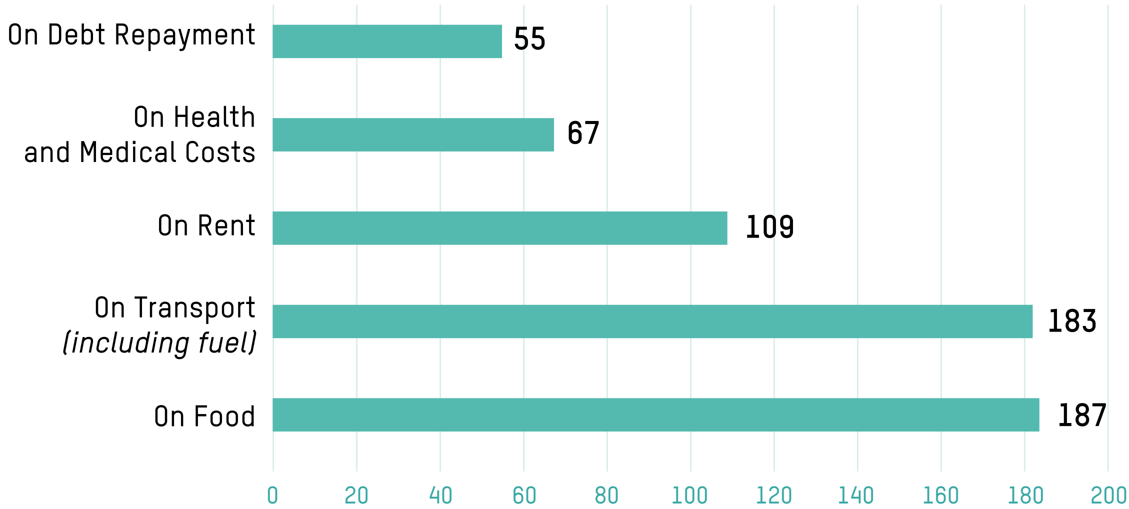
By **nationality**, Lebanese households consistently reported higher figures for both income (344 USD) and expenditure (896 USD) compared to Syrians (Income: 246 USD, Expenditure: 531 USD) and migrant workers (Income: 234 USD, Expenditure: 495 USD), mirroring their higher living costs. While Lebanese respondents face higher expenses linked to rent, education, and healthcare, Syrians and migrant workers operate within narrower income opportunities, often confined to informal or low-wage sectors. These disparities highlight how economic status and legal residency shape economic vulnerability.

Findings from the **desk review** (VASyR and MSNA 2024) report relatively higher income (422 USD among Lebanese, 300 USD among Syrians, and 235 USD among "live-out" migrants) and lower expenditure levels (415 USD among Lebanese, 238 USD among Syrians, and 358 USD among "live out" migrants) compared to research results. However, it is important to note that this data was collected in 2023 before the most recent escalation of conflict and sharp inflation. Thus, the higher expenditure levels captured in this study are interpreted as nominal increases driven by rising prices, rather than higher consumption, reflecting households' reduced purchasing power and ability to meet basic needs.

It is also important to acknowledge that this study's sample primarily consists of households benefitting from Oxfam's cash assistance programmes, who represent some of the most economically vulnerable groups. Consequently, some variation from national surveys is expected, as those are based on more representative or random samples. The results should therefore be understood as reflecting the realities of crisis-affected and cash-receiving households, rather than the general population. Yet, the patterns observed here (showing the rising costs and shrinking incomes) likely provide a more up-to-date reflection of the current realities faced by households in Lebanon, until new national assessments become available to validate and compare these findings.

Building on these findings, household **spending patterns** further illustrate how limited income is absorbed by **basic survival needs**, leaving little flexibility for long-term planning. Quantitative data *(figure 2)* shows that the largest share of expenditure is for food (average 185 USD), transport (average 183 USD, highest among Lebanese), rent (average 109 USD), and healthcare (average 68 USD) This concentration on essentials underscores how most households prioritize immediate needs over savings, education, or livelihood investment. Debt repayment came as a fifth priority with an average of 55 USD, reflecting the ongoing struggle to balance daily survival with financial obligations. These patterns are also aligned with with national assessments, which similarly report widespread borrowing for **food, rent, and healthcare**, and identify **utilities and education** as additional heavy burdens (VASyR and MSNA 2024).

Figure 2 - *Expenditure Pattern among Households (USD)*



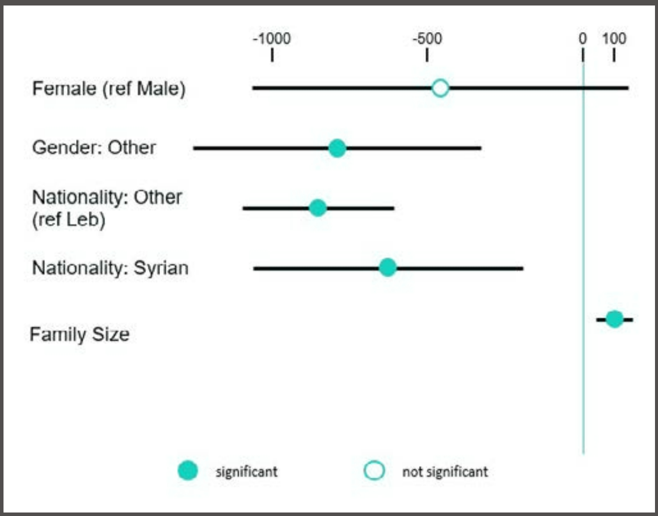
Debt characteristics

The constrained spending patterns, mentioned above, demonstrate how households are increasingly using borrowing to close the gap between income and essential needs. To further understand these debt dynamics, the following sub-section examines the amount of debt, along with the main sources, reasons, and conditions of borrowing.

On average, reported household debt in the quantitative surveys amounts to **1,072 USD**, though Lebanese households carry far higher levels (1,382 USD) compared to Syrians (559 USD) and migrants (501 USD). This difference reflects Lebanese households' relatively broader access to borrowing channels, stronger social and family networks, coupled with higher living costs, which together compel them to borrow larger sums. In contrast, refugees and migrant workers who might be facing legal restrictions and weaker access to credit, tend to rely on smaller amount of debt. (This interpretation is further confirmed using regression analysis, please refer to the focus box)

Upon comparing with the secondary data, the figures are more aligned for Lebanese, as MSNA 2024 data highlights an average debt of 1,000 USD among Lebanese. As for Syrians, a lower amount of debt is reported in the VASyR (403 USD). The discrepancy for Syrian households is likely explained by the timing of data collection, as national surveys were conducted in 2023 before the latest inflation and conflict escalation.

Focus Box:
WHAT DRIVES HOUSEHOLD DEBT? (REGRESSION SNAPSHOT)



To better understand which factors are associated with higher or lower debt levels, a multivariable regression analysis was conducted. The characteristics examined are nationality, gender, and family size while holding other factors constant. The model uses Lebanese and men as the reference groups, meaning that all comparisons show whether other groups tend to have more or less debt than them. In the results below, points appearing to the right of zero indicate higher debt levels, and those to the left indicate lower levels; filled points represent statistically significant differences.

- **NATIONALITY:** Households identified as **Syrian** and **Other nationality** hold **significantly less debt** than Lebanese households (controlling for family size and gender). This finding statistically confirms the descriptive analysis presented earlier, which showed that Lebanese households tend to borrow larger amounts, largely due to greater access to formal and informal credit, whereas Syrian and migrant households face tighter borrowing conditions stemming from legal, financial, and social barriers.
- **GENDER IDENTITY:** Respondents identifying as **"Other" gender** show **significantly lower debt** than men, while the difference between women and men is not significant in this model. This may suggest that borrowing patterns are shaped more by **access to financial networks** than by gender alone, with LGBTQ+ individuals often excluded from both formal and informal lending systems.
- **FAMILY SIZE:** **Larger households carry more debt**, a relationship that is statistically significant and expected given **higher monthly expenses** and **greater dependence on credit** to meet essential needs.

Overall, these results show that households' ability to borrow is influenced as much by their access to credit and social inclusion as by their actual financial need.

The **main reasons for borrowing,** as reported by survey respondents, are purchasing food (75%), paying rent (48%), purchasing medication (42%), and paying for healthcare (36%); while repaying exiting debts came up as 11% (disaggregation between nationalities is presented in *figure 3*). Similar reasons were reported across nationality, gender, and displacement status.

This is aligned with the desk review which highlights that borrowing for food, rent, and healthcare is widespread, with utilities also cited as heavy burdens (VASYR & MSNA, 2024). Moreover, across all interviews with cash assistance recipients, **borrowing was framed as a last resort, a survival mechanism** used to meet the most basic and immediate needs, rather than a financial tool or long-term planning strategy. Participants described borrowing as something they actively tried to avoid but were often forced into due to the cumulative pressures of prolonged economic instability, rising prices, and gaps in humanitarian aid. Rent, food, and health expenses were cited repeatedly as the leading reasons for taking on debt. Households further elaborated that they usually borrowing small, recurring amounts (often in-kind credit from shops) to cover food or medicine, alongside larger sums tied to rent arrears.

> *The priority is for rent, because my landlord has no mercy. We can live while eating only bread, but we need a roof over our head. If we can't pay, he tells us to empty the house and leave.*
>
> (Syrian Transwoman, BML)

Lenders' accounts reinforced these patterns, noting that **subsistence needs, food, rent, medicine, remain the primary drivers of debt**, with women (particularly Syrian and Palestinian) frequently borrowing small sums in shops and pharmacies, and men more often linked to larger debts.

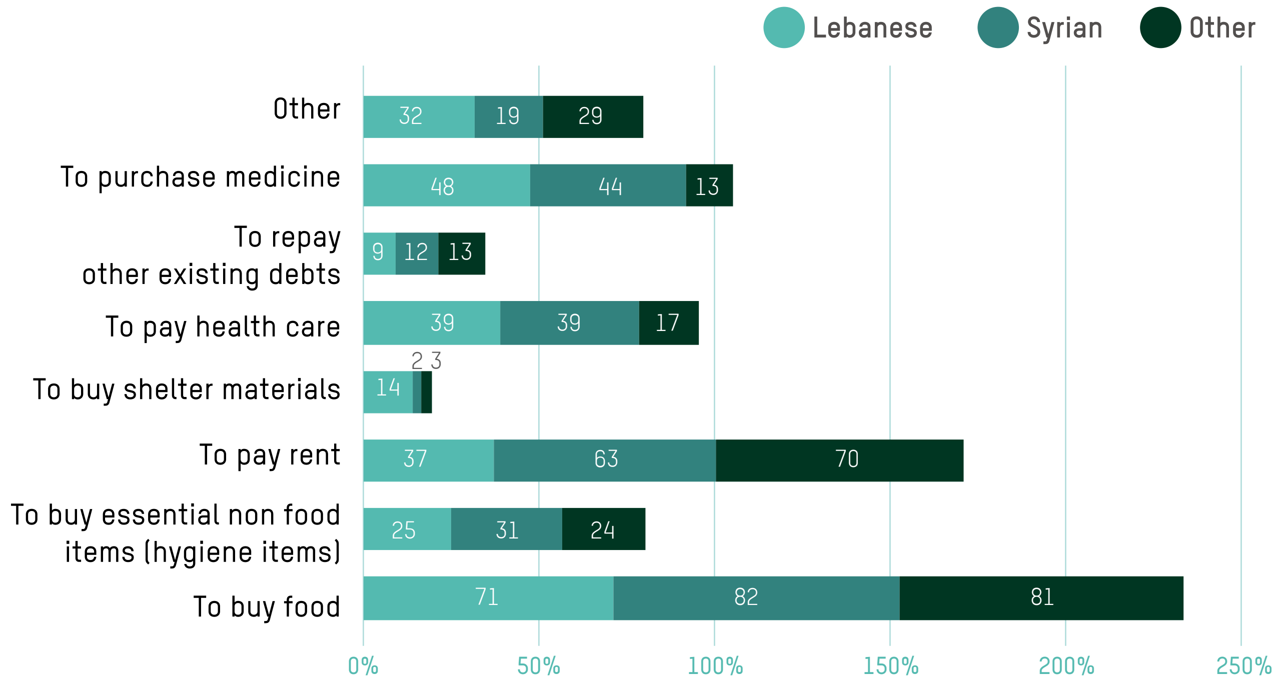
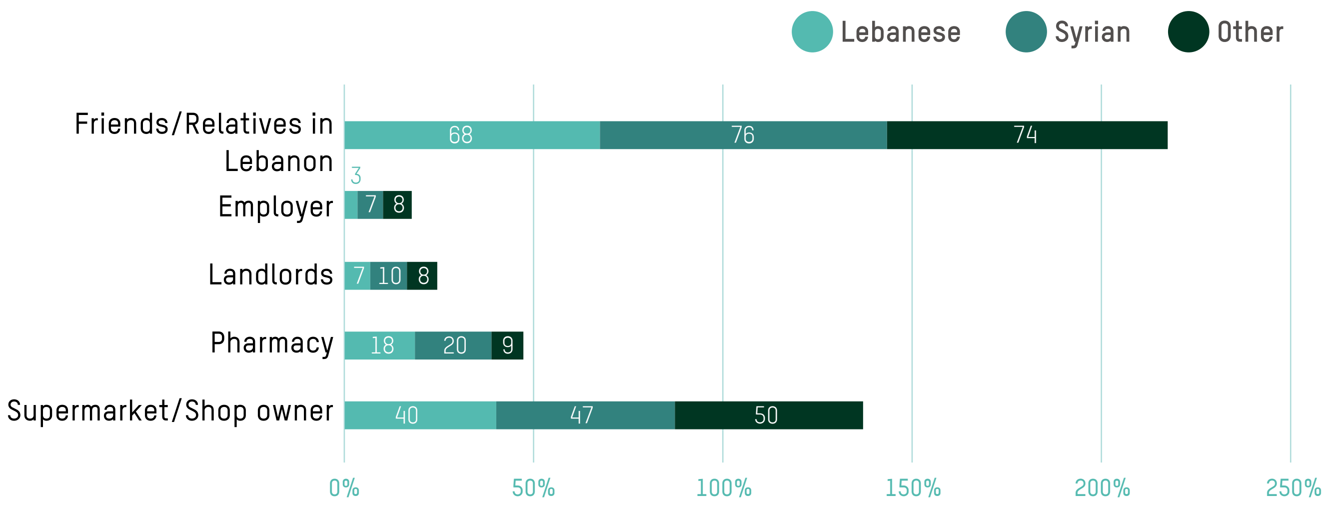


***Figure 3** - Primary reasons for borrowing money*

Figure 4 - Sources of borrowing money



As for the **sources of debt,** both quantitative and qualitative data show the **informal** nature of debt, with households borrowing mainly from **friends and relatives, shopkeepers, and pharmacists**; only a small minority of Lebanese (≈5%) accessed banks, microfinance institutions, or cooperatives. The quantitative data *(figure 4)* presents the distrubution of sources of borrowing disagregated by nationality.

Building on these findings and specifically the informality of the borrowing system, evidence from across data sources also shows that conditions of debt are largely through informal, trust-based arrangements with limited contractual protection for borrowers. Quantitative data confirm that most debts are arranged verbally and without fixed repayment deadlines, while qualitative interviews and key informant insights reveal how repayment flexibility, trust, and social power differ by gender, nationality, and type of lender (as further elaborated in the section below).

As shown in *Table 5*, the quantitative data on debt **conditions** across the three main borrowing sources (supermarkets or shops, pharmacies, and friends or relatives) illustrate the highly informal, trust-based nature of household borrowing in Lebanon. Most debts are arranged verbally (around 71%) and almost entirely interest-free (98%), reflecting limited access to formal credit and widespread adherence to social and religious norms against interest-bearing loans. Over half of all debts have **no fixed repayment deadline,** underscoring how repayment depends largely on interpersonal trust and social pressure rather than formal agreements or collateral.

Average debt values vary by source: 544 USD from supermarkets, 689 USD from pharmacies, and 995 USD from friends or relatives, indicating that stronger social ties often allow larger borrowing amounts, even if repayment remains informal and prolonged.

Moreover, survey data also shows that **around two-thirds of borrowers** (61–69%) **reported being late or unable to repay on time,** with the most common lender responses being extensions of repayment deadlines (33–43%) and **social pressure or shaming** (about 26%), and a small percentage (4–6%) reported **verbal harassment** or **physical threats**, and isolated cases described **confiscation of goods** or lenders taking a portion of aid or income. These findings align with qualitative accounts in which borrowers, particularly women and refugees, described "public embarrassment," humiliation at local shops, or threats from landlords for unpaid rent.

Table 5 - Conditions for borrowing for the three main sources of debt

Source	Supermarket/ shop % (n)	Pharmacy % (n)	Friends/ relatives in Lebanon % (n)
Amount of Debt (USD)	544	689	995
Type of agreement			
Written contract	2.27% (7)	1.61% (2)	1.99% (10)
Verbal agreement	71.75% (221)	70.97% (88)	71.31% (358)
No agreement	25.32% (78)	26.61% (33)	26.69% (134)
Don't know	0	0	0
Prefer not to answer	0.65% (2)	0.81% (1)	0
Repayment period			
Less than 1 month	9.74% (30)	14.52% (18)	6.37% (32)
1 to 3 months	29.55% (91)	24.19% (30)	17.93% (90)
4 to 6 months	7.14% (22)	3.23% (4)	8.17% (41)
More than 6 months	3.90% (12)	0.81% (1)	8.57% (43)
No deadline	48.70% (150)	55.65% (69)	58.57% (294)
Other	0	0	0
Don't know	0.32% (1)	0.81% (1)	0.40% (2)
Prefer not to answer	0.65% (2)	0.81% (1)	0
Repayment conditions			
No interest	98.38% (303)	98.39% (122)	98.41% (494)
Interest rate (fixed or monthly %)	0.32% (1)	0.81% (1)	0.8% (4)
One-time service/admin fee	0	0	0.20% (1)
Late payment fee	0	0	0.20% (1)
Repayment through labor or services	0.32% (1)	0	0
Other	0.32% (1)	0	0
Prefer not to answer	0.65% (2)	0.81% (1)	0.20% (1)
Have you been late or unable to pay on time?			
Yes	63.31% (195)	69.35% (86)	61.16% (307)
No	35.06% (108)	28.23% (35)	37.45% (188)
Prefer not to answer	1.62% (5)	2.42% (3)	1.39% (7)

Source	Supermarket/ shop % (n)	Pharmacy % (n)	Friends/ relatives in Lebanon % (n)
Implications of not repaying on time			
Lender extended the deadline	42.56% (83)	33.72% (29)	35.18% (108)
Additional interest or penalty was added	0.51% (1)	0	0
Lender took a portion of aid or income	0.51% (1)	0	0.65% (2)
Verbal harassment or threats	5.13% (10)	5.81% (5)	4.89% (15)
Physical threats or violence	4.10% (8)	1.16% (1)	3.58% (11)
Confiscation of goods (e.g. phone, furniture)	0.51% (1)	0	0.98% (3)
Social pressure or shaming	26.67% (52)	25.58% (22)	27.04% (83)
Other	2.56% (5)	2.33% (2)	1.63% (5)
Nothing happened	27.18% (53)	37.21% (32)	35.18% (108)

Interviews with cash recipients shed light on the **lived dynamics** behind these numbers. Borrowing is intentionally kept informal and interest-free, reflecting both financial exclusion and social or religious norms against interest-based lending.

> *I avoid people who lend with interest. Even if I am desperate, I will not go to them. It is haram, and also, they treat people badly when you cannot pay.*
>
> (Syrian Male, BML)

Within households, **decision-making around borrowing** remains highly centralized. Survey data shows that in 78% of households, the head of household is the primary decision-maker, while only 22% report shared decision-making. Although no significant statistical differences emerged by gender, qualitative interviews reveal deeper **gendered dynamics** in who borrows, from whom, and under what conditions.

Women, particularly those heading households, most often relied on relatives or shopkeepers for small, recurring debts linked to food, medicine, or rent, describing the experience as humiliating yet unavoidable. These patterns further confirm that women are often the main household members approaching lenders, particularly for household-related items, in line with their socially expected role as caregivers and managers of daily needs.

Men, by contrast, accessed larger sums through landlords or work-related contacts, often linked to livelihood needs and housing costs. Their borrowing patterns reflect their perceived role as financial providers and the greater trust placed in men as "creditworthy" by lenders. However, many male respondents also reported increased pressure to maintain this provider role, leading to higher stress and multiple overlapping debts.

LGBTQ+ participants, especially trans individuals, reported the most exploitative lending conditions. Excluded from both credit systems and many community networks, they often borrowed from acquaintances or shop owners under coercive or conditional terms. In several cases, trans women reported being asked for sexual favors or having their identity papers withheld as a form of guarantee. These practices expose how discrimination and gender identity intersect with financial exclusion, turning debt into a protection risk rather than relief.

Differences also emerged by **nationality**. Quantitative data show statistically significant variation in decision-making authority: Syrian households were the most likely to report centralized decision-making by the head of household (87%), compared to Lebanese (75%) and migrant households (76%). This suggests that borrowing decisions are more concentrated in Syrian households, reflecting traditional or patriarchal family structures, while Lebanese and migrant households display slightly more shared financial decision-making.

Qualitative findings provide more insight into the differences between the experience across nationalities. Syrian and migrant respondents consistently described borrowing within tight, trust-based circles, most often from neighborhood shopkeepers, relatives, or acquaintances where repayment was flexible but capped by strict limits on how much could be borrowed.

In contrast, Lebanese participants reported wider and more forgiving credit networks, often borrowing from friends abroad, relatives, or community contacts who either forgave part of the debt or accepted postponed repayment without penalty. These patterns are confirmed by the records of technical expert and they reveal that access to debt is both a reflection and a reproduction of **inequality**. What appears as "smaller debt" for refugees is, in reality, evidence of restricted credit access and deeper vulnerability, reinforcing economic stratification within the same local markets.

In summary, across all groups, **debt functions as a survival mechanism anchored in social trust** rather than financial regulation, providing temporary relief but leaving borrowers vulnerable to fluctuating power dynamics, stigma, and exploitation.

KEY TAKEAWAYS

- **DEBT AS A SURVIVAL MECHANISM:** Borrowing in Lebanon is overwhelmingly driven by unmet basic needs, food, rent, healthcare, rather than investment, locking households in a continuous cycle of short-term relief and renewed debt.
- **INEQUITABLE ACCESS AND CONDITIONS:** Refugees, migrants, and women face stricter, more exploitative terms and narrower borrowing options compared to Lebanese households, highlighting structural inequities in how debt is incurred and managed.
- **RELIANCE ON INFORMAL CREDIT SYSTEMS:** With formal credit largely inaccessible, households depend on informal, trust-based credit from relatives, shopkeepers, and community networks. While this system offers flexibility, it also reinforces power imbalances and exposes borrowers to social pressure, humiliation, and, at times, abuse.

1.2. IMPACT OF DEBT ACCUMULATION

This sub-section shows how debt affects people at four levels: personal, household, livelihoods, and protection, presented in that order to trace how financial strain moves from individual stress to household and community dynamics, economic choices, and exposure to risk.

Personal Level

Across the data sources, debt accumulation shows a strongest impact at the personal level, through psychological distress. Quantitative results show that **92% of respondents experienced anxiety or sleeplessness** *(figure 5)*, nearly half (48%) reported depression or loss of motivation, and 40% felt trapped or hopeless. Qualitative interviews confirm that debt is rarely just financial, it is described as shameful, exhausting, and in extreme cases leading to suicidal thoughts. Women in particular expressed internalized stigma around borrowing, while Lebanese men reported humiliation linked to the loss of their traditional provider role. Desk review sources echo these findings, noting widespread stress and social withdrawal tied to indebtedness (UNICEF, 2023; Save the Children, 2023).

> *It affected my mental health a lot. My self-esteem dropped. As a person who was working, did not need anyone, nor asked help from anyone and suddenly I started not being able to afford the basic needs, such as food and beverages. This definitely affected my mental health; it led me to exclude myself from everyone. It tired me, and affected my sleeping cycle, my eating patterns.*
>
> (Lebanese man, North)

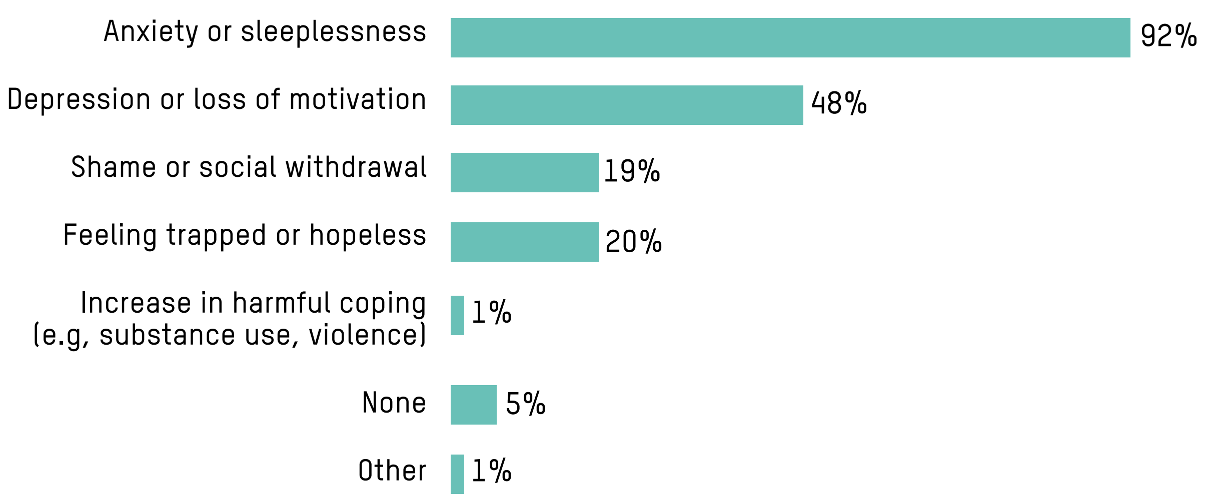


Figure 5 *- Emotional or psychological effects in the household due to debt*

Household Level

At the household level, debt accumulation undermines cohesion and wellbeing. Survey data show that **45% reported increased stress on one person** and 28% **reported more arguments between adults**. Qualitative evidence adds nuance: debt reshapes household dynamics by heightening conflict, shifting gender roles, and limiting children's opportunities. Women often take on both caregiving and financial responsibilities, while men report frustration and conflict over diminished income. Key informants also highlighted that debt is a trigger for domestic violence and intra-household tension, especially in displaced families.

Community Level

At the community level, debt accumulation strains social relations and weakens informal support networks. Although quantitative data show that while 61% of respondents reported no change in community relationships, nearly 29% said they avoid people they owe, and 21% felt ashamed to ask for help.

Qualitative interviews further illustrate how unpaid debts damage reputation and fuel stigma. Women, particularly those who negotiate credit with shopkeepers or landlords, reported gossip and social judgment, while Syrian and migrant households described being excluded or distrusted by Lebanese neighbours and creditors. In contrast, some Lebanese families with long-standing community ties sometimes benefited from leniency or continued access to informal credit, but they still reported experiencing shame and social pressure. Technical experts and case managers agreed that debt has become a driver of social fragmentation, weakening traditional solidarity and leaving indebted families increasingly isolated.

> *I reached a stage where I cannot face the people, I owe money to. I stopped visiting my neighbours or going to the shop because I don't have the courage to face them anymore*
>
> (Lebanese man, North)

Economic and Livelihood Security

Across data sources, mainly qualitative and desk review, debt accumulation emerges as a major barrier to sustaining or rebuilding livelihoods. While survey respondents rarely made a direct connection between debt and livelihood choices, qualitative accounts reveal how repayment pressures drain income and humanitarian assistance, leaving little for food, education, or productive investment.

Syrian men in Baalbek described avoiding formal jobs for fear that creditors would seize their wages, while migrant workers highlighted debts linked to sponsorship systems that trap them in exploitative conditions. Lebanese households, though benefiting from broader networks, emphasized that persistent debt prevents saving and perpetuates financial insecurity. Desk review findings echo this pattern, showing how debt absorbs income and reinforces cycles of poverty and dependency (VASyR & MSNA 2024).

Exposure to Protection Threats

Triangulated evidence from survey data, qualitative interviews, and sector assessments shows that protection risks linked to debt are more severe and widespread than quantitative figures alone suggest. While survey data indicate relatively **low reporting**, 11% citing risk of losing housing, 2% eviction threats, and 3% unsafe living conditions; qualitative and case management accounts reveal hidden forms of exploitation and coercion. The increase in reporting of protection threats was further emphasized during the validation workshop, as key informants confirmed receiving an increased number of requests and referral to protection cases including eviction threats.

During IDIs, participants described harassment, confiscation of IDs, and pressure from creditors or landlords tied to unpaid debts. Women-headed households were particularly exposed to sexual exploitation by landlords or shopkeepers, while migrants faced threats linked to their legal status and sponsorship arrangements.

> *There were no written agreements, since I am Syrian and have no legal papers. And you know if I am not Lebanese, the house owner can throw me out. If he says a word, he won't take it back. There is no humanity.*
>
> (Syrian Transwoman, BML)

Geographical patterns also emerged: in North, debt aggravated unsafe housing and exploitation of single mothers; in Beqaa, landlords often confiscated IDs or issued threats; and in the South, cases of sexual violence, harassment, and forced relocation were reported.

Child protection concerns, including child marriage, child labour, and school dropout, were repeatedly associated with debt stress, as reported by some caregivers during IDIs. National-level informants confirmed that these risks fall most heavily on women, children, refugees, and migrants, whose limited bargaining power deepens their exposure to abuse and exploitation.

These findings underscore that debt is not only an economic burden but also a key driver of protection risks. Indebtedness exposes households to coercion, unsafe living conditions, and exploitative arrangements that mirror many of the vulnerabilities addressed through protection interventions. For this reason, debt and financial stress should be systematically analysed within protection risk assessments and response planning, recognising that economic strain often underpins exposure to violence, exploitation, and abuse.

Debt under Health and Disability Constraints

Debt burdens are markedly heavier where illness or disability constrains earning: a Syrian man with chronic back pain or another awaiting leg surgery cannot take available daily labour, pushing families toward arrears, public shaming, and avoidance of creditors; a Lebanese mother caring for a child with significant needs reports curtailed social life and reliance on pharmacists or doctors' informal leniency; other women managing spouses' illness face relentless rent pressure and neighbours' reproaches.

KEY TAKEAWAYS

- **DEBT AFFECTS WELLBEING AT EVERY LEVEL:** it creates heavy psychological stress, fuels household tensions, and limits opportunities for livelihoods and recovery.
- **SURVEY DATA UNDERESTIMATES RISKS:** while quantitative findings suggest limited protection concerns, qualitative and case management evidence reveal widespread eviction threats, exploitation, and child protection violations.
- **WOMEN, CHILDREN, REFUGEES, AND MIGRANTS ARE MOST EXPOSED:** intersecting vulnerabilities amplify the impacts of debt, leaving these groups disproportionately burdened by stigma, economic instability, and protection threats.
- **DEBT AS A PROTECTION CONCERN:** Debt should be recognised not only as an economic issue but as a driver of protection risks. Integrating financial stress and indebtedness into protection risk assessments can strengthen prevention and response strategies across programmes.

In these cases, medical costs (operations, medications) and unpredictable work capacity turn routine "instalment" repayment into chronic crisis management. They heighten anxiety and sleeplessness and increase exposure to coercive behaviour by landlords and small lenders. Health limitations thus reduce bargaining power in local credit markets, make repayment schedules less credible, and amplify psychosocial strain for the borrower and dependents.

1.3. IMPACT OF CRISIS AND CONFLICT ON DEBT

This sub-section analyses the overall impact of Lebanon's overlapping crises, focusing on how the prolonged economic collapse and recent conflict have jointly intensified household debt and deepened financial and social vulnerability.

General Impact of Crisis

Triangulated evidence from all sources confirms that debt has deepened across all population groups driven by the compounded effects of Lebanon's overlapping crises since 2019. These include the economic and financial collapse, the COVID-19 pandemic, the Beirut Port explosion, and the recurrent cycles of conflict and displacement. The **most widespread shocks** reported by survey respondents were inflation and price hikes (92%), electricity and fuel shortages (54%), and conflict-related displacement or loss of livelihoods (38%), particularly following recent escalations in addition to the recent Israeli airstrikes across Lebanon (36%) (refer to figure 6 for disaggregated results by nationality).

These shocks translated into direct household impacts: nearly 88% faced higher living costs, 58% reported reduced earnings, 51% struggled with rising rent and housing expenses, and 37% experienced displacement, with rates rising to over half among displaced families (refer to *figure 7* for disaggregated results by nationality). Moreover, **74% of households reported an increase in debt over the past 12 months**, following exposure to shocks. There were no statistically significant differences by nationality, gender, or displacement status. Qualitative accounts reinforced these patterns, describing how once-manageable, short-term debts have evolved into chronic, unpayable burdens, driven by inflation, job loss, and disrupted aid cycles. Desk review sources (UNDP, 2023; VASyR, 2024) similarly highlight debt as a defining and worsening feature of household economies, expanding each time crisis conditions intensify.

Implications of the Economic Crisis

While all recent assessments point to the devastating impact of Lebanon's economic collapse, the findings here focus specifically on the patterns and implications that have intensified in the past year. The prolonged crisis, marked by hyperinflation, a currency devaluation exceeding 90%, and shrinking wage has made debt a core survival mechanism rather than a temporary coping strategy. As reported in the previous sections, there is a widening gap between income and expenditure which has driven debt to unprecedented levels.

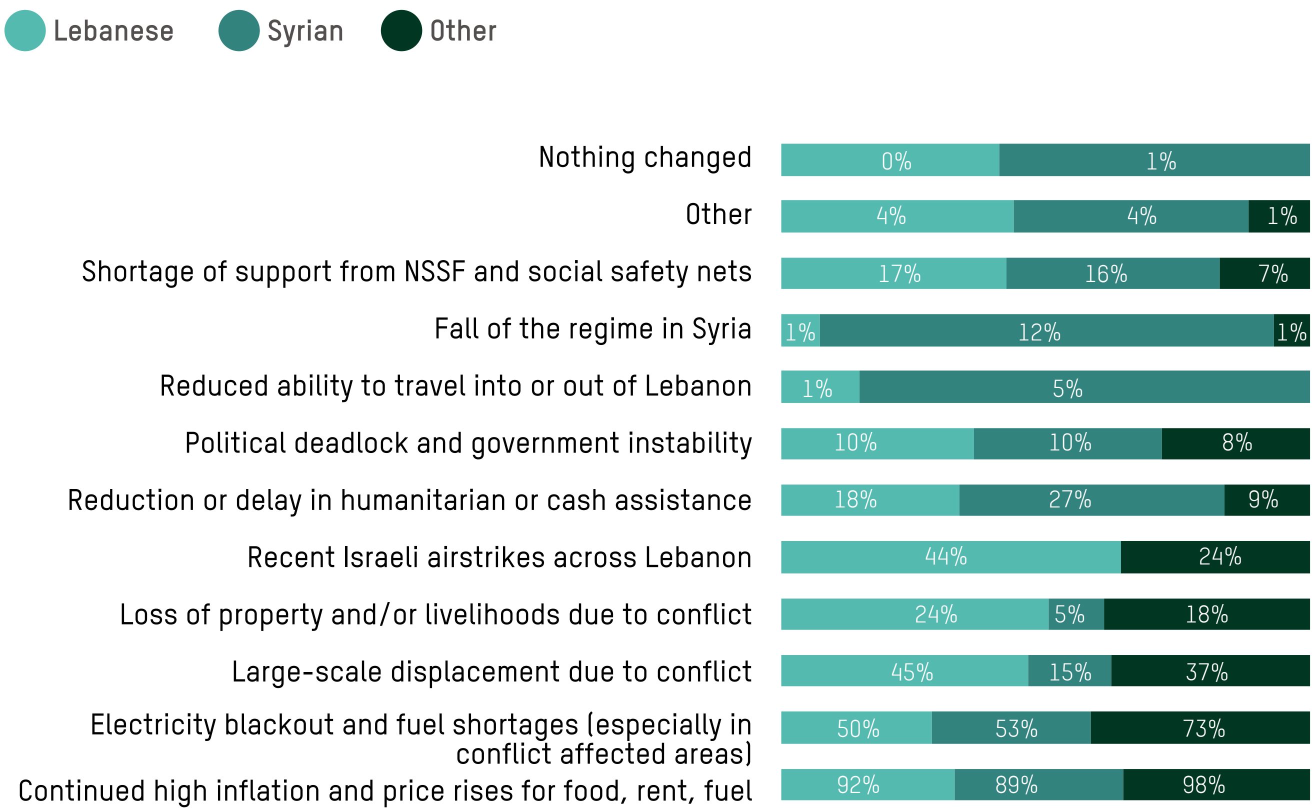


***Figure 6** - Recent shocks in the past 12 months that most affected the household's economic stability and need to borrow.*

> *Before, we used to borrow small amounts and could manage. Now with the inflation, every time I go to the shop, the debt gets bigger, and my salary doesn't cover even half of what we need.*
>
> (Syrian Male, BML)

The crisis has also reshaped **social life.** Study findings reveal growing psychological pressure and a sense of humiliation linked to unpaid debts, especially among women responsible for household budgeting and men whose provider roles have weakened. At the same time, traditional family and community support networks are weakened under shared hardship: respondents in all areas noted that relatives who once helped now "barely afford their own homes." Despite this emerging theme, interviewed households still relied on family and relatives as a main source of borrowing.

This dependency reflects both the continued weakening of formal safety nets and the persistence of kinship-based borrowing, even when it strains family relations or deepens social obligations. Interviewed lenders, such as shopkeepers and pharmacists, also described reaching their limits, tightening credit lines and capping debts at about 50 USD to protect themselves from losses. This has further reduced families' access to essentials and **increased social tension.** The exclusion of refugees, migrants, and informal workers from stable employment has deepened these patterns, forcing them into smaller and harsher borrowing arrangements, as reported during IDIs.

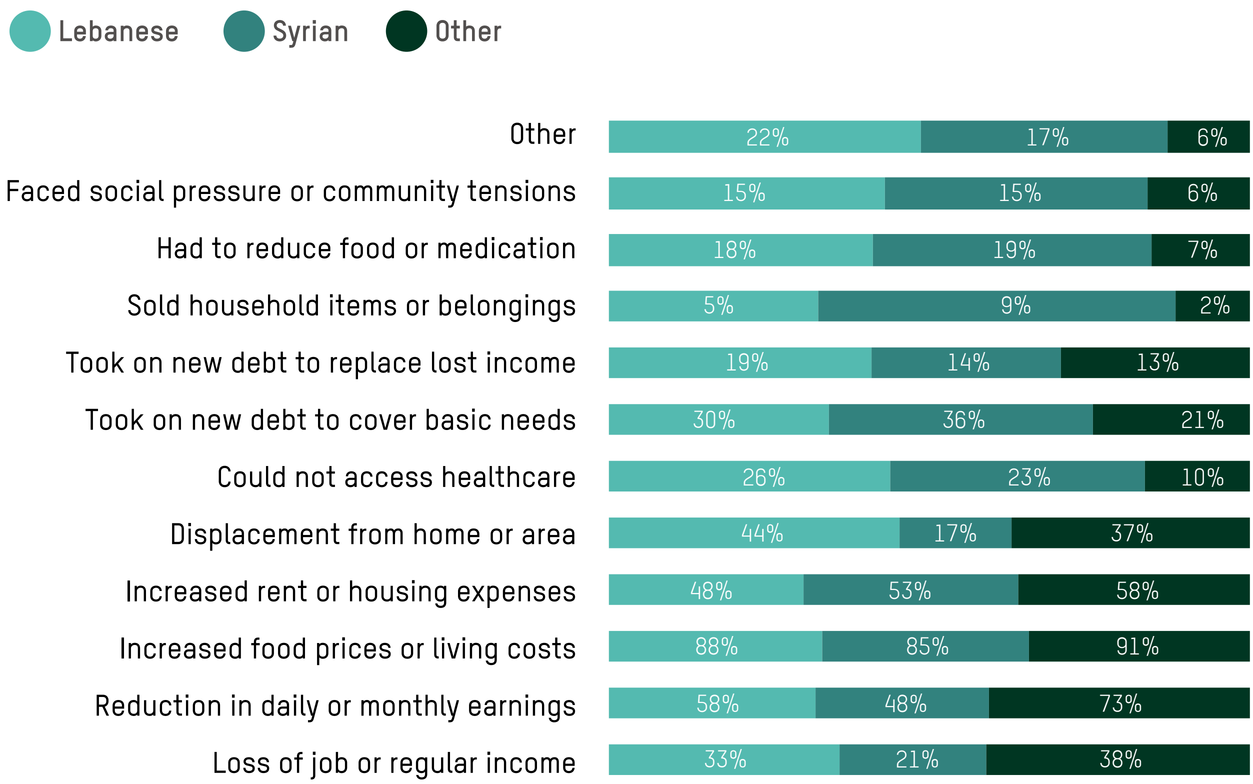


Figure 7 *- Ways these events impacted the household*

Implications of the Conflict

The recent conflict, particularly the escalation since October 2023 and the war of September 2024, has added new layers of vulnerability to already indebted households. Across data sources, conflict emerges as both a trigger and amplifier of debt: survey results show that the **38% of households were directly affected by conflict-related shocks**, with IDPs disproportionately impacted compared to non-displaced (although differences were not statistically significant). Among IDPs, 57% reported large-scale displacement, 28% loss of property or livelihoods, and 45% direct impact from recent Israeli airstrikes, compared to only 3%, 2%, and 19% respectively among non-displaced households. **Thus, conflict has compounded economic fragility among displaced populations, forcing them into new or expanded borrowing cycles to secure housing, replace lost assets, and cover urgent survival needs.**

Qualitative interviews reveal that families uprooted by bombardments or insecurity often borrowed immediately to secure transport, temporary shelter, or basic survival needs. Syrian respondents reported being excluded from informal credit, as repeated displacement weakened lenders' confidence, while Lebanese families accumulated debts linked to abandoning or repairing damaged homes.

Lenders in the South and Baalbek, who were mostly affected by the conflict, confirmed a sharp rise in unpaid debts, especially for medicine and rent, describing displaced households as "high risk" but they were unable to turn them away completely due to their humanitarian condition. Desk review sources further underscore these patterns: conflict has disrupted local markets, constrained livelihoods, and deepened reliance on borrowing as humanitarian access and economic activity remain restricted (UNOCHA, 2024; ILO, 2024).

> *The debts have increased drastically after the war and the ability to repay has decreased a lot. It doesn't mean repaying has completely stopped, but many people are coming out from war....what can I tell them?*
>
> (Palestinian man, Lender, South)

Overall, the conflict has compounded economic fragility **by transforming short-term displacement needs into long-term debt burdens, leaving already vulnerable households with fewer livelihood options**, shrinking credit access, and rising psychosocial stress.

KEY TAKEAWAYS

- **CRISIS ACCELERATES DEBT GROWTH:** Inflation, currency collapse, and job losses have forced nearly three-quarters of households to take on more debt in the past year, turning short-term borrowing into a recurring and of-ten unmanageable necessity.
- **CONFLICT RESHAPES BORROWING PATTERNS:** Displacement drives urgent debt for relocation, rent, and food, while even non-displaced households ac-cumulate debts due to price hikes and disrupted livelihoods; repeated displacement has also weakened trust from lenders, tightening access to credit.
- **VULNERABILITY SHAPES DEBT DYNAMICS:** Syrians, migrants, and women face stricter repayment conditions, reduced access to lenders, and great-er stigma when borrowing, while Lebanese households rely on broader social and diaspora networks, underscoring inequities in how shocks translate into debt burdens.

Section 2

THE ROLE OF CASH ASSISTANCE IN HOUSEHOLD FINANCES AND DEBT

This section examines how cash assistance shapes household financial decision-making and debt outcomes in Lebanon. Drawing on quantitative survey results and qualitative evidence from interviews with households, lenders, and technical experts, the analysis explores how families allocate cash transfers and highlights the role of cultural and social norms in shaping financial choices and expectations. The section assesses the extent to which cash assistance meets its intended objectives of reduc-ing vulnerability and stabilizing households and compares the influence of different types of cash assistance on borrowing and repayment behaviour.

2.1. USE & ADEQUACY OF CASH ASSISTANCE

This sub-section explores how households use cash assistance, to what ex-tends it meets their needs, and how these choices are shaped by social norms, gender roles and cultural expectation across different nationalities.

Cash Assistance Expenditure Pattern

Across all data sources, cash assistance is almost entirely used to meet imme-diate survival needs, especially food, rent, health, and transport, leaving very limited space for debt repayment or investment in longer-term priorities.

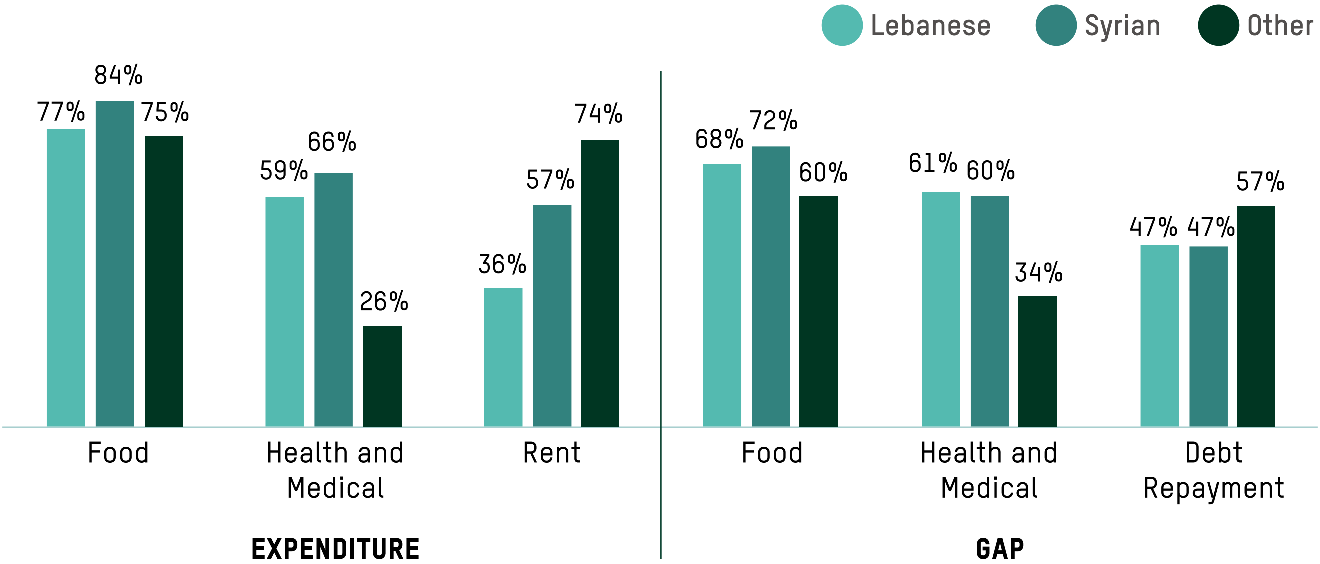
While around one in five households reported using part of their assistance to repay debt, qualitative evidence shows that repayment is often partial, symbolic, or al-ternating with essential spending, reflecting the persistent trade-offs families make under mounting financial pressure.

Quantitative results indicate that overall household spending is dominated by food (USD 185), transport (USD 183), rent (USD 109), and health and medical costs (USD 68), with debt repayment averaging USD 55 per month. These pat-terns are consistent across gender, nationality, and displacement status, though transport costs were highest among Lebanese, while rent weighed most heavily on migrant workers.

When asked specifically about how they **spend cash assistance** households reported nearly identical priorities: food (78%), health (56%), and rent (46%) were the main uses, while 20% said they dedicated part of their transfer to re-paying debts. **Unmet-needs data** mirrored this hierarchy: food (68%) and health (57%) remained top priorities, followed by debt repayment (48%), which overtook rent (45%) as a third-ranked need overall.

When disaggregated by nationality *(Figure 8)*, similar patterns were observed in spending, but not in the type of gaps. For Syrian and migrant households, rent remained the primary unmet need, reported by 54% of Syrians and 71% of migrant workers, highlighting the strain of insecure housing.

Figure 8 - Top 3 expenditures of cash assistance versus remaining gaps



Qualitative interviews give richer context to these numbers. Rent consistently absorbed the largest share of assistance and was often the first and sometimes the only expenditure made. Many participants described handing the full transfer directly to landlords, either because the aid was explicitly intended for rent or because eviction threats made payment unavoidable. In BML and the South, respondents reported using entire payments to clear rent arrears; in Baalbek, a small remainder might go to food or medicine. Refugees, migrants, and LGBTQ+ participants particularly emphasised rent as the price of safety and stability.

> *I spent my last cash assistance on rent. Rent was my main priority. I spent the entire amount on it because it was accumulated, and they were threatening to kick us out of the house.*
>
> (Syrian woman, BML)

When any funds remained, households prioritised staple foods and household essentials such as cleaning items or bulk provisions ("mouneh"), followed by utilities and phone or internet credit. Health costs, especially medication and diagnostics, often competed with food for second place, while education expenses were repeatedly postponed or abandoned until rent and health were covered.

Debt repayment followed three distinct patterns observed across interviews:

- Full absorption, where the entire transfer was used to pay urgent arrears or landlord debt
- Alternating cycles, with households using one month's transfer to repay debts and the next to buy essentials
- Partial repayments made to preserve access to informal credit from grocers or pharmacists

> *I didn't use all of it to pay the debt… I used to alternate; a month I'd be paying off a debt and the other I'd be supporting myself.*
>
> (Lebanese woman, North)

These strategies highlight that even when households repay debts, it is primarily to maintain social trust and continued access to goods, not to reduce overall indebtedness. Desk-review sources confirm these trends: most post-distribution monitoring reports in Lebanon show that over 60% of cash transfers go to food and rent, with debt repayment rarely exceeding 10–15% (VASyR, 2024; Mercy Corps, 2024). This pattern reflects the limited adequacy of transfer values and the inflation-driven erosion of purchasing power.

Adequacy of Cash Assistance

Cash assistance consistently helps households cover part of their basic needs and temporarily ease debt pressure, but its adequacy (both in amount and duration) remains limited.

> *For one month I was able to catch my breath on debt.*
>
> (Lebanese Male, Baalbek)

In fact, quantitative data show that **85% of respondents (who received MPCA) said cash assistance partially met their essential needs** *(figure 9)*, 8% said it fully met them, and 7% said it did not meet them at all. Notably, respondents identifying as "other gender" were more likely to report that assistance did not meet their needs (19%). When asked how long the assistance lasted, **90% said it covered needs for up to two weeks** *(figure 10)*, split evenly between less than one week and one to two weeks, indicating severe gaps in adequacy across all groups.

Figure 9 *- Duration of cash assistance coverage for essential needs*

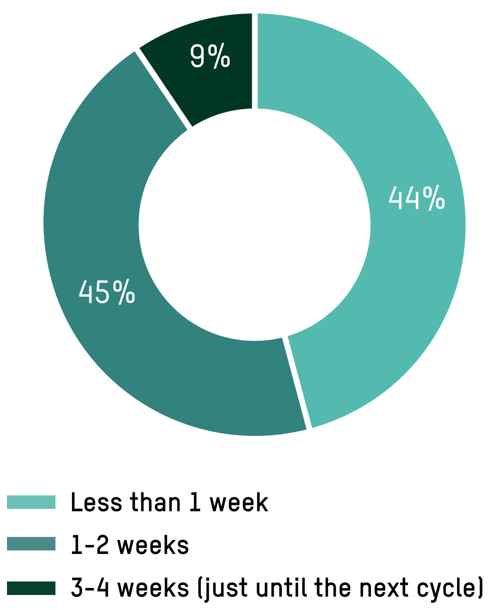
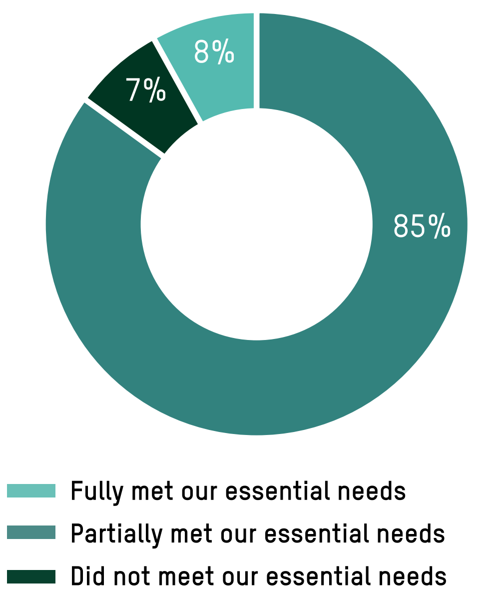


Figure 10 *- Extent to which recent cash assistance met households' essential needs*



Qualitative evidence confirms these findings. Beneficiaries, across all types of assistance, described cash as a lifeline that provides short-term relief, most often by paying rent, buying food, or covering health expenses, but **insufficient to prevent debt from reaccumulating.** Syrians, women, and LGBTQ+ respondents consistently reported sharper trade-offs between essential needs and debt repayment, while Lebanese recipients more often experienced temporary debt relief and improved relations with creditors. Geographic variation also emerged: in **North**, assistance allowed limited planning stability; in **Baalbek**, it eased rent pressures but not food or health costs; and in the **South**, the benefit was limited by social stigma and ongoing conflict-related stress.

> *I got $300 and I paid part of my debt to the shopkeeper and there was $100 left. but then I borrowed more.*
>
> (Lebanese Transwoman, BML)
>
> *It only helped in terms of expenditure, but as in overall finance and on the long term no it didn't improve my situation.*
>
> (Palestinian female, South)

Cash Assistance amidst Social Norms

While the economic crisis has made household survival largely a matter of numbers by focusing on income, expenditure, and assistance value, the way families use and manage cash is also shaped by social and cultural expectations around dignity, reciprocity, gender roles, and social image.

Triangulated evidence from survey, qualitative interviews, and secondary sources indicates that cash assistance is overwhelmingly used for household survival, while social and cultural spending has nearly disappeared.

Quantitative data show that %99 of respondents did not share assistance outside their household, fewer than %2 spent it on traditional obligations such as weddings or funerals, and borrowing for social reasons was almost non-existent (%0.3). These findings confirm that under prolonged crisis, essential needs outweigh customary reciprocity and collective obligations.

However, qualitative interviews reveal that social norms continue to influence financial behaviour in less visible ways. Recipients described hiding their assistance to avoid envy, gossip, or social claims from relatives and neighbours. Only few interviewed participants acknowledged concealing their assistance from lenders or creditors to prevent immediate pressure to repay existing debts, using discretion as a way to retain control over limited resources and meet essential needs first. For Syrian and migrant households, secrecy served as a protective strategy but also reduced the mutual support traditionally provided through informal networks, leaving them m ore exposed when emergencies arose. Broader research on Lebanon's crisis economy supports these insights. Studies by UNICEF (2023) and MSNA (2024) describe a shift from traditional community-based solidarity toward individualised survival behaviour, with secrecy and mistrust replacing mutual support as resources dwindled.

> *I did not tell anyone... because if they knew... everyone will become my friend and love me so they can benefit from my money. They would use me.*
>
> (Syrian Transwoman, BML)

From the perspective of lenders and key informants, the strongest cultural expectation was not generosity but repayment. Debt repayment was viewed as a moral obligation, a sign of honour and responsibility. Community norms such as "cover your debts" were repeatedly cited as powerful motivators for households to channel assistance toward creditors, even if this meant sacrificing essentials or taking new loans later. In many cases, households prioritize repayment to preserve social reputation and access to future credit, so they often end up repaying old debts only to borrow again, sustaining a continuous cycle of obligation rather than achieving financial recovery.

Gender Roles in the Use of Assistance

Gender differences in the use and management of cash assistance reflected social expectations rather than spending capacity. Across interviews, **women** were described, by themselves and others, as careful planners who prioritised food, rent, medication, and children's needs. Their decisions were framed by a sense of moral duty and family responsibility, reinforcing their role as household stabilisers. This discipline, however, came with greater emotional strain, as women felt personally accountable when assistance could not cover all needs.

Men, meanwhile, portrayed themselves as practical decision-makers rather than social spenders. Some admitted to being "less economical" or more likely to make unplanned purchases, while others stressed equality or shared planning with their wives, describing themselves and their spouses as "one pocket." These views suggest that spending differences stem more from personal habits and family coordination rather than rigid gender norms.

Among **LGBTQ+** respondents, particularly trans individuals, discretion was used as a protection strategy. Many concealed receiving cash assistance altogether to avoid being targeted for exploitation. This behaviour underscores how social stigma and discrimination compound financial vulnerability, limiting the ability of LGBTQ+ individuals to safely access or use support.

Nationality and Cultural Expectations in Managing Assistance

Nationality and cultural expectations also shaped how assistance was shared or protected. **Lebanese families** tended to stress independence and confidentiality, frequently describing assistance as "for the house" and refusing to disclose it even to close relatives. For **Syrian** and **migrant households**, visibility of aid sometimes provoked envy, gossip, or social pressure from neighbours or landlords, leading recipients to conceal their assistance or avoid community interactions.

Moreover, **Syrian** respondents, many living within extended or co-resident family structures, often described informal sharing or pooling of cash transfers to meet collective needs. While this reinforced solidarity, it also fragmented limited resources and left individual households with little control over spending.

Migrant workers, particularly domestic and daily labourers, faced a different set of expectations from families abroad to send remittances or appear "self-reliant" created additional financial strain. **This social obligation often created additional strain, with some admitting to borrowing despite receiving assistance, showing how migration status and social obligation can turn assistance into both support and pressure.**

KEY TAKEAWAYS

- **CASH ASSISTANCE IS PRIMARILY ABSORBED BY ESSENTIALS:** food, health, and especially rent, particularly for refugees and migrant workers facing landlord pressure. While debt repayment remains a consistent secondary use (~20% explicitly report spending assistance on debt) for the purpose of clearing arrears or maintain access to informal credit.
- **CASH ASSISTANCE OFFERS SHORT-TERM RELIEF BUT LIMITED DEBT REDUCTION:** While most recipients said it only partially met needs and lasted less than two weeks, it temporarily eased arrears in rent, food, and health. Yet debts quickly reaccumulate once transfers stop, especially among women, migrants, and LGBTQ+ individuals facing sharper trade-offs.
- **HOUSEHOLDS REPORT ALMOST NO DIVERSION OF CASH:** assistance is spent almost entirely on essentials such as food, rent, and medicine, with very limited use for cultural or social obligations.
- **SOCIAL NORMS CONTINUE TO SHAPE FINANCIAL BEHAVIOUR:** Women manage most household budgeting under emotional strain; families conceal assistance to avoid envy or exploitation; and migrants face added pressure to remit or appear self-reliant, turning aid into both relief and responsibility.

2.1. DEEP-DIVE INTO THE TYPES OF CASH ASSISTANCE & THEIR INFLUENCE ON DEBT

The effect of cash assistance on debt largely depends on how it is designed and delivered. Drawing on quantitative and qualitative data, this sub-section compares different modalities of Cash Assistance and studies how it impacts debt.

Technical Insights on the Purpose of Cash Assistance

Technical experts across protection, shelter, and basic assistance sectors emphasized that cash assistance in Lebanon is not designed to eliminate debt, but rather to help crisis-affected households meet immediate needs and prevent harm. Current transfer values are widely acknowledged to be insufficient even for basic needs, given hyperinflation and soaring prices. Experts differentiated between the three main cash modalities according to their design and intended outcomes:

- **MPCA** is usually provided for a period of 3-6 months and the transfer value covered under the scope of this study ranges between 100- 145 USD per month, in line with sector guidance at the time each project was implemented. MPCA offers flexible spending and can temporarily ease debt pressure, helping households clear small shop debts or improve relations with creditors. However, transfer values are rarely sufficient to change overall debt trajectories.

- **ECA** is designed to prevent or mitigate protection risks, not to meet ongoing consumption needs and the amount is provided once off ranging between 90-150 USD. It enables urgent actions such as paying rent to avoid eviction, relocating from unsafe areas, or covering medico-legal expenses. Its effect on debt is short-term and indirect—it can prevent exploitative borrowing during crises but does not address structural indebtedness.
- **Cash for Rent** is most consistently linked to stabilizing housing and limiting rent arrears. In Lebanon, this modality typically covers 6–12 months and can reach transfer values of up to 250 USD per household. The assistance is designed not only to pay rent but to secure safe housing by formalising tenancy agreements (working with both tenants and landlords) and helping prevent eviction or exploitation. However, qualitative evidence and interviews with cash recipients and experts show that once the aid ends, many households revert to borrowing for other essentials, and debt resurfaces.

Across all modalities, sector experts agreed that the **amount** and **duration** of transfers are the strongest predictors of whether families can repay debts or avoid new ones. Larger and regular payments provide a short "recuperation period" that allows households to stabilise, stop accumulating arrears, and in some cases save small amounts. In contrast, small or one-off transfers only delay hardship without changing household financial trajectories.

From a systems perspective, nationality and legal status strongly shape both access to cash programmes and their adequacy. Migrant workers, often excluded from formal safety nets, receive smaller and fragmented forms of support, which limit their ability to reduce borrowing. Refugees may access better-structured aid schemes but still face transfer values too low to meet their needs. Lebanese households, while eligible for certain NGO or government-linked transfers, experience the same gaps under prolonged inflation.

Finally, experts cautioned against interpreting persistent cash assistance as "dependence." In the absence of national safety nets, cash assistance remains a lifeline that prevents deeper harm such as exploitation, violence, and psychological distress. Predictable, multi-month transfers were described as the most protective approach, helping families plan ahead, regain control, and reduce exposure to negative coping strategies.

MPCA from a Quantitative Lens

Survey data show that after receiving cash assistance, **52% of households reported a decrease in debt,** 38% no change, and only 8% an increase *(figure 11)*, with the largest reductions among Syrians (58%) and migrants (63%). On average, debts fell by 177 USD for half of households, while a small share (3%) saw increases averaging 205 USD.

Repayment behaviour also improved moderately: 59% repaid part of their debt on time, 16% fully repaid, and 23% were unable to pay on time *(figure 12).* Women were nearly twice as likely as men to report full repayment (20% vs. 11%), suggesting that assistance may empower women to prioritise debt clearance when resources allow.

However, cash did not eliminate the need to borrow. 58% of respondents still needed to take new loans after receiving assistance, while 38% managed to avoid borrowing (figure 13). Continued borrowing was highest among migrants (69%) and IDPs (64%), reflecting their higher vulnerability and narrower credit options.

Figure 11 *- Impact of MPCA on the total amount of debt in the household*

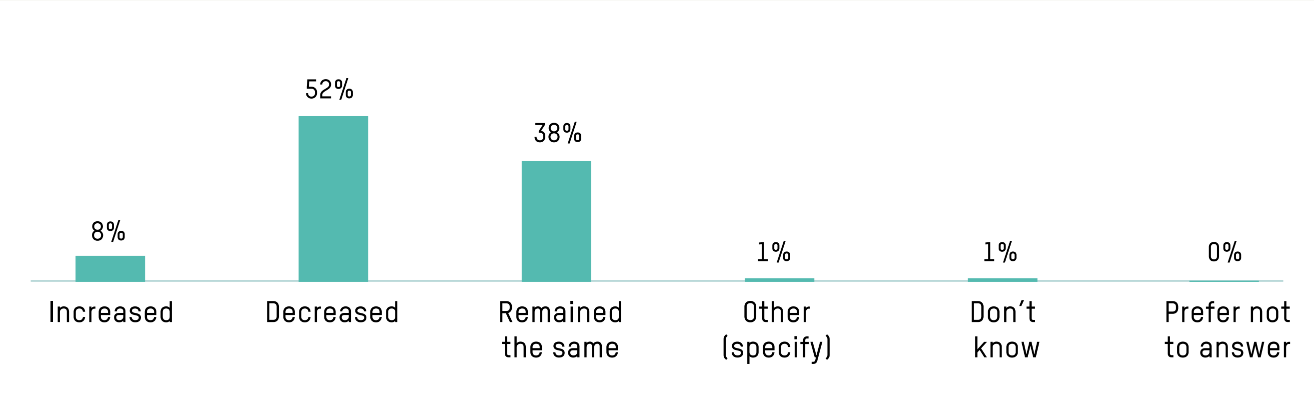


Figure 12 *- Impact of cash assistance on household ability to repay existing debts on time*

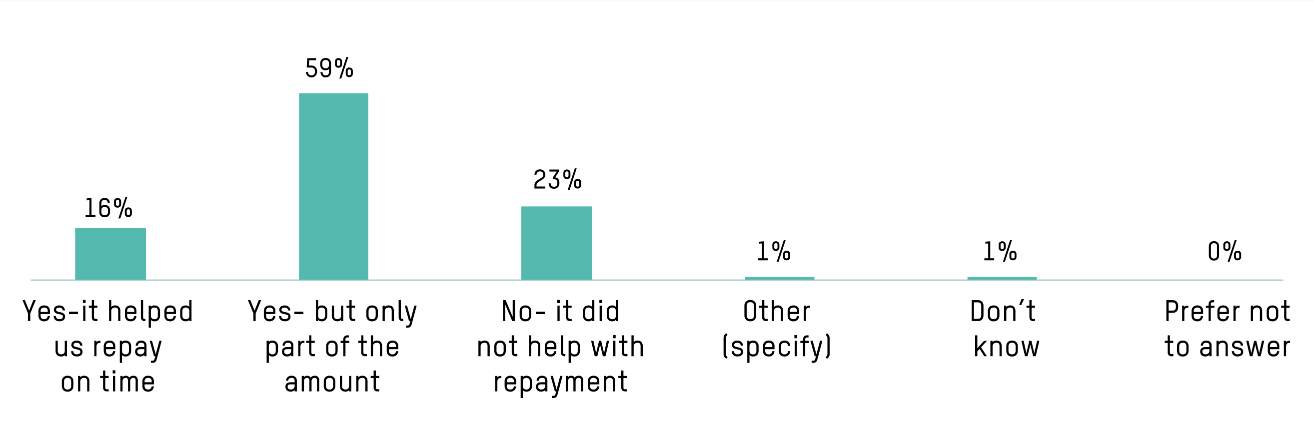


Figure 13 *- Impact of MPCA on avoiding borrowing in the past 3 months*

Comparing Types of Cash Assistance

First, comparison was done between the two MPCA modalities relying on quantitative analysis: **(1)** SIDA-funded project, targeting IDPs consisting of an initial one-off 200 USD transfer followed by USD 145 USD for 3 months, and **(2)** DGD-funded project, targeting long-term vulnerable residents including Syrian refugees providing 100 USD for 6 months. Bivariate analysis showed that **the second modality was significantly more effective in helping households manage debt**. Over half of modality 2 recipients (52%) reported that assistance helped them avoid taking on new borrowing, compared to only 30% among modality 1 recipients ($p < 0.001$). Similarly, full debt repayment was far more common under modality 2 (32%) than 1 (8%), while modality 1 recipients more frequently reported partial repayment (64% vs. 50%).

These results suggest that longer duration and predictable payments, although smaller in value, allowed households to plan ahead, repay debts systematically, and temporarily stabilise financially. In contrast, shorter timeframe and smaller, emergency-focused transfers in the form of ECA provided immediate relief but did little to prevent future borrowing. Another factor affecting the interpretation is the profile of recipients, whereby IDPs receiving MPCA often faced repeated displacement, making it harder to allocate cash strategically, while non-displaced households had greater control over spending and were better able to maintain lender trust.

Moreover, interviews provide a deeper picture of how different cash types interact with household debt dynamics.

- **MPCA** was described as vital for immediate expenses, especially food, utilities, and small arrears, but too small and short-lived to make a lasting dent in debt. Many recipients said landlords and shopkeepers expected repayment as soon as cash arrived, leaving little flexibility to meet ongoing needs. Where MPCA was repeated or larger in value, households could temporarily clear debts and avoid new borrowing, but once assistance ended, debt levels quickly rose again confirming quantitative results above. Previous studies by Mercy Corps (2024) and the UN inter-agency monitoring system (VASyR, 2024) also confirm that multi-purpose cash supports temporary reductions in borrowing but has limited effect on long-term debt cycles.
- **ECA** had the most targeted impact. Provided in emergencies such as eviction threats or harassment by landlords, it allowed recipients, particularly women, to immediately settle rent arrears or critical debts, restoring temporary safety and dignity. Yet, because it was a one-off payment, families soon faced renewed borrowing for other essentials.
- **Cash for Rent** had the clearest link to debt reduction. By covering the single largest household expense, it enabled households, especially displaced Syrians, to repay landlords and secure housing stability. Still, even when rent was paid, families continued to borrow for food, health, and utilities, meaning total indebtedness remained unchanged.

Across all types, recipients agreed that **cash support reduces debt pressure only briefly**. MPCA offers flexible but limited relief; ECA and Cash for Rent provide targeted but short-term stability. The frequency, predictability, and value of transfers determine how effectively households can manage or reduce debt. Gender and nationality strongly shape these outcomes: women, particularly Syrian refugees, often use assistance first to repay debts linked to children’s needs, while Lebanese men emphasised that cash simply “buys time” until the next crisis.

Focus Box:
SUCCESS STORIES

There were 10 cases reported by distinct recipients across modalities and areas, where cash assistance improved lives and reduced reliance on debt. These positive outcomes were achieved when several enabling factors came together:

1. **COVERAGE OF THE MAIN LIABILITY:** Transfers that directly addressed the largest household expense, most often rent, freed families from eviction threats and allowed them to redirect income to food or medicine.

   A Lebanese woman in the South explained that she received 330 USD as assistance. She paid $200 for rent and used the rest to settle her debt at the supermarket and even managed to get groceries for the next month.

2. **PREDICTABILITY AND COMPLEMENTARITY WITH INCOME:** When assistance was regular and paired with another income source, households could plan ahead, pay bills on time, and avoid new borrowing.

   A Lebanese man in the North described how his monthly salary plus a $100 transfer "covered the month" and nearly eliminated borrowing.

3. **ADEQUATE VALUE TO CLEAR ARREARS:** Larger or well-timed transfers helped families repay part of accumulated debts and avoid risky coping such as taking on extra night work.

   A Lebanese man in Baalbek used his MPCA transfer to settle housing debt, saying it spared him from taking on additional night shifts.

4. **ABILITY TO BUDGET ACROSS THE MONTH:** Even modest amounts made a difference when recipients could plan spending over time.

   A Lebanese woman in the South explained how she "split the $200 over Ramadan" and didn't need to borrow for food that month.

KEY TAKEAWAYS

- **Across all types of studies cash assistance, impact is temporary and insufficient in scale:** Cash provides breathing space, softens creditor pressure, and enables partial repayments, but does not fundamentally reduce households' dependence on debt.
- **ECA and Cash for Rent have the strongest targeted impact:** ECA helped settle urgent arrears (especially rent-linked crises), while Cash for Rent directly stabilized housing and landlord relations but neither prevented borrowing for food, health, or utilities.
- **cash for rent most stabilising, but time-bound:** Cash for rent is the strongest in reducing arrears and eviction risk yet amounts/duration remain too limited to sustain impact.
- **Adequacy is defined by amount, duration, and predictability:** Larger, regular, multi-month transfers reduce borrowing more effectively than one- off or small payments; without this, reliance on debt persists.

Section 3

COPING STRATEGIES ADOPTED BY VULNERABLE HOUSEHOLDS

This section explores how vulnerable households and communities in Lebanon adapt to ongoing financial hardship and overlapping crises, and what their strategies reveal about resilience in a context of shrinking assistance and deepening instability. Drawing on quantitative and qualitative evidence, the analysis examines the strategies households employ to manage daily economic and social pressures, the extent to which cash assistance reduces the need for negative coping mechanisms, and the contextual factors that enable or constrain adaptation. The section concludes by identifying lessons from local adaptation practices that can inform the design of more relevant, sustainable, and context-sensitive cash assistance models in Lebanon's protracted crisis setting.

3.1. IDENTIFICATION OF COPING STRATEGIES, CONSTRAINTS & ENABLERS

This subsection explores how households in Lebanon cope with prolonged economic hardship. It identifies the main strategies people adopt to survive, the constraints that limit their options, and the structural or relational factors that enable short-term recovery.

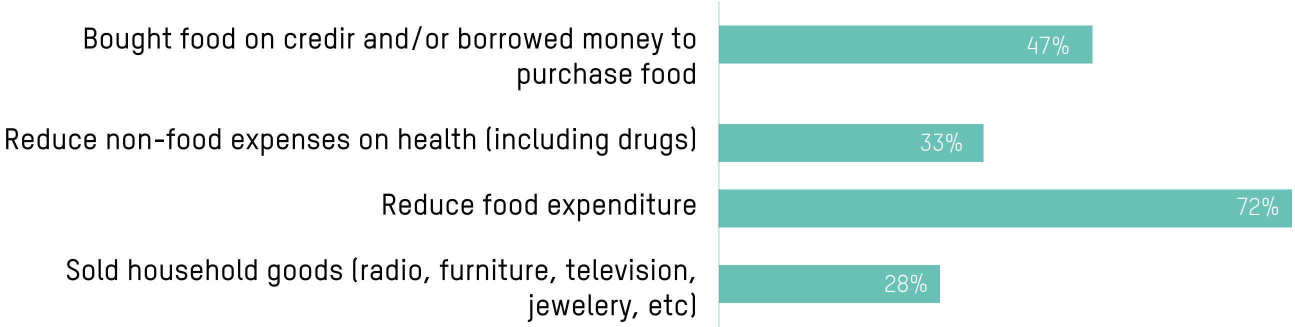
Overview on Adopted Coping Strategies

Quantitative and qualitative evidence together show that most households in Lebanon survive through a mix of consumption cuts, informal labour, and small-scale income generation. Debt remains central to this survival system, both a symptom and an enabler of coping, while the exhaustion of formal and social safety nets forces families to adopt increasingly precarious and harmful practices. The analysis reveals a clear progression: households first reduce expenses and stretch credit, then intensify labour or sell assets, and, as conditions worsen, resort to negative or risky strategies such as child labour, begging, or exploitative work. The depth and type of coping vary by gender, nationality, and health status, with women, people with disabilities, and refugees facing the sharpest constraints and greatest exposure to exploitation.

> *Nowadays, many people are living off the trash, collecting and selling things from it. Some work extra hours or night shifts, for example in vegetable stores or fuel stations; many work on tuktuks as well. Before the prices increased, you wouldn't see this. It has gotten so bad that sometimes, when you go to pray at the mosque, you come out to find your shoes stolen.*
>
> (Syrian woman, North)

Survey findings show that households primarily rely on short-term, consumption-based coping strategies. Nearly 72% reported reducing food expenditure *(figure 14)*, 47% resorted to buying food on credit or borrowing for it, one-third (33%) reduced spending on health and medication, and over a quarter (28%) sold household goods. These coping mechanisms mirror a context where income cannot cover even essential consumption. The widespread use of credit for food highlights the normalization of informal debt as a substitute for social protection. National assessments (VASyR 2024; MSNA 2024; UNDP 2023) confirm that negative coping mechanisms have intensified amid economic collapse and rising debt. Borrowing for food and health, selling assets, and reducing meal frequency are the most common strategies widespread across Lebanese and refugee populations. Reports also link deepening poverty to child marriage, child labour, and survival sex, particularly among women-headed households and undocumented migrants.

Figure 14 *- Reported Coping Mechanisms*



Interviews provide a richer picture of how coping plays out in daily life.

- **Labour intensification** emerged as the most pervasive response: adults stacking multiple jobs or extending hours, from soldiers driving taxis to teachers working night shifts, women cleaning houses by the hour, and youth entering delivery or restaurant work. In the South and BML, respondents described every household member "working day and night" to survive.
- **Micro-enterprises** such as street vending, home-based cooking, tailoring, or small kiosks, reflect adaptive creativity but offer limited or unstable returns. Migrant and refugee women often noted domestic work as their only viable income source, reinforcing gendered and class-based inequalities.
- **Asset liquidation and scavenging** were common fallbacks. Families reported selling furniture, cars, and personal items or collecting recyclables, a trend increasingly visible in urban areas like Tripoli and Beirut.
- **Child labour and begging** are rising coping mechanisms. Few mothers spoke of children, some as young as ten, sent to work in shops, delivery services, or in the streets instead of attending school. Others described children accompanying parents to work or collecting plastic to sell. While such reports during IDIs were not many, case managers further elaborated and confirmed that there is an increase of number of cases of child marriage and child labour and these are becoming common strategies to reduce household costs or secure small, regular income. In fact, exact figures on the prevalence of **child labour** and **child marriage** in Lebanon are not available, as official monitoring systems remain limited. However, recent studies by UNICEF (2023) and the Freedom Fund (2024) highlight a sharp rise in both trends amid the ongoing economic crisis.

UNICEF reports that the proportion of families sending children to work increased from 11 % in April 2023 to 16 % by the end of the year, while the Freedom Fund documents an expansion of child labour into hazardous and street-based work, particularly in the Bekaa Valley, North, and Beirut.

- **Risk and exploitation** appear in the most extreme cases. Some women and LGBTQ+ individuals, especially in BML and the South, disclosed resorting to or being pressured into survival sex or online streaming to secure income. Others described constant harassment or fear of such exploitation.
- **Social and community coping** reflected through reliance on neighbours, religious institutions, and co-residence for financial support remains crucial but overstretched. Many households depend on churches or mosques for aid or live with other families to share rent and food. Remittances, though irregular, are lifelines for some.

People with disabilities, however, have far fewer options: they often cannot take on additional physical work and depend heavily on assistance, kinship support, or small home-based activities.

Emerging and Concerning Coping Patterns

Other than the protection risks that were highlighted by participants, technical experts and specially case managers further expanded on the increased prevalence of exploitative practices. They noted that women's over-representation in low-paid domestic work and caregiving roles exposes them to harassment and underpayment, while children face rising risks of labour and early marriage. Case management staff highlighted the observed patterns:

- **Transactional sex and survival sex**, particularly among women-headed households and LGBTQ+ persons
- Reports of **ovary sales** (reported particularly in Bekaa)
- **Child marriage and child labour** as normalized family survival tools.
- **Drug sales, scams, and cyber-exploitation** among youth seeking quick cash (reported particularly in Bekaa).
- **Eviction, harassment, and confiscation of IDs** by landlords or lenders when debts go unpaid.

Protection actors uniformly warned that coping has entered a dangerous phase where poverty and debt intersect with bodily risk and coercion. They described growing psychosocial distress, manifesting as depression, withdrawal, and suicidal thoughts, particularly among women who feel they have "nothing left to sell but themselves." The loss of safe coping mechanisms and community trust leaves families more isolated and indebted, perpetuating a downward spiral that aid coverage and transfer values can no longer offset.

Constraints of Household Coping

Across all sources, the most significant constraint to adaptation is **chronic income insecurity**. Recipients consistently described the collapse of regular earnings and the disappearance of mutual aid systems that once offered stability. Informal rotating savings groups *(jam'iyyat)*, once vital for household planning, have nearly vanished under inflation, surviving only among better-off families. In dense urban centres like Tripoli and parts of the South, respondents said bluntly: *"Each to his own now."* This marks a shift from older norms of neighbourly sharing to atomized survival, with even siblings reluctant to help.

Experts and lenders corroborated these accounts, pointing to a systemic erosion of solidarity networks and purchasing power. Lenders noted that while they still extend small, trust-based credit, inflation and defaults have forced them to tighten conditions.

Experts highlighted that structural barriers like legal exclusion, patriarchal norms, and discrimination, further constrain adaptive strategies for refugees, women, LGBTQ+ individuals, and persons with disabilities. Migrants and stateless populations face compounded risks due to their limited access to aid, formal work, or legal protection.

Households also face severe health and psychosocial constraints. Chronic illness or disability removes the option of income diversification, trapping families in debt. Emotional exhaustion and loss of motivation were common, with parents, especially mothers, reporting shame, guilt, and anxiety over their inability to provide. Experts warned that prolonged financial strain without adequate support drives households toward harmful coping strategies, including child labour, early marriage, and in extreme cases, organ sale, notably the reported sale of ovaries in Bekaa as a last-resort survival strategy. These alarming coping forms highlight the intersection of economic collapse, gendered vulnerability, and inadequate protection mechanisms.

Finally, **the short-term and fragmented nature of aid** compounds vulnerability. **Cash and food assistance are described as essential but insufficient, offering "a few weeks of relief" without building resilience.** Municipal and institutional responses remain politicized and uneven, leaving many households out-side any predictable safety net.

Enablers of Household Coping

Despite widespread hardship, households and communities continue to display forms of resilience supported by two broad types of enablers: structural (linked to income, services, and systems) and relational (rooted in social ties, identity, and solidarity). Together, these factors determine how households manage to survive, recover, or plan ahead though for most, they sustain coping rather than true adaptation.

Structural Enablers

These are material, institutional, or systemic conditions that support households' ability to stabilize and plan beyond short-term crisis management. Evidence from qualitative interviews, expert consultations, and lender perspectives highlights the following:

- **Reliable Income and Livelihood Skills:** Households with regular income sources (like salaries, remittances, or monetizable skills like tailoring, agriculture, carpentry, or small retail) showed greater ability to manage debt and maintain food security. This stability allowed for limited debt repayment and short-term planning. However, experts cautioned that such stability is "thin"; one job loss or health shock easily reverses gains.

- **Education as a Long-Term Investment:** Parents consistently described keeping children in school as the only pathway to future security. Where education persisted despite hardship, families reported "hope" and a sense of movement out of crisis. Where school dropouts occurred, often due to transport or tuition costs, households felt trapped in a "closed circle," unable to envision change.

- **Access to Aid and Institutional Support:** Predictable aid, especially multi-month cash or food assistance, enabled temporary relief from debt and prevented negative coping such as eviction or child labour. Case managers and experts emphasized that *continuity* is key: regular monthly cash for at least six months provides a "recovery window" where families can stop accumulating new debt and stabilize consumption.

- **Health and Physical Capacity:** Good health was an understated but crucial enabler. Healthy adults could work longer hours, engage in casual labour, or run small side activities. Conversely, chronic illness or disability reduced adaptive options drastically, limiting mobility, working hours, and employability, thereby deepening debt dependency.

- **Integrated or "Cash Plus" Programmes:** Technical experts noted that adaptation is stronger when assistance combines material support (cash, vouchers) with empowerment components such as vocational training, psychosocial support, or livelihoods mentoring. These models, though rare, were described as "the only ones that move families from coping to planning."

Relational Enablers

These depend on social connections, trust, and collective identity; factors that, while fragile, still buffer the effects of prolonged crisis. Qualitative evidence shows that these ties, though shrinking, remain vital for survival. These include:

- **Community Networks:** In rural and camp settings, family, kinship and neighbourhood networks still play a crucial role in providing ad-hoc loans, shared housing, and in-kind help. Respondents described relatives sending small cash remittances, sharing food, or covering utility bills. Women highlighted small, everyday "micro-solidarity" acts like sharing meals, lending small sums, or rotating childcare that helped them navigate daily shortages and reduce feelings of isolation. For Syrian and Palestinian refugees, these took the form of co-residence and shared food purchases. While these networks offer short-term protection and help preserve social cohesion, they are too fragmented and resource-constrained to build lasting resilience, reflecting the weakening of community-wide safety nets under prolonged crisis conditions.
- **Reciprocity and Informal Savings *(Jam'iyyat)*:** Traditional rotating savings systems once functioned as adaptive financial tools, allowing lump-sum purchases or debt repayment. Under inflation, however, they now primarily benefit the relatively better-off, leaving the poorest excluded. Their partial survival among mid-income groups nonetheless remains a relational enabler, sustaining trust and community reciprocity.
- **Identity-Based and Faith-Based Networks:** Mosques, churches, and nationality-based associations (especially among Palestinians and Sudanese migrants) continue to mobilize small-scale relief. These networks are strongest where community identity is cohesive and weakest among recently displaced or marginalized groups (such as LGBTQI+ individuals and undocumented migrants), who often face stigma or exclusion.
- **Emotional and Moral Support:** Emotional solidarity in forms of listening, encouragement, and prayer, offered psychosocial comfort and reduced distress. While not material, it supported perseverance and mental endurance, preventing breakdown. Case managers emphasized that psychosocial resilience often determines whether families maintain hope and avoid harmful coping mechanisms.
- **Individual and Collective Initiative:** Some communities showed proactive behaviour through informal job networks, information-sharing about aid, or collective fundraising campaigns. Individuals who acted as informal brokers or helpers created small openings for adaptation within their communities, showing that agency, even under crisis, is a relational resource.

KEY TAKEAWAYS

- **COPING REVOLVES AROUND REDUCTION, LABOUR, AND DEBT:** Most households survive by cutting food, health, and education costs, relying on informal credit, and intensifying work hours or taking multiple low-paid jobs.
- **COPING STRATEGIES ARE BECOMING RISKIER:** As income sources shrink, families resort to harmful options such as child labour, child marriage, or survival sex.
- **ADAPTIVE CAPACITY DEPENDS ON FRAGILE ENABLERS:** Steady income, educa-tion, and health help families stabilise temporarily, but these supports are easily undermined by inflation, exclusion, or renewed shocks.
- **SOCIAL AND INSTITUTIONAL NETWORKS ARE OVERSTRETCHED:** Community ties, faith-based aid, and remittances still buffer crisis impacts, yet secrecy, stigma, and eroding trust weaken collective resilience, leaving most households trapped in short-term survival rather than recovery.

3.2. IMPACT OF CASH ASSISTANCE ON THE USE OF NEGATIVE COPING MECHANISMS

This subsection analyses how cash assistance helps households reduce harmful coping strategies such as meal skipping, borrowing, or unsafe work, highlighting its short-term protective impact and how effectiveness varies by modality and duration.

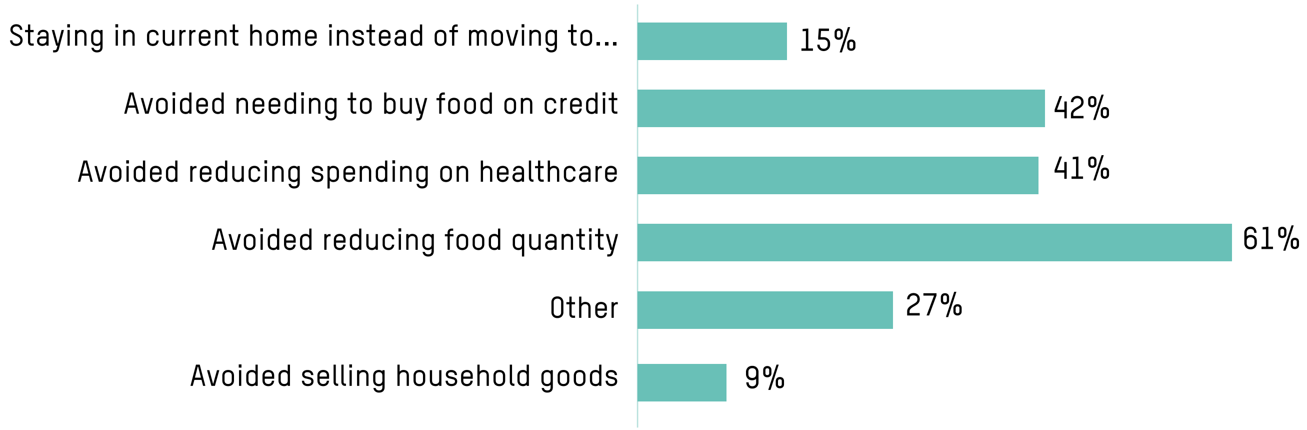
Effect of Cash Assistance on Coping Strategies

Across all data sources, evidence shows that cash assistance plays a critical protective role in reducing the use of negative coping mechanisms, such as meal skipping, borrowing for food or rent, and resorting to exploitative survival strategies. However, its effects are short-lived and depend heavily on the adequacy, predictability, and duration of support.

Survey results show clear short-term mitigation effects *(figure 15)*: 61% of respondents avoided reducing food quantity, 42% avoided buying food on credit, 41% avoided cutting healthcare spending, and 15% avoided relocating to unsafe or cheaper housing. The percentage of the latter is notably higher among migrants (33%) and other genders (47%). These data confirm that cash assistance helps preserve basic consumption and housing stability, directly lowering the likelihood of sliding into debt, eviction, or food insecurity.

Qualitative interviews and key informant insights deepen this picture. Interviewed cash recipients consistently described cash as the difference between maintaining dignity and resorting to “desperation coping.” Women and caregivers said it allowed them to buy food for their children instead of borrowing, while men highlighted that it helped avoid taking informal work on credit or in unsafe conditions.

__Figure 15__ - Extent to Which Cash Assistance Helped Households Avoid Negative Coping Strategies (Past 3 Months)



Protection and shelter specialists confirmed that sustained cash, particularly **cash for protection** and **Cash for Rent,** is most effective in preventing harmful coping such as **survival sex, child marriage,** and **child labour**. In contrast, one-off emergency transfers can stop immediate harm but rarely shift long-term vulnerability. Across the board, experts emphasised that **adequacy and predictability**, rather than modality alone, determine whether cash transforms coping into recovery.

Findings from national assessments (SAFER 2024; Mercy Corps 2024; VASyR 2024; MSNA 2024) align with these observations. They confirm that cash assistance temporarily improves food security, dietary diversity, and healthcare access, significantly reducing reliance on negative coping mechanisms during the assistance period. However, once transfers end or lose value to inflation, most families rapidly return to harmful strategies: 75–88% of households across these studies reported resuming debt accumulation, meal reduction, or reliance on community credit within months of programme completion.

Variation by Type of Cash Assistance

Different cash modalities influence coping patterns in distinct ways as concluded from IDIs:

- **Multi-Purpose Cash Assistance (MPCA)** provided flexibility, helping households avoid asset sales or food cuts, yet the relatively small amount and short cycle meant its effect on harmful coping was brief. Across all types, adequate, predictable, and recurrent cash was associated with a measurable decline in negative coping, while one-off or irregular transfers had weaker and short-lived effects.

- **Emergency Cash Assistance (ECA)** offered short-term relief from debt and food insecurity but were limited by duration; they postponed rather than eliminated borrowing. Still, participants credited these transfers with temporarily reducing child labour and school dropout by covering basic costs.

- **Cash for Rent** emerged as the most protective form, directly preventing eviction and harassment while reducing exposure to survival sex and forced relocation. When families face eviction, women particularly, report resorting to high-risk coping strategies, including transactional or survival sex, to secure housing or delay rent payments. By removing the immediate threat of eviction, Cash for Rent reduces both the economic vulnerability and protection risks associated with losing shelter. Moreover, by removing the largest financial stressor, it allowed families to redirect small earnings toward food and medicine, cutting dependence on borrowing.

Successful Coping Strategies and Implications on Programming

In the absence of consistent aid or state support, households and communities rely on an ecosystem of informal, adaptive practices that combine income diversification, cost reduction, and social reciprocity. As outlined in the sections above, these include adhoc savings or rotating credit "jam'iyyat" (although their role is diminishing), small-scale income activities such as home-based cooking, cleaning, or vending, and informal debt arrangements with shopkeepers or landlords.

However, these strategies are increasingly reactive rather than transformative. They allow families to survive month to month but not to rebuild or plan. Inflation, exhaustion of social trust, and the collapse of collective savings mechanisms have made these coping practices more precarious. What once represented community resilience has turned into individual endurance under prolonged strain.

Across contexts, adaptation practices that persist or succeed share a few common traits: trust, flexibility, and speed.

- **Trust is the foundation:** credit from known shopkeepers, neighbourly food-sharing, or kin-based remittances depend on established social relationships. When trust is high, these systems continue even in scarcity.
- **Flexibility allows people** to adjust quickly to shifting conditions: small, informal savings groups or rotating credit systems function because members can negotiate, defer, or substitute contributions without penalty.
- **Speed and proximity also matter:** Local, community-driven responses such as spontaneous fundraising or small solidarity actions, are more immediate than formal systems and often the only safety net accessible during crisis peaks.

Yet, **these practices are personal, informal, and unevenly accessible.** Those excluded from social networks such as newly displaced families, migrants, LGBTQ+ individuals, or those facing stigma cannot rely on these structures.

KEY TAKEAWAYS

- **CASH PREVENTS THE MOST IMMEDIATE HARMFUL COPING:** households avoided reducing food (61%), borrowing for food (42%), cutting healthcare (41%), and in some cases avoided eviction (15%).
- **PROTECTIVE EFFECT DIFFERS BY CASH MODALITY:** Cash for Rent most strongly reduced eviction and harassment risks; MPCA gave flexibility to avoid asset sales or survival strategies; ECA offered short-lived relief but did not change structural debt reliance.
- **EFFECTIVENESS HINGES ON ADEQUACY & PREDICTABILITY:** recurrent, sufficient, and linked cash (e.g., rent support or case-managed cash) sustainably reduces negative coping, while small or one-off amounts provide only temporary protection.

Focus Box: VOICES OF CASH RECIPIENTS

Across interviews, recipients shared clear and consistent messages about how cash assistance could better support their daily realities. They shared the following recommendations through IDIs:

- **PREDICTABLE AND REGULAR SUPPORT:** Interviewed participants stressed that knowing *when* and *how much* assistance they would receive was as important as the amount itself. Regular monthly payments, rather than one-off or irregular transfers, were described as essential for planning, paying rent, and avoiding new debt.
- **ADEQUATE AMOUNTS AND LONGER DURATION:** Nearly all respondents emphasized that current transfer values no longer match the cost of living. They called for higher amounts, especially to cover rent, food, and medicine, and for support to last at least six to twelve months to allow families to regain stability.
- **FLEXIBILITY AND DIGNITY:** Participants consistently preferred unrestricted cash over vouchers or in-kind aid. Flexibility to choose how to spend assistance, whether on rent, medication, or school fees, was described as fundamental to maintaining dignity and adapting to changing needs.
- **FAIR TARGETING:** Participants urged stronger verification and prioritization of the most vulnerable, those with no income, large families, or chronic illness, citing frustration with perceived inequities in current targeting.
- **OPPORTUNITIES FOR SELF-RELIANCE:** Some proposed occasional larger lump-sum payments to repay debts or start small businesses, enabling a gradual move away from dependence on aid. Others suggested pairing cash with complementary forms of support such as medical subsidies, education aid, or psychosocial assistance.

RECOMMENDATIONS

The following recommendations are drawn from the analysis presented above and the insights shared by key stakeholders during the validation workshop. They aim to suggest ways to strengthen cash programming across all levels, from programme design and targeting to implementation, and long-term sustainability and complementarity. Under each level, the recommendations are grouped by the target audience.

DEBT IN CASH-BASED INTERVENTION PROGRAMME DESIGN

For Oxfam and other agencies implementing Cash Programming:

- **Integrate Debt and Associated Risks into Cash-Based Programmatic Design:** Findings from this study show that households spend nearly three times more than they earn (average income of USD 276 versus expenditure of USD 763), and that borrowing has become a universal survival mechanism across Lebanese, Syrian, and migrant populations. Given this persistent gap and the central role of debt in household survival, it is recommended that cash assistance programme design explicitly integrates concepts in relation with debt (debt reduction, debt management, and the mitigation of debt related protection risks and harmful coping mechanisms) in its results framework.

- **Maintain Household Borrowing Capacity as a Programmatic Objective:** Findings from both quantitative and qualitative data show that most families in Lebanon rely on a fragile mix of reduced consumption, informal work, and small income activities to survive. Within this system, borrowing remains a key way to cover food, rent, or medical costs when income falls short. Debt has therefore become both a coping tool and a reflection of limited alternatives, particularly for those who face fewer options for stable work or social support. Therefore, cash assistance should therefore aim to keep debt at manageable levels and maintain constructive relationships with lenders, framing debt as a financial tool to navigate shock and recover. As such, programme results frameworks should explicitly, where feasible, include outcomes that protect profiles most at risk of falling into unmanageable debt. Low to mid-scale cash programmes, linked with protection interventions, can help prioritise these profiles, strengthening resilience, cost-effectiveness, and coherence across interventions.

- **Promote Predictable, Unrestricted Cash as the Preferred Modality:** Findings from both quantitative and qualitative data show that the duration and predictability of assistance are among the strongest factors influencing how effectively households manage debt and plan their spending. Recipients of longer, regular cash cycles, such as six-month MPCA transfers, were significantly more likely to repay debts systematically, avoid new borrowing, and stabilize household budgets compared to those receiving one-off or irregular support. Beneficiaries repeatedly emphasized that knowing when and how much cash to expect allowed them to "plan ahead," cover rent and food without interruption, and negotiate repayment terms more confidently with lenders. Moreover, evidence from the literature underscores that "regularity and predictability of payment essential for creditworthiness and risk management, while also increasing the time horizon of beneficiary households".[2]

2. *ODI (2016). Cash Transfers: what does the evidence say? A rigorous review of programme impact and of the role of design and implementation features.*

It is therefore recommended that cash assistance be delivered through predictable monthly cycles, preferably extending beyond six months, using unrestricted modalities wherever possible. Regular, reliable cash helps households sustain creditworthiness, stabilize consumption, and reduce the risk of falling into exploitative or high-interest debt. This approach also enhances financial autonomy and resilience, allowing families to prioritize expenses according to their real and changing needs, rather than programme restrictions.

- **Align Transfer Amounts and Frequency with Debt-Relief and Risk-Mitigation Objectives:** Cash transfer values and payment frequency calibration should integrate their impact on debt reduction and the mitigation of harmful coping mechanisms.

Photo by: Sun_Shine/Shutterstock

The goal should not be to eliminate borrowing, an essential coping mechanism, but rather stabilize relationships with lenders, keep maintaining debt to manageable amounts and reduce exposure to extreme coping strategies. Lower but more regular payments over a longer period can enable consistent debt repayment, to maintain creditors' confidence, thereby enabling households to sustain borrowing capacity. Predictability should be prioritized over higher, short-term transfer amounts, and high-risk cases should receive additional mediation support through case management and possibly targeted top-ups.

- **Systematic monitoring of debt-related outcomes:** Debt related indicators should be embedded in programme M&E framework at design stage. Monitoring includes tracking debt levels, repayment patterns, and related protection risks. Regular tracking of these indicators can help agencies understand whether assistance is reducing financial pressure and whether specific groups (e.g., women, refugees, persons with disabilities) are facing debt-related exposure to exploitation. Beyond improving programme quality, systematic debt monitoring strengthens evidence-based advocacy with donors and policymakers, supporting calls for more adequate, predictable, and multi-sectoral cash interventions that address both economic and protection dimensions of household vulnerability

For Donors

Current humanitarian reporting rarely captures how cash assistance affects household borrowing, repayment behaviour, or exposure to protection risks. Donors therefore have a pivotal role in promoting debt-sensitive cash programming by strengthening technical guidance and accountability frameworks by:

Encourage the development of technical guidance on measuring and addressing debt within cash portfolios: Donors can support implementing partners in developing clear definitions, tools, and methodologies for assessing debt-related outcomes, including household indebtedness levels, repayment capacity, and associated protection risks. This would help standardize measurement and allow comparability across programmes and contexts.

Integrate debt indicators in reporting requirements: Programme proposals and reports should include indicators that track how cash assistance affects household debt, borrowing behaviour, and vulnerability to exploitation. By systematically requiring such reporting, donors can generate a stronger evidence base on what works to reduce financial and protection risks, guiding more effective and equitable funding allocations.

TARGETING AND DEBT RELATED RISK FACTORS

For Oxfam and Implementing Agencies:

- **Integrate Debt-Related Risk Profiles and Risk Factors into Targeting Mechanisms:** Findings from qualitative interviews and expert consultations reveal that debt is not only an economic burden but a major protection risk, especially for Syrian refugees, migrant workers, and women-headed households. These groups reported exploitative repayment conditions, such as inflated rent demands, verbal harassment, coerced unpaid work, or even transactional sex. Therefore, integrating such risk factors into targeting not only addresses debt-related issues but also broader vulnerabilities. Leveraging protection and case management systems to identify these households would maximize the relevance and efficiency of the intervention and enable resources to be directed to those most at risk. This means introducing targeting methodologies supporting the prioritisation of households with high/ or unmanageable debt level or exposure to coercive or exploitative repayment conditions. Targeting should also capture contextual triggers of debt-related harm, including chronic illness, single parenthood, undocumented status, and repeated displacement.

- **Promote Synergies Between Cash and Protection Programming**. Building on the above, it is also recommended that Oxfam strengthens operational linkages between its Cash and Protection portfolios, ensuring that both streams work in complement rather than in isolation. This could include:
    - Establishing joint targeting and referral systems between Cash and Protection teams to identify households facing debt-related protection risks.
    - •Embedding protection risk screening (e.g., exposure to eviction, harassment, or coercive repayment) within cash registration and follow-up processes.
    - Developing integrated case management pathways where households receiving cash are also connected to psychosocial support, GBV services, or legal aid for debt and tenancy issues.

  By combining these approaches, Oxfam can maximise impact, ensure synergies and continuity of care, and enhance household stability beyond the immediate cash cycle.

For the Sector (Working Groups, and Coordination Platforms):

- **Harmonize Debt-Sensitive Programmatic Approaches:** Promote the systematic inclusion of debt-related risk factors across Basic Assistance, Protection, and Shelter sector targeting frameworks.

- **Develop common guidance and indicators:** To improve coherence and accountability across actors, the sector develops common guidance and harmonized criteria such as debt-to-income ratios, type of lender, or signs of repayment stress so that financial vulnerability and protection risks are jointly assessed. This alignment would ensure that assistance consistently reaches the most indebted and at-risk households across sectors and regions.

DEBT CONSIDERATIONS THROUGHOUT PROGRAMME IMPLEMENTATION

For Oxfam and Implementing Agencies:

- **Combine Cash Transfers with Debt Mediation to Reduce Indebtedness Risks:** Analysis of coping strategies and especially local adaptation practices show that households manage debt through informal systems built on trust, flexibility, and proximity to community-driven response mechanisms. Cash assistance has the strongest and most lasting impact when it mirrors these dynamics. As such, integrated interventions that pair predictable, adequate cash assistance with debt mediation services for the most severe cases can significantly improve repayment outcomes and mitigate protection risks. Mediation can help raise lenders' awareness of borrowers' vulnerabilities, addressing the knowledge gap from lenders on harmful coping mechanisms aggravating vulnerability, long term resilience and lastly repayment capacity. The mediation could facilitate the negotiation of fair repayment plans, rebuild trust between lenders and borrowers and ultimately enhance repayment capacity. Structured debt repayment agreements, negotiated with shops, landlords, or other creditors, and leveraging community systems could reduce exploitation and support more sustainable debt management.

- **Adjust Transfer Values During Displacement and shocks:** Shocks such as the recent conflict in Lebanon often trigger displacement, leading to increased living costs and exposure to indebtedness due to housing pressures and market distortions. In such contexts, it is advisable that cash benefit levels are temporarily adjusted to reflect elevated expenditures, thereby preventing the rapid accumulation of unmanageable debt. Consideration should also be given to targeted top-ups designed to offset the heightened risk of gender-based violence (GBV) and child labour associated with debt repayment pressures.

- **Ensure Safeguards in Assistance Delivery to Minimize Protection Risks:** Delivery mechanisms for cash assistance must be designed with safeguards that minimize creditor pressure and harassment. Discreet, confidential delivery of transfers should be prioritized, enabling recipients to allocate resources based on their own needs rather than external coercion. This approach will help reduce the risk of exploitation, inflated rents, or forced repayments that may arise upon receipt of cash assistance.

For Donors:

- **Support Adaptive Transfer Calibration:** Allow flexibility in adjusting transfer amounts and durations during shocks or displacement to offset heightened living costs and protection risks, especially gender-based violence and child labour linked to debt pressure.

- **Invest in Safeguarding and Mediation Capacity:** Fund training and coordination with local actors to strengthen safe delivery systems, case management, and mediation networks that protect recipients from exploitation.

SUSTAINABILITY AND COMPLEMENTARITY SUPPORT

For Oxfam and Implementing Agencies:

- **Integrate Cash-Plus Schemes as Exit Strategies Where Relevant:** Design cash programmes with a clear transition or "exit" pathway that connects households to longer-term livelihood, vocational training, or protection services. These complementary components should be tailored to participants' capacities and vulnerabilities, ensuring that referrals do not exclude the most at-risk or overburden households. Where appropriate, link cash recipients to legal aid for debt-related disputes or mediation services to enhance lasting financial stability.
- **Adopt a Multipronged Approach for Sustainable Debt Reduction:** Frame sustainability ambitions realistically within programme design, focusing on maintaining manageable debt levels, stabilising relationships with lenders, and reducing dependence on harmful coping strategies. Use integrated monitoring and cross-sector referrals (livelihoods, protection, legal) to support gradual transition from short-term relief to self-reliance.
- **Mobilising community systems as "cash-plus" components** through collective savings groups, community microgrants, or small cooperative funds can help revitalise solidarity and self-help networks that have weakened under the prolonged crisis. Supporting these locally trusted actors (e.g., shopkeepers, cooperatives, or community leaders) to act as partners in aid delivery and debt mediation not only mirrors the social logic of informal coping but also expands the protective reach of humanitarian programmes to those excluded from traditional networks.

For Donors and Coordination Bodies:

- **Promote and Resource Exit Strategies through Cash-Plus Interventions:** Encourage partners to complement cash with livelihood, protection, or legal-aid components that strengthen long-term resilience and financial recovery. Provide flexible, multi-year funding that allows for gradual transitions from relief to self-sufficiency.
- **Foster Cross-Sector Coordination for Sustainable Outcomes:** Support collaboration among agencies providing complementary services: livelihoods, education, legal, and psychosocial, to ensure that cash assistance contributes to broader economic inclusion and protection outcomes beyond the project cycle.

Photo: CAMEALEON Final Report — *Building a Cash plus Response in Lebanon*

ANNEXES

Annex A – Inception Report

Annex B – Mapping of Projects

Annex C – Research Matrix and Tools

Annex D – Quantitative and Qualitative Sampling

Annex E – Data Collection & Quality Assurance Processes

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