



MERCY CORPS LEBANON

“WILL OUR OPINION MATTER?”

Community consultations for the design of multi-purpose cash assistance programs in Lebanon

DECEMBER 2023

Acknowledgements

This report explores the preferences and perspectives of communities on the design of multi-purpose cash assistance programs in Lebanon. Data collection for this report was carried out between September and October 2023.

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Executive Summary

Since late 2019, Lebanon has been grappling with a severe economic and financial crisis. The Lebanese lira has lost more than 98 percent of its value, and over half of the Lebanese population is estimated to be living in poverty. The Government of Lebanon and development and humanitarian agencies have scaled up their cash response and increased the reach of social safety nets to alleviate suffering. Humanitarian agencies have also stepped in to assist those who fall through the cracks of the government safety nets with multi-purpose cash assistance.

Mercy Corps' SAFER program assists poor Lebanese families with an integrated Cash-Plus package of assistance. In October 2023, Mercy Corps Lebanon conducted a series of consultations with Lebanese communities in the Bekaa Valley with the dual objective of increasing the participation of Lebanese communities in the design of multi-purpose cash assistance programs and identifying ways in which SAFER can complement social safety nets.

Key findings

- Unlike the Syrian refugee crisis, Lebanese communities receiving or in need of assistance have not been displaced. Instead, they have been forced to contend with the effects of Lebanon's economic and financial crisis, cutting across traditional humanitarian categories. Some of the distinctive features of the Lebanese poverty crisis are inadequate social insurance, inconsistent remittances, and dilapidated social protection mechanisms.
- Social safety net targeting systems are outdated and inadequate to identify segments of the population that have recently fallen into poverty due to the crisis. Lebanese families find it difficult to benefit (whether by sale or other method) from the durable good or assets which they currently have. Selling those assets is not considered a viable option either, primarily due to low demand for those goods.
- Use of the PMT algorithm dictates that selection variables are weighted against each other, making the outcomes of the selection process difficult to predict. The targeting system for the social safety net is perceived as opaque; limited understanding of how poverty-targeting mechanisms work can foster mistrust in the way social assistance is distributed.
- Humanitarian or social assistance recipients often feel stigmatized by their peers, which can lead to negative behaviors. Community members may seek to misrepresent their living conditions while trying to maintain a facade of normality. Therefore, seeking assistance is the coping strategy of last resort, which affected families tend to avoid or postpone.
- Some community members expressed a preference for forms of livelihood assistance that can generate a sustained impact, including support to small and medium enterprises and small cash grants to start businesses. The preference for livelihood interventions was common particularly among male participants.
- In the changing context of the Lebanese crisis, social assistance systems need to incorporate adaptive solutions to register program participants on a rolling basis, while also providing support to those who struggle with the registration process. Given their agile structure and small scale, NGOs can offer a shock-responsive solution to alleviate poverty through multi-purpose cash assistance, until social safety nets' registration reopens.

- Community members want to be involved in the design of cash assistance programs, particularly in the outreach, registration, and selection phases.
- The program should inform rejected applicants about why they were not selected and be easily understood by affected applicants.
- The majority of participants expressed a preference to receive multi-purpose cash assistance through OMT over other financial service providers. The reasons mentioned include OMT's high number of outlets, historical presence, and reputation.
- The low amount of small denomination USD banknotes in circulation, commissions, and overcrowding are some of the challenges related to using financial service providers.

Recommendations

Based on the findings of the community consultations, the following recommendations tackle how Mercy Corps can strengthen the next phase of the SAFER program.

1. Enhance community participation in the implementation of the next SAFER multi-purpose cash program, for example, by establishing community committees.
2. Close the feedback loop with communities. Mercy Corps should consider ways to share the results of the consultation, recommendations, and their responses with targeted communities.
3. Adopt a wide array of outreach and registration channels, such as open desks in community centers, phone lines, and digital forms. Schools, churches, and mosques could also assist in identifying poor families and ensure that no vulnerable member of the community is left behind.
4. Adopt a targeting approach that is easily understood by communities. The humanitarian imperative of assisting the most vulnerable needs to be balanced with the do-no-harm principle and considerations around avoiding unintentional tensions in the community.
5. Assess the presence, capacity, and preference of community members regarding FSPs in communities selected for the next SAFER project. Evaluation criteria should go beyond efficiency considerations and include the capacity, presence, and preferences of community members.
6. Time the upload of assistance so that it does not overlap with large-scale cash programs.

Background and context

Lebanon is currently facing one of the top three most severe economic crisis globally since the mid-nineteenth century.¹ This crisis is further compounded by the aftermath of the COVID-19 pandemic, the Beirut port explosion, a cholera outbreak, and, more recently, the escalation of geo-political tensions in the Middle East. Since October 2019, the Lebanese lira (LBP) has lost more than 98 percent of its value.² The Consumer Price Index (CPI), a measure of the average cost of living, increased by 209 percent in the year to September 2023.³ Between May and October 2023, 21 percent of the Lebanese population were estimated as being in Integrated Food Security Phase Classification (IPC) Phase 3 (Crisis) or above, signifying the urgent need for humanitarian action to reduce food gaps, diversify food intake, protect and restore livelihoods, and prevent acute malnutrition.⁴ The International Labor Organization (ILO) estimated that the proportion of low-income Lebanese citizens reached 55 percent in 2020.⁵ GDP per capita plummeted by 36.5 percent between 2019 and 2021, leading to Lebanon's reclassification by the World Bank from upper-middle-income status to lower-middle-income status in July 2022.⁶

Among other measures taken to alleviate poverty, the government of Lebanon has expanded the coverage of national social safety nets. The National Poverty Targeting program (NPTP), established in 2011 by the Ministry of Social Affairs (MoSA), serves as the flagship social safety net program. The NPTP provides a package of benefits that includes monthly cash transfers to poor families⁷. In January 2021, MoSA launched the Emergency Crisis and COVID-19 Response Social Safety Net (ESSN) project, also known as AMAN, with a loan from the World Bank.⁸ The ESSN is meant to scale up and enhance the NPTP⁹ with both programs collectively assisting 23 percent of Lebanese resident households.¹⁰

Funded by DG-ECHO and Gates Foundation, the “Services and assistance for enabling recovery” (SAFER) program by Mercy Corps aims to alleviate economic suffering among vulnerable Lebanese families in the Bekaa Valley. Between December 2022 and April 2024, a total of 1,254 vulnerable Lebanese households receive monthly transfers of multi-purpose cash assistance (MPCA) for 12 months to help them meet their basic needs and cope with the effects of the crises. Program participants can withdraw their assistance from any BoB Finance outlet in Lebanon.¹¹ Assistance is distributed in USD to preserve its purchasing power in the face of high inflation. In addition to the cash assistance, a subset of 350 of these targeted households also benefit from coaching in financial management and literacy. Post-distribution monitoring conducted eight months after the start of the program shows that the share of program participants who are able to meet most or all their basic needs increased from 5 percent at baseline to 58 percent.

¹ World Bank, “[Lebanon Economic Monitor, Spring 2021: Lebanon Sinking \(to the Top 3\)](#)”, May 2021

² World Food program, [Market Monitor](#), October 2023

³ *Ibid*

⁴ Integrated Food Security Phase Classification, [IPC Acute Food Insecurity Analysis May-October 2023](#), August 2023

⁵ International Labor Organization, [Vulnerability and Social Protection Gaps Assessment – Lebanon](#), February 2021

⁶ World Bank, [The World Bank in Lebanon Overview](#), November 2022

⁷ World Food program, “[National Poverty Targeting program & Institutional Capacity Strengthening](#)”, July 2022

⁸ World Bank, “[US\\$246 Million to Support Poor and Vulnerable Lebanese Households and Build-Up the Social Safety Net Delivery System](#)”, January 2021

⁹ World Food program, “[Due Diligence Review: Recommendations for a Strengthened & Unified Social Safety Net in Lebanon](#)”, May 2023

¹⁰ World Bank, [Social Assessment Lebanon Emergency Crisis and Covid-19 Response Social Safety Net project](#), February 2023

¹¹ Established since 2009 as an accredited Western Union agent in Lebanon licensed by the Central Bank of Lebanon, BoB Finance operates today one of the largest networks of financial services with more than 800 locations across Lebanon and over 20 full-fledged branches (Source: [BoB Finance website](#))

Mercy Corps in Lebanon

Since 1993, Mercy Corps has worked in Lebanon to generate positive opportunities for women, men, boys, and girls from Lebanese, Syrian, and Palestinian communities, with a strong focus on engaging youth. We do this through:

- **Providing critical humanitarian assistance** to the most vulnerable households, including in remote areas and in emergency and conflict settings
- **Building the resilience of vulnerable individuals**, by enhancing their human, social and political capital, to enable them to better adapt to shocks and stresses.
- Strengthening **agro-food systems** to ensure the availability and accessibility of quality local products and enabling vulnerable communities to meet their basic food needs in the face of crises.
- Enabling key economic markets and **supporting small and medium enterprises to enhance economic growth and jobs creation**, in order to reach sustainable and inclusive livelihoods for vulnerable groups.
- **Strengthening participatory and inclusive governance and promoting social stability** to encourage diverse groups to collaborate together to solve public challenges and provide equitable service delivery.
- **Carrying out research, fostering learning opportunities, and developing an evidence base** to understand root causes and present actionable recommendations for systems-level impact

Objective and Scope of the Community Consultations

Since the Grand Bargain signatories committed to achieving the “Participation Revolution” in 2016, aid organizations have made significant investments in improving their communication with affected people, aiming to ensure transparency and a certain level of accountability. However, despite these efforts, there is no concrete evidence of a substantial shift in practice on the ground concerning the increased influence of affected people in the design, planning, and delivery of aid at the country level, particularly in strategies and/or programs/projects.¹² In Lebanon, although 83 percent of aid organizations indicated that they analyze complaint and feedback trends to inform programming and advocacy, a notable gap remains. Thirty-two percent of aid recipients indicated that they did not feel comfortable using the complaints and feedback mechanisms, citing the lack of positive change resulting from their input.¹³ Participation has often been described as the “Revolution that never was”.¹⁴

The use of cash and voucher assistance (CVA) has grown rapidly over the past decade and reached 21 percent of all international humanitarian aid in 2022.¹⁵ Nearly 50 percent of all Mercy Corps programming now includes a CVA components.¹⁶ In 2020, CVA totaling over USD 429 million was injected into Lebanon’s economy, constituting approximately one-quarter of the official response in Lebanon.¹⁷ Cash empowers individuals by providing them with choices and, consequently, preserves their dignity. Ensuring that cash programs adhere to a



VIEWS FROM THE FIELD

Before we start, I have a small question. What is the role of everyone who is here? And will our opinion matter and be taken into consideration? Or is this just a typical questionnaire?

45-year-old man

¹² Metcalfe-Hough, Victoria, Wendy Fenton, Farah Maji, “[The Grand Bargain in 2022 – An Independent Review](#)”, June 2023

¹³ OCHA, “[Lebanon - In-focus - Complaints and Feedback, Accountability to Affected Populations \(AAP\)](#)”, September 2023

¹⁴ The New Humanitarian, “As the Grand Bargain gets a reboot, the limits of aid reform come into focus”, June 2023

¹⁵ CALP, “[The State of the World’s Cash 2023](#)”, November 2023

¹⁶ Mercy Corps, “[What’s next for Cash?](#)”

¹⁷ R. Mullo, A. Johnston, “[Good Practice Review on Cash Assistance in Contexts of High Inflation and Depreciation](#)”, July 2021

people-centric design is one of the three pillars of Mercy Corps' global approach to CVA.¹⁸ As part of a worldwide commitment to implement safe, dignified, and accountable programming, Mercy Corps is dedicated to establishing an accessible and effective beneficiary feedback reporting mechanism. The primary objective of this mechanism is to ensure that beneficiaries and the communities where Mercy Corps operates are able to provide feedback to the country team, whether positive, negative, or simply a suggestion, as well as to report complaints to the organization. Having this system in place not only contributes to adaptive management but also complements community engagement practices at multiple levels, including program design.

The next phase of the SAFER program aspires to complement government-led social assistance programs by providing MPCA to those who fall through the cracks of social safety nets. It aims to do so by integrating the voices of communities and strengthening their participation in the design and shape of the program. To this end, Mercy Corps has conducted a series of consultations with crisis-affected communities in the Bekaa Valley. Participants expressed their views and preferences on various design elements of MPCA, including selection criteria, communication with communities and outreach activities, and financial service providers.

Methodology

The consultations employed a mixed-method approach utilizing quantitative and qualitative methods based on primary and secondary data.

Primary data collection and analysis

Primary data collection employed qualitative methods, which enable facilitators to empathize with participants, fostering trust and openness. These methods offer a safe space for participants to share personal experiences in their own words. Qualitative analysis accounts for different individual experiences and the factors that lead to those differences, which are often overlooked when exclusively employing quantitative analysis. Qualitative methods are less focused on the "what" and more interested in the "why". By identifying the pathways through which assistance programs can benefit some program participants, aid providers can adapt programs in ways that foster the enablers of those pathways and promote better outcomes for all. Qualitative methods are therefore better suited to achieve the intended objectives, namely, identifying the ways in which the SAFER program can complement existing social safety nets while ensuring meaningful community involvement in the design of the program.

The primary data collection process included 16 focus group discussions (FGDs), 9 key informant interviews (KIIs) and 9 in-depth interviews (IDIs). FGD participants were drawn from lists of vulnerable and poor Lebanese families provided by a municipality. IDIs were conducted with other community members (mini-market, pharmacy, and butcher shop owners), who were not part of the municipality lists. KIIs captured the informed views of key community members, such as members of the municipality, local civil society organizations, and recreational clubs and owners of financial service provider outlets. The adopted approach ensured the inclusive participation of all members of a community, including those who are marginalized. The approach recognizes the comparative advantage of local actors in designing an efficient, effective, relevant, and accountable program, given their long-term presence in the communities, knowledge and understanding of local dynamics, and needs and capacities.

¹⁸ *Supra* note16

Type	Number	Notes
Focus group discussions (FGD) with community members	16 (8 with males, 8 with females)	<ul style="list-style-type: none"> ● Segregated by age (25-55 and 60+) and gender. ● Conducted in municipality buildings or community centers. ● Two gender-segregated facilitation teams of three members each ● Participants belonged to lists of vulnerable and poor families provided by the municipality. ● Between 5-12 participants per FGD ● High response rate, i.e. most invited individuals showed up to the FGD appointment. ● Incentive provided in the form of reimbursement for transportation costs. ● Included a group exercise using flipcharts to explore the participants' perspectives on household profiles to prioritize multi-purpose cash assistance. ● The facilitation teams conducted one pilot FGD each and debrief workshop before resuming data collection activities. ● Facilitators employed measures to avoid raising participants' expectations related to future assistance.
Key informant interviews (KII)	9 (all with males)	<ul style="list-style-type: none"> ● Participant included representatives of municipalities (4), local recreational clubs (2), civil society organizations (1), financial service provider outlets (2) ● Conducted in-person or over the phone
In-depth interviews (IDI)	9 (7 with males, 2 with females)	<ul style="list-style-type: none"> ● Participants included owners of mini-markets, butcher shops, and pharmacies. ● Participants were identified through transect walks, with the aim of complementing the views of the participants belonging to municipality lists. ● IDIs conducted on the spot in person, in shops
Focus group discussion (FGD) with data collection team	1	<ul style="list-style-type: none"> ● Participants included FGD, KII, and IDI facilitation teams, the MEAL team, and cash coordinator and program manager. ● Conducted in the Mercy Corps field office

Consultations were guided by the lines of inquiry outlined in terms of reference of the consultations, including social tensions within and between host and refugee communities, presence and capacity of financial service providers, and presence of formal and informal social protection systems. Preferences on outreach and communication with communities were also discussed. To manage participants' expectations about future assistance from Mercy Corps, facilitators framed the discussions around fictional scenarios. Participants were prompted to imagine a situation in which an NGO distributed MPCA in their communities to help poor families meet their basic needs. Expressing views about a fictional construct can be challenging. Therefore, facilitators adopted the inference technique: by probing participants' perceptions and experiences with existing programs in their communities, notably government social safety nets, facilitators aimed to extrapolate and infer the preferred design of the hypothetical program. Hence, references to the NPTP and ESSN systems were common in the consultations.¹⁹

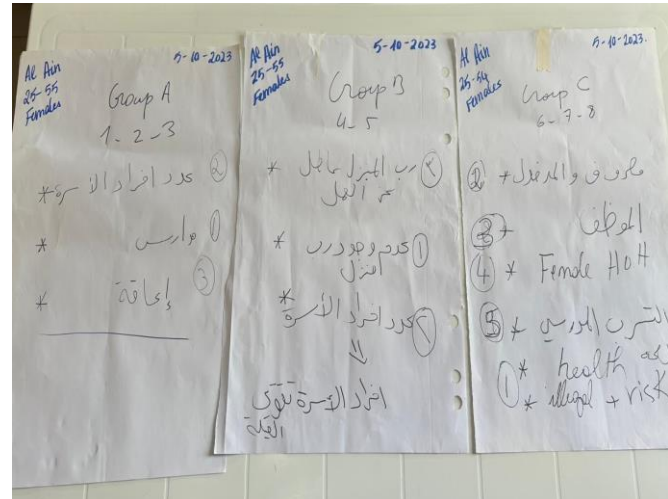


Photo Credit: Remie Mhanna/Mercy Corps

The team attended a one-day training that covered topics such as seeking media consent, recruitment of participants, snowballing, facilitation techniques, and verbatim and thematic notetaking. The training employed a mix of techniques, such as going in rounds and role plays. Three-member facilitation teams comprised a facilitator, thematic note-taker, and verbatim note-taker. When participants consented, FGDs were recorded, to support notetaking. The review of the existing lists highlighted that local civil society organizations had a broader geographical reach than the forthcoming SAFER project. Therefore, during data collection, the team updated the selection of participants to include members of local sport and recreational clubs that have a stronger presence in the locations and offered more in-depth insights.

Primary data analysis relied on manual color-coding. Each analytical theme listed in the terms of reference was assigned a specific color, which was then used to highlight relevant portions of the notes and group them under the corresponding theme. The findings are presented by theme.

Secondary data analysis

A thorough review of relevant documentation contextualized the analysis and findings. The reviewed documentation included: monitoring reports, learning and policy briefs related to the humanitarian and social assistance response in Lebanon and globally, academic literature, advocacy notes, working group meeting minutes, and national vulnerability assessments, among others.

The selection of consultation locations was informed by the analysis of Economic Vulnerability Scores (EVSs) provided by the Lebanon Crisis Analytics Team (LCAT). The EVS measures economic vulnerability using night-light reflectance data. The population weighted EVS offers insights into economic vulnerability at the

¹⁹ The consultations did not intend to provide an evaluation of national social safety nets. When facilitators and participants referenced those systems, they did so to make the conversation about the fictional MPCA program more concrete and less fictional.

cadaster level.²⁰ Using the EVS, the team ranked cadasters in the Bekaa Valley and selected the most vulnerable ones. The list was refined and triangulated with the Mercy Corps team's contextual knowledge, taking into account security and access considerations. Cadasters hosting a large Lebanese population (above 50,000 individuals) such as Baalbek were excluded due to operational challenges. Ultimately, the list of selected cadasters included: El Ain (Baalbek district), Zahle Maalaqa (Zahle district), Bar Elias (Zahle district), Fakiha (Baalbek district).

To group households into categories, explore their demographic characteristics, and assess their vulnerability levels, the team conducted a profiling exercise using data from the current caseload of SAFER program participants. The results of the households profiling were used to inform consultations regarding selection criteria for MPCA. Additionally, the team used existing mapping data of financial service providers and information on crowding, availability of banknotes and redemption experience for SAFER and existing multi-purpose cash programs to triangulate findings from community consultations regarding financial service providers.

Preferences and perceptions of community members

Poverty cuts across traditional humanitarian categories

More than 12 years since the onset of the civil war in Syria, Lebanon hosts an estimated 1.5 million Syrian refugees, representing the highest number of displaced persons per capita and per square kilometer globally.²¹ Nearly 90 percent of the Syrian refugee households would lack the economic capacity to meet survival needs if the value of assistance and credit had were deducted from the household budget.²² The World Food Programme (WFP) and the United Nations High Commissioner for Refugees (UNHCR) assist severely-vulnerable Syrian refugee households with MPCA to help them meet basic needs. The UN program's targeting systems employ a proxy-means test (PMT) algorithm to estimate household socio-economic vulnerability, based on demographic and background characteristics from administrative data that are routinely collected by humanitarian agencies.²³ Notably, PMT implementations vary substantially in how they calculate exclusion and inclusion error rates.²⁴ In 2019, the UN introduced a grievance redress mechanism (GRM) to enhance accountability to refugees. The GRM was designed through consultations with refugees and profiles were selected based on a combination of different socio-economic vulnerability criteria, including income generating capacities, dependency rate, and protection flags.²⁵

²⁰ Lebanon is divided into 8 governorates, 26 districts and 1,643 cadasters. Cadasters are the smallest administrative unit in Lebanon. Municipalities can be responsible for more than one cadaster. The more populous cadasters can have many municipalities. Robustness checks indicate that the population weighted EVS is comparable to the recent UNHCR cadaster vulnerability ranking, and the unweighted EVS is comparable to other indicators of economic vulnerability at the district level. Therefore, the population weighted EVS is recommended for identifying and prioritizing economically vulnerable cadasters, and the unweighted EVS is recommended for identifying economically vulnerable districts in Lebanon. The population-weighted EVS offers insights into the economic-vulnerability of the overall population living in the cadaster, i.e. it is not disaggregated by refugee and host communities. The population weighted EVS must be used with caution when targeting specific population groups for assistance. For more information on the EVS see: Mercy Corps Lebanon, "[Night-time Light Reflectance: A New Economic Vulnerability Score \(EVS\) For Lebanon](#)" (October 2023)

²¹ [Lebanon Crisis Response Plan](#), 2023

²² [VASyR 2022: Vulnerability Assessment of Syrian Refugees in Lebanon](#), 2022

²³ For more information on the PMT formula used to target multi-purpose cash assistance for Syrian refugees in Lebanon, see O. Altindag, S. D. O'Connell, A. Şaşmaz, Z. Balcıoğlu, P. Cadoni, M. Jerneck, and A. Kunze Foong, "[Targeting Humanitarian Aid Using Administrative Data: Model, Design and Validation](#)", Sep 2019

²⁴ In 2018, the inclusion and exclusion errors of the PMT used to target humanitarian cash were 32 percent and 30 percent respectively (Source: Basic Assistance Working Group meeting, July 2018)

²⁵ Basic Assistance Working Group meeting, February 2022

Mercy Corps' consultations explored participants' views on the Lebanese family categories that are deemed poorest. The objective was to identify categories to prioritize for MPCA. Using the results from the household profiling of the current caseload under SAFER, the facilitators considered the following profiles: female-headed households, households with at least one member with a disability, households with two or more children, and elderly-headed households with no working-age member. For each profile, facilitators asked participants to indicate capacities and vulnerabilities and whether the profile should be prioritized for MPCA. Participants unanimously noted that the proposed categories did not accurately reflect the status of poverty among Lebanese households. Families falling under the same profile experience different standards of living and wellbeing. Overall, **humanitarian indicators of socio-economic vulnerability do not adequately capture the distinct features of poverty among the Lebanese population.** Unlike the Syrian refugee crisis, Lebanese communities were not displaced and poverty in these communities is largely a result of the economic and financial crisis, cutting across traditional humanitarian categories.²⁶

- *"Everyone is in need, even those who have income. The situation is unbearable."* (62-year-old man)
- *"Everyone is in pain. There are no categories anymore. There are only rich and poor now. The middle class was erased."* (49-year-old man)
- *"Some widows get their spouse's payroll while others have nothing and cannot feed their families so you cannot always prioritize widows."* (51-year-old man)
- *"We can't take specific criteria, we should do analysis for each family, see each family's situation, because 60-70 percent of the Lebanese population need assistance because of the economic crisis."* (61-year-old woman)

Participants highlighted some distinctive features of poverty in selected Lebanese communities. **Informal social protection mechanisms, notably remittances, can provide an important safety net in times of crisis.**²⁷ In 2021, remittances accounted for a staggering 54 percent of gross domestic product, making Lebanon the most remittance-dependent country in the world. In 2022, an estimated 15 percent to 30 percent of households relied on remittances as a source of income.²⁸ In several documented cases, diaspora members supported relatives in starting a business through two main models: for-profit and for-charity. In the for-profit models, a diaspora member expects some form of return on investment and can be involved to different degrees (e.g. actively participating in decision-making or not at all). Whereas, in for-charity models, a diaspora member contributes to support a relative or someone in the community without expecting payment. Diaspora support is most often motivated by a desire to sponsor relatives through business instead of sending remittances to



Photo Credit: Ezra Millstein/Mercy Corps

²⁶ The results of the consultations on this point may be inconclusive due to the inherent conflict of interest. Families in need naturally seek ways to increase their chances of receiving assistance and are therefore unlikely to prefer a selection system in which their family is excluded.

²⁷ Mercy Corps, "[Informal Social Protection Networks and Resilience in Conflict-affected Contexts - Lessons from South Sudan and Yemen](#)", November 2022

²⁸ Lebanon Crisis Analytics Team, "[Understanding the limitations of remittances as an informal social safety net in Lebanon](#)", November 2022

cover everyday consumption.²⁹ Participants in the consultations explained how remittances provide a crucial lifeline recipient. However, not everyone can rely on them.

- *“Today, many Lebanese people rely on money sent from abroad, but not everyone has a provider outside of Lebanon.”* (55-year-old man)
- *“Today, the Lebanese rely on local associations, relatives abroad, and borrowing.”* (45-year-old man)

Until the start of the 2019 crisis, the bulk of the existing social protection system was contributory and mostly covered public and formal sector workers. Given the high rate of informality, the vast majority of private sector workers are excluded from coverage.³⁰ Civil servants, for instance, benefit from a dedicated social insurance scheme, the “Cooperative of Civil Servants”, which offers benefits to its members including the coverage of at least 90 percent of medical costs, school allowances, marriage cash benefits, maternity cash benefits, survivor benefits, in addition to a lump sum end-of-service indemnity or a pension plan.³¹ In an effort to assist the most vulnerable, the ESSN program uses filters to exclude categories that benefit from other forms of social protection. **However, formal social protection mechanisms, such as insurance schemes, have been negatively affected by the crisis.** Inflation has eroded the real value of many of these cash benefits.³² The public-sector schemes are now incapable of delivering social security to insured members, and the quality of public healthcare has been severely compromised by the migration of medical staff and shortages of medicines.³³ This trend has been dubbed the “social downgrading of privileged public employees”.³⁴ Given the deterioration of social security benefits, civil servants feel they are unfairly excluded from social safety net assistance.

- *“Once the ESSN started, they told us that as public servants we are not allowed to register for MoSA assistance. So now we are not benefiting from it.”* (42-year-old man)
- *“I also registered five or six years ago or even more. their excuse [for exclusion from assistance] was because I had social security.”* (60-year-old man)
- *“At first there were hospitalization cards (Hayat card) and then they switched to cash assistance. Anyone who did not register to Hayat card did not receive cash assistance. So, employees who had social security did not register. After the crisis, they were affected!”* (42-year-old man)

Existing social safety net targeting is perceived as outdated and unfair

The NPTP and ESSN safety nets boast the largest reach among the Lebanese population, with a combined caseload of 161,556 assisted households in June 2023.³⁵ A majority of consultation participants had direct

²⁹ Danish Refugee Council, [“Research of Diaspora Engagement in Economic Recovery and Job Creation in Lebanon”](#), April 2023

³⁰ International Labour Organization, [“Vulnerability and Social Protection Gaps Assessment – Lebanon”](#), February 2021

³¹ Aboushady, Nora, Sebastian Silva Leander, [“Shifting the paradigm: In-depth study of the social security systems in Lebanon”](#), December 2022

³² In the volatile context of multiple exchange rates and social security benefits, allowances and third-party payments are being provided by both private and public insurances according to the currency and the exchange rate with which the insurance contract has been settled initially. What this means practically, for instance, is that most public and private hospitals are not accepting third-party payments from public social security institutions (civil servants, military, and security forces cooperatives, and the NSSF) because they pay social security benefits in accordance with the official exchange rate of 1,515 LBP for the dollar, while the so-called black market exchange rate exceeds 20,000 LBP for the dollar. In this context, many hospitals ask public employees and retirees to deposit substantially large amounts of money (compared to their salaries) in order to be admitted in the case of an emergency, and to access treatment (M. Scala, [“An intersectional perspective on social \(in\)security”](#), 2022)

³³ International Labor Organization, [“Financial Assessment Report for the National Social Security Fund in Lebanon - Executive Summary”](#) (May 2023)

³⁴ *Supra* note 32

³⁵ [Basic Assistance Working Group](#) and [DAEM](#) dashboards

experience (as applicants) or indirect experience (through relatives or friends benefiting from assistance) with these programs. The consultations delved into participants' perspectives on targeting approaches employed by the existing social safety nets in Lebanon, aiming to discern the preferred targeting approach for MPCA. The targeting system of national social safety nets relies on a proxy means test algorithm, which calculates household "welfare scores" as a proxy for well-being. This algorithm utilizes easily verifiable and measurable household characteristics, including demographics, health, education, employment, housing, and assets.³⁶

The current PMT formula was calibrated before the start of the crisis using the 2011-2012 household budget survey and all beneficiaries were recertified using the new formula in 2018.³⁷ The ESSN complements PMT with affluence testing and inclusion filters, such as car ownership, room and bathroom ratio, and categorical targeting to prioritize socially vulnerable groups, specifically households headed by women, households with any member aged seventy or above, households with any member that has a severe disability, and households with children (ages 0–17).³⁸ **The economic crisis has effectively rendered PMT unusable because poverty now affects large and more diverse segments of the population, leading to significant exclusion errors.** Community members think that social assistance targeting does not reflect the subjective experience of poverty experienced by Lebanese families since late 2019.



June 2023, Boudai, Lebanon.

Ahmed Mustafa Shams, 71, with his granddaughters Inas (right) and Fatima (left). He has seven children, who are all married, and 16 grandchildren. In February 2023 he started receiving \$150 in monthly emergency cash assistance from Mercy Corps' SAFER program.

Photo Credit: Ezra Millstein/Mercy Corps

In the context of limited public services and livelihood opportunities, the definition of poverty has radically changed. What was previously considered an indicator of well-being, such as owning a residential property, has now become an impediment due to the economic crisis and outdated social assistance systems. For example, a family owning household equipment such as a TV, fridge, or air-conditioning could be excluded from assistance, regardless of their ability to afford the electricity to run it. **These families feel that aid targeting discriminates against them for owning assets and durable goods which, in their new socio-economic circumstances, are of far less value to them compared to when those assets were originally purchased.** Selling these assets is not considered a viable option either, largely due to low demand for such

³⁶ For the full list of variables used by the PMT formula, see Appendix A in World Bank, [Social Assessment Lebanon Emergency Crisis and Covid-19 Response Social Safety Net project](#), February 2023

³⁷ World Bank "[Targeting Poor Households in Lebanon](#)", April 2020

³⁸ Under the ESSN, the process to identify beneficiaries includes four steps: affluence test, inclusion filters, household verification and eligibility based on proxy-means test (World Bank, [Social Assessment Lebanon Emergency Crisis and Covid-19 Response Social Safety Net project](#), February 2023)

goods. Consultation participants used their experience with existing social safety nets to express their views on the criteria that NGOs should (or should not) use to target multi-purpose cash programs. Consequently, NGOs aiming to assist those who fall through the gaps of social safety nets should consider targeting methods that complement the proxy means test.

- *“When MoSA launched the first program, any employee or schoolteacher or worker was living well. The program used old data and gave names [selected participants] according to that data.” (43-year-old man)*
- *“Before the economic crisis, my husband purchased a house and furniture, and our financial situation was stable. We could afford groceries and all our needs, including providing for our children. However, after the economic crisis hit, our situation became dire [...] Does this imply that we are financially secure? The organization cannot consider our housing and possessions because these were acquired prior to the crisis.” (37-year-old woman)*
- *“NGOs cannot take into consideration the appearance of the house, such as the type of accommodation. While my house may outwardly suggest wealth or good condition, the reality is that my situation is critical, and we have no income. Before the crisis, we were in a better situation.” (40-year-old woman)*
- *“They have criteria such as: they don't own a fridge, a stove. These are extras. They shouldn't say this household owns a TV [therefore isn't eligible for assistance]. Are we supposed to be sitting on a roof to be considered vulnerable?” (62-year-old man)*
- *“The Ministry of Social Affairs depends on outward views. You have a car, a house, you were deprived [of assistance]. A son abroad who supported you, you were deprived [of assistance]. They were searching for anything you took oxygen from to deprive you [of assistance]. You should stay in a tent [to be eligible for assistance].” (57-year-old man)*
- *“If a family owns land or cars, these could be considered as assets or properties acquired before the crisis. However, they are unable to sell them as there are no buyers in Lebanon due to the economic crisis.” (40-year-old woman).*



October 2023, Lebanon.

*Community consultations
on MPCA design*

Photo Credit: Benjamin Medam/Mercy Corps

Similar to the formula that the UN employs to target MPCA for refugees, social safety net PMTs suffer from inclusion and exclusion errors. Existing evidence suggests that improved targeting is linked to enhanced administrative capacity, larger variation in poverty, and the availability of reliable survey and administrative data, as well as the availability of proxies strongly correlated with poverty. However, even in ideal circumstances, a PMT typically achieves only partial success in accurately targeting the poor. Moreover, the more homogeneously poor the target population, the greater the proportion that will be incorrectly excluded.³⁹ According to the World Bank, Lebanese social safety net PMT formulas are well constructed when compared with international standards.⁴⁰ Proxy-means testing, a scientific method of targeting, offers many advantages: selected variables are numerous and difficult for the household to manipulate or hide; globally close to 40 countries use the PMT method; and it removes subjective bias.⁴¹ **The use of the PMT algorithm means that the selection variables are weighted against each other, making the outcomes of the selection process difficult to predict. Therefore, the targeting system for the social safety net is perceived as opaque.** Some participants feel the targeting of social safety nets does not use any specific criteria. Others feel they use criteria (for example, large families are prioritized for assistance), but this is not consistent.

- “[Eligibility for] ESSN assistance depends on the number of family members even though I know of a case where an individual who lives alone received assistance.” (56-year-old woman)
- “I don’t believe they followed specific criteria.” (50-year-old woman)

Under the SAFER program by Mercy Corps, household vulnerability is measured through an assessment and scoring process. Data from household assessments are scored using a formula that incorporates standard humanitarian indicators such as household size and composition, income sources and levels, food consumption score, use of consumption- and livelihood-related coping strategies, and protection indicators. Analysis of the feedback and complaints received through the community accountability and referral mechanism (CARM) of the SAFER program reveals that about half of the complaints are related to the selection process.⁴² During community consultations, a participant inquired about the targeting systems used for the SAFER program by Mercy Corps. The explanation about the assessment and scoring process gave the participant the impression that the selection was akin to a lottery. **Limited understanding of how the poverty-targeting mechanisms work can contribute to fostering mistrust in the system.** When the differences in living conditions among those who register for assistance are minimal, excluded applicants feel they are unfairly treated and left behind. The lack of meaningful explanations makes them more susceptible to believing the targeting system is not fairly constructed or utilized. Highlighting this point, consultation participants cited favoritism and lack of clear selection criteria as reasons behind their exclusion from cash assistance.

- “It [social safety net assistance] is distributed to two types of people. Those who are truly in need (a small percentage). The second type is selected based on connections.” (55-year-old man)
- “I don’t believe they [social safety nets] followed specific criteria.” (50-year-old woman)
- “I’m left wondering why I’m excluded [from social safety nets], and my best guess is that I lack connections.” (60-year-old woman)
- “So, this [SAFER assistance] is a lottery ticket?” (63-year-old man)
- “When the selection process [for social safety nets] is fair nobody gets angry or disappointed.” (Man)

³⁹ *Supra* note 23.

⁴⁰ *Supra* note 37.

⁴¹ *Ibid*

⁴² Mercy Corps Lebanon, Monthly BVA meetings data

- “There’s no point in registering for [social safety net] assistance because those who are dishonest have better luck, especially if they have connections.” (60-year-old woman)

Stigma associated with being on the receiving end of assistance

Before the economic crisis, most consulted community members used to provide for their family needs using a salary or wage, or by drawing on their savings. They had a stable outlook and felt confident in planning for their financial future. When the crisis started, community members sought other ways to make ends meet. Seeking assistance entails exposing one’s inability to meet their family’s basic needs compared to other community members. For community members who were financially independent, accepting their new realities and relying on external support for basic needs can be challenging. **Being on the receiving end of humanitarian or social assistance is associated with feelings of stigma, leading to negative behaviors.** Often, community members hide their living conditions while trying to maintain a facade of normality. Seeking assistance becomes the coping strategy of last resort, which affected families tend to avoid or postpone. Those receiving assistance may also be unwilling to disclose it. The feeling of stigma associated with social assistance schemes has been documented in other contexts. For example, the World Bank accounts for the self-exclusion of vulnerable families due to stigma as an implementation error.⁴³

- “Poor people feel embarrassed to ask for assistance.” (45-year-old woman)
- “People have pride. Everyone needs help but few ask for it.” (57-year-old man)
- “Poor people in the area are too shy to seek assistance. The poor do not ask for assistance. Those with multiple incomes always try to get more.” (38-year-old woman)
- “People are getting cash assistance, but they don’t mention it.” (31-year-old woman)
- “There are a lot of people who don’t speak the truth [are in need] because they have dignity.” (73-year-old man)



October 2023, Lebanon.

*Community consultations on
MPCA design*

Photo Credit: Benjamin Medam/Mercy Corps

Some design features of social assistance programs can exacerbate the feeling of stigma. **When the targeting system is opaque, social assistance is perceived as a hand-out that policymakers distribute out of generosity.** In these cases, affected populations feel they have no input regarding the way assistance

⁴³ World Bank, [Social Assessment Lebanon Emergency Crisis and Covid-19 Response Social Safety Net project](#), February 2023

is distributed. Given their vulnerable circumstances and the lack of effective social accountability systems, they also do not feel empowered to hold decision makers accountable. This weakens the social contract between the state and its citizens, perpetuating the charity-like paradigm of social assistance⁴⁴. **The design of humanitarian assistance can exacerbate the feeling of stigma too.** In the last decade, humanitarian assistance in Lebanon has been mostly directed toward refugee communities, mainly Syrian and Palestinian. However, the economic crisis rendered large segments of the Lebanese population in need of humanitarian assistance too. The types of assistance needed, the means to understand them, and the channels used for reaching out to potential beneficiaries differ between Lebanese and non-Lebanese. For example, a survey of 744 Lebanese citizens conducted by the Danish Refugee Council in late 2021 found that over 75 percent of respondents did not know how to contact international aid organizations if needed, and perceptions concerning the “fairness” of international aid delivery were mixed, although many perceived aid delivery as “unfair across the board”.⁴⁵

- *“I feel embarrassed and humiliated if I want to ask for assistance.” (59-year-old woman)*
- *“I am in need, but I do not ask for it because I do not want be humiliated.” (80-year-old man)*
- *“All humanitarian assistance is humiliating.” (51-year-old man)*
- *“Only wealthy people are taking assistance; poor people feel embarrassed to ask for assistance. Poor people are left out.” (45-year-old woman)*

Some community members expressed a preference for forms of livelihood assistance that can generate a sustained impact. Regular but small transfers of cash assistance are deemed insufficient to make recipients self-reliant. While this type of assistance can help alleviate economic suffering in the short-term, community members feel it does not bring about lasting change in the long-term, with the risk of plunging participants back into poverty when the program ends. The types of livelihood support mentioned include support to small and medium enterprises and small cash grants to start businesses. The preference for livelihood interventions was common particularly among male participants. This indicates that **while cash assistance remains the most preferred type of assistance, community members believe that the amount and frequency of the transfers can contribute to different outcomes.** Assistance programs that contribute to self-reliance are considered a more dignified form of assistance.

- *“Don’t give me USD 100 and tell me to sit at home. Find us jobs. Instead of having 20 Syrians employees, take 10 Syrians and 10 Lebanese. Provide jobs for youth. One person can employ 10. Instead of giving me USD 100 for a year. Give me USD 1,000 to open a shop. That way I can support my family.” (57-year-old man)*
- *“Is it social assistance or livelihood assistance? Are you giving a fish to the man or teaching him how to fish?” (62-year-old man)*
- *“Teaching me how to fish is better than giving me a fish.” (61-year-old man)*
- *“Instead of giving cash to people, why don’t you open a factory and employ 100 [people] from the village. That way, people will benefit more from this.” (44-year-old man)*

“Cash-Plus” refers to integrated programming that combines cash transfers with other modalities or activities.⁴⁶ These include a wide range of interventions aimed at meeting basic needs or supporting resilience by restoring livelihoods. Complementary interventions may be implemented by the same agency/agencies providing cash transfers, or potentially by other agencies working in collaboration. The potential of Cash-Plus interventions is

⁴⁴ S. Atrache, [“Doing No Harm in Lebanon: The Need for an Aid Paradigm Shift”](#), March 2021

⁴⁵ LCAT and DRC, [“Barriers to Accessing Aid among Lebanese”](#), May 2023

⁴⁶ Socialprotection.org, Glossary, Cash Plus

often recognized in the presence of non-financial barriers to meeting basic needs, such as those related to supply or access constraints. Research shows that, during protracted crises, the effectiveness of Cash-Plus interventions in increasing the resilience of target populations through restored livelihoods depends on the availability of services and infrastructure. The “big push”, often the promise of cash-plus programs, is difficult to achieve in settings with continuing conflict, poorly functioning or absent complementary services, and extreme precarity associated with protracted displacement.⁴⁷ For instance, research in Iraq suggests that for referral pathways from MPCA to livelihoods assistance to be successful, longer program durations and the simultaneous provision of MPCA and livelihoods assistance should be considered, along with lump sum rather than tranche payments for livelihoods assistance.⁴⁸ In Lebanon, the challenges associated with designing and implementing Cash-Plus programs, such as the complexity of referral landscape, short-term funding cycles and different targeting methods, mean that these interventions struggle to achieve their objectives.⁴⁹ The SAFER program by Mercy Corps has the ambition to provide an exit strategy to program participants by combining monthly transfers of MPCA with referrals for livelihood activities, to help families become self-reliant. To date, under the SAFER project, the team has made 108 referrals, including four for livelihood support.

Outreach and communication with communities

Consultations explored community members’ preferences on outreach and registration channels used for MPCA programs. Participants drew on their experience registering for social safety nets to articulate their views and preferences. Registration for the NPTP was open on a rolling basis, theoretically allowing people to apply for registration at any time at social development centers (SDCs). However, no additional outreach activity has been carried out since its establishment in 2011.⁵⁰ Registration for ESSN assistance was open for two months between December 2021 and January 2022, when 582,048 households (roughly 20 percent of the Lebanese population) registered.⁵¹ Among registered households, about 468,157 applications were complete and selected for further processing. Those who did not meet the deadline, submitted an incomplete application, or encountered technical difficulties that prevented them from submitting an application remained excluded from social assistance.⁵² **In the changing context of the Lebanese crisis, social assistance systems need adaptive solutions to register program participants on a rolling basis, while also providing registration support.** Given their agile structure and small scale, NGOs can offer a shock-responsive solution to alleviate poverty through MPCA, until the registration channels of social safety nets reopen for intake.

- *“I am an employee; my payroll was USD 2,500. I heard that registration for assistance was open, but I did not register because I was living well. However, some people registered. [After the start of the crisis] The old data was used, and people started getting assistance.”* (43-year-old man)
- *“There is no updating for the vulnerable lists and old beneficiary are the same from 10 and 15 years ago.”* (man)

⁴⁷ Lind, J.; Sabates-Wheeler, R. and Szyp, C. (2023) [Cash-Plus Programming in Protracted Crises: A Review of programs in Contexts of Overlapping Conflict, Forced Displacement and Climate-Related Shocks](#), BASIC Research Working Paper 19, Brighton: Institute of Development Studies, DOI: 10.19088/BASIC.2023.001

⁴⁸ M. Boulinaud, P. Young, [“Paving Pathways to Self-Reliance in Iraq - Exploring Referral Pathways from Cash to Livelihoods Assistance to increase program participants’ resilience in conflict-affected areas of Iraq”](#), February 2022

⁴⁹ Juillard H., Kabeta A, R., and Nabulsi D. (2022). [Building a Cash Plus Response in Lebanon](#). Beirut: CAMEALEON

⁵⁰ F. Bastagli, R. Holmes, R. Jawad, [“Social protection in Lebanon: a review of social assistance”](#), December 2019

⁵¹ L’Orient Today, [“Registration for social assistance programs closes, with roughly 20 percent of Lebanon signing up”](#), February 2022

⁵² *Ibid*, Reasons for submitting incomplete applications include not being in possession of an ID card, an issue which affected 280,799 registered individuals. Technical difficulties include lack of internet connection, especially in remote areas, and the registration form being hard to fill (World Bank, [Social Assessment Lebanon Emergency Crisis and Covid-19 Response Social Safety Net project](#), February 2023)

- *“We missed the deadline for registration, we don’t know when the registration ends. We should be informed about the starting and ending date of registration before two weeks or more, so we don’t miss the deadline of registration date.”* (39-year-old woman)



*Community consultations on
MPCA design*

Photo Credit: Remie Mhanna/Mercy Corps

When discussing outreach methods to be used by NGOs in MPCA programs, participants of the consultations expressed the unanimous preference to involve the community. Humanitarian actors should work with community members to reach those who are more remote and identify the most vulnerable. This reflects a desire among consulted community members to be part of the decision-making process that matters to them.

- *“The organization should find some trustworthy people in any village to help in identification.”* (62-year-old man)
- *“Use your public relations. Talk to the people in the community directly. [...] The best way is to have someone from the community join you in the field.”* (50-year-old man)
- *“Everyone here is from a different neighborhood. We can tell you who is most vulnerable. That’s how your program will succeed. Come to us. We know them. We know who needs assistance and who doesn’t.”* (57-year-old man)
- *“People from the community should intervene and guide staff programs.”* (55-year-old woman)
- *“NGO should find a poor family and one of these family members should guide NGOs for vulnerable families.”* (57-year-old woman)
- *“NGOs should set up an organization that includes staff programs and individuals from vulnerable families. From each vulnerable family, there should be one person who participates in the registration so they can guide staff programs to vulnerable families without any favoritism.”* (55-year-old woman)

Participants also suggested referring to mosques, churches, or schools, as a way to further strengthen the program outreach. Other outreach methods, such as using lists of pre-identified vulnerable families by municipalities or local community leaders (mukhtars) received mixed reactions.

- *“Registration channels should be in school so the organization can know who is not able to pay school tuition.” (60-year-old woman)*
- *“Refer to schools and ask the principals about families who did not enroll their children. Those are considered vulnerable.” (44-year-old man)*
- *“If you want to succeed in reaching the most vulnerable, you should never talk with the public sector, from Mukhtar to Municipality [...] The Mukhtar has 100 names in which they elect him and keeps sending these names to all organizations who are aiding in the area.” (50-year-old man)*

Participants suggested using a wide array of registration channels, such as digital forms, establishing registration desks in the community, and SMS or direct calls. Preferences varied depending on factors such as familiarity with digital technologies and feelings of stigma. Those without smartphones or who are less confident using online technologies expressed a preference for offline channels, such as telephone lines or registration desks in the community, and the need for dedicated support to navigate the digital technology. Some participants mentioned that feelings of stigma might prevent them from registering for assistance in a public space and expressed a preference for private forms of registration, such as telephone calls. Others mentioned that private forms of registration, such as digital forms, may be misused and affect the transparency of the selection process. Overall, consultation participants highlighted the importance of using a diverse range of outreach and registration channels, to ensure that no vulnerable community member is left behind.

- *“I’m embarrassed to ask for assistance, so I prefer the registration via link (digital form), and the organization comes to my house for the accuracy of information.” (33-year-old woman)*
- *“Registration channels should be via a desk at a community for example, Nahda’s club or Al Nasser’s club, municipality.” (61-year-old woman)*
- *“Registration should be face to face. Maybe someone educated might assist us to register via cellphone.” (Woman)*
- *“If the registration is via phone, some people don’t have phones so how are we able to register?” (45-year-old woman)*
- *“We might face challenges with digital technologies. Because the majority register via link and they are left out.” (44-year-old woman)*
- *“I don’t want the registration for assistance via link (digital form), because when organizations send the digital form, people fill it but unfortunately they lied about their information, they don’t provide accurate information for example if there is a question regarding employment, they put I’m unemployed even though they are employed and what surprise me the most is that those people get the assistance.” (55-year-old woman)*

Participants expressed a desire to receive information about the multi-purpose cash program, including details about its duration, registration channels, transfer amount, objectives, donors, and selection criteria. The preferred channels of disseminating information are through helplines, brochures, information desks, community meetings, posters, and social media. During consultations, some of the participants were conscious about the need to manage expectations when consulting community members about program design. Talking about one’s own difficulties to make ends meet is difficult. Those who choose to do so expect their interlocutor to be aware of and, in the case of humanitarian organizations, act on it. **The power imbalance between people in need and humanitarian organizations is challenging to address, especially when organizations ask individuals to open up about the difficult details of their lives.** What humanitarians say or do has a bigger impact on people in need than others. The probability of inadvertently raising expectations is directly proportional to levels of need.

- “You shouldn’t share information about the transfer value [before the assistance is confirmed]. If you do, he [community member] will start counting on it.” (57-year-old man)
- “When the organization came to assess my home, I experienced embarrassment as they were present in my personal space. Consequently, I found myself saying “yes” to whatever questions the interviewer posed, feeling unable to express my need for assistance while they were in my house.” (33-year-old woman)

The majority of participants in the consultations emphasized that the MPCA program should inform rejected applicants about why their application was rejected. **It is crucial that these explanations be meaningful and easily understood by the affected applicants, as perceptions of fairness and equity hinge on comprehension.** In the context of humanitarian assistance programs, target populations are often illiterate or have a low level of education, meaning they often find it challenging to understand the reasons for rejection, particularly when these are based on a mathematical formula that weighs variables against each other. The selection process for cash assistance extends beyond identifying the slightly poorer among a group of similarly disadvantaged applicants; it also aims to prevent harm and social tensions in the community. Recent research has shown that selective inclusion in cash assistance programs can reconfigure social relations by provoking jealousy, tension, or animosity towards program recipients; it can also exacerbate the social stigma related to being on the receiving end of cash assistance.⁵³ Alternative targeting approaches (for example, categorical targeting, i.e. the selection of households belonging to a certain category of people that do not require the collection of a large amount of data) can deliver comparable targeting accuracy while producing better social outcomes.

- “We need to tell everyone who was not accepted of the reason.” (73-year-old man)
- “In case of rejection we want to know the reason and have access to any channel to negotiate and elaborate on the reason for rejection.” (Woman)
- “They have the right to know why they are rejected from the cash assistance.” (Woman)



*Community consultations on
MPCA design*

Photo Credit: Benjamin Medam/Mercy Corps

⁵³ Della Guardia A, Lake M, Schnitzer P, [“Selective inclusion in cash transfer programs: Unintended consequences for social cohesion”](#), September 2022

Financial Service Provider

Prior to the crisis, indicators measuring financial access in Lebanon were positive compared to many other countries. In 2017, Lebanon ranked 8th globally on commercial bank penetration and the 13th for ATM penetration.⁵⁴ The presence of a strong banking system facilitated the delivery of cash assistance at scale. The UN CVA programs for refugees are delivered through the Lebanon One Unified Inter-Agency System for E-cards (LOUISE), a harmonized set of systems that used Banque Libano-Française (BLF) as financial service provider.⁵⁵ The NPTP uses the same delivery platform and network of shops that WFP established for the refugee response.⁵⁶ Since 2019, the economic crisis has spurred rapid LBP depreciation, impacted liquidity at financial institutions, and threatened the sustainability of the Lebanese banking sector.⁵⁷ The implementation of de facto capital controls and banking restrictions at the onset of the economic crisis in Lebanon restricted beneficiaries to using only the FSP ATMs, as opposed to the broader network of ATMs available before October 2019.⁵⁸ The resulting overcrowding at ATMs fueled social tensions between refugee and host communities.

As the crisis unfolded, MPCA and social assistance programs introduced successive measures to mitigate the evolving challenges, such as staggering of cash transfers over time, increased monitoring of hotspot ATMs, enhanced coordination with BLF to replenish ATMs, monitoring of the minimum expenditure basket, increasing the transfer value of assistance, and restricting withdrawal of assistance to LBP for Syrian refugees. Since September 2021, recipients of NPTP assistance have had the option to withdraw assistance from BLF ATMs in USD or LBP, at the preferential humanitarian rate.⁵⁹ In February 2022, the ESN initiated the distribution of cash transfers in USD through any OMT outlet in Lebanon. Following this, in July 2022, the UN began expanding redemption points to selected BoB Finance outlets⁶⁰ and, in May 2023, re-introduced dual currency disbursement for the MPCA program for Syrian refugees.⁶¹ Overall, cash programs have proven resilient and relevant in the Lebanon context.⁶² The Mercy Corps SAFER program delivers MPCA through BoB Finance, through which participants receive USD 150 per month. Based on the lessons learned and best practices from the wider cash response in Lebanon, Mercy Corps signed a service agreement with OMT to expand the network of financial service providers available to support the program. Mercy Corps will be able to switch to OMT, should BoB Finance experience liquidity issues.

Consultations explored participants' views on financial service providers in Lebanon to inform the selection of FSP for the next phase of the SAFER program. Participants said that a wide variety of money transfer operators are available in their communities, such as OMT, BoB Finance, Wish, and MoneyGram. **The majority of participants expressed a preference to receive MPCA through OMT over other financial service providers. Reasons mentioned include the high number of outlets, historical presence, and reputation.** Only one participant mentioned a preference for using banks. Some participants, especially elderly ones, said they had limited experience with financial service providers, as they never used them. In these cases, their preference was based on what they knew from word of mouth. OMT was established in

⁵⁴ UNICEF, [Delivering Cash Assistance during an Economic Crisis: Adapting to preserve recipient dignity, assistance value, and operational agility](#), April 2023

⁵⁵ I. Pelly, H. Juilliard, "[Lebanon One Unified Inter-Organizational System for E-cards \(LOUISE\) Learning review](#)", June 2020

⁵⁶ WFP, [National Poverty Targeting program & Institutional Capacity Strengthening](#), July 2022

⁵⁷ UNHCR, WFP, "[Evaluation of the UNHCR/WFP Joint Action for Multipurpose Cash Assistance in Lebanon \(2019–2021\)](#)", February 2023

⁵⁸ WFP, "[The National Poverty Targeting program of Lebanon: Redemption made even more accessible for beneficiaries in 2022](#)", October 2022

⁵⁹ *Ibid.*

⁶⁰ As of May 2023, the UN had contracted 67 BoB Finance outlets to disburse cash assistance (Source: Basic Assistance Working Group meeting, May 2023)

⁶¹ UNHCR, WFP, "[Joint report on dual currency disbursement](#)", July 2023

⁶² Durable Solutions Platform and Cash Monitoring, Evaluation, Accountability and Learning Organizational Network. "[Pinning down moving targets: Adapting humanitarian cash programs to multi-pronged crises in Lebanon](#)", November 2020

1998 and has the largest agent network in Lebanon with over 1,400 outlets.⁶³ The distance to and from BoB Finance outlets was a reported challenge for participants to the SAFER program.⁶⁴ Participants incurred extra transportation expenses or shared means of transportation, as a way to reduce the associated costs.

- *“OMT is the fastest and best.”* (42-year-old man)
- *“OMT is the best option.”* (49-year-old man)
- *“I prefer OMT or WHISH because there are a lot of branches, flexible and most known.”* (woman)
- *“If all FSPs are good, you should search for one with the highest branch numbers.”* (42-year-old man)
- *“We never went through this to know if there are any challenges.”* (56-year-old man)

The low amount of small denomination USD banknotes is a common challenge when using financial service providers, according to consultation participants. Experience from large-scale cash programs, such as the UNICEF Haddi program, shows that delivering cash assistance in USD requires that financial service provider be notified in advance to ensure liquidity, particularly of smaller notes. In fact, 95 percent of Haddi recipients did not report any issue in receiving the required bills on their first visit.⁶⁵ Community members suggested that the FSP could provide cash in LBP, when facing small denomination USD liquidity constraints. Monitoring data from the UN multi-purpose cash programs shows that, in June 2023, most Syrian refugee families continued to withdraw their USD 5 balances in LBP instead of keeping it for the next month, given the unavailability of smaller denomination notes (less than USD 10) at ATMs.⁶⁶ **Another commonly cited challenge is financial service provider commissions on withdrawals.** Under the service agreement with BoB Finance, Mercy Corps covers transfer fees and transactions are free for program participants at point of withdrawal. Since SAFER started the distribution of cash transfers in March 2023, 1.8 percent of program participants complained that outlets charged fees. The SAFER team resolved the issue in close coordination with BoB Finance.

Community members also cited overcrowding as a challenge when using financial service providers. Recipients of the UN multi-purpose cash programs for Syrian refugees and the NPTP for Lebanese can choose to redeem their assistance from selected BLF ATMs or BoB Finance outlets. Given the large caseload (248,059 households in March 2023) assisted through these programs compared to the available number of redemption points, the implementing agencies regularly monitor overcrowding. The UN have introduced a series of mitigation measures, including dual currency disbursement since May 2023, which significantly improved the aid recipients' redemption experience.⁶⁷ CARM data for the SAFER program shows complaints about lack of sufficient funds at BoB Finance are received on a monthly basis. Consultation participants suggested that the MPCA program transfer assistance after the middle of the month to reduce overcrowding.

- *“Sometimes they won’t have cash. They’ll ask you if you’ll accept another currency such as LBP. And they take commissions.”* (73-year-old man)
- *“They provide money in Lebanese [lira] instead of US Dollars, they take extra money if they want to exchange money from US Dollars to Lebanese [lira].”* (40-year-old woman)
- *“In the case of the cash aid project, we hope that the transfers will be in the middle of the month to relieve pressure and crowding of clients.”* (38-year-old man)

⁶³ [OMT website](#)

⁶⁴ SAFER interim report, Section 7.7 Update on preconditions, assumptions, and risks

⁶⁵ UNICEF, [Delivering Cash Assistance during an Economic Crisis: Adapting to preserve recipient dignity, assistance value, and operational agility](#), April 2023

⁶⁶ UNHCR, WFP, [Joint report on dual currency disbursement](#), July 2023

⁶⁷ *Supra* note 66.

Conclusions

Multi-purpose cash assistance is considered a pivotal catalyst for realizing the “Participation Revolution” and transferring decision-making power to those steering their families out of crisis and into a sense of security. However, empowering recipients to decide how to spend assistance is only the first step. Increasing the use of cash assistance must go hand in hand with an approach that puts crisis-affected people at the core, granting them a central and influential role in both the design and monitoring of humanitarian assistance. To enhance the involvement of affected communities in shaping the next phase of its multi-purpose cash program, Mercy Corps Lebanon engaged with crisis-affected communities in the Bekaa Valley. Community members shared their insights and preferences regarding key design elements, including selection criteria, communication strategies, outreach activities, and selecting a financial service provider. The results of the consultations have produced the list of recommendations below. Mercy Corps has used the recommendations to inform the design and implementation of the next SAFER program.

Recommendations

1. Enhance community participation in the implementation of the next SAFER multi-purpose cash program: consultation participants want to play an active role in identifying the poorest members of the community for MPCA during the outreach, registration, and selection phases. Mercy Corps should consider establishing community committees with well-defined roles and responsibilities, comprising selected members of the community on a rotational basis. These could meet on an ad-hoc basis during the key steps of program design. They would likely meet more frequently at the start of the project cycle, in the set-up and planning phases. To be meaningful, engagement with the communities must be sustained. This includes meeting with the community on a regular basis, even when there is no new information to share.
2. Close the feedback loop with communities: communities want to know what happens to their data following an assessment. Mercy Corps should consider ways to share the results of these consultations back with the communities. Shared information could include the management response to these recommendations, i.e. the reasons for accepting or rejecting them.
3. Adopt a wide array of outreach and registration channels: Consultation participants highlighted different challenges regarding outreach and registration channels, including a lack of confidence when using digital technologies, lack of phone ownership, and feelings of stigma and favoritism. Mercy Corps should use diverse outreach channels and registration methods, such as opening desks in community centers, phone lines, and digital forms. Schools, churches, and mosques can assist in identifying poor families and ensure that no vulnerable member of the community is left behind.
4. Adopt a targeting approach that can be easily understood by the communities: rejected applicants want to know the reasons for rejection. The reason must be meaningful to them. The humanitarian imperative of assisting the most vulnerable needs to be balanced with the do-no-harm principle and considerations around avoiding unintentional tensions in the community. Be ready to accept a certain degree of inclusion error if this makes it easier to explain selection criteria.

5. Assess which FSP has the necessary footprint and capacity to adequately carry out MPCA distribution for the next SAFER project in target areas, in addition to taking into account which FSP community members prefer. Across locations, participants expressed a preference for OMT, due to the high number of outlets it maintains, as well as its historical presence and reputation. Having signed service agreements with BoB Finance and OMT, Mercy Corps should evaluate the pros and cons of distributing MPCA with alternative FSPs. The most efficient choice from a program perspective may not reflect the preference of community members, who incur transportation costs, are forced to contend with overcrowding or FSPs with inadequate access to lack of small denomination USD banknotes.
6. Time upload of assistance so that it does not overlap with other agencies or governmental large-scale cash programs. A large portion of cash assistance in Lebanon is delivered in part or full through FSPs, such as BoB Finance and OMT. At the time of monthly upload, these FSP outlets can experience overcrowding or suffer from a lack of liquidity and availability of small denomination banknotes. The UN MPCA program for Syrian refugee uploads assistance within the first two weeks of every month. The National Poverty Targeting program for Lebanese uploads assistance in the last week of the month. Both programs deliver assistance through selected Banque Libano-Française ATMs and BoB Finance outlets. When planning for upload of assistance, Mercy Corps should consider uploading MPCA between the 15th and 25th of every month, especially if BoB Finance is the financial service provider of choice.

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About Mercy Corps

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.



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