FSSWG Monthly Meeting
14 September 2021
Remote meeting
AGENDA

❖ Opening

❖ WFP – RAM: presentation on analysis/updates on Food Security

❖ Food Security Sector Updates - August 2021:
  • LCRP Reporting updates (Progress)
  • Updates on the Transfer Values
  • Partners’ updates round and impact of fuel shortages on their interventions
  • ERP Updates

❖ AOB
WFP - RAM presentation on food security analysis updates

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WFP RAM & Retail/Supply Chain Unit Lebanon

National FSSWG – Food Security and Markets Situation Analysis

FSSWG Meeting

14 September 2021
Decreasing trend (-14%) in food imports continue in 2021

A decrease of 18% is noticed when comparing August 2020 - July 2021 figures against the same period the previous year.

A decrease of 14% is registered when comparing January to August 2021 figures to the same period in 2020.

Decrease in 2021 led by the following imports categories decrease:

- 40% in edible vegetables
- 17% in cereals
- 15% in live animals
- 10% in sugar and confectionary

A decrease of 2% is registered when comparing August 2021 figures to August 2020 figures.

Subject to change for the August 2021 figures as more data is released!

Source: Port of Beirut data, 2019-2021 as of September 14, 2021, subject to change.
Despite challenges, stock levels remain stable as trader continue to re-stock – brand diversity and high end products scarce

- Stock levels remained stable despite challenges, as traders have been able to re-stock so far.
- Shops with more than 2 weeks of stock coverage now at 89 percent.
- 13 percent of shops reported scarcity in fresh products in August 2021, up from 4 percent in July 2021.
- 37 percent of shops reported disruptions in receiving new orders in August 2021, up from 24 percent in July 2021. Disruptions mainly due to the ongoing fuel crisis affecting deliveries.

Source: Retail Weekly Shop Phone Survey – as of 14 September 2021
TRANSPORTATION CHALLENGES AFFECTING PRODUCT DELIVERY, HOWEVER AVAILABILITY REMAINS STABLE - SUBSIDIZED PRODUCTS NON-EXISTING

Based on the retail unit contracted shops assessment survey results:

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Scarcity in certain Products</td>
<td>68%</td>
<td>60%</td>
<td>51%</td>
<td>55%</td>
<td>57%</td>
<td>54%</td>
<td>52%</td>
</tr>
<tr>
<td>Expecting to receive new orders within one week</td>
<td>94%</td>
<td>83%</td>
<td>95%</td>
<td>97%</td>
<td>85%</td>
<td>94%</td>
<td>82%</td>
</tr>
<tr>
<td>Suppliers delivering full ordered quantities</td>
<td>62%</td>
<td>45%</td>
<td>50%</td>
<td>66%</td>
<td>71%</td>
<td>73%</td>
<td>86%</td>
</tr>
<tr>
<td>Availability of subsidized products</td>
<td>79%</td>
<td>72%</td>
<td>67%</td>
<td>54%</td>
<td>12%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Suppliers accepting new subsidized products orders</td>
<td>64%</td>
<td>42%</td>
<td>40%</td>
<td>15%</td>
<td>5%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Receiving full ordered subsidized products quantities</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Sources: Retail Weekly Shop Phone Survey - as of 9 August 2021
ELECTRICITY OUTAGES & FUEL SHORTAGES IMPACT ON MARKETS

➢ Retail shops across country affected by electricity blackouts and fuel availability.

➢ Media reports of shops turning off refrigerators to save up on diesel consumption. Head of the syndicate of supermarket owners indicated that due to the decrease in the demand on fresh meat and cheese, along with the diesel crisis availability and high prices, a number of refrigerators were turned off and some sections were closed down.

➢ Food Importers Syndicate previously raised the alarm over the availability of diesel. This is affecting distribution to supermarkets, as well as the availability of products that require refrigeration.

➢ Head of the syndicate of food importers also indicated that some companies had to close down shop, while others are operating on a half week basis.

➢ Supply chain affected by fuel shortages. Delivery of products to retail shops becoming increasingly challenging across the country.

➢ Reports of decreasing bottled water availability in shops during August, as companies face challenges in delivering quantities from their factories, located mostly in the mountains, to shops across the country.

Sources: MTV News, LBC News, L'Orient Today
Informal market rate continue to be highly affected by political developments – formation of new government lead to strengthening of the Lebanese Lira

- Black market rate (red line) trading at around LBP 16,000 following formation of new government.
- Political developments and instability lead to historical high daily volatility.
- Withdrawal from non-fresh money dollar account in LBP at LBP 3,900 (circular 151) continues.
- No news on the implementation of Circular 158 yet.
- Central Bank publishing daily the amount of transaction taking place on the “Sayrafa” platform. Central Bank requiring all Exchange houses to register transactions taking place.

Source: [http://lebaneselira.org](http://lebaneselira.org) & [https://lirarate.com](https://lirarate.com) – reported rates for black market and syndicate are the average of the buy and sell rates – Reuters – Annahar - MTV
Increasing operating costs, along with exchange rate depreciation, leads to an 11% increase in the cost of the revised food SMEB cost (national average) – Since October 2019 (628%)

➢ Revised Food SMEB recorded an 11% increase between July and August 2021, at LBP 387,433.
➢ The cost of the revised food SMEB in August 2021 is more than seven times the cost of the basket back in October 2019 (628% increase).
➢ Weekly preliminary data from WFP contracted shops show that basket reached up to LBP 407,157 during the week of August 30.

Source: WFP price data, 2020, & 2021 as of 14 September 2021, subject to changes. The weights of the commodities used in the calculation of the price of the basket was further updated in the calculation of the basket cost from February 2021 onwards. Further revisions to the previously published prices might take place in the future.
COST INCREASE REGISTERED IN NEARLY ALL COMMODITIES PRICES BETWEEN JULY AND AUGUST 2021 – SUNFLOWER OIL (1,682%) REGISTERING THE HIGHEST PRICE INCREASE SINCE OCTOBER 2019

➢ Cabbage registered the highest price increase between July and August 2021 (33 percent), followed by sardine (18 percent), and chickpeas (17 percent).

➢ Sunflower oil registered the highest price increase since October 2019 (1,682 percent), followed by powder milk (1,427 percent), sugar (1,390 percent) and tea (982%).

Food SMEB Components (SMEB per Individual Weights) | Price | m-o-m variation | Aug-21 | Jul-21 | Oct-19
--- | --- | --- | --- | --- | ---
Apples (1.5Kg) | LBP 11,509 | -4% | 475%
Bread (7.02KG) | LBP 32,236 | 9% | 206%
Brown Bulgur (1.95KG) | LBP 28,623 | 10% | 802%
Cabbage (2.7KG) | LBP 5,400 | 33% | 78%
Carrots (0.6KG) | LBP 2,874 | 8% | 259%
Chickpeas (0.9KG) | LBP 19,593 | 17% | 587%
Eggs (0.45KG) | LBP 10,181 | 9% | 736%
Lentils (0.75KG) | LBP 16,377 | 12% | 828%
Pasta (1.8KG) | LBP 32,400 | 13% | 469%
Potatoes (2.1KG) | LBP 11,149 | 6% | 431%
Powder Milk (0.6KG) | LBP 71,267 | 9% | 1427%
Egyptian Rice (2.4KG) | LBP 35,620 | 14% | 867%
Salt (0.12KG) | LBP 360 | 14% | 380%
Sardine (0.45KG) | LBP 38,061 | 18% | 843%
Sugar (0.6KG) | LBP 8,160 | 10% | 1390%
Sunflower Oil (0.51L) | LBP 17,850 | 8% | 1682%
Tea (0.12KG) | LBP 21,000 | 8% | 982%
Tomato Paste (0.6KG) | LBP 15,107 | 11% | 384%
White Beans (0.3KG) | LBP 9,667 | 8% | 897%

Bread benefits from the wheat subsidy at the official rate.
Source: WFP price data, 2020, & 2021 as of 14 September 2021, subject to changes. The weights of the commodities used in the calculation of the price of the basket was further updated in the calculation of the basket cost from February 2021 onwards. Further revisions to the previously published prices might take place in the future.
Latest crisis started following Central bank decision to provide US dollars for fuel imports at market rate.

Subsidization rate officially modified to USD/LBP 8,000, up from USD/LBP 3,900.

Initial plan planned for the Government to cover difference between subsidization rate and market rate until end of September, using a USD 225 million fund opened by the Central Bank. However, news circulating of possible full removal earlier.

Severe gasoline, diesel and cooking gas shortages continued. Black market prices already higher than expected prices once full subsidy removed.

Ministry of Energy previously allowed import of non-subsidized diesel. Price set at USD 540 per ton.

### Table: Fuel Prices

<table>
<thead>
<tr>
<th>Date</th>
<th>Gasoline 95 Oct</th>
<th>Diesel</th>
<th>Cooking Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2020</td>
<td>26,000</td>
<td>18,400</td>
<td>22,200</td>
</tr>
<tr>
<td>September 8, 2021</td>
<td>126,400</td>
<td>98,600</td>
<td>92,000</td>
</tr>
<tr>
<td><strong>Price increase</strong></td>
<td><strong>100,400</strong></td>
<td><strong>80,200</strong></td>
<td><strong>69,800</strong></td>
</tr>
<tr>
<td><strong>% increase</strong></td>
<td>386</td>
<td>436</td>
<td>314</td>
</tr>
</tbody>
</table>

Subsidies removal ongoing – potential alternative plan still to fully materialize

- Financial support card official launched by caretaker Government. Registration to open between 15 September 31 October. Start of payments has not been set, as financing mechanism still unclear. Total cost of program will be around USD 556 millions.

- Average monthly payment per family through financial support card set at around USD 93 (exact amount varies depending on family size). 500,000 family to benefit from card in total.

- Further discussions and meetings held around the assistance for the provision of electricity from Jordan and Egypt. Plan includes transmitting Egyptian national gas to Jordan, to be used in generating additional electricity power that will be transmitted to Lebanon. Plan also includes direct transfer of natural gas from Egypt to Lebanon, to be used for the generation of electricity.

- Electricity blackouts continue. First Iraq fuel shipment for the generation of electricity expected to be received in the coming week. Expected increase of 4 to 6 hours of electricity generation, however current fuel reserves (providing 2 to 3 hours per day) run out end of this month.

- Lebanon is set to receive $1.135 billion on September 16 in International Monetary Fund Special Drawing Rights. IMF member states like Lebanon can exchange SDRs for foreign currency with other IMF countries.

- Price of non-subsidized medicine raised to 80 percent of informal market rate. Decision to apply until end of year.

- Further increases in the price of bread. Large package price has increased by 233 percent since June 2020. Latest official prices are:
  - Large package (915 grams) set at LBP 4,500 if sold at bakeries and LBP 5,000 if sold at retail shops.
  - Medium package (365 grams) set at LBP 2,750 if sold at bakeries and LBP 3,250 if sold at retail shops.

Thanks!

Questions?

WFP Lebanon

RAM & Retail/Supply Chain Unit
WFP RAM 2020 Key Products

March 2021

March/April 2021

December 2020
Food Security Sector LCRP Progress Updates August 2021

Kazem El Seblani: kazem elseblani@wfp.org
August 2021 updates: Food assistance in kind (FP and HM-RTE)

- **Individuals receiving Food parcels**
  - **LEB**: 13,559
  - **PRL**: 48
  - **PRS**: 1
  - **SYR**: 3,184

- **Individuals receiving Ready-to-eat Food or hot meals**
  - **LEB**: 8,316
  - **PRL**: 1
  - **PRS**: 4,196

Legend:
- Dark blue: Individuals receiving Food parcels
- Gray: Individuals receiving Ready-to-eat Food or hot meals
August 2021 updates: Food assistance (cash-based transfers)

- # of individuals accessing cash-based food assistance: 1,148,719
- Cash redeemed (in USD): 6,393,213

- Displaced Syrians: 1,148,719
- NPTP: 656

Displaced Syrians: 1,815
NPTP: 3
August 2021 updates: Food assistance (Food Vouchers)

- # of individuals have access to cash-based food assistance through food vouchers: 3277
- Cash redeemed (in LBP): 720,940,00
August 2021 updates: Support to agriculture and agriculture livelihoods / Nutrition

- Individuals having access to temporary/casual Agricultural labor: 21
- Farmers receiving technical trainings and/or in-kind Agricultural inputs: 206
- Caregivers of children under 2/pregnant women who received awareness on nutrition diets and IYCF through different SBCC channels: 168
- Number of MOA technical agricultural schools (teachers) trained: 59
August 2021 updates: COVID-19

Covid-19 Response. Food Parcels Distributed: August 2021

Total number of food parcels distributed: 49

Gender

- Female: 50%
- Male: 50%

Cohort

- Leb: 68%
- PRL: 7%
- Syr: 25%

Reported Partners: SCI
August 2021 reporting updates

- 52 partners appealed in 2021 to the FSS
- 14 partners reporting in AI in August; 25 in January
- no partner reporting under outcome 4

<table>
<thead>
<tr>
<th>Modality</th>
<th>% Redeemed</th>
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</thead>
<tbody>
<tr>
<td>Cash for Food Ecard</td>
<td>98%</td>
</tr>
<tr>
<td>Food Ecard</td>
<td>91%</td>
</tr>
<tr>
<td>Multipurpose Cash for essential needs</td>
<td>97%</td>
</tr>
<tr>
<td>WFP VARON</td>
<td>92%</td>
</tr>
<tr>
<td>Number of Loaded cases</td>
<td>94%</td>
</tr>
</tbody>
</table>
WFP August updates

- WFP has scaled up assistance to 1.1M refugees in August 2021

- For food ecard beneficiaries: From **279,997 to 514,000 individuals** (Aug-Oct)

<table>
<thead>
<tr>
<th></th>
<th>Food ecard</th>
<th>Cash for Food ecard</th>
<th>Multipurpose Cash for Essential Needs ecard</th>
<th>VARON</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td><strong>Aug-21</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loading Figures</td>
<td>HHs</td>
<td>131,344</td>
<td>45,761</td>
<td>63,607</td>
<td>243,002</td>
</tr>
<tr>
<td></td>
<td>Bene.</td>
<td>514,518</td>
<td>330,491</td>
<td>325,169</td>
<td>1,177,539</td>
</tr>
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</table>


Updates on the Transfer Values
Updates on the Transfer Values and Dollarization

- Following the UNHCR/WFP request through the RC/HC to MoSA, WFP started increasing the food and non-food transfer value.

  - **Food**: From LBP 100,000 to LBP 300,000/person/month
  - **MPCA**: increase from LBP 400,000 to LBP 800,000 per household per month

- Aligned with NPTP Transfer value for Food but slightly higher for non-food.

- They would align with the ESSN (Emergency Social Safety Net Project) values whether in USD or LBP.

  - LEBANON FOOD SECURITY SECTOR
Updates on the Transfer Values and Dollarization

• This change is effective for loadings as of **September 2021**

• Due to fuel and electricity shortages impacting functioning and replenishment of ATMs, overcrowding at ATMs has increased.

• As a temporary mitigation measure: reduce the number of people queuing at ATMs, beneficiaries will receive double loadings in September or October

• 2 months of assistance (September – October). For WFP caseloads no transfer for MPC & Cash-for food: to decongest ATMs.
<table>
<thead>
<tr>
<th></th>
<th>Sept</th>
<th>Oct</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MCAP-CFF</strong></td>
<td>2 months MCAP + CFF</td>
<td>None</td>
</tr>
<tr>
<td><strong>MPC</strong></td>
<td>2 months MPC (food and non-food components)</td>
<td>None</td>
</tr>
<tr>
<td><strong>MCAP-FE</strong></td>
<td>1 month FE</td>
<td>2 months MCAP 1 month FE</td>
</tr>
<tr>
<td><strong>MCAP only</strong></td>
<td>2 months MCAP</td>
<td>None</td>
</tr>
<tr>
<td><strong>MCAP RON (with or without Food)</strong></td>
<td>2 months MCAP (+Food)</td>
<td>None</td>
</tr>
</tbody>
</table>
Dollarization

• Steering Committee of the LCRP re-enforced the two phased or hybrid approach with the first phase looking at dollarization of the NPTP and

• The second phase, as agreed with the Ministry of Social Affairs, will include livelihood programs

• WFP testing Phase I: NPTP: First load by 23 September:
  • 15 USD/person/month for Food
  • 25 USD/HH/month for other food and non-food needs

• No change in Programme Design nor for beneficiaries (ATMs...)

• LOUISE agencies to negotiate humanitarian exchange rate (align parallel market): no losses for value
Partners’ updates round and impact of fuel shortages on their interventions
Impact of fuel shortages/electricity

• Ad-hoc National Inter-Sector meeting was held 27 August 2021

• INGOs are reflecting that there are limited further mitigation measures possible, given the broader context of an unregulated market

• If fuel supply deterioration continues, there is a high risk of discontinuity of critical humanitarian programming under the LCRP and future delivery of the ERP

• urge consideration of further lifesaving humanitarian interventions (e.g. food; cash; protection; shelter; other emergency assistance)
Impact of fuel shortages/electricity

- The dire impact of the current fuel crisis are being felt at community-level: People are unable to access distribution points for food assistance and/or NFIs, cash assistance (inc. CFW payment) and nutrition services.

- From a logistical perspective, there is limited ability to keep office running with electricity and internet connection: pressure on staff working in bad conditions.
Impact of fuel shortages/electricity

• Activities halted or are at high-risk of being discontinued: Inability to access distribution sites or reach individuals directly at household-level with food assistance, cash, NFIs and shelter kits, specialized healthcare staff including doctors and mental health specialists, unable to access PHCCs, livelihoods activities have been halted completely and Inability of staff to travel to field sites for monitoring, including for programme quality.

• Current objective is to ensure sufficient fuel is made available to maintain business continuity through functional office facilities and movement of staff for the larger humanitarian community.
Impact of fuel shortages/electricity

- LCRP partners across sectors are reducing movement and prioritizing activities, leading to delays across all activities.

- To reduce movements, partners have resorted to remote assessment, monitoring and implementation with related challenges.

- From FSS perspective: close monitoring of the situation need (Regional coordinators).

- Work on a cross sectoral approach to reduce the case load and burden for beneficiaries regarding cash.

- FSS to review and reconfirm the critical and lifesaving activities under the LCRP BCP.
ERP updates
Emergency Response Plan – Food Security & Basic Needs

- Published August 4
- FSC chapter
- People in Need = 1,466,000
  - Lebanese – extreme poverty 2021 (35.6%) = 1,375,700
  - Migrants – food insecurity 2021 (43%) = 90,300

<table>
<thead>
<tr>
<th></th>
<th>Food Assistance</th>
<th>Basic Assistance</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td><strong>Target</strong></td>
<td>490,300</td>
<td>490,300</td>
<td>490,300</td>
</tr>
<tr>
<td><strong>Lebanese</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>Migrants</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Budget</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lebanese:</td>
<td><strong>400,000</strong></td>
<td>400,000</td>
<td></td>
</tr>
<tr>
<td>Migrants</td>
<td>90,300</td>
<td>90,300</td>
<td></td>
</tr>
<tr>
<td>USD 89.63 M</td>
<td>USD 25.75 M</td>
<td>USD 115.4 M</td>
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<tr>
<td>Lebanese:</td>
<td>USD 81.22 M</td>
<td>USD 23.5 M</td>
<td></td>
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<tr>
<td>Migrants</td>
<td>USD 8.4 M</td>
<td>USD 2.24 M</td>
<td></td>
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</table>
Emergency response plan – Food Security & Basic Needs

• **Duration:** 12 months / August 21 – July 22

• **General considerations and assumptions:**
  • No changes in the LCRP response:
  • ESSN (Emergency Social Safety Net) programme: implementation starts in October and reaches full targets February 22

• Pending final approval from HC and to be visible on the FTS: Logistics sector added. Projects to be approved in one go
## ERP Summary

<table>
<thead>
<tr>
<th></th>
<th>Number of Partners</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>LHF</td>
<td>6</td>
<td>$2,691,502.00</td>
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<tr>
<td>LHF with ERP top up</td>
<td>5</td>
<td>$7,586,879.00</td>
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<tr>
<td>ERP</td>
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<td>$105,113,525.00</td>
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<tr>
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<td>$3,447,212.00</td>
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<tr>
<td>Total selected</td>
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<td>$115,391,906.00</td>
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<tr>
<td>Rejected</td>
<td>4</td>
<td></td>
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</tbody>
</table>
• *Advocacy paper on removal of subsidies* revised on the analysis section for the combustible fuel and medicine, given the rapidly evolving situation.

• **Survey on Mapping on Agriculture Cooperatives and MSMEs**: deadline last Friday.

• **VASyR 2021**: findings presented during the Inter-Sector meeting last Friday.

• **De-duplication tool** (WFP): Coordination / maximize assistance / Alignment of transfers & harmony / PIN within governorates and districts.
• WFP and FAO discussions on having an IPC (Integrated Food Security Phase Classification)

• It aims at providing decision makers with a rigorous analysis of food insecurity in both emergency and development contexts, and key objectives for response to better coordinate the interventions

• The IPC standardized scale categorizes the severity of acute food insecurity into Five Phases: minimal, stress, crisis, emergency and famine.

• Current Situation Analysis: Response Analysis, Response Planning, Response Implementation. (Monitoring and Evaluation)
Reminders

Upcoming meetings:

• National FSS October meeting: Tuesday October 12 - 11 AM

• PSEA Network series of training to frontline workers to register.

• Area FSS October meetings:
  
  • North-Akkar: Tuesday 28 Sept 1 PM nancy.hassan@wfp.org
  • Bekaa-Baalbek: Wednesday 29 Sept 11 AM nisrine.rizk@wfp.org
  • Beirut-Mount Lebanon-South: 30 Sept 10 AM sarah.eljeitani@wfp.org