

# The National Poverty Targeting Programme of Lebanon

Established in 2011, the National Poverty Targeting Programme (NPTP) is Lebanon's first poverty targeted social assistance programme for the poorest and most vulnerable Lebanese families. The NPTP is implemented by the Ministry of Social Affairs (MoSA) and the Presidency of the Council of Ministers (PCM). Since 2014, WFP has been supporting the food assistance component of the NPTP through e-cards, redeemable at various access points.

## **LEBANON'S DEEPENING ECONOMIC CRISIS**

The Lebanese pound has lost more than 94 percent since the start of the crisis, resulting in a drastic drop in purchasing power. Inflation by currency depreciation has been a major driver of increased poverty and food insecurity in the country, resulting in record-high prices of the food Survival Minimum Expenditure Basket (SMEB) which increased to LBP 880,000 in August, a 16-fold increase compared to prices at the onset of the crisis in October 2019. The consequences of the Ukraine war have also led to price spikes in staple foods such as wheat flour, sunflower oil, and sugar, further driving up the SMEB.

Reflecting the deepening crisis, the World Bank recently ranked Lebanon as a lower-middle-income country, downgrading from its upper middle-income status held for the last 27 years, with a gross national income (GNI) per capita of USD 3,450. The GNI per capita has seen a 55 percent decrease from 2018.

#### THE NPTP IN 2022 AND BEYOND

As more and more people fall into poverty, social assistance programmes have continued to scale up. WFP together with MoSA and PCM has been significantly scaling-up NPTP e-card assistance: with an initial target of 5,000 households in 2014, the NPTP is expected to reach 75,000 households by October 2022 (about 430,000 people), of which 64,000 households are already enrolled in the programme.



#### **LEBANESE: STATUS QUO AND NEEDS**

As of December 2021, 53 percent of the Lebanese population, corresponding to 2.1 million people, required social assistance to improve access to food and other basic needs. Among them, 800,000 people in 172,000 families (21 percent of the population) experienced deprivations that led to a severe vulnerability condition.

An already concerning national food security situation further deteriorated in the second half of 2021 following the lifting of subsidies, currency depreciation, rising inflation, and significant disruption of livelihoods. Between June and December 2021, food insecurity among Lebanese averaged 46 percent, a 14-percentage point increase from the first half of 2021. During the same period, severe food insecurity doubled from 2 to 4 percent.

By December 2021, over 90 percent of the Lebanese households reported to have employed at least one coping mechanism. The number of households who faced serious challenges in accessing food reached 57 percent in December 2021, up from 44 percent in June and 40 percent in December 2020. In this context, regular transfer value adjustment continues to prove indispensable for beneficiaries to meet their food needs.

### **EVOLUTION & IMPACT OF NPTP ASSISTANCE**

Since 2014, the transfer modality and value of NPTP assistance have frequently adjusted to better meet beneficiary needs and Lebanon's socioeconomic context. In November 2014, MoSA changed the food assistance modality from food baskets to food-restricted cash, redeemable in WFP contracted shops, to address rising poverty levels in communities hosting refugees and help mitigate social tensions. In May 2021, an unrestricted and unconditional monthly cash top-up was introduced to offset the negative impacts of the economic crisis. Then in September 2021, the NPTP shifted to an unrestricted transfer modality, where all cash assistance can be redeemed at ATMs and/or shops. At the same time, WFP began providing assistance in USD. Redemption patterns show clear preference of beneficiaries for ATM redemption (95%) over shop redemption (5%) and for USD redemption (93%) over Lebanese Pound (LBP) redemption (7%).

Due to rising food prices, WFP also regularly raised the transfer values – from 40,500 LBP in 2020 to 100,000 LBP in 2021 to USD 15 per household member in September 2021 with a USD 25 household top-up. More recently, in line with the Emergency Social Safety Net (ESSN)<sup>1</sup> programme's benefits, in April 2022 WFP increased the transfer value from USD 15 to USD 20 per person per month, while the non-food top-up transfer value remains at USD 25.

Post-distribution monitoring in 2021 showed that the increase in the amount of NPTP assistance was marked by a significant rise in the proportion of NPTP households with acceptable Food Consumption Scores (FCS): 64% of households in Q3 2021 compared to 51% of households in Q2 2021.

# CONTINUITY IN THE NEW CSP AND FUNDING OUTLOOK

WFP's strategic direction and priorities for the next three years, through the new Country Strategic Plan (CSP) 2023-2025, focus on ensuring the essential needs of vulnerable Lebanese and refugees and strengthening their resilience at household and community level, while also supporting the Government to build sustainable institutions and systems capable of providing adequate social safety nets against current and future shocks.

As the political and socioeconomic uncertainty presents challenges for long-term planning, WFP has ensured flexibility in the design of the new CSP to be able to respond to immediate and increasing needs in the country while also laying the ground for short to mid-term recovery prospects, including capacity strengthening of national social protection systems.

WFP donors that support the NPTP primarily include Canada, the European Commission, France, Germany, Ireland, Italy, and Norway.

The full NPTP caseload, including the scale-up, is covered through January 2023. WFP is proactively advocating to secure funding to continue the operation into 2023 and beyond.

#### WFP LEBANON

Y@WFPLebanon For more information: <u>www.wfp.org/countries/Lebanon</u> By July 2022, however, deteriorating living conditions and inflation contributed to a 24 percent decrease in the proportion of households with an acceptable FCS.

With regards to livelihoods coping strategies, the average index score for all households increased from an average of 4.5 in September 2021 to 7.4 in July 2022, specifically purchasing food on credit, borrowing money, selling household assets, and spending savings. In parallel, the number of households who resorted to using consumptionbased coping strategies, such as reliance on less preferred/expensive food, reducing the number of meals per day and portion size, increased from September 2021 to July 2022.

#### ENHANCING THE EFFICIENCY OF THE NPTP

WFP is deepening its capacity strengthening and technical support to ensure the sustainability of NPTP systems and processes. A gender study was conducted by UNWOMEN in collaboration with MoSA and subsequent trainings were held to increase the gender responsiveness of the NPTP (see NPTP Gender Brief).

In addition, to improve the safety and access to NPTP cashassistance, WFP began expanding the redemption points for the NPTP assistance through Money Transfer Operators (MTOs). While beneficiaries can still redeem their assistance at WFP's contracted shops and an expanding network of ATMs, inclusion of MTOs will decrease travel time and costs for beneficiaries and provide a wider network of redemption points as the programme continues to scale-up (see NPTP MTO Expansion Brief).



<sup>1</sup>WFP is implementing the large-scale emergency social safety net project (ESSN) in coordination with the Government of Lebanon and the World Bank. The ESSN is designed as a shock-responsive social protection assistance that will expand and complement social assistance coverage primarily provided through the NPTP.

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