

Exploring Food Assistance Programmes: Evidence for Lebanon



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Market Assessment

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Published in November 2015 - Data collected in March/April 2015

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Foreword

The World Food Programme (WFP) is the largest United Nations agency in the Middle East and North Africa region. WFP provides life-saving and transitional humanitarian food assistance to more than 25 million food insecure people, including refugees, internally displaced persons and local populations. Lebanon is hosting over one million Syrian refugees and over 40,000 Palestinian refugees. These populations have completely changed the demographics and socio-economic situation of the country, posing significant challenges for the national and local government. While on the one hand the refugee influx is placing high fiscal pressure on the government, the demand for goods and services has also increased significantly, creating space for more economic opportunities. Since 2012, WFP has supported Syrian and Palestinian refugees in Lebanon, primarily through market-based food assistance programming.

The main objective of WFP's support is to deliver humanitarian assistance at scale in an efficient manner, providing dignified solutions to refugees and affected communities. Support to refugees in Lebanon is part of a larger regional emergency operation which began in July 2012. Voucher-based food assistance – implemented through a network of over 400 shops throughout Lebanon – benefitted over 900,000 refugees at its peak.

After two years of voucher-based food assistance programming in Lebanon, this assessment was conducted to understand how markets responded to the increased demand for food. It also looked at the impact that the programme has had on the food supply chain.

In terms of secondary impact on markets, this study highlights that WFP's voucher programme mainly benefits dominant traders and import markets so far as the supply side benefits are concerned. The programme has had limited benefits on local production and only some effects on local trade and labour markets.

The results are however not surprising given the high food import dependency of the Lebanese economy, particularly in relation to urban areas and consumers. In this context, the key 'opportunity multipliers' to enhance benefits for beneficiaries come from leveraging negotiations with the commercial sector to achieve increasingly better prices and services.

In relation to rural areas, the study mentions that the voucher programme positively impacted local production, especially that of fresh vegetables. In this regard, WFP is working with FAO to identify more opportunities for complementary initiatives under an overarching social protection strategy for Lebanon.

In view of evolving demand and access considerations, the study recommends that the selection of retailers be revised to ensure that services and opportunities for beneficiaries are optimised.

I take this opportunity to express my sincere gratitude to the research team for the dedication and a very useful document. We expect that the information and analysis in the report will be useful in the drafting, in 2016, of the WFP Country Strategy for Lebanon.



Gawaher Atif
WFP Representative
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Table of Contents

List of Figures	iv
List of Tables	v
List of Maps	v
Acknowledgements.....	vi
Acronyms	vii
Glossary.....	viii
Key findings	x
Executive Summary.....	xi
Introduction and background	1
1. Economic environment.....	4
1.1 Trade balance remains vibrant amid regional turmoil	5
1.2 Increased demand has had a limited impact on national consumer prices	6
1.3 Economic and social impact on the host communities	7
2. Food availability through local production and trade	9
2.1 Imports of products specifically demanded by Syrian refugees	9
2.2 Local food production	9
3. WFP response to the Syrian crisis.....	11
3.1 Food deserts.....	12
3.1.1 Physical access to food.....	14
3.1.2 Economic access to food.....	14
3.1.3 Hot spots	17
4. Exploring weaknesses and opportunities for market-based solutions.....	20
4.1 Supply chains matter	21
4.2 Imported food – global, long, short and local supply chains	22
4.2.1 Local food.....	23
4.3 Revenues from vouchers	25
4.3.1 Investments.....	28
4.3.2 Employment.....	29
4.3.3 Problems and opportunities	30
4.4 Strengthening customer relationships.....	32
4.4.1 Access to and provision of credit	32
4.4.2 Customer base	34
4.4.3 Syrian-demanded products.....	34
4.4.4 Promotions – customer/client relationships	35
4.5 Food price analysis.....	36
5. Concluding remarks	38
Bibliography	43
Annex 1: Questionnaire	45
Annex 2: Additional Tables and Maps.....	56

List of Figures

Figure 1 - Economic growth (2003-2014)	4
Figure 2 - Public debt and deficit (2004-2014)	4
Figure 3 - Foreign assets (2004-2014).....	5
Figure 4 - Remittances (2010-2014).....	6
Figure 5 - Yearly average inflation rates (2010-2015).....	6
Figure 6 - Food imports (2011-2014)	9
Figure 7 - Food production by commodity group (2013).....	10
Figure 8 - WFP e-vouchers: Total value and beneficiaries.....	11
Figure 9 - Wheat flour delivered to Lebanese bakeries in February 2014	21
Figure 10 - Supply sources for imported goods by trader category	22
Figure 11 - Imported food supply chain breakdown	23
Figure 12 - Supply chains for imported and local food (number of traders)	24
Figure 13 - Monthly revenues by import supply chain and inclusion in the WFP e-card programme (average per trader).....	25
Figure 14 - Cumulative distribution of revenues from WFP e-cards by shop (Jan 2014–Mar 2015)....	26
Figure 15 - Cumulative distribution of revenues from WFP e-cards by shop, disaggregated by area and shop category (Jan 2014–Mar 2015)	26
Figure 16 - Investments from contracted shops.....	28
Figure 17 - Additional employees in contracted shops	30
Figure 18 - Wage rates for new employees – contracted shops	30
Figure 19 - Problems for contracted shops.....	31
Figure 20 - Threats and opportunities for non-contracted shops	32
Figure 21 - Variation from national average price of main commodities (Jan–Feb 2015)	36
Figure 22 - Cost of the average food basket by governorate (Jan–Feb 2015).....	36
Figure 23 - Price difference, non-contracted and contracted shops (Jan–Feb 2015).....	37
Figure 24 - Average cost of the food basket in North Lebanon and in Akkar (Jan–Feb 2015; in US\$) .	37
Figure 25 - Cost of the food basket by type of contracted shop (Jan–Feb 2015, US\$).....	37
Figure 26 - Scatter plot of estimated total revenues and WFP e-cards revenues.....	60
Figure 27 - Boxplots of estimated total revenues and WFP e-cards revenues.....	60

List of Tables

Table 1 - Response Analysis Table	xiv
Table 2 - Food sources by region	15
Table 3 - List of food deserts.....	17
Table 4 - Transfer modality recommendations from food desert analysis	18
Table 5 - Trader survey at glance.....	20
Table 6 - Example of profit options for millers	21
Table 7 - Imported and local food sources	23
Table 8 - Monthly revenues by shop category in US\$	27
Table 9 - Estimated direct investments by shop category.....	28
Table 10 - US\$ million spent in the supply chain and in running costs by contracted shops.....	29
Table 11 - Share of shops offering cheaper Syrian imported brands	35
Table 12 - Cash-based transfers SWOT table.....	42
Table 13 - Registered Syrian refugees.....	56
Table 14 - List of locations with physical access constraints	59
Table 15 - List of locations with economic access constraints.....	59
Table 16 - Food basket for WFP Lebanon voucher value calculation	61

List of Maps

Map 1 - Setting the stage.....	3
Map 2 - Physical and economic access to WFP-contracted shops	16
Map 3 - Food deserts and beneficiary flows to WFP-contracted shops.....	19
Map 4 - Percentage of refugees with access to shops within 30 and 60 minutes.....	57
Map 5 - Number of refugees by shop (small shop equivalent)	57
Map 6 - Food consumption score and food expenditures on total expenditures.....	58

Acknowledgements

This report was prepared jointly by Oscar Maria Caccavale, Tobias Flämig and Marine Laliqie under the overall guidance of Arif Husain, Chief Economist and Deputy Director, Policy and Programme Division (WFP). Geospatial analysis for the food desert section was conducted by Giancarlo Pini, while Valerio Giuffrida and Chloe Wong provided the econometric analysis inputs for the food desert section. Data was collected under the overall IT supervision of Irene Ferrari. The report was edited by Zoë Hallington.

The authors greatly acknowledge the dedicated contribution of Hiba Audi in organising numerous valuable appointments with partners, traders and refugees as well as providing insights into the programme. The report benefited from discussion with Arif Husain, Gawaher Atif and Issa Sanogo, as well as Susana Moreno's inputs on design and Catherine Saiid's overall supervision of the data collection. The authors wish to thank the WFP staff in the country and sub offices for their dedication in managing the data collection and supporting the enumerator training.

The authors recognise the significant contribution of *Action Contre La Faim* and Save the Children in providing logistics support and enumerators for the primary data collection.

Thanks goes to the Ministry of Social Affairs, the Ministry of Economy and Trade, *Banque Libano-Française*, the Chamber of Commerce Industry and Agriculture, Nielsen, the Dutch Lebanese Association, the UN High Commission of Refugees and The Consultation and Research Institute for providing an understanding of the Lebanese (food) economy and the refugee context. The report benefited from comments by Susanna Sandström, Lucia Latino, Michelle Lacey and Jean-Martin Bauer.

Finally, sincere appreciation goes to the enumerators, traders and shop-owners for collecting and providing information during the survey.

Acronyms

B2B	Business-to-business
BMS	Beirut, Mount Lebanon and South Lebanon (including El Nabatieh)
CPI	Consumer Price Index
CR	Contracted retailer
FAO	United Nations Food and Agriculture Organisation
FCS	Food Consumption Score
GDP	Gross Domestic Product
GPS	Global Position System
GRASP	Geo-referenced Real-time Acquisition of Statistics Platform
IQR	Interquartile Range
LBP	Lebanese Pound
ODI	Overseas Development Institute
NCR	Non-contracted retailer
NGO	Non-Governmental Organisation
PFE	Percentage of Food Expenditures
POS	Point of Sale
SWOT	Strengths, Weaknesses, Opportunities and Threats
UNHCR	United Nations High Commission for Refugees
US\$	United States Dollar
VAM	Vulnerability Analysis and Mapping
VASyR	Vulnerability Assessment of Syrian Refugees in Lebanon
WFP	World Food Programme

Glossary

B2B	This is a WFP approach of contracting larger retailers, wholesalers, or traders, with the express requirement that they sub-contract distribution through small local retailers in the beneficiaries' localities.
Brand	A trademark or distinctive name identifying a product, service or organization.
Cash	Money paid in currency or by cheque.
Cash van	Sales representatives of importers and/or distributors of fast-moving consumer goods products who regularly visit retailers to ensure the availability of specific goods at the retail point.
Catchment area	Geographical area around a market/shop attracting demand from households based on maximum travel time which is defined by the road network, topography, land cover and specific restrictions on movement.
Credit	An arrangement for deferred payment of a loan or purchase.
Credit line	The maximum duration of credit to be extended to a customer. Also called line of credit.
Discount	To sell or offer for sale at a reduced price.
Distributor	A wholesaler or middleman engaged in the distribution of a category of goods, especially to retailers in a specific area.
Food Desert	Areas where refugee households have low physical and economic access.
<i>Kazaa</i>	District in Lebanon.
Low Economic Access	Areas with either low food consumption or high percentage of food expenditures on total expenditures.
Low Physical Access	Areas with either high travel time to reach a contracted shop or high estimated number of refugees by 'small shop equivalent'.
Processor	A business engaged in transforming agricultural products and preparing them for a market.
Profit	Excess of revenues over outlays and expenses in a business enterprise over a given period of time, usually a year.
Restricted cash	Recipients are not supposed to do anything in return for the entitlement but they can only redeem vouchers in contracted shops, with limitations on the choice of goods they can purchase.
Retail	The sale of goods or commodities in small quantities directly to consumers.
Revenue	The amount of money that a company receives during a specific period, including discounts and deductions for returned merchandise. It is the 'top line' or 'gross income' figure from which costs are subtracted to determine net income.
Selling area	Area of a retail store/shop where consumers choose and pay for the products that are on display; contrast with 'storage area'.
Small shop equivalent	Homogeneous shop category, meaning that a medium-sized shop is considered equivalent to two small shops in terms of its capacity to deliver, while a large shop can be equivalent to two medium-sized shops.
Shop, large	Typically supermarkets with a large variety of items and inventories. The size of the selling area exceeds 120m ² . It has a large/medium stock/warehouse nearby. ¹ The shop has more than two cashiers, although not necessarily two point-of-sale (POS) machines.

¹ 'Nearby' refers to a stock/warehouse that is right next to, above, or below the store.

Shop, medium	These have relatively less variety of items and inventories, as well as smaller floor space compared to large stores. The shop size (selling area only) is between 70m ² and 120m ² . It has either a medium-sized stock/warehouse nearby or a large warehouse far from the shop. ² It has two cashiers.
Shop, small	These include neighbourhood stores known as ' <i>dekeneh</i> ' that serve a local clientele who purchase smaller quantities but more frequently. The size of the selling area is below 70m ² . It has a small or no stock/warehouse. It has only one cashier.
Supply	The amount of a commodity available for meeting a demand or for purchase at a given price.
Supply chain	A food supply chain or food system refers to the processes that describe how food from a farm ends up on our tables. The processes include production, processing, distribution, consumption and disposal.
Global supply chain	Describes the supply chain from the perspective of traders who import directly or who deal with importers only.
Local supply chain	Describes the supply chain from the perspective of traders with very localised suppliers, including local wholesalers and/or cash vans.
Long supply chain	Describes the supply chain from the perspective of traders who have not only a direct purchasing channel open with one or more importers but who also perform their business through longer supply chains including wholesalers and cash vans.
Short supply chain	Describes the supply chain from the perspective of traders who have national wholesalers as the entry level in a relatively shorter supply chain where cash vans most likely complement their supply rather than local wholesalers.
Unrestricted cash	Recipients are not supposed to do anything in return for their entitlement, but they can redeem their cash at ATMs and spend it in any shop for any good or service.
Wholesaler	Trader who sells goods in large quantities for resale by a retailer.

² Inventories that are 'far from the shop' are those not attached to the store (above, below or right next to it).

Key findings

- i. **The Lebanese food sector has managed to fulfil the additional demand of 1.2 million refugees, mainly through imports.** The additional demand from the refugees compensated for the reduction in demand for goods from lesser tourists now.
- ii. **The economic environment shows signs of weakening.** Since the outbreak of the conflict in Syria, GDP growth in Lebanon has slowed. The number of poor Lebanese with inadequate access to social protection is increasing.
- iii. **Large revenue differences exist between WFP contracted and non-contracted shops.** Among the contracted shops, a few shops take the lion's share of the revenues from the food assistance programme.
- iv. **Shops linked to international supply chains seem to be the top earners.** This applies mostly in Beirut and Mount Lebanon. In Bekaa top earners mostly rely on the local supply chains.
- v. **Cost-efficient opportunities to link contracted shops with local fruit, vegetable and dairy producers should be explored,** especially in the Bekaa valley where some traders are also seasonal producers.
- vi. **Generally, no significant price differences exist between contracted and non-contracted shops,** except in some areas of Akkar.
- vii. **Syrian refugees may be moving towards coastal towns.** Transaction data shows that a few contracted shops in Mount Lebanon attract an unexpectedly large number of beneficiaries.
- viii. **The shop selection strategy could be fine-tuned to address physical access constraints.** In some areas around Beirut (Kerswane, El Metn, Baabda and Aley), in most of Baalbeck and in southern Tripoli, there is a need to contract more shops to meet the refugee demand.
- ix. **In areas of Mount and South Lebanon where only economic access constraints exist, unrestricted cash-based transfers could be gradually introduced.** However, aspects of accountability, outcome monitoring, security, protection and accessibility need to be carefully considered.
- x. **Maximizing value for money should be the goal by leveraging high revenue shops.** WFP should seek agreements with larger shops and supply chain actors for better prices, customer loyalty programmes, improved tracking of customer behaviour through barcode systems, and the promotion of fresh products and generic brands with higher nutritional value.
- xi. **WFP's e-voucher programme in Lebanon will benefit from different adjustments.** The report recommends enhancing the shop strategy with additional contracted shops in specific areas and engaging with other actors in the supply chain to increase food security gains for Syrian refugees. Non-food item purchases could be allowed in specific areas. The recent validation exercise and enriched targeting strategies can support better fund allocation and allow for different entitlements based on actual refugee needs and settlement.

Executive Summary

The purpose of this study is to analyse how markets in Lebanon have responded to the increased demand from the Syrian refugees. More specifically, the study focuses on the micro-level impacts of market-based food assistance on the market supply chains and market performance. It explores the pros and cons of alternative food assistance transfer modalities. Finally, this report is intended to inform the new country programming strategy in line with the recommendations of the recent ODI external evaluation (WFP-ODI, 2015) which called for more market analysis to inform program design and implementation.

The market assessment underlying the findings presented in this report was conducted in March and April 2015. Market analysts from WFP Headquarters, with support from the WFP offices and partners in Lebanon, consulted key informants and stakeholders, including relevant local authorities and various market actors including traders. A trader survey was deployed to collect information on food availability and market environment, structure, conduct and overall performance. The survey covered 1347 shops and traders including 306 WFP-contracted shops and 1041 non-contracted shops. The study was complemented with a detailed literature review.

Economy under increasing pressure

Lebanon is sustaining an incredible effort to cope with the Syrian crisis that has left the small country hosting close to 1.2 million refugees. The outbreak of the civil war in Syria in 2011 has had a direct negative impact on economic growth in Lebanon. Together with political uncertainties, limited economic reforms including fiscal reforms and public debt management have also weakened economic performance. Increasing debt interest repayments erode almost half of the country's primary surplus.

Despite the turmoil, foreign capital inflow and large reserve stocks give Lebanon a secure base, allowing the Lebanese Pound to remain pegged to the US dollar.

Syrian refugees boosted the demand for imported goods, but the supply was flexible enough to meet this surge. In fact, the impact on consumer prices was limited, mostly thanks to underutilised capacity in the food processing industry, provision of food assistance through the market channels, as well as steady international food prices and lately a stronger US dollar.

Yet, recent deflationary pressure on prices suggests that the overall capacity to cope may soon diminish. In particular, Syrian refugees compete with Lebanese over public services and employment opportunities, increasing the number of people living below the poverty line. Weak public finances leave little room for social programmes. Although provision of humanitarian assistance to Syrian refugees can be considered a stabilizing factor, increasing assistance to the most vulnerable in the host communities will further strengthen social cohesion between host and refugee communities.

Humanitarian assistance and food security concerns

Apart from government efforts, international organizations and NGOs channel the bulk of assistance for Syrian refugees. WFP has implemented its biggest corporate value-based voucher programme using electronic cards that are recharged monthly.

The extent of the crisis in terms of the duration and the number of refugees, coupled with uncertainty over its conclusion, has led to donor fatigue. This has created funding shortfalls and thus WFP had to reduce the voucher value per individual from US\$30 at the end of 2014 to US\$19 at the beginning of 2015. At the end of 2014, WFP's monthly disbursement was US\$26.4 million, but at the time of the assessment, this had fallen to US\$16.6 million, reaching 871.3 thousand beneficiaries.

The reduction in transfer entitlements triggers several concerns regarding the food security outcomes and sustainability of the intervention.

High revenues for a few contracted shops

WFP food assistance thus far is channelled through more than 400 contracted shops. It is estimated that the total revenues of contracted shops are between 127 and 225 percent higher than those of equivalent non-contracted shops. Additionally, the top 50 contracted shops take almost 40 percent of total revenues generated within WFP's e-card programme.

A good predictor of revenues for all the shops is their supply chain. The closer retailers are to international supply chains, the higher the revenues, while smaller shops tied with local suppliers usually run comparatively residual business activities. This is particularly true in the Bekaa valley and Akkar. In the Bekaa valley, 21 percent of traders are also seasonal producers, while in Beirut, Mount Lebanon and South Lebanon traders tend to link up with local farms or factories to supplement supply. Cost-efficient opportunities to strengthen local markets through WFP-contracted shops could be explored, mainly in the Bekaa Valley and to a lesser extent with smaller shops in parts of North Lebanon, Beirut, Mount Lebanon and South Lebanon.

A significant part of the money disbursed by WFP is redistributed through global supply chains, given the country's high import dependency. Yet, before the resources flow outside the country, they generate local multiplier effects. The amount of direct investments by contracted shops was estimated to be 1.8 percent of the total revenues. This amount is in addition to the much larger flow of money injected into the economy along the supply chains. The calculation of the overall economic multipliers lies beyond the scope of this study, however such effects were analysed in an economic impact study completed by WFP in 2014.

Syrian refugees as customers – the known and the unknown

Larger shops and WFP-contracted shops are predominantly the ones adjusting to the demand from Syrian refugees for specific products, including those imported from Syria. This trend is also more pronounced in North Lebanon and Bekaa. However, adjusting to this specific demand does not necessarily result in higher revenues for the shops.

Given the lack of widespread tracking of consumer behaviour through barcoded products, not enough information is easily and systematically accessible for WFP and for the shops themselves. For WFP, a mandatory requirement to record consumer behaviour could significantly improve post-distribution monitoring and allow for tailored programme interventions including information campaigns. The shops could benefit by electronically linking sales to stock management.

Market monitoring shows that prices of staple commodities consumed by Syrian refugees vary significantly across the six governorates, with South Lebanon significantly above national average prices. Equal voucher transfer values across Lebanon can result in significant differences in purchasing power for beneficiaries. In consideration of such price differences, WFP could explore differentiating transfer values by region and hence seeking potential savings while allowing beneficiaries to redeem equal quantities of food. Within regions, no significant differences are detectable for the entire food basket cost between shop categories or between contracted and non-contracted shops. However, price differences for a variety of individual items are significant when comparing shop size. Cereals and sugar are more expensive in small shops, while the small or medium-sized shops offer better prices for fresh food – all likely because of different sizes of supply chains and economies of scale.

Need to fine-tune the shop selection process and adopt a full-fledged shop strategy

The shop selection process needs to be fine-tuned to take into account the economic and physical access constraints faced by many refugees. The report highlights a few areas where contracted shops operate in ‘food deserts’. These are areas where a high share of beneficiaries have poor or borderline food consumption, they spend a high percentage of their expenditure on food, and they live far away from the closest contracted shop. In addition, shops are under pressure because of the potential number of customers they have to serve. Food deserts are found in some areas of Baalbeck (e.g. Aarsal), Zahle, Chouf and Saida districts. They offer an opportunity for contracting additional shops but also – accountability, security and protection situation allowing – for exploring unrestricted cash as a complementary modality targeted towards the most vulnerable households.

The current shop selection process could further address constraints related to limited physical access to food (i.e. high pressure on shops and long travel times to shops) in parts of the districts around Beirut including Kerswane, El Metn, Baabda and Aley; in most of Baalbeck; and in southern Tripoli (e.g. Koura *kazaa*). On the other hand, areas in which economic access is the binding constraint (e.g. parts of Chouf, Marjaayoum and Akkar) require additional considerations. There is scope to make changes towards meeting other household needs, either by allowing the purchase of non-food items, exploring unrestricted cash (where security and protection issues are not a concern), or via a concerted effort to ensure complementarity of transfer modalities to the most vulnerable Syrian refugees. The economic access constraint findings may be also addressed by providing higher entitlements for specifically targeted refugees within the current shop selection process.

Incidentally, the shops operating in areas with at least one of the two access constraints are quite often those whose revenues from redeemed e-cards are higher. A detailed list of locations at the cadastral level is provided in the text and Annex.

Furthermore, the report illustrates some programming challenges presented by using existing records for refugees who were registered at the cadastral level; contracted shops in Mount and South Lebanon attract far more Syrian customers than would be expected from the officially recorded refugee presence. The shop balance needs to be calibrated beyond official statistics, as many refugees may have moved closer to coastal urban centres since first registering.

Leverage traders’ appetite for high revenues to obtain additional efficiencies and better food security outcomes

Given the vast amount of money injected into the market, WFP could advocate for additional gains for Syrian refugees when negotiating contracts with shops. This applies in particular to the shops that have so far received the greatest revenues from participating in humanitarian assistance programmes.

Although some traders decline to join the voucher programme for various reasons – e.g. WFP conditions or loyalty to Lebanese customers – very few traders have considered dropping out of the programme despite the drop in revenues in 2015 and the unpredictability of imminent revenue flows. This confirms that the few disadvantages are largely outweighed by benefits.

Although this study did not perform a proper value chain analysis, we can conclude that profit margins are sizable enough to allow WFP to pursue agreements with larger shops or supermarkets to provide additional benefits for Syrian customers. This could include pursuing additional promotions, discounts and loyalty services, or expanding the contracted shop network in areas poorly served by shops of adequate quality. Moreover, to address micronutrient deficiencies WFP could push for nutrient-rich/fortified food at cheaper prices, perhaps with generic brands. Key wholesalers and their retailing network (e.g. cash van traders) could be an interesting entry point.

Recommendations

The study makes the following recommendations along the three priority areas of shop selection, use of unrestricted cash transfers and leveraging profit margins:

- ✓ Strengthen the shop selection process by contracting additional shops to reduce physical access constraints (i.e. travel time and shop pressure) while calibrating the shop balance beyond official statistics to account for the migration of many refugees to coastal urban centres.
- ✓ Where economic access constraints have not been offset by the current food assistance, consider a shift towards unrestricted cash based transfers through a small scale project, or a combination of modalities. The latter could include allowing limited purchases of non-food items in contracted shops through e-cards, or strengthening complementarities between the voucher programme and unrestricted cash-based transfers by targeting the most vulnerable Syrian refugees. Favourable regions include Mount Lebanon and South Lebanon. The small scale project would shed some light on the potential of unrestricted cash based transfers, considering the need to gather large scale empirical evidence. However, it will require an appropriate monitoring system to ensure accountability and to keep track of expected food security outcomes; and there could be customer loyalty services in place to channel most of the unrestricted cash towards food.
- ✓ WFP to leverage the high revenues accrued by pursuing agreements with larger shops and hypermarkets or with key wholesalers and their retailing networks to provide additional benefits (promotions, loyalty services, higher shop density, nutrient rich/fortified foods) for Syrian customers.

Additional recommendations include the following:

- ✓ When setting transfer values, WFP could explore factoring in regional price differences, thereby seeking potential cost savings while allowing beneficiaries to redeem equal quantities of food.
- ✓ Finally, WFP should explore introducing the barcoding system as a mandatory requirement for all contracted shops, and it should implement a data collection system beyond mere transaction data to create a nationwide database to analyse the consumption behaviour of Syrian refugee customers over time.

Table 1 provides an overview of the response implications and motivations discussed, indicating the most appropriate areas in terms of priority and feasibility.

Table 1 - Response Analysis Table

Modality	Option	Operational Activity	Lebanon	Mount	South	Bekaa	Tripoli+S	Akkar	Motivation	Type
Cash-based Transfers	Restricted	Contracting additional retailers	M	H	H	M	M	L	Physical access constraints / Uneven Syrian customers' pressure on contracted shops	Voucher
		Mandatory barcoding system	H	H	H	H	H	M	Monitoring / Micronutrient deficiencies / Propensity to consume	Voucher
		Allowing NFI purchase	M	H	H	M	M	H	Constraint obsolete if unrestricted cash is an option	Mixed
		Allowing cash-in with defined fees	L	L	L	M	L	M	Constraint obsolete if unrestricted cash is an option / ATM spread	Mixed
		Contracting hypermarkets	H	H	H	M	H	M	High profit margins / generic brands / fortified food / loyalty programmes / standards of quality	B2B
		Contracting wholesalers/Cash vans	H	H	H	H	H	H	Supply chain leverage / high profit margins / generic brands / fortified food / discounts	B2B
	Unrestricted	General cash distribution	M	H	H	L	L	L	Beneficiaries' need / economic access constraints / protection concerns	Cash

Note: 'H' stands for high, 'M' for medium and 'L' for low priority/feasibility

Introduction and background

The World Food Programme (WFP) has been providing food assistance to Syrian refugees in Lebanon since June 2012 due to the conflict in Syria. At the time of the assessment in March 2015, the e-card voucher programme was serving 871,307 refugees as the primary modality of food assistance. Over 400 small, medium-sized retailers and large shops are participating in the programme. These stores were selected to cover priority areas identified by the United Nations High Commission for Refugees (UNHCR).³ The selection also takes into account the suitability of the shops for the programme.⁴

In 2014, WFP studied the macro-economic impacts of the e-voucher programme, which triggered considerable interest. The study found that the e-card was a quick and efficient mechanism to deliver food assistance to beneficiaries, with large additional direct impacts on participating stores through job creation and investments in capital expenditure. Despite the significant multiplier value of 1.51 in the food products sector, the study also found high market concentration in over half of the districts. The authors therefore recommended that WFP open additional stores in underserved areas and improve the criteria for store selection (WFP, 2014c).

Following this study, a WFP internal audit in Q2-2014 rated in-country monitoring as medium risk, noting that “the impact of WFP’s interventions on markets and local communities or the capacities of local markets and merchants to sustain a scale-up of [cash and voucher] activities was not being measured... [nor] systematically analysed or documented”. In addition, the External Evaluation of the Regional Emergency Operation led by the Overseas Development Institute pointed out that “...specific design decisions, including on targeting and distribution modality – for example between cash and vouchers – were based on insufficient analysis of markets, gender, food insecurity, contexts, conflict dynamics and cost-effectiveness” (WFP-ODI, 2015).

Against this backdrop, the WFP country office in Lebanon started to improve the market monitoring. However, a market assessment was considered necessary to provide further analysis for the transfer modality choice and to guide future programming decisions on market interventions, both with regard to the best entry point for WFP and the best impact on the local economy.

The overall objectives of this market assessment are as follows:

- 1) Estimate the micro-level impact of the current voucher programme on local markets including traders/shops and food prices; and
- 2) Provide recommendations on the best transfer modality option, considering opportunity costs and value for money.

³ There must be a minimum presence of 2,000 refugees to contract a shop in a given location; the remoteness of the area or the presence of informal tented settlements are also taken into account. Recommendations from municipalities, NGOs and partners are considered as well.

⁴ This process comprises the following steps: 1) call for expressions of interest; 2) field visit to find suitable shops in areas where expressions of interest were limited; 3) applications; 4) shop assessment covering a number of criteria, including hygiene norms, no child labour (employees should be over 15), variety of food goods with potential for subcontracting other shops, price displays, separate cooling equipment for meat and dairy products, and general good condition of the shop including walls and lighting, clean and empty floors, and no humidity in the storage facilities; 5) score from the assessment; 6) shortlist of suitable shops drawn up by WFP selection committee; 7) shop owner information shared with *Banque Libano-Française* for approval; 8) bank account opened; and 9) POS installation and training.

We also analyse the market environment and the market structure, conduct and performance. This contributes to the discussion over whether to expand the number of contracted shops or introduce a cash component into food assistance and a more commercial approach to voucher redemption.

The study followed various methodologies. Between 2 and 16 March 2015, we interviewed key informants⁵ to gain a preliminary understanding of i) the political and economic context within which humanitarian (particularly food) assistance is provided; ii) the set-up of food supply chains; and iii) anecdotal evidence of the impact of voucher-based assistance in Lebanon. This information helped us design a trader survey. We also trained enumerators to launch quantitative questionnaires using mobile data collection across Lebanon. Finally, we reviewed literature on the macro-economic environment and cash-based transfers to capture existing knowledge and support primary with secondary data analysis.

A great deal of market data was available on the supply side (from the trader survey and other WFP databases) and on the demand side from Vulnerability Assessments of Syrian Refugees in Lebanon (VASyR). This data, together with a remote sensing analysis using the Global Position System (GPS) coordinates of WFP-contracted shops, allowed us to use the 'Food Desert' approach to detect areas where many e-card beneficiaries had both physical and economic food access problems. This methodology is explained in section 3.1.

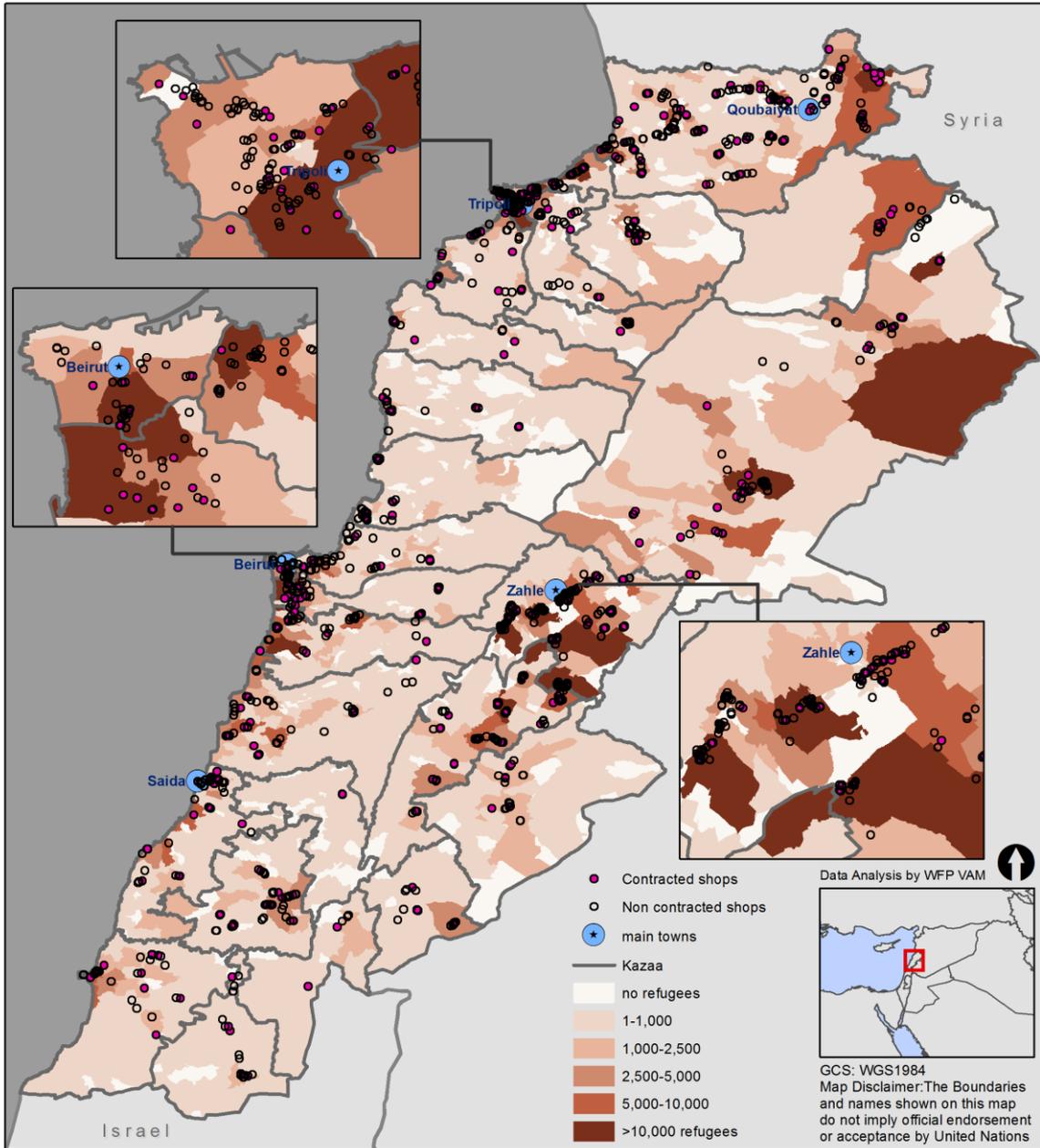
Map 1 sets the stage for this report: it shows the presence of Syrian refugees as recorded by UNHCR in March 2015, and the shops (both contracted and non-contracted) that were surveyed as part of the market assessment, with a focus on the three major urban areas – Beirut, Tripoli and Zahle.

The report is organized as follows: section 1 describes the economic backdrop to the WFP operations; section 2 gives a brief overview of imported and local food sources; section 3 investigates the physical and economic access constraints to WFP-contracted shops; and section 4 analyses the findings from the countrywide trader survey. At the end, we summarize the key results and provide recommendations.

⁵ Key informants included staff from the Lebanese government, a range of private sector actors (e.g. retailers, wholesalers, importers, processors and banks), members of the cash consortium, and staff from international organisations, NGOs and research institutes, as well as Syrian refugees. The interviews and focus group discussions took place in Beirut, Tripoli, Qbeyat, Zahle and Saida.

Map 1 - Setting the stage

LEBANON - Registered Syrian refugees at cadastral level and sampled shops



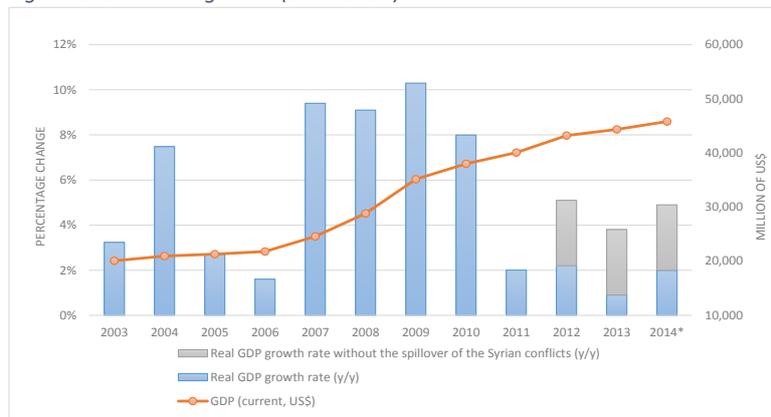
Source: Authors' elaboration based on UNHCR for refugee presences at cadastral level as at March 2015 and WFP – Lebanon Trader Survey 2015

1. Economic environment

The Lebanese economy has undergone important changes since 2011, with the conflict in Syria contributing to domestic instability. Yet the economy has shown a remarkable capacity to cope in the face of the abnormally high influx of refugees proportional to the population of the country.

The conflict is in its fourth year. The duration of the conflict is undermining regional security and eroding foreign investor and consumer confidence. As a consequence, the traditional drivers of the economy have been harmed, namely the sectors of trade, tourism, construction and financial services. Together, these used to represent around half of the Lebanese Gross Domestic Product (GDP).⁶ Lebanon has therefore been stalled in modest economic growth since 2011, with real GDP growth dropping from an average 9.2 percent in 2007–2010 to an average 1.8 percent in 2011–2014⁷ (Figure 1).

Figure 1 - Economic growth (2003-2014)

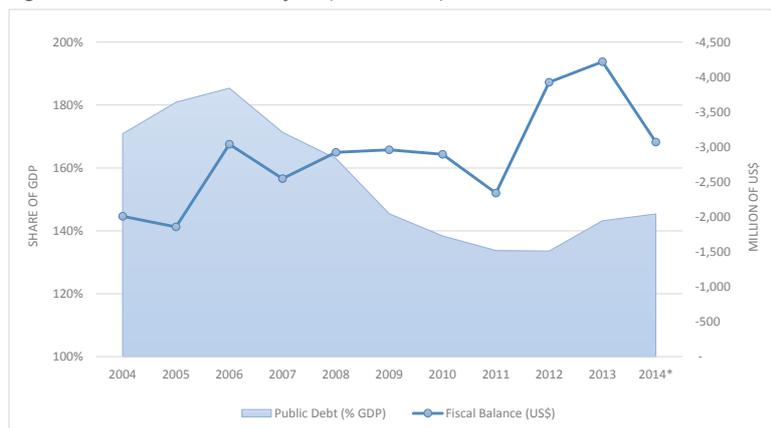


Source: World Bank and Economist Intelligence Unit for 2014 estimates

While the economic slowdown corresponded with the onset of the Syrian crisis, the influx of Syrian refugees only began in 2012. Political instability, the weak global economy and a lack of structural reforms to sustain high economic growth were the uneven ground upon which the Syrian crisis detonated (World Bank, 2013).

GDP growth led to a few years of public debt reduction, but debt resumed its upward pressure as economic performance was not coupled with a significant fiscal surplus (OCHA/REACH, 2014). In 2013, the Lebanese debt-to-GDP ratio failed to decrease for the first time since 2006 (Figure 2).

Figure 2 - Public debt and deficit (2004-2014)



Source: World Bank and Economist Intelligence Unit for 2014 estimates

In the three-year period between 2011 and 2014, Lebanon’s public deficit increased by 31 percent to reach US\$3 billion, rising from 7.6 to 9.5 percent of GDP between 2010 and 2013. Timid recovery in public finance reduced the deficit to 6.7 percent in 2014.

Even so, debt interest repayment is an important component of the Lebanese

budget that erodes around 43 percent of the primary surplus. The burden of the debt repayment considerably limits the total amount of social spending and the flexibility to manage the budget.

⁶ Data from the Central Administration of Statistics of Lebanon, National Account 2011.

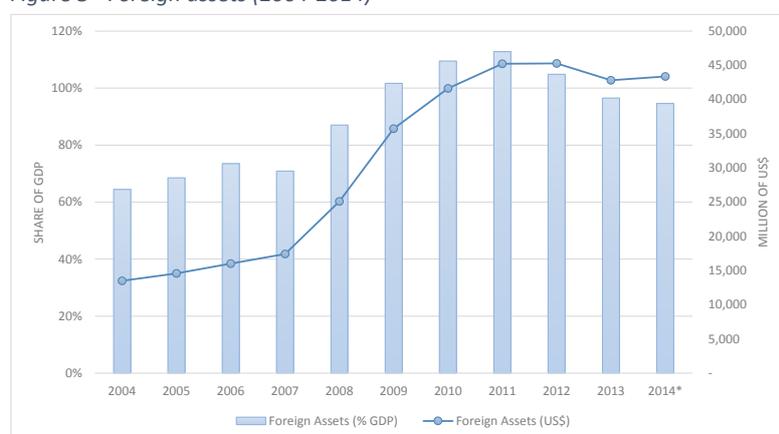
⁷ World Bank data, World Development Indicator; see also (World Bank, 2015b).

1.1 Trade balance remains vibrant amid regional turmoil

The Lebanese economy is based on the service sector, which contributes more than 70 percent of GDP.⁸ Weak industrial and agricultural production make Lebanon dependent on imports, with a trade balance that is structurally and significantly in deficit (on average 33 percent of GDP over the last 10 years⁹).

Nevertheless, foreign reserves from large capital and financial inflows have historically kept Lebanon away from balance of payment problems. Despite the turmoil, Lebanon is still attracting foreign capital that will continue to cover the current account deficit (EIU, 2015b) and even though foreign reserves decreased from 2011 to 2014, Lebanon's stocks (including gold) remain large relative to the size of its economy and provide sufficient support to meet its external requirements (Audi Bank, 2014) (Figure 3). In addition, the Lebanese Pound (LBP) has remained constant to the US dollar over the past years, offsetting the major exchange rate fluctuations and stabilizing the price of most imported goods.

Figure 3 - Foreign assets (2004-2014)



Source: Banque du Liban and Economist Intelligence Unit for 2014 estimates

Deteriorating security has been hampering trading relations and dramatically discouraging tourism, which used to be one of the pillars of the economy.¹⁰

Net foreign inflows are still important in volume but they dropped by US\$2.2 billion between 2010 and 2014, while the share of foreign direct investment decreased from 9 to 3 percent of GDP.¹¹

Remittances from the rich Lebanese diaspora¹² represent an important safety net for poor Lebanese households.

According to different estimates, remittance inflows in 2014 were between US\$6.5 billion¹³ and US\$7.7 billion,¹⁴ with no substantial increase in the share of GDP since the outbreak of the Syrian crisis (Figure 4). Yet poor Lebanese have been more and more affected by the crisis, and part of the remittances also goes to Syrian refugees.

⁸ Data from the Central Administration of Statistics of Lebanon, National Account 2011.

⁹ Calculation based on data published by *Banque du Liban*.

¹⁰ As reported by the World Bank, the number of visitors into Lebanon (excluding Syrian and Lebanese nationals) fell by 23 percent between 2010 and 2011, by a further 15 percent in 2012 and by 2 percent in 2013.

¹¹ Calculation based on data published by *Banque du Liban*.

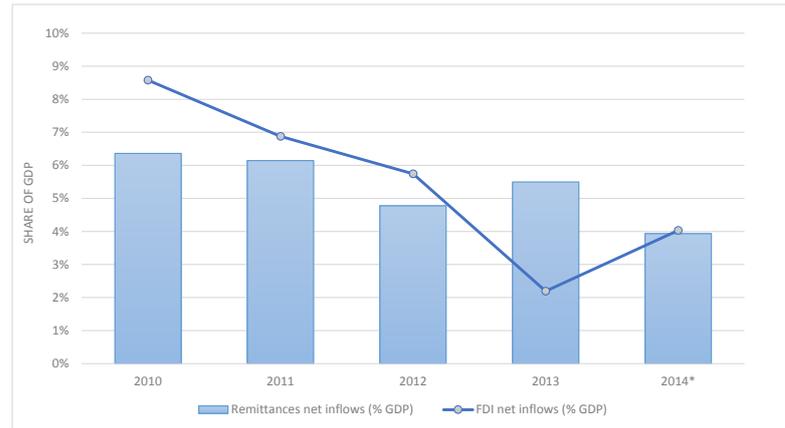
¹² There are no reliable statistics of the actual number of Lebanese people living abroad. Rough estimates are between 14 and 16 million people (see www.maronitefoundation.org/lebanesediaspora.html).

¹³ Authors' estimates from January–September 2014 data published by *Banque du Liban*.

¹⁴ World Bank.

The demand for imported goods (especially food¹⁵) went up by 23 percent between 2010 and 2014. This increase is almost proportional to the rise in Lebanon’s population during the same period. All this considered, the trade balance as a percentage of GDP has remained stable, suggesting that the fundamentals of the Lebanese trade sector have not changed, with a supply flexible enough to meet increased demand.

Figure 4 - Remittances (2010-2014)

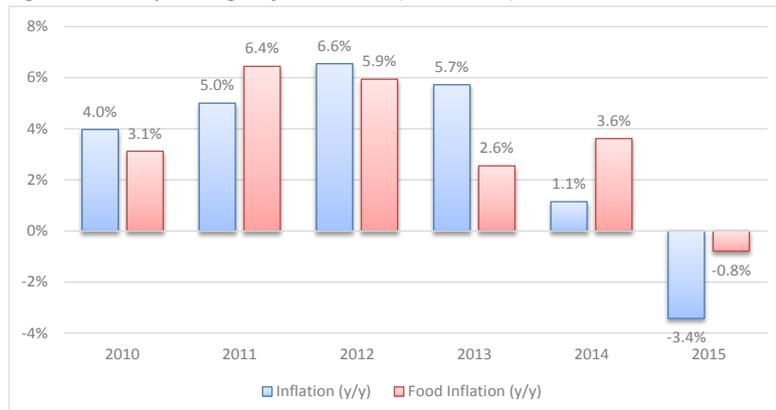


Source: Banque du Liban

1.2 Increased demand has had a limited impact on national consumer prices

Despite the tremendous stress on local demand that an influx of over 1 million people is likely to place in a small country like Lebanon, the predicted sudden rise in the inflation rate did not occur. The annual Consumer Price Index (CPI) rose moderately between 2011 and 2013 and only marginally in 2014 (1%). Increases in the food price index were moderate in 2011–12 and low in 2013–14. In 2015, both the CPI and the food CPI actually fell, showing signs of a potential deflationary risk (Figure 5).¹⁶

Figure 5 - Yearly average inflation rates (2010-2015)



Source: Central Administration of Statistics. Data from Jan 2010 to May 2015

There are a number of possible causes that have contributed to this performance. Globally, falling soft commodity prices combined with the appreciation of the US dollar may have eased price pressure (EIU, 2015b).

Lebanon also benefits from underutilised capacity in the food processing industry that has permitted a quick and productive adjustment of the food supply to meet the increased demand.

For example, the import and milling capacity of wheat importers appears to have been (and to still be) underutilised.

Therefore, they may have been flexible enough to meet and benefit from the additional demand. Syrian demand is also targeted toward low cost products; the global demand for expensive products has fallen, linked with decreasing tourism particularly from the Gulf region. Finally, markets appear to be well integrated, with food commodities flowing without major constraints in most parts of the country.

¹⁵ See chapter 2 for more details on the food trade.

¹⁶ Data from the website of the Central Administration of Statistics of Lebanon.

A main driver of inflation has been housing fees/rents, in relation with the sudden, large increase in demand for housing following the influx and installation of the Syrian refugees across Lebanon. Indeed, there are no official refugee camps in Lebanon and around half the refugees live in rented housing.¹⁷ This has forced many Lebanese to relocate in search of more affordable housing options (OCHA/REACH, 2014).

1.3 Economic and social impact on the host communities

Lebanon hosts 1.18 million refugees,¹⁸ equivalent to 26 percent of the total Lebanese population.¹⁹

The protracted presence of Syrian refugees has not only had a humanitarian impact but also economic and social repercussions. While there may have been some new economic opportunities (e.g. in the export sector to Syria²⁰) poverty is growing among Lebanese, who have to cope with fewer job opportunities and shrivelling incomes.

This enormous crowd of people puts additional pressure on public services and creates competition in the rental and labour markets between host and refugee communities.

Syrian refugees have become a *de facto* part of the Lebanese labour market; around half of working-age Syrian refugees are economically active (ILO, 2014). The increase in labour supply is estimated at between 30 and 50 percent (World Bank, 2013), with Syrian workers representing 27 to 35 percent of the workforce in 2014 compared to around 17 percent before the crisis (ILO, 2014).

The majority of Syrian refugees are low-skilled workers, usually employed informally in construction, agriculture and domestic services (World Bank, 2013). Their average monthly income is around LBP 418,000, while the minimum wage in Lebanon is LBP 675,000 (ILO, 2014). As such, not only is there greater competition for lower salaries, there is also a spiralling negative effect on working standards, as the majority of Syrian refugees have to accept lower salaries, longer shifts and no social security benefits.²¹ On the other side of the coin, some business owners are benefitting from the increased availability of cheap labour. The arrival of aid agencies has also injected new money into the local economy and created job opportunities.

As a net balance, between 170,000 and 200,000 Lebanese were expected to fall below the poverty line²² by the end of 2014 (OCHA/REACH, 2014), joining the nearly 1 million poor Lebanese. Poverty rates were already higher among people employed in agriculture and construction (World Bank, 2013), which are the sectors with higher competition rates with Syrian workers.

Syrian refugees have access to public services provided by the Government of Lebanon, and the 1.18 million refugees have naturally increased the demand for these services, notably education, health, electricity, water supply, solid waste management and public transportation. However, the weakness of public finances leaves little room for a massive increase in public spending for social programmes. Poor Lebanese are among those more reliant on social protection – particularly for clinics and public schools – and are thus the group most affected by this competition. Unfortunately, there have been reports of tensions between host communities and Syrian refugees over access to basic services, public infrastructures and labour opportunities (World Vision, 2013).

¹⁷ On the contrary, the sharp rise in June 2012 is explained by an adjustment of housing sector data in the calculation of the CPI.

¹⁸ UNHCR, 7 May 2015. Available at: <http://data.unhcr.org/syrianrefugees/country.php?id=122>

¹⁹ Based on population data in 2013, World Bank data and the World Development Indicator.

²⁰ See also chapter 2.

²¹ These standards were the norm even before the ongoing crisis, but with a lower caseload of people.

²² The poverty line was less than US\$4 per day before the Syrian crisis (World Bank, 2013).

In addition, some Lebanese reportedly believe that Syrians benefit more from national and international assistance (World Vision, 2013). Many poor Lebanese live in similarly detrimental conditions but receive only limited assistance from the government or from international and national NGOs. Given the continued presence of the refugees, tensions are unlikely to have decreased. For the same reason, local authorities are reportedly very cautious to endorse any change in the assistance transfer modality (i.e. to unrestricted cash transfers) that would deepen the feeling of frustration of excluded poor Lebanese.

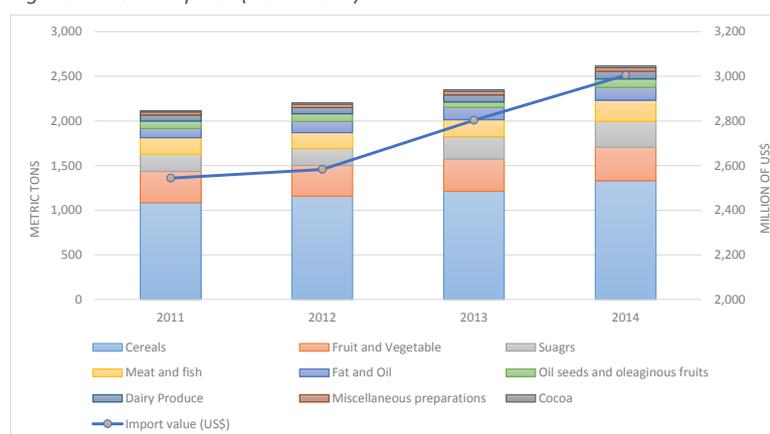
2. Food availability through local production and trade

2.1 Imports of products specifically demanded by Syrian refugees

The arrival of more than 1 million people in the country in the space of three years could have been a challenge for the stability of national food availability, given that Lebanon has a cereal import-dependency ratio estimated at 88.3 percent in 2009–2011²³. Yet contrary to expectations, the influx of refugees has been correlated with a proportional increase in food imports – evidence of the flexibility of the external supply (Figure 6).

Between 2011 and 2014, the trend in imports reflected the sustained demand for basic food items from Syrians. The nominal total value of food imports²⁴ increased by 19 percent, equal to over US\$470 million, while non-food imports decreased by 1 percent. This was notably the case for sugar (+49% from 2011 to 2014 in volume), fat and oils (+34%), meat and fish (+34%), dairy products (+29%) and cereals (+23%). By contrast, the increase in imports of fruit and vegetables was limited (+8%).

Figure 6 - Food imports (2011-2014)



Source: Lebanese Customs Data

Food exports increased by US\$120 million between 2011 and 2014, but the total value (US\$540 million in 2014) has remained low compared to food imports (US\$3 billion in the same year). Surprisingly, the conflict in Syria has had some positive impacts on the food export sector: recent evidence confirms that while the Syrian war has affected traders who used to export goods to Syrian markets, it has also stimulated new opportunities to fill the gaps in Syrian agricultural production (World Bank, 2015b). However, a large part of these exports and imports refer to niche production that is little consumed by Syrians inside Syria and in Lebanon.

2.2 Local food production

An overview of the agricultural sector gives a better understanding of the structural dependency of Lebanon on external food supply. Indeed, agriculture and forestry represented 2.6 percent of GDP in 2011, while livestock farming and fishing represented 1.4 percent.²⁵

Fruit and vegetables – mostly potatoes, tomatoes, cucumber, citrus, apples, bananas and oranges – make up the largest share of agricultural production (Figure 7). Nevertheless, while agricultural production used to be limited to local market needs, the sector has shifted since the beginning of this

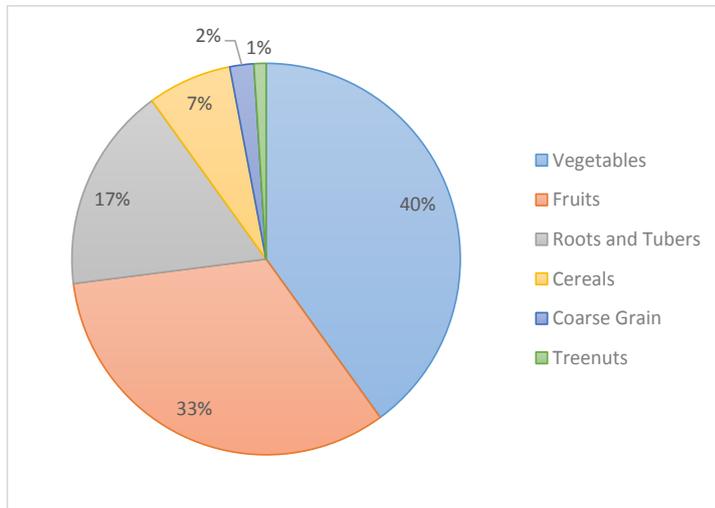
²³ According to FAO's Food Security Indicators, as at 9 July 2015, available at: http://www.fao.org/economic/ess/ess-fs/ess-fadata/en/#.VaY04F_tlBc

²⁴ Excluding beverages and tobacco. Data from Lebanese Customs website, available at: http://www.customs.gov.lb/customs/trade_statistics/Indicators.asp

²⁵ Data from the Central Administration of Statistics, Lebanese National Account 2011.

decade towards more profitable production, with a greater focus on export (Investment Development Authority, 2010).

Figure 7 - Food production by commodity group (2013)



Source: FAOSTAT

Even though the agricultural sector is not a big contributor to macro-economic growth, it does represent an important livelihood source in some regions of the country, especially in the Bekaa valley where agriculture contributes up to 80 percent of local GDP, as well as in the north and in the districts of Koura and Akkar (FAO, 2014). These areas – which are among the poorest in Lebanon – have been affected by the Syrian crisis, mainly through higher export costs and the decline in agricultural wages concomitant with the arrival of the Syrian refugees.

Thus, the quantity-based deceleration of the growth in agricultural production since 2012, and the slight decrease in production in 2013 (-0.3%), may have translated into increased vulnerability and poverty for rural Lebanese communities whose livelihoods depend on agriculture.

3. WFP response to the Syrian crisis

The protracted length of the Syrian crisis calls for the international community to evaluate what has been achieved so far and what can be done in the near future, given the limited and shrinking available resources, donor fatigue and the prolonged uncertainty.

While there is no doubt that the funds put in place have been huge, there is growing concern that many agencies are struggling to maintain the relief effort needed. WFP has been playing a key role in Lebanon with its electronic value-based food vouchers that provide monthly food assistance to 900 thousand beneficiaries through contracted shops, which numbered 392 units in March 2015 at the time of the field data collection. At the beginning of 2015 funding shortages led to an abrupt cut of 36 percent in the total value disbursed, from US\$26.4 million to US\$16.9 million. Considering that the number of beneficiaries remained the same, the value transferred per individual fell from US\$30 up to December 2014 to US\$19 from early 2015 onwards (Figure 8).

Figure 8 - WFP e-vouchers: Total value and beneficiaries



Source: WFP and Banque Libano-Française

Against this backdrop, the quest to improve the efficiency and effectiveness of its intervention has led WFP to review its operational approach in the country.²⁶ Some are calling for the radical step of changing the transfer modality to unrestricted cash, perhaps through an initial pilot project. Others point to the opportunity to improve what has already been implemented, either by removing existing inefficiencies or by contracting a different type of

operator – including wholesalers or distribution chains – that can generate savings along the food supply chain and ultimately pass them on to beneficiaries.

Choosing one of these options can be described as a constrained maximization problem, where meeting the needs of Syrian refugees with the available resources is the objective function. However, there are several considerations that complicate this task.

On the one hand, refugees' budget constraints have been eased by humanitarian relief in the form of unrestricted cash and/or food vouchers,²⁷ with the bulk of funds so far allocated to the latter modality of assistance. Given their economic limitations, most of their income is channelled towards food and rental expenditures. Additionally, they can expect to have at least US\$30 (or US\$19 as of January 2015)

²⁶ This applies also to the regional level as in the case of Jordan, where a similar study is forthcoming.

²⁷ The debate over the beneficiaries' freedom to choose between unrestricted cash or vouchers has not been factored in for this part of the analysis.

to purchase food through WFP's e-card programme, thus relaxing their budget limitations a little and offering them a chance to improve their food security.

On the other hand, refugees do not necessarily behave as rational consumers; they pursue their own preferences according to their budget. In fact, although one can argue that part of the voucher value may be better allocated to other items (e.g. rent, health, education and clothing), it is also true that food voucher programmes release an equivalent amount of additional resources to lower-income households (who are likely to benefit from food assistance programmes) to secure their safety-first needs,²⁸ and thus follow an expected utility framework (Dasgupta, 1993).

As the transfer modality allows beneficiaries to redeem their electronic vouchers in any of the contracted shops in Lebanon, we need to consider how these shops are spread throughout the country to reduce transaction costs (e.g. information, transport and opportunity costs) and to offer the best supply. Better coverage would arguably reduce the need to purchase goods in bulk once a month in favour of purchasing more nutritional items, including perishable products like fruit, vegetables and fresh meat/fish or dairy products, not to speak of the refugees' desire to have fresh bread every day. Also, limited resources may force beneficiaries to redeem the vouchers in a nearby shop because they lack proper alternatives, unless they decide to spend a potentially significant part of their money and perhaps time (in other words, opportunity costs) to arrange for transport. However, one of the underlying assumptions is that beneficiaries consider the net balance between price differences for different choices of food baskets and the transaction costs needed to obtain them.

All things being equal, the current transfer modality means that the more isolated²⁹ a contracted shop is, the more likely beneficiaries will use their e-card less efficiently (with relatively more expensive items, less freedom of choice or higher premiums to cash in part of the value) and the less effective the transfer modality will be (both in terms of food security and market development support). This part of the analysis evolves from an earlier study on the level of competition between contracted shops (WFP, 2014c)³⁰ that examined the number of beneficiaries by shop, adding both the travel time to reach them and economic access features.

3.1 Food deserts

Our analysis in this section builds on the 'food deserts' strand of literature,³¹ which identifies communities that have both low income and low physical access to food. We aim to link the presence of shops accepting WFP e-cards with food security achievements while also highlighting areas in Lebanon where refugees are more vulnerable and may need additional humanitarian assistance.

²⁸ "[B]eyond some points, having less to eat really stops mattering [...] or stops mattering in the mind of someone who is not yet there but is thinking of it as a possibility" (Banerjee, 2001).

²⁹ Isolation could include different things here: remoteness from competing contracted shops, from other non-contracted shops, from supply sources or from beneficiaries and other customers.

³⁰ "Around 100 large stores seem to have captured the lion's share of e-card transactions. There is evidence of high market concentration in over half of the districts. The price of a standard food basket in contracted stores in these districts appears to be slightly higher and more volatile than in districts with more competitive e-card markets" (WFP, 2014e).

³¹ According to USDA, "food deserts are defined as urban neighborhoods and rural towns without ready access to fresh, healthy, and affordable food" and are also defined "as a census tract with a substantial share of residents who live in low-income areas that have low levels of access to a grocery store or healthy, affordable food retail outlet". Source: <http://apps.ams.usda.gov/fooddeserts/fooddeserts.aspx>

We have adapted a food desert methodology, focusing on food security indicators and applying an internally developed and tested Global Information System (GIS) market analysis methodology (WFP, 2014f; WFP, 2015a). For each contracted shop or cluster of shops,³² we identified the corresponding catchment area, with the assumption that beneficiaries within this area would naturally prefer the closer shop in the absence of other factors. Security issues were also considered in the analysis, by increasing the travel time needed to reach locations with limited access.³³

Food deserts are therefore defined as areas characterized by both of the following:

- I. **Low physical access to food**, where either a) the travel time³⁴ for one-third of the beneficiaries to reach one of the shops contracted by WFP is over half an hour in urban areas and over one hour in rural areas;³⁵ or b) the estimated number of refugees by 'small shop equivalent'³⁶ is more than 1,500.
- II. **Low economic access to food**, where either a) at least one-fifth of the refugees in a catchment area has a Food Consumption Score (FCS)³⁷ below the borderline threshold (namely 42) according to VASyR data (WFP, UNICEF and UNHCR, 2015); or b) the median Percentage of Food Expenditures (PFE) on total expenditures per household by cadastral is above the median PFE at district level augmented by 20 percent.

We acknowledge the following limitations in this analysis:

- ✓ The shops are located with their actual latitude and longitude, whereas most of the rest of the demand-side data is cadastral, including the number of refugees registered by UNHCR.³⁸ As the GIS procedure requires data to be allotted over the whole country and not to be summarized at any administrative level, population distribution from LandScan™ was used as a proxy for Syrian refugee presence. As such, we assumed that any underlying indicator used in the analysis would concentrate wherever more population lives. The assumption behind that was both practical and conceptual: while some informal tented settlements have sprung up detached from Lebanese communities, many refugees do rent apartments in urban areas, thus basically mimicking the distribution of Lebanese people on the ground. In fact, the presence of contracted shops overlays with the inhabited areas from satellite images. The bias introduced with this assumption remains at cadastral level.
- ✓ Household survey data does not cover all the cadastral areas,³⁹ as it is statistically representative at a broader level. In order to retain most of the variability in economic access, we kept

³² When WFP-contracted shops fall within a walking distance buffer zone (set at 500 metres), they are merged and considered as a unique cluster of shops.

³³ Namely, the red and amber zones as defined by United Nations Department of Safety and Security (UNDSS) Lebanon.

³⁴ Travel time is based on walking time up the next street and from there on motorized private or public transport taking into account traffic conditions in urban areas.

³⁵ Urban and rural areas are classified based on LandScan™ data, with a population density threshold set at 500 people per square kilometre. This is in line with the average countrywide population density, reported by the World Bank to be 436.69 in 2013. Travel time distances are computed based on an average speed of 30 km/h in urban settings, and 60 km/h in rural ones.

³⁶ See chapter 3.1.1 below for a definition of small shop equivalent.

³⁷ "The Food Consumption Score is a composite indicator of dietary diversity, food frequency and nutritional intake based on which households are classified into three categories: poor, borderline and acceptable FCS" (WFP, 2014b).

³⁸ Given the small size of the country and the mobility of refugees, the precision of data on refugee numbers and locations may also be limited.

³⁹ Lebanon is divided into 1,628 cadastral areas.

the household data from the VASyR 2014 (125 cadastral zones) and VASyR 2013 (29 cadastral zones) surveys. For the remaining areas not covered in these assessments, the available information was summarized at *kazaa* level. The findings on economic access are therefore purely qualitative.

- ✓ The catchment areas do not match the cadastral levels. A catchment area was defined as having poor economic access if the majority of the estimated number of refugees assigned to different parts of its territory were above the thresholds set to measure the prevalence of low FCS or high PFE.

3.1.1 Physical access to food

Most Syrian refugees reportedly live in locations adequately served by contracted shops (see Map 4 in the Annex).

Specifically, 427,000 live in areas where almost all urban or rural residents (96–100 percent) can redeem a voucher within 30 or 60 minutes, respectively. Another 457,000 live in neighbourhoods where the vast majority (81–95 percent) have similar travel times to reach contracted shops. However, 128,000 live in places where a third or more of the refugees have difficult physical access to food in terms of travel time. The majority of them were registered in Mount Lebanon (most of Aley, Baabda, El Metn and Kesrouan *kazaa*, with roughly 248.6 thousand refugees) and Aarsal, which hosts 41.6 thousand people (see Table 13 in the Annex), as well as a few other parts of the country.

Shops participating in the WFP e-card programme are classified as small, medium or large depending on a number of indicators, including the variety of items and inventories, the size of their selling area, their access to owned stocks and warehouses, and the number of cashiers.⁴⁰ While significant differences exist by governorate within the same categories, for the purpose of this analysis we introduced the concept of ‘small shop equivalent’. This means that a medium-sized shop is considered equivalent to two small shops in terms of its capacity to deliver, while a large shop can be equivalent to two medium-sized shops.⁴¹ The use of a homogeneous shop category is required to map the potential pressure that a significant number of refugees exerts over one shop, and to highlight differences by area. For a small shop, the threshold of 1,500 potential customers seems quite conservative, in particular when we know that most beneficiaries usually redeem most, if not all, of the voucher value between the 5th and the 10th of the month. As a result, such a shop would have to deal with more than 175 additional customers a day if just 70 percent of the potential population of refugees were targeted by WFP.

In large parts of the country the pressure on contracted shops is significant, particularly in the belt around Beirut, most of the coast down to Saida, Batroun *kazaa*, the south-east of Tripoli, Wadi Khaled in the extreme north of the country, around Zahle and in central Balbeek (see Map 5, right pane, in the Annex). The combined visualization of physical access problems is in Map 2 (upper pane).

3.1.2 Economic access to food

The economic access dimension tries to factor demand into the analysis, i.e. the other side of market forces. Unfortunately, refugee consumption patterns have been largely neglected so far and are not

⁴⁰ For more details, please see the glossary.

⁴¹ Evidence from the trader survey tends to confirm this assumption. For example, the number of daily customers approximately doubles from small to medium and from medium to large shops.

readily available for all the contracted shops in a systematic way. However, there is a wealth of data from yearly household surveys that offers the opportunity to link supply and demand.

Despite remoteness from contracted shops or the overwhelming number of customers by shop, many refugees can still be considered relatively food secure, with few worrying caveats. According to VASyR 2014, nationally 23 percent of refugees eat just one cooked meal a day, with higher proportions in Akkar (70%) and Tripoli+5⁴² (50%). Moreover, even though most households have acceptable food consumption and diet diversity, there is low nutritional value in the food items most consumed (including bread, condiments, sugar and fat). Fruit is consumed by a third of beneficiaries; vegetables such as tomatoes and onions⁴³ are consumed almost every day but just 10 percent of beneficiaries⁴⁴ consume leafy green vegetables including those with higher vitamin content⁴⁵ at least once a week. Worse, 43 percent barely consume iron-rich food groups (e.g. meat or fish).⁴⁶ On average, the consumption of tubers, vegetables, eggs and dairy products has been declining compared with the year before.

Thirteen percent of refugees have either poor or borderline FCS, with no statistical differences in the categories between regions,⁴⁷ and they are defined here as having low economic access. Map 6 (left pane, in the Annex) provides a visual representation of their geographical spread, showing areas where at least 20 percent of refugees within a cadastral have poor or borderline FCS. This provides a measure of the depth of the phenomenon, but not of its severity.⁴⁸ Most of these areas are located in the outskirts of Beirut down to Saida, in several locations in North Lebanon around Tripoli and on the way to Qoubaiyat, around the town of Zahle towards the Syrian border in Bekaa, and in El Nabatieh (i.e. Marjaayoun *kazaa*).

As expected, most of the food consumed by refugees comes from markets. A significant share of it is secured by food vouchers, especially in the Bekaa valley and Akkar (Table 2). Food groups such as

Table 2 - Food sources by region

Source	Akkar	Tripoli+5	Bekaa	BML	South	Total
Market	43%	53%	34%	56%	40%	45%
Food Vouchers	47%	36%	52%	32%	42%	41%
Other	10%	11%	14%	12%	18%	14%

Source: VASyR 2014 (WFP, UNICEF and UNHCR, 2015)

fats, sugar, cereals and spices are the most frequently purchased by households using e-cards, while fresh food items are mostly bought with their own resources. Because of their market dependency, moderately or severely food-insecure households have to allocate more than half of their expenditure to food (WFP, UNICEF and UNHCR, 2015). The higher the percentage of food expenditures (PFE), the more vulnerable households are. This is because they have less room to allocate their budget to match their additional needs; VASyR 2014 sets the threshold of the PFE share as high/very high when the ratio is greater than 65 percent, which is in line with the threshold defined in the methodology section.⁴⁹ Results are shown in Map 6 (right pane, in the Annex).

⁴² Given the number of refugees in North Lebanon, humanitarian agencies have split the activities in the region between Akkar and Tripoli+5, which includes all the remaining *kazaa* in North Lebanon.

⁴³ The group is designed to capture a small number of vegetables that are consumed often: tomatoes, onions, garlic, cucumber, cabbage, radish lettuce and tomato paste.

⁴⁴ This is in line with the non-targeted refugee population.

⁴⁵ Namely vegetables rich in Vitamin A such as pumpkin, squash, red sweet pepper, carrots and sweet potatoes.

⁴⁶ Data based on a one-week recall period at the time of the VASyR survey (WFP, 2014b).

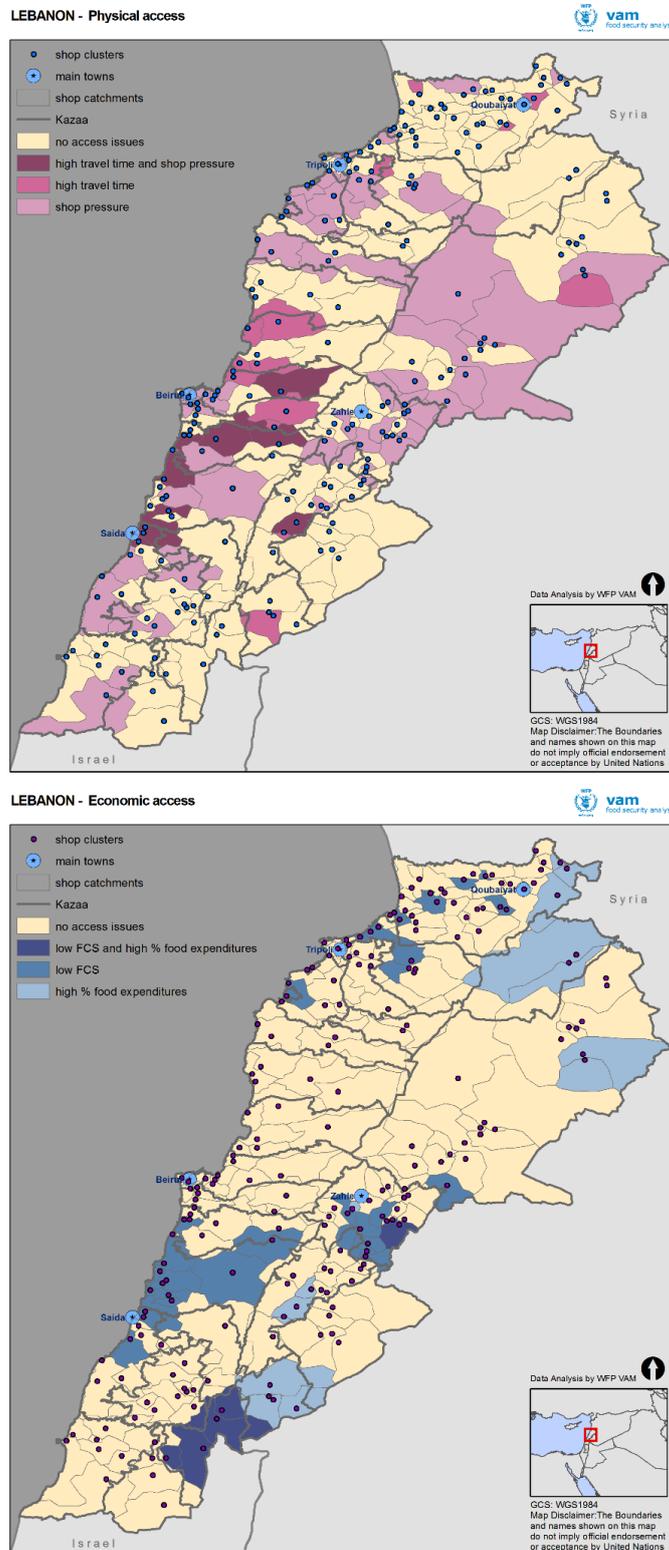
⁴⁷ The rate of poor FCS is 2.7 percent and that of borderline FCS is 10.7 percent.

⁴⁸ This explains why the map provides slightly different results compared to Figure 32 in the VASyR report (WFP, 2014b).

⁴⁹ Namely, when the median PFE by cadastral is above the district median plus 20 percent. We preferred to follow the food deserts literature, even though there is no major difference with the threshold in VASyR.

High PFE is reported in the north-eastern part of Akkar *kazaa* (including Wadi Khaled) and in most of El Hermel *kazaa* in North Lebanon, in many other locations in Bekaa (e.g. Aarsal, most of Hasbaya *kazaa*, and few areas in West Bekaa *kazaa*), and in El Nabatieh (i.e. Marjaayoun *kazaa*). The combined visualization of economic access problems is shown in Map 2 (bottom pane).

Map 2 - Physical and economic access to WFP-contracted shops



Source: Authors' elaboration based on UNHCR for refugee presences at cadastral level, WFP shop locations, VASyR household data and LandScan™ population distribution. Estimated travel time is calculated by the spatial accessibility model developed by WFP VAM.

3.1.3 Hot spots

Food deserts are defined as places with both physical and economic access constraints (Table 3).⁵⁰

Table 3 - List of food deserts

Governorate	Kazaa	Cadastral	Governorate	Kazaa	Cadastral	Governorate	Kazaa	Cadastral
Bekaa	Baalbek	Aarsal	Mount Lebanon	Aley	Bchamoun	North	Akkar	Aakkar El-Aatiqa
Bekaa	Baalbek	Nabi Chit	Mount Lebanon	Aley	Choueifat El-Quoubbe	North	Akkar	Aamayer
Bekaa	West Bekaa	Baaloul BG	Mount Lebanon	Chouf	Barja	North	Akkar	Machta Hammoud
Bekaa	West Bekaa	Marj BG	Mount Lebanon	Chouf	Dibbiye	North	El Batroun	Chikka
Bekaa	West Bekaa	Qaraaoun	Mount Lebanon	Chouf	Jdeidet Ech-Chouf			
Bekaa	Zahle	Barr Elias	Mount Lebanon	Chouf	Ketermaya			
Bekaa	Zahle	Kfarzabad	El Nabatieh	Hasbaya	Hebbariye			
Bekaa	Zahle	Majdel Aanjar	South	Saida	AAbra Saida			
Bekaa	Zahle	Saadnayel	South	Saida	Bqosta			
Bekaa	Zahle	Taalbaya	South	Saida	Haret Saida			
Bekaa	Zahle	Taanayel	South	Saida	Hlaliye Saida			
Bekaa	Zahle	Zahle Maallaqa Aradi	South	Saida	Qennarit			

Source: Authors' elaboration

Note that food deserts have dual economic and physical access constraints while in some zones only one of the two constraints applies (Map 3).

Map 3 also shows whether a contracted shop actually serves more beneficiaries than the potential number of refugees in its catchment area—shops in purple. This map also provides insights on the flow of beneficiaries by highlighting shops that meet a higher demand than expected since the UNHCR registration records⁵¹ are one of the criteria used to identify where contracted shops should be established.

Twenty-seven percent of shops serve a comparatively large number of beneficiaries. There are two main reasons: Firstly the size of the inventory. In fact, 41 percent of large shops are over-performing compared to 29 percent of medium-sized shops and 14 percent of small shops. Over-performing shops operate mostly in BMS⁵² (55%), North Lebanon (29%) and only 16 percent in Bekaa.

Secondly, the evidence shows that almost all shops in Mount Lebanon are over-performing. This could be an indication that a significant number of refugees are slowly moving towards the coastal area in search of better economic opportunities. This is also confirmed by the fact that the belt of Mount Lebanon *kazaa* around Beirut faces physical access problems: it is unlikely that households would regularly commute for more than one hour to redeem their vouchers.

Notably, in the three urban areas with a higher concentration of shops (Beirut, Zahle and Tripoli), few shops over-perform, suggesting better competition.

By identifying areas with economic and/or physical access issues combined with the presence of contracted shops that over-perform we can create an interesting tool to help choose between different transfer modalities (or a combination thereof, see Table 4), assuming the number of contracted shops remains unchanged.

⁵⁰ Cadastral zones are loosely associated with catchment: their areas can be split into different catchments.

⁵¹ A validation exercise was about to be finalized at the time of the assessment, with a likely reduction of 10 to 20 percent in the total number of beneficiaries.

⁵² Beirut, Mount Lebanon and South Lebanon (including El Nabatieh).

Table 4 - Transfer modality recommendations from food desert analysis

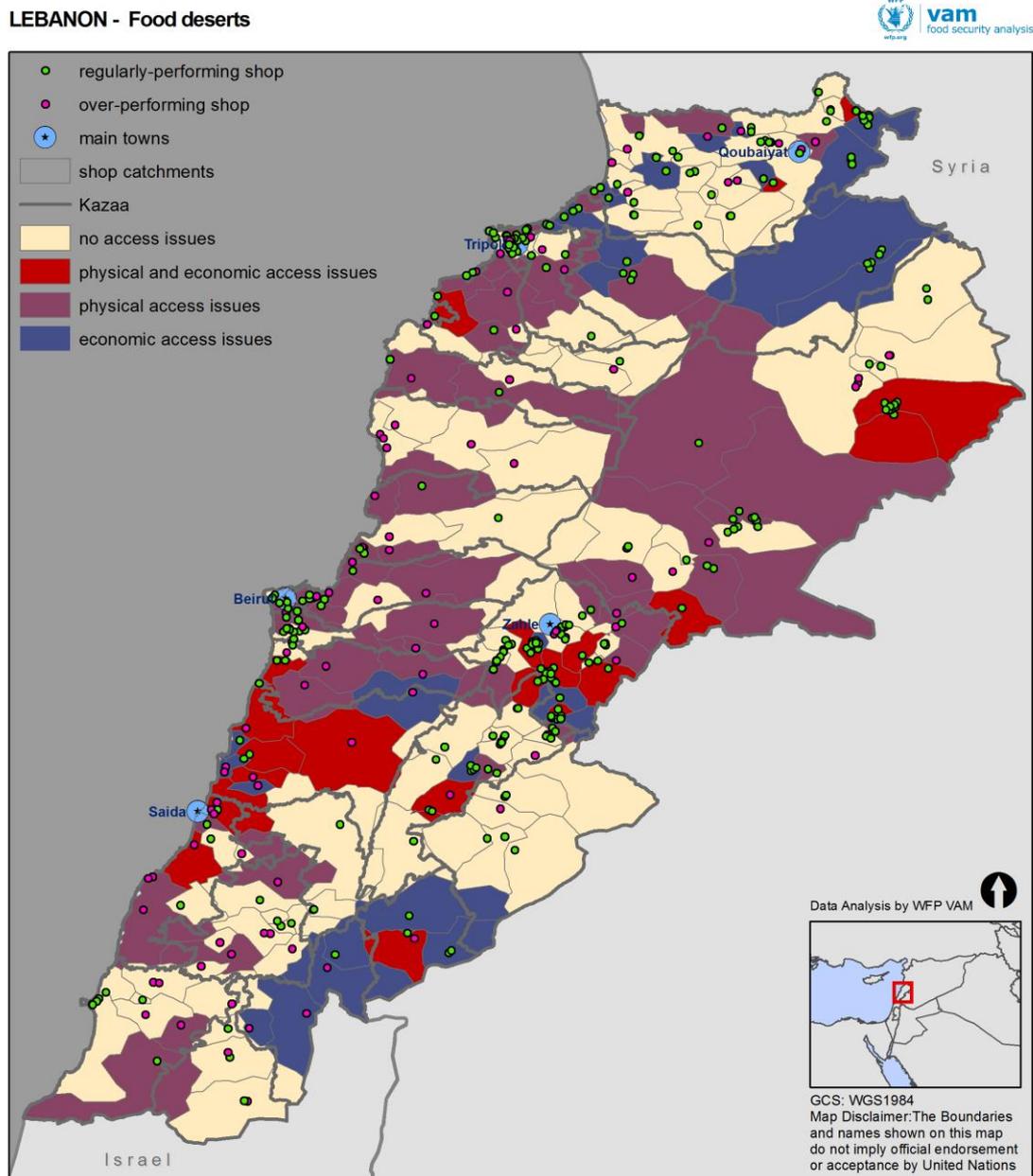
	Catchment areas with over-performing contracted shops	Catchment areas with regularly performing contracted shops	Locations
Both economic and physical access issues (i.e. food deserts)	Contracting additional shops is required. Explore unrestricted cash; a combination of modalities targeted towards the most vulnerable households may be an option.	Explore unrestricted cash, except where security is a concern (e.g. Aarsal and Wadi Khaled)	Table 3 above
Physical access issues only	Contracting additional shops is required. Shops' profit margins may provide scope for additional benefits for beneficiaries.	Contracting additional shops may be considered.	Table 14 in the Annex
Economic access issues only	Explore a combined approach; additional shops are required as well as allowing non-food item purchases, and cash plus vouchers for selected beneficiaries. Unrestricted cash may also be a valid option (e.g. Mount Lebanon). Shops' profit margins may provide scope for additional benefits for beneficiaries.	Use a combined approach (non-food items, cash plus vouchers for selected beneficiaries).	Table 15 in the Annex
No access issues	No need to amend the current shop selection process but additional shop monitoring is suggested.	No need to amend the current shop selection process.	

In the food deserts (red catchment areas in Map 3), the presence of over-performing shops confirms the need to modify operational interventions, either by contracting additional shops or by exploring alternative transfer modalities.

In places where economic rather than physical access to shops is the concern—particularly in the Bekaa valley and in Akkar—it may be worthwhile to explore the feasibility of providing additional support to Syrian households. This could take different forms, e.g. allowing the purchase of non-food items, increasing the value of the voucher for households who live in certain areas, or providing unrestricted cash on top of the food voucher value. However, wherever security is an issue the latter option should be carefully considered. In any case, a risk analysis should be carried out to assess the potential of additional support to cause a pull effect and/or trigger tension.

In BMS, the current shop selection process can be improved by contracting additional shops, relying on larger distribution chains and exploring the feasibility of unrestricted cash assistance. However, when contracting bigger distribution chains the trade-off between distance to the market for the beneficiaries and the relative to cost savings offered should be a key consideration.

Map 3 - Food deserts and beneficiary flows to WFP-contracted shops



Source: Authors' elaboration based on UNHCR for refugee presences at cadastral level, WFP shop locations, VASyR household data and Land-Scan™ population distribution. Estimated travel time is calculated by the spatial accessibility model developed by WFP VAM.

4. Exploring weaknesses and opportunities for market-based solutions

To design operational alternatives to current activities, we need a deeper understanding of market functioning including the supply-side actors, their capacity and current market performance.

In a retail census conducted in 2010 in Lebanon, Nielsen⁵³ distinguished between chains (76), other supermarkets/self-service (1,079), large grocery stores (4,390), small grocery stores (17,999) and pharmacies (2,203).⁵⁴ Major retail chains and supermarkets – especially in urban areas – include Spinneys, Carrefour, The Sultan Centre, the Cooperatives, Bou Khalil and Charutire Aoun. These are complemented by local small and medium-sized outlets. As we were keen to understand the differences between WFP-contracted shops and the rest of the traders, we mostly focused on large, medium and small stores, by means of a trader survey.

The survey questionnaire contained sections on the supply chain; the access, provision and conditions of credit as working capital; the impact of the WFP e-voucher programme at trader/shop level; and the practices for obtaining and granting discounts or promotions. The questionnaire design accounted for different trading activities and captured whether a shop was contracted by WFP for voucher redemption or not. It allowed for dynamic forms which brought up new questions based on answers using the WFP Geo-referenced Real-time Acquisition of Statistics Platform (GRASP) on Android-based smartphones, which allowed us to monitor the enumeration remotely.

The sampling approach applied the following strata: wholesalers vs. retailers; contracted vs. non-contracted retailers; and a geographic stratum comprising three areas: a) BMS,⁵⁵ b) North Lebanon and c) Bekaa. The sampling was random for WFP-contracted shops and wholesalers, and purposive for non-contracted retailers.⁵⁶

A total of 1,347 shops and traders were interviewed (see Table 5): 39 pure wholesalers and 192 outlets conducting mixed wholesaling and retailing activities.

Table 5 - Trader survey at glance

Strata	Survey summary				Non contracted shops				WFP contracted shops			
	Large	Medium	Small	Total	Large	Medium	Small	Total	Large	Medium	Small	Total
BMS	116	98	249	463	55	77	236	368	61	21	13	95
Bekaa	65	135	245	445	39	86	220	345	26	49	25	100
North	106	171	162	439	79	110	139	328	27	61	23	111
Total	287	404	656	1347	173	273	595	1041	114	131	61	306

Source: WFP – Lebanon Trader Survey 2015

The study had certain limitations. The sampling approach suffered from the lack of an updated and accurate list of market actors by trading category. The list for wholesalers was inaccurate, and

⁵³ A global information and measurement company.

⁵⁴ Figures in brackets illustrate the situation in 2010. Figures were presented by Nielsen during a key informant interview on 5 March 2015.

⁵⁵ Including El Nabatieh.

⁵⁶ The sampling relied on i) a registry of actors in the food sector in Lebanon, shared by the Chamber of Commerce, Industry and Agriculture of Beirut & Mount Lebanon; ii) a list of all retail shops contracted at the time of the survey or previously under contract. A total of 151 wholesalers were originally randomly selected without strata, based on list i) and replaced to account for out-datedness, availability and relevance to the survey. To allow for regional comparison, the number of wholesalers in Zahle and north Lebanon was increased to 30 each. Of the 429 merchants on list ii), 300 retailers were sampled according to three strata by WFP sub-offices. Finally, between 3 and 5 non-contracted retailers were purposely selected in close proximity to each sampled contracted merchant.

small/medium retailers often do not register with the Chamber of Commerce and could thus not be randomly sampled. Additionally, the data collection coincided with some festive days meaning traders (particularly wholesalers) were absent or too busy to attend interviews. There is a natural incentive for contracted shops to participate, whereas enumerators often found non-contracted shops reluctant to provide information and had to replace them purposively with alternative shops. Insecurity limited the coverage of some areas, particularly in the Aarsal region and a few parts of Beirut. Finally, the collection of GPS coordinates was occasionally faulty and had to be repeated or done manually.

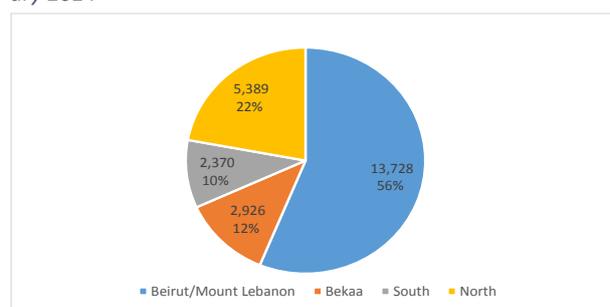
4.1 Supply chains matter

Given Lebanon's food import dependency and the different retailing options, it is worth tracing the supply chain and the flow of commodities using selected commodities as an example.

Wheat is imported, particularly from the Black Sea region and Australia through the major ports in Beirut and Tripoli. It is stored in large silos at the ports before being processed in one of Lebanon's 12 mills⁵⁷ (7 of the mills import directly). Reportedly, 600,000 mt of wheat are now imported every year.

This is a significant increase from pre-crisis years when imports averaged 450,000 mt. The tax/duty-

Figure 9 - Wheat flour delivered to Lebanese bakeries in February 2014



Source: Key informant interview

free raw material is subject to a maximum import price of US\$280/mt⁵⁸ before government starts intervening through imports. Of this, an estimated 22 percent ends up as bran and 78 percent as flour. In 2014, bakeries reportedly received 293,000 mt⁵⁹ of flour directly from the mills (see Figure 9) with more than half delivered in Beirut and Mount Lebanon. Wholesalers also supply bakeries, providing back-to-back distribution services.

Mills also have a third option to sell their flour

through repackaging services before it reaches the end consumer. Factors that determine the flow of goods from mills to bakeries, wholesalers or re-packagers include the client relationship, credit provision (e.g. supermarkets demand 45 days) and transport options. Millers compete on price and credit conditions. Table 6 provides an example from a trader on how and where profits are made—two percentage points more at the retail compared to the wholesale level.

Table 6 - Example of profit options for millers

Price of raw material	US\$980
Indirect costs (processing/credit etc.)	US\$45
Total costs	US\$1,025
Price wholesale	US\$1,100
Price retail market	US\$1,200

Source: Key informant interview

The supply chain for fruit and vegetables differs by season and partly by product. Farmers in Bekaa – who are mostly not organised in cooperatives – mainly sell locally produced fruit and vegetables on commission to wholesalers at the central market in Feruso/Bekaa. Other markets across the country and the retail sector obtain their supply from the central market during the marketing season of local

⁵⁷ According to a key informant, there are 3 large mills, 5 medium mills with a monthly capacity to mill 5,000–6,000 mt and 4 small ones with monthly capacity of 3,000 mt.

⁵⁸ CIF price for protein content of 14 percent; for 11.5–12 percent, the price is US\$240/mt.

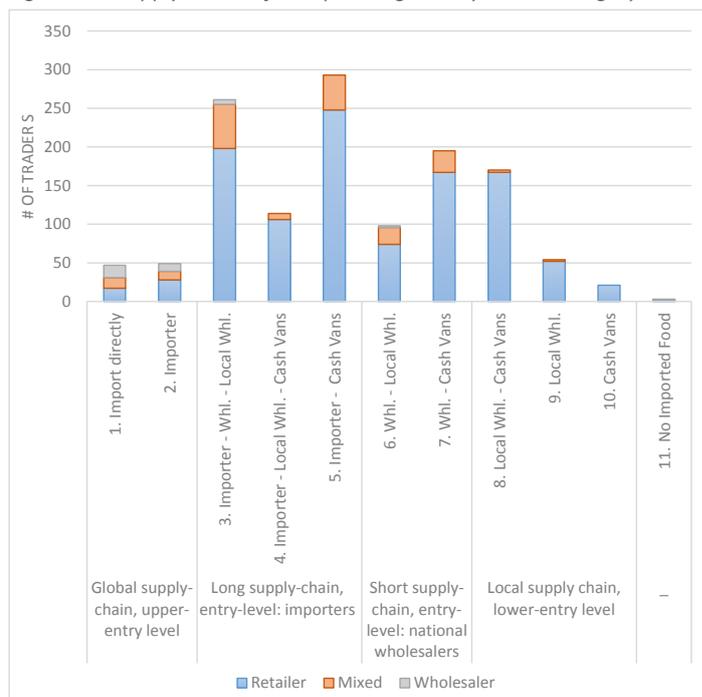
⁵⁹ This annual estimate is based on official figures for February 2014.

products (May–October). When local production dwindles, imported food takes over but via direct supply to the more decentralised markets. The oligopolistic import market sources fruit and vegetables from around the world; imports also come from Dubai with overland transport through Syria and from Syrian farmers who have better quality and input costs compared to the conditions in the Bekaa valley. Given the proximity to raw material production, most of the food processing industry for fruit and vegetables is also based in the Bekaa valley.

4.2 Imported food – global, long, short and local supply chains

Many of the interviewed traders are connected to an importer, if they do not import themselves (58%). A few of these (7%) – particularly those in Beirut and Mount Lebanon – engage with global supply chains, either by being directly involved in importing activities or dealing with importers (Figure 10). In many cases they actually run wholesale or mixed businesses and are clearly oriented towards the upper-level of the supply chain where imported goods are delivered at the entry ports of the country (Beirut, and to a lesser extent, Tripoli, which is reportedly less expensive and commodities can be off-loaded from larger vessels and temporarily stored in large silos). For the purposes of this study, this supply chain is labelled as ‘global’.

Figure 10 - Supply sources for imported goods by trader category



Source: WFP – Lebanon Trader Survey 2015

Notably, more than half the traders in the survey (51%) have both a direct purchasing channel open with one or more importers and perform their business through more extensive supply chains (the ‘long’ supply chain); they can be divided into three categories: a) those who also obtain their supplies using national or local wholesalers⁶⁰ (20%); b) those who work with local wholesalers and cash vans⁶¹ (9%); and c) those who deal with importers and cash vans (22%).

For another 22 percent of traders, national wholesalers are the entry level in a relatively shorter supply chain (the ‘short’ supply chain), where cash vans (15%) most likely complement their supply rather than local wholesalers (8%).

⁶⁰ Within the same *kazaa*.

⁶¹ ‘Cash vans’ are sales representatives of importers and/or distributors of fast moving consumer goods. They are hired to work in local distribution set-ups and are responsible for a) delivering goods, b) collecting cash from the retailer network, and c) managing their van stocks. They are accountable for achieving sales and receivable targets from assigned outlets in accordance with their company’s annual sales plan, maintaining an awareness of sales and other developments among competitors. They have also to identify and exploit opportunities for additional sales by widening their product range and customer portfolio. Cash van traders regularly visit retailers to ensure the availability of specific goods at the retail point.

Finally, around 19 percent of traders have very localized suppliers, whether they are local wholesalers, cash vans or a combination of both (the ‘local’ chain).

Breaking down the data by location, three geographical areas (BMS, Bekaa and North Lebanon) have the majority of traders relying on long supply chains, with importers as entry level (Figure 11). But each area in the country has specific features. As expected, traders in BMS are either linked with global suppliers or operate with very short supply chains: their proximity to the major entry port of Beirut and the relatively short travel distances naturally reduce the steps required to push goods further down to customers. By contrast, in Bekaa the role played by local suppliers – specifically by cash vans – is prominent (beyond the long supply chain), reflecting the fact that some retailers are only marginally linked to the business environment in the rest of the country or are only connected through sales representatives. In this situation, seeking to optimize voucher value through promotions and discounts in contracted shops might be less effective than influencing higher levels of the supply chain, because additional traders may still have to get their profit share. Specifically, promotions and discounts would need to be negotiated at supply chain levels before cash van traders, who would then just pass the discounts on to contracted shops.

Figure 11 - Imported food supply chain breakdown



Source: WFP – Lebanon Trader Survey 2015

4.2.1 Local food

As expected, the vast majority of the interviewed traders (95%) sell a combination of imported and local foods (Figure 12). Very few just specialize in local food (specifically retailers) or in imported food (mostly wholesalers).

Across the board, long supply chains for imported goods are preferred by the majority of traders (52%, see Table 7), while local food is supplied along the different supply chains, without any of them being predominant.

Table 7 - Imported and local food sources

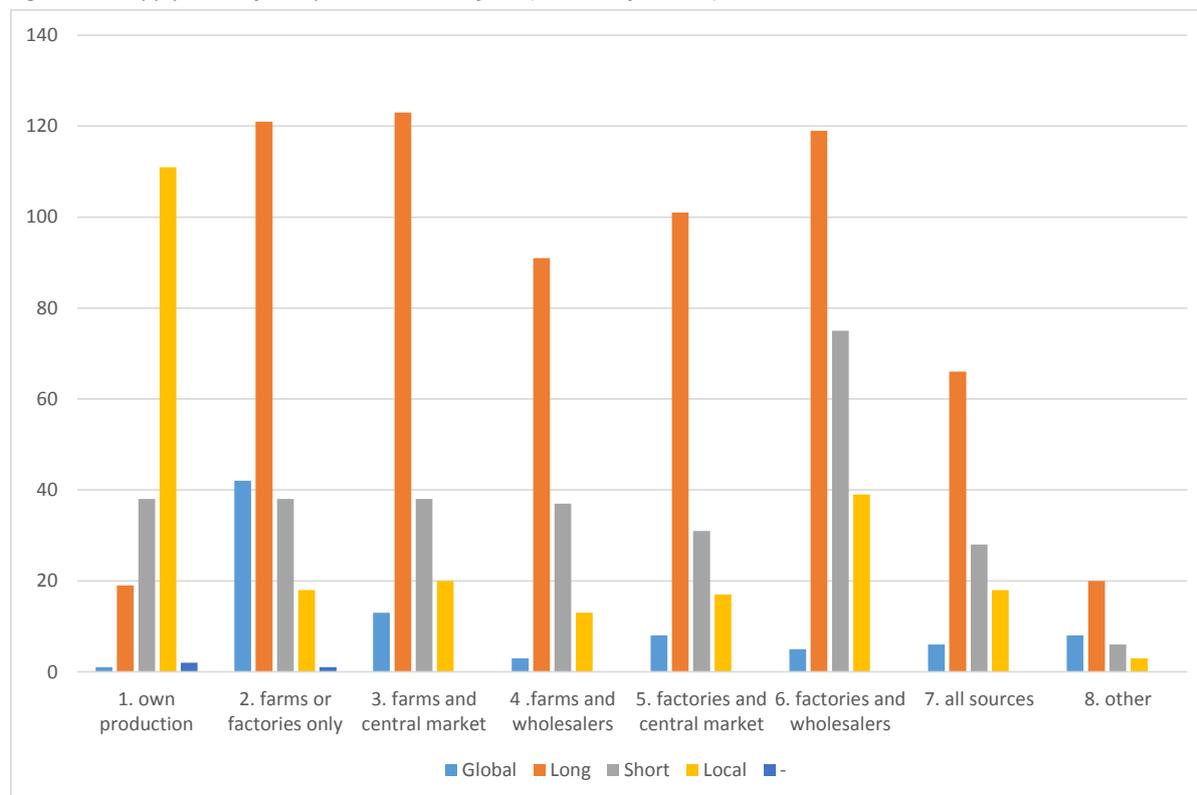
Local food	Imported food					Total	Global	Long	Short	Local	NA
	Global	Long	Short	Local	NA						
1. own production	1	19	38	111	2	171	0%	1%	3%	9%	0%
2. farms or factories only	42	121	38	18	1	220	3%	9%	3%	1%	0%
3. farms and central market	13	123	38	20	0	194	1%	10%	3%	2%	0%
4. farms and wholesalers	3	91	37	13	0	144	0%	7%	3%	1%	0%
5. factories and central market	8	101	31	17	0	157	1%	8%	2%	1%	0%
6. factories and wholesalers	5	119	75	39	0	238	0%	9%	6%	3%	0%
7. all sources	6	66	28	18	0	118	0%	5%	2%	1%	0%
8. other	8	20	6	3	0	37	1%	2%	0%	0%	0%

Source: WFP – Lebanon Trader Survey 2015

Some traders play a dual role by also producing their own vegetables or dairy products; own production is a way to supplement the offer of goods when imported foods are mostly purchased through local suppliers. This is typically the case in Bekaa, where 21 percent of traders have organised their

business accordingly. Traders involved in global supply chains tend to link up with local farms or with factories only, particularly in BMS.

Figure 12 - Supply chains for imported and local food (number of traders)



Source: WFP – Lebanon Trader Survey 2015

However, when revenues⁶² are considered in the analysis, it becomes clear that understanding where major profit shares lie depends on how traders deal with imported food. Figure 13 shows two key findings: a) most of the revenues are associated with global supply chain networks and they tend to diminish the more suppliers operate locally – local food supply choices appear to have little effect in classifying trader performance; and b) WFP e-cards tend to replicate the same revenue distribution for all shop categories except for traders who purchase their imported food locally and whose revenues are boosted by the e-cards.

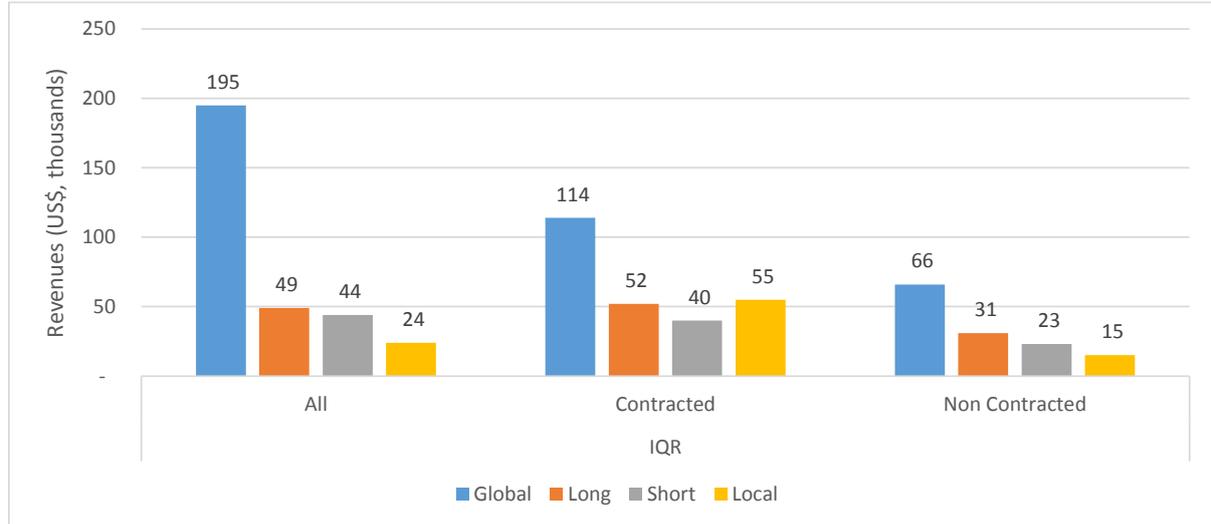
In particular, when considering the spread of the distribution with the interquartile range (IQR),⁶³ revenue spans from US\$195,000 (global supply chains) to US\$24,000 (local supply chains) a month (Figure 13). By contrast, no major difference exists between long and short supply chains: the former have IQR revenues of US\$49,000 and the latter of US\$44,000.

⁶² Information on revenues is very sensitive and is naturally prone to underestimation from traders or to bias. Total revenues were estimated from different questions in the survey: 1) by asking directly their amount; and 2) by asking for the average number of customers in a month and their average expenditures. Moreover, for shops participating in the WFP e-cards programme, traders were also asked to estimate the share of WFP related revenues – which was a known amount – of their total revenues. For each of the answers (three for contracted shops, two for the others), estimates falling under the same quartile using the three different revenue-definition methods were considered homogenous and averaged. For the others, we retained either the less biasing estimate or an outlier was detected.

⁶³ The IQR is the difference between the third and first quartile.

Participating in the WFP e-card programme improves the revenues of all shops. Retailers dealing with ‘local’ supply chains benefit the most: their IQR revenue goes up by US\$15,000 to US\$55,000. For the other traders, WFP contracts seem to be worth the business, as voucher provide up to two-thirds of additional revenues.

Figure 13 - Monthly revenues by import supply chain and inclusion in the WFP e-card programme (average per trader).



Source: WFP – Lebanon Trader Survey 2015

If the purpose of the WFP e-card programme were to strengthen local markets, it is likely that the revenues for smaller-scale retailers will have a limited positive impact on local hosting communities. However, if the programme seeks to maximize positive externalities,⁶⁴ then the leverage should be applied elsewhere, ideally on traders connected to global distribution. Nonetheless, with the current shop strategy and considering how the trading environment managed to adapt to such a tremendous increase in demand, the objective of market strengthening is perhaps only valid in the Bekaa valley or in certain remote locations in North Lebanon where there are smaller shops. In the rest of Lebanon, WFP should aim to maximize value for money by leveraging shop profits.

4.3 Revenues from vouchers

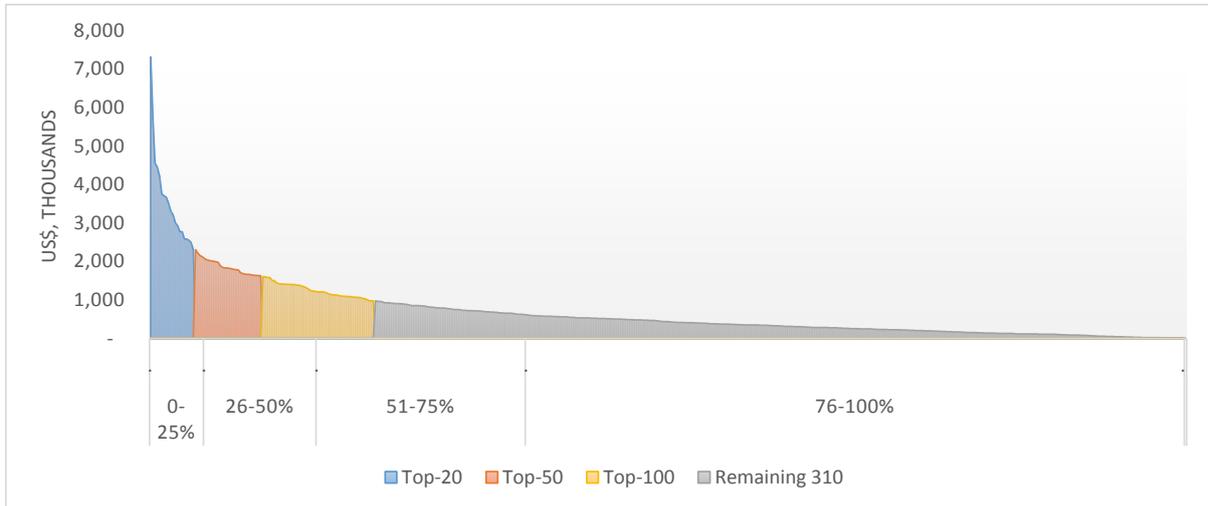
Undoubtedly contracted shops gain significantly from the WFP e-voucher programme. A few stores get the lion’s share, while for the vast majority the revenues are spread more equally. Figure 14 shows the distribution of cumulative revenues that 460 shops⁶⁵ accrued during the period from January 2014 to March 2015. It groups the shops into the top 20 performers, the top 50, the top 100, and the rest. Twenty shops (less than 5 percent) have been able to obtain 22.2 percent of all revenue from WFP e-cards. The top 50 shops received 39.6 percent, and the top 100 collected 59.1 percent. On average, shops in the first group have received US\$3.6 million, those in the second group US\$1.9 million, and those in the third group US\$1.2 million. The bulk of the shops that make the remaining 40.9 percent of cumulative revenues received an average US\$0.4 million per shop. The distribution is naturally less homogeneous at its tails, being skewed by the leading shop (US\$7.4 million) and the bottom 10 shops

⁶⁴ Despite an increase of inequality in opportunities in the business environment.

⁶⁵ This number includes shops that for some reason no longer participate in the e-voucher programme (68 shops, based on March 2015 data).

(US\$7,000 on average). On average, a shop belonging to the top 20 may receive US\$243,000/month; a shop belonging to the top 50, US\$133,000/month; a shop belonging to the top 100, US\$100,000/month; and a shop in the category 'remainder' about US\$34 000/month. However, the respective coefficients of variation⁶⁶ are 33, 11, 17 and 75 percent, implying that shops in the fourth group are more heterogeneous.

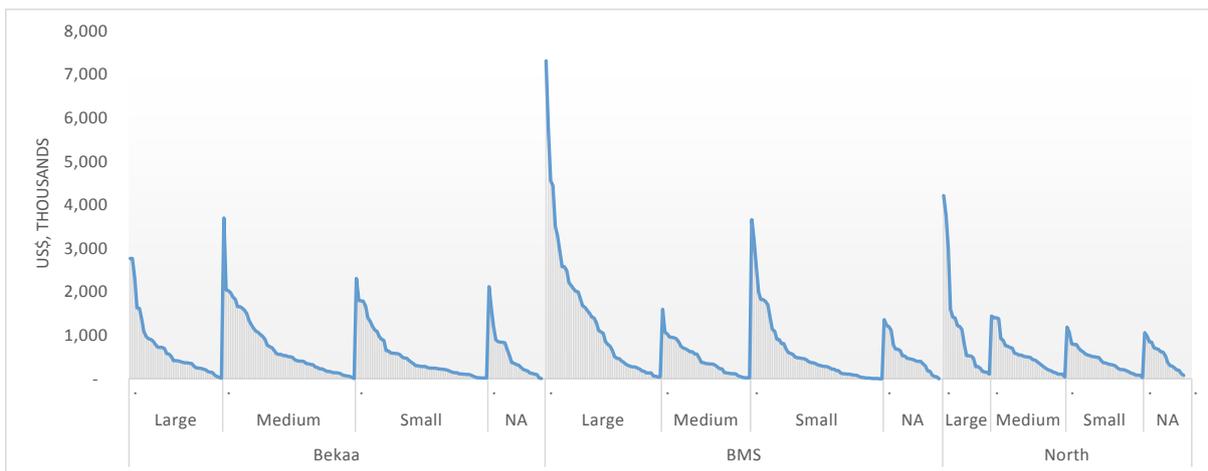
Figure 14 - Cumulative distribution of revenues from WFP e-cards by shop (Jan 2014–Mar 2015)



Source: WFP and Banque Libano-Française

When disaggregated by geographical area and type of shop (Figure 15), 12 of the top 20 shops are located in BMS (5 in Mount Lebanon, 3 in Nabatieh, and 4 in South Lebanon), just 3 are in North Lebanon and the remaining 5 are in Bekaa. Fifteen are large shops, one is medium-sized (in Zahle *kazaa*) and four are small (in Sour, Saïda, Chouf and West Bekaa *kazaa*).

Figure 15 - Cumulative distribution of revenues from WFP e-cards by shop, disaggregated by area and shop category (Jan 2014–Mar 2015)



Source: WFP and Banque Libano-Française

⁶⁶ The coefficient of variation is a standardized measure of dispersion, defined as the ratio of the standard deviation to the mean.

Clearly such an inequality in revenue shares comes at the cost of directly spreading the profits of the WFP e-voucher programme across a broader set of market actors. Two main disparities prevail: between contracted and non-contracted shops, and among the contracted shops, between the top performers (top 20 and top 50) and the rest.

Table 8 provides some evidence about this concentration of revenues, excluding shops with extremely high or low revenues.⁶⁷ The revenues for contracted large shops are estimated at US\$150,000 a month, of which more than half are from e-vouchers. Compared to a similar non-contracted shop – which can reportedly make US\$66,000 a month – this is a 127 percent increase. Similarly, medium-sized and small shops make between 144 percent and 225 percent more than equivalent non-contracted shops, with more than 60 percent of these revenues secured by WFP.

Table 8 - Monthly revenues by shop category in US\$

		Non Contracted Shop			Contracted Shop			Contracted vs. Non Contracted			
		Large	Medium	Small	Large	Medium	Small	Large	Medium	Small	
BMS	estimated total	66,000	16,500	15,000	170,000	50,000	120,000	between variation	158%	203%	700%
	WFP e-cards				90,000	20,000	40,000	from WFP	53%	40%	33%
Bekaa	estimated total	43,500	18,000	15,000	140,000	60,000	30,000	between variation	222%	233%	100%
	WFP e-cards				50,000	40,000	30,000	from WFP	36%	67%	100%
North	estimated total	63,900	42,000	15,600	120,000	60,000	30,000	between variation	88%	43%	92%
	WFP e-cards				50,000	30,000	30,000	from WFP	42%	50%	100%
Total	estimated total	66,000	24,600	15,390	150,000	60,000	50,000	between variation	127%	144%	225%
	WFP e-cards				80,000	40,000	30,000	from WFP	53%	67%	60%

Source: WFP – Lebanon Trader Survey 2015. Revenues refer to interquartile range

In summary the following findings should be considered to fine-tune the WFP market-based strategy:

- ✓ Contracted shops were already among the best shops available, particularly in some areas. It will therefore be difficult to expand the shop selection process further whilst retaining a similar pay-off in terms of shop size and even supply.
- ✓ WFP as a large source of revenues for many (large) shops should negotiate better deals for Syrian beneficiaries. Negotiating promotions and discount opportunities or sub-contracting small local retailers or cash van traders under a Business-to-business (B2B) approach could be some of the option that should be explored.
- ✓ Unrestricted cash distributions would probably provide far less opportunity to exercise any leverage over the commercial sector since they will have no incentive to negotiate in a free market environment.
- ✓ Only a few shops have a barcode system to keep track⁶⁸ of what refugees actually consume. It should be a mandatory requirement for all shops to track refugee commodity purchases given the scale of the operation. This would enable WFP to analyse shop sales, refugee consumption patterns and preferences. However, refugee purchases through unrestricted cash transfers will not allow for such monitoring and analysis.
- ✓ Higher shop revenues are concentrated in locations where beneficiaries suffer access constraints. Of the top 50 shops, 9 stores are in food deserts and another 25 in areas with access issues (11 in areas with physical access problems and 5 where economic access is difficult). Though benefits tend to spread more among the small shops, 9 out of 13 small shops in the top 50 group operate in zones with access limitations.

⁶⁷ The scatter plot in Figure 26 and the boxplots in Figure 27 (in the Annex) show outliers as well.

⁶⁸ At the time of the assessment, shop owners were asked to manually compile a record with actual sales to Syrian customers. Yet, despite the monitoring efforts, this hardly is an accurate exercise, not to mention the need to then insert all this information into a national database.

- ✓ Positive externalities (e.g. multiplier effects) and negative externalities (e.g. market distortions for non-contracted shops) need to be carefully evaluated. WFP should be more assertive in demanding additional incentives for the beneficiaries. This could include calling for special loyalty programmes, promotions and special discounts for cardholders or pre-negotiated price ranges for the beneficiaries. Negative externalities could be mitigated with a shop expansion strategy.

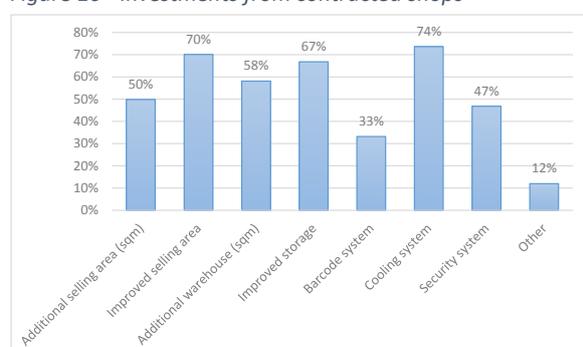
4.3.1 Investments

When it comes to measuring potential benefits to the economy, 71 percent of the contracted shops report having made some capital investment either to meet the standards required by WFP to access the e-voucher programme or to improve the overall quality of their shop. The investments are mostly channelled towards installing cooling systems (as per WFP requirements) or refurbishing selling areas and warehouses.

In over half the cases, this also meant extending the selling area or warehouse (Figure 16). Only 33 percent have invested in a barcode system, the benefits of which seem to be only partially understood by contracted shops or rejected outright in the case of small shops. Some shops only use the barcode system for e-card customers without integrating it into stock management for timely replenishment or using it to better understand customer preferences and behaviour.

We used survey data to roughly estimate the amount of capital investments but the exercise tended to be difficult as the survey answers appeared to be underestimated or inaccurate. Still, Table 9 gives an interesting perspective. Of the overall disbursement to contracted shops, only 1.8 percent was directly used for capital expenditures (about US\$5.9 million). In general, shops will invest an estimated US\$14,000 in BMS and Bekaa, but less than US\$10,000 in North Lebanon.

Figure 16 - Investments from contracted shops



Source: WFP – Lebanon Trader Survey 2015

Table 9 - Estimated direct investments by shop category

	Lower	Median	Upper	IQR
BMS (US\$)	3,900	9,000	18,000	14,100
Bekaa (US\$)	1,600	4,800	16,000	14,400
North (US\$)	3,520	6,160	13,200	9,680
Investments (million US\$)	1.4	3.0	7.3	5.9
Disbursements (million US\$)	321	321	321	321
Return	0.4%	0.9%	2.3%	1.8%

Source: WFP – Lebanon Trader Survey 2015. Authors' elaboration. The first three columns indicate quartiles

A much broader flow of money is injected into the economy along the supply chain. Table 10 simulates some basic scenarios: The profits from e-vouchers are estimated to range between 2.5 to 7.5 percent if the shop is small; 5 to 10 percent if the shop is medium-sized; and 7.5 to 12.5 percent if it is a large shop. Table 10 also reports the amount of money – net of profits – that is likely to be injected into the economy.

Table 10 - US\$ million spent in the supply chain and in running costs by contracted shops

Shop size	Profits	Scenarios			
		Low	Medium	High	Best Guess
Large	7.5%-12.5%	115.6	112.4	109.3	109.3
Medium	5%-10%	75.8	73.8	71.8	73.8
Small	2.5%-7.5%	78.8	76.8	74.7	78.8
NA	2.5%-7.5%	34.6	33.7	32.8	34.6
		304.8	296.7	288.6	296.5

Source: WFP – Banque Libano-Française. Authors' elaboration

The last column is the best guess estimate considering that larger shops operate with economies of scale that may allow them to retain higher profits than smaller shops.⁶⁹ Note that these profits seem quite conservative, as the additional money coming from WFP compared to non-contracted shops is huge (see Table 8 above). As such, we estimate that US\$296.5 million are channelled into the economy, which be-

comes US\$302.4 million if capital investments are also considered.

However, because of Lebanon's import dependency, a huge portion of this money goes back into the supply chain with larger profits to be shared between the different traders involved. It is therefore likely that a significant amount of money also benefits importers and traders outside Lebanon. This is one of the major leakages when trying to investigate multiplier effects in the economy. Recently, several studies have attempted to determine these effects, citing multipliers in the order of 1.51 (WFP, 2014c), 1.6 (The Consultation and Research Institute, 2015), and 2.13 (Rescue, 2014) according to the different assumptions and focus of the studies. The micro-level evidence provided in this paragraph does not necessarily counter these findings, as it covers a small part of the direct economic effects without investigating all possible secondary effects in the broader economy, including indirect and induced multiplier effects.⁷⁰ A Computable Equilibrium Model would be necessary to model all the effects of cash-based transfers, also taking into account the supply chain structure.

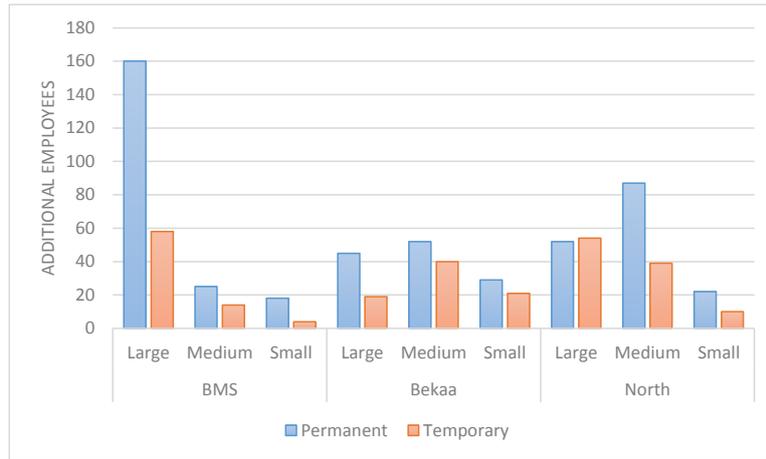
4.3.2 Employment

The WFP voucher programme seems also to affect employment through job creation, though the sustainability of such jobs is likely to depend on the duration and scale of the programme. Contracted shops reported hiring 490 permanent employees and an additional 259 temporary staff (Figure 17). One-third of permanent staff were hired in large shops in BMS, while temporary employment seems to be more evenly spread throughout the regions.

⁶⁹ As noted above, we do not consider hypermarkets as part of the large shops. Large shops differ between regions. They mostly trade higher volumes but do not reduce their profit margins. Thanks to a secure flow of additional customers (the refugees), they can obtain higher discounts on bulk purchases without having to change their business much.

⁷⁰ The impact of the WFP voucher programme is the sum of direct effects and secondary effects (i.e. indirect and induced). "Direct Economic Effects are the changes in local business activity occurring as a direct consequence of public or private business decisions, or public policies and programs. [...]. Indirect business impacts [are] the business growth/decline resulting from changes in sales for suppliers to the directly-affected businesses (including trade and services at the retail, wholesale and producer levels); induced business impacts [are] further shifts in spending on food, clothing, shelter and other consumer goods and services, as a consequence of the change in workers and payroll of directly and indirectly affected businesses. This leads to further business growth/decline throughout the local economy" (Weisbrod & Weisbrod, 1997).

Figure 17 - Additional employees in contracted shops

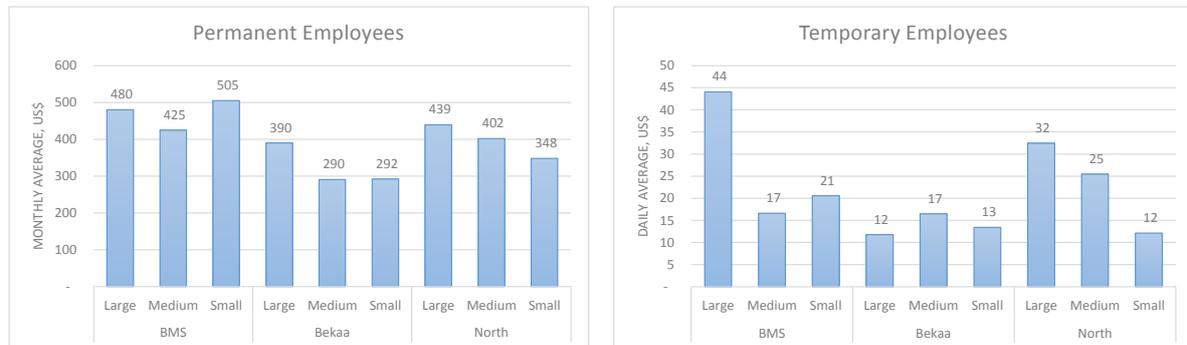


Source: WFP – Lebanon Trader Survey 2015

In Bekaa, there seems to be less need to adjust the workforce in contracted shops, mostly because of the high number of small shops. The higher recruitment numbers in BMS confirm that large shops in the region are able to capture a bigger share of Syrian demand, either because of their better supply or because of the movement of refugees westbound.

Shops in BMS are also able to offer higher wages than those in other regions. However, in BMS being permanently hired by a large shop does not seem to correlate with higher wages, as is the case in Bekaa and North Lebanon (Figure 18).

Figure 18 - Wage rates for new employees – contracted shops



Source: WFP – Lebanon Trader Survey 2015

4.3.3 Problems and opportunities

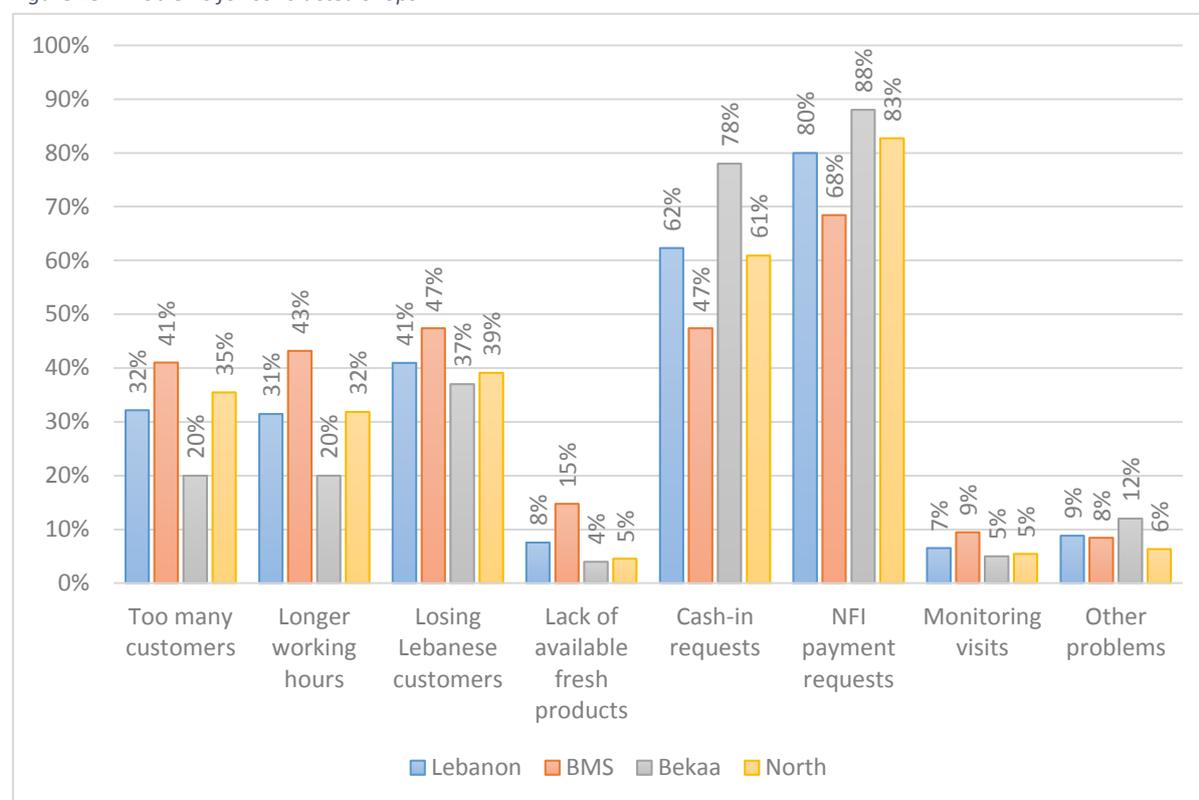
When asked about their problems, contracted shops mentioned that some beneficiaries ask them to bypass the constraints imposed by WFP in the use of the e-cards, specifically to purchase non-food items and to cash in part (if not all) of the value of the voucher (Figure 19). Nationally, 80 percent of shops reported being asked to allow non-food purchases, and 62 percent were asked to cash in part or all of the voucher. The figures were higher in Bekaa (88% and 78%). Economic access constraints probably drive both requests, especially where food expenditure represents a higher percentage of total expenditures. Yet, with the growing debate among the humanitarian sector towards unrestricted cash (e.g. the Cash Working Group in Lebanon⁷¹, the Lebanon Cash Consortium⁷²), the feasibility of some mixed models may be also explored, thus allowing beneficiaries to purchase non-food items or perhaps allowing cash-in requests with a pre-defined rate granted by shops that are willing to provide this service. If WFP is to consider alternative transfer modalities rooted in beneficiary needs and the

⁷¹ The Cash Working Group is the key forum for discussion on the transition towards a multi-agency unconditional Cash Transfer Programming, shifting from a sector-based response model to a holistic approach enabling cash to meet needs across multiple sectors.

⁷² The Lebanon Cash Consortium is a body of international NGOs that provides multi-sector cash assistance to acutely vulnerable Syrian refugees in Lebanon.

capacity to better prioritize them, a mixed model that ensures complementarity between food and non-food assistance to the most vulnerable could be explored. This would reduce the pressure to divert funds from meeting food needs to non-food needs.

Figure 19 - Problems for contracted shops



Source: WFP – Lebanon Trader Survey 2015

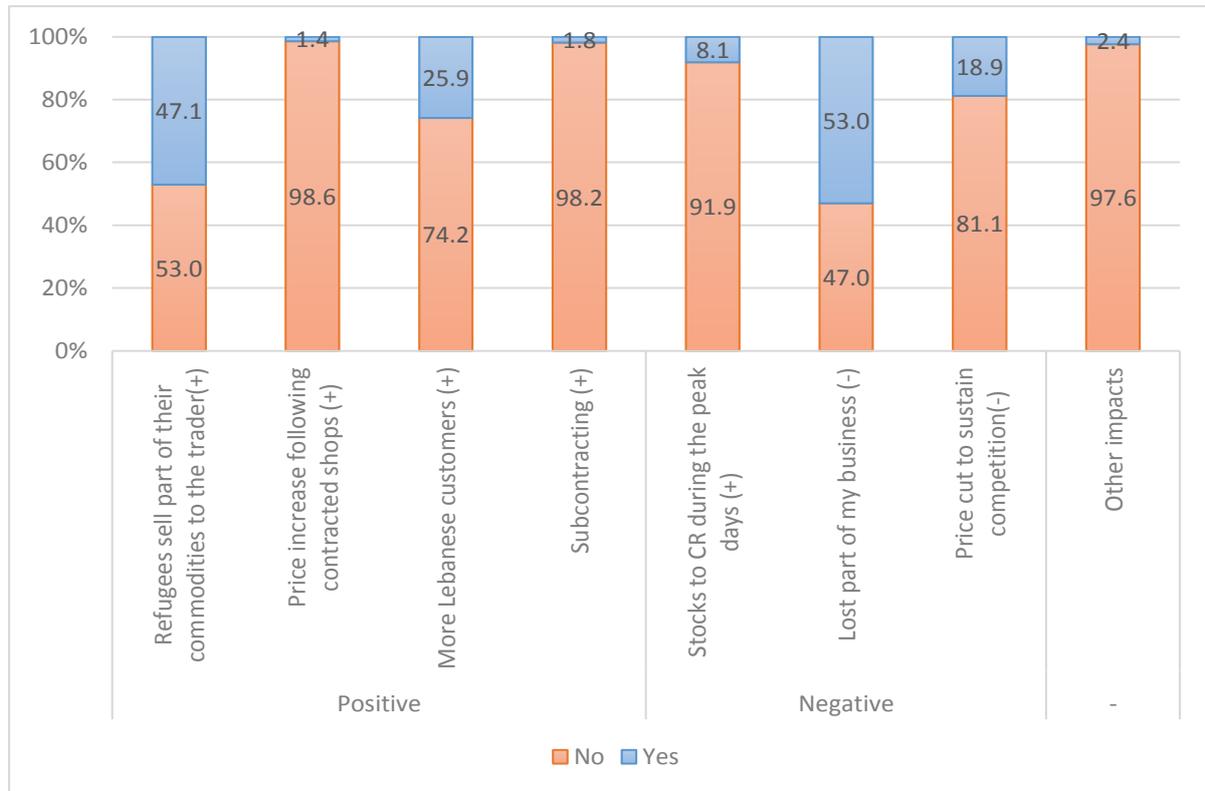
Some contracted shops face the challenge of Lebanese customers being crowded out of their shops because of too many Syrian customers and queues in the shops. But considering the extra potential revenue, this seems quite an acceptable drawback from an economic perspective and given the duration of the crisis. From a social perspective, the risk of tensions between the host and refugee populations may need to be taken more seriously, e.g. the financial service provider could stagger the re-charging of cards to help distribute voucher redemption more evenly across the month.

Non-contracted shops were asked about the threats and opportunities their business receives from contracted shops (Figure 20). Some 53 percent claim to have lost part of their customers, which could be both Syrian customers and Lebanese customers who may be attracted by the better supplies offered by contracted shops. However, the picture is mixed: a further 26 percent report having gained customers from contracted shops because some Lebanese prefer to avoid overcrowded shops. All in all, both outcomes are possible, even though the negative one is more likely.

It is also interesting that 19 percent of non-contracted shops have had to cut prices to remain competitive. While in general this can be welcomed as positive for customers, it also shows that competition is altered in favour of contracted shops: they may be able to flood the market with cheaper products to the disadvantage of non-contracted shops. Yet the empirical evidence seems to contradict this argument (see section 4.5).

Although not statistically significant, there is another phenomenon that benefits shops outside the programme: 47 percent of the respondents reported having supply opportunities thanks to beneficiaries who sell part of the goods purchased with e-cards to raise cash for other needs.⁷³ This opens a Pandora’s Box: allowing the beneficiaries to prioritize their needs could either be achieved broadly through unrestricted cash or partially through restricted cash by permitting the purchasing of non-food items, at a cost of forgoing or relaxing accountabilities related to food security outcomes. This could be an argument in areas where food security is not a critical issue. Yet, it could also be argued that the one-size-fits-all strategy may not be as appropriate, because some of the neediest beneficiaries could be targeted with higher entitlements to allow them to fulfil a broader set of needs. However, this latter option seems impossible in the current context of funding gaps for both food and non-food assistance.

Figure 20 - Threats and opportunities for non-contracted shops



Source: WFP – Lebanon Trader Survey 2015

4.4 Strengthening customer relationships

4.4.1 Access to and provision of credit

Credit lines from suppliers increase working capital and provide a means to increase the profit margins on the creditor’s side.⁷⁴ Although they depend on established relationships and trust through frequent

⁷³ The results for non-contracted retailers are not statistically significant so this should be considered as a qualitative statement. Even so, it gives an interesting overview of the phenomenon.

⁷⁴ The Key Development Service report criticised that “...restricted food voucher/e-card systems concentrate demand at the wholesale level in the hands of a few market participants, and create arbitrage opportunities

business transactions, they are a fairly common phenomenon, widespread in all regions of Lebanon, and more frequent in larger shops than smaller ones. In North Lebanon, fewer shops seem to use credit lines with suppliers compared to those in Bekaa. Of those using credit lines with suppliers, on average half their order values are paid in cash in North Lebanon and Bekaa, and one-third in Mount Lebanon and South Lebanon.⁷⁵ Those credit lines usually have a horizon of 15 to 30 days,⁷⁶ but in Bekaa, there is a high incidence of credit lines closing in 1 to 2 weeks, particularly for small shops.

Regardless of their size, contracted shops are more likely to obtain better credit opportunities from suppliers than non-contracted shops; the former tend to pay less of their total costs in cash (53%) than the latter (65%). Traders dealing with short and local supply chains are less likely to defer payments for imported food. However for contracted shops, the share of cash payments falls from 76 percent to 33 percent among shops operating with local supply chains, and from 64 percent to 47 percent for short supply chains.

Suppliers may give traders discounts of up to 2 percent⁷⁷ for cash disbursements, especially to larger shops. Placing large quantity orders can also secure up to 2 percent discounts.⁷⁸ Smaller shops scarcely purchase goods in such quantities to trigger this type of discount, whereas almost a third of medium-sized and large shops do. However, a sizable number of large (22%) and medium-sized shops (28%) reported not getting any discount even when ordering large quantities.⁷⁹ This is important when considering potential efficiency gains and options for lowering costs within the e-voucher programme; economies of scale through larger orders are less possible with the smaller shops.

Customer credit in retail and mixed⁸⁰ shops in the form of allowing delayed payment provides insight into business-customer relationships and used as a marketing strategy. It is practised more frequently by small (69%) and medium-sized shops (68%) than by large ones (50%), and sales on credit tend to be higher in small stores (35 percent of total sales), than in medium-sized (30%) and large stores (24%). The share of shops offering a credit line to customers is higher in Bekaa and North Lebanon, and it is mostly concentrated in small stores where it is easier to establish relationships with customers. Credit to customers is higher if the shop has more competitors in its operational area; the same holds true for credit offered by suppliers.⁸¹ For large shops, however, competition does not seem to push them to offer credit to customers nor is it considered a good strategy to bind customers as opposed to attracting them with lower prices, because providing credit increases the risk of defaults and raises retail prices.

It is also unclear whether providing credits to customers should be a service considered in the WFP process of selecting shops in favour of beneficiary concerns, given that customers with e-cards hardly ever receive credit lines from shops. Only 37 percent of contracted shops grant this service, and over half of these are medium-sized shops mostly in the Bekaa region.

such as markets for credit, in which 15-25% of the value of cash assistance is transferred to intermediaries" (KDS, 2014).

⁷⁵ In North Lebanon: 52 percent; Bekaa: 50 percent; Mount Lebanon: 36 percent; South Lebanon: 31 percent.

⁷⁶ We used the mode value from the trader survey to estimate the credit line horizon.

⁷⁷ Mode value.

⁷⁸ Mode value.

⁷⁹ The percentage of shops refused a discount goes up to 59 percent for small shops.

⁸⁰ Working in both retail and wholesale categories.

⁸¹ Between shops with one or no competitors and those with two or more competitors, the differential in the share of shops offering credit lines to customers is 10% for small shops, 12% for medium shops and inverts to 2% for large shops.

On the demand side, it seems that customers are keen to access credit lines from shops, given the irregular nature of their cash availability, particularly in Bekaa and North Lebanon.

4.4.2 Customer base

Naturally the number of customers varies with the size of the shop. On average,⁸² non-contracted shops serve between 40 (small shops) and 150 (large shops) customers a day, with medium-sized shops falling almost exactly in between. Reportedly, these numbers increase by at least a quarter for small and medium contracted shops, even without considering e-voucher clients. Given the high proportion of refugees in Lebanon, it is not surprising that 83 percent of non-contracted retailers also report having Syrian customers, yet with lower predictability and institutionalised demand than contracted shops. The share of shops dealing with Syrians customers is somewhat lower among smaller shops (79 percent compared with 90 percent of large shops).

Taking underreporting into account, the numbers above suggest that many shops do not run at full capacity and may have room to increase the number of clients if unrestricted cash transfers give Syrian refugees targeted by food assistance, the chance to choose their preferred shops.

4.4.3 Syrian-demanded products

Syrian customers bring demand for specific food products/brands, including those specifically from Syria. These brands are more frequently supplied by larger, contracted shops. While 75 percent of contracted shops sell specific products for Syrian refugees, only 50 percent of large non-contracted shops reported doing so, and 25 percent of small non-contracted shops. Demand in non-contracted and smaller shops is obviously not as strong in adjusting supply. This assumption is supported by looking at revenues. When shops of any size offer Syrian products, they do not obtain higher revenues than those that deliberately do not adjust their products to Syrian preferences.

In North Lebanon and Bekaa, brands requested by Syrian refugees are cheaper than the average price of similar brands purchased by Lebanese customers. This was particularly reported in small and medium-sized shops; price differences apply less in large shops. In other regions, this pattern is less pronounced. Interestingly, cheaper prices associated with Syrian brands are more likely in non-contracted than in contracted shops. With regard to supply chains, Syrian brands are not cheaper in shops that use wholesale and local wholesale as their main source of imports. Importers (non-direct and mixed with other distributions) have the highest share of those selling cheaper Syrian brands (50%). Imports into areas that are closer to Syria seem to be linked to cheaper prices.

⁸² I.e. median.

Table 11 supports this finding, with interesting geographic differences. The governorates of South Lebanon and Nabatieh have fewer shops offering Syrian brands (28% and 26%). Furthermore, the brands requested by Syrian customers⁸³ are usually not cheaper: only a third of shops confirmed lower prices for these brands. The availability of Syrian imported brands is higher in North Lebanon (69%) and Bekaa (62%), and lower in Mount Lebanon (46%). Shop owners in these governorates share the perception that Syrian customers aim for cheaper brands, especially in shops that stock Syrian products. In Beirut, Syrian refugees look particularly for cheaper brands regardless of the availability of Syrian brands, which are only on offer in 47 percent of the shops in the city.

Table 11 - Share of shops offering cheaper Syrian imported brands

Governorate	Selling Syrian brands (% of shops)	Availability of Syrian brands	Brands requested by Syrians are cheaper (% of shops)
Beeka	62%	No	62%
		Yes	70%
Beirut	47%	No	89%
		Yes	87%
Mount Lebanon	46%	No	57%
		Yes	74%
Nabatieh	26%	No	60%
		Yes	29%
North Lebanon	69%	No	54%
		Yes	75%
South Lebanon	28%	No	68%
		Yes	32%

Source: WFP – Lebanon Trader Survey 2015

4.4.4 Promotions – customer/client relationships

Customer loyalty programmes and discounts are part of the strategy of traders and shops to increase and protect client relationships. These come at a cost but can provide a comparative advantage against competitors.

Of the 1,307 shops interviewed, 61 percent said they had neither a loyalty programme nor discounts. In fact, loyalty programmes are very uncommon; only 7 percent of sampled shops have one and these are mainly the large stores in the BMS and the medium-sized stores in Bekaa, although even 8 percent of small stores in Bekaa also offer this type of programme. Contracted shops seem more likely to run loyalty programmes for customers.

Offering discounts is a more popular practice: 40 percent of all sampled shops reported doing so. While at first glance it may appear that the larger the shop, the more likely it is to provide some sort of discount, the data does not confirm a clear positive correlation between the number of competitors, the shop size and the provision of discounts. Yet, it is worth noting that revenues seem to be higher in shops offering discounts, even if this doesn't provide a proof of causality.

Paying in cash makes a customer more likely to get a discount, particularly in Bekaa, since customer credit lines are common in this region. Stores are less inclined to offer credit and discounts to e-card holders, although they say they would be more in favour of giving promotions to Syrian customers in an 'unrestricted cash scenario'. Therefore, from the beneficiaries' point of view, the news is mixed. Lower transfer values on e-cards would not only result in lower incomes, they would also give beneficiaries fewer options to cope, either through credit or through maximising food quantities with discounts. But a shift to unrestricted cash could mean that potential and partial benefits gained through new promotions are offset by the lower entitlement.

Customer discounts are an average 2.4 percent of the sale. This share varies from 2.7 percent in shops that would not change their behaviour if Syrian refugees paid in cash, to 2.2 percent in stores that would offer more promotions if e-cards became cash. Further analysis shows that the shops offering the highest share of discounts are located in Mount Lebanon and Beirut and are those that would

⁸³ These may not necessarily be Syrian brands only.

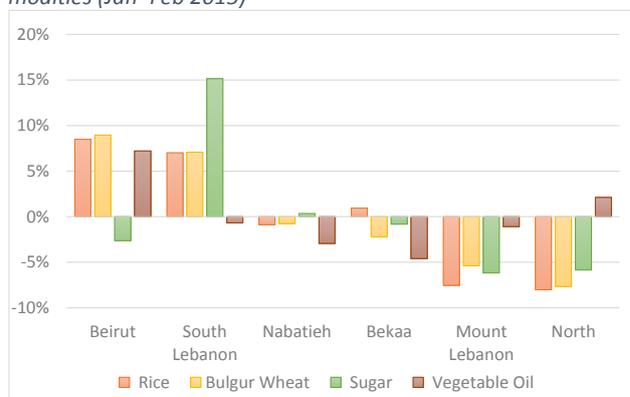
change their offer more if e-cards became cash. However, the 2.4 percent discount leaves significant room for negotiating increased efficiencies through a business approach in which WFP contracts further upstream of the supply chain.

4.5 Food price analysis

This final section explores food prices of commodities that are part and parcel of the basket⁸⁴ used to calculate the e-card transfer entitlement, and it depends on WFP monitoring in contracted and non-contracted shops. The analysis explores price differences in shops by governorate, by participation in the WFP e-card programme, and by shop type.

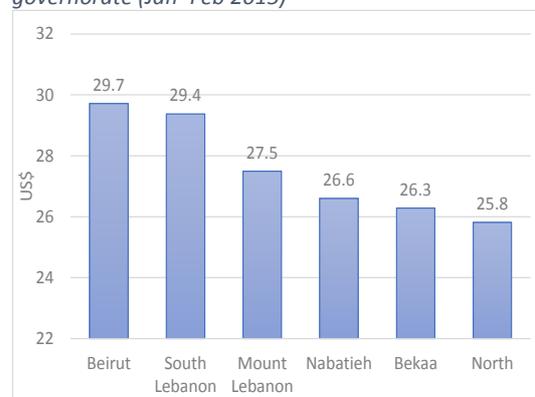
The prices of the staple commodities consumed by Syrian refugees vary significantly across the six governorates, tending to be above average in Beirut and South Lebanon and below average in Mount Lebanon and the North. For example, the average governorate price of rice in January and February 2015 was 9 percent higher in Beirut and 7 percent higher in South Lebanon compared to the national average (see Figure 21). This has implications when the cost of the average monthly food basket⁸⁵ is compared between regions; the food basket ranges from US\$25.8 in North Lebanon to US\$29.7 in Beirut (Figure 22). However, only the food basket in South Lebanon is statistically significantly more expensive than in the other regions.⁸⁶ Even so, a difference of 14 percent between North and South Lebanon equates to a significant difference in purchasing power for beneficiaries and a potential cost saving to WFP if beneficiaries were given the monetary value needed to redeem equal quantities of food.

Figure 21 - Variation from national average price of main commodities (Jan–Feb 2015)



Source: WFP. The average price of the commodities is significantly different across the 6 regions

Figure 22 - Cost of the average food basket by governorate (Jan–Feb 2015)



Source: WFP

Between January and February 2015, prices in contracted shops were lower than those in non-contracted shops, except for poultry (see Figure 23). It seems that WFP beneficiaries are not disadvantaged by having to redeem vouchers in contracted shops, as the price differences between contracted and non-contracted shops – especially for the most consumed items – are not statistically significant.

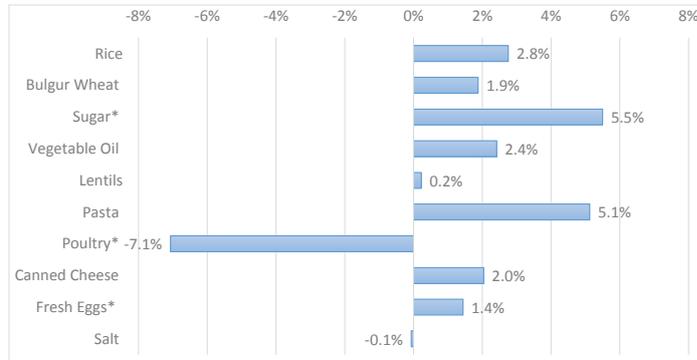
⁸⁴ These include rice, bulgur wheat, vegetable oil, lentils, salt, sugar, poultry, eggs, leafy vegetables, canned cheese, canned fish, pasta and medium green leaves. For more details, see Table 16 in the Annex.

⁸⁵ Quantities used for the calculation are borrowed from the WFP food basket established to calculate the voucher value since October 2014.

⁸⁶ Expressed with a 90 percent confidence interval.

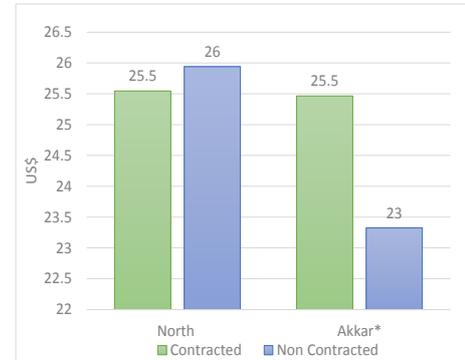
The monthly cost of the food basket is just 1.5 percent cheaper (i.e. US\$0.4) in contracted shops than in non-contracted shops – again not statistically significant.

Figure 23 - Price difference, non-contracted and contracted shops (Jan–Feb 2015)



Source: WFP. (*) The difference between the two averages is significant at 10 percent

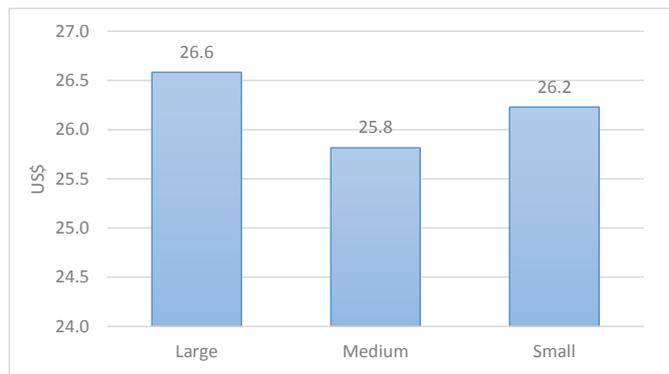
Figure 24 - Average cost of the food basket in North Lebanon and in Akkar (Jan–Feb 2015; in US\$)



Source: WFP

However, in the district of Akkar – which has areas of limited physical and/or economic access – the average cost of the food basket has been significantly higher in contracted shops than in non-contracted shops (Figure 24).⁸⁷ This result may be explained by the low concentration of contracted shops in the region compared to the number of beneficiaries (WFP, 2014c).

Figure 25 - Cost of the food basket by type of contracted shop (Jan–Feb 2015, US\$)



Source: WFP

Even though the average cost of the food basket appears to be higher in large supermarkets than in medium-sized and small shops,⁸⁸ these price differences are not statistically significant (Figure 25). However, price differences over a variety of individual items are significant when comparing shop size. Cereals (rice, pasta) and sugar appear to be more expensive in small shops, while the small and medium-sized shops offer better prices for fresh food (eggs, poultry, cucumber). This observation could encourage beneficiaries to split purchases between shops and maximise quantities as long as they have different shops in their catchment area and transaction costs don't exceed the price savings.

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⁸⁷ 10 percent significance level.

⁸⁸ We can only compare food prices by shop size for the sample of WFP contracted shops, as we do not have the size information non-contracted shops.

5. Concluding remarks

Having to provide food assistance to so many Syrian refugees over an unknown time horizon does not make it easy to choose between different transfer modalities, especially when the market environment allows for all. Each modality brings opportunities and challenges. With this in mind, the following section attempts to summarize the findings of the assessment to inform decision-makers on the way forward, and in particular on the choice between maintaining the current voucher strategy with some possible improvements and exploring the feasibility of unrestricted cash transfers. The overarching goal for WFP remains safeguarding the food security of beneficiaries, with market strengthening being only a secondary goal. In this regard, the type of cash-based intervention remains merely the means to achieve these objectives, although funding opportunities might be loosely associated with a particular transfer modality.

Limitations of the current shop selection process

WFP has played a leadership role in promoting the use of e-cards for almost 900 thousand beneficiaries. This has come with a serious investment in terms of acquiring technical competences and building human capacities to deal with this new approach, on the beneficiary side as well.

The shop selection process has been quite successful in supporting Syrian refugees, albeit margins of improvements exist.

From the beneficiary perspective, the value-based voucher system has rigid constraints, especially considering that non-food items essential to household needs are excluded, not to mention the ban on cashing in part of the value to cover alternative urgent expenditures beyond food. The choice of shops can also be limited in some areas.

Card owners tend to redeem the full amount in one go for several reasons, including how close they are to their preferred contracted shops, which has implications in terms of money allocated to arrange appropriate transportation. When there are several beneficiaries within the same household, this means a relatively large amount of money is spent on bulk purchases that can either be stored or resold in the market with effectiveness losses. It is likely that more nutritious food (including fruit, vegetables and fresh meat/fish) are neglected through this type of customer behaviour, which has drawbacks for food security. This also leads to eating habits that do not necessarily prioritize nutritious food.

In a few parts of the country, travel time to get to contracted shops is relatively high and some shops have to cope with an excessive number of customers, especially in the belt around Beirut, most of the coastal area down to Saida, Batroun *kazaa*, the south-east of Tripoli, Wadi Khaled in the extreme north, around Zahle and in central Balbeek.

In many other circumstances, the voucher system is limited by economic access constraints that the current food assistance is not able to address. These are reported in the north-eastern part of Akkar *kazaa* (including Wadi Khaled) and in most of El Hermel *kazaa* in North Lebanon, in many locations in Bekaa (e.g. Aarsal, most of Hasbaya *kazaa* and few areas in West Bekaa *kazaa*), and in El Nabatieh (i.e. Marjaayoun *kazaa*).

To a certain degree, the system also concentrates benefits among shops. The estimated revenues of contracted shops appear staggeringly higher than those of equivalent shops, with possible competitiveness drawbacks for the latter. A small number of shops are able to collect a very high share of revenues from WFP payments, meaning that they are able to offer a better supply or can exploit the limitations of the system springing from beneficiary access constraints.

Alternatives to the shop selection process

This study considered two possible ways forward within the current shop selection process, which do not necessarily constitute alternative solutions but may be implemented simultaneously.

All in all, there is no clear evidence that contracted shops promote cheaper prices, even though in many cases they manage to have better purchasing opportunities from their suppliers because of the huge number of customers from WFP; in other words they simply channel a large share of food assistance efforts towards their own profit, as businesses can be expected to do. The positive externalities may not be as huge as one might expect given the overall flow of money channelled towards few shops in the country, and most of the benefits along the supply chain are diluted in profit shares of different actors, including foreign exporters. Given the high dependency of the business environment on global supply chains, opportunities to strengthen local markets through WFP-contracted shops are limited, except for locally produced goods in a few areas, particularly in the Bekaa valley and to a lesser extent in parts of North Lebanon, Beirut, Mount Lebanon and South Lebanon where smaller shops tend to be linked to local farms or factories.

The massive revenues generated from participating in the voucher programme could therefore give WFP leverage to negotiate better opportunities for the beneficiaries. These could be promotions and discount offers, perhaps within customer loyalty programmes, and enhanced credit opportunities for Syrians. In addition, WFP could advocate/bargain for the use of generic brands at lower prices to reduce nutrient gaps. Although the recent fall in monthly revenues may have generated supply planning problems, very few shops contemplate dropping out of the voucher programme, confirming that this deal works for them, also as a valuable activity for businesses to hold onto during times of significant economic problems in the country.

Large shops could be targeted for this kind of negotiation. In addition to their business-as-usual revenues, the top 50 earning shops have been able to accrue more than US\$1.5 million each from WFP between January 2014 and March 2015. This creates huge leverage for WFP. Ideally, hypermarket chains should also be considered, especially if they are able to cover areas where shop concentration is limited, and in order to promote standards of quality in areas poorly served.

Alternatively – or perhaps in tandem – WFP should invest in locations with physical access problems by contracting additional shops. Unfortunately, this may not always be possible: in parts of Bekaa and Akkar there seems to be a shortage of appropriate shop options, in addition to security concerns for monitoring. The network of cash van traders that some wholesalers have established could be an interesting entry point in these areas. This does not apply in Mount Lebanon, where the assessment actually found shops over-performing by serving more beneficiaries than one would expect, at least according to the official statistics on the presence of refugees in the country. Yet, these statistics give a snapshot of the Syrian presence at the time of the registration – they cannot be as up-to-date as it would be required for planning purposes. On the other hand, voucher redemption records provide a wealth of data that needs to be exploited to provide more evidence on the consumption and transaction behaviour of targeted Syrian refugees.

Exploring unrestricted cash opportunities

The other possible solution is unrestricted cash-based transfers. This alternative ought to be the preferred choice of beneficiaries, as it would give them the freedom to prioritize their needs. Yet, evidence from focus group discussions seems to paint a mixed picture, with some beneficiaries, particularly women, claiming to feel more comfortable if a given budget is secured monthly for food instead of being easily diverted towards other expenditures.

In fact, the money from unrestricted cash transfers could be diverted away from food if vouchers are substituted by unrestricted cash. The food security outcomes of this would be questionable, and a lot

of additional resources would need to be diverted in monitoring activities. It is also not clear how unrestricted cash transfers could link with WFP's digital platform SCOPE⁸⁹ except with shops using a POS; in all other cases the platform will neither provide insights into measuring actual consumption patterns nor demonstrate the potential positive food security impacts of unrestricted cash. In other words, this transfer modality would leave the platform behind.

Another limitation for unrestricted cash comes from the lack of a proper banking system in some parts of the country, in particular in Aarsal and in other areas where security concerns are high. It would be quite a challenge to deliver a monthly instalment to beneficiaries in these areas, while ensuring accountability.

Unrestricted cash also presents greater protection concerns, particularly in informal tented settlements or where community control is higher.

Notwithstanding these caveats, there is no doubt that markets in Lebanon have the capacity to sustain this transfer modality.

While both cash and food assistance offered to Syrian refugees are likely playing a stabilizing role between host and refugee communities, the longer the crisis continues, tensions may rise unless the most vulnerable Lebanese, who may feel excluded from social protection programmes and can barely face competition over low skilled employment opportunities, receive increasing attention in terms of assistance.

To the best of our knowledge, despite some recent studies seeking to assess the efficiency and effectiveness of different transfer modalities (Cabot Venton, Bailey, & Pongr, 2015), there is a lack of adequate evidence to define the best transfer modality for Syrian refugees, particularly considering that the number of WFP beneficiaries and the potential implications are much higher than for cash programmes implemented by other agencies.

Unrestricted cash transfers can be carefully planned and on a small scale, particularly in areas with economic access constraints, where it is clear that the shop selection process does not address all food security issues. Areas of interest include Mount Lebanon and South Lebanon; in other locations, it would seem to be more challenging also because of security issues.

Another option could perhaps be a mixed approach combining both modalities for the targeted beneficiaries; this could be tailored by removing the constraints to non-food item purchases, by including additional cash support on top of the voucher value, or by allowing beneficiaries to cash in part of their entitlement subject to clearly defined transaction fees from the shops.

Table 12 summarizes the discussion so far with a SWOT matrix, analysing strengths, weaknesses, opportunities and threats.

Recommendations

In Lebanon, WFP is operating in a complex environment. While the country's functioning markets and supply chains allow for different transfer modalities, there is a concentration of revenues that partly appear as the result of the current food assistance programme. There is also underutilised potential both of the leveraging power of WFP injecting millions of dollars every month into the economy and of the private sector to improve efficiencies for customers. In the light of all these factors, this study makes the following recommendations along the three priority areas of targeting, shop selection, use of unrestricted cash transfers and leveraging profit margins:

⁸⁹ Used for beneficiary registration, intervention setup, distribution planning, entitlement transfers and distribution reporting.

- ✓ Strengthen the shop selection process by contracting additional shops to reduce physical access constraints (i.e. travel time and shop pressure) while calibrating the shop balance beyond official statistics to account for the migration of many refugees to coastal urban centres.
- ✓ Where economic access constraints have not been offset by the current food assistance, consider a shift towards unrestricted cash based transfers through a small scale project, or a combination of modalities. The latter could include allowing limited purchases of non-food items in contracted shops through e-cards, or strengthening complementarities between the voucher programme and unrestricted cash-based transfers by targeting the same most vulnerable Syrian refugees. Favourable regions include Mount Lebanon and South Lebanon. The small scale project would shed some light on the potential of unrestricted cash based transfers, considering the need to gather large scale empirical evidence. However, it will require an appropriate monitoring system to ensure accountability and to keep track of expected food security outcomes; and there could be customer loyalty services in place to channel most of the unrestricted cash towards food.
- ✓ WFP to leverage the high revenues accrued by pursuing agreements with larger shops and hypermarkets or with key wholesalers and their retailing networks to provide additional benefits (promotions, loyalty services, higher shop density, nutrient rich/fortified foods) for Syrian customers.

Additional recommendations include the following:

- ✓ When setting transfer values, WFP could explore factoring in regional price differences, thereby seeking potential cost savings while allowing beneficiaries to redeem equal quantities of food.
- ✓ Finally, WFP should explore introducing the barcoding system as a mandatory requirement for all contracted shops, and it should implement a data collection system beyond mere transaction data to create a nationwide database to analyse the consumption behaviour of Syrian refugee customers over time.

Table 12 - Cash-based transfers SWOT table

		Restricted		Unrestricted
		Retail network	Other supply-chain actors	
Strengths	Demand	<ul style="list-style-type: none"> Beneficiaries' food security focus. 	<ul style="list-style-type: none"> Beneficiaries' food security focus. 	<ul style="list-style-type: none"> Beneficiaries' needs focus.
	Supply	<ul style="list-style-type: none"> Conducive market environment. Potential for high profits attracts retailers. Predictability of supply for contracted shops. 	<ul style="list-style-type: none"> Conducive market environment. Potential for high profits attracts traders. Supply capacity and link with global supply chain. 	<ul style="list-style-type: none"> Conducive market environment. Widespread benefits between market actors.
Weaknesses	Demand	<ul style="list-style-type: none"> Worsening vulnerability to food insecurity with actual voucher value reduction. Bulk purchases reduce food security outcomes (i.e. less nutritious food) and are prone to reselling. Transaction costs to reach contracted shops. Not enough to address all economic constraints. 	<ul style="list-style-type: none"> Worsening vulnerability to food insecurity with actual voucher value reduction. Bulk purchases reduce food security outcomes (i.e. less nutritious food) and are prone to reselling. Transaction costs to reach contracted shops. 	<ul style="list-style-type: none"> Possible diversion of cash from food with likely drawbacks in terms of food security. No empirical evidence so far at large scale of higher benefits compared with other modalities.
	Supply	<ul style="list-style-type: none"> High revenue differences (between contracted vs. non contracted shops, and among contracted shops). Shortage of shop alternatives in some areas. No evidence of cheaper prices vs. non contracted shops. Limited positive externalities. 	<ul style="list-style-type: none"> Lack of point-of-sale in some areas. 	<ul style="list-style-type: none"> Limited ATM network in remote locations. Low quality of shops in specific areas.
Opportunities		<ul style="list-style-type: none"> Agreements with contracted shops for cheaper prices or customer loyalty programmes leveraging the high profits from WFP. Address physical access problems with enhanced shop strategy. WFP investments, trust relations and capacity building undertaken so far. 	<ul style="list-style-type: none"> Agreements with contracted shops for cheaper prices or customer loyalty programmes leveraging the high profits from WFP. Large chains may implement distribution networks that can address shortage of adequate shops in some areas. Push for nutrient-rich/fortified food to address micro-nutrient deficiencies at cheaper prices, perhaps with generic brands. Strengthening value for money. Potential links with locally produced food commodities 	<ul style="list-style-type: none"> Rely on the whole Lebanese retail network New funding sources. Reduced shop monitoring (e.g. to avoid misuse of e-cards) requirements. Current e-card and contract with bank allow for cash option. Best practices from other agencies (e.g. winter assistance by UNHCR).
Threat		<ul style="list-style-type: none"> If food security improvements reduce over time, we should critically reconsider who the primary beneficiaries of the e-voucher programme ought to be, i.e., Syrian refugees vs. shop owners. Continued extensive shop monitoring required. 	<ul style="list-style-type: none"> Crowding out of small contracted shops. WFP negotiating strategy/capacity to increase value for money to be defined/verified. Positive externalities to be carefully assessed and advocated. 	<ul style="list-style-type: none"> Security, protection and gender issues. Uncertain political support within country. Perhaps one-way street and no easy return to other transfer modalities. Food security monitoring needs to be revised. Uncertain accountability mechanisms for food security objectives and expected outcomes

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Annex 1: Questionnaire



Lebanon Market Assessment 2015

تقييم السوق الخاص بلبنان لعام 2015

المسح الخاص بالتجار

Questions are trader-specific: 'ALL' is for all traders, 'W' for wholesalers, 'R' for retailers, 'CR' for contracted retailers, 'NCR' for non-contracted retailers

This questionnaire was submitted using WFP Geo-referenced Real-time Acquisition of Statistics Platform (GRASP) on android based smartphones

Section 1 – General Information		1 – معلومات أولية
ALL	Title الرمز	YOUR NAME الاسم
Q1.03 ALL	Region المنطقة	DROP DOWN MENU <ul style="list-style-type: none"> Beirut بيروت Mount Lebanon جبل لبنان North الشمال South الجنوب Bekaa البقاع
Q1.04 ALL	Kazaa/district القضاء	DROP DOWN MENU FOR THE LIST OF KAZAA DEPENDING ON THE REGION القائمة المنسدلة للقضاء حسب المنطقة
Q1.05 ALL	City/Village المدينة/القرية	FREE TEXT النص الحر
Q1.05b ALL	Location/Address العنوان	FREE TEXT النص الحر
ALL	GPS coordinates نظام تحديد المواقع	PRESS THE GPS DETECTOR GPS اضغط على كاشف تحديد المواقع DO NOT ALLOW NEXT QUESTION IF NO GPS IS DETECTED
Q1.06.a ALL	Is this shop currently contracted under the e-voucher programme هل تم التعاقد مع المتجر حالياً في إطار برنامج البطاقات الإلكترونية؟	NOTE FOR ENUMERATOR: "Don't ask, you should know" ملاحظة للعنّاد: "لا تسأل، يجب أن تعرف" YES/NO نعم/لا IF YES, SKIP NEXT QUESTION
Q1.06.b CR	Shopcode رمز المحل	SCAN OR WRITE DOWN SHOP CODE FROM RECEIPT مسح أو كتابة رمز المحل من فاتورة
Q1.06.c W and NCR	Name of the shop اسم المتجر	FREE TEXT النص الحر
Q1.06.d W and NCR	Are you aware of the WFP e-voucher programme? هل أنت على علم ببرنامج البطاقات الإلكترونية؟	YES/NO نعم/لا
Q1.06.e NCR	Are you interested in participating in the e-card programme هل أنت مهتم بالمشاركة في برنامج البطاقات الإلكترونية؟	YES/NO نعم / لا IF YES, SKIP NEXT QUESTION إذا نعم، تخطى السؤال التالي

Exploring Food Assistance Programmes: Evidence for Lebanon

<p>Q1.07 ALL</p>	<p>What is the type of the trading activity ما هو نوع النشاط التجاري؟</p>	<p>NOTE FOR ENUMERATOR "If the shop is contracted; please select YES question 1.7a)" ملاحظة للعداد: إذا المتجر متعاقد، اجب بنعم لسؤال 1.7 a) Selling at retail level YES/NO البيع بالتجزئة فقط نعم/لا b) Selling to other traders YES/NO البيع لتجار آخرين فقط نعم/لا</p> <p>VALIDATION: YOU SHOULD SELECT AT LEAST ONE YES ABOVE تحقق من الصحة: يجب عليك تحديد نعم واحد على الأقل أعلاه</p>
<p>Q1.08 ALL</p>	<p>Which is your major activity? ما هو نشاطك التجاري ذو الحجم الأكبر؟</p>	<p>NOTE FOR ENUMERATOR "This trader is doing both Retail and Wholesale activities." ملاحظة للعداد: هذا التاجر لديه البيع بالتجزئة و بيع بالجملة RETAIL/WHOLESALE البيع بالتجزئة / بيع بالجملة</p>
<p>Q1.09 R</p>	<p>Define the type of the shop حدد حجم البقالة</p>	<p>NOTE FOR ENUMERATOR "Assess without asking" ملاحظة للعداد: قيم دون أن تسأل التاجر DROP DOWN MENU</p> <ul style="list-style-type: none"> • Large store البقالات الكبيرة • Medium store البقالات المتوسطة • Small store البقالات الصغيرة
<p>Q1.10 ALL</p>	<p>Since how many years does your business operate? منذكم سنة تعمل في هذا المجال؟</p>	<p>ALLOW NUMBER يسمح بإدخال أرقام</p>
<p>Q1.11 R</p>	<p>What is the size of your selling area in sqm excluded the warehouse? ما هو حجم صالة العرض في المتجر الخاص بك باستثناء مستودع التخزين بالمتر المربع؟</p>	<p>NOTE FOR ENUMERATOR: "Max value allowed 9000 sqm" ملاحظة للعداد: "قيمة ماكس سمحت 9000 متر مربع" ALLOW NUMBER يسمح بإدخال أرقام</p>
<p>Q1.12 ALL</p>	<p>What is the size of your warehouse in sqm? ما هو حجم مستودع التخزين في المتر مربع؟ إذا لا يوجد مستودع التخزين اضغظ "0"</p>	<p>NOTE FOR ENUMERATOR: If no warehouse type "0". Max value allowed 9000 sqm ملاحظة للعداد: إذا لم يكن هناك نوع مستودع "0". قيمة الحد الأقصى المسموح 9000 متر مربع ALLOW NUMBER يسمح بإدخال أرقام</p>
<p>Q1.13.01 ALL</p>	<p>Do you have PERMANENT employees? هل عندك موظفين دائمين؟</p>	<p>YES/NO نعم / لا If YES إذا نعم</p> <p>How many PERMANENT employees do you have? كم عدد الموظفين الدائمين؟ ALLOW NUMBER السماح بعدد</p> <p>VALIDATION in case of "0" permanent employee التحقق من الصحة في حالة "0" موظف دائم "Does the trader refuse to answer to the question above?" هل رفض التاجر الإجابة على السؤال؟ YES/NO نعم / لا</p> <p>What is the average employee's wage (per month in US\$)? ما هو متوسط الرواتب للموظفين في الشهر الواحد؟</p>

		<p>NOTE TO ENUMERATOR: "This question pops out if at least one yes is selected in the third or second questions above"</p> <p>ملاحظة للعداد: "هذا السؤال يظهر إذا تم الإجابة بنعم على الأقل مرة واحدة في الأسئلة الثالثة أو الثانية فوق"</p> <p>ALLOW NUMBER ABOVE 0 يسمح بإدخال أرقام</p> <p>VALIDATION: "MAX VALUE ALLOWED 9000 US\$" "التحقق من الصحة: " القيمة القصوى المسموحة 9000 دولار أمريكي</p> <p>VALIDATION in case of "0" permanent employee التحقق من الصحة في حالة "0" موظف دائم</p> <p>"Does the trader refuse to answer to the question above?" هل رفض التاجر الإجابة على السؤال؟</p> <p>YES/NO نعم / لا</p>
<p>Q1.13.02 ALL</p>	<p>Do you have any TEMPORARY employees? هل عندك موظفين مؤقتين؟</p>	<p>YES/NO نعم / لا</p> <p>If YES</p> <p>How many TEMPORARY employees do you have? كم عدد الموظفين المؤقتين؟</p> <p>ALLOW NUMBER السماح بعدد</p> <p>VALIDATION in case of "0" temporary employee التحقق من الصحة في حال "0" موظف مؤقت</p> <p>"Does the trader refuse to answer to the question above?" هل رفض التاجر الإجابة على السؤال؟</p> <p>YES/NO نعم / لا</p> <p>What is the average employee's wage (per day in US\$)? ما هو متوسط الرواتب للموظفين في اليوم الواحد (بالدولار الأمريكي)؟</p> <p>NOTE TO ENUMERATOR: "This question pops out if at least one yes is selected in the third or second questions above"</p> <p>ملاحظة للعداد: "هذا السؤال من الملوثات العضوية الثابتة إذا تم تحديد نعم واحدة على الأقل في الأسئلة الثالثة أو الثانية فوق"</p> <p>ALLOW NUMBER ABOVE 0 يسمح بإدخال أرقام أعلى من صفر</p> <p>VALIDATION: "MAX VALUE ALLOWED 300 US\$/day" لتحقق من الصحة: " القيمة القصوى المسموح 300 دولار أمريكي في اليوم"</p> <p>VALIDATION in case of "0" wage rate التحقق من الصحة في حال "0" موظف مؤقت</p> <p>"Does the trader refuse to answer to the question above?" هل رفض التاجر الإجابة على السؤال؟</p>

Exploring Food Assistance Programmes: Evidence for Lebanon

		YES/NO نعم / لا
Q1.14 ALL	Is this a family business only? هل هذا المتجر شركة عائلية فقط؟	NOTE TO THE ENUMERATOR: This question pops out if no is selected to both the two questions above on employment numbers ملاحظة لاعداد: هذا السؤال من الملوثات العضوية الثابتة إذا لم يتم تحديد لكلا السؤالين أعلاه على أرقام التوظيف YES/NO نعم / لا

Section 2 – Supply Chain		2- سلسلة التوريد
Q2.01.00 ALL	Do you trade imported food? هل تتاجر في المواد الغذائية المستوردة؟	YES/NO
Q2.01. ALL	What is the supply source of the IMPORTED FOOD you trade? ما هو مصدر التوريد الخاص بالمواد الغذائية المستوردة التي تتاجر بها؟	<p>a) Import myself YES/NO أقوم باستيرادها بنفسني نعم/لا</p> <p>b) Purchase directly from an importer YES/NO أقوم بشرائها من المستورد بشكل مباشر نعم/لا</p> <p>c) Purchase from a wholesaler in Beirut YES/NO أقوم بشرائها من بائع الجملة في بيروت نعم/لا</p> <p>d) Purchase from a wholesaler in Tripoli YES/NO أقوم بشرائها من بائع الجملة في طرابلس نعم/لا</p> <p>e) Purchase from a wholesaler outside my kaza YES/NO أقوم بشرائها من بائع الجملة خارج القضاء نعم/لا</p> <p>f) Purchase from a wholesaler in my kaza YES/NO أقوم بشرائها من بائع الجملة داخل القضاء نعم/لا</p> <p>g) Purchase from independent cash vans YES/NO أقوم بشرائها من بائع الكاش فان المستقل نعم/لا</p> <p>h) Do not trade imported food YES/NO لا أقوم بالتجارة بالبضائع المستوردة نعم/لا</p> <p>VALIDATION: "AT LEAST ONE YES IS REQUIRED ABOVE IF THE TRADER IMPORTS FOOD" التحقق من الصحة: "نعم واحد على الأقل مطلوب أعلاه إذا كان الطعام التاجر الواردات"</p>
Q2.02.00 ALL	a. Do you trade local food? هل تتاجر بالمواد الغذائية المحلية؟	YES/NO نعم/لا
Q2.02. ALL	What is the supply source of the LOCAL FOOD you trade? ما هو مصدر التوريد الخاص بالمواد الغذائية المحلية التي تتاجر بها؟	<p>a) Own production YES/NO الانتاج الخاص نعم/لا</p> <p>b) Purchase from farmers YES/NO أقوم بشرائها من المزارعين نعم/لا</p> <p>c) Purchase from factories YES/NO أقوم بشرائها من المصانع نعم/لا</p> <p>d) Purchase from independent cash vans YES/NO أقوم بشرائها من بائع الكاش فان المستقل نعم/لا</p> <p>e) Purchase from a wholesaler at the local central market YES/NO أقوم بشرائها من بائع الجملة في من السوق المركزي المحلي نعم/لا</p> <p>f) Purchase from a wholesaler not operating at the local central market YES/NO أقوم بشرائها من بائع الجملة ليس في من السوق المركزي المحلي نعم/لا</p> <p>VALIDATION: "AT LEAST ONE YES IS REQUIRED ABOVE IF THE DEALS WITH LOCAL FOOD" التحقق من الصحة: "نعم واحد على الأقل مطلوب أعلاه إذا يوجد صفقات مع الأغذية المحلية"</p>

Q2.03. W	To whom do you sell? لمن تقوم بالبيع؟	a) Wholesaler in Beirut YES/NO بائع الجملة في بيروت نعم/لا b) Wholesaler in Tripoli YES/NO بائع الجملة في طرابلس نعم/لا c) Other Wholesaler YES/NO بائعي الجملة الآخرين نعم/لا d) Supermarket chains (e.g. Spinney, Carrefour) YES/NO سلسلة السوبرماركت (سبينيز، كارفور الخ) نعم/لا e) Large groceries YES/NO البقالات الكبيرة نعم/لا f) Medium/Small groceries YES/NO البقالات متوسطة أو صغيرة الحجم نعم/لا ALLOW NEXT QUESTION WITH AT LEAST ONE YES ABOVE السماح بالسؤال التالي مع نعم واحد على الأقل أعلاه
Q2.04.a W	How many traders do you sell to on average in a month? ما هو عدد التجار المتوسط الذين تقوم بتقديم خدمة البيع لهم في الشهر؟	ALLOW NUMBER ABOVE 0 السماح بإدخال أرقام فوق 0
Q2.04.b1 NCR	How many customers do you sell to on average in a normal day? ما هو عدد العملاء المتوسط الذين تقوم بتقديم خدمة البيع لهم في اليوم العادي؟	ALLOW NUMBER ABOVE 0 السماح بإدخال أرقام فوق 0
Q2.04.b2 NCR	What is the average daily amount (in US\$) that a customer spends on food. ما هو متوسط المبلغ اليومي (بالدولار الأمريكي) ، الذي ينفقه الزبون الواحد على الطعام؟	ALLOW NUMBER ABOVE 0 السماح بإدخال أرقام فوق 0
Q2.04.c1 CR	How many customers do you sell to on average in a normal day excluding the Syrian customers using the e-voucher card? IF ASKED: EXCLUDE THE PEAK DAYS OF VOUCHER REDEMPTION ما هو عدد المتوسط للعملاء الذين تقوم بتقديم خدمة البيع لهم باستثناء اللاجئين السوريين عبر البطاقة الغذائية؟	ALLOW NUMBER ABOVE 0 السماح بإدخال أرقام فوق 0
Q2.04.c2 CR	What is the average daily amount (in US\$) that a customer spends on food excluding the peak days. ما هو متوسط المبلغ اليومي (بالدولار الأمريكي) ، الذي ينفقه الزبون الواحد على الطعام باستثناء أيام الذروة؟	NOTE: EXCLUDE THE PEAK DAYS OF VOUCHER REDEMPTION
Q2.05.a W	How many other wholesalers similar to you in terms of size and variety of food products are in this region? كم يبلغ عدد بائعي الجملة الآخرين المشابهين لك في الحجم وتنوع البضائع الغذائية في المنطقة؟	ALLOW NUMBER السماح بإدخال أرقام فوق 0
Q2.05.b R	How many other retailers similar to you in terms of size and variety of food products are in this neighbourhood? كم يبلغ عدد بائعي المفرق الآخرين المشابهين لك في الحجم وتنوع البضائع الغذائية في المنطقة؟	ALLOW NUMBER السماح بإدخال أرقام فوق 0

Section 3 – PRODUCTS/NEW PRODUCTS FOR SYRIAN CUSTOMERS

3- السلع/ السلع الجديدة التي يقوم بشرائها اللاجئين السوريين

Q3.01 NCR	Do you have Syrian customers? هل يوجد لديك عملاء سوريين؟	YES/NO نعم/لا IF NO, SKIP NEXT QUESTION إذا لا، تخطى السؤال التالي
Q3.02 ALL	Are you selling different food brands specifically demanded by Syrian refugees only?	YES/NO

Exploring Food Assistance Programmes: Evidence for Lebanon

	هل تقوم ببيع منتجات غذائية ذات علامات تجارية متنوعة يطلبها اللاجئين السوريين بالتحديد؟	نعم/لا IF NO, SKIP NEXT THREE QUESTIONS إذا لا، تخطى ثلاثة أسئلة
Q3.03 ALL	Do any of these food brands come from Syria? هل أي من هذه العلامات التجارية الغذائية تأتي من سوريا؟	YES/NO نعم/لا
Q3.04 ALL	Are these brands cheaper than the average of similar brands purchased by Lebanese customers? هل تعتبر هذه المنتجات أرخص من متوسط سعر المنتجات الغذائية التي يقوم الزبائن اللبنانيون بشرائها؟	YES/NO نعم/لا
Q3.05 ALL	Do these different food brands have a significant share in your total sales revenues? هل تشكل هذه العلامات التجارية حصة كبيرة في إجمالي إيرادات المبيعات الخاصة بك؟	YES/NO نعم/لا

Section 4 – CREDIT		4- الرصيد الدائن
Q4.01 ALL	Do you have a credit line with your suppliers? هل لديك حد ائتماني مع الموردين الذين تتعامل معهم؟	YES/NO نعم/لا IF NO, SKIP NEXT QUESTION إذا لا، تخطى السؤال التالي
Q4.02 ALL	How many days on average? ما هو متوسط عدد الأيام؟	NOTE TO THE ENUMERATOR: If different credit lines, take the one of the larger supplier, otherwise the average. ملاحظة _ ل العداد: إذا كانت خطوط الائتمان المختلفة، واتخاذ واحدة من المورد الأكبر، وإلا فاختر المتوسط DROP DOWN MENU القائمة المنسدلة <ul style="list-style-type: none"> • 1-7 days (up to 1 week) 7-1 أيام (حتى أسبوع) • 8-14 days (1-2 weeks) 14-8 يوم (2-1 أسبوع) • 15-30 days (1 month) 30-15 يوم (شهر واحد) • 30-60 days (1-2 months) 60-30 يوم (2-1 شهر) • >60 (more than 2 months) أكثر من 60 يوم (أكثر من شهرين)
Q4.03 ALL	What percentage of the value of your monthly orders do you pay in cash? ما هي النسبة المئوية التي تدفعها نقداً من قيمة الطلبات الشهرية؟	ALLOW PERCENTAGE BETWEEN 0-100% السماح بإدخال النسب المئوية بين 0-100%
Q4.04 ALL	How much discount (in percent) do you get when you pay in cash? ما هي نسبة الخصم التي تحصل عليها عند الدفع نقداً؟	ALLOW PERCENTAGE BETWEEN 0-100% السماح بإدخال النسب المئوية بين 0-100% VALIDATION IF ABOVE 10%: "THIS LOOKS HIGH, ARE YOU SURE ABOUT THE PERCENTAGE?" التحقق من صحة إذا فوق 10%: "هذه تبدو عالية، هل أنت متأكد من النسبة المئوية؟" YES/NO نعم/لا
Q4.05 ALL		ALLOW PERCENTAGE BETWEEN 0-100% السماح بإدخال النسب المئوية بين 0-100%

Exploring Food Assistance Programmes: Evidence for Lebanon

	<p>How much discount (in percent) do you get when you order in large quantities?</p> <p>ما هي نسبة الخصم التي تحصل (النسبة المئوية) عليها عند شراء كميات كبيرة؟</p>	<p>VALIDATION IF ABOVE 10%: "THIS LOOKS HIGH, ARE YOU SURE ABOUT THE PERCENTAGE?"</p> <p>التحقق من صحة إذا فوق 10%: "هذه تبدو عالية، هل أنت متأكد من النسبة المئوية؟"</p> <p>YES/NO</p> <p>إذا 0%، تخطى السؤال التالي</p>
Q4.06 ALL	<p>How much (in US\$) do you have to order to get this discount?</p> <p>ما هو المبلغ (بالدولار) الذي يجب أن تطلب بقيمته من أجل الحصول على الخصم؟</p>	<p>ALLOW NUMBER GREATER THAN 0</p> <p>السماح برقم أكبر من 0</p> <p>VALIDATION: IF ABOVE A MILLION: "CONFIRM YOU ARE REPORTING IN US\$ AND NOT LBP"</p> <p>التحقق من صحة إذا فوق مليون: "تأكد أنت تقوم بالإبلاغ عن الدولار الأمريكي وليس الليرة اللبنانية"</p> <p>YES/NO</p> <p>نعم/لا</p>
Q4.08 ALL	<p>Do you provide credit to your customers?</p> <p>هل تقوم بفتح حساب دين لزيابنتك؟</p>	<p>YES/NO نعم / لا</p> <p>IF NO, SKIP NEXT QUESTION</p> <p>إذا لا، تخطى السؤال التالي</p>
Q4.09 ALL	<p>What percentage of your monthly sales (value) do you sell on credit?</p> <p>ما هي نسبة مبيعاتك الشهرية التي تباعها على الرصيد الدائن؟</p>	<p>ALLOW PERCENTAGE BETWEEN 0-100%</p> <p>السماح بإدخال النسب المئوية بين 0-100%</p>
Q4.10 W	<p>How much discount in percent do you provide when you sell in large quantities to other traders?</p> <p>ما هي قيمة الخصم (النسبة المئوية) التي تقدمها عند شراء كميات كبيرة؟</p>	<p>ALLOW PERCENTAGE BETWEEN 0-100%</p> <p>السماح بإدخال النسب المئوية بين 0-100%</p> <p>VALIDATION IF ABOVE 10%: "THIS LOOKS HIGH, ARE YOU SURE ABOUT THE PERCENTAGE?"</p> <p>التحقق من صحة إذا فوق 10%: "هذه تبدو عالية، هل أنت متأكد من النسبة المئوية؟"</p> <p>YES/NO</p> <p>نعم/لا</p> <p>IF 0, SKIP NEXT QUESTION</p> <p>إذا 0، تخطى السؤال التالي</p>
Q4.11.a W	<p>How much (in US\$) do you have to sell to provide this discount to other traders?</p> <p>ما هو المبلغ (بالدولار) الذي يجب أن يتم دفعه لتقديم هذا الخصم؟</p>	<p>ALLOW NUMBER GREATER THAN 0</p> <p>السماح برقم أكبر من 0</p> <p>VALIDATION: IF ABOVE A MILLION: "CONFIRM YOU ARE REPORTING IN US\$ AND NOT LBP"</p> <p>التحقق من الصحة: إذا فوق مليون: "تأكد أنت تقوم بالإبلاغ عن الدولار الأمريكي وليس في الليرة اللبنانية"</p> <p>YES/NO</p> <p>نعم/لا</p>
Q4.11.b R	<p>How much discount in percent do you provide when you sell to customers/consumers?</p> <p>كم الخصم بالنسبة المئوية التي تقدمه عند البيع للمستهلك؟</p>	<p>ALLOW PERCENTAGE BETWEEN 0-100%</p> <p>السماح بإدخال النسب المئوية</p> <p>VALIDATION IF ABOVE 10%: "THIS LOOKS HIGH, ARE YOU SURE ABOUT THE PERCENTAGE?"</p> <p>التحقق من صحة إذا فوق 10%: "هذه تبدو عالية، هل أنت متأكد من النسبة المئوية؟"</p> <p>YES/NO</p> <p>نعم/لا</p> <p>IF 0, SKIP NEXT QUESTION</p> <p>إذا 0، تخطى السؤال التالي</p>
Q4.11.c R	<p>How much (in US\$) do you have to sell to provide this discount to customers?</p> <p>كم في الدولار الأمريكي يجب ان تباع كي تتمكن من تقديم هذا الخصم للعملاء؟</p>	<p>ALLOW NUMBER GREATER THAN 0</p> <p>السماح برقم أكبر من 0</p> <p>VALIDATION: IF ABOVE A MILLION: "CONFIRM YOU ARE REPORTING IN US\$ AND NOT LBP"</p> <p>التحقق من الصحة: إذا فوق مليون: "تأكد أنت تقوم بالإبلاغ عن الدولار الأمريكي وليس في الليرة اللبنانية"</p> <p>YES/NO</p> <p>نعم/لا</p>

Q4.12 CR	Do you provide credit to your customers holding a WFP e-card? هل تقوم بتقديم الرصيد الدائن للعملاء من حملة بطاقة برنامج الأغذية العالمي الإلكترونية؟	YES/NO /نعم/لا
Q4.13 CR	Did the requests for credit increase when the e-card value decreased from US\$30 TO US\$19? هل ازدادت نسبة الطلب على الرصيد الدائن عندما انخفضت قيمة البطاقة من 29-الى-19 دولار؟	YES/NO/لا/ نعم
Q4.14 ALL	Do you have a formal credit with the bank? هل لديك الائتمان الرسمي مع البنك	YES/NO/لا/ نعم IF NO, SKIP NEXT QUESTION إذا لا، تخطى السؤال التالي
Q4.15 CR	Is this formal credit due to investments made for participating in the WFP e-voucher programme? وهذا الاعتماد الرسمي هل هو بسبب الاستثمارات التي فعلتها من خلال المشاركة في برنامج القسيمة الإلكترونية؟	YES/NO/لا/ نعم

Section 5 – PROMOTIONS		5 – العروض
Q5.01 R	Do you have promotions or do you offer discounts to your customers? هل توجد لديك عروض، أو تقوم بتقديم خصومات للعملاء؟	YES/NO /نعم/لا IF NO, SKIP NEXT 4 QUESTIONS إذا لا، تخطى الأسئلة الأربعة القادمة
Q5.02 R	Do you combine food items with non-food items? هل تقوم بجمع المواد الغذائية وغير الغذائية سوية عند تقديم العروض أو الخصومات؟	YES/NO /نعم/لا
Q5.03 R	Do you combine different food items with a discount? هل تقوم بجمع مواد غذائية مختلفة عند تقديم العروض أو الخصومات؟	YES/NO /نعم/لا
Q5.04 R	Do you add quantities for the same price? هل تقوم بإضافة كميات لنفس السعر؟	YES/NO /نعم/لا
Q5.05 R	Are these promotions targeted for products specifically demanded by Syrian refugees? هل تستهدف هذه العروض والخصومات المنتجات التي يطلبها اللاجئون السوريون على وجه الخصوص؟	YES/NO /نعم/لا
Q5.06 R	Do you have a fidelity/loyalty programme for your customers? هل لديك برنامج ولاء/إخلاص لعملائك؟	YES/NO /نعم/لا
Q5.07 R	Does this fidelity/loyalty programme apply also for Syrian customers? هل برنامج ولاء/إخلاص لعملائك تنطبق على العملاء السوريين؟	YES/NO/لا/ نعم
Q5.08 R	If WFP would provide cash instead of e-vouchers, would you consider offering more promotions or loyalty programmes for food than currently, in order to keep and attract your Syrian customers? إذا قرر برنامج الأغذية العالمي تقديم الأموال النقدية بدلاً من البطاقات، فهل ستقوم بالنظر بتقديم المزيد من العروض والخصومات، أو برامج الولاء الخاصة بالسلع الغذائية أكثر من حالياً من أجل جذب العملاء السوريين؟	YES/NO /نعم/لا

Section 6 – IMPACT OF WFP VOUCHER		
6-تأثير برنامج البطاقات الإلكترونية الخاصة ببرنامج الأغذية العالمي		
Q6.01 CR	Have you employed new personnel to support you in your business since your involvement in the WFP voucher programme? هل قمت بتشغيل عاملين جدد لمساعدتك في عملك منذ مشاركتك في برنامج البطاقات؟	<p>نعم/لا/NO/YES</p> <p>IF YES</p> <p>Permanent? YES/NO نعم/لا دائمة؟</p> <p>IF YES: PLEASE SPECIFY THE NUMBER إذا نعم السماح بإدخال أرقام</p> <p>Temporary? YES/NO نعم/لا مؤقتة؟</p> <p>IF YES PLEASE SPECIFY THE NUMBER إذا نعم السماح بإدخال أرقام :</p>
Q6.02 CR	Did you invest in your business due to the participation in the e-voucher programme? هل قمت بالاستثمار في عملك نتيجة لمشاركتك في برنامج البطاقات الإلكترونية؟	<p>نعم/لا/NO/YES</p> <p>IF NO SKIP NEXT QUESTION إذا لا، تخطي السؤال التالي</p>
Q6.03 CR	What type of investment did you undertake? ما هو نوع الاستثمار الذي قمت به؟	<p>a) Additional warehouse/storage? مستودع تخزين إضافي؟ YES/NO/نعم/لا</p> <p>b) Improved storage? تحسين المستودعات؟ YES/NO/نعم/لا</p> <p>c) Improved selling area? تحسين مساحة البيع؟ YES/NO/نعم/لا</p> <p>d) Additional selling area within shop? مساحة بيع إضافية داخل المتجر؟ YES/NO/نعم/لا</p> <p>e) Barcode system? نظام الترميز؟ YES/NO/نعم/لا</p> <p>f) Cooling system? نظام تبريد؟ YES/NO/نعم/لا</p> <p>g) Security systems نظام الأمن؟ YES/NO/نعم/لا</p> <p>h) Others, Specify _____ أخرى، حدد YES/NO/نعم/لا</p> <p>VALIDATION: AT LEAST ONE YES IS REQUIRED ABOVE IF THE TRADER HAS HAD UNDERTAKEN INVESTMENTS التحقق من الصحة: واحد على الأقل نعم مطلوب أعلاه إذا التاجر استثمر</p>
Q6.04 CR	What is the approximate value of your total investments in US\$? ما هي القيمة التقريبية لإجمالي الاستثمارات بالدولار الأمريكي؟	<p>ALLOW NUMBER السماح بإدخال أرقام</p>
Q6.05 CR	What is the proportion (in percent) of the monthly WFP e-voucher revenues over your total revenue? ما هي نسبة (النسب المئوية) عائدات برنامج البطاقات الإلكترونية الشهرية مقارنة بإجمالي العائدات الكلي؟	<p>ALLOW PERCENTAGE FROM 1-100% السماح بإدخال النسب المئوية من 1-100%</p>
Q6.06.00 CR	Did your credit conditions improve because you could increase your volumes due to the e-voucher programme? هل تحسن وضعك الائتماني لقدرتك على زيادة الإيرادات بسبب برنامج البطاقات الإلكترونية؟	<p>نعم/لا/NO/YES</p>
Q6.06. CR	What problems do you face with the implementation of the WFP e-voucher programme? ما هي المشكلات التي تواجهها في تنفيذ برنامج البطاقات الإلكترونية؟	<p>a) Too many customers/queues الكثير من العملاء/نعم/لا YES/NO</p> <p>b) Longer working hours أوقات عمل أطول/نعم/لا YES/NO</p> <p>c) Loosing/Crowding out of Lebanese customers YES/NO</p>

Exploring Food Assistance Programmes: Evidence for Lebanon

		<p>خسارة الزبائن اللبنانيين نعم/لا</p> <p>d) Difficulty to obtain and offer fresh products YES/NO صعوبة الحصول على و تقديم منتجات طازجة كافية نعم/لا</p> <p>e) Customers want to cash part or all of the value of the e-card YES/NO العملاء يريدون استبدال جزء أو كامل قيمة البطاقات بلمال النقدى نعم/لا</p> <p>f) Customers want to pay non-food items with the e-card YES/NO العملاء يريدون شراء المواد غير الغذائية من خلال البطاقات نعم/لا</p> <p>g) Monitoring visits YES/NO زيارات الرصد نعم/لا</p> <p>h) Other problems, please specify _____ YES/NO مشاكل أخرى يرجى التحديد نعم/لا</p> <p>VALIDATION: IF ALL NO ABOVE, PLEASE CONFIRM SELECTING YES BELOW التحقق من صحة: إذا كان كل لا أعلاه، الرجاء التأكد من اختيار نعم أدناه</p> <p>No problems? YES لا مشاكل؟ نعم</p>
Q6.07 CR	<p>Did you have to change your ordering and stock management strategy to accommodate the WFP e-voucher programme? هل اضطررت لتغيير الاستراتيجية الخاصة بك من حيث ترتيب وإدارة المخزون لتلبية احتياجات برنامج البطاقات الإلكترونية التابع لمنظمة الغذاء العالمي؟</p>	<p>YES/NO نعم/لا</p>
Q6.08 CR	<p>Do you have to know in advance the value of the voucher and the related expected volume of business to be able to properly supply the Syrian customers? هل تحتاج إلى معرفة قيمة البطاقات والأموار المتعلقة بحجم العمل بشكل مسبق من أجل تلبية احتياجات العملاء السوريين بشكل ملائم؟</p>	<p>YES/NO نعم/لا</p>
Q6.09.01 CR	<p>Would you change the stocking strategy if WFP would provide cash instead of vouchers making the demand of Syrian customers unpredictable? هل ستقوم بتغيير استراتيجيات التخزين الخاصة بك في حال قرر برنامج الأغذية العالمي الانتقال من برنامج البطاقات الإلكترونية إلى توفير الأموال النقدية ليصبح الطلب غير متوقع؟</p>	<p>YES/NO نعم/لا</p>
Q6.09.02 CR	<p>إذا استمر برنامج الغذاء العالمي لتوزيع 19 دولار لكل مستفيد بدلاً من 30 دولاراً أمريكياً، في نظرك كيف سوف تتكيف في عملك؟ If WFP continued to distribute US\$19 per beneficiary instead of US\$30, what adjustment to your business would you consider?</p>	<p>FREE TEXT النص الحر</p>
Q6.09.03 CR	<p>If WFP provided transfers to only half of your current e-card holders, what adjustments to your business would you consider? إذا قدم برنامج الغذاء العالمي التحويلات إلى النصف فقط من حاملي بطاقة إلكترونية الحالي الخاص بك، في نظرك كيف سوف تتكيف في عملك؟</p>	<p>FREE TEXT النص الحر</p>
Q6.09.04 CR	<p>What is your estimated income per day in US\$ excluding the e-card ما هو الدخل المقدر يوميا بالدولار الأمريكي باستثناء البطاقة الإلكترونية</p>	
Q6.10 NCR	<p>How long does it take you to increase your supply if you had an unexpected peak in demand? كم من الوقت تحتاج من أجل زيادة الإيرادات الخاصة بك إذا كان لديك ذروة غير متوقعة في الطلب؟</p>	<p>DROP DOWN القائمة المنسدلة</p> <p>أقل من يوم Less than 1 day</p> <p>يوم 2-1 1-2 days</p> <p>أقل من أسبوع Less than 1 week</p> <p>أكثر من أسبوع More than 1 week</p>

Exploring Food Assistance Programmes: Evidence for Lebanon

<p>Q6.11 NCR</p>	<p>What is the impact of the voucher programme on your business ما هو تأثير برنامج البطاقات الإلكترونية على عملك؟</p>	<p>I had to reduce the prices of my goods to sustain the competition. YES/NO كان علي تخفيض أسعار البضائع لتتماشى مع الأسعار التنافسية نعم/لا</p> <p>I could increase my prices because the contracted shops did so too. YES/NO بإمكاني رفع الأسعار لأن المتاجر المتعاقد معها قامت بذلك نعم/لا</p> <p>I received more Lebanese customers who wanted to avoid contracted shops. YES/NO استقبلت الكثير من العملاء اللبنانيين الذين أرادوا الابتعاد عن الاكتظاظ في المتاجر المتعاقد معها نعم/لا</p> <p>I received subcontracts of contracted shops. YES/NO تلقيت عقود من المتاجر المتعاقد معها نعم/لا</p> <p>I provided stocks to contracted shops during the peak period of redemption. YES/NO قمت بتزويد المتاجر المتعاقد معها بالمخزونات خلال فترة الذروة أثناء استبدال البطاقات نعم/لا</p> <p>I have lost part of my business YES/NO لقد فقدت جزءا من عملي نعم/لا</p> <p>Refugees come to sell part of their commodities to me YES/NO اللاجئين يأتون لبيع جزء من سلعهم لي نعم/لا</p> <p>Other, please specify ____ أخرى، يرجى التحديد _____</p>
<p>Q6.12 NCR</p>	<p>During the last 3 months, did you receive more Syrian customers than before? خلال فترة الثلاثة الأشهر الأخيرة، هل قمت بتلقي عملاء سوريين أكثر من السابق؟</p>	<p>ALLOW DROP DOWN القائمة المنسدلة</p> <p>NO لا YES – Only a few نعم – القليل YES – A lot نعم – الكثير</p>
<p>Q6.13 NCR</p>	<p>What is your estimated income per day in US\$ ما هو الدخل المقدر يوميا بالدولار الأمريكي</p>	
<p>Q6.14b NCR</p>	<p>Earlier in Q1.06.e you mentioned that you are not interested in participating in the e-card programme, Why and Why not? في وقت سابق كنت ذكرت أنك لا ترغب في المشاركة في برنامج البطاقة الإلكترونية ، لماذا ولماذا لا؟</p>	<p>Creates confusion with my regular customers? تعمل على خلق حالة من الارتباك مع زبائني المنتظمين؟</p> <p>Requirements are too stringent? متطلبات صارمة جدا؟</p> <p>I am happy with my current business? أنا سعيد بعملي الحالي؟</p> <p>Additional profit is not worth the effort? ربح إضافي لا يستحق كل هذا الجهد؟</p> <p>Too many customers at a time/queues عدد كبير جدا من العملاء في وقت واحد / طوابير</p> <p>Longer working hours أوقات عمل طويلة</p> <p>Loosing Lebanese customers خسارة الزبائن اللبنانيين</p> <p>Lack of available fresh products عدم توفر منتجات طازجة كافية</p> <p>Additional work to ensure programme compliance of customers عمل إضافي لضمان امتثال البرنامج للعملاء</p> <p>Don't want to open a bank account with Banque Libanon Francaise? لا تريد فتح حساب مصرفي مع البنك اللبناني الفرنسي؟</p> <p>Monitoring visits زيارات الرصد</p> <p>Other, please specify ____ أخرى، يرجى التحديد _____</p>
<p>Q6.15 ALL</p>	<p>OBSERVATIONS الملاحظات</p>	<p>FREE TEXT النص الحر</p> <p>DON'T ASK – THIS ALLOWS YOU TO PUT INFORMATION THAT MAY HELP UNDERSTAND THE RESPONSES لا تسأل - وهذا يسمح لك لوضع المعلومات التي قد تساعد في فهم الاجابات</p>

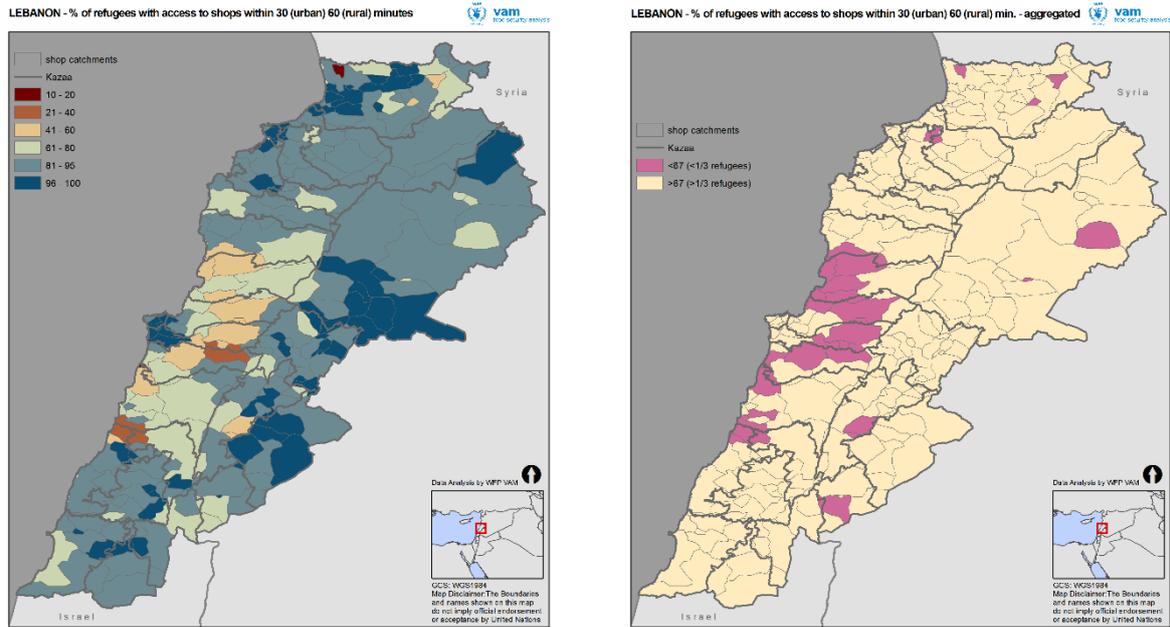
Annex 2: Additional Tables and Maps

Table 13 - Registered Syrian refugees

Registered Syrian Refugees as at March 2015					Cadastral areas with more than 10,000 thousand registered Syrian Refugees					
Governorate	Kazaa	Total	% of Governorate	% of Total	Governorate	Kazaa	Cadastral	Refugees	% of Governorate	% of Total
Beirut	Beirut	32,145	100%	3%	Beirut	Beirut	Mazraa	13,130	41%	1%
Beirut Total		32,145		3%	Bekaa	Baalbek	Aarsal	41,626	10%	3%
Bekaa	Baalbek	133,054	32%	11%	Bekaa	Baalbek	Baalbek	23,510	6%	2%
	El Hermel	6,768	2%	1%	Bekaa	Baalbek	Qaa Baalbek	10,966	3%	1%
	Rachaya	12,116	3%	1%	Bekaa	West Bekaa	Marj BG	15,750	4%	1%
	West Bekaa	71,350	17%	6%	Bekaa	West Bekaa	Ghazze	14,692	4%	1%
	Zahle	195,296	47%	16%	Bekaa	Zahle	Barr Elias	36,417	9%	3%
Bekaa Total		418,584		35%	Bekaa	Zahle	Qabb Elias	28,592	7%	2%
El Nabatieh	Bent Jbeil	8,777	17%	1%	Bekaa	Zahle	Majdel Aanjar	17,593	4%	1%
	El Nabatieh	30,305	57%	3%	Bekaa	Zahle	Saadnayel	17,000	4%	1%
	Hasbaya	5,889	11%	0%	Bekaa	Zahle	Zahle El-Midane	16,413	4%	1%
	Marjaayoun	8,167	15%	1%	Bekaa	Zahle	Taalbaya	11,529	3%	1%
El Nabatieh Total		53,138		4%	Bekaa	Zahle	Kfarzabad	10,570	3%	1%
Mount Lebanon	Aley	66,171	21%	6%	Mount Lebanon	Aley	Choueifat El-Aamrousiye	20,995	7%	2%
	Baabda	101,402	33%	9%	Mount Lebanon	Aley	Aaramoun Aaley	10,632	3%	1%
	Chouf	56,502	18%	5%	Mount Lebanon	Baabda	Chiyah	54,213	17%	5%
	El Meten	63,459	20%	5%	Mount Lebanon	Baabda	Bourj El-Brajneh	25,335	8%	2%
	Jbeil	6,563	2%	1%	Mount Lebanon	El Meten	Bourj Hammoud	20,256	6%	2%
	Kesrwane	17,535	6%	1%	North	Akkar	Aamayer	14,727	5%	1%
Mount Lebanon Total		311,632		26%	North	El Minieh-Dennie	Minie	17,467	6%	1%
North	Akkar	111,147	39%	9%	North	El Minieh-Dennie	Beddaoui	17,195	6%	1%
	Bcharre	3,129	1%	0%	North	Tripoli	Trablous Ez-Zeitoun	18,755	7%	2%
	El Batroun	17,552	6%	1%	North	Tripoli	Trablous El-Qobbe	10,123	4%	1%
	El Koura	19,220	7%	2%	South	Saida	Saida El-Qadimeh	15,289	18%	1%
	El Minieh-Dennie	63,712	22%	5%	Subtotal			482,775		41%
	Tripoli	56,302	20%	5%						
	Zgharta	17,029	6%	1%						
North Total		288,091		24%						
South	Jezzine	3,405	4%	0%						
	Saida	50,283	58%	4%						
	Sour	33,433	38%	3%						
South Total		87,121		7%						
Grand Total		1,190,711		100%						

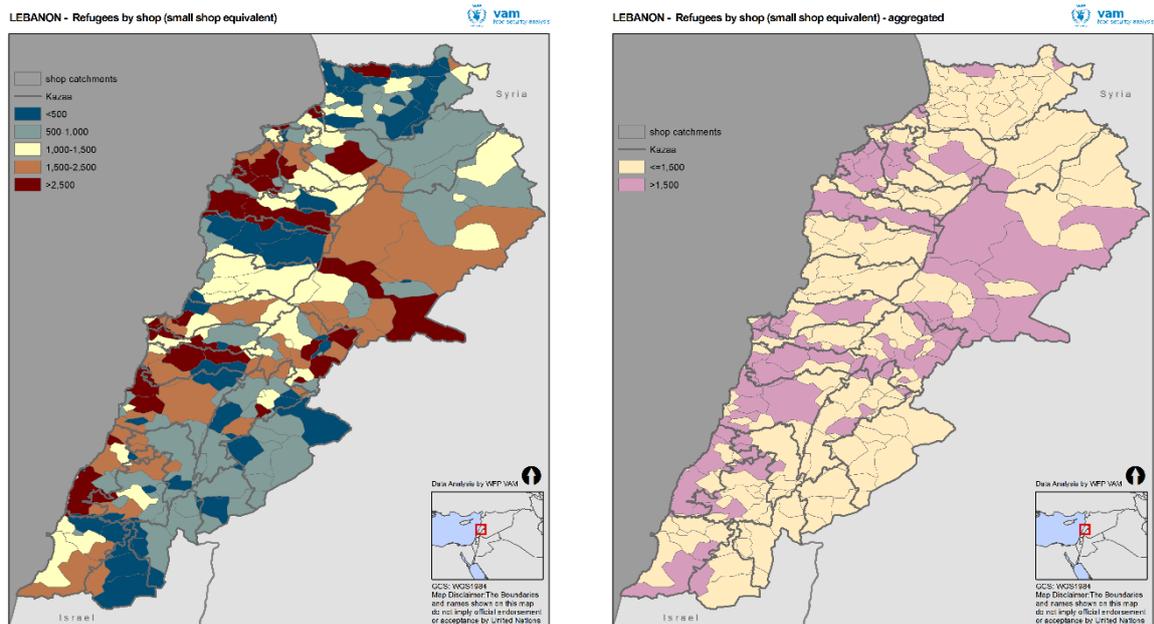
Source: UNHCR

Map 4 - Percentage of refugees with access to shops within 30 and 60 minutes



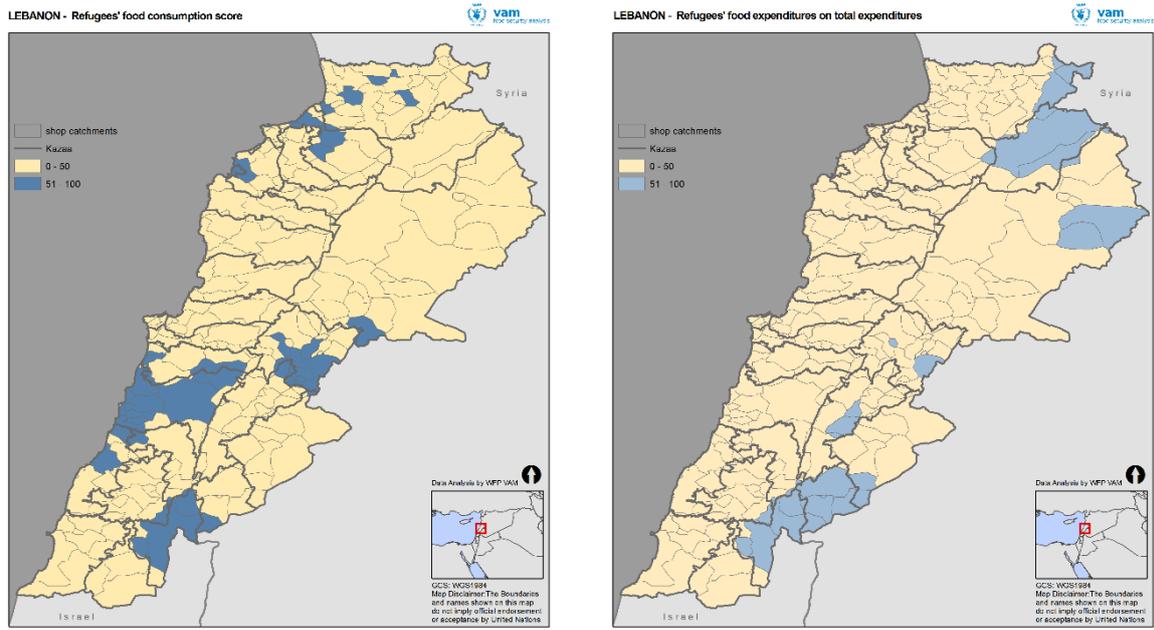
Source: Authors' elaboration based on UNHCR for refugee presences at cadastral level, WFP shop locations, VASyR household data and LandScan™ population distribution. Estimated travel time is calculated by the spatial accessibility model developed by WFP VAM.

Map 5 - Number of refugees by shop (small shop equivalent)



Source: Authors' elaboration based on UNHCR for refugee presences at cadastral level, WFP shop locations, VASyR household data and LandScan™ population distribution. Estimated travel time is calculated by the spatial accessibility model developed by WFP VAM.

Map 6 - Food consumption score and food expenditures on total expenditures



Source: Authors' elaboration based on UNHCR for refugee presences at cadastral level, WFP shop locations, VASyR household data and LandScan™ population distribution. Estimated travel time is calculated by the spatial accessibility model developed by WFP VAM.

Table 14 - List of locations with physical access constraints

Constraint	Governorate	Kazaa	Cadastral
Physical Access_TravTime+ShopPressure	Mount Lebanon	Aley	Aain Dara
Physical Access_TravTime+ShopPressure	Mount Lebanon	Aley	Keyfoun
Physical Access_TravTime+ShopPressure	Mount Lebanon	El Meten	Qaaqour
Physical Access_TravTime+ShopPressure	South	Saida	Miye ou Miyeh*
Physical Access_TravTime	Bekaa	Baalbek	Baalbek
Physical Access_TravTime	Mount Lebanon	Baabda	Qobbayaa
Physical Access_TravTime	Mount Lebanon	Baabda	Qornayel
Physical Access_TravTime	Mount Lebanon	Chouf	Naame
Physical Access_TravTime	Mount Lebanon	El Meten	Naqqach
Physical Access_TravTime	Mount Lebanon	El Meten	Zouk El-Kharab
Physical Access_TravTime	Mount Lebanon	Kesrwane	Bouar
Physical Access_TravTime	Mount Lebanon	Kesrwane	Jouret Bedrane
Physical Access_TravTime	Mount Lebanon	Kesrwane	Shayle Kesrouane
Physical Access_TravTime	Mount Lebanon	Kesrwane	Zouk Mkayel
Physical Access_TravTime	Mount Lebanon	Kesrwane	Zouk Mousbeh
Physical Access_TravTime	North	Akkar	Aandqet
Physical Access_TravTime	North	Akkar	Tall Meayan Tall Kiri
Physical Access_TravTime	North	Zgharta	Miriata
Physical Access_ShopPressure	Beirut	Beirut	Achrafieh fonci Hère
Physical Access_ShopPressure	Beirut	Beirut	Mazraa fonci Hère
Physical Access_ShopPressure	Beirut	Beirut	Msaïbe fonci Hère
Physical Access_ShopPressure	Bekaa	Baalbek	Baalbek
Physical Access_ShopPressure	Bekaa	Baalbek	Beit Chama
Physical Access_ShopPressure	Bekaa	Baalbek	Brital
Physical Access_ShopPressure	Bekaa	Baalbek	Deir El-Ahmar
Physical Access_ShopPressure	Bekaa	Baalbek	Taïbet Baalbek
Physical Access_ShopPressure	Bekaa	Baalbek	Temnine Et-Tahita
Physical Access_ShopPressure	Bekaa	West Bekaa	Kamed El-Laouz
Physical Access_ShopPressure	Bekaa	West Bekaa	Souairi
Physical Access_ShopPressure	Bekaa	Zahle	Aain Kfar Zabad
Physical Access_ShopPressure	Bekaa	Zahle	Abilah
Physical Access_ShopPressure	Bekaa	Zahle	Qabb Elias
Physical Access_ShopPressure	Bekaa	Zahle	Riyaaq
Physical Access_ShopPressure	El Nabatieh	El Nabatieh	Aadchit Ech-Chqif
Physical Access_ShopPressure	El Nabatieh	El Nabatieh	Houmine El-Faouqa
Physical Access_ShopPressure	Mount Lebanon	Aley	Aaley Bsatine
Physical Access_ShopPressure	Mount Lebanon	Baabda	Bourj El-Brajneh
Physical Access_ShopPressure	Mount Lebanon	Baabda	Chiyah
Physical Access_ShopPressure	Mount Lebanon	Baabda	Hadath Beyrouth
Physical Access_ShopPressure	Mount Lebanon	El Meten	Aamaret Chalhoub
Physical Access_ShopPressure	Mount Lebanon	El Meten	Baouchriye
Physical Access_ShopPressure	Mount Lebanon	El Meten	Bourj Hammoud
Physical Access_ShopPressure	North	Akkar	Aamaret El-Baykat
Physical Access_ShopPressure	North	Akkar	Mhammaret
Physical Access_ShopPressure	North	Akkar	Qaabrine
Physical Access_ShopPressure	North	El Batroun	Bcheaali
Physical Access_ShopPressure	North	El Batroun	Mrah Chdid
Physical Access_ShopPressure	North	El Koura	Amioun
Physical Access_ShopPressure	North	El Koura	Btouratj
Physical Access_ShopPressure	North	El Minieh-Dennie	Beddaoui
Physical Access_ShopPressure	North	El Minieh-Dennie	Bqaa Sefrine
Physical Access_ShopPressure	North	El Minieh-Dennie	Sir Ed-Danniye
Physical Access_ShopPressure	North	Tripoli	Qalamoun
Physical Access_ShopPressure	North	Tripoli	Trablous jardins
Physical Access_ShopPressure	North	Zgharta	Rachaine
Physical Access_ShopPressure	North	Zgharta	Zgharta
Physical Access_ShopPressure	South	Saida	Insariye
Physical Access_ShopPressure	South	Sour	Aaiye
Physical Access_ShopPressure	South	Sour	Jouaiya

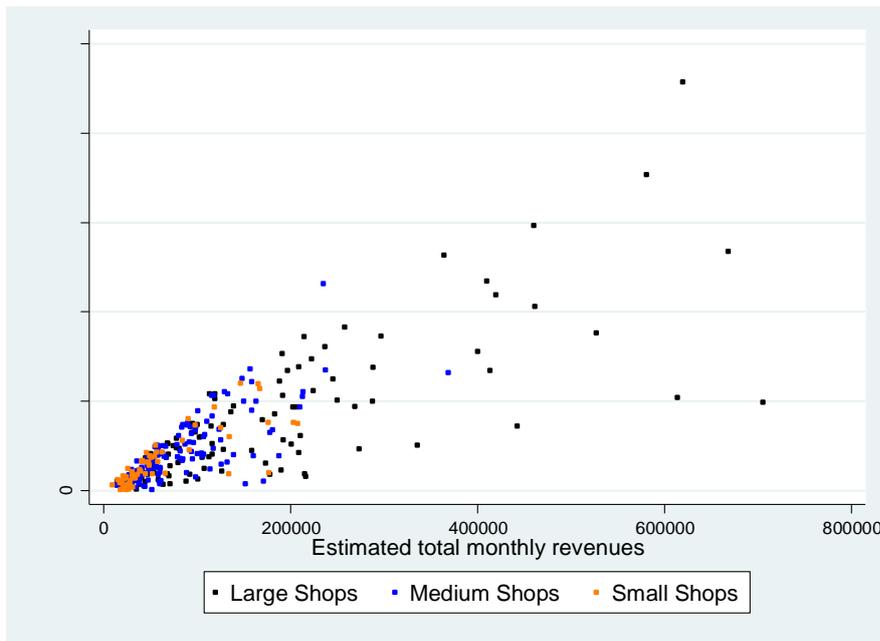
Source: Authors' elaboration

Table 15 - List of locations with economic access constraints

Constraint	Governorate	Kazaa	Cadastral
Economic Access_LowFCS_HighPFE	El Nabatieh	Marjaayoun	Aadaysse Marjaayoun
Economic Access_LowFCS_HighPFE	El Nabatieh	Marjaayoun	Borj El-Moulouk
Economic Access_LowFCS_HighPFE	El Nabatieh	Marjaayoun	Marjaayoun
Economic Access_LowFCS_HighPFE	El Nabatieh	Marjaayoun	Saouanet Marjaayoun
Economic Access_LowFCS	Bekaa	Zahle	Aanjar (Haouch Moussa)
Economic Access_LowFCS	Bekaa	Zahle	Majdel Aanjar
Economic Access_LowFCS	Mount Lebanon	Chouf	Aain Zhalta
Economic Access_LowFCS	Mount Lebanon	Chouf	Baassir
Economic Access_LowFCS	Mount Lebanon	Chouf	Barja
Economic Access_LowFCS	Mount Lebanon	Chouf	Jadra
Economic Access_LowFCS	Mount Lebanon	Chouf	Mghairiye Ech-Chouf
Economic Access_LowFCS	Mount Lebanon	Chouf	Sibline
Economic Access_LowFCS	North	Akkar	Aakkar El-Aatiqa
Economic Access_LowFCS	North	Akkar	Baghdadi
Economic Access_LowFCS	North	Akkar	Bebnine
Economic Access_LowFCS	North	Akkar	Halba
Economic Access_LowFCS	North	Akkar	Tielj
Economic Access_LowFCS	North	El Minieh-Dennie	Aassoun
Economic Access_LowFCS	North	El Minieh-Dennie	Bakhaoun
Economic Access_LowFCS	North	El Minieh-Dennie	Deir Aammar
Economic Access_LowFCS	North	El Minieh-Dennie	Minie
Economic Access_HighPFE	Bekaa	El Hermel	Hermel
Economic Access_HighPFE	Bekaa	West Bekaa	Joubb Jannine
Economic Access_HighPFE	Bekaa	Zahle	Saadnayel
Economic Access_HighPFE	El Nabatieh	Hasbaya	Chebaa
Economic Access_HighPFE	El Nabatieh	Hasbaya	Hasbaya
Economic Access_HighPFE	El Nabatieh	Hasbaya	Hebbariye
Economic Access_HighPFE	North	Akkar	Aamayr
Economic Access_HighPFE	North	Akkar	Mazareaa Jabal Akroum

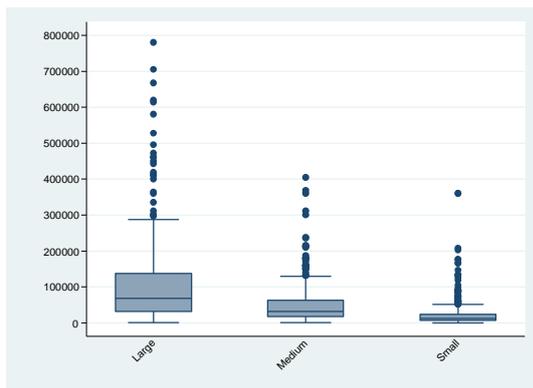
Source: Authors' elaboration

Figure 26 - Scatter plot of estimated total revenues and WFP e-cards revenues

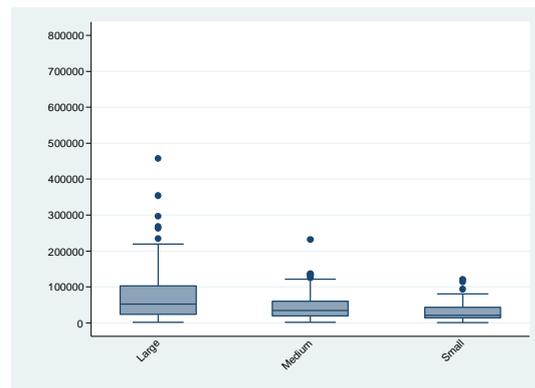


WFP – Lebanon Trader Survey 2015

Figure 27 - Boxplots of estimated total revenues and WFP e-cards revenues



Source: WFP – Lebanon Trader Survey 2015



Source: WFP – Lebanon Trader Survey 2015

Table 16 - Food basket for WFP Lebanon voucher value calculation

Item	Basket (as of Oct 2015)	
	g/person/day	kg/person/month
Rice, polished	150	4.5
Bulgur wheat	200	6
Oil, vegetable, Vit. A fortified	33	1
Lentils	40	1.2
Salt, iodised	5	0.2
Sugar	33	1
Poultry	30	0.9
Egg, hen, fresh	19	0.6
Cheese, canned	8	0.2
Pasta (macaroni)	50	1.5
Leaves, medium green (e.g. cucumber)	20	0.6

Source: WFP

