

This policy brief was written as part of the project 'Advancing Evidence-Based Policy in Crisis Management' conducted by the American University of Beirut and funded by the National Endowment for Democracy.

## Addressing Food Insecurity in Crisis-Stricken Lebanon

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*Almost three years into the economic crisis, Lebanon shows no sign of recovery. The sharp decline in economic activity, coupled with the spread of the COVID-19 pandemic and rising inflation, has pushed thousands of Lebanese households into poverty and unemployment. In addition to the rising poverty, the heavily indebted country that has long been struggling with structural macroeconomic anomalies and persistent political instability is now haunted by the sinister memories of the 'great famine.'*

*Concerns about food and nutrition insecurity are intensifying at both the national and sub-national levels as the main food security indicators started to follow an alarming trajectory. Thus, there is a pressing need for government to prioritize food security and take immediate actions to prevent hunger and malnutrition.*

*Examining the changing trends in the four main food security pillars, this brief provides several actionable policy recommendations that are urgently needed to strengthen food security in the short and medium-term, at both the national and household levels, recognizing the need for a more comprehensive food security plan that addresses food and nutrition security in its totality.*

## Introduction

Almost three years into the economic crisis, Lebanon shows no sign of recovery. Real GDP continues to decline after a brutal drop of 20.4% in 2020 (World Bank 2022). The sharp decline in economic activity, coupled with the spread of the COVID-19 pandemic and rising inflation, has pushed thousands of Lebanese households into poverty and unemployment. Nearly 82% of the population live in multidimensional poverty, experiencing deprivation in at least one of six poverty dimensions: education, health, public utilities, housing, assets and property, employment, and income (ESCWA 2021). In addition to rising poverty, the heavily indebted country that has long been struggling with structural macroeconomic anomalies and persistent political instability is now haunted by the sinister memories of the 'great famine' of 1915-1918. Concerns about food and nutrition insecurity are intensifying at both the national and sub-national levels, as the main food security indicators started to follow an alarming trajectory, placing the country in the top 20 acute hunger hotspots (FAO and WFP 2021).

Multiple factors and variables have contributed to the growing food insecurity in the country, some of which are not new, nor the byproduct of the crisis. However, to better comprehend these factors and address them, it's essential to set the conceptual framework of food security.

Food security exists when 'all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life' (FAO 1996). Thus, food security requires, simultaneously, food availability, food access, proper food utilization, and stability or consistency in these components. Recent updated conceptual frameworks have added two other dimensions: agency and sustainability (Clapp et al. 2021). Examining the changes in these dimensions over time can help assess the current situation in Lebanon.

## Food security in times of crisis

From a food availability perspective, the main indicators remain relatively stable. However, the fragility of the situation is worrying knowing that Lebanon is a net importer of food, and dollar reserves for imports have been dwindling. Food imports have decreased in volume and diversity (WFP 2021), and the average dietary energy supply, while still adequate, has started to show a downward trend. Even though the country has not yet experienced severe shortages in wheat and other key staples, maintaining adequate stocks is highly challenging for several reasons.

First, food consumption is heavily dependent on imports, with cereals topping the food categories most consumed through imports (ESCWA 2016). Bread and cereals constitute 35% to 39% of daily energy and intake, making

their availability crucial to household survival. Traditionally, around 96% of key cereals, mainly wheat, have been sourced, either from Russia or Ukraine (MoET 2022), thus contributing to price fluctuations. As the Russian-Ukraine war continues to exert pressure on the international prices of these commodities and their availability, they become more expensive and difficult to secure. The wheat stock-to-use ratio is relatively low, and so is the level of strategic reserves, with the volume of wheat stock available barely covering a month of consumption. In May 2022, the World Bank approved an emergency loan of \$150 million for food security and to finance wheat imports, however, this is pending the approval of the new parliament.

Second, the oligopolistic nature of the Lebanese food imports market and the food system, in general, tends to benefit few actors, increasing their control over prices and available supplies and stocks (FAO, European Union, CIRAD 2022). This impacts both the availability of food supplies and their stability.

In terms of local production, farmers—particularly small-holders who constitute the majority of farmers in Lebanon—have been experiencing difficulties accessing agricultural inputs (seeds, fertilizers, pesticides, and fuel). The majority of these inputs are imported, and thus are priced in dollars, while the sale of most agricultural products is in the local currency. Consequently, the ability of these farmers to sustain their activities has been severely weakened, not to mention that the majority of farmers lack the cash required to purchase these inputs, as the conventional seasonal credit offered by input traders is no longer available (FAO, European Union, CIRAD 2022).

Multilateral funding sources through UN programs and bilateral funding through country embassies have been available to assist small-scale farmers, food producers, and other local private initiatives through international NGOs, active local NGOs, and sometimes ministries. Moreover, the past two years have witnessed increased cash-for-work modalities, technical training, and in-kind assistance. While many of these programs have been successful in providing short-term relief and support to their beneficiaries, they fared poorly in creating a macro-level impact. The reasons are numerous, some of which are: 1) the absence of a comprehensive plan to direct and coordinate such activities and to create longer-term synergies to sustain their impact, and 2) the weak monitoring process on the ground.

From a food access perspective, the situation is more alarming with the soaring food prices domestically and globally. According to the Lebanese Central Administration of Statistics, the consumer price index increased by 208% between March 2021 and March 2022, while food prices increased by 390.3% over the same period (CAS 2022). These prices are projected to increase even further with the rapid devaluation of the local currency and

the surge in international prices of fuel and imported food staples, due to the repercussions of the Russian-Ukrainian war. As early as 2020, ESCWA warned that by the end of the year, 50 percent of the population might be at risk of failing to access basic food needs.

The triple-digit inflation has eroded consumer purchasing power. In fact, since October 2019, the cost of the survival minimal expenditure basket has already increased by 557% (WFP 2021). In June 2020, and in an attempt to mitigate the impact of the crisis on household food access, the former caretaker cabinet subsidized a food basket of 300 items (Dagher and Nehme 2021). The basket was later reduced to key items, and then completely phased out by September 2021.

In addition to draining nearly one billion dollars from reserves, the subsidy failed to improve food access for two main reasons: its regressive nature and the change in behavior it created among food sellers and buyers. The artificially low prices at the local markets encouraged smuggling and the development of black markets. Food importers and sellers were given incentives to sell the subsidized products abroad to reap higher profit margins, which exacerbated shortages in the domestic market. In turn, out of fear, buyers engaged in excessive buying and stockpiling, making these shortages even more severe and pushing supermarkets to ration the available products.

Today, more than 50% of Lebanese households have been experiencing food shortages, and a comparable share has been resorting to negative coping mechanisms, varying from borrowing, skipping meals, compromising on the quality of food consumed, selling assets, or even sacrificing other areas of the budget, such as schooling or healthcare, to mitigate the impact of the crisis. Reports by UNICEF repeatedly warned about the fast-changing food consumption patterns and the risks associated with the observed coping mechanisms.

The 'Surviving Without Basics' report (UNICEF 2021), which was based on rapid assessments conducted in April 2021 and repeated in October 2021, revealed that 53% of households have at least one child skipping meals, compared to 37% in April of the same year, with 30.6% of these households reducing expenditures on education. A more recent report noted that more than 50% of households were unable to get their medications, and 34% of children lacked access to primary healthcare. Moreover, the report pointed to an alarming pattern of increasing anemia among mothers and children under five, due to malnutrition (UNICEF 2022).

A new study, 'Advancing Evidence-Based Policy in Crisis Management,' conducted by the American University of Beirut (AUB) and funded by the National Endowment for Democracy, ran a survey of 931 households in March 2022 in seven sectors (agriculture, construction, education, food and beverage,

health, manufacturing, and retail) and found that: 33% cannot afford a meal with meat and/or chicken and/or fish at least once a week, 85% had to reduce the quantity they purchase of staple foods, 91% had to reduce the quantity of non-staple foods, and 33% of adults were skipping meals more than once a week (Dagher et al. 2022). Moreover, the study revealed that negative coping mechanisms have been most evident and drastic among Lebanese households working in the agricultural sector, highlighting the vulnerability of workers in this sector. This is largely attributed to the low incomes, high level of informality, and the absence of social protection schemes, such as health insurance and pensions (FAO, European Union, CIRAD 2022).

While these coping mechanisms provide a seemingly feasible way to escape hunger, they may have detrimental repercussions on household health and nutritional status, particularly when performed in absence of adequate knowledge and understanding of their implications, hence the impact of the third main food security pillar, food utilization. Estimates of the impact of the 2007-2008 food price hikes on food consumption and macro/micronutrient intake among Lebanese households showed significant declines in intake of key nutrients, such as calcium, zinc, iron, and folate, particularly in central urban areas (Abou Zaki et al. 2014).

Furthermore, the food utilization pillar is likely to be impacted by the fuel shortages and electricity outages, which can have a negative impact on the safety of the food consumed.

### **Need for immediate action**

The deterioration of macroeconomic conditions has been rapid and brutal, while the response of successive governments has been slow and inadequate. Given the current conditions, and in the absence of a comprehensive economic plan for recovery, the menace of food insecurity is likely to grow in scale and severity. Thus, there is a pressing need for government to prioritize food security and take immediate action to prevent hunger.

This brief provides actionable policy recommendations that in our view are urgently needed to strengthen the main food security pillars (availability, access, utilization, stability) in the short and medium-term, recognizing the need for a more comprehensive plan that addresses food security in its totality and recognizes the importance of the energy and water sectors in ensuring food security.

## Recommendations:

**Governance and coordination** - Given the multifaceted nature of food security, a high level of coordination among different ministries and stakeholders is required. Converting the current ad-hoc ministerial committee on food security led by the minister of economy and trade to a regular ministerial committee, including relevant ministers and directorate generals, can facilitate the prioritization of food security matters and enhance coordination among ministries. The committee, empowered to deliver impactful change with a specific mandate and budget, will oversee the management and implementation of the food security strategy and promote the participation of different stakeholders in the implementation of the strategy and action plan.

**Food policy planning** - Restructuring and renaming the General Directorate of Cereals and Sugar Beets to serve as a Food Policy and Planning Division that constitutes a supervisory body, delegated with clear powers and duties to avoid overlap or conflict of different policies and interventions. Its responsibilities would include:

- Overseeing wheat availability and distribution
- Building a food security information system to guide policy formulation, planning, monitoring, and evaluation, as well as promote access to information
- Mapping and linking international agency programs and interventions consistently with national figures, priorities, and policies

**Strategic reserves** - In light of the low stock-to-use ratio and strategic reserves, the first line of defense can only be created by rebuilding these reserves. Thus, the new parliament needs to prioritize and accelerate the approval of the World Bank loan for the purchase of wheat. Securing reserves to cover several months of consumption, physically or through future markets, is vital.

In this context, it is important to recall that the main grain silos in Lebanon were destroyed after the Beirut port explosion. These silos were made out of concrete and had a capacity of 125,000 metric tons, equally divided between wheat and corn (and barley), and could store up to 35 days' worth of wheat reserves for emergencies. The European Bank for Reconstruction and Development (EBRD) has just completed a feasibility study for the construction of new steel silos and a storage warehouse in Tripoli with a total capacity of 110,000 metric tons. Having multiple storage sites will help minimize risks going forward. However, given the urgency of the situation, requesting assistance from the international community to rebuild new silos is not an option in the short term. In the meantime, the Lebanese Agricultural Research Institute's (LARI) empty warehouse in Tal Amara in Bekaa can accommodate 40,000 to 50,000 metric tons, though at a higher cost.

**Promoting market competitiveness** - Accelerating the implementation of the newly passed competition law to liberalize markets and break the control of cartels on prices. This step will improve food availability.

**Increasing domestic food supplies** - To strengthen long-term food and nutrition security, a comprehensive strategy to align import and production decisions to the minimum dietary requirement and nutritional needs would be crucial. However, given the emergency context we are operating in, working on increasing domestic food supplies that are oriented towards local needs can help stabilize food supplies. Supporting farmers to improve agricultural productivity and grow relatively low resource-intensive crops that can provide nutritious alternatives to the heavily import-dependent crops, such as beans, lentils, chickpeas, and vegetables, would be needed, and would require targeted subsidies with a specific timeline. It is not advisable to use export bans, as experience shows that most of the time these result in unintended negative consequences.

**Short-term small loans for farmers** - In 2021, the Food and Agricultural Organization (FAO) and the International Labor Organization (ILO), in collaboration with the ministry of agriculture, implemented an agricultural inputs voucher program to improve vulnerable farmers' access to basic input needs, which can help sustain their activities. However, given their restricted use and size, they don't compensate for conventional seasonal credit previously offered by traders. Thus, negotiating the introduction of small credit schemes, funded by international organizations which provide short-term small loans to finance small-scale farmers and cooperative operating costs or basic infrastructure work, would be necessary to sustain production and localize food systems. These loans can be tied to good agricultural practices and can help strengthen local food supply chains, if well-administered.

**Emergency preparedness unit** - Public agricultural extension services have been ineffective and inadequate. Despite the good geographical distribution of LARI centers and public technical schools, the quality and consistency of their services remain poor due to weak regulatory frameworks and the lack of supervision. Consequently, farmers have not been benefiting from these services. ESCWA (2016) reports that only 1.5% of farmers receive public extension services. Although the number and scale of projects supporting small-scale farmers through cash-for-work and technical training have surged in the past few years, they varied in scale, effectiveness, and follow-up, while farmers need more consistent technical support.

To provide more consistent technical support to farmers, creating an emergency preparedness unit in the ministry of agriculture with a farm support hotline is needed. This would:

- Provide regular technical support and guidance to deal with day-to-day challenges or emergencies
- Provide information and recommendations to farmers on disease prevention and control
- Map private agricultural support services, agricultural experts, and institutions per region, to build a referral system and facilitate farmer access to technical services within their communities

At a later stage, and if external funding is made available, the unit can be complemented by the establishment of an emergency and disaster relief loan program to help smallholder farmers recover from production and physical losses due to natural disasters (e.g., drought, rainfall erosion) and plant disease outbreaks, by covering a share of the losses.

**Expanding cash assistance** - Cash transfers have become increasingly popular in humanitarian and emergency settings due to their cost-effectiveness and advantages over traditional food distribution schemes (Dagher and Nehme 2021; Kurdi 2021). The currently available social protection programs available in Lebanon include National Poverty Targeting Program (NPTP), and more recently Lebanon Emergency Crisis and COVID-19 Response Social Safety Net Project (ESSN). Data on the impact of these systems on household food security remain scarce, however, comparable interventions have been shown to improve dietary diversity and health expenditure. Given the heightened poverty and the rapidly deteriorating macroeconomic conditions, expanding these programs would be required to mitigate the impact of the crisis on household food security. Moreover, expanding the NPTP recipient base can allow the introduction of bread vouchers that, in turn, can pave the way to deregulating prices.

**Integrating a 'cash plus' component into ESSN** - Given the health and nutrition risks associated with the observed negative coping mechanisms, linking recipients to externally provided services or interventions in their locality can help familiarize them with safer health and nutrition practices, and limit the repercussions of these negative coping mechanisms, particularly among the populations at greater risk (children under five and pregnant/lactating women).

**Monitoring food and nutrition security indicators** - The current cash assistance programs were not designed with nutritional goals in mind, however, integrating key household food and nutrition security assessments into ESSN can help monitor key household food and nutrition security indicators (e.g., Food Insecurity Experience Scale, Household Dietary Diversity Score, Child Anthropometric measures), identify alarming changes, and guide future interventions. Given that ESSN is still in an early stage, including these assessments remains possible.

## Conclusion

The current economic crisis has been exceptional in scale and severity, and equally exceptional measures to improve food security are required to mitigate the impact of the crisis and avoid hunger. This brief provides actionable measures to reduce food insecurity in the short- and medium-term, taking into consideration the current economic constraints facing the country and acknowledging the need for a long-term comprehensive plan to strengthen all food security pillars.

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Founded in 1989, the Lebanese Center for Policy Studies is a Beirut-based independent, non-partisan think-tank whose mission is to produce and advocate policies that improve good governance in fields such as oil and gas, economic development, public finance, and decentralization.

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