Introduction

Civil unrest, sudden restrictions on access to foreign currencies and a reduction of financial flows since October 2019 have raised concerns over food security in Lebanon. Given that the country relies heavily on food imports, this dire situation worsened with the outbreak of COVID-19 and the subsequent measures taken to curb the pandemic. Lebanon hosts the largest number of refugees per capita globally, which further strains its resources, while national social safety nets are overstretched.

Impact assessment

Over 50 per cent of the population in Lebanon might be at risk to access basic food needs by the end of 2020. Poverty and unemployment have sharply increased because of significant economic slowdown, the
depreciation of the Lebanese pound (LBP) by 83 per cent, and COVID-19 containment measures. The purchasing capacity of the middle class has been considerably eroded, and personal remittances, which amounted to $7.4 billion in 2019 and constituted about 14 per cent of GDP, are expected to drop by at least 23.4 per cent in 2020.

Household food expenditure share is expected to reach over 85 per cent for the most vulnerable. The currency depreciation has sharply inflated food prices. The monthly inflation rate amounted to 25.3 per cent and 6.9 per cent in April and May 2020, respectively. The yearly average inflation rate is expected to be more than 50 per cent in 2020, compared with 2.9 per cent in 2019. In June 2020, the average price of food products increased by 107 per cent compared with June 2019. Total food imports in Lebanon constituted $3.2 billion in 2019.

![Figure 1. United States dollar to LBP exchange rate](source: BDL 2020 and Lira Rate 2020.)

**Policy response**

The Lebanese Government must take immediate action to prevent a food crisis, while offering opportunities for local investment in the agriculture sector. The following are priority policy recommendations:

**Reduce food prices and target food assistance**

1. Issuing electronic in-kind food assistance cards to subsidize basic food needs for the most vulnerable. This ensures that assistance covers high dietary energy food and prevents market price hikes;

2. Intensifying food price monitoring to curtail food inflation and ensuring basic food needs have a ceiling shelf price. Publishing weekly price lists reduces market abuse and facilitates access to food for the most vulnerable groups;

3. Encouraging direct sales from local producers to local consumers using digital technologies to connect them, while establishing a legal framework and standards for e-commerce of perishable products.

**Strengthen local food systems**

1. Exploring and promoting new business opportunities to encourage local production and processing, and replacing some imported agriculture inputs by locally-produced ones such as seeds, compost and irrigation systems;
2. Accelerating the implementation of a farmers’ registry as a tool to disburse any kind of assistance to farmers in the future;

3. Facilitating access to seeds and arable land that are not yet exploited, including abandoned land, and encouraging farmers to produce cereals and wheat (rainfed or supplementary irrigated);

4. Supporting cooperatives to initiate service centres that supply collective services to members through a social enterprise modality, making consumption and production more sustainable;

5. Developing youth-tailored agriculture programmes to facilitate the adoption and scale-up of digital and green technologies in the agriculture sector. National incentives for such programmes should be encouraged;

6. Revising the legal framework of wholesale market licensing to enforce conditioning (cooling, controlled atmosphere) in infrastructures as a core measure for reducing food waste;

7. Ensuring that the international community prioritizes and expands food security programmes targeting refugees and host communities to address growing levels of vulnerability for both communities and to diffuse potential social tension.

Review agricultural trade

1. Dedicating special credit line facilities for input suppliers to allow minimum imports based on official or subsidized exchange rates comparable to basic products, such as wheat and medicines;

2. Adjusting existing bilateral trade agreements to ensure more sustainable and resilient food supply chains.

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