

BUDGET INCREASE TO EMERGENCY OPERATION:

EMOP 200925: Assistance to people affected by the crisis in Libya

Start date: 1 January 2016

End date: 30 June 2018

Extension period: 6 months

New end date: 31 December 2018

| | | | |
|--|-----------------------|-------------------|-----------------------|
| Total revised number of beneficiaries (project duration) | 247 000 | | |
| Duration of entire project | 36 months | | |
| Extension period | 6 months | | |
| Gender marker code | n.a | | |
| WFP food tonnage | 59 209 | | |
| Cost (United States dollars) | | | |
| | Current Budget | Increase | Revised Budget |
| Food and Related Costs | 53 574 897 | 9 296 849 | 62 871 746 |
| Cash and Vouchers and Related Costs | - | 1 057 150 | 1 057 150 |
| Capacity Development & Augmentation | - | - | - |
| DSC | 4 283 139 | 2 304 088 | 6 587 228 |
| ISC | 4 010 380 | 822 776 | 4 833 156 |
| Total cost to WFP | 61 868 417 | 13 480 864 | 75 349 280 |

NATURE OF THE INCREASE

1. This budget revision 07 (BR07) for Libya EMOP 200925 seeks an extension in time from July through December 2018. During the extension period, it targets 175,000 beneficiaries including internally displaced persons (IDPs), returnees, refugees/asylum seekers and other categories of the vulnerable population who were previously not included in the assistance such as vulnerable non-displaced populations.
2. BR07 will enable WFP to broaden its operations to reach more vulnerable populations and diversify programmatic options such as cash-based transfers (CBT). Over this extension period, the Country Office will design the Interim Country Strategic Plan (ICSP) for 2019-2020. The four-phased relocation plan from Tunis to Libya will also be implemented. WFP has already re-established a physical presence in Libya with the opening of an office in Tripoli in March 2018.
3. The presence of WFP in country will provide better opportunities for undertaking in-depth assessments, improving targeting and monitoring, and strengthening partnerships with cooperating partners (CPs) to ensure adequate and timely response to the needs.

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4. This budget revision will allow WFP to strategically adapt to the complex situation in Libya and become a strategic partner in the humanitarian, development and peace nexus.

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of Existing Project Activities

5. EMOP 200925 focuses on WFP Strategic Objective 1: End hunger by protecting access to food. It contributes to the achievement of the United Nations Sustainable Development Goal 2 (SDG2) on achieving Zero Hunger. The objective of WFP's assistance is to support (1) the most affected and vulnerable people whose food security has been compromised due to conflict and displacement, and to support them to rebuild their livelihoods when they return to their place of origin; and (2) refugees, asylum seekers, and migrants who are in dire need of food assistance, in close collaboration with the United Nations High Commissioner for Refugees (UNHCR) and other partners.
6. In 2017, WFP aimed to incrementally reach some 175,000 food insecure people. However, WFP reached just over 88,000 IDPs and returnees mainly due to funding constraints, security incidents limiting access, and the limited capacity of some local cooperating partners.

Conclusion and Recommendations of the Re-Assessment

7. Results of Post Distribution Monitoring (PDM) of beneficiaries during the period from December 2017 to January 2018 demonstrated that assistance has had a positive impact. In comparison to 2016, food consumption levels among the beneficiaries in the west of Libya slightly improved.¹ Despite this improvement, the assisted households were found to apply negative coping strategies more frequently compared to pre-assistance baseline.² This shows that households are increasingly vulnerable after years of conflict and revert to strategies that may have irreversible consequences on their livelihoods. Further assessment and analysis is needed to fully understand the extent and impact of these negative coping mechanisms and to adopt relevant approaches to support households with recovery.³
8. Access to food is closely linked to public sector salaries or other forms of income. There is a strong correlation between the reliability of salary payments, access to liquidity from the banking system, the purchasing power of the Libyan dinar, and food prices. The extent of current food subsidies is not known. A World Bank assessment of the subsidies in Libya is ongoing with results expected towards the end of 2018.
9. A WFP inter-sectoral Capacity Assessment, investigating the possibility of using CBT – was carried out in early 2018. Markets in the main cities of Libya are functioning well, are physically accessible to all population groups, and food availability is not an issue. However, the banking system is undergoing a severe liquidity crisis which is coupled with the existence of two parallel exchange rates. The informal rate fluctuates rapidly resulting in changes in food prices, while the formal rate is strictly administered and fixed by the Central Bank.

¹Some 74 percent of the households have acceptable food consumption compared to 71 percent in 2016 while 26 percent had poor or borderline food consumption compared to 29 percent in 2016

²In 2017, an average consumption based coping strategy index was 18.6 compared to 12.5 reported during pre-assistance baseline. Similarly, percentages of households applying either emergency or crisis livelihood coping strategies has seen a steady increase over the years. In 2017, 86 percent applying either emergency or crisis strategies compared to 81 percent in 2016 and 61 percent in 2015.

³WFP Libya Evidence-based Results: Outcome of Food Assistance over 2017. RBC (April 2018)

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10. The 2018 Humanitarian Needs Overview identifies 1.1 million people (44 percent women/girls and 56 percent men/boys) who continue to need humanitarian assistance.⁴ Based on results of the September 2017 Renewed Efforts to Address Child Hunger and Undernutrition (REACH) Multi Sectorial Needs Assessment (MSNA), over 630,000 (41 percent women/girls) of those in need should be targeted with food assistance interventions.⁵ A breakdown by beneficiary category is included in annex II. The MSNA indicated that households spent the largest share of monthly expenses on food.⁶ While the overall food consumption score (FCS) among the interviewed households was acceptable, IDP households were more likely to have a lower FCS than other beneficiary groups across Libya, with varying levels depending on the location of the IDPs and returnees.⁷
 11. A number of assessments, including a new MSNA by REACH, a nutrition survey and the World Bank assessment of the subsidy system are expected to be conducted later this year and will contribute to updated targeting in addressing current needs. Against this complex background there is a continued need for humanitarian interventions, while leveraging assistance towards building resilience and recovery.

Purpose of Extension and Budget Revision

12. During the period covered by the budget revision, thanks to the increased in-country presence and strengthened partnerships, WFP expects to enhance its needs assessments and situation analysis, and to jointly define and develop with partners the objective and scope of future interventions under its ICSP.
13. WFP will further build the capacity of CPs and local authorities, introduce new technologies and flexible delivery modalities to deliver a portfolio of activities that can be quickly adapted to any change in needs in the areas of education, recovery, and rehabilitation. Conflict-sensitive programming will be key to successfully work across the humanitarian, development, and peace nexus.
14. WFP will continue to address the food needs of the most affected people with food assistance targeted at the most vulnerable IDPs, returnees, non-displaced, refugees, and migrants. By cementing its presence in-country and introducing CBT modalities, WFP will be better positioned to incrementally reach a total of 175,000 beneficiaries, with an average of 150,000 beneficiaries reached every month over the extension period.
15. CBT modality will be introduced on a pilot basis to address the food consumption gap of the most vulnerable people. Based on an assessment conducted in early 2018, a commodity e-voucher modality will be used in the initial stage.⁸ About 16,000 beneficiaries will be targeted.

⁴ Libya Humanitarian Needs Overview (HNO 2018).

⁵ Libya Humanitarian Needs Overview (HNO 2018).

⁶ 45 percent, 33 percent and 50 percent for non-displaced, IDPs and returnees respectively

⁷ Libya 2017 Multi-Sector Needs Assessment, September 2017.

⁸ The transfer value of the e-voucher food basket, which includes animal protein, is estimated at USD 10.81 (based on March 2018 market prices) per person per month, in contrast with USD 10.91 per person per month for the in-kind food basket.

| TABLE 1: BENEFICIARY BY ACTIVITY | | | | | | | | | | |
|----------------------------------|---------------------------|---------------|----------------|----------------|--|---------------|----------------------|---|----------------|----------------|
| Activity | Category of beneficiaries | Current | | | Number of beneficiaries to be assisted during project extension period | | | Revised for whole project duration (highest planned number) | | |
| | | Boys / Men | Girls / Women | Total | Boys / Men | Girls / Women | Total | Boys / Men | Girls / Women | Total |
| General Food Assistance | IDPs/Returnees | 71 400 | 98 600 | 170 000 | 61 400 | 66 600 | 128 000 ⁹ | 71 400 | 98 600 | 170 000 |
| | Non-displaced | - | - | - | 13 700 | 13 300 | 27 000 | 13 700 | 13 300 | 27 000 |
| | Refugees | 23 600 | 16 400 | 40 000 | 6 000 | 4 000 | 10 000 | 23,600 | 16 400 | 40 000 |
| | Migrants | - | - | - | 9,700 | 300 | 10 000 | 9 700 | 300 | 10 000 |
| TOTAL | | 95 000 | 115 000 | 210 000 | 90 800 | 84 200 | 175 000 | 118 400 | 128 600 | 247 000 |

* Beneficiaries include 16,000 CBT beneficiaries (an estimated 5% migrants, 40% IDPs, 40% returnees and 15% non-displaced).

16. Assistance to IDPs: WFP will assist 60,000 IDPs - mostly from Tawarga and the South in cooperation with the local crisis committees, the Ministry of IDPs and CPs. WFP will be responsive to population movements, identify and include vulnerable IDPs as and when needs arise.
17. Assistance to Returnees: WFP will target an estimated 68,000 returnees with a three-month food package to enable them to settle back and recover their livelihoods. Extended assistance may be provided to support a stabilizing return of households. The actual rate of return is difficult to predict considering the fluid and complex situation in Libya. Therefore the number of beneficiaries reached by the end of this year may vary from what is planned.
18. Assistance to non-displaced vulnerable households: WFP will incorporate assistance to vulnerable Libyan households based on monitoring data gathered through CPs. A close linkage to communities with returning IDPs will be made. WFP plans to assist up to 27,000 non-displaced beneficiaries.
19. Targeting criteria used to identify vulnerable returnees, IDPs, and non-displaced households include:
 - Households headed by a woman or a minor or an elderly without regular income;
 - Large households without regular income including families with pregnant and lactating women or girls, children under 2, elderly persons not able to care for themselves;
 - Households with one or more members living with a disability or special need(s) or a long-term illness; and
 - Households with a low monthly income.
20. Assistance to migrants: the Mixed-Migration Working Group has requested the Food Security Sector and WFP in particular to support detention centres, managed by the Directorate for Combatting Illegal Migration (DCIM). A contingency of 10,000 beneficiaries is included in this budget revision. WFP is currently discussing this request with UNHCR, IOM, and other partners. A WFP mission will be fielded in mid-2018 to strengthen the integration of

⁹ Includes beneficiaries already assisted. Therefore the total revised beneficiary number for the entire project duration considers the highest planned number.

protection and access considerations in WFP's response, and to recommend whether and how WFP should extend its assistance to migrants.

21. Assistance to refugees: WFP will support up to 10,000 refugees in response to UNCHR's request to support the most vulnerable refugees living in different locations in the country. UNHCR is furthermore establishing a transit facility for registered refugees where food support has been requested. WFP and UNHCR are formalising their cooperation under a country-level agreement which will include a data-sharing component.
22. Under the in-kind food assistance modality, WFP will provide about 70 percent of daily food requirements (1,471 kcal per person per day) with a food basket comprised of cereal, pasta, beans, wheat flour, tomato paste, vegetable oil and sugar. It is expected that beneficiaries will be able to access their additional daily food requirements through other means. Under this budget revision, chickpeas, which are highly susceptible to infestation and not preferred by beneficiaries, will be replaced by beans, resulting in a 40 percent cost saving. WFP will continue monitoring beneficiary preferences, food availability and market prices to further adjust the food basket based on the situation, availability and prices of food in the markets and preference of beneficiaries. Monthly rations will be packaged in two parcels for a household of five people, to enable efficient and safe distribution.
23. The composition of the food basket for the commodity e-voucher is based on PDM beneficiary feedbacks, taking into account the quality of locally available substitutes and preferences, and includes animal protein (canned fish).¹⁰ The nutrient value scores¹¹ (NVS) of the e-voucher and in-kind baskets equal to 6.88 and 7.14 respectively. The Omega Value¹² for the e-voucher modality equals 1, which makes this modality as cost-effective as the in-kind transfer.¹³
24. In support of the interim CSP (supporting inclusive, safe and dignified access to basic services for vulnerable households and communities), WFP will, during the extension period, prepare the ground for a school meal programme in Libya in partnership with UN agencies and the government.
25. WFP has increased its operational presence in Libya with the relocation of international staff to Libya, recruitment of national staff in Libya, and the opening of an office in March 2018. In areas where humanitarian access remains a challenge, WFP will continue to use the services of CPs and third party monitoring (TPM) to deliver assistance and collect beneficiary feedbacks. In addition, WFP will continue to conduct PDM using a call centre to triangulate beneficiary feedbacks with partner and WFP staff monitoring data.
26. To overcome access constraints and to support and facilitate UN operations, WFP will be operating, outside the framework of this budget revision, a United Nations Humanitarian Air Service (UNHAS) facility between Tunis and a number of locations inside Libya, including Tripoli.
27. WFP's assistance will seek complementarities with development partners, to leverage additional knowledge and funding. Likewise, partners will be able to leverage WFP's augmented capacity to provide expert advice and services in the areas of food security analysis and mapping, assistance, and monitoring.
28. WFP's increasingly operational humanitarian presence inside the country and delivery capabilities, including through cash based transfers, will provide opportunities to build the capacity of government, local authorities, and CPs to develop food security solutions extending into social safety nets (e.g. through Libya's Public Distribution System) and

¹⁰ Details of the food basket for the e-voucher is included in annex III.

¹¹ **The nutrient value score (NVS)** assesses the nutrient density of a given food basket by adding up the scores assigned to micro- and macro- nutrients for the daily food baskets that are proposed for each transfer modality.

¹² WFP uses the **Omega Value** to calculate the nutrient cost effectiveness by comparing the nutrient value of the rations provided under each transfer modality with the total cost to WFP of providing this ration. If omega value of the CBT modality is more than 1, in-kind modality is more cost-effective.

¹³ The differences in the NVS values of the in-kind and the e-voucher baskets are because of operational related reasons. The in-kind basket is pre-packed in 2 parcels to enable efficient and safe distribution.

emergency preparedness and response, across the humanitarian, development, and peace nexus.

| | IDPs/Non-displaced/ Returnees (GFD) | Refugees/Asylum Seekers (GFD) | Migrants (GFD) |
|-------------------------------------|--|----------------------------------|-------------------|
| Rice, wheat, long grain | 100 | 100 | 100 |
| Pasta, Macaroni | 100 | 100 | 100 |
| Beans | 75 | 75 | 75 |
| Sugar | 20 | 20 | 20 |
| Tomato paste (canned) | 30 | 30 | 30 |
| Wheat Flour | 50 | 50 | 50 |
| Veg. Oil (Sunflower) | 25 | 25 | 25 |
| TOTAL | 400 | 400 | 400 |
| Total kcal/day | 1 471 | 1 471 | 1 471 |
| % kcal from protein | 11 | 11 | 11 |
| % kcal from fat | 18 | 18 | 18 |
| Number of feeding days per month | 30 | 30 | 30 |

FOOD REQUIREMENTS

29. An additional 9,773 mt of food commodities is required to meet the beneficiaries' needs for a period of 6 months from July to December 2018.

| Activity | Commodity | Food/CBT requirements (mt/USD) | | |
|--------------------------|---------------------|--------------------------------|----------------|----------------|
| | | Current | Increase | Revised total |
| GFD | Food parcels | 49 436 | 9 773 | 59 209 |
| Commodity Voucher | | - | 882 096 | 882 096 |

Hazard / Risk Assessment and Preparedness Planning

30. Despite significant efforts to end the conflict, the situation in Libya remains highly volatile. Even if a resolution to the conflict was achieved today the full recovery to pre-crisis levels would not be sudden and would require continued collaboration across the humanitarian and development sectors with the national authorities in the lead.
31. The food system and supply routes into Libya are restricted and threatened by conflict. For distribution points in the West and South of Libya, WFP receives internationally procured commodities at the Port of Sfax, Tunisia. The food is then transported overland to Libya. For the eastern corridor, WFP procures regionally in Egypt and transport food overland to Benghazi. WFP is carrying out an updated Logistics Capacity Assessment and is reviewing options for using Libyan ports. The supply chain strategy is also proposing non-committal contracting mechanism for local purchase to be put in place as contingency.
32. The authorities and civil society actors have limited capacity to respond further shocks as the risk posed by an escalation of the current crisis remains significant. Specifically, the capacity of the current CP's to efficiently deliver services to the beneficiaries is limited. This poses challenges and potential security risks for beneficiaries and staff. WFP will continue to build the capacity of CPs and ensure that the TPM and beneficiary Call Centre provide regular updates on CP performance through on-site distribution monitoring and beneficiary outreach.
33. WFP is at different levels engaging in preparedness planning. In May 2018, WFP participated in a contingency planning exercises organised by the Mixed Migration Working Group planning a 10,000 migrant related emergency. An interagency contingency planning exercise will be led by WFP/OCHA in July to define various scenarios and design a humanitarian response. Building on this WFP will develop its own contingency plan and engage in enhanced preparedness planning. A WFP access and protection mission is planned to develop a concept paper for (1) a WFP-specific access strategy to serve as a starting point for the CO's contribution to a wider UN access Strategy for establishing an increasing access and (2) establish a clear WFP position on assistance for migrants and strengthen the integration of protection in the CO's operations.
34. WFP continues to seek support from donors working in Libya. The 2018 Humanitarian Response Plan has been launched to raise awareness internationally about the humanitarian needs in Libya.

Approved by:

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José Graziano da Silva
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Date:

Date:

ANNEX I-A

| PROJECT COST BREAKDOWN | | | |
|--|--------------------------|------------------------|------------------------|
| | Quantity (mt) | Value (USD) | Value (USD) |
| <i>Food Transfers</i> | | | |
| Cereals | - | - | |
| Pulses | - | - | |
| Oil and fats | - | - | |
| Mixed and blended food | - | - | |
| Others | 9 773 | 7 237 987 | |
| Total Food Transfers | | 7 237 987 | |
| External Transport | | 360 350 | |
| LTSH | | 1 228 154 | |
| ODOC Food | | 470 359 | |
| Food and Related Costs | | | 9 296 849 |
| C&V Transfers | | 882 096 | |
| C&V Related costs | | 175 054 | |
| Cash and Vouchers and Related Costs | | | 1 057 150 |
| Capacity Development & Augmentation | | | - |
| <i>Direct Operational Costs</i> | | | 10 353 999 |
| Direct support costs (see Annex I-B) | | | 2 304 088 |
| Total Direct Project Costs | | | 12 658 088 |
| Indirect support costs (7,0 percent) | | | 822 776 |
| TOTAL WFP COSTS | | | 13 480 864 |

ANNEX I-B

| DIRECT SUPPORT REQUIREMENTS (USD) | |
|--|------------------|
| WFP Staff and Staff-Related | |
| Professional staff * | 610 914 |
| General service staff ** | 293 695 |
| Danger pay and local allowances | 164 800 |
| Subtotal | 1 069 409 |
| Recurring and Other | 329 292 |
| Capital Equipment | 205 550 |
| Security | - |
| Travel and transportation | 375 138 |
| Assessments, Evaluations and Monitoring | 324 700 |
| TOTAL DIRECT SUPPORT COSTS | 2 304 088 |

* Costs to be included in this line are under the following cost elements: International Professional Staff (P1 to D2), Local Staff - National Officer, International Consultants, Local Consultants, UNV

** Costs to be included in this line are under the following cost elements: International GS Staff, Local Staff - General Service, Local Staff - Temporary Assist. (SC, SSA, Other), Overtime

ANNEX II

| 2018 Libya Humanitarian Needs Overview (OCHA, February 2018) | | |
|---|---|-------------------------------|
| | In Need of Humanitarian Assistance | Of which Food Insecure |
| IDPs | 170 000 | 60 000 |
| Returnees | 200 000 | 93 000 |
| Non-displaced | 376 000 | 343 000 |
| Refugees | 64 000 | 21 000 |
| Migrants | 337 000 | 120 000 |
| Total | 1 147 000 | 637 000 |

ANNEX III

| FOOD RATION FOR VOUCHERS | | |
|---------------------------------|---------------|---------------|
| COMMODITY | RATION | ENERGY |
| | g/person/day | kcal |
| BEANS (DRIED) | 75 | 251 |
| PASTA (MACARONI) | 250 | 870 |
| CANNED FISH | 40 | 122 |
| TOMATO PASTE | 30 | 25 |
| VEGETABLE OIL | 25 | 223 |
| SUGAR | 20 | 80 |
| TOTAL | 440 | 1 571 |