

COUNTRY STRATEGIC PLAN REVISION

TRANSMITTAL SLIP – FOR SIGNATURES

South Sudan Country Strategic Plan, Revision Number 2

5) To:	Initials	In Date	Out Date	Reason for Delay
Regional Director <i>[Erika Jorgensen]</i>	E.J.			
4) Through:	Initials	In Date	Out Date	Reason for Delay
Budget and Programming Officer, RB <i>[Josefa Zueco]</i>	J.Z.			
3) Through:	Initials	In Date	Out Date	Reason for Delay
Supply Chain Officer, RB <i>(Transfer modifications specific to supply chain)</i> <i>[Tarek Keshavjee]</i>	T.K.			
2) Through:	Initials	In Date	Out Date	Reason for Delay
Programme Adviser, RB <i>[Ross Smith]</i>	R.S.			
1) From:	Initials	In Date	Out Date	Reason for Delay
Country Office Director Adnan Khan	A.K.			
I have reviewed the revised ICSP and confirm that it meets the required standard, including appropriate response to the internal review process. I recommend approval of this revision.				

Changes

Strategic Outcome	Focus Area	Modality	Activity	Budget
<input type="checkbox"/> Addition	<input checked="" type="checkbox"/> Crisis Response	<input type="checkbox"/> Food	<input checked="" type="checkbox"/> Addition	<input checked="" type="checkbox"/> Transfer Value
<input type="checkbox"/> Revision	<input checked="" type="checkbox"/> Resilience Building	<input checked="" type="checkbox"/> CBT	<input checked="" type="checkbox"/> Revision	<input checked="" type="checkbox"/> Transfer Cost
<input type="checkbox"/> Deletion	<input type="checkbox"/> Root causes	<input checked="" type="checkbox"/> CS	<input type="checkbox"/> Deletion	<input checked="" type="checkbox"/> Implementation Cost
		<input checked="" type="checkbox"/> SD		<input checked="" type="checkbox"/> Adjusted DSC

REVISION – FOR APPROVAL

South Sudan Interim Country Strategic Plan, Revision number 2

Gender marker code: 2A

	Current	Change	Revised
Duration	<i>1 January 2018 – 31 December 2020</i>	<i>September 2018 – December 2018</i>	<i>31 December 2020</i>
	Total	Increase/decrease	Revised total
Beneficiaries	4,366,254	102,500	4,468,754
Total Cost (USD)	3 158 769 431	27 006 145*	3 185 775 576
Transfer	2 758 659 687	6 767 218	2 765 426 904
Implementation	104 173 096	17 820 235	121 993 332
Adjusted direct support costs	103 147 903	770 430	103 918 333
Subtotal	2 965 980 686	25 357 883	2 991 338 569
Indirect support costs (6.5 percent)	192 788 745	1 648 262	194 437 007

*USD 27,006,154 includes: USD 16.4 million under crisis response (including addition of the 2 service provision activities); USD 8.2 million under resilience building; USD 770,430 under Adjusted DSC and USD 1.6 million under ISC. Therefore, this budget revision is under the Regional Director's approval authority.

1. RATIONALE

1. This budget revision to the South Sudan Interim Country Strategic Plan (ICSP) covers the period September to December 2018 and aims to:
 - i. reduce cash based transfer (CBT) requirements following recent market assessments in several parts of the country;
 - ii. increase the number of beneficiaries under activities 1 and 4;
 - iii. add two new activities: Provision of Supply Chain services (Activity 7) and Inter-agency IT Communication Services (Activity 8);
 - iv. introduce non-staff related costs under the implementation cost category;
 - v. adjust transfer requirements under activity 4, with an increase in the capacity strengthening transfer modality to reflect the migration of the former feeder road project (SOP 200379) to the ICSP;
 - vi. reduce UNHAS overall requirements in 2018, in light of efficiencies gained through the reduction of aircraft and other costs.

2. CHANGES

Strategic orientation

2. In mid 2017, the Country Portfolio Evaluation (CPE) recommended to increase the use of CBT in order to increase cost-efficiency and to relieve in-kind supply chain challenges. In the ICSP, CBT assistance was planned only under Activity 1 (USD 42.7 million) and Activity 4 (USD 19.2 million).
3. Due to the ongoing conflict, poor infrastructure and limitations in fully functioning markets in parts of the country, the scale-up of CBT under Activities 1 and 4 is expected to be more gradual than originally envisaged. While the pace of expansion will be slower than originally planned, it remains in line with donor interest and expected increase in resources available for CBT programmes. This includes the expansion of cash programmes in urban areas and the introduction of cash-based transfers for refugees under Activity 2. Market assessments and beneficiary consultations have shown that it is feasible to introduce CBT in the major urban centers and refugee camps. Continuous commodity price and beneficiary monitoring is employed across the entire CBT portfolio to ensure that CBT remains an effective transfer modality.

4. Based on these recent assessments, this budget revision will adjust CBT requirements to:
 - Increase number of beneficiaries receiving CBT under Activity 1 (expansion of cash programming in urban areas);
 - Introduce CBT under Activity 2 (refugees);
 - Increase number of beneficiaries receiving CBT under Activity 4 (livelihood support).
5. The net effect of adjustments in transfer modalities for the different activities translate into a CBT reduction from USD 61.9 million to USD 48.8 million. This is explained by the fact that, while more beneficiaries will receive cash under activities 1, 2 and 4, there will be a reduction in the transfer value provided to beneficiaries under Activities 1 and 4. As further explained in paragraph 16, this is due to an overestimation of the transfer value in the original document. The majority of the beneficiaries in activities 1 and 2 will receive hybrid cash/in-kind assistance.
6. The revised CBT requirements still represent a significant increase compared to the USD 28 million distributed in 2017 and are consistent with WFP's scale-up strategy for CBT interventions in locations where CBT is considered feasible.
7. This budget revision introduces two new activities: Provision of Supply Chain Services (Activity 7) and Inter-agency IT Communication Services (Activity 8) under Strategic Outcome (SO) 4. The introduction of these new activities is in line with Sustainable Development Goal (SDG) 17, which aims to support humanitarian actors in the areas of supply chain and IT so that they can achieve their goals. New corporate guidance issued on March 2018 requires that service delivery activities mandated by an authorized inter-agency process be presented as standalone within the ICSP, whereas on-demand services provided to organizations on a direct cost recovery basis be grouped under a single activity. To conform to this guidance, supply chain provision (activity 7) will be created to cover on-demand services as a single activity while the inter-agency IT communication services (activity 8) will be created as a mandated-service and will also be a standalone activity.
8. This budget revision aims to introduce non-staff related costs under the implementation cost category for activities 1,2,3 and 4. A review of the Country Portfolio Budget (CPB) showed that some recurrent costs (office rent, field offices' running costs, office equipment and supplies, security-related costs and other UN organizations' related costs) had not been factored in the original ICSP budget. Additionally, budget lines related to vehicle leasing and running costs and telecommunication/IT equipment costs, which are currently reflected under the assessment sub-cost category will need to be reflected also under the activity management, beneficiary relationship and monitoring sub-cost categories. This change will generate an increase in implementation costs.
9. Under this budget revision, transfer requirements under activity 4 (provide livelihood support and build resilience of rural households) will be increased to accommodate capacity strengthening transfer costs related to building and maintaining feeder roads, previously implemented through the Feeder Roads Special Operation. The original ICSP budget had only factored in staff-related costs but costs linked with contracted services for building infrastructure for feeder roads had not been factored in.
10. This budget revision proposes a reduction in UNHAS requirements for 2018. An in-depth review of the UNHAS services recommended a reduction in the UNHAS budget costs, considering the efficiencies made through the reduction of aircraft and other costs.

Strategic Outcomes

11. The Budget Revision does not propose any changes at the strategic outcome level. However, two new activities are being introduced under Strategic Outcome 4: Supply Chain provision (Activity 7) and Inter-agency IT Communication Services (Activity 8).
12. Activity 7: Supply Chain Provision: WFP has been providing supply chain services in South Sudan since 2014 and is the Lead Agency in Supply Chain provision in the country. Due to the deteriorating infrastructure and limited local capacity in the country, WFP, given its expertise and supply chain capacity is providing supply chain services to UN agencies such as UNMISS, UNICEF, WHO and other humanitarian partners on an on-demand basis. Through this activity, WFP will provide the following bil-lateral supply chains services:

- a. Provision of storage and warehousing services in all the areas where WFP operates. This will include creating additional storage capacity using Mobile Storage Units (MSUs);
 - b. Transportation of humanitarian cargo on road, river and air - This will entail providing transportation services to humanitarian and development partners across the country;
 - c. Fleet management – This will entail provision of fleet management, including vehicle repair and maintenance for (and where possible on behalf of) humanitarian and development partners.
13. During the first half of 2018, WFP had already signed 10 additional Service Level Agreements (SLAs) with humanitarian partners for the provision of bi-lateral supply chain services. Based on the current trend, WFP plans to expand supply chain services' provision to an additional 25 new partners with an estimated value of USD 2.5 million. By the end of 2019, it is expected that the costs will increase to USD 4 million.
14. Activity 8: Provision of inter-agency IT Communication Service: The inter-agency information Technology (IT) communication service led by WFP has been providing data connectivity and emergency telecommunication services on a cost-sharing basis to humanitarian organizations in South Sudan since 2011. Taking into consideration the number of active UN agencies, international and national NGOs present in South Sudan, the humanitarian community requested WFP, as the lead agency present in South Sudan, the humanitarian community requested WFP, as the lead agency to continue its role in coordinating and supporting emergency telecommunication and internet data connectivity services allowing for reliable access to security and operational information.
15. While acting as a provider of last resort, the inter-agency IT communication service has developed a long term solution for data connectivity needs through the Humanitarian Internet Support Project (HISP), which is sustainable and low cost, meeting the needs of humanitarian actors in remote and hard to reach locations: Aweil, Bor, Bentiu, Mingkaman and Malakal. The introduction of Activity 8 will provide the following services to humanitarian partners:
- a. Maintenance of radio communication; and
 - b. reliable high speed data connectivity through the HISP.

Beneficiary analysis

16. Activities 1,2 and 4 will change as follows:

Activity 1: Provide nutrition-sensitive food assistance to crisis-affected populations.

Recent market assessments conducted in various parts of the country to monitor market conditions and the feasibility of cash-based interventions recommend the expansion of CBT to locations where markets are functioning well. With this expansion, WFP will now assist a total of 373,769 displaced and vulnerable urban populations in 2018. Of these, 47,500 people are new beneficiaries, while the rest are existing beneficiaries, who have been receiving food assistance through in-kind transfers and will now receive both cash and in-kind transfers (hybrid approach).

Activity 2: Provide food and nutrition assistance to refugees.

In November 2017, WFP introduced cash-based transfers to complement in-kind transfers (hybrid approach) in Maban and Yida refugee camps, targeting 267,200 refugees. In March 2018, cash-based interventions were extended to Makpandu refugee camp reaching an additional 4,026 refugees, bringing the total number of refugees receiving the combined cash/in-kind transfers to 271,226 refugees in 2018. However, cash-based transfers to refugees were not included in the original ICSP. Therefore, this budget revision proposes the introduction of CBTs for refugees.

Activity 4: Provide livelihood support and build resilience of rural households

Under activity 4, there is an increase in the overall number of planned beneficiaries receiving CBTs in line with recent market feasibility assessments. This budget revision proposes an increase in the number of people receiving CBTs under this activity from 150,000 to 219,166 people in 2018. Of these, 55,000 are new beneficiaries.

**TABLE 1: FOOD & CASH TRANSFER BENEFICIARIES
BY STRATEGIC OUTCOME & ACTIVITY**

Strategic Outcome (SO)	Activity	Current			Increase / Decrease			Revised		
		Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
SO 1	Provide nutrition-sensitive food assistance to crisis-affected populations	1,355,800	1,559,060	2,914,860	22,325	25,175	47,500	1,378,125	1,584,235	2,962,360
	Provide food and nutrition assistance to refugees*	151,929	171,325	323,254	0	0	0	151,929	171,325	323,254
SO 2	Provide nutrition assistance to populations at risk of malnutrition	201,226	426,914	628,140	0	0	0	201,226	426,914	628,140
SO 3	Provide livelihood support and build the resilience of rural households	235,000	265,000	500,000	25,850	29,150	55,000	260,850	294,150	555,000
SO 4	Operate air services for the humanitarian community	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Coordinate the logistics cluster in support of the humanitarian community	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Logistics Service Provision	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	ICT on demand Services	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL**		2,147,215	2,219,039	4,366,254	48,175	54,325	102,500	2,195,390	2,273,364	4,468,754

*Out of the 323,254 refugees, 271,226 refugees will receive combined cash and in-kind transfers (hybrid approach).

**Total excludes overlaps between general distributions and malnutrition prevention, institutional feeding and HIV/TB household support.

Transfers

17. This budget revision proposes the following changes for transfers under activities 1, 2 and 4:

Under activity 1, the budget revision introduces hybrid cash/in-kind transfers for crisis-affected men, women, boys and girls in counties classified by the IPC as phase 5 – catastrophe/famine; phase 4 – emergency; or phase 3 – crisis due to market limitations. Crisis-affected households in urban areas such as Juba will continue to receive full cash assistance.

In the original ICSP, the cash-based transfer value was USD 17.81 per person per month, which was overestimated. This budget revision has reduced the cash transfer value to a range between USD 2 to USD 15 per person per month, in line with recent market assessments conducted in various locations, which recommended the adjustment of the transfer value according to the market capacity in each location.

Under activity 2, the original ICSP did not envisage cash-based transfers for refugees. This budget revision introduces hybrid cash/in-kind transfers for the refugees. The proposed hybrid cash/in-kind transfer values range from USD 2 to USD 7 per person per month based on prevailing market conditions in the different camps.

Under activity 4, beneficiaries under the asset creation programme will continue to receive full cash assistance. In the original ICSP, the cash transfer value was highly over-estimated at USD 20 per person per work month. This budget revision proposes a reduction in the cash-transfer value to USD 6.75 per person per work month, which is in line with the prevailing daily wage labour rates in the country.

TABLE 2: FOOD RATION (g/person/day) or CBT VALUE (USD/person/day) BY STRATEGIC OUTCOME AND ACTIVITY													
Strategic Outcome 1									Strategic Outcome 2			Strategic Outcome 3	
Activities	Provide nutrition-sensitive food assistance to crisis-affected populations.				Provide nutrition-sensitive food assistance to refugees/Host community.				Provide nutrition assistance to populations at risk of malnutrition.			Provide livelihood support and build resilience of rural households.	
Beneficiary type	IDPs/Food-insecure population	IDPs/Food-insecure population	IDPs/Food-insecure population (School children)	IDPs/RES (IFP/TFP)	Refugees/Host community	Refugees/Host community	Refugees/Host community (BSFP)	Refugees/Host community (TSFP)	IDPs/RES (BSFP)	IDPs/RES (TSFP)	IDPs/RES (HIV/TB)	RES	RES
Modality	Food	CASH	Food	FOOD	Food	CASH	Food	Food	FOOD	FOOD	FOOD	FOOD	CASH
Cereals	500	0	120	450	500	0	0	0	0	0	0	300	0
Pulses	50	0	30	50	50	0	0	0	0	0	0	50	0
Oil	30	0	10	30	30	0	0	0	0	0	0	30	0
Salt	5	0	4	5	5	0	0	0	0	0	0	5	0
SuperCereal	0	0	0	0	0	0	0	0	0	0	0	0	0
SuperCereal Plus	0	0	0	0	0	0	200	0	200	0	200	0	0
Plumpy-Sup	0	0	0	0	0	0	0	100	0	100	0	0	0
total kcal/day	2130	0	597	1961	2130	0	787	535	787	535	787	1452	0
% kcal from protein	12,7	0	13,5	12,6	12,7	0	16,6	10,5	16,6	10,5	16,6	12,4	0
Cash (USD/person/day)	0	0.59	0	0	0	0.59	0	0	0	0	0	0	1
E-Voucher(USD/person/day)	0	0.5	0	0	0	0	0	0	0	0	0	0	0
Milling Support(USD/person/day)	0	0.066	0	0	0	0	0	0	0	0	0	0	0
Hybrid Package (USD/person/day)	0	0	0	0	0	0.233	0	0	0	0	0	0	0
CFT(USD/person/day)													0.375
CFA seasonal(USD/person/day)													0.3375
Number of feeding days	22.5	30	22	30	30	30	30	30	30	30	30	20	20

TABLE 3: TOTAL FOOD/CASH-BASED TRANSFER REQUIREMENTS & VALUE						
Food type / cash-based transfer	Current Budget		Increase		Revised Budget	
	Total (mt)	Total (US\$)	Total (mt)	Total (US\$)	Total (mt)	Total (US\$)
Cereals	880,893	191,503,877	-	-	880,893	191,503,877
Pulses	91,849	50,297,447	-	-	91,849	50,297,447
Oil and Fats	60,842	53,540,892	-	-	60,842	53,540,892
Mixed and Blended Foods	141,437	149,696,663	-	-	141,437	149,696,663
Other	9,361	1,115,867	-	-	9,361	1,115,867
TOTAL (food)	1,184,382	446,154,746	-	-	1,184,382	446,154,746
Cash-Based Transfers (US\$)		185,886,000		449,985		186,335,985
TOTAL (food and CBT value – US\$)	1,184,382	632,040,746	-	449,985	1,184,382	632,490,731

Supply chain

18. The supply chain strategy highlighted in the ICSP remains unchanged with the food portfolio still being the main transfer of assistance to the beneficiaries. Areas of coverage for food assistance remain unchanged.

Other considerations

19. The scale up and expansion of CBTs in new locations will require capacity strengthening at field level. Recruitment of new programme staff in the field offices is ongoing. Trainings will be organized for WFP staff and partners both by WFP and through the inter-agency cash working group that WFP chairs on CBT implementation and monitoring. Regular consultations are ongoing with field offices and work is supported with regular field missions to provide technical guidance and support.
20. WFP will continue to monitor assistance to targeted beneficiaries and assess conditions for implementation of these activities. Post-distribution monitoring and process monitoring tools will be updated to accommodate programmatic changes.
21. During the first half of 2018 the country office updated the risk register including main risks and mitigation measures. Continued monitoring of the situation on the ground will ensure a prompt adaptation of programmatic responses and actions to emerging risks.

3. COST BREAKDOWN

22. Strategic Outcome 1: The major changes under Strategic Outcome 1 are: (i) reduction of CBT requirements under activity 1 to USD 38.3 million, and (ii) introduction of CBT under activity 2 at USD 6.6 million. This is consistent with WFP's 2018 scale-up strategy for CBT interventions in locations where CBT is considered feasible. Additionally, implementation costs have increased by USD 10.6 million under activities 1 and 2 resulting from SCOPE roll-out requirements, new staffing requirements under the rapid response teams and field coordination units, and introduction of non-staff related costs in the field offices.
23. Strategic Outcome 2: Under this SO, capacity strengthening costs have increased, given the need to have adequate budget to cover capacity strengthening activities with nutrition partners through the Letters of Agreement (LOAs) in at least 5 States in 2018. In addition, implementation costs have increased by USD 3.6 million under activity 3, mainly due to SCOPE roll-out costs as well as introduction of non-staff related costs in the field offices.
24. Strategic Outcome 3: The major changes under Strategic Outcome 3 are: (i) reduction in CBT requirements from USD 19.2 million to USD 17.5 million under activity 4, (ii) increased capacity strengthening costs related to contracting services for building and maintaining infrastructure for feeder roads, and (iii) increased implementation costs linked to introduction of non-staff related costs in the field offices.
25. Strategic Outcome 4: Under activity 5, UNHAS 2018 requirements have been reduced by USD 6 million. The introduction of activities 7 and 8 under this SO has resulted in increased requirements of up to USD 6.7 million.

Overview of resourcing prospects

26. There are high probability funding forecasts for activities under SO1 and SO2, including USD 41 million from African Development Bank (largely earmarked for CBT) and USD 12.2 million from DFID. The country office is planning to apply for CERF funding.
27. All activities under SO4 have good funding prospects, with UNHAS being strongly supported by the Office of Foreign Disaster Assistance (OFDA). Funds generated through the cost-recovery mechanism will be adequate to cover all foreseen UNHAS running costs.

COST BREAKDOWN OF THE REVISION VALUE ONLY (US\$)					
WFP Strategic Results / SDG Targets	SR 1	SR 2	SR 3	SR 8	TOTAL
WFP Strategic Outcomes	Strategic Outcome 1	Strategic Outcome 2	Strategic Outcome 3	Strategic Outcome 4	
Focus Area	Crisis Response	Crisis Response	Resilience Building	Crisis Response	
Transfer	1,855,780	150,000	4,394,271	367,167	6,767,218
Implementation	10,611,113	3,662,294	3,796,828	-250,000	17,820,235
Adjusted DSC					770,430
Sub-total					25,357,883
ISC					1,648,262
TOTAL					27,006,145

INDICATIVE COST BREAKDOWN BY STRATEGIC OUTCOME (USD)

WFP Strategic Results / SDG Targets	SR1/ SDG 2.1	SR2/ SDG 2.2	SR3/ SDG 2.3	SR8/ SDG 17.16	TOTAL
WFP Strategic Outcomes	Strategic Outcome 1	Strategic Outcome 2	Strategic Outcome 3	Strategic Outcome 4	
Focus Area	Crisis Response	Crisis Response	Resilience Building	Crisis Response	
Transfer	1,929,499,302	458,020,499	157,243,230	220,663,873	2,765,426,904
Implementation	71,029,588	25,788,516	24,525,228	650,000	121,993,332
Adjusted DSC (%)	72,010,774	17,414,415	6,533,783	7,959,361	103,918,333
Sub-total	2,072,539,663	501,223,429	188,302,342	229,273,235	2,991,338,569
ISC	134,715,078	32,579,523	12,239,646	14,902,760	194,437,007
TOTAL	2,207,254,741	533,802,952	200,541,887	244,175,995	3,185,775,576