

COUNTRY STRATEGIC PLAN REVISION

REVISION – FOR APPROVAL

|State of Palestine| country strategic plan, revision |3|

Gender and age marker code: 2A/3 ¹

	Current	Change	Revised
Duration	1 January 2018 – 31 December 2022	No Change	N/A
Beneficiaries	314,000	Increase of 54,700	368,700
TOTAL COST (USD)	240,289,894	12,869,109	253,159,003
Transfer	194,247,964	12,221,526	206,469,490
Implementation	16,885,956	-22,079	16,863,877
Direct Support Costs	14,490,393	-115,776	14,374,616
Sub-total	225,624,313	12,083,671	237,707,984
Indirect Support Costs	14,665,580	785,439	15,451,019

¹ The gender and age marker should be reviewed in case of new SO or additional activity.

|State of Palestine| country strategic plan, revision |1|**1. RATIONALE**

1. The State of Palestine CSP 2018-2022 continues to be implemented in a context of protracted conflict, economic stagnation, high unemployment, gender inequalities and high rates of poverty. Food insecurity rates continue to be cause for concern, affecting 39 percent of individuals in the Gaza Strip and 13 percent in the West Bank. Ongoing humanitarian assistance has prevented further deterioration in food security and is a key element in the international and government-led responses. Restricted trade and access to resources, especially in the Gaza Strip combined with the impact of civil unrest, and conflict present challenges to sustainable recovery and economic growth.
2. The Palestinian economy has not been able to create enough jobs, especially in the Gaza strip, which has resulted in unemployment rates reaching on average 31.7 percent in the third quarter of 2018 (up from 26 percent in 2016) – 17.3 percent in the West Bank versus 54.9 percent in the Gaza Strip. About one in every three persons (29.2 percent) are living below the poverty level, with 53 percent of people in Gaza Strip found to be poor, compared to 13.9 percent in the West Bank. In both regions, poverty rates are vulnerable to external shocks, including a drop-in expenditure in the West Bank or a further decline in social assistance and transfers in Gaza.
3. Under a baseline scenario that assumes a continuation of the restrictions imposed by Israel and the persistence of the internal divide between the West Bank and Gaza, private sector activity is not expected to pick up and real GDP growth of the Palestinian economy is projected to hover around 1.7 - 1.9 percent between 2018 - 2020. This growth level implies a decline in real per capita income by more than 2 percent and an increase in unemployment to 35 percent by 2020. Essentially, Gaza's economy is in free fall, marking a 6 percent decline in growth the first quarter of 2018 with indications of further deterioration since then.
4. While the decade-long blockade is the core issue, a combination of factors has more recently impacted the situation in Gaza; including the decision of the Palestinian Authority (PA)' to reduce monthly payments by USD30 million to the area, the winding down of the USD 50-60 million per year contribution of the US Government aid program, and cuts to the United Nations Relief and Works Agency program.²
5. The proposed budget revision includes an increase in the number of beneficiaries assisted, required in order to prevent further deterioration of food insecurity in the Gaza strip in light of the drastic cuts in humanitarian aid and ongoing conflict. The BR will also facilitate a shift from in-kind to CBT under activity one of the CSP that took place during 2018. In addition, two commodities (canned fish and pulses) have been added to the food basket as these commodities were procured and stored for emergency purposes.
6. This budget revision relates only to year one (2018) of the CSP. The preliminary results of the Socio Economic and Food Security survey (SEFsec) will be available in mid-

² World Bank Press Release 2018- Cash-Strapped Gaza and an Economy in Collapse Put Palestinian Basic Needs at Risk

December 2018. Accordingly, the beneficiary figures and needs (food security level) for 2019 and beyond will be re-evaluated at that time.

7. Specifically, this budget revision will:

- Increase the overall budget by USD 12,869,109 million;
- Increase the overall planned number of beneficiaries for the year 2018 by 54,700 people (from 314,000 to 368,000 people);
- Among beneficiaries in the Gaza strip, decrease the number of beneficiaries under the in-kind component by 95,100 people (from 167,100 to 72,000) and increase the number of beneficiaries under the CBT-value voucher component by 149,800 people (from 131,200 to 281,000) under activity one (Unconditional resource transfer);
- Increase the total CBT transfer value by USD 12,644,009;
- Decrease the total in-kind food quantities by -6,472 MT;
- Revise the food basket to include canned fish and pulses in the first year CSP, adding 682 MT with a value of USD 3,355,200;

2. CHANGES

Strategic orientation

- No changes on the strategic orientation of the CSP

Strategic outcomes

- No changes on the CSP strategic outcomes

Beneficiary analysis

Strategic Outcome	Activity/trans fer modality ³	Period	Women (18+ years)	Men (18+ years)	Girls (0-18 years)	Boys (0-18 years)	Total
1	1/Food	Current	46,844	45,785	35,704	38,767	167,100
		Increase/decrease	-27,692	-23,033	-21,376	-22,999	-95,100
		Revised	19,152	22,752	14,328	15,768	72,000
	1/CBTs-value voucher	Current	36,778	35,949	28,035	30,438	131,200
		Increase/decrease	45,854	43,920	29,866	30,160	149,800
		Revised	82,632	79,869	57,901	60,598	281,000
	1/CBTs-cash	Current	4,402	4,302	3,354	3,642	15,700
		Increase/decrease	0	0	0	0	0
		Revised	4,402	4,302	3,354	3,642	15,700
2	2	Current	N/A	N/A	N/A	N/A	N/A
		Increase/decrease	N/A	N/A	N/A	N/A	N/A
		Revised	N/A	N/A	N/A	N/A	N/A
	3	Current	N/A	N/A	N/A	N/A	N/A
		Increase/decrease	N/A	N/A	N/A	N/A	N/A
		Revised total	N/A	N/A	N/A	N/A	N/A

³ Indicate whether transfer is in the form of in-kind, CBT or capacity strengthening. If more than one modality per activity, duplicate the rows.

TOTAL (without overlap)	Current	88,024	86,036	67,093	72,847	314,000
	Increase/decrease	18,162	20,887	8,490	7,161	54,700
	Revised	106,186	106,923	75,583	80,008	368,700

Transfers

Strategic outcome	1					2
Activity	1					2&3
Beneficiary type	Poor and food-insecure non-refugee Palestinians	Poor and food-insecure non-refugee Palestinians	Poor and food-insecure non-refugee Palestinians			N/A
Modality (indicate food or CBT)	CBTs - cash	CBTs – e-vouchers	Food			N/A
Cereals			300			
Pulses			25			
Oil			15			
Salt			5			
Canned – fish					30	
Canned - Pulses				14		
micronutrient powder						
total kcal/day (to be completed for food and cash modalities)	N/A	N/A				
% kcal from protein	N/A	N/A				
Cash-based transfers (USD/person/day; use average as needed)	0.666	0.343				
Number of feeding days per year	360	360	360	180	270	

Food type / cash-based transfer	Current Budget		Increase/Decrease		Revised Budget	
	Total (MT)	Total (USD)	Total (MT)	Total (USD)	Total (MT)	Total (USD)
Cereals	65,524	22,263,548	-6,221	-1,915,124	59,303	20,348,424
Pulses	5,460	5,897,124	-430	-471,672	5,030	5,425,452
Oil and Fats	3,276	3,767,607	-311	-357,696	2,965	3,409,911
Others	1,092	309,733	490	3,239,608	1,582	3,549,341

⁴ Verify that the ration is in line with WFP guidelines in terms of energy, protein, fat and micronutrient content, using the NUTVAL food basket calculator on the PGM, along with specific WFP programmatic guidance. For commodity vouchers and cash-based transfer values see the relevant manual.

TOTAL (Food)	75,352	32,238,012	-6,472	495,115	68,880	32,733,128
Cash Based Transfer & Comm. Vouchers		128,076,264		12,644,009		140,720,273
TOTAL (Food and CBT value - USD)	75,352	160,314,276	-6,472	13,139,124	68,880	173,453,401

1. COST BREAKDOWN

WFP Strategic Results/ SDG Targets	Total	SR 01	SR 05
WFP Strategic Outcomes		Strategic Outcome 01	Strategic Outcome 02
Focus Area			
Transfer	12,221,526	12,221,526	-
Implementation	-22,079	-22,079	-
Direct Support Costs	-115,776		
Sub-total	12,083,671		
Indirect Support Costs	785,439		
TOTAL	12,869,109		

WFP Strategic Results	Total	SR 01	SR 05
WFP Strategic Outcomes		Strategic Outcome 01	Strategic Outcome 02
Focus Area		Crisis Response	Resilience Building
TOTAL	253,159,003	249,344,679	3,814,323
Transfer	206,469,490	203,944,032	2,525,458
Implementation	16,863,877	16,024,741	839,136
Direct Support Cost	14,374,616	14,157,686	216,930
Sub-total	237,707,984	234,126,459	3,581,524
Indirect Support Costs	15,451,019	15,218,220	232,799

	Total	2018
TOTAL	12,869,109	12,869,109
Strategic Outcome 01	12,199,447	12,199,447
Strategic Outcome 02	-	-
Direct Support Costs	-115,776	-115,776
Indirect Support Costs	785,439	785,439