### COUNTRY STRATEGIC PLAN REVISION

**REVISED – FOR APPROVAL**

<table>
<thead>
<tr>
<th>[State of Palestine] country strategic plan, revision [3]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender and age marker code: 2A/3 [*]</td>
</tr>
</tbody>
</table>

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

[*] 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-

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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**

<table>
<thead>
<tr>
<th>TABLE 1: DIRECT BENEFICIARIES BY STRATEGIC OUTCOME, ACTIVITY &amp; MODALITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Outcome</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>1/Food</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1/CBTs-value voucher</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1/CBTs-cash</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

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.
**Transfers**

### TABLE 2: FOOD RATION (g/person/day)\(^4\) or CASH-BASED TRANSFER VALUE (USD/person/day) BY STRATEGIC OUTCOME AND ACTIVITY

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

\(^4\) 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.
1. COST BREAKDOWN

### TABLE 4: COST BREAKDOWN OF THE REVISION ONLY (USD)

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

### TABLE 5: OVERALL CSP/ICSP/LEO COST BREAKDOWN, AFTER REVISION (USD)

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

**Annex: COUNTRY PORTFOLIO BUDGET (USD)**

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td>12,869,109</td>
<td>12,869,109</td>
</tr>
<tr>
<td>Strategic Outcome 01</td>
<td>12,199,447</td>
<td>12,199,447</td>
</tr>
<tr>
<td>Strategic Outcome 02</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Direct Support Costs</td>
<td>-115,776</td>
<td>-115,776</td>
</tr>
<tr>
<td>Indirect Support Costs</td>
<td>785,439</td>
<td>785,439</td>
</tr>
</tbody>
</table>