

COUNTRY STRATEGIC PLAN REVISION

REVISION – FOR APPROVAL

South Sudan Interim Country Strategic Plan – 01 January 2018 – 31 December 2020 - Budget Revision 05

Gender and age marker code: 2A

	Current	Change	Revised
Duration	1 January 2018 – 31 December 2020	N/A	1 January 2018 – 31 December 2020
Beneficiaries	<i>4,875,738</i>	<i>33,950</i>	<i>4,909,688</i>
Total cost (USD)	2,996,344,859	(29,120,615)	2,967,224,243
Transfer	2,497,723,338	<i>(51,551,377)</i>	<i>2,446,171,961</i>
Implementation	200,018,476	<i>16,396,913</i>	<i>216,415,389</i>
Direct support costs	115,727,537	<i>7,811,164</i>	<i>123,538,701</i>
Subtotal	2,813,469,351	<i>(27,343,301)</i>	<i>2,786,126,050</i>
Indirect support costs (6.5 percent)	182,875,508	<i>(1,777,315)</i>	<i>181,098,193</i>

South Sudan Interim Country Strategic Plan, Budget Revision 5

1. RATIONALE

1. In response to improvements in the operating environment associated with the ongoing peace process, this budget revision to the South Sudan Interim Country Strategic Plan (ICSP) recognizes efficiency enhancements that have been realised in WFP's supply chain and enhances resilience programming by introducing new operational modalities to build community and household level capacity to respond to shocks.
2. The revision covers the second half of 2019 to the end of 2020 and aims to:
 - reduce supply chain costs following the increased use of more efficient delivery modalities that reduce reliance on air transport in favour of overland deliveries by road and river;
 - introduce a resilience oriented home-grown school feeding programme. Regular school feeding will continue under SO 1, Activities 1 and 2;
 - readjust the requirements between CBT and food under year 2020; and
 - readjust operational costs under various costs categories and activities.

2. CHANGES

Strategic orientation

3. This budget revision maintains the strategic orientation of the existing program while enhancing the efficiency of its operational response and expanding resilience building initiatives to take advantage of greater peace and security. WFP also recognizes the potential for increased humanitarian needs and the importance of preparedness for refugee returns. Should refugees and internally displaced persons (IDPs) returns occur at scale during the period of the CSP, increased needs will be addressed through a future budget revision.
4. Implementation of the Revitalized Agreement on the Resolution of the Conflict in the Republic of South Sudan (R-ARCSS) since its signature in September 2018, has led to improvements in the operating environment across much of the country. This has principally supported WFP's ability to access and maintain presence in many areas of the Greater Upper Nile region that were previously affected by conflict. Increased security has permitted WFP to open up new river and overland routes and establish warehouses in four sites that previously relied on airdrops as their sole delivery modality. In 2019, WFP was able to pre-position 181,530 MT of food. Such developments across the country have enabled WFP to reduce the planned number of aircrafts for the budget revision period from 10 to 7 with projected additional efficiency gains of USD 28 million on top of achievements under budget revision 4.
5. Increased security and stabilization has also enabled WFP to expand and strengthen its resilience building activities. Opportunities exist to link WFP's Food Assistance for Assets (FFA) and Small-holder Agricultural and Market Support (SAMS) programmes with Home Grown School Feeding to provide households and communities with an integrated package of resilience building activities. Supporting children's participation in school, while generating demand for local food production from small-holder farmers, including FFA beneficiaries, directly strengthens food security and builds the capacity of individuals, households, communities, and markets to respond and adapt to shocks. Opportunities also exist to adjust WFP's humanitarian assistance to support early recovery to help rebuild eroded livelihoods and weave the social fabric of communities as a basis for longer-term peace.
6. Despite improvements in the context associated with the peace agreement, the food security situation in South Sudan has continued to deteriorate. According to the most recent Integrated Food Security Phase Classification (IPC) projections, in August 2019, 6.35 million people (54% of the

population) will face Crisis (IPC Phase 3) acute food insecurity or worse, with an approximately 10,000 in Catastrophe (IPC Phase 5). Over the same period, analysis of SMART surveys and the most recent Food Security and Nutrition Monitoring (FSNMS) report estimate that more than 1.3 million children will suffer from acute malnutrition. Looking ahead, the total population in need is expected to remain high because of the lasting impact of conflict, displacement, and economic crisis on production and access to food. Current projections estimate that approximately 5.5 million people will experience severe food insecurity during the 2019 harvest period (Oct-Dec 2019) and that this could rise by May 2020 to similar historic levels seen in 2019. Furthermore, the political and security situation remains tenuous and there is an increasing risk of the spread of Ebola Virus Disease (EVD) into South Sudan; therefore, WFP South Sudan remains prepared to respond accordingly and has been taking steps to be prepared to directly respond to EVD as well as support various actors to respond to EVD.

7. While WFP is able to respond to these needs through the current ICSP framework, they do not include the new requirements of refugees or IDPs that may decide to return to areas of origin as the peace process consolidates and conditions improve. Currently there are over 2 million South Sudanese refugees in neighbouring countries and approximately 1.9 million IDPs in Protection of Civilian sites and informal settlements throughout South Sudan. Returning refugees and IDPs require access to basic services as well as direct support to re-establish homes and livelihoods. A significant return event, as many actors are predicting may occur later in 2019 and 2020, which will require a budget revision to increase requirements.

Strategic outcomes

8. This Budget Revision does not propose any changes at the strategic outcome level. However, a new school feeding programme has been introduced under Activity 4 of Strategic Outcome 3.
9. Under Activity 4, a new resilience oriented school feeding programme will be introduced, shifting from regular school feeding under Activity 1, in areas of relative peace and stability but high food insecurity. School feeding for refugees under Activity 2 will not be affected by this shift. Home Grown School Feeding (HGSF) will link WFP's SAMS and FFA activities and act as a platform for education, health, nutrition, agricultural support services, and peace building activities provided by WFP and other partners including UNICEF and FAO. WFP will purchase food from local smallholder farmers, including food assistance for asset beneficiaries, to provide an incentive for increased production, while the availability of food in schools will act as a safety net for food insecure children and encourage higher levels of enrollment and attendance. This programme will form the basis of an integrated resilience package that can be implemented in areas with agricultural potential experiencing or at risk of food and nutrition insecurity. Increasing market access under SAMS will help to empower women by increasing their livelihood opportunities in a fair and transparent manner. The HGSF Programme will integrate nutrition education through the regular deworming exercise and the establishment of school gardens which include health, hygiene and nutrition.
10. The introduction of this programme is aligned with the Government of South Sudan's draft Home-Grown School Feeding strategy and motivated by the successful pilot of the approach in 2018 in Yambio, Western Equatoria. In that location, demand generated by the programme provided over 2,000 small holder farmers with an accessible, transparent and predictable market. Through rural aggregation centers, WFP was able to buy approximately 400 mt of locally produced commodities from farmers who were previously subsistence producers, to support over 2,000 boys and girls in three schools. Local procurement enhances direct impact of WFP's programme within the community while reducing the carbon foot print of its operations. Learning from the Yambio pilot on SAMS and HGSF, and the corresponding impact, are being documented, shared, and applied in other locations in South Sudan, including by facilitating cross-learning and through the design of partnerships with other UN agencies and partners.

11. The HGSF expansion will include piloting of grain storage silos in schools to avert food losses at school level and to act as demonstration points for farmers to increase uptake of post-harvest management practices and technologies. It will also include the introduction of fuel-efficient stoves to reduce the environmental impact of foraged wood and charcoal use and to protect community volunteers, who are predominantly women, from the harmful effects of smoke inhalation from open fires.
12. WFP has strategically worked with the Ministry of General Education and Instruction to develop and finalise a multi-sectoral five-year HGSF Strategy which will guide the roll-out of the model in South Sudan. To support this roll-out, WFP will invest in national capacity building activities and facilitate the implementation of the National Home-Grown School Feeding Strategy. The Strategy sets out institutional capacity strengthening priorities and localization of menus to incorporate nutritious local foods in the children's diet. Through a desk survey, WFP will work towards understanding nutrient needs in the locations where HGSF is expanded into, to better inform the localized menus. An Inter-Ministerial Committee chaired by the President has been proposed to provide the programme the much-needed political support. WFP will also be working with the ministry to develop a five-year Implementation Plan and Budget to support implementation.
13. With the continuing economic decline, high inflation and increased cereal deficits in South Sudan, the amount of cash-based transfer programming has been reduced in 2020 to that of the 2019 budget (with a corresponding increase of in-kind assistance) in line with the current actual trajectory of cash programming. WFP continues to monitor markets to determine the appropriate level of cash scale-up in specific locations within South Sudan. In the previous budget version, the main assumption was that an improved stability in the country will allow the hybrid transfer modality to gain momentum with CBT taking over food starting from beginning 2020.
14. The key strategic risks for WFP operations in South Sudan include the political instability (with the possibility of the peace process unravelling, resulting in wider re-intensification of violence) and localised conflict in the context of the transitional Government. Also, the continuous economic decline and instability contributing to price and currency fluctuations lead to increased food insecurity in vulnerable communities and possible disruption to WFP operations. The uncertainty with the level of returns of IDPs and refugees poses a risk on operational planning, as do other possible shocks related to climate and/or EVD. Operational risks include extreme levels of inflation, limited number of banks and the processes introduced by the ICSP have created challenges including high cost of operations and increased number of transactions. Also, the limited access to programme locations, deteriorating IT infrastructure, weak CP capacities, inclusion and exclusion errors in targeting, technical challenges in SCOPE, and delays and inefficiencies in the procurement process (of non-food items) may impact WFP's ability to reach the most food insecure communities. Furthermore, the expansion of resilience programming, including home-grown school feeding, has associated programmatic risks with increased reliance on local markets and value chains. The principal fiduciary risks relate to the increasing levels of insecurity affecting WFP staff, assets and operations. Exposure to corrupt practices of the Government such as exposure to bribery, fraud and corruption could potentially increase operating cost.
15. Mitigating action plans to address the risks are included in the country office Annual Performance Plan, and unit work plans and these are reviewed on an ongoing basis. The country office established a Risk Management Committee to discuss and follow-up risk-mitigating actions and oversight recommendations. To mitigate the risks identified, the country office has developed business continuity plans that cover all units to ensure continuity of operations; limiting the cash maintained in the country and paying vendors in their offshore accounts. The country office has transformed the traditional M&E to a Monitoring, Evaluation, Accountability and Learning (MEAL) approach to ensure that issues identified through monitoring are addressed and included in programmatic decisions. To mitigate the risk of diversion and misappropriation of assistance, the country office is expanding the use of SCOPE system for registration of beneficiaries and to track delivery of assistance. Other action plans implemented to mitigate identified risks

include: establishment of an access unit; development of a warehouse risk mitigation strategy; an organisational readiness exercise and continuously initiating staff awareness sessions about fraud and corruption etc. The country office has put in place contingency measures to account for refugees and IDPs returns and engaging in national foras on EVD preparedness as well as taking EVD preparedness steps for staff wellness and programmatic response. The expansion of resilience programmes is being taken in a gradual manner in order to minimize risk exposure.

Beneficiary analysis

16. The budget revision is bringing about a very small increase in the overall beneficiary numbers following the reduction of CBT requirements, which resulted in a corresponding increase in food requirements. About 60,000 school children will be transferred from Activity 1 to Activity 4 to account for the inclusion of a new Home Grown School Feeding component under Activity 4 in 2020. The corresponding reduction in school feeding beneficiaries under Activity 1 as a result of this transfer is offset slightly by the increase in food requirements.

TABLE 1: DIRECT BENEFICIARIES BY STRATEGIC OUTCOME, ACTIVITY & MODALITY							
Strategic Outcome	Activity	Period	Women (18+ years)	Men (18+ years)	Girls (0-18 years)	Boys (0-18 years)	Total
1	1	Current	756,462	642,687	897,762	768,171	3,065,083
		Increase/decrease	-6,429	-5,462	-7,630	-6,529	-26,050
		Revised	750,033	637,225	890,132	761,643	3,039,033
	2	Current	83,975	71,344	99,660	85,274	340,254
		Increase/decrease	0	0	0	0	0
		Revised	83,975	71,344	99,660	85,274	340,254
2	3	Current	335,936	7424	209,877	189,164	742,401
		Increase/decrease	0	0	0	0	0
		Revised	335,936	7,424	209,877	189,164	742,401
3	4	Current	179,670	152,647	213,231	182,451	728,000
		Increase/decrease	0	0	32,400	27,600	60,000
		Revised	179,670	152,647	245,631	210,051	788,000
TOTAL <i>(without overlap)</i>		Current	1,461,134	1,000,566	1,292,173	1,121,866	4,875,738
		Increase/decrease	0	0	0	0	33,950
		Revised	1,461,134	1,000,566	1,292,173	1,121,866	4,909,688

Transfers

Table 2: Food Ration (g/person/day) or Cash-based Transfer Value (USD/person/day) By Strategic Outcome and Activity

Strategic outcome	Strategic Outcome 1											Strategic Outcome 2				Strategic Outcome 3				
Activity	Activity 1						Activity 2					Activity 3				Activity 4				
Beneficiary Type	IDP/ RES (GFD)	IDP/ RES (GFD)	IDP/ RES SFP	IDP/ RES (VI ¹)	IDP/ RES (VI)	IDP/ RES (IFP)	REF (GFD)	REF (GFD)	REF (BSFP)	REF (TSFP) ²	REF (TSFP) ³	IDP/ RES (BSFP) ⁴	IDP/ RES (TSFP) ⁵	IDP/ RES TSFP ⁶	IDP/ RES (HIV/TB)	RES (FFA)	RES (FFA)	RES (CFW)	RES (SF)	
Modality	Food	Cash	Food	Food	Cash	Food	Food	Cash	Food	Food	Food	Food	Food	Food	Food	Food	Cash	Cash	Food	
Cereals	375		120	450		450	500												300	120
Pulses	37.5		30			50	50												50	30
Oil	22.5		10	164		30	30												30	10
Salt	3.75		4			5	5												5	4
Sugar																				
SuperCereal																				
SuperCereal Plus									200		200	200		200	200					
RUSF										100			100							
Total kcal/day	1598		597	2975		1961	2130		787	535	787	787	535	787	787				1452	597
% kcal from protein			13.5	7.0		12.6	12.7		16.6	10.5	16.6	16.6	10.5	16.6	16.6				12.4	13.5
Cash-based (USD/pp/day)		0.25			0.18			0.21											0.45	0.5
Number of feeding days per month	30	30	22	22		30	30	30	30	30	30	30	30	30	30				15	22

¹ VI – vulnerability incentive

² Children aged 6-59 months

³ Pregnant and lactating women

⁴ The ratio is for both children aged 6-59 months and PLWs

⁵ Ration is for children aged 6-59 months

⁶ Ration is for pregnant and lactating women

TABLE 3: TOTAL FOOD/CASH-BASED TRANSFER REQUIREMENTS AND VALUE						
	Current budget		Increase		Revised budget	
	Total (mt)	Total (USD)	Total (mt)	Total (USD)	Total (mt)	Total (USD)
Cereals	856,939	196,608,391	19,220	4,528,396	876,160	201,136,787
Pulses	91,103	47,029,496	1,922	960,802	93,025	47,990,298
Oil and Fats	59,658	49,754,412	1,153	936,596	60,811	50,691,008
Mixed and blended foods	137,094	149,759,293			137,094	149,759,293
Other	9,379	1,056,004	192	21,304	9,571	1,077,308
TOTAL (food)	1,154,173	444,207,596	22,488	6,447,099	1,176,661	450,654,695
Cash-based transfers (USD)		247,103,153		(30,878,804)		216,224,349
TOTAL (food and CBT value – USD)	1,154,173	691,310,749	22,488	(24,431,705)	1,176,661	666,879,044

3. COST BREAKDOWN

TABLE 4: COST BREAKDOWN OF THE REVISION ONLY (USD)					
	Strategic Result 1 SDG Target 2.1	Strategic Result 2 SDG Target 2.2	Strategic Result 3 SDG Target 2.3	Strategic Result 8 SDG Target 17.16	Total
Strategic outcome	1	2	3	4	
Focus area	Crisis Response	Crisis Response	Resilience Building	Crisis Response	
Transfer	(63,010,760)	1,784,056	(578,391)	10,253,718	(51,551,377)
Implementation	25,618,543	(3,019,249)	(6,202,382)	0	16,396,913
Direct support costs	<i>(no figures in the grey cells)</i>				7,811,164
Subtotal					(27,343,301)
Indirect support costs (6.5%)					(1,777,315)
TOTAL					(29,120,615)

Strategic Outcome 1

17. The substantial decrease under the transfer high level cost category is driven by:

- a) the supply chain matrix revision - food transfer costs (FTC). For the period August – December 2019, there is an average decrease by USD 124 per metric tonne (mt) and USD 59 per mt has been applied under activities 1 and 2 respectively. In 2020, activity 1 requirements have seen a net increase of 20,559 mt resulting from the reinstatement of in-kind food distributions in areas initially planned to be covered by CBT. The application of the new supply chain rate entails an average decrease of USD 126 per mt against the existing tonnage and an increase in the total costs linked with the increased tonnage. Under Activity 2, an average of USD 63 per mt has been applied as per the revised supply chain matrix. The overall decrease in food transfer costs under Strategic Outcome 1 is USD 30,170,995;
- b) revision of the CBT transfer value: The country office is aligning CBT transfer values for activity 1 and 2 in to the same level as 2019, resulting in a decrease in CBT transfer values by USD 30,878,804;
- c) revision of CBT transfer costs: A total decrease of USD 5,978,824 is foreseen under activity 1 and 2 during the period of the budget revision. The bulk of the decrease is linked to activity 1. The Country Office has taken advantage of the budget revision to re-adjust costs under “other delivery costs” category, contracted services, financial service provider (FSP) transfer fees and staff and staff related costs, which are aligned to the CO updated staffing mapping file which is used for the payroll.

- d) There is a net decrease in the capacity strengthening costs amounting to USD 1,762,213. The decrease is as a result of a revision of budget lines such as fixed costs, distribution costs, trainings/meetings, contracted services, equipment and supplies mainly due to lack of momentum in implementing capacity strengthening activities due to the political environment. The re-assessment of these budget lines ensures that staff and related costs previously budgeted under capacity strengthening have been readjusted as they are more involved in other transfer modalities.
- e) The reinstatement of 20,559 mt of assorted commodities under activity 1 in 2020 has resulted in an increase in the food value amounting to USD 5,780,076.

As a result of the above changes in the transfer budget, the overall transfer costs decrease under Strategic Outcome 1 is USD 63,010,760.

18. Implementation costs are substantially increasing in line with the field capacity reinforcement strategy the country office is planning to roll out, in order to implement complementary early recovery work, enhanced quality and accountability, as well as to account for under-budgeted implementation budget line when the ICSP was first rolled out. The plan includes increased staffing and their related costs as well as operational costs, particularly for field offices, which are taking on more responsibilities. The staff and staff-related increased costs sum up for both Activity 1 and Activity 2 to USD 15,036,207 whereas recurrent costs sum up to USD 10,582,336. To remain realistic and avoid an inflated budget, the proposed new staffing plan and staff related costs have been fully accounted for the entire year 2020. For year 2019, it has been factored in from October only.

Strategic Outcome 2

19. The increase under the Transfer high level cost category is driven by :

- a) revision of the supply chain matrix, which has foreseen an average increase of USD 14 per mt which is increasing the total costs of activity 3 for both 2019 and 2020 by USD 745,003;
- b) capacity strengthening, which is increasing by USD 1,039,053. The increase is driven mainly by the review of fixed costs and distribution costs for Cooperating Partners;

20. Implementation costs are decreasing by USD 4,867,771. The decrease pertains to staff and staff-related costs and an increase of USD 1,848,522 in recurrent costs. Therefore, the total net decrease in implementation costs for Strategic Outcome 2 is USD 3,019,249. The change in staffing and related costs is due to a shift of staff from activity 3 to activity 1.

Strategic Outcome 3

21. There is a decrease in the transfer high level cost category, which is driven by:

- a) decreases in capacity strengthening by USD 3,835,864. The decrease is attributed to a review of budget lines such as fixed costs/distribution costs, trainings/meetings, travel costs and the review of international staff and national staff. The cost reassessment of these budget lines has been triggered by the lack of momentum in capacity strengthening activities due to the fluid political environment (similar as Activity 1);
- b) there is a net increase in CBT transfer costs by USD 1,623,678, which is triggered by increases in the delivery and distribution commitment item. The overall increase under this commitment item is reduced by the re-adjustment of staff and staff related costs carried out across most activities and cost categories.
- c) revision of the supply chain matrix which is applying an average decrease of USD 34 per mt for the existing tonnage of the budget revision and the application of the newly revised rate against the 1,929 mt of assorted commodities being added in 2020 for the implementation of school feeding under Activity 4. Therefore, the total increase of USD 966,772 is foreseen under FTC.

- d) increase of the food value of USD 667,023 is foreseen, which is corresponding to the value of the 1,929 mt for the proposed school feeding under Activity 4.

As a result of the above changes, the overall total decrease in the transfer high level cost category for Strategic Outcome 3 is USD 578,391.

22. Implementation costs are decreasing by USD 6,202,382, affecting both recurrent costs and the staff and staff-related costs.

Strategic Outcome 4

23. Strategic Outcome 4 combines 6 activities under the service delivery transfer modality:

- a) There are no budget changes for activity 7 (supply chain service provision) and Activity 10 (IT service provision).;
- b) There is an increase of USD 8,601,458 in activity 9 (SCOPE) costs, mainly driven by staff and staff-related costs.
- c) There is an increase of USD 1,132,935 in activity 5 (UNHAS), mainly driven by a shift in staffing strategy where there is a reduction in the number of consultants and addition of more national staff.
- d) There is an increase of USD 345,334 in activity 8 (Emergency Telecom Service Provision), mainly as a result of an increase of national staff vs international staff as well as travel costs.
- e) There is a net increase of USD 173,991 in activity 6 (Logistics Cluster), mainly as a result of a shift in the staffing strategy where there is a reduction in the number of consultants and addition of more national staff.

Adjusted DSC

24. The adjusted DSC has increased by USD 7,811,164. The increase is driven by increased staff and staff-related costs and recurring costs in 2019 and 2020. Similar to the other cost categories, the increase in staff costs entails change in the type of contracts.

	SR 01	SR 02	SR 03	SR 08	
Strategic outcome	1	2	3	4	Total
Focus area	Crisis Response	Crisis Response	Resilience Building	Crisis Response	
Transfer	1,663,214,320	356,300,130	158,526,060	268,131,451	2,446,171,961
Implementation	146,839,072	36,645,257	32,931,060	0	216,415,389
Direct support costs	83,822,499	17,906,163	8,977,263	12,832,776	123,538,701
Subtotal	1,893,875,891	410,851,549	200,434,382	280,964,227	2,786,126,050
Indirect support costs (6.5%)	123,101,933	26,705,351	13,028,235	18,262,675	181,098,193
TOTAL	2,016,977,824	437,556,900	213,462,617	299,226,902	2,967,224,243