

Crisis response revision of Peru country strategic plan (2018–2022) and corresponding budget increase

	Current	Change	Revised
Duration	1 January 2018– 31 December 2022	No change	No change
Beneficiaries	186 510	235 133	421 643
	<i>(USD)</i>		
Total cost	56 725 446	48 100 000	104 825 446
Transfers	41 487 651	41 093 369	82 581 020
Implementation	5 136 676	3 012 796	8 149 472
Adjusted direct support costs	6 639 002	1 058 155	7 697 157
Subtotal	53 263 330	45 164 319	98 427 649
Indirect support costs <i>(6.5 percent)</i>	3 462 116	2 935 681	6 397 797

Gender and age marker code:* 3

* <http://gender.manuals.wfp.org/en/gender-toolkit/gender-in-programming/gender-and-age-marker/>.

Rationale

1. Peru has been severely affected by the COVID-19 crisis. The socioeconomic effects of the pandemic have resulted in an estimated ten-year setback in terms of poverty reduction in the country.¹
2. Considering the dire situation of Venezuelan migrants and refugees in the region, WFP's L2 Emergency Response for the Colombia-Bolivarian Republic of Venezuela Border Crisis was expanded on 30 December 2020 and transformed into WFP's L2 Sub-regional migrant crisis in Colombia, Ecuador, and Peru.
3. According to the Joint Needs Analysis issued by the Refugee and Migrant Working Group (GTRM, for its Spanish acronym) in December 2020, 1.04 million Venezuelan migrants and refugees are estimated to be in Peru. Other estimates consider this figure to be closer to 1.2 million. This makes Peru the second largest recipient of Venezuelan migrants and refugees after Colombia.
4. According to WFP's latest remote assessment (January 2021), moderate and severe food insecurity affect 63 percent of Venezuelan migrants and refugees in Peru. Moreover, due to their irregular migration status they are unable to access the national social protection schemes.

¹ According to the World Bank, poverty is projected to reach pre-2012 levels due to the economic slowdown triggered by the pandemic, <https://www.worldbank.org/en/country/peru/overview#1>



5. WFP's remote assessment showed that moderate and severe food insecurity has also drastically risen among Peruvians reaching 54.9 percent. This is a collateral effect of the strict preventive lockdown and social distancing measures that triggered a generalized economic slowdown.
6. A deadly second wave of the pandemic hit the country earlier than expected in the middle of an unstable political situation that includes elections;² and a deep economic crisis that threatens a generalized recession.³ Estimates indicate that the recovery process may take approximately 1.5–2 years.⁴
7. The Government has directly requested WFP to continue with the emergency logistics operation started in 2020. Other humanitarian actors, like the Food Bank and the Lima Foundation have also requested WFP's support for logistics operations in favour of Peruvian households and migrants and refugees.
8. As the COVID-19 crisis intensifies and continues to have an impact on people's livelihoods, WFP Peru needs to align the duration of its crisis response strategic outcomes with its 2018–2022 Country Strategic Plan.
9. The CSP's start and finish date remain unchanged.

Changes

Strategic orientation

10. The proposed budget revision includes a technical revision related to service provision activities.
11. Strategic outcome (SO) 5, "The Government, humanitarian and development actors are reliably supported by efficient and effective supply chain and other services and expertise throughout crisis," was created as part of BR5 during 2020. It was aligned to *Strategic Result (SR) 5: Developing countries have strengthened capacities to implement the SDGs*.
12. According to a recent WFP service provision circular, service provision-related interventions need to be aligned to *SR8: Sharing of knowledge, expertise and technology strengthen global partnership support to country efforts to achieve the SDGs*.
13. Compliance with this directive falls under a technical revision and demands the creation of SO6 aligned to SR8, "The Government, humanitarian and development actors are reliably supported by efficient and effective supply chain and other services and expertise throughout crisis." This new SO6 will replace SO5 for 2021 and 2022. However, as the logistics operation was reported under SO5 during 2020, SO5 cannot be removed nor deactivated. This means that both SOs will coexist. SO5 covering 2020 and SO6 covering 2021 and 2022.

Strategic outcomes

14. The proposed budget revision includes an increase in SO4 for 2021 and 2022 and a decrease in SO5 for 2021. In the case of SO5, starting in 2021, the programmatic activities included under SO5 will migrate to SO6 as part of the technical adjustment to comply with the alignment to WFP's corporate results framework.

² Presidential and legislative elections took place on 11 April 2021. A second-round run-off took place on 6 June 2021.

³ <https://elpais.com/economia/2020-10-27/el-virus-condena-a-peru-a-la-mayor-recesion-de-america-latina-en-2020-tras-venezuela.html>

⁴ Plan de respuesta y recuperación socioeconómica del Sistema de Naciones Unidas en Perú. February 2021.



15. **Strategic outcome 4: “Refugees, displaced persons and vulnerable people in Peru are enabled to meet their basic food and nutrition requirements when crisis arises.”**
16. Targeting approach and beneficiary analysis: WFP has finalized a third round of assessments to select the cooperating partners for 2021. This is crucial to sustain and scale up the operation to assist an additional 235,133 food-insecure people, mostly Venezuelans residing in key target areas where assistance is most needed. This expansion will allow WFP to reach nearly an additional 30 percent of the total Venezuelan migrant and refugee population estimated to be in severe and moderate food insecurity in the country.
17. The assessment considered the technical proposals in terms of beneficiary selection, vulnerability assessment, follow-up of the cash transfer process, post-distribution monitoring, reporting on results, gender and protection mainstreaming, among other relevant criteria such as cost-effectiveness to identify the most suitable partners.
18. As assistance will be mostly guided towards Venezuelan households unable to access the national social protection schemes, specific attention was given to partners demonstrating capacity to support Venezuelan migrants and refugees who do not hold official documentation.
19. Moreover, as a means of mitigating the escalating tension between Venezuelan migrants and refugees and the local population, WFP will ensure that this operation also targets vulnerable Peruvian households (host community), who will comprise up to 20 percent of total beneficiaries, provided they meet the same vulnerability criteria as the eligible Venezuelan households. Peruvian households will also be included in the baseline/end line exercise as aligned with the total assisted population. Selected beneficiary households will not receive any assistance from any other humanitarian actors, nor from the government’s social protection scheme, as part of the selection criteria.
20. The operation will also aim to improve the nutritional practices of targeted households to improve food security by adapting nutrition messaging tailored to the target audience.
21. Transfer mechanisms and target groups: This budget revision proposes the unconditional provision of three-monthly transfers adapted to family size. On average, the estimated monthly transfer per individual amounts to S/.150.50 (approximately USD 42.15) to cover an estimated 80 percent of the food component of the minimum expenditure basket. The updated transfer amount considers the results from the recent minimum expenditure basket analysis conducted by the Cash-based Intervention (CBI) sub-working group within the Refugee and Migrants Working Group (GTRM, for its Spanish acronym) as well as a rapid internal income/expenditure gap analysis. The household-size breakdown of transfer values is as follows:

Number of household members	Transfer in S/.	Transfer in USD (est).
1	S/. 175	USD 49
2	S/. 310	USD 87
3	S/. 450	USD 126
4	S/. 591	USD 166
5 or more	S/. 735	USD 206

** Transfer amounts in USD are for reference purposes only. Actual transfer value will vary according to the exchange rate.*

22. Likewise, the duration of three months is based on the acknowledgement of the complex nature of the socioeconomic vulnerability to which refugees and migrants are exposed and



the necessity to provide medium-term support while trying to assist the greatest number of households possible.

23. The selected distribution models are immediate cash account and electronic vouchers. Immediate cash account is the model currently being used through Western Union. The country office is finalizing the arrangements to activate electronic vouchers. This is expected to be available by the third quarter of 2021. Electronic vouchers are part of WFP's efforts to diversify its base of service providers to extend coverage, as well as provide beneficiaries with the option to choose the type of assistance that better serves their needs. Further efforts will be made to ensure a broader national coverage from financial service providers.
24. **Strategic outcome 6: "The Government, humanitarian and development actors are reliably supported by efficient and effective supply chain and other services and expertise throughout crisis."**
25. With lockdown measures in place and mandatory quarantines required in case of infection, thousands of households rely on the direct distribution of humanitarian assistance to satisfy their basic needs.
26. During 2020, WFP distributed 3,938 mt of humanitarian assistance in direct coordination with the National Institute of Civil Defence. Logistics support remains critical to help bridge the economic and sanitary gap that limits households' access to food and other essential items. Estimates indicate that transportation services will be required to distribute around 4,000 mt of humanitarian assistance per year to support the efforts of other humanitarian actors and private sector partners.
27. **Partnerships:** WFP closely coordinates actions with government partners, United Nations agencies, humanitarian actors and the private sector, and actively participates in the GTRM and National Humanitarian Network. It currently co-leads the GTRM CBI sub-working group and leads the Food Security sub-working group. WFP currently holds an agreement with the National Superintendence for Migration aimed at facilitating the identification of vulnerable households. Specific service letter agreements are being subscribed with the National Institute of Civil Defence, the Food Bank and other organizations to coordinate the provision of logistics services.
28. **Country office capacity:** The country office has already expanded its operational capacity to support the cash-based transfer operation and provide logistics support to the government's own operation. This has included the incorporation of additional staff in CBT programming, logistics, budget and finance, monitoring and evaluation (M&E), communications, information technology and protection. Further operational expansions will be assessed and coordinated when necessary as the operation scales up.
29. **Supply chain challenges and service provision:** Despite the emergency scenario, the country provides an overall optimal infrastructure with limited market distortions. Service delivery focuses on providing timely assistance and logistics support for the Government aimed at facilitating and improving the humanitarian logistics chain for emergency response. The operation is coordinated with the National Institute of Civil Defence and includes the provision of land transportation services at local level (considers the metropolitan area of Lima) and at national level (considers other regions outside the metropolitan area of Lima) along with technical support to inform policymaking. This includes support to conduct a logistics capability assessment in the country.
30. **M&E:** SCOPE has been fully incorporated as the beneficiary information and transfer management system. In addition, post-distribution monitoring is now fully incorporated as part of the operation. In direct coordination with WFP's Programme unit, the M&E unit will



closely monitor the implementation of assessments, including additional food security assessments to monitor the nutrition situation of the affected populations and adjust programming as necessary, a specific gender assessment to inform programming based on a better understanding of gender roles and power inequalities within the household, and a disability inclusion assessment to guide how to better address the rights of persons with disabilities within the operation.

31. **Accountability to affected populations, protection risks, restrictions of gender and disabilities:** SugarCRM is fully operational as the official complaint and feedback mechanism (CFM). It allows the safe storage, accurate management, and detailed analysis of feedback received from users. It includes a hotline that collects beneficiaries' feedback and complaints. In an effort to ensure gender-specific considerations are mainstreamed throughout the intervention, WFP will promote a more equal approach to intra-household food security and nutrition dynamics. This will be done through the development of educational materials and focus group discussions.
32. **Proposed transition/handover strategy:** The COVID-19 emergency shows the structural challenges that hinder migrants' access to social protection. Therefore, WFP will continue working with the GTRM to position the need for a more integrated and comprehensive response along with advocacy with government partners to reinforce shock-responsive social protection schemes that support migrants, mainly Venezuelan populations.
33. **Risk management:** As the current COVID-19 context determines specific responses and operational approaches, WFP is taking measures with the objective of reducing and mitigating risks for beneficiaries, partners and WFP staff. Activities and transfer modalities may vary or be prioritized in coordination with government partners and national directives. The country office actively participates within the GTRM to facilitate a coordinated implementation of the cash-based operation. This proactive approach will minimize the operational risks that could arise from the implementation of a new cash-based transfer operation.
34. **Social and environmental safeguards:** The implementation of the crisis response outcomes does not foresee any negative impact on the environment or the general population.

Beneficiary analysis

TABLE 1: DIRECT BENEFICIARIES BY STRATEGIC OUTCOME, ACTIVITY AND MODALITY							
Strategic outcome	Activity and modality	Period	Women (18+ years)	Men (18+ years)	Girls (0-18 years)	Boys (0-18 years)	Total
4	4 (CBT)	Current	64 345	51 477	39 727	30 961	186 510
		Increase/(decrease)	81 122	64 896	50 082	39 033	235 133
		Revised	145 467	116 373	89 809	69 994	421 643
Total (without overlap)		Current	64 345	51 477	39 727	30 961	186 510
		Increase/(decrease)	81 122	64 896	50 082	39 033	235 133
		Revised	145 467	116 373	89 809	69 994	421 643



Transfers

TABLE 2: FOOD RATION (g/person/day) AND CASH-BASED TRANSFER VALUE (USD/person/day) BY STRATEGIC OUTCOME AND ACTIVITY	
	Strategic outcome 4
	Activity 4
Beneficiary type	Crisis-affected populations
Modality	CBT
Total kcal/day	1 680
Cash-based transfers (USD/person/day)	1 405
Number of feeding days per year	90

TABLE 3: TOTAL FOOD/CASH-BASED TRANSFER REQUIREMENTS AND VALUE			
Food type/ cash-based transfer	Current budget	Increase	Revised budget
	Total (USD)	Total (USD)	Total (USD)
Cereals	0	0	0
Pulses	0	0	0
Oil and fats	0	0	0
Mixed and blended foods	0	0	0
Other	0	0	0
Total (food)	0	0	0
Cash-based transfers	14 373 894	29 732 568	44 106 462
Total (food and CBT value)	14 373 894	29 732 568	44 106 462

Cost breakdown

TABLE 4: COST BREAKDOWN OF THE REVISION ONLY (USD)				
	Strategic Result 1/ SDG Target 2.1	Strategic Result 5/ SDG Target 17.9	Strategic Result 8/ SDG Target 17.16	Total
	Strategic outcome 4	Strategic outcome 5	Strategic outcome 6	
Focus area	Crisis response	Crisis response	Crisis response	
Transfers	38 866 669	-1 668 181	3 894 881	41 093 369
Implementation	2 830 567	-205 401	387 630	3 012 796
Adjusted direct support costs				1 058 155
Subtotal				45 164 319



Indirect support costs (6.5 percent)								2 935 681
Total								48 100 000

TABLE 5: OVERALL CSP COST BREAKDOWN, AFTER REVISION (USD)							
	Strategic Result 8/ SDG Target 17.16	Strategic Result 2/ SDG Target 2.2	Strategic Result 5/ SDG Target 17.9	Strategic Result 1/ SDG Target 2.1	Strategic Result 5/ SDG Target 17.9	Strategic Result 8/ SDG Target 17.16	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 4	Strategic outcome 5	Strategic outcome 6	
Focus area	Root causes	Root causes	Resilience building	Crisis response	Crisis response	Crisis response	
Transfers	4 260 519	10 481 132	5 837 033	56 945 996	1 161 459	3 894 881	82 581 020
Implementation	889 147	1 715 318	491 769	4 402 138	263 470	387 630	8 149 472
Adjusted direct support costs	645 291	1 573 237	702 925	4 347 673	149 068	278 964	7 697 157
Subtotal	5 794 957	13 769 687	7 031 727	65 695 807	1 573 997	4 561 475	98 427 649
Indirect support costs (6.5 percent)	376 672	895 030	457 062	4 270 227	102 310	296 496	6 397 797
Total	6 171 629	14 664 716	7 488 789	69 966 034	1 676 307	4 857 971	104 825 446