

## Crisis response revision of Lebanon country strategic plan (2018–2021) and corresponding budget increase

	Current	Change	Revised
<b>Duration</b>	<b>1 January 2018– 31 December 2021</b>	<b>One year</b>	<b>1 January 2018– 31 December 2022</b>
<b>Beneficiaries</b>	<b>1 552 056</b>	<b>1 036 395</b>	<b>2 588 451</b>
	<i>(USD)</i>		
<b>Total cost</b>	<b>1 876 951 042</b>	<b>981 543 250</b>	<b>2 858 494 293</b>
Transfers	1 671 209 277	901 452 980	2 572 662 258
Implementation	62 561 337	19 992 886	82 554 223
Adjusted direct support costs	29 045 528	13 691 437	42 736 964
<b>Subtotal</b>	<b>1 762 816 142</b>	<b>935 137 303</b>	<b>2 697 953 445</b>
Indirect support costs <i>(6.5 percent)</i>	114 134 900	46 405 947	160 540 847

Gender and age marker code:\* 3<sup>1</sup>

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

### Rationale

1. This budget revision is in response to the multiple crises – economic, political, COVID-19, Beirut port explosion – and changes in Lebanon, resulting in increased needs and requiring technical adjustments of the country strategic plan (CSP) to enable WFP to continue responding effectively. The situation in Lebanon has also delayed United Nations system-wide plans to develop a new United Nations sustainable development cooperation framework, and as such, the United Nations strategic framework is set to be extended by one year.
2. The continued depreciation of the Lebanese pound has resulted in high inflation and weakened purchasing power, the main drivers to increased poverty and food insecurity. The national average price of 19 basic food items registered a 302 percent increase between October 2019 and April 2021.<sup>2</sup> The planned removal of import subsidies for wheat, fuel and medicine is expected to further increase prices and reduce households' access to essential products, including nutritious food.
3. These crises have changed the depth and breadth of food insecurity for all women, men, boys and girls in Lebanon: in 2021, 22 percent of Lebanese, 50 percent of Syrian refugees, and 33 percent of refugees of other nationalities are estimated to be food insecure.<sup>3</sup>

<sup>1</sup> The gender and age marker has been adjusted to reflect the updated scoring system.

<sup>2</sup> WFP Lebanon vulnerability analysis and mapping markets update – April 2021.

<sup>3</sup> UNHCR, WFP and UNICEF. 2020. *VASyR 2020 Vulnerability Assessment for Syrian Refugees in Lebanon*.



4. Poverty rates are currently estimated to be 65 percent for the Lebanese population and almost 90 percent for the refugee population.<sup>4</sup> In September 2020, one in five Lebanese and Syrian households reported having completely lost their income.<sup>5</sup>
5. Within this context, WFP is piloting measures to diversify solutions and mitigate risks. These measures include reducing reliance on cash-based transfers (CBTs) and leveraging supply chains for international and local procurement and exchange rate efficiencies while protecting beneficiaries' dignity and choice. For in-kind assistance, WFP will support the improvement of a food safety laboratory at the Beirut port.
6. The National Poverty Targeting Programme (NPTP) is unlikely to be able to keep pace with growing needs, which prompted the Government of Lebanon to access World Bank funding to implement an emergency social safety net with WFP as a service provider. WFP will facilitate gender-responsive and inclusive safety net programmes.

## Changes

### Strategic orientation

7. This budget revision aims to:
  - align the CSP end date with the United Nations strategic framework extended until December 2022;
  - adjust the beneficiary targets to reflect the increased needs;
  - adjust the transfer values for activities 1, 2, 3, 4 and 5;
  - adjust the exchange rate; and
  - add a new activity under strategic outcome 6 for on-demand cash-based transfer services for the Lebanon Emergency Crisis and COVID-19 Response Social Safety Net Project (ESSN).
8. Previous budget revisions:
  - The first budget revision (approved in November 2018 by the country director): i) reallocated budget and beneficiaries from 2020 to 2018 under activities 1 and 5; ii) introduced multi-purpose cash to activity 1; and iii) added capacity strengthening as a modality to activity 3.
  - The second and third budget revisions were technical revisions.
  - The fourth budget revision (approved in July 2019 by the Executive Director and the Director General of the Food and Agriculture Organization of the United Nations [FAO]): i) increased the number of beneficiaries under activities 1, 2 and 3; ii) added non-Syrian and non-Palestinian refugees under activity 1; iii) removed cash-for-education and in-kind components under activity 2; and iv) reduced livelihood beneficiaries under activity 4.
  - The fifth budget revision (approved in November 2019 by the Executive Board): i) extended the CSP for one year; ii) increased the number of beneficiaries under activity 5; and iii) created strategic outcome 5 to replace strategic outcome 4 to change the focus area from crisis response to root causes.

<sup>4</sup> World Bank 2021; UNHCR, WFP and UNICEF. 2020. *VASyR 2020 Vulnerability Assessment for Syrian Refugees in Lebanon*.

<sup>5</sup> WFP. 2020. *Assessing the Impact of the Economic and COVID-19 Crises in Lebanon, June 2020*.



- The sixth budget revision (approved in March 2020 by the Executive Director and the Director General of FAO): i) increased the number of Syrian refugee beneficiaries under activity 1; ii) introduced in-kind food assistance to vulnerable Lebanese under activity 1; iii) included a plan for a cash assistance package for Syrian returnees; and iv) scaled up WFP's institutional capacity strengthening activities (activity 7).
- The seventh budget revision (approved in November 2020 by the Executive Director and Director General of FAO): i) increased the number of beneficiaries under activity 1 for vulnerable Lebanese people affected by the Beirut explosion, COVID-19 and economic crisis; and ii) added new activities for logistics sector services (activity 8), and provision of procurement services (activity 9) under the new crisis response strategic outcome 6.

### **Strategic outcomes**

9. A new activity will be added under strategic outcome 6 along with a dedicated output:
  - Activity 10: Provision of technical support and electronic payment services system to Government and partners in assisting extremely poor and vulnerable Lebanese populations to access social services and cash.
  - Output: Vulnerable Lebanese targeted by the emergency social safety net programme receive CBTs to meet their basic food, nutrition and education needs.

### **Targeting approach and beneficiary analysis**

10. The number of CBT beneficiaries under activity 1 will be increased by 370,749 to cover all the Syrian refugees living below the survival minimum expenditure basket, and in-kind food assistance will reach an additional 78,000 Lebanese beneficiaries to respond to the economic crisis.
11. Under activity 2, WFP will provide support to a total of 71,000 students from 2021 onwards, accommodating the increase in school children joining the public system from private schools. The number of beneficiaries receiving in-kind assistance will be increased by 54,000, while the number receiving CBTs (school snacks or take-home rations) will be increased by 37,000.
12. Food for training participants under activity 3 will be increased by 5,220, focusing on increasing the participation rate of women from 36–50 percent and addressing a need for gender-responsive livelihoods and resilience support due to the deteriorating economic situation (digital skills, food safety, value chain development, capacity building, climate-smart agriculture) and remote learning due to COVID-19.
13. Activity 5 (NPTP) will be scaled up in coordination with the Government to reach an additional 200,069 beneficiaries.

### **Transfer modalities**

14. Most of the expansion of interventions will continue as CBTs, however, WFP will diversify transfer modalities by expanding in-kind, especially for commodities that face high inflation or importation challenges and where there would be value added to beneficiaries. Capacity strengthening for activity 1 will increase in order to purchase equipment and materials related to the Beirut explosion response (generators, lighting).



15. Activity 1 CBTs values were increased to LBP 220,000 (per person/per month) for the food component, and to LBP 800,000 (per household/per month) for the non-food component to align with the new price of the survival minimum expenditure basket and to protect the purchasing power of beneficiaries. Despite the increase, the equivalent value of the transfers in USD has slightly decreased due to the more preferable exchange rate afforded to WFP by the Government.
16. Assistance under activity 2 has been switched from school snacks to take-home rations during the COVID-19 lockdown. Like school snacks, take-home rations are procured and distributed by WFP's cooperating partners, with the exception of in-kind fortified vegetable oil, which WFP will purchase internationally to include in the take-home rations. The inclusion of oil is meant to lessen the economic burden of high food prices for a basic commodity.
17. Under activity 3 (food for training) and activity 4 (food assistance for assets), each participant receives an output-based transfer per month, based on the hours of their participation. As the original maximum transfer of LBP 675,000 per month no longer meets the household food needs, the transfers will be increased to a maximum LBP 750,000 per month.
18. A household monthly cash grant of LBP 200,000 will be introduced under activity 5 as a supplement (modelled on the ESSN) to NPTP beneficiaries. This activity will transition from the food e-card to the cash-for-food card that can be used at an ATM or any point-of-sale (including WFP-contracted shops).

### ***Partnerships***

19. New partnerships with the United Nations Children's Fund and the United Nations Entity for Gender Equality and the Empowerment of Women will be leveraged to promote protection, disability inclusion, gender equality and women's empowerment.

### ***Country office capacity***

20. The country office is arranging for new office premises and recruiting additional staff to address the increased operational requirements, with sufficient funding to cover increased budgets.

### ***Supply chain challenges***

21. Under activity 7, WFP will support the Ministry of Agriculture to strengthen Beirut port facilities. Surge capacity and technical expertise will be sought from the Middle East and Northern Africa Regional Bureau/headquarters as required, e.g. for a larger shift from CBTs to in-kind food assistance. The country office is preparing a contingency plan to propose solutions to the risks affecting WFP's operations and to secure beneficiaries' continued access to WFP assistance.

### ***In case of service provision***

22. For activity 10, WFP is finalizing preparations with the Government and the World Bank to provide 12 months of cash transfers, as a financial service provision using existing financial service provision platforms and pre-paid cards, through the gender-responsive ESSN programme. The project will support 161,247 extremely poor Lebanese households who are unable to meet their basic food needs and 87,000 students. The ESSN is designed as a shock-responsive social protection assistance that will expand NPTP coverage.



### ***Monitoring and evaluation***

23. A comprehensive monitoring system has been established in line with corporate standards and guidelines and WFP will continue to ensure robust monitoring and adequate staffing to monitor the operations. Gender-inclusive monitoring and evaluation arrangements will be provided to activity 10 through contracted monitoring service firms.
24. The 2020 CSP evaluation recommendations, once finalized, will be prioritized and integrated into activity design, planning and implementation.

### ***Accountability to affected populations, protection risks, restrictions of gender and disabilities***

25. Staff capacity will be strengthened and technical assistance provided to partners on protection, gender mainstreaming and disability inclusion, to ensure that programme design and implementation are better informed by beneficiary feedback. Food assistance activities will be made more safe, inclusive, and dignified, with emphasis on gender-based violence, protection from sexual exploitation and abuse and conflict-sensitivity. A new call centre for grievance redress and beneficiary feedback will be operational in 2021. WFP will enhance its commitment to gender equality by taking part in the corporate accreditation of the Gender Transformation Programme.

### ***Risk management***

26. Lebanon's deteriorated situation makes prevention, mitigation, and preparedness more critical than ever for early action on fiduciary, operational and financial risks. Enterprise risk and contingency plans are updated. The direct physical security risk for WFP staff and operations is still low but closely monitored. Though operational risks related to COVID-19 are reducing, WFP will maintain COVID-19-sensitive procedures. WFP is actively discussing with its financial service provider and the Government to maximize the value of donor contributions (with a preferable exchange rate) and provide meaningful assistance to beneficiaries.

### ***Social and environmental safeguards***

27. Potential negative impacts of activities at the new food safety laboratory at the Beirut port will be mitigated through efficient application of governmental and WFP environmental and regulatory procedures, as well as appropriate safety processes.



## 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
1	1 (CBT)	Current	251 240	182 720	342 600	365 440	<b>1 142 001</b>
		Increase/(decrease)	81 565	59 320	111 225	118 640	<b>370 749</b>
		Revised	332 805	242 040	453 825	484 080	<b>1 512 750</b>
	1 (Food)	Current	92 840	67 520	126 600	135 040	<b>422 000</b>
		Increase/(decrease)	17 160	12 480	23 400	24 960	<b>78 000</b>
		Revised	110 000	80 000	150 000	160 000	<b>500 000</b>
	2 (CBT)	Current	-	-	83 500	83 500	<b>167 000</b>
		Increase/(decrease)	-	-	19 200	17 800	<b>37 000</b>
		Revised			102 700	101 300	<b>204 000</b>
	2 (Food)	Current	-	-	8 500	8 500	<b>17 000</b>
		Increase/(decrease)	-	-	27 700	26 300	<b>54 000</b>
		Revised	-	-	36 200	34 800	<b>71 000</b>
2	3 (CBT)	Current	9 995	6 893	12 924	13 269	<b>43 080</b>
		Increase/(decrease)	631	835	1 566	2 187	<b>5 220</b>
		Revised total	10 626	7 728	14 490	15 456	<b>48 300</b>
	4 (CBT)	Current	14 790	10 200	19 125	19 635	<b>63 750</b>
		Increase/(decrease)	(765)	0	0	765	<b>-</b>
		Revised	14 025	10 200	19 125	20 400	<b>63 750</b>
3	5 (CBT)	Current	71 302	66 702	46 401	46 401	<b>230 007</b>
		Increase/(decrease)	62 022	58 020	39 614	39 614	<b>200 069</b>
		Revised	133 324	124 722	86 015	86 015	<b>430 076</b>
<b>Total (without overlap)</b>		<b>Current</b>	<b>362 154</b>	<b>278 230</b>	<b>445 079</b>	<b>466 593</b>	<b>1 552 056</b>
		<b>Increase/(decrease)</b>	<b>226 300</b>	<b>177 496</b>	<b>306 859</b>	<b>325 740</b>	<b>1 036 395*</b>
		<b>Revised</b>	<b>588 454</b>	<b>455 726</b>	<b>751 938</b>	<b>792 333</b>	<b>2 588 451</b>

\* Increase includes beneficiaries added in the seventh budget revision (Beirut explosion) that were assumed at the time to benefit from WFP assistance (and thus removed as overlaps from the seventh budget revision totals). As there have been confirmed to be unique beneficiaries, the totals have been adjusted to rectify.



## Transfers

TABLE 2: FOOD RATION (g/person/day) AND CASH-BASED TRANSFER VALUE (USD/person/day) BY STRATEGIC OUTCOME AND ACTIVITY							
	Strategic outcome 1			Strategic outcome 2		Strategic outcome 3	
	Activity 1		Activity 2	Activity 3	Activity 4	Activity 5	
Beneficiary type	Syrian refugees and crisis-affected Lebanese	Syrian refugees considered the most vulnerable (multi-purpose cash)	Syrian and Lebanese children	Syrian refugees and vulnerable Lebanese	Syrian refugees and vulnerable Lebanese	Vulnerable Lebanese	Vulnerable Lebanese considered the most vulnerable (cash top-up)
Modality	CBTs/food	CBTs	CBTs/food	CBTs	CBTs	CBTs	CBTs
Cash-based transfers (USD/person/day)	0.6	0.324	0.5	2.314	1.468	0.6	0.097*
Rice	66.667						
Pasta	66.667						
Bulgur wheat	66.667						
Lentils	46.667						
Beans	46.667						
Chickpeas	66.667						
Tuna fish - canned	12.800						
Sunflower oil	40.000		61.333				
Salt	6.667						
Total kcal/day	CBT: 2 100 In-kind: 1 665						
% kcal from protein	In-kind: 14.4						
Number of feeding days per year	360		140	120	120	360	

\* Only until December 2021.



**TABLE 3: TOTAL FOOD/CASH-BASED TRANSFER REQUIREMENTS AND VALUE**

Food type/ cash-based transfer	Current budget		Increase		Revised budget	
	Total (mt)	Total (USD)	Total (mt)	Total (USD)	Total (mt)	Total (USD)
Cereals	25 272	14 963 751	40 860	27 575 596	66 132	42 539 347
Pulses	10 011	10 657 239	34 110	36 957 397	44 121	47 614 636
Oil and fats	3 837	3 157 919	10 079	26 709 241	13 916	29 867 160
Mixed and blended foods	0	0	0	0	0	0
Other	7 647	9 974 471	2 728	12 466 256	10 375	22 440 727
<b>Total (food)</b>	<b>46 767</b>	<b>38 753 380</b>	<b>87 777</b>	<b>103 708 490</b>	<b>134 544</b>	<b>142 461 870</b>
Cash-based transfers		1 469 301 080		505 519 776		1 974 820 857
<b>Total (food and cash-based transfer value)</b>	<b>46 767</b>	<b>1 508 054 461</b>	<b>87 777</b>	<b>609 228 266</b>	<b>134 544</b>	<b>2 117 282 727</b>

### Cost breakdown

28. Increase in targeting for the main modalities under activity 1, particularly cash-for-food e-cards, accounts for the bulk of the budgetary increase, as well as the additional students under activity 2. Under strategic outcome 2, the country office has aligned the capacity strengthening requirements following the latest livelihoods strategy. The budget for strategic outcome 3 is for the expansion of the NPTP given the deterioration of the economic situation in the country. The budget of strategic outcome 5 has increased due to the increased scope of technical assistance to the Ministry of Social Affairs and the capacity strengthening efforts for the rehabilitation of the food safety laboratory in Beirut port.
29. In terms of resourcing outlook, WFP has been in discussion with key partners on possible contributions to provide in-kind and cash assistance during the ongoing economic crisis. A number of proposals are currently being finalized.



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

	Strategic Result 1/SDG Target 2.1	Strategic Result 1/SDG Target 2.1	Strategic Result 1/SDG Target 2.1	Strategic Result 8/SDG Target 17.16	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	Crisis response	Resilience building	Root causes	Crisis response	Root causes	Crisis response	
Transfers	571 697 368	37 024 287	69 986 985	0	5 776 648	216 967 692	<b>901 452 980</b>
Implementation	13 740 604	1 172 386	2 051 355	0	1 975 021	1 053 522	<b>19 992 886</b>
Adjusted direct support costs							<b>13 691 437</b>
<b>Subtotal</b>							<b>935 137 303</b>
Indirect support costs (6.5 percent)							<b>46 405 947</b>
<b>Total</b>							<b>981 543 250</b>

SDG = Sustainable Development Goal.

**TABLE 5: OVERALL CSP COST BREAKDOWN, AFTER REVISION (USD)**

	Strategic Result 1/SDG Target 2.1	Strategic Result 1/SDG Target 2.1	Strategic Result 1/SDG Target 2.1	Strategic Result 8/SDG Target 17.16	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	Crisis response	Resilience building	Root causes	Crisis response	Root causes	Crisis response	
Transfers	1 912 827 139	210 125 811	215 612 016	0	10 398 833	223 698 459	<b>2 572 662 258</b>
Implementation	59 308 340	14 397 978	3 065 364	0	4 687 158	1 095 384	<b>82 554 223</b>
Adjusted direct support costs	32 233 031	3 518 093	3 450 066	0	235 361	3 300 413	<b>42 736 964</b>
<b>Subtotal</b>	<b>2 004 368 510</b>	<b>228 041 882</b>	<b>222 127 446</b>	<b>0</b>	<b>15 321 352</b>	<b>228 094 256</b>	<b>2 697 953 445</b>
Indirect support costs (6.5 percent)	130 283 953	14 822 722	14 438 284	0	995 888	0	<b>160 540 847</b>
<b>Total</b>	<b>2 134 652 463</b>	<b>242 864 604</b>	<b>236 565 730</b>	<b>0</b>	<b>16 317 240</b>	<b>228 094 256</b>	<b>2 858 494 293</b>

