1. **RATIONALE**

1. Since 2020, WFP has been partnering with Government institutions and United Nations agencies to implement cash-based programmes in response to different types of emergencies. In particular, WFP and UNICEF have been complementing the national social protection response—led by the Ministry of Gender, Children and Social Action (MGCAS)—to mitigate the socio-economic impact of the COVID-19 pandemic. The COVID-19 response is planned to last until March 2022. To date, the UNICEF contribution has been managed through the WFP special cash account. Additionally, WFP and UNICEF are planning to implement a joint voucher programme in Cabo Delgado to assist vulnerable families affected by the conflict. UNICEF will utilise WFP’s voucher system through transfer of funds to WFP in order to cover food and hygiene needs.

2. In addition to the ongoing and planned joint programmes mentioned above, Mozambique Country Office foresees cash transfer services to external users to expand quickly over the next few months, as discussions with strategic partners are underway to improve joint and/or coordinated cash programming. Basic parameters and guidelines will be established to ensure compliance with WFP’s internal policies and processes throughout the provision of cash transfer services to external users.

3. In order to comply with the on-demand cash transfer service guidance and framework, this budget revision reflects the inclusion in the country strategic plan (CSP) of a stand-alone activity for the provision of an on-demand cash transfer service.

2. **CHANGES**

*Strategic orientation*

4. This budget revision introduces a new activity (Activity 12) under strategic outcome 7: Government and humanitarian partners in Mozambique have access to effective and reliable services during times of crisis.

5. The new activity and output indicator are as follows:
- **New activity under strategic outcome 7, activity 12:** Provide on-demand cash transfer services to government partners, UN Agencies, and national and international NGOs. [Cat: 10. Service provision and platforms activities. Modality: SD]

- **New output indicator:** H.11 Number of agencies using common cash-based transfer platforms.

**Strategic outcomes**

**Targeting approach and beneficiary analysis**

6. Targeting criteria will be established by or in coordination with the external users that will be requesting WFP to provide cash-based transfer services. For instance, beneficiaries assisted through the national social protection system will be selected by MGCAS/INAS. Beneficiaries assisted under the WFP-UNICEF joint voucher programme in Cabo Delgado will be selected by WFP either through a status-based or vulnerability-based targeting approach.

**Transfer modalities**

7. Transfer modalities used under this activity will depend on the programme design of external users of WFP’s cash-based transfer services and on available delivery mechanisms/payment solutions. For the time being, WFP offers cash-based transfer services through mobile money solutions and vouchers through the retailers’ network.

**Partnerships**

8. WFP is engaging with the private sector, particularly with financial service providers to further expand their reach and diversify the payment solutions for the provision of its cash-based transfers, enhancing its readiness to scale up quickly and contribute to digital financial inclusion.

9. Additionally, WFP is partnering with local market players for the implementation of market development activities that will contribute to bringing markets closer to beneficiaries and enable greater use of cash-based transfers by the humanitarian and development community. WFP will also promote partnership with the government for the design and implementation of market development activities.

10. The provision of cash transfer services could serve as an entry point for WFP to leverage partners’ assistance in order to promote joint programmes and thus contributing to WFP’s strategic goals.

**Beneficiary analysis**

Beneficiary figures remain the same as budget revision 7.

**Transfers**

The food ration and cash-based transfer figures remain the same as budget revision 7.
3. COST BREAKDOWN

11. Through this revision the CSP will be increased by US$4.45 million. The increase is related to SO7, with US$4.45 million increase under transfer and implementation for Activity 12, to provide on-demand cash transfer services to government partners, UN Agencies, and national and international NGOs.

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<tr>
<td>Total</td>
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<td>876 494 462</td>
<td>92 806 194</td>
</tr>
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</table>
Annex 1: Revised Line of Sight

### MOZAMBIQUE

#### OUTCOME 1: Households in food insecure areas of Mozambique are able to maintain access to adequate and nutritious food throughout the year, including in times of shock (category 1.1)

5. People in vulnerable populations (category 1.1) benefit from the government’s strengthened social safety net and receive cash transfers 

#### OUTCOME 2: Children in Mozambique are able to meet their basic food and nutrition needs during and immediately after a crisis (category 1.1)

1. People in vulnerable households (category 1.1) benefit from improved coverage and quality of nutrition and food security interventions (category 2.2).

#### OUTCOME 3: Children in Mozambique are able to meet their basic food and nutrition needs during and immediately after a crisis (category 1.1)

1. Children in Mozambique (category 1.1) benefit from improved coverage and quality of nutrition and food security interventions (category 2.2).

#### OUTCOME 4: Children in Mozambique are able to meet their basic food and nutrition needs during and immediately after a crisis (category 1.1)

1. Children in Mozambique (category 1.1) benefit from improved coverage and quality of nutrition and food security interventions (category 2.2).

#### OUTCOME 5: Children in Mozambique are able to meet their basic food and nutrition needs during and immediately after a crisis (category 1.1)

1. Children in Mozambique (category 1.1) benefit from improved coverage and quality of nutrition and food security interventions (category 2.2).

#### OUTCOME 6: Enhance global partnerships (category 1.2)

1. Enhance global partnerships (category 1.2) benefit from increased technical and financial support from international and local partners.

#### ACTIVITY 2: Provide cash and food transfers to vulnerable households affected by crisis (category 1.1: modality: "Cash")

- Provide cash and food transfers to vulnerable households affected by crisis (category 1.1: modality: "Cash").

#### ACTIVITY 3: Provide capacity strengthening and technical assistance to government entities implementing the national strategy to combat stunting and micronutrient deficiencies (category 1.2: modality: "Cash")

- Provide capacity strengthening and technical assistance to government entities implementing the national strategy to combat stunting and micronutrient deficiencies (category 1.2: modality: "Cash").

#### ACTIVITY 4: Strengthen the capacity of the government bodies responsible for the national home-grown school feeding programme (category 1.2: modality: "Cash")

- Strengthen the capacity of the government bodies responsible for the national home-grown school feeding programme (category 1.2: modality: "Cash").

#### ACTIVITY 5: Provide support to national and local producers to improve market access and incomes (category 1.1: modality: "Cash")

- Provide support to national and local producers to improve market access and incomes (category 1.1: modality: "Cash").

#### ACTIVITY 6: Enhance global partnerships (category 1.2)

- Enhance global partnerships (category 1.2) benefit from increased technical and financial support from international and local partners.

#### CRISIS RESPONSE

#### ROOT CAUSES

#### OUTCOME 4: Targeted people in prioritized areas of Mozambique have improved nutritional status in line with national targets by 2022 (category 1.2)

1. Targeted people in Mozambique (category 1.2) benefit from improved coverage and quality of nutrition and food security interventions (category 2.2).

#### OUTCOME 5: Targeted smallholder farmers in northern and central Mozambique have enhanced livelihoods by 2022 (category 1.2)

1. Targeted smallholder farmers in northern and central Mozambique (category 1.2) benefit from improved coverage and quality of nutrition and food security interventions (category 2.2).

#### OUTCOME 6: Enhance global partnerships (category 1.2)

1. Enhance global partnerships (category 1.2) benefit from increased technical and financial support from international and local partners.

#### OUTCOME 7: Enhance global partnerships (category 1.2)

1. Enhance global partnerships (category 1.2) benefit from increased technical and financial support from international and local partners.

#### OUTCOME 8: Enhance global partnerships (category 1.2)

1. Enhance global partnerships (category 1.2) benefit from increased technical and financial support from international and local partners.

#### ROOT CAUSES

#### RESILIENCE BUILDING

#### ACTIVITY 1: Provide technical assistance in social protection programmes to non-governmental organizations and communities (category 1.1: modality: "Cash")

- Provide technical assistance in social protection programmes to non-governmental organizations and communities (category 1.1: modality: "Cash").
MOZAMBIQUE

CRISIS RESPONSE

OUTCOME 7:
Government and humanitarian partners in Mozambique have access to effective and reliable services during times of crisis.

OUTPUTS:
1. People affected by crisis (categories 1-3) benefit from Logistics Cluster services to national disaster management teams, humanitarian agencies and partners (category 1) in order to receive life-saving food and medical supplies.
2. People affected by crisis (categories 2-3) benefit from Emergency Telecommunications services to national disaster management teams, humanitarian agencies and partners (category 1) in order to receive life-saving assistance.
3. People affected by crisis (categories 3-4) benefit from humanitarian services in national disaster management teams, humanitarian agencies and partners (category 1) in order to receive humanitarian assistance.

ACTIVITY 8:
Provide services through the Logistics Cluster to government and other humanitarian and development partners (category: 10, modality: SD)

ACTIVITY 9:
Provide Emergency Telecommunications Cluster services to government and other humanitarian and development partners (category: 10, modality: SD)

ACTIVITY 10:
Provide humanitarian air services to government and other humanitarian and development partners (category: 10, modality: SD)

ACTIVITY 11:
Provide accommodation, transport and other services as required to humanitarian and development partners (category: 10, modality: SD)

ACTIVITY 12:
Provide on-demand cash transfer services to government partners, UN Agencies, and national and international NGOs (category: 10, modality: SD)