

COUNTRY STRATEGIC PLAN REVISION

REVISION

|Lebanon| country strategic plan, revision |09|

Gender marker code: |3¹|

Transmittal Slip Table - BUDGET OVERVIEW			
	Current	Change	Revised
Duration	1 January 2018 – 31 December 2022	No change	1 January 2018 – 31 December 2022
Beneficiaries	2 588 451	No change	2 588 451
Total cost (USD)	2 858 494 293	18 435 057	2 876 929 349
Transfer	2 572 662 258	11 576 385	2 584 238 643
Implementation	82 554 223	3 853 906	86 408 129
Direct Support Costs	42 736 964	2 636 850	45 373 815
Sub-total	2 697 953 445	18 067 141	2 716 020 586
Indirect Support Costs	160 540 847	367 916	160 908 763

1. RATIONALE

1. This budget revision (BR) increases, 1) the budget of activity 8 (logistics sector services) to facilitate the procurement and distribution of fuel in support of the water, sanitation and hygiene (WASH) and health sectors; and 2) increases the staffing budget for the WFP Lebanon Country Office to ensure that WFP's capacity is aligned to the new operational requirements that have emerged in the past year.
2. Lebanon is heavily dependent on the importation of fuel, and since late July 2021 has experienced acute fuel and electricity supply shortages which continue to threaten all basic services, including hospitals, primary health care facilities and water treatment facilities.
3. Many hospitals and health care clinics in Lebanon have already reduced their activities due to fuel shortages and electricity outages, which put life-saving medical interventions and the overall public health at risk. Meanwhile, public water supply and wastewater treatment systems, which are heavily reliant on fuel, have drastically reduced their operations across the country, leaving millions of people at risk of not having access to clean water while jeopardizing environmental and public health amidst the COVID-19 pandemic.
4. The price of gasoline has increased from LBP 50,000/20 litres in June to LBP 312,700 by mid-October 2021 and for diesel the price has gone from LBP 33,300/20 litres to more than LBP 300,000 in the same period, driving inflation in the cost of basic goods and services and causing disruptions for the humanitarian community in delivery, monitoring and coordination of critical emergency assistance.

¹ The gender and age marker has been adjusted to reflect the updated scoring system

5. The withdrawal of fuel subsidies and the planned removal of import subsidies for wheat and medicine has exacerbated the situation. The June/July mobile Vulnerability Analysis and Mapping (mVAM) results show 46 percent of Lebanese households reported facing access challenges for food and other basic needs, up from 40 percent a year ago, with financial constraints cited as the main reason.²
6. In August 2021, to address the increased needs among Lebanese and migrants across all sectors, an Emergency Response Plan (ERP) for Lebanon was endorsed by the Humanitarian Country Team to provide coordinated emergency assistance to 1.1 million people affected by the overlapping crises. The WFP fuel intervention has been included in the ERP.³

2. CHANGES

Strategic orientation

7. Previous BRs:
 - 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.
 - 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.
 - The eighth budget revision (approved in September 2021 by the Executive Director and Director General of FAO): (i) aligned the CSP end date to the UN Strategic Framework; (ii) adjusted beneficiary figures to accommodate increased needs; (iii) adjusted transfer values for activities 1, 2, 3, 4, 5; (iv) adjusted the exchange rate; and (v) added a new on-demand cash transfer activity under SO6 for the Lebanon Emergency Crisis and COVID-19 Response Social Safety Net project.

² WFP Lebanon – mVAM June/July 2021 internal results

³ [Lebanon Emergency Response Plan – August 2021](#)

Strategic outcomes

Country office capacity:

8. The expansion of WFP's programme portfolio in Lebanon to include vulnerable Lebanese has made it necessary for the CO to secure additional staff and skillsets. Following WFP's central role in supporting the implementation of the Emergency Social Safety Net (ESSN) social protection assistance programme, the CO has had to significantly increase its staffing capacity in multiple functions including programme, social protection and supply chain in order to respond to these new and increased needs of the operation.

In case of service provision:

9. Under activity 8, the Logistics Sector has been reactivated at the request of UN Humanitarian Coordinator. The sector is facilitating reliable access to fuel through the set-up of relevant logistics and supply chain networks to prevent any negative repercussions on critical lifesaving activities within the health and WASH sectors. The Logistics Sector is coordinating with all relevant actors to ensure fuel support is provided in a timely manner. The interim intervention is planned for three months, October to December 2021. All activities have been identified and agreed with the humanitarian country team. The Logistics Sector core functions include coordination, information management and facilitation of fuel provision.
10. Operationally, the main challenges are sourcing bulk fuel through locally available companies without harming or negatively impacting the already strained market. WFP is addressing this by contracting fuel companies that can procure non-subsidized fuel at the international market, which adds to the existing quota that the companies are allowed to import. Second, WFP must support and ensure accurate and realistic quantification of requirements collected through close coordination and regular follow-up with the health and WASH coordination sectors. Finally, WFP needs to ensure a sufficient downstream supply capacity to ensure access and timely monthly deliveries of fuel to over 500 locations across the country. Further to the capacity of the contracted fuel companies, WFP has brought on additional transport companies to augment the capacity and ensure country-wide logistics presence and reach.

M&E:

11. WFP is applying stringent controls for monitoring through an external service provider and ensuring all stakeholders in the health and WASH sectors are properly trained to conduct accurate and timely reporting. WFP liabilities pertaining to the fuel operation begin at the fuel terminal loading point and end at the recipient site location once the fuel is off-loaded.
12. WFP has contracted an international superintendent as a third party monitor. The scope of work of the superintendent for the fuel operation is to monitor the quality and quantity both at loading and off-loading points, with daily data then being used to verify and account for the fuel quantity distributed.

Risk Management:

13. The volatility and unpredictability of the prevailing situation in Lebanon does not offer a clear horizon as to when the fuel crisis will be resolved, leading to an increased level of expectation that the WFP fuel operation will continue beyond its intended period of 3 months. WFP is working with all stakeholders to design a clear, timebound exit strategy for the operation.
14. The number of security related incidents in and around gas stations and during fuel deliveries drastically increased in the last 6 months. For this reason, WFP has engaged with the relevant civil-military stakeholders to coordinate all movements and, if need be, will ask for security escorts to areas of particular concern.
15. Managing the public's understanding of the project and mitigating unintended consequences on the operation is a risk and has required WFP, in close collaboration with OCHA and the two involved sectors, to develop appropriate messaging and a communications strategy targeting the public.
16. Lebanon crises management occurs amidst a highly complex, uncertain, volatile context making continued vigilance on all aspects of risk management a priority. The CO prevention, mitigation, and preparedness monitoring, lessons learnt and coordination of actions and strategies are viewed as critical so early action and improved understanding of fiduciary, operational and financial risks is maintained. The CO continues to update its risk register to track and mitigate risks.

Environmental and Social Safeguards

17. Oversight over the loading, transport, dispatch and offloading of the fuel is under the responsibility of the contracted fuel company whose contractual agreement has a clause of liability for waste and losses. In addition, the international superintendent and WFP's logistics staff conduct regular spot checks to monitor that the fuel companies are adhering to the contract.

Beneficiary analysis

18. No change.

Transfers

19. No change in rations, overall tonnage or CBT transfers to beneficiaries.

3. COST BREAKDOWN

20. In terms of resourcing outlook, the fuel operation is currently fully funded.

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	01	02	03	04	05	06	
Focus Area	Crisis Response	Resilience Building	Root Causes	Crisis Response	Root Causes	Crisis Response	
Transfer	258 618	0	51 724	0	0	11 266 043	11 576 385
Implementation	2 911 894	114 646	474 568	0	0	352 797	3 853 906
Direct support costs							2 636 850
Subtotal							18 067 141
Indirect support costs							367 916
TOTAL							18 435 057

OVERALL CSP COST BREAKDOWN, FOLLOWING THE 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	01	02	03	04	05	06	
Focus Area	Crisis Response	Resilience Building	Root Causes	Crisis Response	Root Causes	Crisis Response	
Transfer	1 913 085 758	210 125 811	215 663 740	0	10 398 833	234 964 502	2 584 238 643
Implementation	62 220 234	14 512 624	3 539 932	0	4 687 158	1 448 181	86 408 129
Direct support costs	33 635 206	3 632 875	3 767 208	0	250 054	4 088 472	45 373 815
Subtotal	2 008 941 198	228 271 310	222 970 880	0	15 336 044	240 501 155	2 716 020 586
Indirect support costs	130 581 178	14 837 635	14 493 107	0	996 843	0	160 908 763
TOTAL	2 139 522 376	243 108 945	237 463 987	0	16 332 887	240 501 155	2 876 929 349