

## COUNTRY STRATEGIC PLAN REVISION

### REVISION

#### Lesotho country strategic plan, revision 3

Gender and age marker code: 3

	Current	Change	Revised
<b>Duration</b>	<i>1 July 2019 – 30 June 2024</i>	<i>N/A</i>	<i>1 July 2019 – 30 June 2024</i>
<b>Beneficiaries</b>	632 500	N/A	632 500
<b>Total cost (USD)</b>	118 329 934	5 339 434	123 669 368
Transfer	99 684 464	5 212 449	104 896 913
Implementation	5 382 848	126 985	5 509 833
Direct Support Costs	6 131 278	0	6 131 278
<b>Sub-total</b>	111 198 589	5 339 434	116 538 023
Indirect Support Costs	7 131 345	0	7 131 345

### RATIONALE

1. WFP has partnered with the United Nations Development Programme (UNDP) to implement cash-based transfers (CBT) through a designated CBT account since 2020; as well as with United Nations Environment Programme (UNEP) for provision of on-demand services (procurement of High-Performance Computers) in 2021. There are also on-going discussions between the Lesotho Country Office (CO) and other strategic partners such as UNDP, UNEP, International Organisation for Migration (IOM), and Smallholder Agriculture Development Project (SADP) through World Bank funding, on improving joint programming and partnerships. Consequently, Lesotho CO is increasing the current budget ceiling for the provision of procurement and logistical services and extend the service provision duration to the end of the current Country Strategic Plan (CSP) in June 2024.
2. The proposed budget revision also seeks to separate CBT services and procurement services, which are currently combined under Activity 7. This is proposed in order to comply with the corporate on-demand cash transfer service guidance and framework, by introducing the cash transfer service (CTS) as a stand-alone activity (Activity 8) for the duration of the current CSP. This will ensure compliance with WFP's internal policies and processes throughout the provision of Non-Food Items (NFI) procurement services and cash transfer services to government, UN agencies and external partners.

### CHANGES

3. **Strategic orientation:** The revision does not introduce any changes to the strategic orientation of the CSP.

### ***Strategic outcomes***

#### ***Transfer modalities:***

4. Transfer modalities used under this activity will depend on the programme design of external users of WFP's CBT services and on available delivery mechanisms/payment solutions. Currently, WFP offers CBT services through mobile money solutions and vouchers through the retailers' network. The Government's social assistance programmes, NGOs such as World Vision, Catholic Relief Services, Lesotho Red Cross Society, and UN agencies are transitioning to a mobile money transfer mechanism, and as a result WFP will be able to provide support given its experience in cash transfer through mobile money.

#### ***Partnerships:***

5. WFP is working with financial service providers that have mobile money facilities for the provision of its CBT services, as well as with retailers for the administration of commodity vouchers in hard-to-reach areas where mobile money is not feasible due to connectivity challenges and unavailability of mobile money agents and merchants. Additionally, the CO is linking WFP contracted retailers with banks for provision of credit, and with suppliers and processors of commodities provided to WFP beneficiaries. WFP partners with the National University of Lesotho for the management of the feedback mechanism and for the undertaking of remote monitoring of WFP operations.
6. WFP has field offices in four districts with skilled personnel to enable smooth and efficient implementation of cash transfers whose related additional cost will be included in the agreed budget with the partners. WFP is part of a Cash Working Group that oversees the implementation of cash and commodity voucher and no additional budget is required for this group. The provision of cash transfer services and procurement services could serve as an entry point for WFP to leverage partners' assistance to promote joint programmes and thus contribute to WFP's strategic goals.

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

7. WFP through the Supply Chain (SC) and Communication Advocacy & Marketing (CAM) units will continue to market WFP's service provision hub to raise awareness of services under the hub. WFP will sign a memorandum of understandings (MOU) with relevant UN agencies, government ministries and private sector partners that request WFP services. In line with the signed MOU with UNEP, WFP will procure climate smart equipment for UNEP, using WFP procurement standards, policies and guidelines.
8. Supply Chain Unit aims to strengthen the local and national supply chain and markets by addressing some of the challenges and bottlenecks in the markets and value chain of certain commodities. Market Functionality Index (MFI) and Market Support Systems tools will be used to identify challenges, and in collaboration with other functional units, relevant government ministries and private sector, will address identified market inefficiencies. WFP will further engage a network of retailers or relevant FSPs as per the terms and conditions in the signed MOU depending on the partner's preferred transfer modality. WFP has built a strong network with retailers in seven out of ten geographic locations. Plan is to extend coverage in the remaining three locations for preparedness should there be need to provide support in those areas as well
9. Challenges that can be anticipated, especially due to the COVID-19 pandemic or any other disasters affecting movement through or closure of borders, will be the inability to

timely source commodities and equipment. WFP will link retailers with wholesalers for ease of access. In addition, there are challenges associated with increased food prices that could adversely affect provision of the prescribed food basket by retailers, and the availability of commodities, whose demand (used by non-beneficiaries in large quantities) is high. To mitigate these challenges, price monitoring will be done monthly and adjustments will be made in the food basket in case of significant increase in food prices. In addition to this, WFP will engage with local millers to ensure regular supply to WFP operational areas and retailers will be encouraged to buy in bulk and as a group.

***Service provision:***

10. The inclusion of these activities will enable WFP to provide supply chain expertise and services, as well as cash transfers services to government (such as social protection activities and others), partners and other UN agencies. WFP will provide these services in line with the terms and conditions in MOUs and standard operating procedures (SOP) governing implementation processes, to be signed with relevant government entities and other partners.

***M&E:***

11. Monitoring and evaluation arrangements related to the inclusion and extension of these on-demand service provisions will be determined and detailed in the MOU and SOP governing implementation processes, to be signed with relevant government entities and partners. WFP will conduct user satisfaction surveys to track the rate of user satisfaction through interviews with partners.

***Risk Management:***

12. There is a potential operational risk for poor accountability, specifically a lack of follow through, ownership or delivery of objectives, activities, processes, or targets due to gaps in communication between units involved and shared responsibilities. The CO will ensure that unit meetings are held to discuss progress reports and M&E conducts user satisfaction surveys. The CO will regularly monitor the risks and implement the mitigation actions that have been identified in the risks register to ensure that the objectives of the CSP are achieved.

***Beneficiary analysis***

13. There are no changes to the beneficiary figures associated with this revision and all beneficiary figures remain the same as in the budget revision 2

TABLE 1: DIRECT BENEFICIARIES BY STRATEGIC OUTCOME, ACTIVITY & MODALITY							
Strategic Outcome	Activity	Period	Women (18+ years)	Men (18+ years)	Girls (0-17 years)	Boys (0-17 years)	Total
1	1	Current	74 000	55 000	118 000	36 000	283,000
		Increase/decrease	-	-	-	-	-
		Revised					
2	2	Current	-	-	120 600	119 400	240,000 <sup>1</sup>
		Increase/decrease	-	-	-	-	-
		Revised	-	-	-	-	-
	3	Current	-	-	-	-	-
		Increase/decrease	-	-	-	-	-
		Revised	-	-	-	-	-
3	4	Current	-	-	-	-	-
		Increase/decrease	-	-	-	-	-
		Revised	-	-	-	-	-
4	5	Current	85 500	57 000	-	-	142 500
		Increase/decrease	-	-	-	-	-
		Revised	-	-	-	-	-
	6	Current	-	-	-	-	-
		Increase/decrease	-	-	-	-	-
		Revised	-	-	-	-	-
5	7	Current	-	-	-	-	-
		Increase/decrease	-	-	-	-	-
		Revised	-	-	-	-	-
<b>TOTAL</b> <i>(without overlap)</i>		Current	101 200	82 225	225 803	223 273	632 500
		Increase/decrease	-	-	-	-	-
		Revised	101 200	82 225	225 803	223 273	632 500

### Transfers

14. The cash transfer ration will be determined by the requesting partners and all related terms and conditions will be detailed in the MOU and SOP governing the implementation processes, to be signed with relevant government entities and partners. All other food ration and CBT figures remain the same as budget revision 2.

<sup>1</sup> The highest to be reached is 240,000 consisting of 180,000 primary school children and 60,000 ECCD, and this figure will decline each year as per handover/transition plan.

<b>TABLE 2: FOOD RATION (g/person/day)<sup>2</sup> or CASH-BASED TRANSFER VALUE (USD/person/day)</b>						
<b>BY STRATEGIC OUTCOME AND ACTIVITY</b>						
	<b>Strategic outcome 1</b>			<b>Strategic outcome 2</b>		<b>Strategic outcome 4</b>
	<i>Activity 1</i>			<i>Activity 2</i>		<i>Activity 5</i>
<b>Beneficiary type</b>	Vulnerable population affected by crises	Children under 5 years	PLW/G	School Feeding: Pre-School (ECCD)	School Feeding: Primary School Children	Food Assistance for Asset Creation Participants
<b>Modality</b>	<b>Food/cash</b>	<b>Food</b>	<b>Food</b>	<b>Food</b>	<b>Food</b>	<b>Cash</b>
Cereals	200				150	
Pulses	60				30	
Oil	20				10	
Salt					3	
Sugar					10	
Super cereal			250			
Super cereal Plus		200		60		
Micronutrient powder						
total kcal/day	1113	787	939	893	778	
% kcal from protein	11	17	16	12	10	
cash (US\$/person/day)	0.37					0.52
Number of feeding days per year	270	270	270	180	180	360

### 3. COST BREAKDOWN

15. The budget increase supports the extension of Activity 7 to align it to the current CSP duration, as well as introducing Activity 8 for cash transfer service (CTS) for the duration of the current CSP. Both activities are under Strategic Outcome 5 (SO 5) for on-demand service provision.

<b>TABLE 4: COST BREAKDOWN OF THE REVISION ONLY (USD)</b>						
	<b>Strategic Result 1 / SDG Target 2.1</b>	<b>Strategic Result 1 / SDG Target 2.1</b>	<b>Strategic Result 2 / SDG Target 2.2</b>	<b>Strategic Result 4 / SDG Target 2.4</b>	<b>Strategic Result 8 / SDG Target 17.16</b>	<b>TOTAL</b>
<b>Strategic outcome</b>	<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>	<b>05</b>	
<b>Focus Area</b>	<b>Crisis Response</b>	<b>Root Causes</b>	<b>Root Causes</b>	<b>Resilience Building</b>	<b>Resilience Building</b>	
<b>Transfer</b>	0	0	0	0	5 212 449	<b>5 212 449</b>
<b>Implementation</b>	0	0	0	0	126 985	<b>126 985</b>
<b>Direct support costs</b>						<b>0</b>
<b>Subtotal</b>						<b>5 339 434</b>
<b>Indirect support costs</b>						<b>0</b>
<b>TOTAL</b>						<b>5 339 434</b>

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

	<b>Strategic Result 1 / SDG Target 2.1</b>	<b>Strategic Result 1 / SDG Target 2.1</b>	<b>Strategic Result 2 / SDG Target 2.2</b>	<b>Strategic Result 4 / SDG Target 2.4</b>	<b>Strategic Result 8 / SDG Target 17.16</b>	<b>TOTAL</b>
<b>Strategic outcome</b>	<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>	<b>05</b>	
<b>Focus Area</b>	<b>Crisis Response</b>	<b>Root Causes</b>	<b>Root Causes</b>	<b>Resilience Building</b>	<b>Resilience Building</b>	
<b>Transfer</b>	64 869 900	19 790 204	3 148 400	10 571 160	6 517 249	<b>104 896 913</b>
<b>Implementation</b>	1 069 507	1 968 290	337 217	1 921 814	213 004	<b>5 509 833</b>
<b>Direct support costs</b>	3 295 587	1 381 809	317 473	1 041 635	94 774	<b>6 131 278</b>
<b>Subtotal</b>	69 234 993	23 140 304	3 803 090	13 534 609	6 825 027	<b>116 538 023</b>
<b>Indirect support costs</b>	4 500 275	1 504 120	247 201	879 750	0	<b>7 131 345</b>
<b>TOTAL</b>	<b>73 735 268</b>	<b>24 644 423</b>	<b>4 050 291</b>	<b>14 414 359</b>	<b>6 825 027</b>	<b>123 669 368</b>

