

## Crisis response revision of the Lesotho country strategic plan (2019–2024) and corresponding budget increase – For approval by vote by correspondence

	Current	Change	Revised
<b>Duration</b>	<b>1 July 2019– 30 June 2024</b>	-	<b>1 July 2019– 30 June 2024</b>
<b>Beneficiaries</b>	<b>665 500</b>	<b>104 310</b>	<b>769 810</b>
<b>(USD)</b>			
<b>Total cost</b>	<b>123 669 368</b>	<b>44 428 049</b>	<b>168 097 417</b>
Transfers	104 896 913	39 182 712	144 079 625
Implementation	5 509 833	2 069 039	7 578 872
Adjusted direct support costs	6 131 278	478 444	6 609 722
<b>Subtotal</b>	<b>116 538 023</b>	<b>41 730 196</b>	<b>158 268 219</b>
Indirect support costs (6.5 percent)	7 131 345	2 697 853	9 829 198

Gender and age marker\*: 3

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

### Draft decision

The Board approves by vote by correspondence the revision of the Lesotho country strategic plan (2019–2024) and the corresponding budget increase of USD 44 428 049 outlined in the present document.

### Rationale

1. In the last two years (2020/21 and 2021/22) Lesotho has been negatively affected by coronavirus disease 2019 (COVID-19) and heavy rains. According to the Bureau of Statistics, heavy rains have had a significant adverse effect on 2021/22 crop production, with last year's actual production of maize being 33,987 mt while this year's is estimated to be only 27,963 mt. The 2022 annual vulnerability assessment estimated that 521,000 food-insecure people were in Integrated Food Security Phase Classification (IPC) phase 3, an increase compared with the 470,000 reported last year.
2. The latest hike in global fuel, food, fertilizer and freight prices resulting from the ongoing conflict in Ukraine is worsening the food security situation in Lesotho and negatively affecting access to food. WFP is therefore anticipating continued and increased levels of food insecurity among the poor and vulnerable people in the country.

### Changes

#### Strategic orientation

3. There are no changes to the strategic orientation of the country strategic plan (CSP) under this revision.

## **Strategic outcomes**

4. This CSP revision seeks to extend the emergency response under activity 1 (strategic outcome 1) to cover the period from October 2023 to March 2024 in response to negative impacts associated with the heavy rains and increasing food prices that are expected to continue until June 2024. In addition, the number of pregnant and lactating women and girls receiving in-kind food will be reduced in line with the available resources, with 15,000 remaining as beneficiaries of in-kind food assistance under activity 1. The number of cash-based transfer (CBT) beneficiaries will also be reduced, from 150,000 to 100,000, as a result of increased partner capacity in the country and the expansion of national social assistance programmes, and children under 5 years of age will be removed from programmes under activity 1 because other partners in Lesotho are assisting them. The average household size used to calculate food rations and CBT values will be reduced from five to four people, in line with the 2016 national census results, which were not taken into account during the original design of the CSP.
5. Under the revision, canned fish will be added to the school meals food basket for early childhood care and development centres under strategic outcome 2, activity 2, and the provision of meals for pre-primary schoolchildren at the centres will be extended until June 2024. The period from January to June 2024 was not covered in the original CSP design because the provision of school meals in pre-primary schools was expected to have been fully handed over to the Lesotho Government by the end of December 2023. However, because of fiscal challenges, the Government has indicated that it will not be able to take over the pre-primary school feeding programme as originally planned and has requested WFP to maintain its support for pre-primary schoolchildren. The Government successfully took over the primary school feeding programme in August 2020.
6. The CSP revision also seeks to introduce CBTs into the school feeding programme (strategic outcome 2, activity 2). The use of CBTs in the form of commodity vouchers will help WFP to pilot the home-grown school feeding programme for early childhood care and development centres, with retailers contracted to supply locally sourced food commodities to the centres.
7. In addition, the budget ceilings for activities 3 (strategic outcome 2), 4 (strategic outcome 3) and 5 and 6 (strategic outcome 4) will be increased, as they were initially underestimated. The increases will allow the absorption of the additional multi-year funding received from the Adaptation Fund and other donors for those activities.
8. This CSP revision also proposes the expansion of the asset creation activity to Maseru, Mokhotlong, Qacha's Nek and Thaba-Tseka districts, which will result in an increase in the total number of planned beneficiaries from the current 142,500 to 186,810. The expansion was informed by the IPC report for 2020/21, which found those districts to be continuously in IPC phase 3, denoting a crisis, and IPC phase 4, denoting an emergency. It will allow the implementation of an exit strategy for the beneficiaries of crisis response activities in the districts and ensure that shock-affected people and communities are empowered with resilience building skills training aimed at improving their capacity to adapt to shocks. In addition, more emphasis will be given to building government capacity to fully manage public works activities.

## **Targeting approach and beneficiary analysis**

9. WFP will continue to work with the ministries responsible for social development, forestry, rangeland and soil conservation and the Disaster Management Authority on strengthening beneficiary targeting systems for the extension of the crisis response and the expansion of asset creation activities, with 52 percent of the targeted population being women.

WFP's school feeding support will target children in pre-primary schools until the end of June 2024.

### ***Transfer modalities***

10. Under strategic outcome 1, activity 1, CBTs (for 60,000 beneficiaries) and the commodity voucher modality (for 90,000) will be used based on market functionality and beneficiary preference assessments undertaken prior to the interventions. In addition to CBTs and commodity vouchers, specialized nutritious foods will be provided to pregnant and lactating women and girls under strategic outcome 1 during the period from August 2023 to April 2024. WFP intends to maintain the provision of a nutritious school feeding food basket, comprising maize meal, Super Cereal Plus, canned fish, pulses and vegetable oil. WFP will introduce the use of commodity vouchers at early childhood care and development centres. The cash and commodity value under activity 1 (strategic outcome 2) was reduced in 2021 in line with the vulnerability analysis and mapping and IPC reports for that year, but has since been returned to USD 0.52 in line with the 2022 reports. There will be no impact on the specialized nutritious foods provided.

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

11. Additional staff will be employed for supply chain activities linked to the extended school feeding activity and the use of food commodity vouchers in schools under strategic outcome 2.

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

12. Disrupted business operations and trade flows and higher commodity and energy prices due to the COVID-19 pandemic and the Ukraine conflict have had ripple effects on Lesotho's supply chain and WFP programmes overall. In Lesotho, four fifths of the commodities used in WFP's food basket are imported from South Africa and other neighbouring and international markets. Port storage and shipping costs have doubled, inland transport costs have increased by 13 percent and Lesotho transport haulers have had to increase their prices owing to fuel price increases. As a result, reduced quantities of commodities are being procured, stored and distributed.
13. The price increases have compelled the country office supply chain unit to reassess the cost analysis and selection of suitable transfer modalities for Lesotho, with in-kind food becoming the most expensive modality in the country. To respond to those challenges, the supply chain unit will use more proactive approaches for procurement, such as forward planning and the purchase, strategic positioning and storage of food to support school feeding activities. Leveraging experience with home-grown school feeding, CBTs and the use of retailers to supply early childhood care and development pre-primary schools, the unit will engage farmers in supplying local food. In liaison with the ministry responsible for health and other partners, and with the aim of facilitating cost-effective decision making and increased accountability for food safety and quality throughout the value chain, the supply chain unit will formulate and implement suitable food safety and quality training for farmers, retailers, millers, packers and school cooks.

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

14. Lesotho is a mountainous country and its unfavourable terrain often forces women and children to travel long distances to reach WFP programme sites. To mitigate this challenge, the findings from planned protection assessments will inform the design of protective mechanisms that promote the safety of supported communities and their meaningful access to WFP activities. The use of a toll-free telephone number will be promoted with the

aim of stimulating consistent feedback from assisted communities so that any necessary programme adjustments can be promptly implemented. Additional activities identified from digital and financial inclusion analysis, such as financial literacy training, will facilitate women's access to the financial institutions, knowledge and affordable savings and credit services that help them to transform their livelihoods.

### Beneficiary analysis

<b>Strategic Outcome</b>	<b>Activity</b>	<b>Period</b>	<b>Women (18+ years)</b>	<b>Men (18+ years)</b>	<b>Girls (0-18 years)</b>	<b>Boys (0-18 years)</b>	<b>Total</b>
1**	1	Current	61 400	37 500	95 460	88 640	<b>283 000</b>
		Increase/ (decrease)			(360)	360	-
		Revised	61 400	37 500	95 100	89 000	<b>283 000</b>
		<i>Revised CBTs</i>	<i>12 000</i>	<i>9 000</i>	<i>19 800</i>	<i>19 200</i>	<b>60 000</b>
		<i>Revised commodity vouchers</i>	<i>18 000</i>	<i>13 500</i>	<i>29 700</i>	<i>28 800</i>	<b>90 000</b>
		<i>Revised in-kind food</i>	<i>38 600</i>	<i>21 800</i>	<i>38 900</i>	<i>33 700</i>	<b>133 000</b>
2	2	Current			120 600	119 400	<b>240 000</b>
		Increase/ (decrease)			30 600	29 400	<b>60 000</b>
		Revised			151 200	148 800	<b>300 000</b>
		<i>Revised commodity vouchers</i>			<i>30 600</i>	<i>29 400</i>	<b>60 000</b>
		<i>Revised in-kind food</i>			<i>120 600</i>	<i>119 400</i>	<b>240 000</b>
4	5	Current CBTs	28 500	21 375	47 025	45 600	<b>142 500</b>
		Increase/ (decrease)	8 862	6 647	14 622	14 179	<b>44 310</b>
		Revised CBTs	37 362	28 022	61 647	59 779	<b>186 810</b>
<b>Total (without overlap)</b>		<b>Current</b>	<b>89 900</b>	<b>58 875</b>	<b>263 085</b>	<b>253 640</b>	<b>665 500</b>
		<b>Increase/ (decrease)</b>	<b>8 862</b>	<b>6 647</b>	<b>44 862</b>	<b>43 939</b>	<b>104 310</b>
		<b>Revised</b>	<b>98 762</b>	<b>65 522</b>	<b>307 947</b>	<b>297 579</b>	<b>769 810</b>

\* During preparation of this CSP revision, an error was identified in the number of beneficiaries reported in the previous CSP revision and in the country office tool for managing effectively (COMET). The error has been corrected and the figures in table 1 (and in COMET) are correct. As a result, however, the current figures will not match those in the previous CSP revision.

\*\* The total number of beneficiaries under strategic outcome 1 remains the same as in the previous CSP revision because the changes made in this revision do not come into effect until 2023.

## Transfers

<b>TABLE 2: FOOD RATION (g/person/day) AND CASH-BASED TRANSFER VALUE (USD/person/day) BY STRATEGIC OUTCOME AND ACTIVITY</b>						
	<b>Strategic outcome 1</b>			<b>Strategic outcome 2</b>		<b>Strategic outcome 4</b>
	<b>Activity 1</b>			<b>Activity 2</b>		<b>Activity 5</b>
<b>Beneficiary type</b>	<b>Vulnerable people affected by crises</b>	<b>Children under 5 years of age</b>	<b>Pregnant and lactating women and girls</b>	<b>School feeding – preschool children (early childhood care and development)</b>	<b>School feeding – primary schoolchildren</b>	<b>Food assistance for asset creation participants</b>
<b>Modality</b>	<b>Food/CBTs</b>	<b>Food</b>	<b>Food</b>	<b>Food</b>	<b>Food</b>	<b>CBTs</b>
Cereals	200			120	150	
Pulses	60			30	30	
Oil	20			10	10	
Salt					3	
Sugar					10	
Super Cereal			250			
Canned fish				53		
Super Cereal Plus		200		60		
Micronutrient powder	-	-		-	-	-
Total kcal/day	1113	787	939	1,027	778	
% kcal from protein	11	17	16	12	10	
CBTs and commodity vouchers	0.52	-		1.46	0.52	0.52*
Number of feeding days per year	270	270	270	180	180	360

\* Based on guidelines set by the Government, participants are provided with USD 62.40 per month, which equates to 0.52 cents per person per day.

Food type/cash-based transfer	Current budget		Increase		Revised budget	
	Total (mt)	Total (USD)	Total (mt)	Total (USD)	Total (mt)	Total (USD)
Cereals	22 869	7 336 375	(5 342)	(1 158 384)	17 527	6 177 991
Pulses	5 654	2 605 674	(1 444)	63 101	4 210	2 668 775
Oil and fats	1 885	1 969 407	(481)	27 376	1 403	1 996 783
Mixed and blended foods	6 247	6 578 323	366	2 765 384	6 614	9 343 707
Other	1 046	531 229	302	2 699 841	1 348	3 231 070
<b>Total (food)</b>	<b>37 701</b>	<b>19 021 008</b>	<b>(6 599)</b>	<b>4 397 317</b>	<b>31 102</b>	<b>23 418 325</b>
Cash-based transfers		55 006 110		28 766 508		83 772 618
<b>Total (food and cash-based transfer value)</b>	<b>37 701</b>	<b>74 027 118</b>	<b>(6 599)</b>	<b>33 163 825</b>	<b>31 102</b>	<b>107 190 943</b>

## Cost breakdown

15. Through this CSP revision the budget for strategic outcome 1, activity 1 will be decreased while the budgets for strategic outcomes 2, 3 and 4 are increased, resulting in a total budget increase of USD 44,428,049.

	Strategic result 1/ SDG target 2.1	Strategic result 1/ SDG target 2.1	Strategic result 2/ SDG target 2.2	Strategic result 4/ SDG target 2.4	Strategic result 8/ SDG target 17.16	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 4	Strategic outcome 5	
Focus area	Crisis response	Root causes	Root causes	Resilience building	Resilience building	
Transfers	(1 979 594)	35 859 982	1 681 368	3 620 956	0	<b>39 182 712</b>
Implementation	516 900	750 201	470 283	331 655	0	<b>2 069 039</b>
Adjusted direct support costs						<b>478 444</b>
<b>Subtotal</b>						<b>41 730 196</b>
Indirect support costs (6.5 percent)						<b>2 697 853</b>
<b>Total</b>						<b>44 428 049</b>

Abbreviation: SDG = Sustainable Development Goal.

<b>TABLE 5: OVERALL CSP COST BREAKDOWN, AFTER REVISION (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 1</b>	<b>Strategic outcome 2</b>	<b>Strategic outcome 3</b>	<b>Strategic outcome 4</b>	<b>Strategic outcome 5</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>	
Transfers	62 890 306	55 650 187	4 829 768	14 192 116	6 517 249	<b>144 079 625</b>
Implementation	1 586 407	2 718 491	807 501	2 253 469	213 004	<b>7 578 872</b>
Adjusted direct support costs	2 743 202	2 515 957	249 709	781 319	319 534	<b>6 609 722</b>
<b>Subtotal</b>	<b>67 219 915</b>	<b>60 884 635</b>	<b>5 886 978</b>	<b>17 226 904</b>	<b>7 049 787</b>	<b>158 268 219</b>
Indirect support costs (6.5 percent)	4 369 294	3 957 501	382 654	1 119 749	0	<b>9 829 198</b>
<b>Total</b>	<b>71 589 209</b>	<b>64 842 136</b>	<b>6 269 632</b>	<b>18 346 653</b>	<b>7 049 787</b>	<b>168 097 417</b>