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Operational matters — Budget increases to country strategic plans

For approval

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Revision of Lebanon country strategic plan and corresponding budget increase

	Current	Change	Revised
Duration	1 January 2018– 31 December 2020	Extension by 1 year	1 January 2018– 31 December 2021
<i>(USD)</i>			
Beneficiaries	835 048	172 007	1 007 055
Total cost	1 249 404 606	507 481 496	1 756 886 101
Transfers	1 112 686 233	454 782 405	1 567 468 638
Implementation	40 336 924	14 433 750	54 770 673
Adjusted direct support costs	20 126 708	7 292 292	27 419 000
Subtotal	1 173 149 865	476 508 447	1 649 658 311
Indirect support costs (6.5 percent)	76 254 741	30 973 049	107 227 790

Gender and age marker code*: 2A

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

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Draft decision*

The Board approves the revision of the Lebanon country strategic plan and the corresponding budget increase of USD 507,481,496 outlined in the present document.

Rationale

1. Eight years into the Syrian refugee crisis, socio-economic conditions have not improved in Lebanon despite the adoption of major economic and social reforms. As the country contends with the highest number of refugees per capita in the world (one refugee for every four Lebanese nationals), refugees and local populations continue to suffer the effects of the protracted civil war in the Syrian Arab Republic. One in every three Syrian refugee households in Lebanon is moderately or severely food insecure.¹ The preliminary analysis from the latest assessment of the vulnerability of Syrian refugees in Lebanon² shows that the socio-economic vulnerability of refugees has slightly worsened compared to 2018 due to a lack of income and other resources and the need to incur more debt to pay for food and other basic needs.
2. Meanwhile, the Government of Lebanon estimates that 27 percent of the Lebanese population is living in poverty.³ Income inequality is high, as shown by the Gini index score of 32; participation in the labour market is low, and Lebanon ranked 140th of 149 countries in the 2018 World Economic Forum gender equality index in 2018.⁴ To address needs, the Government has placed increasing emphasis on building effective safety nets for its population.
3. The National Poverty Targeting Program (NPTP) is the Government's social safety net and currently assists 43,000 households (equivalent to 230,000 Lebanese individuals).⁵ It is a key entry point for extending social assistance to vulnerable and poor Lebanese households. Eight years into the programme, however, there is a need to strengthen it, opening up opportunities for WFP to provide capacity strengthening support – for activities such as systematic targeting, regular national assessments of vulnerability, beneficiary tracking and feedback mechanisms, which will allow the programme to expand and cover more vulnerable households.

* This is a draft decision. For the final decision adopted by the Board, please refer to the decisions and recommendations document issued at the end of the session.

¹ Office of the United Nations High Commissioner for Refugees, WFP and the United Nations Children's Fund. 2018. *VASyR – 2018 Vulnerability Assessment of Syrian Refugees in Lebanon*. <https://www1.wfp.org/publications/vulnerability-assessment-syrian-refugees-lebanon-vasyr-2018>.

² Final presentation and talking points delivered by WFP during a joint briefing by WFP and the United Nations High Commissioner for Refugees on 19 June 2019 (internal).

³ Central Administration of Statistics and the World Bank. 2015. *Measuring poverty in Lebanon using Household Budget Survey (HBS) 2011*. <http://documents.worldbank.org/curated/en/868551485966301657/pdf/112376-P154569-PUBLIC-Measuring-poverty-in-Lebanon-using-2011-HBS-technical-report.pdf>.

⁴ World Economic Forum. 2018. *The Global Gender Gap Report 2018*. <https://www.weforum.org/reports/the-global-gender-gap-report-2018>.

⁵ Ministry of Social Affairs representatives during an NPTP donor briefing in April 2019.

4. Against this backdrop and following approval by the Prime Minister in April 2019, the United Nations Strategic Framework (UNSF) for Lebanon⁶ is expected to be extended by one year to 2021. The extension aligns the programming of the United Nations Country Team more closely with that of development partners, particularly the World Bank. The extension of the framework is an opportunity to implement United Nations development system reforms⁷ in the next two years and to incorporate them into the next country strategic plan (CSP).
5. This revision of the current CSP proposes the following adjustments:
 - i) **One-year extension of the CSP:** In line with the extension of the UNSF to 2021, it is proposed that the CSP be extended until December 2021.
 - ii) **An increase in the number of beneficiaries under activity 5:** Following the Government's call for support in January 2019, WFP proposes to gradually increase beneficiary numbers from 58,000 in 10,000 households in 2019 to 230,000 beneficiaries in 43,000 households in 2021. This will ensure that all Lebanese households in the NPTP receive food assistance during the CSP period. The increased budget reflects the transfers to the new beneficiaries under activity 5.
 - iii) **Creation of a new strategic outcome 5 to replace strategic outcome 4:** The current focus area of strategic outcome 4 is "crisis response". However, the "root causes" focus area better captures the expanded role of WFP's capacity strengthening efforts with the Government. The sole activity under strategic outcome 4 has not been implemented to date, and it is hoped that creating a new strategic outcome 5 under root causes will facilitate funding from development-oriented donors. The new strategic outcome 5 contributes to WFP Strategic Result 5 (Developing countries have strengthened capacity to implement the SDGs (SDG target 17.9)).

Changes

Strategic orientation

6. The first revision of the Lebanon CSP was approved by the country director in November 2018 in order to:
 - i) reallocate the budget and beneficiaries for activity 1 in order to provide food assistance to the same number of Syrian refugees as in 2017 without changing the total number of beneficiaries to be assisted or the total budget;⁸
 - ii) introduce multi-purpose cash to cover the basic needs of Syrian refugees under activity 1, with a related increase in the budget;
 - iii) introduce a "capacity strengthening" budget line in activity 3 to support the host government; and
 - iv) reallocate budget funds for activity 5 from 2020 to 2018 in order to meet the increased needs of vulnerable Lebanese.⁹
7. The fourth revision of the Lebanon CSP was intended to:
 - i) increase the number of beneficiaries under activity 1 in 2019 and 2020 and add support to non-Syrian, non-Palestinian refugees;

⁶ This is equivalent to the United Nations development assistance framework.

⁷ United Nations Secretary-General's remarks to the Economic and Social Council Operational Activities Segment in May 2019. <https://www.un.org/sg/en/content/sg/statement/2019-05-21/secretary-generals-remarks-the-ecosoc-operational-activities-segment-delivered>.

⁸ When the CSP was drafted, projections were made for a number of voluntary returns of Syrian refugees; however, the number of refugees in Lebanon has not decreased. The number of beneficiaries served is therefore greater than originally planned for 2018. The number of beneficiaries has remained the same in 2019 and is expected to remain unchanged for 2020 and 2021.

⁹ The third and fourth revisions of the CSP were technical revisions to simplify the cost structure and update the indirect support costs.

- ii) increase the number of beneficiaries of school snacks under activity 2;
 - iii) remove the cash education component for 2019 and 2020 under activity 2;
 - iv) remove the in-kind portion of activity 2;
 - v) increase the number of beneficiaries under activity 3; and
 - vi) reduce livelihood beneficiaries under activity 4.
8. At the start of the CSP, WFP's capacity strengthening efforts focused on emergency preparedness and response. Its role has since evolved to support broader social protection efforts in line with government priorities. This fundamental change in focus is a major part of this fifth revision of the CSP.
 9. Current conditions have made it possible for WFP to deepen its engagement in building the capacity of government ministries such as the Ministry of Social Affairs, the Presidency of the Council of Ministers and the Central Administration of Statistics to implement programmes and long-term strategies more effectively. The Ministry of Social Affairs' National Social Development Strategy (2011) emphasizes the design of effective safety nets as a priority in assisting poor and low-income Lebanese households.¹⁰ The NPTP can serve as a model for other programmes, as it contains the main building blocks of a good safety net programme. WFP is already supporting the Ministry of Social Affairs in its efforts to strengthen its internal capacity to deliver effective safety nets, for instance with regard to implementing and monitoring the food e-card component of the NPTP.
 10. More assistance is envisioned, especially in the light of the forthcoming expansion and enhancements of the NPTP; this applies not only to the Ministry of Social Affairs but also to the Presidency of the Council of Ministers and the Central Administration of Statistics, both of which play roles in the NPTP's targeting system. For example, the Central Administration of Statistics is currently finalizing the implementation of a combined survey of the workforce and household living conditions,¹¹ which captures socio-economic statistical information. Linked to this, WFP and partners under a compact between the United Nations and the World Bank are currently engaging with the Central Administration of Statistics on how to strengthen its analytical capacities relevant to activities such as the development of a multi-dimensional poverty index.¹²
 11. Strategic outcome 4 of the CSP was originally framed to support a cash platform and the delivery of assistance by the Ministry of Social Affairs in the area of social safety nets, specifically the NPTP, through activity 5. Since 2014, this has been implemented jointly with the Ministry of Social Affairs using the electronic payment system that WFP established primarily for activity 1. WFP's position as a trusted partner in this area facilitates deeper and broader engagement with government ministries in their efforts to build their institutional capacity for long-term development work and strategic planning.
 12. Considering the above, WFP has revised the line of sight of the CSP (see table 6) to reflect the following changes:
 - *Strategic outcome 4 replaced with strategic outcome 5: "National institutions and national and international humanitarian actors are supported in their efforts to improve the effectiveness and efficiency of their assistance" with a focus on root causes;*
 - *Reference to WFP Strategic Result 8 changed to WFP Strategic Result 5: "Developing countries have strengthened capacity to implement the SDGs", to better align with the current and*

¹⁰ Ministry of Social Affairs. 2011. *The National Social Development Strategy of Lebanon 2011*. <http://www.databank.com.lb/docs/National%20Social%20Development%20Strategy%202011.pdf>.

¹¹ International Labour Organization. 2017. *Lebanon Labour Force and Households' Living Conditions Survey 2017*. https://www.ilo.org/beirut/projects/WCMS_340472/lang--en/index.htm.

¹² University of Oxford. Oxford Poverty & Human Development Initiative (OPHI) Working Paper No. 86: *Multidimensional Poverty Measurement and Analysis: Chapter 5 – The Alkire-Foster Counting Method*. <https://ophi.org.uk/research/multidimensional-poverty/alkire-foster-method/>.

planned technical assistance to the Ministry of Social Affairs, the Presidency of the Council of Ministers and the Central Administration of Statistics; and

- *Activity 6 changed to activity 7: "Institutional capacity strengthening activities" under strategic outcome 5.*

Strategic outcomes

Targeting approach and beneficiary analysis

13. Beneficiaries receiving assistance under activities 1, 2, 3 and 4 will be maintained through 2021, with no significant changes in targeting envisioned.
14. *Activity 5:* The NPTP currently covers 43,000 households consisting of 230,000 Lebanese individuals.¹³ While all of these households can access health and education assistance (components 1 and 2 of the NPTP), currently only the poorest 10,000 (or 58,000 individuals) receive food assistance e-vouchers (component 3) through WFP's food e-card system under activity 5 of the CSP. In response to the Government's call to extend food assistance to *all* eligible NPTP households,¹⁴ activity 5 will expand coverage from 10,000 to 15,000 households in 2020 (equivalent to 85,000 individuals), gradually increasing to reach the full NPTP caseload of 43,000 households (230,000 individuals) through 2021. The increase will be gradual to manage the pressure on human resources at the Ministry of Social Affairs and social development centres during the scale-up. The expansion will be based on the Government's own targeting registry, which it used to select the current NPTP beneficiaries. Household verifications will be jointly conducted by the Ministry of Social Affairs and WFP prior to the enrolment of new households.
15. *Activity 7:* The capacity building needs of the Ministry of Social Affairs have been analysed through, among other means, a consultative workshop held in 2019 with a Ministry of Social Affairs technical team and field staff based in social development centres. The workshop highlighted as priority needs a beneficiary data management system; a predictable targeting system shared with the Ministry of Social Affairs, the Presidency of the Council of Ministers and the World Bank; a grievance redress system; and a more robust monitoring and evaluation system. Activity 7 will be focused on actions to address these needs in the operationalization of the NPTP.

Transfer modalities

16. This revision involves no change in transfer modalities.

Partnerships

17. Partnerships with other actors are vital to the implementation of all CSP activities in Lebanon. WFP implements all activities for Syrian refugees under the leadership of the Ministry of Social Affairs, which leads the Lebanon crisis response plan for 2017–2020. WFP coordinates with the World Bank, the Government of Germany and the European Union, who have been providing financial and technical support to the Ministry of Social Affairs in the development and implementation of the NPTP.

Country office capacity

18. Capacity building work will be managed principally by technical teams in the country office. Given the increased work in this area, WFP will ensure that additional staff are recruited and the skills of existing staff are enhanced as necessary. Expertise from the Regional Bureau in Cairo or headquarters will also be utilized as needed. For example, a planned learning exchange on safety nets for the Ministry of Social Affairs and the Presidency of the Council of Ministers with other

¹³ Ministry of Social Affairs representatives during an NPTP donors briefing in April 2019. Around 51 percent of the 230,000 NPTP beneficiaries are female.

¹⁴ Prime Minister Hariri at the launch event for the 2019 Lebanon crisis response plan in January 2019. Video of speech available at https://m.facebook.com/story.php?story_fbid=1980799548891655&id=228456818293&anchor_composer=false.

national government entities is being supported by various WFP offices through South–South cooperation.

Monitoring and evaluation

19. For Lebanese beneficiaries under the NPTP (activity 5), quarterly tablet-based outcome monitoring is being rolled out, building on support already provided to the Ministry of Social Affairs in monitoring primary outcomes, outputs and processes. WFP will continue the deployment of a mobile data collection tool using Open Data Kit software,¹⁵ which has already improved the quality of data collected, permitted the addition of various levels of checks and verifications and reduced the time needed to report on the results. WFP will continue to train NPTP staff in the use of the monitoring tools, including through household visits and development of the mobile data collection tool.

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

20. The Ministry of Social Affairs receives queries and grievances regarding the NPTP from beneficiaries and non-beneficiaries alike. However, there is no clear process in place for receiving, tracking and analysing this feedback, and there are too few internal protocols to guide their resolution. The Ministry of Social Affairs has requested assistance with developing mechanisms for collecting queries and complaints, as well as protocols for tracking and resolving complaints and communicating with complainants. A grievance mechanism coupled with a communication strategy will be prepared jointly by WFP and the Ministry of Social Affairs as part of the continuing enhancement of the NPTP to address these issues. Programme implementers and partners will be trained to use these tools to monitor and address queries, feedback and grievances received during the expansion of the NPTP.

Proposed exit strategy

21. As highlighted in this revision, the CSP is placing greater emphasis on institutional capacity strengthening to enable the Lebanese Government to take over the management of its programmes over time, including national social safety nets, and to achieve SDGs 2 and 17. WFP's greater emphasis on support for safety nets for all, rather than only for populations affected by the crisis, is an indication that its assistance is shifting towards a future exit from the country once the Government is in a position to support its own vulnerable population.

Risk management

22. Progress under activities 5 and 7 relies on the active engagement of the Ministry of Social Affairs, the Presidency of the Council of Ministers and, to some extent, the Central Administration of Statistics. This, in turn, rests on two factors:
 - i) the availability of counterpart resources that the Government can mobilize for activities related to the scale-up of the NPTP (activity 5), for example to cover staff costs for validation and regular monitoring tasks; and
 - ii) certainty in the authorizing environment at the Ministry of Social Affairs to move ahead with the capacity strengthening activities (activity 7).
23. Regarding resource availability, as has been the case in past years, the approval of the national budget has been delayed in 2019 and could be delayed again in the succeeding years of the CSP, which could delay implementation of the planned scale-up. This risk will be mitigated, in the short term, by supplementing government resources with WFP funds and, in the longer term, through a letter of understanding with the Government to formally secure funds to support activities related to the scale-up.
24. With regard to the authority of the Ministry of Social Affairs, political dynamics at the ministry affect coordination work and could delay the implementation of planned capacity strengthening activities. This risk will be mitigated by leveraging existing relationships between WFP staff and

¹⁵ <https://opendatakit.org/>.

the senior management and technical staff of the ministry. Coordination work will be proactive and will ensure that both management and technical staff are apprised of activities at all times.

Beneficiary analysis

TABLE 1: DIRECT BENEFICIARIES BY STRATEGIC OUTCOME, ACTIVITY AND MODALITY							
Strategic outcome	Activity	Period	Women (18+ years)	Men 18+ years)	Girls (0–18 years)	Boys (0–18 years)	Total
1	1 (cash-based transfers)	Current	167 50	115 520	216 600	222 376	722 000
		Increase/decrease	60 648	192 052	(101 080)	(151 620)	-
		Revised	228 152	307 572	115 520	70 756	722 000
	2 (cash-based transfers)	Current	-	-	83 500	83 500	167 000
		Increase/decrease	-	-	-	-	-
		Revised	-	-	83 500	83 500	167 000
	2 (food)*	Current	-	-	8 500	8 500	17 000
		Increase/decrease	-	-	-	-	-
		Revised	-	-	8 500	8 500	17 000
2	3 (cash-based transfers)	Current	9 995	6 893	12 924	13,269	43 080
		Increase/decrease	-	-	-	-	-
		Revised	9 995	6 893	12 924	13 269	43 080
	4 (cash-based transfers)	Current	14 790	10 200	19 125	19 635	63 750
		Increase/decrease	-	-	-	-	-
		Revised total	14 790	10 200	19 125	19 635	63 750
3	5 (cash-based transfers)	Current	12 412	12 876	16 356	16 356	58 000
		Increase/decrease	57 740	64 177	25 045	25 045	172 007
		Revised total	70 152	77 053	41 401	41 401	230 007
Total (without overlap)		Current	156 685	162 369	257 121	258 873	835 048
		Increase/decrease	32 275	33 445	52 963	53 324	172 007
		Revised	188 960	195 814	310 084	312 197	1 007 055

* Although in-kind food for school meals was removed through the fourth revision of the CSP, it is shown in this table because in-kind food was budgeted in 2018 and this revision cannot retroactively eliminate the 2018 in-kind requirements.

Transfers

25. This revision includes no changes in transfers.

	Strategic outcome 1			Strategic outcome 2		Strategic outcome 3
	Activity 1		Activity 2	Activity 3	Activity 4	Activity 5
Beneficiary type	Refugees	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
Modality	Cash-based transfers	Cash-based transfers	Cash-based transfers	Cash-based transfers	Cash-based transfers	Cash-based transfers
Cash-based transfers (USD/person/day)	0.9	2.1	0.7	4	4	0.9
Number of feeding days per year	360	360	140	50	50	360

Food type/cash-based transfer	Current budget		Increase/decrease		Revised budget	
	Total (mt)	Total (USD)	Total (mt)	Total (USD)	Total (mt)	Total (USD)
Pre-packaged parcels	678	1 106 701	0	0	678	1 106 701
Total (food)	678	1 106 701	0	0	678	1 106 701
CBT transfer value		1 001 675 144		422 184 742		1 423 859 886
Total (food and cash-based transfer value)	678	1 002 781 845		422 184 742	678	1 424 966 587

Cost breakdown

TABLE 4: COST BREAKDOWN OF THE REVISION ONLY (USD)						
	Strategic Result 1	Strategic Result 1	Strategic Result 1	Strategic Result 5	Strategic Result 8	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 5	Strategic outcome 4	
Focus area	Crisis response	Resilience building	Root causes	Root causes	Crisis response	
Transfers	325 136 317	27 504 581	101 565 135	4 008 585	-3 432 212	454 782 405
Implementation	9 783 063	3 687 125	421 762	2 143 887	-1 602 087	14 433 750
Adjusted direct support costs						7 292 292
Subtotal						476 508 447
Indirect support costs (6.5 percent)						30 973 049
Total						507 481 496

TABLE 5: OVERALL CSP COST BREAKDOWN, FOLLOWING REVISION (USD)						
	Strategic Result 1	Strategic Result 1	Strategic Result 1	Strategic Result 5	Strategic Result 8	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 5	Strategic outcome 4	
Focus area	Crisis response	Resilience building	Root causes	Root causes	Crisis response	
Transfers	1 251 496 291	166 338 732	145 625 031	4 008 585	0	1 567 468 638
Implementation	37 163 779	14 477 240	985 768	2 143 887	0	54 770 673
Adjusted direct support costs	21 950 934	2 879 759	2 489 922	98 385	0	27 419 000
Subtotal	1 310 611 003	183 695 731	149 100 721	6 250 856	0	1 649 658 311
Indirect support costs (6.5 percent)	85 189 715	11 940 223	9 691 547	406 306	0	107 227 790
Total	1 395 800 718	195 635 953	158 792 268	6 657 162	0	1 756 886 101

TABLE 6: COUNTRY PORTFOLIO BUDGET (USD)					
	2018	2019	2020	2021	Total
Strategic outcome 1	0	0	-90 991	335 010 371	334 919 379
Strategic outcome 2	0	0	68 056	31 123 650	31 191 706
Strategic outcome 3	0	4 321 200	27 497 635	70 168 062	101 986 897
Strategic outcome 4	-2 883 755	-1 041 572	-1 108 971	0	-5 034 299
Strategic outcome 5	2 883 755	1 089 572	1 089 572	1 089 572	6 152 471
Adjusted direct support costs	0	0	0	7 292 292	7 292 292
Indirect support costs (6.5 percent)	0	283 998	1 784 595	28 904 456	30 973 049
Total	0	4 653 198	29 239 895	473 588 403	507 481 496

Acronyms used in the document

CSP	country strategic plan
NPTP	National Poverty Targeting Program
UNSF	United Nations Strategic Framework