



Distribution: General

Date: 31 October 2017

Original: English

Agenda item 7

WFP/EB.2/2017/7-A/4

Operational matters

For approval

Executive Board documents are available on WFP's website (<http://executiveboard.wfp.org>).

State of Palestine Country Strategic Plan (2018–2022)

Duration	1 January 2018–31 December 2022
Total cost to WFP	USD 241,418,015
Gender and age marker*	2A

*<https://www.humanitarianresponse.info/system/files/documents/files/gm-overview-en.pdf>.

Executive summary

The context ~~in~~of the State of Palestine has remained largely unchanged in the past couple of years, with the main challenges continuing to emanate from ~~the ongoing protracted conflict~~**restricted trade and access**, economic stagnation, high unemployment, and high rates of poverty and food insecurity. ~~Humanitarian, exacerbated by protracted civil strife and conflict. As such, humanitarian~~ assistance has ~~prevented a deterioration~~ **inserved to safeguard** food security and is a major element in international and Government-led responses. ~~Restricted trade and access to resources in the West Bank and the Gaza Strip, combined with the impact of civil unrest and conflict – particularly in the Gaza Strip, where the land, air and sea blockade is in its tenth year – present critical~~ **to tackle the multiple challenges to sustainable recovery and growth faced by the State of the economy, and are considered to have continuous impacts on the Palestinian population. Palestine by supporting the social safety net.** Periodic armed conflicts in ~~the Gaza Strip have crippled~~**affected** its economy while ~~the blockade has~~**restrictions in trade and access have** prevented reconstruction and magnified the effect of shocks. **The situation in the Gaza Strip is also affected by the internal political divide.**

The latest national socio-economic and food security survey found 22.5 percent of the Palestinian population – 1.3 million people – to be food-insecure, 13 percent in the West Bank and 39 percent in the Gaza Strip. ~~The vulnerable population of the State of Palestine is~~**Vulnerable populations are** categorized as either refugee or non-refugee. The United Nations Relief and Works Agency for Palestine Refugees in the Near East is mandated to respond to the needs of refugees, with the Palestinian National Authority supporting non-refugee populations. Humanitarian and development

Focal points:

Mr M. Hadi
Regional Director
Middle East, North Africa, Eastern Europe
and Central Asia
email: muhannad.hadi@wfp.org

Ms D. Owen
Country Director
email: daniela.owen@wfp.org

actors, including WFP, support the Palestinian Authority in the provision of assistance to vulnerable segments of the non-refugee population.

The country strategic plan focuses on two strategic outcomes:

- Strategic outcome 1: Non-refugees, poor and severely food-insecure people ~~in the State of Palestine~~— primarily in **the Gaza Strip** and Area C of the West Bank – have improved dietary diversity by 2022.
- Strategic outcome 2: ~~National~~**State of Palestine** institutions have enhanced capacities and systems to identify, target and assist food-insecure vulnerable populations ~~in the State of Palestine~~ by 2022.

Under strategic outcome 1, WFP will provide unconditional food assistance to targeted poor and severely food-insecure households in the Gaza Strip and in areas with high poverty and food insecurity in the West Bank. Complementing the provision of unconditional food assistance, nutrition information will be provided, targeting men, women, boys and girls to raise their awareness of nutrition. Based on a recommendation from the 2017 Strategic Review of Food and Nutrition Security in the State of Palestine, WFP will gradually shift from providing in-kind assistance to cash-based transfers using e-vouchers and cash.

Under strategic outcome 2, and based on the recommendation of the 2017 national strategic review related to national institutions and capacity strengthening, WFP will implement two main activities in the area of capacity development:

- *Technical support for national institutions.* A national portal for social assistance interventions was developed in 2017 to allow social protection stakeholders, including United Nations agencies and non-governmental organizations, to share beneficiary information and data to avoid duplication and enhance the efficiency of social protection programmes. This is aligned with the recommendation's emphasis on the need to enhance the effectiveness of targeting and avoid duplication in the provision of assistance. WFP will work with the Ministry of Social Development, providing technical support to implementation of the Social Development Sector Strategy and reform of the national social safety net programme, with the aim of improving the capacity of national institutions.
- *Enhancing the cash-based transfer platform for multi-sector assistance.* WFP will work to develop the cash-based transfer platform for multi-sector assistance and government support. With the expansion of cash-based transfer modalities – cash and value vouchers – there is need to enhance this platform to ensure its flexibility for multi-sector assistance and to maximize its use by the Government for social transfers under social safety net programmes.

Humanitarian funding ~~in~~**for** the State of Palestine is decreasing. From 2009 to 2015, funding for the Humanitarian Response Plan, an annual inter-agency humanitarian appeal, met an average of only 63 percent of annual requirements. In 2016, this coverage rate dropped to less than 50 percent, which translates into a decrease in funding of 30 percent compared with 2015. This has had a negative but relatively contained impact on WFP's funding levels, which dropped by 13 percent between 2015 and 2016. Explanatory factors include tighter official development assistance budgets among government partners, resource prioritization towards other regional crises and increased fragmentation of resources resulting from growing competition in an expanding humanitarian community. WFP has nevertheless remained competitive, relying on a large base of long-standing donors and featuring among the largest recipients of humanitarian funds. However, the trend has been for medium and small donors to reduce their support, leaving WFP reliant on a single donor for the majority of its required funding despite having a base of 12 donors.

Decreasing support from donors to humanitarian and development activities ~~in~~**for** the State of Palestine, coupled with restrictions related to geographical targeting, selection of cooperating partners and transfer modalities, is having impacts on the implementation of WFP's strategy and will need to be continuously monitored. The reliance on a single large donor will need to be taken into account.

Draft decision*

The Board approves the State of Palestine Country Strategic Plan (2018–2022) (WFP/EB.2/2017/7-A/4/~~DRAFT~~) at a total cost to WFP of USD 241,418,015.

REVISION MODE

* 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. Country analysis

1.1 Country context

1. The context ~~in~~of the State of Palestine has remained largely unchanged in the past couple of years, with the main challenges emanating from the protracted conflict, economic stagnation, high unemployment, gender inequalities and high rates of poverty and food insecurity. Humanitarian assistance has prevented a deterioration in food security and is a major element in international and Government-led responses. Restricted trade and access to resources, **especially in the West Bank and the Gaza Strip** combined with the impact of civil unrest and conflict – ~~particularly in the Gaza Strip, where the blockade is in its tenth year~~ – **and continued trade and access restrictions**, present ~~critical~~ challenges to sustainable recovery and ~~the economic~~ growth ~~of the Palestinian economy~~. The latest national socio-economic and food security survey found 22.5 percent of the Palestinian population – 1.3 million people – to be food-insecure, 13 percent in the West Bank and 39 percent in the Gaza Strip. The population ~~in~~of the **State of Palestine West Bank and Gaza Strip** is categorized as either vulnerable or non-vulnerable, with both refugees and non-refugees in each of these categories. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) is mandated to respond to the needs of refugees, while the Palestinian National Authority supports the non-refugee population. Humanitarian and development actors, including WFP, support the Palestinian Authority in providing assistance to vulnerable segments of the non-refugee population.
2. ~~The State of Palestine has~~ **West Bank and the Gaza Strip** have a lower-middle-income economy with average per capita gross domestic product (GDP) of USD 4,484.¹ From 2000 to 2015, GDP growth was volatile and structurally unbalanced in favour of sectors not exposed to foreign competition. Total GDP grew by more than 3 percent in 2015, but agriculture – the main sector exposed to foreign competition and a major driver of inclusive growth – contracted by 25 percent between 2014 and 2015. Manufacturing, especially mining and quarrying – another sector exposed to foreign competition – contracted by 6 percent. Other activities exposed to foreign competition grew: construction by 4 percent; wholesale and retail trades by 7 percent; transportation and storage by 21 percent; financial and insurance activities by 5 percent; services by 1 percent; information and communication by 1 percent; and public administration and defence by 2 percent. The number of households with an employed person also increased by 5 percent.
3. To a large extent, the West Bank and East Jerusalem have become an integral part of the Israeli economy. An estimated 58 percent of imports ~~to~~by the State of Palestine come from Israel, while 84 percent of ~~Palestinian~~ exports went to Israel in 2015. The cost of living in the ~~State of Palestine~~ **West Bank and the Gaza Strip** is directly linked to Israel, which has a per capita GDP of USD 30,927. ~~Palestinian economic~~ **Economic** activity remains heavily dependent on external support, as political, economic and geographical separation ~~between the West Bank, East Jerusalem and the Gaza Strip~~ has eroded markets and employment opportunities. In the West Bank, 60 percent of the land, including 63 percent of the agricultural area, remains under Israeli civil and security control, with significant movement restrictions resulting in poor access to public services and productive land. In **the Gaza Strip**, the rapidly growing population remains vulnerable as a result of the land, air and sea blockade, which has ~~severely~~ restricted the entry of goods and ~~significantly~~ affected exports. This has led to a progressive ~~collapse of all~~ **slowdown in** the main productive sectors and steep rises in unemployment and food prices. As a result, the ~~Palestinian~~ economy remains highly dependent on its public sector, which in turn relies on external budgetary support.
4. ~~A~~ **The West Bank and the Gaza Strip are classified as** lower- middle-income country, ~~the State of Palestine continues~~ **economies and continue** to show progress in all Human Development Index indicators. Between 2005 and 2015, its Human Development Index value increased by 4.4 percent from 0.655 to 0.684, placing it in the “medium” human development category and 114th

¹ World Bank Country and Lending Groups country classifications. Retrieved from: <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>.

of 188 countries and territories.² Life expectancy at birth increased by five years, mean years of schooling by 1.3 years and expected years of schooling by three years. Gross national income per capita increased by 81 percent between 1990 and 2015. Gender inequalities, resulting mainly in disadvantages for and discrimination against women and girls, remain a significant impediment to social and economic development, with the labour force participation rate for women at 19 percent significantly less than that of men at 72 percent. In terms of political participation, women hold 3 of 22–ministerial–level posts in the current cabinet, and only 1 of 16 governors is a woman. In 2013, women represented 41 percent of employees in the public sector, but occupied only 4 percent of assistant undersecretary positions in Palestinian Authority ministries.³

1.2 Progress towards SDG 2

5. The 2017 Strategic Review of Food and Nutrition Security in the State of Palestine highlighted the progress achieved in the last two years, but identified continuing challenges to ending hunger, achieving food security, improving nutrition and promoting sustainable agriculture in line with the Sustainable Development Goals (SDGs), particularly SDG 2.

Progress on SDG 2 targets

6. *Access to food.* Food insecurity in the ~~State of Palestine~~ **West Bank and the Gaza Strip** remains high, driven by limited economic access to food, which arises from restrictions on movement, trade and investment, high unemployment rates, erosion of agricultural infrastructure, land confiscation, limited access to land and water, and an overstretched government safety net. More than one in five households were found to be food-insecure in 2016, with 22 percent of the total population – or 1.3 million people – being severely or moderately food-insecure. Gender inequalities play a significant role in the food security and nutrition status of individuals; women are especially affected by food insecurity and poverty. The prevalence of food insecurity among households headed by women is 15 percentage points higher than that among households headed by men – 36 versus 21 percent. Women’s economic empowerment is likely to be impeded by lower wages and domestic work. The average monthly income for food-insecure households headed by women is NIS 1,666 – equivalent to USD 463 – well below the “deep” poverty line of NIS 1,888– or USD 509 per month per family. The average monthly income for food-insecure households headed by men is NIS 2,107 (USD 586) compared with NIS 3,170 (USD 882) for food-secure households. At 29 percent, the poverty rate for individuals in households headed by women is higher than the 25 percent for those in households headed by men. ~~In 2015~~ **From 2011 to 2016**, the unemployment rate for households headed by women was 39 percent compared with 22 percent for households headed by men. ~~The unemployment rate among households headed by women increased by 38 percent between 2011 and 2015,~~ **16 percentage points** from 28 to 39 ~~percent~~, while the unemployment rate among households headed by men increased by 47 percent, **3 percentage points** from 19 to 22 percent. The labour force participation rate for women reached only 19 percent in ~~2015~~ **2016** compared with 71 percent for men. **The unemployment rate increased significantly during the second quarter of 2017 in the Gaza Strip, reaching 44 percent, considered one of the highest rates in the region and the highest since the second quarter of 2014.**
7. *End malnutrition.* According to recent national surveys,⁴ Palestinians are facing a double burden of malnutrition: a high level of micronutrient deficiencies alongside growing overweight and obesity. Approximately 50 percent of people assessed had very low levels of essential minerals and vitamins. Depleted levels of iron were found in 20 percent of lactating women in the West Bank and in 28 percent in the Gaza Strip. Prevalence of mild anaemia in children aged 6–59 months averaged 20–24 percent, with moderate anaemia at 8 percent; similar results were found for pregnant and lactating women. According to World Health Organization (WHO) standards, anaemia is a moderate public health problem. Overweight and obesity are moderate public health problems for pregnant and lactating women, with 31 percent of pregnant women being overweight and 26 percent obese, based on body weight and height measured before the

² United Nations Development Programme (UNDP). International Human Development Indicators. Retrieved from: <http://hdr.undp.org/en/countries/profiles/Palestine>.

³ United Nations country team Common Country Analysis, 2016.

- 17th week of gestation. In lactating women, prevalence rates are 37 percent overweight and 23 percent obese.
8. Wasting, stunting and underweight are not severe public health problems. On average, 7.4 percent of children under 5 suffer from moderate or severe stunting – 7.7 percent in the West Bank versus 7.1 percent in the Gaza Strip. The rate of stunting among boys is higher, at 8.1 percent, than among girls, at 6.6 percent. Among children under 5, 1.4 percent are moderately or severely underweight: 1.5 percent in the West Bank versus 1.3 percent in the Gaza Strip; and 1.6 percent among boys versus 1.1 percent among girls. Wasting prevalence – moderate and severe – is 1.2 percent for children under 5: 1.7 percent in the West Bank versus 0.7 percent in the Gaza Strip. The rate of overweight is ~~8.2 percent in the State of Palestine~~: 9.8 percent in the West Bank and 6.5 percent in **the Gaza Strip**.
 9. *Smallholder productivity and incomes.* Agriculture represents a small share of Palestine's economy, at 3.8 percent of GDP. Since 2006, the agriculture sector has witnessed a significant decline in the numbers of both women and men agricultural workers because of restrictions imposed on the sector's development and its low productivity. In 2006, the labour force in the agricultural sector constituted 17 percent of the total labour force – 13 percent of the male workforce and 35 percent of the female – falling to 10 percent in 2014 and 9 percent in 2015. The percentages of the total workforce working in the agriculture sector in 2015 were estimated at 8 percent⁴ of the male workforce and 13 percent of the female – indicating the relative importance of the sector for women. However, despite their prominent role in agriculture, Palestinian women still face many constraints, including restricted property rights, lower educational levels and lower wages, including unpaid work on family farms.
 10. In the ~~State of Palestine~~**West Bank and the Gaza Strip**, rainfed agriculture is dominant, occupying nearly 81 percent of the total land area used for agriculture. Irrigated areas cover 19 percent of land used in agriculture, mainly located in governorates of the Gaza Strip, in the Jordan Valley and in areas of the West Bank. The main challenges to the agriculture sector are water scarcity and limited access to agricultural land, of which 62 percent, including 85 percent of grazing land and the most productive agricultural areas, remains under Israeli civil and security control, with ~~severe~~ movement restrictions resulting in poor access to land and public services.
 11. *Sustainable food systems.* In the ~~State of Palestine~~**West Bank and the Gaza Strip**, the share of the agriculture sector in total GDP decreased from 8.2 percent in 2000 to 3.8 percent in 2014. Over time, annual agricultural imports have increased to exceed exports significantly: in 2014, total agricultural imports amounted to approximately USD 212 million, while agricultural exports amounted to USD 67 million, accounting for nearly 7 percent of total exports. ~~Local production does not – and will not – provide sufficient staple food commodities such as cereals and pulses and, for the foreseeable future, the food supply will rely on imports and commercial channels.~~ It is worth noting that approximately 80 percent of the Gaza Strip's population depends on humanitarian food assistance.
 12. The State of Palestine is dependent on imports, ~~the availability and price of which~~ **pass through and** are controlled by Israel. ~~In addition, the international market provides foods such as cereals and pulses at such low prices that Palestinian production is unable to compete.~~ There is a significant ~~discrepancy~~**gap** between total consumption and total production; ~~this is evidence of the country suffers~~ a structural deficit in **the production of** staple food commodities ~~that is not likely to change in the near future.~~ Local production covers between 2 and 83 percent of local consumption of the most important basic food groups. An exceptional case is olive oil, of which local production exceeds local consumption by 164 percent. ~~On the other hand, local production covered only 4 percent of wheat consumption and 2 percent of pulse consumption.~~ Local production of eggs and milk products covers most local consumption, and the production capacity for all products of high nutritional value should be protected and expanded.
 13. The potential to increase food availability and equitable access through sustainable food systems can be realized by developing sustainable value chains for items such as olive oil, eggs and

⁴ No severe anaemia was observed.

dairy products; addressing overproduction of olive oil **through support to processing and marketing including for the export**; and connecting smallholder farmers to markets. Although women predominate in the unpaid agricultural labour force, women and households headed by women are often deprived of assets because of discriminatory inheritance laws. A lack of access to productive assets such as livestock and agricultural land has impacts on women's economic self-sufficiency and food security. Limited access to assets – and therefore collateral – translates into fewer formal sources of credit for women.⁵

Macroeconomic environment

14. The ~~Palestinian~~ economic outlook is worrying: recovering slowly from the recession of 2014, per capita income growth has almost stagnated and projected growth levels will not support an improvement in living standards. The growth rate of the economy is projected to hover around 3.5 percent in the medium term. Given the high population growth in the Palestinian territories, this implies a near stagnation in per capita incomes. The economy has not been able to create enough jobs, resulting in unemployment rates reaching on average 27 percent in 2016 – 18 percent in the West- Bank versus 42 percent in **the Gaza Strip**, and 45 percent among women, more than double the 22 percent among men – despite recent steps by Israel to increase the number of work permits for West Bank Palestinians. At 29 percent, the poverty rate in households headed by women is higher than in those headed by men, at 25 percent. In addition, only 41 percent of households headed by women have access to the national social safety net (NSSN). The productive capacity of the ~~Palestinian~~ economy has been eroded over the years with a significant decline in the importance of manufacturing and agriculture.⁶
15. The economy faces increasingly difficult conditions. While GDP growth increased from 3.5 percent in 2015 to 4 percent in 2016, this was insufficient to generate new jobs and unemployment rose to a peak of more than 28 percent in September 2016. Consumption is still the primary driver of growth as political uncertainties and access restrictions continue to inhibit private-sector investment in the West Bank. While donor-funded reconstruction in **the Gaza Strip** continues, aid disbursements have been delayed and humanitarian conditions remain dire, particularly as the provision of public services worsens.⁷
16. Despite impressive fiscal consolidation efforts over the years, the Palestinian Authority's fiscal situation remains fragile, with a USD 600 million financing gap projected for 2016. As spending pressures remain, 2017 is likely to be a very challenging year for the ~~Palestinian~~ economy.

Key cross-sector linkages

17. Poverty reduction is the first objective identified in the Social Development Sector Strategy (SDSS) (2017–2022), linking poverty reduction to food security improvements. The eradication of extreme poverty (SDG 1) remains a cardinal principle of the SDSS. The national poverty reduction programme aims to support poor, food-insecure and vulnerable households to ensure their basic needs are met; however the Government's limited financial resources constitute a major challenge to reaching all vulnerable groups and implementing an effective national programme.
18. *Social protection.* The ~~Palestinian~~ **State of Palestine's** social protection sector is quite diverse, with an overlapping and occasionally competitive network of government organizations and institutions, local and international non-governmental organizations (NGOs), charitable associations, United Nations agencies and international organizations. Familial kinship is an important element of the social safety net. Various assessments of national social safety nets completed in the past four years show the capability of the current system in an emergency situation and the possibility of using this system to expand the use of vouchers and cash. A study

⁵ United Nations country team Common Country Analysis, 2016.

⁶ World Bank. 2016. Economic monitoring report to the ad hoc liaison committee.

⁷ International Monetary Fund press release, January 2017.

- by WFP and the World Bank on bridging humanitarian assistance and social protection systems will be finalized later in 2017.
19. The Palestinian Ministry of Social Development is the main government body tasked with creating, implementing and managing social protection policies in both the West Bank and the Gaza Strip.⁸ The ministry operates through 17 directorates, 15 branch offices and an additional 33 centres providing specialized services to targeted households and groups with particular needs.⁹
 20. In tune with the SDG 1 target of implementing nationally appropriate social protection systems and measures for all people, the Ministry of Social Development's NSSN programme has been expanding, starting with support for 42,000 poor households in 2004 and increasing to 122,000 families by 2014.¹⁰ This indicates growing coverage but may also indicate increasing vulnerability. The probability of vulnerable Palestinians falling into poverty is high.¹¹ The State of Palestine's targeting of social protection has been deemed among the best in the region and its unified beneficiary system is considered a regional best practice.¹²
 21. *Education.* Literacy among 15–24-year-olds was 99.2 percent in 2012, while drop-out rates in 2010–2012 were 0.9 percent for basic education and 3.2 percent for secondary education. Gender parity has almost been achieved in basic and secondary education. However, although significant progress has been made in the education sector (SDG 4), many Palestinian boys and girls cannot exercise their right to quality education and a safe learning environment because of obstacles related to access. In Area C of the West Bank, 50,000 boys and girls enrolled in 183 schools lack sufficient access to education, and more than 1,700 boys and girls from 37 West Bank communities commute to schools more than 5 km away. Permit requirements, closures and curfews can increase children's journeys to and from school by three to four times. The vulnerability of boys and girls facing obstacles in access to school is compounded by financial difficulties and the high cost of transport, resulting in decreased learning time in school and deterioration in educational quality. Girls are disproportionately affected, especially in secondary school attendance. ~~Girls are more likely to stop attending school when faced with harassment, violence and intimidation at checkpoints or during their commute to school. Some violence, harassment and intimidation are gender-based.~~^{13,14}
 22. ~~Health is a major concern in the State of Palestine.~~ Since the Palestinian Authority assumed responsibility for health care in 1994, the health sector has faced significant challenges resulting from the impact of the Israeli occupation on the Palestinian people and state institutions. ~~The ongoing blockade, closures and roadblocks, the impact on the civilian population, settlement building and the construction of a separation barrier have all had devastating effects on the physical and mental health of Palestinians.~~ **conflict and civil strife and access restrictions.** These challenges have also undermined the Government's efforts to establish an integrated health care system through infrastructure development and the provision of services, with a view to meeting citizens' needs. Despite these challenges, the Ministry of Health – with support from the international community and the United Nations, especially WHO – has successfully prevented

⁸ Palestinian Ministry of Social Development. 2016. Social Development Sector Strategy (2017–2022).

⁹ Jones, N. and Shaheen, M. 2012. Transforming Cash Transfers: Beneficiary and community perspectives on the Palestinian National Cash Transfer Programme, Part 2: The case of the West Bank. London: United Kingdom Department for International Development (DFID) and Overseas Development Institute (ODI).

¹⁰ Palestinian National Authority Ministry of Social Affairs. 2010. Palestinian National Program for Social Protection – Cash Transfer Strategy; European Union. The European Union and the Ministry of Social Development host an *Iftar* at the SOS Children's Village in Bethlehem.

¹¹ Data for 2009 showed that a 20 percent increase in the poverty line would increase the poverty rate in West Bank from 15 percent to 28 percent, and in the Gaza Strip from 33 percent to 49 percent. World Bank 2011. West Bank and Gaza. *Coping With Conflict: Poverty and Inclusion in the West Bank and Gaza*.

¹² World Bank. 2010. *Inclusion and Resilience: The Way Forward for Social Safety Nets in the Middle East and North Africa*.

¹³ https://www.unicef.org/oPt/UNICEF_Under_Occupation_final-SMALL.pdf

¹⁴ https://www.unicef.org/oPt/UNICEF_Under_Occupation_final-SMALL.pdf

the collapse of the country's health care system and achieved health care outcomes that compare well with those of other states in the region.

23. National health indicators during the last decade demonstrate remarkable improvements in life expectancy, maternal mortality and infant and under-5 child mortality, and declining incidence of communicable diseases. Between 2012 and 2015, life expectancy increased from 72.7 to 73.5 years, maternal mortality per 100,000 live births decreased from 23.2 to 15.7, the infant mortality rate per 1,000 live births decreased from 13.5 to 10.9, and the under-5 child mortality rate per 1,000 live births decreased from 16.2 to 13.9.
24. There has been a rise in the prevalence of non-communicable diseases, with an associated increase in demand for health and specialist services. This has increased the burden on the health sector's material and human resources, adding to the effects of a continuous increase in the cost of health services domestically and globally. The infant mortality rate is the third lowest in the Arab region, after the United Arab Emirates and Lebanon. However, the majority of countries in the region have lower fertility rates than the State of Palestine. Although the crude death rate declined from 4.9 deaths per 1,000 people in 1997 to 3.6 in 2015, the birth rate remains remarkably high despite a decline from 42.7 to 31.9 births per 1,000 people in the same period. Consequently, the 2.8 percent national population growth rate remains high enough to induce a doubling of the population within the next 25 years.
25. *Gender.* The economic and political situation has had a strong impact on women. The illiteracy rate is three and a half times higher among women than among men: in 2012, illiteracy was 1.8 percent among men compared with 6.4 percent among women.¹⁵ National performance in reaching targets for women's economic and political participation remains low. Traditional gender roles in the ~~State of Palestine~~ **West Bank and the Gaza Strip** continue to reinforce the predominance of men in economic activities, while women are generally expected to prioritize domestic responsibilities. Despite the rise in women's participation in the labour force over the past ten years, the rate is still low: 17.4 percent of women were active in the labour force in 2012 compared with 10.3 percent in 2001. Women's participation is concentrated in the informal sector and a narrow range of fields in the formal economy.¹⁶ The Palestinian Authority has shown commitment to advancing gender equality and women's empowerment, and adopted the first cross-sector national gender strategy in 2011.¹⁷
26. Regarding food security and livelihoods, severe and moderate food insecurity are higher among households headed by women; women are at higher risk of malnutrition because of their reproductive role; and household resilience is depleted as a result of high unemployment among women, women's limited access to resources and the tendency for women's economic activities such as herding and harvesting to be affected by protection violations.
27. **Disability is a key vulnerability factor taken into consideration in targeting poor and food insecure households and included in the data collection tool that is used in targeting. Disability of food insecure people is an eligibility factor to receive assistance under the national social safety net programme and for assistance implemented with WFP's cooperating partner, Global Communities. Operationally WFP considers disability a factor in the selection of distribution points and shops to ensure accessibility.**¹⁸

1.3 Hunger gaps and challenges

27-28. The 2017 Strategic Review of Food and Nutrition Security in the State of Palestine identified the following gaps:

- High import dependency increases vulnerability to price shocks.

¹⁵ Palestinian Central Bureau of Statistics, 2012.

¹⁶ United Nations Conference on Trade and Development, 2014.

¹⁷ Palestinian National Authority and UN-Women. 2011. Cross-Sectoral National Gender Strategy Booklet: Promoting Gender Equality and Equity (2011–2013).

¹⁸ **Interventions will continue to be disability sensitive. Vulnerable groups will have priority in WFP food distributions.**

- High levels of food insecurity stem from lack of access to food, linked to poverty and lack of employment opportunities.
- Food security remains a challenge. Humanitarian assistance and social protection have helped to prevent a greater deterioration in the food security of the Palestinian population.
- Although the existing national social protection mechanism is considered to be developed in the region, international best practice suggests shifting to a more system-based rather than programme-based approach through better household profiling and targeting, geographical targeting, greater reliance on cash-based transfers (CBTs), and consistency in the value of cash assistance.
- The national social protection mechanism has widespread coverage but lacks resources to achieve a significant impact on the people in greatest need. Severely food-insecure people should be targeted to achieve the greatest impact, with priority given to food-insecure households headed by women.
- The national social protection mechanism has weak linkages between food security and nutrition. There is a need to improve the linkages between nutrition and food security outcomes.
- The potential for agricultural production and productivity to increase is constrained by measures linked to the conflict with Israel and agro-economic conditions.
- The State of Palestine cannot achieve food sovereignty in the current situation of limited access to productive natural resources.
- There is consensus that more effort is required with regard to all aspects of food safety, from laws and regulations to monitoring and implementation.
- Persistent gender inequalities represent a significant impediment to ensuring food and nutrition security.

~~28.~~29. The subsequent sections of this CSP outline which of these gaps WFP will address.

1.4 Country priorities

Government

~~29.~~30. Priorities highlighted in the National Policy Agenda (NPA) (2017–2022) and the SDSS (2017–2022) include the continued provision of food assistance in support of poor and food-insecure non-refugee populations through national and local food security systems, including social safety nets, capacity strengthening and social protection to promote stabilization and gender equality. These activities are conducted in partnership with the Ministry of Social Development.

31. The 2017 Humanitarian Response Plan (HRP) has three major Strategic Objectives: i) protect the rights of Palestinians in accordance with International Humanitarian Law and International Human Rights Law; ii) ensure acutely vulnerable Palestinians in the Gaza Strip and the West Bank have access to basic services; and iii) strengthen the ability of acutely vulnerable Palestinian households to cope with protracted threats and shocks. WFP aligns with Strategic Objectives 2 and 3.

United Nations and other partners

~~30.~~32. The 2018–2022 United Nations Development Assistance Framework (UNDAF) leverages the expertise, capacity and resources of United Nations agencies to support NPA implementation and achieve the SDGs. The UNDAF priorities are: i) supporting the Palestinian path to statehood; ii) supporting equal access to accountable effective and responsive democratic governance for all Palestinians; iii) supporting sustainable and inclusive economic development; and iv) leaving no one behind – social development and protection. WFP is the co-leader for the fourth of these strategic priorities, with the United Nations Children’s Fund (UNICEF), and its work is also linked to the third. Together with United Nations partners, WFP continues to advocate strongly against gender discrimination and for gender equality.

2. Strategic implications for WFP

2.1 WFP's experience and lessons learned

- ~~31.~~**33.** In the ~~State of Palestine~~ **West Bank and the Gaza Strip**, WFP's role in delivering food assistance and developing a delivery platform to support the activities of humanitarian actors and integrate them into the NSSN system has been noted, including in the 2015 country portfolio evaluation (CPE) approved by the Executive Board in February 2016. WFP will continue to build on its in-country experience and comparative advantages in emergency response, and to support the priorities of the ~~Palestinian~~ **State of Palestine's** authorities for meeting food security objectives in line with the SDG framework and the UNDAF. Based on the CPE recommendations, ~~the country office~~ **WFP** will not implement the school meals activity or the resilience-building interventions involving food assistance for assets and food assistance for training, but will continue to expand its nutrition-awareness activities, support the NSSN and implement the CPE recommendations in the areas of human resources, partnerships and monitoring of livelihood indicators as part of its work with the Ministry of Social Development. WFP will continue to seek opportunities to link with livelihood activities in-country.
- ~~32.~~**34.** WFP will continue implementing its strategy for expanding its programme using the CBT modality, backed by evidence from results of the secondary economic impact surveys that demonstrated positive impact on households and on the local economy, in terms of employment, investment and increased sales – mainly for two actors in the dairy supply chain. The success of the CBT modality was noted in research by the Institute of Development Studies on ~~social protection~~ **Social Protection** and ~~safety nets~~ **Safety Nets** in the ~~State of Palestine~~,¹⁹ indicating how WFP's voucher programme has made a significant difference in people's lives as well as providing immediate food assistance. The study included a recommendation to expand the CBT modality to all NSSN beneficiaries.
- ~~33.~~**35.** The CBT modality was easy to adapt and scale up, with beneficiaries identified through their ~~Palestinian~~ identity cards. Use of an “electronic wallet” made it possible for other organizations to deliver assistance through the same card. Most notably, WFP's modality helped UNICEF to provide water, sanitation and hygiene items and school uniforms in **the Gaza Strip** during the 2014 crisis, when the number of food assistance beneficiaries supported through CBTs using vouchers increased from 60,000 to 300,000 within weeks.²⁰
- ~~34.~~**36.** Developing partnerships with local nutrition and health NGOs in the West Bank and **the Gaza Strip** to undertake nutrition sensitization and awareness activities is a critical success factor for- ~~WFP in the State of Palestine.~~
- ~~35.~~**37.** The risk of an escalation of armed conflict in the Gaza Strip requires WFP to monitor the situation regularly and conduct preparedness activities. WFP will continue to plan with stakeholders to ensure an effective and efficient response that reaches the most vulnerable population in case of armed conflict. Preparedness planning will include natural disasters to which the ~~State of Palestine~~ **West Bank and the Gaza Strip** are susceptible, including earthquakes.
- ~~36.~~**38.** This CSP is informed by WFP's gender action plan ~~for the State of Palestine~~, which contributes to WFP's goal of integrating gender equality and women's empowerment into its work and activities to ensure that the different food security and nutrition needs of women, men, girls and boys are addressed.²¹ For example, WFP will expand its nutrition-awareness activities, ensuring that they are gender-focused and, when possible, will continue issuing entitlement cards in women's names. Distribution points and timings will be selected taking into account the needs of women and ensuring that beneficiary feedback mechanisms are equally accessible to both women and men.

¹⁹ Social Protection and Safety Nets in Palestine Report, December 2015.

²⁰ CPE, 2015.

²¹ WFP Gender Policy (2015–2020). Retrieved from: <https://www.wfp.org/content/2015-wfp-gender-policy-2015-2020-0>.

37.39. During this CSP, WFP will focus its activities on achieving SDG 2 by strengthening food security among vulnerable populations within the NSSN through:

- targeting severely food-insecure and vulnerable populations for assistance through the expansion of CBTs, with a focus on direct transfers to beneficiaries and a reduction of in-kind transfers, except to communities in special circumstances – for example, the herder community in Area C of the West Bank; assistance modalities will be selected to achieve maximum impact on the food security of targeted populations;
- enhancing the capacities of national institutions and systems to identify, target and assist severely food-insecure vulnerable populations by working with the Government to improve the NSSN and strengthen national food security monitoring capacity; and
- providing nutrition-sensitive awareness activities to promote dietary diversity and healthy habits.

38.40. It should be noted, however, that declining support from donors to humanitarian and development activities ~~in~~for the State of Palestine, coupled with restrictions related to geographical targeting and selection of cooperating partners and transfer modalities, will have impacts on the successful implementation of the CSP and will need to be continuously monitored. The reliance on a single donor will need to be taken into account when selecting appropriate transfer modalities.

2.2 Opportunities for WFP

39.41. The 2017 Strategic Review of Food and Nutrition Security in the State of Palestine, the NPA– (2017–2022), the Ministry of Social Development’s SDSS (2017–2022), the UNDAF (2018–2022) and the 2017 Humanitarian Programme Cycle identified opportunities for WFP ~~in the State of Palestine~~, including:

- providing food assistance to the poor and severely food-insecure non-refugee population, and ensuring gender equality throughout all activities, with a focus on gender in the implementation of nutrition-awareness activities;
- improving beneficiary targeting systems and coordination of multi-sector assistance through the CBT platform, ensuring that cash transfers are adapted to the needs and preferences of targeted populations in all age, gender and diversity groups, and changes in the local social, economic and security context;
- in coordination with the Palestinian Authority and donors, taking advantage of evolving opportunities to phase out in-kind transfers and expand CBTs, including through a gradual shift to direct cash assistance, which will increase transparency, choice, and accountability to WFP’s beneficiaries; and
- continuing to partner the Palestinian Authority in supporting implementation of the 2017–2022 SDSS through provision of social and technical assistance to government institutions, and working towards the achievement of national targets for SDG 2, including through support to monitoring and targeting.

2.3 Strategic changes

40.42. The main strategic change under this CSP is the targeting of only severely food-insecure non-refugee populations, with priority given to food-insecure households headed by women. A further change is the move to direct CBTs and away from in-kind assistance, using the existing market infrastructure. This reflects recognition of the link between food security and poverty in the ~~State of Palestine~~. **West Bank and the Gaza Strip.**

41.43. The CSP envisions continued support to the NSSN programme, which will be designed and implemented more efficiently and effectively, including through the shift to cash assistance and supporting partnerships through the CBT platform.

42.44. WFP’s government counterpart, the Ministry of Social Development, will be assisted through the transfer of technical skills, knowledge and resources, including to other partners such as the Palestinian Central Bureau of Statistics. To strengthen the social safety net, the ministry will be assisted in implementing the 2017–2022 SDSS with other cooperating partners. Assistance will

be provided to national work towards achievement of the SDG 2 targets through the transfer platform; this is now used exclusively for food security but can be expanded to include sectors such as health, education and other social services.

3. WFP strategic orientation

3.1 Direction, focus and intended impacts

- ~~43.45.~~ This CSP is ~~the~~ WFP's guiding strategic, programmatic and governance instrument for ~~WFP in~~ the State of Palestine; it defines the portfolio of engagement from 2018 to 2022 and operationalizes WFP's Strategic Plan in support of the national policy agenda and the SDSS to achieve SDG 2. In line with WFP's Strategic Plan (2017–2021), Gender Policy (2015–2020) and Gender Action Plan, gender considerations will be integrated throughout development, implementation and monitoring of the CSP to ensure gender-transformative programmes and policies for a world free of hunger. WFP will ensure: i) the sex and age disaggregation of all person-related data and analysis; ii) the embedding of gender analysis in all assessment, research, technical assistance, knowledge, information management and related work; iii) the mainstreaming of gender throughout programme, policy and capacity-strengthening initiatives; and iv) the engagement of women, men, girls and boys in a manner that is empowering, fosters equitable outcomes and advances gender equality.
- 44.46. The CSP is informed by the national strategic review, evaluation of WFP's past assistance in the 2016 CPE and consultations with the Government and development partners. It is articulated on the basis of two strategic outcomes with related outputs and activities. The focus is largely on SDG 2, but CSP activities will also contribute to SDG 17 on partnerships. WFP's work is linked to two strategic priorities highlighted in the UNDAF (2018–2022): the fourth strategic priority – Leaving no one behind – social development and protection; and the third – Leaving no one behind – supporting sustainable and inclusive economic development.
- 45.47. The success of this CSP will largely be determined by donor conditions and constraints, including donors' flexibility in transfer modalities. Based on studies and recommendations, including those in the 2017 Strategic Review of Food and Nutrition Security in the State of Palestine, WFP will advocate for an approach targeting severely food-insecure people by increasing use of the CBT modality. However, the scope for such an increase will be dependent on the availability and level of donor support, which will be continuously monitored.
- 46.48. Cross-cutting ~~issues~~ **aspects**, such as protection and accountability to affected populations are central to WFP's operations. ~~WFP adheres to the core humanitarian principles and is committed to the purpose and principles of the Charter of the United Nations.~~ WFP assists the most marginalized vulnerable food-insecure populations based on need alone, without discrimination, by contributing to their safety, dignity and integrity, and by giving them a voice in decisions that affect their lives.
- 49. WFP is committed to the protection of vulnerable populations including from sexual exploitation and abuse. This applies to all WFP staff members and personnel, all activities and operations of WFP, including any project funded by WFP and implemented by WFP's Government and international NGO partners. WFP will continue to ensure that all assisted people are informed of their entitlements through its beneficiary hotline, monitoring visits and programme reviews. To safeguard the physical integrity and ensure the protection of assisted people to the best possible extent, food distributions will continue to take place in safe and secure locations, and waiting times will be minimized to reduce security risks. The most vulnerable (i.e. pregnant and vulnerable women, elderly and disabled people) will be given priority. Participating CBT shops will be carefully selected to ensure that assisted people (especially women-headed households) will not be required to travel large distances to redeem their vouchers.**

3.2 Strategic outcomes, focus areas, expected outputs and key activities

Strategic outcome 1: Non-refugees, poor and severely food-insecure people in the State of Palestine – primarily in the Gaza Strip and Area C of the West Bank – have improved dietary diversity by 2022

47.50. The non-refugee Palestinian population in the Gaza Strip and in Area C and areas with the highest food insecurity levels in the West Bank are identified as the most in need in terms of poverty, food insecurity and increased vulnerabilities. By 2022, targeted households with men, women, girls and boys who are severely food-insecure will have access to improved dietary diversity, allowing them to meet their dietary needs appropriately.²²

48.51. To maximize the impact on dietary diversity, in partnership with a local nutrition-focused NGO, WFP will complement its unconditional transfers with nutrition-awareness activities targeting men, women, girls and boys.

Focus area

49.52. The focus area of this outcome is crisis response.

Expected outputs

50.53. This outcome will be achieved through two outputs:

- Poor and severely food-insecure non-refugees receive diverse and nutritious food to improve their dietary diversity. (Tier 1; output category A; Strategic Result 1; SDG 1)
- Targeted populations – men, women, boys and girls – receive information to raise nutrition awareness. (Tier 1; output category E; Strategic Result 1)

Key activities

Activity 1: Provision of unconditional food assistance – including through CBT and in-kind modalities – and nutrition information to poor and food-insecure households.

51.54. WFP will provide unconditional food assistance to targeted poor and severely food-insecure households in the Gaza Strip and in Area C and areas with poverty and high food-insecurity levels in the West Bank.

52.55. One of the recommendations of the 2017 Strategic Review of Food and Nutrition Security in the State of Palestine was to transition gradually from in-kind food assistance to CBTs, taking into account that this shift would be economically empowering to men and women, providing them with autonomy in their decisions on the use of CBTs. During the period of the CSP, WFP aims to introduce immediate cash transfers for 5 percent of beneficiaries, decrease the proportion of beneficiaries receiving in-kind assistance to 35 percent and increase the proportion receiving value e-vouchers to 60 percent. To ensure the integrity of transfers to intended beneficiaries, WFP will contract shops that have the ability to offer e-voucher beneficiaries quality and diverse foods at market prices, while providing an extra layer of controls. To the greatest extent possible, WFP will ensure the inclusion of shops owned by women, to promote women's economic empowerment.

53.56. Complementing the provision of unconditional food assistance, tailored nutrition-sensitive awareness activities will also be implemented to engage diverse groups of men, women, girls and boys, raising their awareness of nutrition. In response to the recommendation stemming from the strategic review, WFP will utilize available nutrition data to design and implement interventions according to the nutritional – and not only caloric – needs of the beneficiary population. This will include developing and delivering basic awareness-raising on healthy eating habits and nutrition. Throughout the activity, WFP will ensure the safety of beneficiaries and emphasize protection and accountability towards affected populations. All women and men beneficiaries will continue to have access to beneficiary feedback mechanisms through secure boxes placed in retail shops for CBTs and through the WFP hotline. This supports accountability to affected populations –

²² Strategic Review of Food and Nutrition Security in the State of Palestine, 2017.

in line with WFP's Accountability to Affected Populations Strategy and Guidance – by ensuring that affected populations' input and feedback are taken into account to inform programme design.²³

Strategic outcome 2: National State of Palestine institutions have enhanced capacities and systems to identify, target and assist food-insecure vulnerable populations in the State of Palestine by 2022

Focus area

54.57. The focus area of this outcome is resilience-building.

Expected outputs

55.58. This outcome will be achieved through three outputs:

- Poor and severely food-insecure people benefit from improved institutional capacity to implement a reformed NSSN that protects the income and assets of poor and vulnerable people. (Tier 3; output category C; Strategic Result 5; SDG 1)
- Poor and severely food-insecure people benefit from improved capacity of national monitoring systems to monitor, analyse and build evidence on food insecurity and poverty. (Tier 3; output category C; Strategic Result 5; SDG 1)
- Poor and severely food-insecure people benefit from an improved delivery platform for CBTs and social protection, provided for partners to reduce poverty and food insecurity. (Tier 3; output category H; Strategic Result 5; SDG 1)

Key activities

56.59. Based on the recommendation of the strategic review that relates to national institutions and capacity-building, WFP will implement two major activities in the area of capacity development.

Activity 2: Provision of technical support to national ministries and institutions for implementation of the food security strategy and NSSN reform.

57.60. Based on the recommendation of the strategic review emphasizing the need to enhance the effectiveness of targeting and adopt a unified database for all actors to avoid duplication in the provision of assistance to targeted households, WFP will work with the Ministry of Social Development, providing technical support to implementation of the Sectoral Food Security Strategy and reform of the NSSN. This will lead to improved capacity of national institutions to implement a reformed social safety net that protects the incomes and assets of poor and vulnerable people (SDG 1, target 1.3), including through the refinement of tools to enhance programme quality and implementation, vulnerability analysis, needs-based targeting, gender analysis, harmonized social transfers, monitoring and evaluation (M&E), and accountability and feedback mechanisms. This activity will include strengthening of the gender-related capacities of ministry staff.

Activity 3: Provision of a CBT platform to multi-sector partners and the Government.

58.61. With the expansion of CBT modalities – cash and value vouchers – there is a need for further development of the delivery platform, ensuring its flexibility for multi-sector assistance and maximizing its use by the Government for social transfers under the NSSN that benefit women and men equitably.

3.3 Transition and exit strategies

59.62. WFP's framework agreement with the Ministry of Social Development ensures coordinated capacity support for achieving national objectives. Transition depends on improvements in political, security and economic conditions. WFP's activities under strategic outcomes 1 and 2 will continue until national social services, safety nets and development opportunities cover these

²³ <http://aap.manuals.wfp.org/en> and WFP's Strategy for Accountability to Affected Populations (<http://newgo.wfp.org/documents/wfps-strategy-for-accountability-to-affected-populations-aap>).

areas, and durable solutions to poverty and food insecurity are achieved, taking into account gender equality. Advocacy by WFP and other United Nations agencies is expected to contribute to these results.

4. Implementation arrangements

4.1 Beneficiary analysis

60-63. The estimated number of beneficiaries under this CSP is based on the needs identified in the 2016 socio-economic and food security survey. Under strategic outcome 1, activity 1, target beneficiaries include 314,000 non-refugee poor and severely food-insecure people, comprising 220,000 severely food-insecure people, 59,000 poor individuals from moderately food-insecure households headed by women and 35,000 individuals from the Bedouin and herding communities in Area C of the West Bank. A total of 151,800 people will be targeted in the West Bank and 162,200 in the Gaza Strip, with 5 percent receiving cash, 60 percent value e-vouchers and 35 percent in-kind assistance. Participatory gender analysis will inform targeting of all activities to ensure that women, men, girls and boys benefit equitably.

TABLE 1: FOOD AND CBT BENEFICIARIES BY STRATEGIC OUTCOME AND ACTIVITY*

Strategic outcome	Transfer modality	Year 1 (2018)			Years 2–5 (2019–2022)		
		Women/ girls	Men/ boys	Total	Women/ girls	Men/ boys	Total
1	Activity 1: Unconditional food assistance						
	Food	82 548	84 552	167 100	54 291	55 609	109 900
	CBTs – value voucher	64 813	66 387	131 200	93 070	95 330	188 400
	CBTs – cash	7 756	7 944	15 700	7 756	7 944	15 700
2	Activity 2: Provision of technical support to national ministries and institutions for food security strategy implementation and NSSF reform	N/A**	N/A	N/A	N/A	N/A	N/A
	Activity 3: Provision of a CBT platform to multi-sector partners and the Government	N/A**	N/A	N/A	N/A	N/A	N/A
Total		155 117	158 883	314 000***	155 116	158 884	314 000

* Sex and age-disaggregated data can be provided on request. All actual beneficiary numbers will be disaggregated by sex and age.

** Direct beneficiaries of activities 2 and 3 are national institutions.

*** There are no overlaps among modalities.

61-64. WFP will provide food assistance to the poor and severely food-insecure non-refugee population in the Gaza Strip and Area C of the West Bank, and to poor and moderately food-insecure households headed by women in the West Bank and the Gaza Strip.

62-65. Classification of households according to their food security situation is based on a composite indicator that considers households' poverty levels and food consumption scores. Poor and severely food-insecure non-refugee households falling below the deep poverty line²⁴ and with

²⁴ The deep poverty line is currently USD 509.

poor to borderline food consumption scores will be targeted. This method aims to reflect the main driver of food insecurity – poverty.

- 63-66. Prior to this household targeting, geographical targeting will be performed based on food insecurity and poverty levels and other factors related to vulnerability in the West Bank and the Gaza Strip.
- 64-67. Three transfer modalities will be implemented for unconditional food assistance: in-kind assistance, CBTs using value e-vouchers and CBTs using cash. The proportion of CBTs will increase from the current 41 percent to 65 percent. This increase will include implementing a new transfer modality ~~for the State of Palestine~~ – CBTs using cash – based on the strategic review recommendations and informed by a 2012 analysis, which shows that women traditionally play an important role in household food management by preparing meals and influencing food consumption behaviour, while men are most often expected to contribute income. This has significant impacts on WFP operations, as evidence indicates that providing assistance to men reduces tension within the family.²⁵
- 65-68. CBT e-vouchers will be distributed via an online system, with a monthly top-up value of USD 10.30 per person, redeemable at any WFP-contracted shop. The CBT cash component will be implemented through a national financial institution. WFP will continue to review the transfer value and the items included in the food basket.
69. **WFP will continue its shift from in-kind to CBT taking into consideration the positive effect of this transfer modality as evident in the CPE depending on sufficient funding and donor conditions. The secondary economic impact of CBT has been evidenced and reported in two recent WFP studies in 2014 and 2016. The choice of modality (CBT or in-kind) depends on donor conditions and other factors. Where appropriate, WFP will prioritize CBT in all urban/semi-urban contexts, based on market availability and functionality, and beneficiary preferences. Cash based assistance will be tested as a modality and will be scaled-up based on success of the experiment, where appropriate and contingent on sufficient funding and donor conditions. The CBT modalities (cash or voucher) reduce tension in the family as they preserve the dignity of the participants (they can withdraw cash or go to the shop at any time suitable to them). The CBT modalities further provide participants with the option to redeem the voucher value or to use cash. CBT is more appropriate for households headed by women as they are not required to queue for distributions.**
- 66-70. Nutrition-awareness activities will be implemented in the Gaza Strip and the West Bank. They will incorporate delivery of nutrition messages to girls and boys, and will target both women and men with the objective of improving nutrition awareness among WFP beneficiaries and improving dietary diversity at the household level. This will assist in achieving objective 3 of the WFP Gender Policy by empowering women, men, girls and boys to make better decisions that improve food security and nutrition.
71. **Empowering women is critical to improve the dietary diversity of assisted households. The main objective of the nutrition awareness sessions, which gather men and women but place a predominant emphasis on the latter, is to contribute to improved family nutrition through the diversification of diet and behavioural change. Knowledge on best nutritional practices is transferred through regular training sessions for both women and their spouses. When selecting participants, WFP prioritizes those with poor food consumption and dietary diversity scores. While all women heads of households have their own e-vouchers, WFP enables all men under whose name the voucher was issued, to nominate an alternate family member, in most cases their spouses, to collect the household's food entitlements in participating shops. WFP has and will continue to expand its nutrition awareness sessions to in-kind food recipients in both the Gaza Strip and the West Bank.**

²⁵ WFP. 2012. Implications of cash and voucher transfers on beneficiaries' protection, gender relations and social dynamics: Case study of WFP assistance in the Occupied Palestinian Territory.

72. At the family level, a participatory gender analysis exercise will assist WFP to examine different roles and responsibilities of women and men in the domestic setting and food management and the effects on girls and boys. The analysis will explore power relations in terms of decision-making processes, control over of food resources, mobility of family members and self-determination, as well as involving men and boys as agents of change. This analysis will be used to inform programme design and implementation.
73. Accountability to beneficiaries is a priority of all WFP's interventions. WFP beneficiaries have several channels through which they may provide feedback: a specialized feedback hotline, complaint boxes available at distribution sites and in CBT shops, and post-distribution household monitoring visits. Further to this, WFP monitors all participating shops to assess their compliance with operational and financial guidelines, and will have a performance bond for all WFP participating shop owners, insuring WFP against loss, fraud or other wrongdoings. These control and risk management mechanisms are effective tools to mitigate the risk of abuse, protect the rights of beneficiaries and WFP's accountability towards them.

4.2 Transfers

Food and cash-based transfers

67-74. WFP will include multiple transfer modalities during the five-year CSP period, with a view to gradually expanding CBTs – cash and value vouchers – and phasing-out in-kind assistance. The food items distributed in kind and those included in contracted shops through the voucher modality are appropriate in terms of choice and dietary diversity. As a result of donor restrictions, in-kind transfers will represent slightly more than half of assistance in the first year of the CSP while CBTs will expand in years two to five.

TABLE 2: FOOD RATIONS (g/person/day) AND CBT VALUES (USD/person/day) BY STRATEGIC OUTCOME AND ACTIVITY

	Strategic outcome 1			Strategic outcome 2
	Activity 1			Activities 2 and 3*
Beneficiary type	Poor and food-insecure non-refugee Palestinians	Poor and food-insecure non-refugee Palestinians	Poor and food-insecure non-refugee Palestinians	N/A
Modality	CBTs – cash	CBTs – e-vouchers	Food	N/A
Cereals	-	-	300	
Pulses	-	-	25	
Oil	-	-	15	
Salt	-	-	5	
Total kcal/day	N/A	N/A	1 271	
% kcal from protein	N/A	N/A	12.7	
Cash (USD/person/day)	0.666	0.343	-	
Number of feeding days	360	360	360	

* National institutions are the direct beneficiaries of activities 2 and 3.

TABLE 3: TOTAL FOOD/CBT REQUIREMENTS AND VALUE		
Food type/-CBTs	Total (mt)	Total (USD)
Cereals	65 524	22 263 548
Pulses	5 460	5 897 124
Oil and fats	3 276	3 767 607
Mixed and blended foods	-	-
Other	1 092	309 733
Total (food)	75 352	32 238 012
CBT	-	128 076 264
Total (food and CBT)	75 352	160 314 276

Capacity strengthening, including South–South cooperation

68:75. The CSP will aim to strengthen national control over the food security sector. This will be achieved by supporting the development of a national food security board, which will include representatives of all relevant national authorities. Support to strengthening national institutions will be in the form of technical and financial assistance in targeting and in conducting assessments, evaluations and monitoring. In line with the national strategic review, the possibilities for establishing a food security board will be explored with government ministries and technical support will be provided. Efforts will be made to strengthen linkages within the region for monitoring food security; collecting and analysing data for social protection and safety-net programmes; and targeting, with special consideration of gender equality.

4.3 Supply chain

69:76. Internationally purchased food will arrive at Ashdod and Haifa ports. Because of blockade-related constraints, containers destined for the Gaza Strip will be repacked and the cargo loaded on pallets before it enters the Gaza Strip through the Kerem Shalom crossing. Part of the food will be pre-positioned in WFP-contracted warehouses in Ashdod (Israel) and the Gaza Strip. Some food, especially local purchases, will be delivered directly to cooperating partners' warehouses in the Gaza Strip. Up to 70 percent of cargo destined for the West Bank will be routed through WFP's intermediate storage facilities in Beir Zeit, while the remaining 30 percent will be delivered directly to cooperating partners' warehouses throughout the West Bank. All food movements will be subject to prior approval by Israeli authorities.

70:77. WFP will implement both the in-kind and CBT modalities. Food will be provided to targeted families in rural areas far from population centres and without proper electricity or internet connectivity. It will cater to the eating habits of targeted families – for example, the practice of baking bread at home. For the CBT modality, targeted families are in urban and semi-urban areas with good internet connectivity and functioning markets. These families do not have the resources to prepare bread at home, so CBTs suits their context and eating habits. ~~The country office~~ WFP will also ~~pilot~~ test unconditional and unrestricted CBTs through the provision of direct cash through local financial institutions. The current CBT modality uses the local market as the delivery system, with each beneficiary provided with a magnetic prepaid card. The value can be redeemed from locally contracted shops; 95 percent of allowed commodities are locally produced and processed. The quality and safety of the food provided through CBTs are regulated and monitored by the Government and local authorities.

71:78. WFP manages CBTs through an online platform that allows monitoring of redemption by each participant. This allows WFP to manage the risk of fraud and diversion and ensure that the activity is compliant with operational guidelines, rules and regulations.

~~72.79.~~ ~~The country office~~ WFP provides services to other United Nations agencies and international NGOs, enabling them to assist affected populations with food, water, sanitation, hygiene and education.

~~73.80.~~ ~~The country office~~ WFP is contracting a financial service company – a subsidiary of the Bank of Palestine – to operate the e-voucher platform. For the future provision of direct cash assistance, ~~the country office~~ WFP will contract a national financial institution.

4.4 Country office capacity and profile

~~74.81.~~ ~~The country office~~ WFP will need to adapt its staffing structure in line with the strategic outcomes. The strategic shift towards targeting severely food-insecure people, increasing the use of CBTs – both vouchers and direct cash – and strengthening capacities of the national ministry requires staffing skill sets that focus on programming and finance. While these skill sets are already available to ~~the country office~~ WFP, the current staffing structure will need to be reviewed to ensure that adequate attention can be directed to the transfer modalities identified in the strategy. Required technical competencies will include mainstreaming of gender throughout programming, operations and WFP for gender–equality outcomes in food and nutrition security. The staffing structure will need to reflect the narrower targeting of beneficiaries to ensure that WFP remains competitive in terms of cost–efficiency and value for money.

4.5 Partnerships

~~75.82.~~ ~~The country office~~ WFP will continue to work with the Ministry of Social Development in the provision of food assistance, strategic planning and capacity development. WFP provides technical support to the Ministry of Social Development on reform and management of the social safety net and complements the support provided by the Government through food assistance for identified families. ~~The country office~~ WFP coordinates with the Ministry of Social Development on overall planning, strategic matters and targeting, and with the Palestinian Central Bureau of Statistics on food security assessments.

~~76.83.~~ WFP will continue to partner international and local NGOs in food assistance and nutrition awareness projects, and the private sector in the development of supply chains and promotion of local products. WFP will coordinate with the food security sector on food security matters and with United Nations agencies on inter-cluster matters, contingency and emergency preparedness.

~~77.84.~~ ~~The country office~~ WFP goes beyond traditional partnerships by supporting United Nations agencies, **including UNRWA**, and international NGOs in providing assistance to affected populations through WFP's e-voucher platform. Since 2014, ~~the country office~~ WFP has supported several United Nations agencies and international NGOs in reaching affected populations using a single card topped up for different types of assistance, including water, sanitation, hygiene and education. WFP will aim to partner competent entities committed to gender equality.

5. Performance management and evaluation

5.1 Monitoring and evaluation arrangements

~~78.85.~~ WFP will develop a gender-responsive M&E plan with a clear emphasis on outcome monitoring that measures the impact of WFP's food assistance on targeted households. Through cooperating partners' monthly progress reports, which are reviewed and validated by WFP, output indicators will be measured to monitor progress and achievements. Aggregate beneficiary distribution and all output-related data will be uploaded into WFP's M&E database, feeding into the country office tool for managing effectively (COMET). Process monitoring will be conducted at distribution points and shops in the West Bank and the Gaza Strip by WFP and cooperating partner staff, linking to the ~~country office's~~ WFP's existing monitoring structure. Monitors will use a mobile data collection application and information will be hosted in a centralized database.

~~79.86.~~ Post-distribution monitoring will be conducted monthly at the household level; adequate resources have been budgeted for this purpose. Baseline data, established following finalization of targeting exercises in the West Bank and the Gaza Strip, will be used as the basis

for outcome monitoring. The findings will inform periodic reviews of CSP implementation by WFP and cooperating partners, to allow adaptations as required. Reporting on results will be quarterly, using visualization software applications such as Tableau and Adobe Illustrator. ~~The country office's~~ WFP's M&E system feeds into UNDAF and Humanitarian Programme Cycle monitoring.

~~80.~~**87.** A mid-term review is planned for two years from the start of the CSP and an independent CPE will be conducted in 2021 – year 4 of the five-year CSP period – by WFP's Office of Evaluation to inform the next CSP programming cycle, in line with the CSP Policy and the Evaluation Policy (2016–2021). In response to stakeholder demand and evidence and learning needs, two decentralized evaluations are planned for this CSP – covering unrestricted cash and nutrition-awareness activities – and will be conducted in 2019. Commensurate resources have been budgeted for this purpose.

~~81.~~**88.** As recommended by the CPE, WFP will work with the Ministry of Social Development on the monitoring of livelihood indicators, as part of the social safety net reform process.

5.2 Risk management

~~82.~~**89.** WFP will monitor contextual risks such as natural disasters, political instability and economic volatility with a view to planning mitigation measures adapted to the risk level.

Contextual risks

~~83.~~**90.** The following are the main contextual risks that may have impacts on the CSP:

- *Escalation of hostilities or armed conflict in the Gaza Strip.* An outbreak of violent armed conflict in **the Gaza Strip** between Israel and the *de facto* authorities in **the Gaza Strip** will jeopardize WFP's ability to support the severely food-insecure population, and will lead to a shift in resources to respond to the immediate needs of the affected population. This would have impacts on the security of WFP staff and cooperating partners, and hinder access. This risk will be mitigated through contingency plans whereby WFP supports affected beneficiaries in shelters and through the use of established inter-agency emergency operations. The CBT modality, including WFP's network of shops, provides flexibility to support affected populations with assistance.
- *Sudden-onset significant natural disasters.* Areas A, B and C in the West Bank are affected by natural disasters, including seasonal flooding and earthquakes. These have impacts on the livelihoods of affected populations and affect access. This risk will be mitigated through contingency planning, including coordination with the State of Palestine Civil Defence and the use of established operation centres.
- *Donor restrictions.* The risk remains that donor restrictions will have impacts on implementation of the CSP in terms of scope and transfer modalities. As reliance on a single donor has significant implications for the ability of WFP to implement the CSP in full, efforts to diversify the donor base will continue. Restrictions on geographical scope, available assistance and choice of cooperating partner will be taken into account when implementing the CSP throughout the five-year period. In the first year (2018), because of donor constraints, the in-kind modality will account for more than half of the assistance provided by WFP. There has been a downwards trend in funding for humanitarian and development activities ~~into~~ the State of Palestine.

Programmatic risks

~~84.~~**91.** The following are the main programmatic risks that may have impacts on the CSP:

- *Inability to demonstrate results.* As a result of the narrower targeting of beneficiaries, a lack of adequate long-term funding would affect the impact of WFP's assistance for severely food-insecure people. The underlying causes of food insecurity in the ~~State of Palestine~~ **West Bank and the Gaza Strip** – the occupation and lack of economic opportunities – will not be addressed through WFP's interventions. This risk will be mitigated by emphasizing the holistic nature of the humanitarian interventions ~~in the State of Palestine~~; and linking food security with efforts by the ~~Palestinian~~ **State of Palestine's** authorities and national and

international partners to address gaps in livelihoods, health, water and sanitation, and employment opportunities. Structural gender inequalities and discriminatory socio-cultural norms and practices present a risk to successful implementation. This can be mitigated by gender-transformative programming, capacity development in relation to gender, and partnerships with entities committed to gender equality. WFP will work with cooperating partners at the humanitarian–development nexus to maximize impact, linking humanitarian food security interventions to longer-term efforts by Palestinian authorities.

- *Competition among beneficiaries.* The shift in focus towards severely food-insecure beneficiaries will lead to increased scrutiny over targeting criteria, as some beneficiaries who were previously covered by the NSSN – to which WFP contributes – will no longer receive assistance. A failure to target the right beneficiaries would lead to lack of impact and to reputational loss. This risk will be mitigated by working with the Ministry of Social Development and the food security sector to ensure that the eligibility criteria are well-developed and communicated to all affected communities. WFP’s beneficiary feedback mechanism will be used for this purpose.

Institutional risks

85.92. The following are the main institutional risks that may have impacts on the CSP:

- *Diversion of resources.* The increased use of CBTs, including direct cash assistance, entails risks related to diversion of funds. The use of small-scale shops for vouchers involves the risk of collusion, and direct cash transfers that beneficiaries withdraw from bank machines may increase errors. The risk of diversion will be mitigated through stringent control mechanisms including real-time verification of e-voucher redemption in shops and at bank machines; regular monitoring; issuance of performance bonds for participating retailers; and the beneficiary feedback mechanism.

6. Resources for Results

6.1 Country portfolio budget²⁶

86.93. This CSP is based on a budget of USD 241.4 million over five years. Table 4 indicates the budget for each strategic outcome.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2018	2019	2020	2021	2022	
Strategic outcome 1	44 198 115	47 822 866	48 585 686	48 544 837	48 466 132	237 617 635
Strategic outcome 2	791 281	797 919	826 218	617 335	767 627	3 800 380
Total	44 989 395	48 620 784	49 411 904	49 162 172	49 233 760	241 418 015

6.2 Resourcing outlook

87.94. The State of Palestine has traditionally benefited from large flows of international aid and regularly featured among the 20 largest recipients of official development assistance (ODA). From 2000 to 2009, ODA increased by almost 500 percent, reaching a peak of nearly USD 3 billion in 2009, which corresponded to almost half of ~~Palestine~~ **the State of Palestine’s** GDP. However, there has been a decline in aid levels since 2013, and ODA reached a ten-year low in 2015. Despite the overall reduction in aid, the State of Palestine remains one of the world’s largest recipients of foreign aid on a per-capita basis (USD 580), and the Palestinian Authority has become increasingly dependent on donor assistance to fund its basic operations.

²⁶ WFP’s commitment of 15 percent of all project funds allocated to gender equality activities will be met.

- 88.95. Humanitarian assistance is a core component of ODA, accounting for 20–40 percent of aid flows. Over the last ten years, humanitarian ODA volumes have fluctuated, with peaks observed during the conflicts in **the Gaza Strip** in 2008, 2009, 2012 and 2014. They decreased by between 25 and 50 percent in the years following a conflict.
- 89.96. Humanitarian funding ~~in~~for the State of Palestine is decreasing. From 2009 to 2015, funding for the Humanitarian Response Plan, an annual inter-agency humanitarian appeal, met an average of 63 percent of annual requirements. In 2016, this coverage dropped to less than 50 percent – a decrease in funding of 30 percent compared with 2015. This has had a negative but relatively contained impact on WFP’s funding levels, which dropped by 13 percent compared with 2015.
- 90.97. The tighter ODA budgets of government partners, re-prioritization of resources towards other regional crises, and increased fragmentation of resources resulting from growing competition in an expanding humanitarian community are explanatory factors. WFP has nevertheless remained competitive, relying on a large base of longstanding donors and featuring among the largest recipients of humanitarian funds. WFP will strive to expand its donor base to reduce the risk of dependence on its largest donor.
- 91.98. The funding forecast for the CSP – USD 48 million per year – is based on the long-term support of traditional donors. It corresponds to the yearly average of funding received in 2014–2016 – barring the allocations directed to the 2014 **Gaza Strip** conflict response. This forecasted funding level will enable WFP to target and reach all severely food-insecure people and moderately food-insecure women-headed households in the ~~State of Palestine, and~~ **West Bank and the Gaza Strip, including the** Bedouin and herding communities in Area C of the West Bank.

6.3 Resource mobilization strategy

- 92.99. Delivery of this CSP will require sustained financial support to ensure the uninterrupted engagement needed to achieve the strategic outcomes.
- 93.100. To this end, and in a bid to mitigate the impact of other unforeseen reductions in humanitarian funding from its traditional and long-standing partners, WFP will continue its efforts to broaden its donor base, including by tapping into government development funding streams under the resilience pillar of the CSP – strategic outcome 2 – and by pursuing its successful advocacy with emerging donors and private-sector partners – mainly, but not exclusively, in the Middle East. In the event of a funding shortage, WFP will consider adapting its response by using the most cost-effective modality to deliver assistance, or prioritizing the most vulnerable people among the target groups – severely food-insecure and Bedouin populations – for food assistance. Should funding exceed projections, WFP will have the operational leverage to accommodate the Government’s request and provide assistance to all food-insecure Palestinians.

ANNEX I

LOGICAL FRAMEWORK FOR STATE OF PALESTINE COUNTRY STRATEGIC PLAN (JANUARY 2018–DECEMBER 2022)

Strategic Goal 1: Support countries to achieve zero hunger

Strategic Objective 1: End hunger by protecting access to food

Strategic Result 1: Everyone has access to food

Strategic outcome 1: Non-refugees, poor and severely food-insecure people ~~in the State of Palestine~~ (primarily in the Gaza Strip and Area C of the West Bank) have improved dietary diversity by 2022

Outcome category: nutrition-sensitive

Maintained/enhanced individual and household access to adequate food

Focus area: crisis response

Assumptions:

Political and security environments remain relatively stable. Beneficiaries will use cash saved from food/voucher assistance to buy other complementary, nutritious food items to supplement their diet

Outcome indicators

Consumption-based coping strategy index (average)

Food consumption score

Food consumption score – nutrition

RE

Activities and outputs

1. Provision of unconditional food assistance – including through CBT and in-kind modalities – and nutrition information to poor and food-insecure households (Unconditional resource transfers to support access to food)

Poor and severely food-insecure non-refugees receive diverse and nutritious food to improve their dietary diversity. (A: Resources transferred)

Targeted populations – men, women, boys and girls – receive information to raise nutrition awareness. (E: Advocacy and education provided)

Strategic Goal 2: Partner to support implementation of the SDGs

Strategic Objective 4: Support SDG implementation

Strategic Result 5: Developing countries have strengthened capacity to implement the SDGs

Strategic outcome 2: National State of Palestine institutions have enhanced capacities and systems to identify, target and assist food-insecure vulnerable populations in the State of Palestine by 2022

Outcome category:
Enhanced capacities of public- and private-sector institutions and systems, including local responders, to identify, target and assist food-insecure and nutritionally vulnerable populations

Focus area: resilience-building

Assumptions:

National institutions are engaged and willing to work. National institutions are willing to dedicate technical staff to actively participate.

Outcome indicators

Zero hunger capacity scorecard

Activities and outputs

2. Provision of technical support to national ministries and institutions for implementation of the food security strategy and NSSN reform (Institutional capacity strengthening activities)

Poor and severely food-insecure people benefit from improved capacity of national monitoring systems to monitor, analyse and build evidence on food insecurity and poverty (SDG 1) (C: Capacity development and technical support provided)

Poor and severely food-insecure people benefit from improved institutional capacity to implement a reformed NSSN that protects the income and assets of poor and vulnerable people (SDG 1, target 1.3) (C: Capacity development and technical support provided)

3. Provision of a CBT platform to multi-sectoral partners and Government (Service provision and platforms activities)

Poor and severely food-insecure people benefit from an improved delivery platform for CBTs and social protection, provided for partners to reduce poverty and food insecurity (SDG 1) (H: Shared services and platforms provided)

REVISION

Strategic Goal 1: Support countries to achieve zero hunger**C.1 Affected populations are able to hold WFP and partners accountable for meeting their hunger needs in a manner that reflects their views and preferences****Cross-Cutting Indicators**

C.1.1. Proportion of assisted people informed about the programme (who is included, what people will receive, length of assistance)

C.1.2. Proportion of project activities for which beneficiary feedback is documented, analysed and integrated into programme improvements

C.2 Affected populations are able to benefit from WFP programmes in a manner that ensures and promotes their safety, dignity and integrity**Cross-cutting indicators**

C.2.1. Proportion of targeted people accessing assistance without protection challenges

C.3 Improved gender equality and women's empowerment among WFP-assisted population**Cross-cutting indicators**

C.3.1. Proportion of households where women, men, or both women and men make decisions on the use of food/cash/vouchers, disaggregated by transfer modality

C.3.2. Proportion of food assistance decision-making entity – committees, boards, teams, etc. – members who are women

C.3.3. Type of transfer (food, cash, voucher, no compensation) received by participants in WFP activities, disaggregated by sex and type of activity

C.4 Targeted communities benefit from WFP programmes in a manner that does not harm the environment**Cross-cutting indicators**

C.4.1. Proportion of activities for which environmental risks have been screened and, as required, mitigation actions identified



ANNEX II

INDICATIVE COST BREAKDOWN BY STRATEGIC OUTCOME <i>(USD)</i>			
	Strategic Result 1, SDG target 2.1	Strategic Result 5, SDG target 17.9	Total
	Strategic outcome 1	Strategic outcome 2	
Transfer	191 762 694	2 485 270	194 247 964
Implementation	16 046 820	839 136	16 885 956
Adjusted direct support costs	14 263 042	227 351	14 490 393
Subtotal	222 072 556	3 551 757	225 624 313
Indirect support costs (7.0 percent)	15 545 079	248 623	15 793 702
Total	237 617 635	3 800 380	241 418 015

Acronyms used in the document

CBT	cash-based transfer
COMET	country office tool for managing effectively
CPE	country portfolio evaluation
CSP	country strategic plan
GDP	gross domestic product
M&E	monitoring and evaluation
NGO	non-governmental organization
NIS	New Israeli Shekel
NPA	National Policy Agenda
NSSN	national social safety net
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
ODA	official development assistance
SDG	Sustainable Development Goal
SDSS	Social Development Sector Strategy
UNDAF	United Nations Development Assistance Framework
UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
WHO	World Health Organization