

BUDGET INCREASE TO EMERGENCY OPERATION - SYRIA 200040 (BUDGET REVISION 3)

Assistance to Iraqi Refugees in Syria

	Current budget	Increase (US dollars)	Revised budget
Food cost	33,530,210	3,306,000	36,836,210
External transport	2,774,436	-	2,774,436
LTSH	1,412,532	-	1,412,532
ODOC	593,085	-	593,085
DSC	4,016,242	-	4,016,242
ISC (7.0 percent)	2,962,855	231,420	3,194,275
Total cost to WFP	45,289,360	3,537,420	48,826,780

NATURE OF THE INCREASE

1. This budget revision proposes a three-month extension-in-time of emergency operation (EMOP) 200040 "Assistance to Iraqi Refugees in Syria" to March 2012. In view of limited funding, WFP and the Office of the High Commissioner for Refugees (UNHCR) have agreed that from March, refugees that continue to require food assistance will be supported through UNHCRs cash transfer programme. This time frame may be revised due to new contributions and/or changed conditions in Syria.
2. The budget revision includes an increase in voucher transfer value of US\$3.3 million, representing the requirements for the first cycle of distributions in 2012, for a decreased number of beneficiaries (from the current 97,300 to 95,000 refugees).
3. The associated costs to cover the three-month extension in 2012 - including other direct operational costs (ODOC) of US\$70,000 and direct support costs (DSC) of US\$488,000 - can be covered from existing ODOC and DSC in the budget.

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of Existing Project Activities

4. The Syrian Arab Republic continues to host refugees from Iraq, Palestine, and other countries. These refugees are dependent on external support, including remittances. Starting in May 2010, WFP has been providing food assistance for up to 150,000 Iraqi refugees residing in Syria under this EMOP. WFP aims to provide adequate food assistance to the most vulnerable



refugee groups while strengthening local capacities. The EMOP is aligned with WFP Strategic Objective 1 “Save lives and protect the livelihoods in emergencies”, specifically the goal “to reach refugees, IDPs and other vulnerable groups and communities whose food and nutrition security has been adversely affected by shocks” and WFP Strategic Objective 5 “Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase”.

5. Many of the Iraqi refugees are vulnerable as a result of their protracted displacement, the erosion of their means of subsistence, and reduced remittances. This situation is compounded by an increase in food prices and other commodity prices on the local markets, consequently reducing access to food by refugees with limited means to increase their income.
6. UNHCR conducts regular verification exercises prior to each distribution cycle. A downward trend has been observed in the number of verified households and the number of refugees who redeem their vouchers during the distribution cycle. Hence, UNHCR estimates that the number of assisted refugees is expected to decrease from the current level of 97,300 to 95,000 by January 2012.
7. Food assistance has been distributed using two modalities, in-kind food distribution and the electronic voucher system (EVS), and is implemented in collaboration with UNHCR, the Syrian Arab Red Crescent (SARC) and the widespread network of government-run shops of the General Establishment for Storing and Marketing of Agricultural and Animal Products (GESMAAP). In-kind food distribution has been progressively phased out and was completed during the September-October 2011 cycle. From the November-December 2011 cycle, all beneficiaries are included under the EVS.

Basic operational modality of the EVS:

8. At the beginning of each distribution cycle, UNHCR conducts a verification exercise for all refugees in all governorates and sends WFP updated lists of beneficiaries: WFP updates the EVS database accordingly. Each verified household receives a verification bar-coded sheet from UNHCR followed by an automated Short Message Service (SMS) message from WFP containing a Personal Identification Number (PIN), the voucher value entitlement, and the cycle duration.
9. With the verification sheet and voucher SMS, beneficiaries may collect their food entitlements at any participating GESMAAP point of sale (POS), where the shop attendant or cashier will have access to the beneficiaries’ electronic files (saved at WFP’s central server), reconfirm entitlements, and allow beneficiaries to select and purchase their food. The shop attendant will then register the food chosen and purchased by the beneficiaries and the entered data will promptly reconcile with the WFP central server.
10. Upon receipt of partial or entire entitlement, the beneficiary receives an automated SMS message indicating the remaining balance of entitlement (if any) and a new PIN for the next transaction.
11. All electronic transactions are available “live” and “on-line” to WFP programme officers for monitoring, reporting and management purposes.
12. The monetary value of the voucher is calculated on the basis of the local market value of the food at GESMAAP stores. This value is reviewed every cycle of two months and revised as



needed. Adjustments may affect the overall cost of the voucher component. GESMAAP's fixed price list is jointly reviewed prior to each cycle, reflecting the local market price changes.

13. A "hotline" help desk is established and operated by WFP to receive enquiries or complaints from participating beneficiaries on a range of issues such as food quality, quantity, prices, shop condition and traders' treatment of beneficiaries, including any protection and gender-related issues.
14. The EVS has proven to be an innovative and effective transfer modality. Beneficiaries, especially women and children, favour the voucher system over the in-kind food distributions, as it allows them to access a larger choice of food items. Beneficiaries can redeem any quantity of a combination of up to 19 food items within the given voucher value. Monitoring indicates that women are the decision-makers within the household for items purchased. The EVS stimulates the local market and community through the decentralized procurement of food items and services, and also stimulates employment of staff in supply and distribution chains. The overall cost of the voucher-exchanged commodity is lower than the cost in other commercial stores.
15. The system is flexible and adaptable. It has allowed WFP to overcome logistics and access constraints through the use of GESMAAP's locally available stocks. Moreover, it has been possible to adjust the EVS to operate in "off-line" mode, allowing access to the database and processing of transactions at all times. This has proven to be important during the current crisis, with frequent power cuts and non-availability of the internet.
16. Monitoring of the EVS is performed jointly by WFP staff and SARC volunteers at the POS. Regular post-distribution monitoring is carried out by WFP teams in Damascus and sub-offices, based on developed and tested questionnaires addressing the indicators included in the results framework (see Annex II).

Conclusion and recommendation of the re-assessment

17. Syria is in the midst of a crisis. It is facing an increasingly restrictive sanctions regime, which combined with the social disturbances leads to higher prices for food and other commodities. The economic impact of the sanctions, the unrest in the country and the generally poor economic conditions are leading to losses of jobs, investment and income. These conditions represent a particular challenge for the Iraqi refugees. Most of the remaining refugees are unable to return to their places of origin in Iraq due to insecurity there; with the withdrawal of United States' forces by the end of 2011, insecurity in those areas may worsen and make returns even less likely.
18. While formal re-assessments have not been possible due to insecurity,¹ monitoring of the on-going EMOP clearly shows a continued need to support refugees with food assistance. WFP's monitoring indicates that the main source of food for over 62 percent of households, including protein, comes from WFP rations. To further enrich their diet, households spend 34 percent of their income to buy additional food items. Refugees resort to consuming cheaper food items and limiting meal portions to survive until the next distribution. WFP will continue

¹ Due to current insecurity, UNHCR and WFP agreed to postpone the Joint Assessment Mission (JAM) planned for 2011 pending Government counterpart authorization. The current activities and this revision are based on the latest JAM of September 2009.



to monitor the food security situation of the refugees through focus group discussions conducted jointly with UNHCR.

19. In view of expected funding sources for refugee operations, and based on the continued need of food assistance by the Iraqi refugees, UNHCR and WFP have agreed that, from March 2012, the refugees that continue to require food assistance will be supported through UNHCR's cash transfer programme, which operates through Automated Teller Machine (ATM) cards. The transfer date may shift further depending on resources available.
20. For the January/February 2012 distribution cycle, the number of beneficiaries will decrease from 97,300 to 95,000 based on UNHCR's verification exercise and updated registration data of the refugees who continue to live in Syria.

Purpose of Extension and Budget Increase

21. The extension-in-time until 31 March 2012 will cover the EVS January-February 2012 distribution cycle for refugees and one month (March) for post-distribution monitoring and for finalizing the hand-over of the remaining beneficiaries to UNHCR.

TABLE 1: BENEFICIARIES		
	Sept-Dec 2011	Jan-Feb 2012
TOTAL (EVS distribution)	97,300	95,000

22. The daily voucher transfer will be adjusted for the January-February distribution cycle to the level shown in table 2 below.

TABLE 2: REVISED VOUCHER TRANSFER	
Voucher (US\$/person/day)	US\$0.58
Number of feeding days per month	30 days

Hazard and Risk Assessment

Contextual Risks:

23. With continued crackdowns on protestors, internal conflict and serious interruption of public services, there is a risk that the current unrest develops into a civil war.
24. The effect of international sanctions, insecurity and the deterioration of the economy will limit imports, including food and fuel, increasing the risk of further disturbances. Reduced



commercial imports and constraints in movement of both people and goods will affect food availability and access. Weakening of the exchange rate of Syrian Pounds versus other major currencies and increasing prices in the commercial market affect the population in general and increase the vulnerability of refugees.

25. The continued military action and prolonged conflict, along with limited access in some parts of the country, may limit WFP's partners from providing food assistance in a timely manner. WFP will monitor closely and work with cooperating partners to ensure access to refugees. Furthermore, the provision of assistance through EVS will remain possible through an "off-line" mode of implementation, for those periods and locations when there is no telecommunication connectivity or electricity. The EVS has enabled refugees to access their entitlement from GESMAAP at different locations and governorates as and when needed. A recent high-level United Nations humanitarian mission was given assurances by the Government that there would be no restriction of movement for United Nations staff when monitoring the implementation of humanitarian activities.
26. The withdrawal of United States' troops from Iraq might lead to renewed unrest in Iraq in 2012 and, as a result, new refugees may try to cross into Syria. WFP, with UNHCR, will monitor the situation and develop appropriate plans to respond to increased needs as required.

Programmatic Risks:

27. The distribution through GESMAAP continues to be viable for the EVS: a recent (November 2011) review indicates that the supply chain and financial capacity remains adequate. However, to ensure continued assistance to beneficiaries if further deterioration in security affects the EVS modality, WFP will consider reverting to in-kind food distribution. To this end, WFP has pre-positioned food stocks in some governorates under EMOP 200339, which can be borrowed to assist the refugees if necessary.
28. WFP will continue to monitor the food security of the refugees and develop a contingency plan for further assistance in case UNHCR's ATM cash assistance is disrupted or access is affected for other reasons.
29. A lack of funds to cover the food needs of the refugees remains a risk. WFP will continue to jointly advocate with UNHCR with the donor community to raise resources.

Institutional Risks:

30. In the event of a serious deterioration of the conflict, the United Nations may need to reduce the number of international staff in Syria. WFP is developing plans for working remotely for those staff that cannot stay in country, through direct "on-line" and telecommunication access to reports, beneficiaries and counterparts.



REQUIREMENTS

31. The revised food and voucher requirements are outlined in table 3 below and further detailed in Annex 1-A:

TABLE 3: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY				
		Food requirements (mt) Cash/voucher (US\$)		
Activity	Commodity, Cash or Voucher	Current	Increase	Revised total
GFD	Food transfers	20,374 mt*	-	20,374 mt
GFD	Voucher transfers	US\$19,938,732	US\$3,306,000	US\$23,244,732
* The in-kind distribution under this EMOP was completed with the September/October 2011 distribution cycle.				

RECOMMENDATION

The Executive Director of WFP and the Director-General of Food and Agriculture Organization of the United Nations are requested to approve this extension-in-time and budget increase to EMOP 200040 “Assistance to Iraqi Refugees in Syria”, at a total cost of US\$3.5 million.

APPROVAL

 Josette Sheeran
 Executive Director
 United Nations World Food Programme

 José Graziano da Silva
 Director-General
 Food and Agriculture Organization of
 the United Nations

Date:

Date:



ANNEX I-A

BUDGET INCREASE COST BREAKDOWN

Food ²	Quantity (mt)	Value (US\$)	Value (US\$)
Cereals	-	-	
Pulses	-	-	
Oil and fats	-	-	
Mixed and blended food	-	-	
Others	-	-	
Total food	-	-	
Cash transfers		-	
Voucher transfers		3,306,000	
Subtotal food and transfers			
			3,306,000
External transport			-
Landside transport, storage and handling			-
Other direct operational costs			-
Direct support costs ³ (see Annex I-B)			-
Total WFP direct costs			3,306,000
Indirect support costs (7.0 percent) ⁴			231,420
TOTAL WFP COSTS			3,537,420

² This is a notional food basket for budgeting and approval. The contents may vary.

³ Indicative figure for information purposes. The direct support costs allotment is reviewed annually.

⁴ The indirect support cost rate may be amended by the Board during the project.



ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and staff-related costs	
International professional staff	11,562
International general service staff	-
Local staff - national officers	(20,190)
Local staff - general service	(23,142)
Local staff - temporary assistance	(3,790)
Local staff – overtime	8,288
Hazard pay and hardship allowance	-
International consultants	2,000
Local consultants	-
United Nations volunteers	-
Commercial consultancy services	-
Staff duty travel	20,074
Subtotal	(5198)
Recurring expenses	
Rental of facility	(10,474)
Utilities	(4,250)
Office supplies and other consumables	(7,700)
Communications services	(12,375)
Equipment repair and maintenance	(888)
Vehicle running costs and maintenance	(3,200)
Office set-up and repairs	62,000
United Nations organization services	6,450
Subtotal	29,564
Equipment and capital costs	
Vehicle leasing	(28,288)
Communications equipment	(21,719)
Local security costs	25,641
Subtotal	(24,366)
TOTAL DIRECT SUPPORT COSTS	0



ANNEX II - LOGICAL FRAMEWORK EMOP 200040 “ASSISTANCE TO IRAQI REFUGEES IN SYRIA”

STRATEGIC OBJECTIVE 1: SAVE LIVES AND PROTECT LIVELIHOODS IN EMERGENCIES Goal: To reach refugees, IDPs and other vulnerable groups and communities whose food and nutrition security has been adversely affected by shocks” Impact: Contribution to Millennium Development Goal 1, Eradicate Extreme Poverty & Hunger, Specifically Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger		
Result	Indicator	Project target and data source
Outcome: Improved food consumption over assistance period for target households	➤ Household food consumption score	Target: Food consumption score exceeded 28 for target households Source: monitoring data
Output: Vouchers distributed in sufficient quantity to target groups of women, men, girls and boys under secure conditions.	<ul style="list-style-type: none"> ➤ Number of women, men, girls and boys receiving voucher food by category and as % of planned. ➤ Total amount of voucher transferred to beneficiaries, as % of planned. 	
STRATEGIC OBJECTIVE 5: STRENGTHEN THE CAPACITIES OF COUNTRIES TO REDUCE HUNGER, INCLUDING THROUGH HAND-OVER STRATEGIES AND LOCAL PURCHASE Goal: To strengthen the capacities of countries to design, manage and implement tools, policies and programmes to predict and reduce hunger Impact: Contribution to Millennium Development Goal 1, Eradicate Extreme Poverty & Hunger, Specifically Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger		
Outcome	Indicator	Project target and data source
Outcome: Increased marketing opportunities at national level with cost effective WFP local purchases	➤ Food purchased locally, as percentage of food distributed in-country	Target: Percent increase in food purchased locally and cost effectively Source: Monitoring data and cost-effectiveness analysis
Output: Capacity and awareness developed through WFP-led activities	<ul style="list-style-type: none"> ➤ Number of people trained in implementation procedures and practices, (national partner staff) ➤ WFP expenditures for technical assistance to strengthen national capacity (US\$) 	



ANNEX III - LIST OF ACRONYMS USED IN THE DOCUMENT

DSC	direct support costs
EMOP	emergency operation
EVS	electronic voucher system
FAO	Food and Agriculture Organization of the United Nations
GESMAAP	General Establishment for Storing and Marketing of Agricultural and Animal Products
GFD	general food distribution
ISC	indirect support costs
JAM	joint assessment mission
LTSH	landside transport, storage and handling
ODOC	other direct operational costs
POS	Point(s) of Sale
SARC	Syrian Arab Red Crescent
UNHCR	Office of the United Nations High Commissioner for Refugees
WFP	United Nations World Food Programme

ANNEX IV – MAP

