

NORTH AFRICA REGIONAL EMERGENCY OPERATION 200257

B/R No.: 07

BUDGET REVISION FOR THE APPROVAL OF REGIONAL DIRECTOR

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<u>ORIGINATOR</u>				
Country Office or Regional Bureau on behalf of Country Office
<u>CLEARANCE</u>				
Project Budget & Programming Officer, RMBP
Chief, RMBP
Chief, ODLT (change in LTSH and/or External Transport)
<u>APPROVAL</u>				
<input checked="" type="checkbox"/> Regional Director

PROJECT: North Africa Regional EMOP 200257			
Start date: 01 Mar. 2011 End date: 30 Apr. 2012 Extension period: 5 Months New end date: 30 Sep. 2012			
	Previous Budget	Revision	New Budget
	US\$	US\$	US\$
Food cost	72,610,523	622,536	73,233,059
External transport	6,403,940	-	6,403,940
LTSH	10,037,148	-	10,037,148
ODOC	6,623,889	(333,914)	6,289,975
DSC	17,148,260	633,292	17,781,552
ISC (7%)	7,897,664	64,534	7,962,198
Total WFP cost (US\$)	120,721,425	986,447	121,707,872

TYPE OF REVISION

- | | | | |
|--|---|--|--|
| <input checked="" type="checkbox"/> Additional commodity | <input checked="" type="checkbox"/> Additional DSC | <input checked="" type="checkbox"/> Reduced ODOC | <input type="checkbox"/> Additional LTSH |
| <input type="checkbox"/> Additional external transport | <input checked="" type="checkbox"/> Extension in time | | <input type="checkbox"/> Other |

NATURE OF THE INCREASE

1. The regional project now includes two main components – Libya and Tunisia, for which the budget is being revised as follows.
2. This budget revision proposes a five-month extension-in-time of the **Libya** part of the regional operation, from May to September 2012, to allow for continued assistance. The following changes are being proposed:
 - a. A reduction of the overall number of beneficiaries assisted from current 325,000 to 120,000; and a reduction of those supported with vouchers from 125,000 to 120,000 up to end-July 2012;
 - b. The general food distribution was scaled down and phased out: there is no food distribution planned for the extension in time;
 - c. Budgets increase of the overall voucher value of US\$ 2,092,536 and extension of this activity up to July 2012.
 - d. The planned DSC budget increase of US\$ 957,074 represents the needs for the continuation of activities over the extended period, including the anticipated costs for two additional months after the last voucher distribution, August and September 2012, to cover the hand-over period.
 - e. The ODOC budget has been decreased by US\$ (255,475).
3. The extension-in-time will realign the activities being implemented under the EMOP, with the plans being made by the national counterparts, including the gradual pace of stabilization in the country, and the reform of social services and programmes.
4. The BR is also changing the budget plan of the **Tunisia** part of the regional EMOP as 2012 activities have not been implemented as planned. The BR includes:
 - a. The cancelling of the 2012 cash activity in support to the Libyan refugees in Tunisia. As the conflict terminated, the refugees returned to their country and the cash support was never implemented. The budget decrease includes a reduction of cash value of US\$1,470,000, ODOC of US\$78,439, DSC of US\$323,782 and ISC US\$131,055.

JUSTIFICATION FOR EXTENSION-IN-TIME AND/OR BUDGET INCREASE

Summary of existing project activities

5. The regional North Africa Emergency Operation, EMOP 200257, aims at saving lives in emergencies, reducing food insecurity and stabilizing the nutritional status of residents, IDPs, returnees, refugees and other conflict-affected people and vulnerable groups. The EMOP addresses WFP Strategic Objective 1 and 5, including providing technical support for the public food subsidy system in Libya, and capacity development in terms of vulnerability assessment and targeting, food security and safety nets reform.

6. As humanitarian needs have evolved in Libya and neighbouring countries since the conflict started in February 2011, WFP has distributed over 40,000 mt of food, reaching over 1.92 million people. A series of assessments were conducted in 2011¹.
7. In Libya, WFP has distributed over 30,000 mt to over 1.45 million people through general food distributions, and more than 1,000 families have received vouchers.
8. Over two million cooked meals have been provided to fleeing third country nationals (TCNs) in Tunisia and Egypt.
9. In Tunisia, through the Union Tunisienne de Solidarité Sociale, WFP reached 125,905 Tunisian returning migrant workers and other vulnerable households between May and 31 December 2011. In addition, more than 41,000 Libyan refugees have been hosted by Tunisian communities in five southern regions; WFP, together with UNHCR, responded by providing food for eight months. WFP closed its operations in southern Tunisia by the end of February 2012. Remaining food was handed over to UNHCR, to continue with distributions to around 4,000 refugees and asylum-seekers in Shousha refugee camp and southern Tunisia.
10. In Egypt, Food for Training (FFT) activities ended in December 2011. Food for Training was provided to 61,399 participants (306,955 beneficiaries) consisting of 5,261 metric tons of mixed food commodities.
11. In Libya, WFP food commodities continue to be distributed to IDPs, returnees, TCNs and vulnerable people in many conflict-affected areas, like Misrata, Sirte, Tripoli, Bani Walid and Benghazi. While dispatches to areas still experiencing unrest, like Bani Walid, Kufra, and the South, were hindered by security constraints, food was delivered by placing risk-mitigating measures. A mission to the Nafusa Mountains, in December 2011, called for continued assistance to a limited number of the most vulnerable people, including those with low income, those who lost assets and sources of income such as livestock and businesses, displaced families and those who lost breadwinners in the conflict. Some 200,000 people continue to be assisted with in kind food by WFP across the country in March and April 2012.
12. Since February 2012, a pilot voucher programme has been implemented in Benghazi; targeted beneficiaries can use WFP vouchers in local markets to acquire food commodities and other essentials items. The project aims to assist the vulnerable, and also stimulates local businesses and economy. The gradual shifting of beneficiaries assisted through in-kind to vouchers depends on feasibility of beneficiaries' registration and identification prior to the distribution to allow for personalized voucher's printing and tracking, as well as market functionality and partners readiness to implement the project using this modality.

Conclusion and recommendation of the re-assessment

13. In Libya, while food remains generally available in markets, access issues continue to threaten the food security of some vulnerable populations. Liquidity remains problematic and some government salaries are still not being paid while private sector is not yet fully operational. The lack of cash, coupled with higher food prices, remains a concern for vulnerable families to purchase food required in stores. The delayed payment of salaries in different sectors is also contributing to the overall security situation in the country, as armed groups have occasionally demonstrated for the release of salaries.

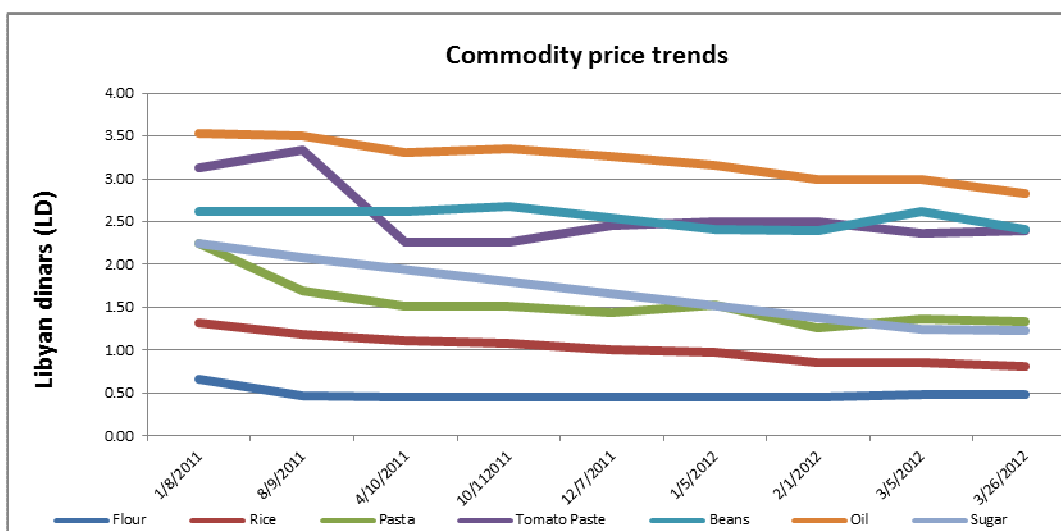
¹ Food Security in Libya – An Overview April 2011

Emergency Market Mapping and Analysis – Report on Wheat Flour and Tomato Market Systems June 2011

Emergency Food Security Assessment – Eastern Libya June 2011

Rapid Markets Assessment – Eastern Libya Aug 2011

14. WFP has been collecting local market prices for key staples and the food basket in both Tripoli and Benghazi. As a result, it has been verified that all basic commodities are readily available in the market and prices have decreased following the end of the conflict, but still remain higher compared to the pre-crisis level. The price of bread has been fixed at a subsidized rate of around LYD 0.5 since September 2011.



15. In April 2012, WFP will undertake a review of the pilot programme using vouchers in Benghazi, analysing the results of two cycles of distribution during February and March 2012. Due to the short timeline during the activity's implementation, the review will examine the efficiency and effectiveness of delivery modality rather than the outcome. However, the primary results of process and post distribution monitoring indicate that beneficiaries were satisfied with the choice and quality of food and non-food items offered by shops, as well as prices and services when compared to other shops. There is a room for improvement, especially in terms of shops' reimbursement process and partners' capacity to manage the intervention using vouchers.
16. During the transitional period in Libya, food and other issues continue to threaten stability. The limited liquidity and high food prices continue to prevent vulnerable families from accessing sufficient food in markets. The return of IDPs to Sirte, Beni Walid and other conflict areas is considered slow due to security concerns and widespread damages. Little progress has been achieved with national reconciliation to resolve the Thawerga displacement issue; the expectations are for medium- or even long-lasting IDP caseloads.
17. Prior to the start of vouchers distribution, WFP undertook a verification exercise. About 222 families were randomly selected from the targeted caseload and interviewed. Results of the Food Consumption Score analysis revealed that about 5% of the surveyed HH fall in the category of poor food consumption, while 19% are borderline. Most of the households falling into poor consumption category have 3-4 mostly staple food commodities consumed and this is by itself a sign of a poor diet.

Purpose of extension and/or budget increase

18. The government continues to provide support to the vulnerable through the sales of subsidized food and direct social welfare support, in addition to some other direct cash assistance

complementary programmes. However, some people are still not receiving adequate support that will ensure stable food security. Accordingly WFP, in coordination with its partners is targeting those beneficiaries and hence complementing the government existing safety nets.

19. The voucher activity was planned for three months (January to March 2012) in support of 125,000 people per month, in Benghazi.
20. The start up of the voucher pilot was delayed and therefore, the project budget planning start date is shifted from January to February 2012. WFP's provision of assistance using vouchers started gradually in Benghazi, with a reduced caseload of 30,000 beneficiaries and is planned to increase throughout the country (Tripoli, Sirte, Sabha and possibly other areas where market conditions permit) up to 90,000 in April and 120,000 for May to July.
21. This gradual increase is to ensure the smooth implementation and close monitoring of any risk indicators and an expansion within partners' capacities, while building upon the experience of this new modality. The scale-up has also taken into consideration the availability of food stocks in the country and the ongoing distribution of food until the end of April 2012. The planned geographical expansion will be using the same gradual increase methodology in support of vulnerable groups who were previously receiving in-kind food assistance.
22. Vouchers will completely replace all in-kind food distributions by May 2012, and support a reduced overall caseload for the extended period. Details of the planned shift from in-kind food to vouchers and gradual decrease in caseload are listed below:

	IK	C&V	TOTAL
January-12	200,000	-	200,000
February-12	170,000	30,000	200,000
March-12	155,000	45,000	200,000
April-12	45,000	90,000	135,000
May-12	-	120,000	120,000
June-12	-	120,000	120,000
July-12	-	120,000	120,000

23. The activities in Tripoli will be based on the same targeting criteria as the one that has been used in Benghazi and the caseload will include the most vulnerable families and IDPs not receiving adequate income (both Zakat and MOSA set the poverty line to be below LYD 60 per person per month) or assistance from other sources. The project implementation will also take into consideration the existing variations in infrastructure, facilities, and social services available between those two major cities.
24. Subject to the approval of this budget revision, targeted beneficiaries in Tripoli will receive monthly vouchers valued at LYD 18 per beneficiary, which will be exchangeable at a pre-selected network of shops, as was the case in Benghazi. LibAid will continue to support the project in monitoring transactions at the shops, while LRC and Boy Scouts will support WFP in beneficiary selection and verification, post-distribution monitoring and beneficiary information and data management through a database designed specifically with the Regional Bureau for this purpose.

TABLE 1: BENEFICIARIES BY ACTIVITY [OR COMPONENT]

Activity	Category of beneficiaries	Current	Decrease	Revised
GFD (Jan to April 2012)	Returnees, IDPs and Urban por	200,000	0	200,000
Voucher (Jan to July 2012)	Returnees, IDPs and Urban por	125,000	5,000	120,000
TOTAL		125,000		120,000

TABLE 2. FOOD REQUIREMENTS BY ACTIVITY TYPE

	Cash and Voucher requirement (USD)		
Activity	Present	Increase	Revised
Voucher	USD 5,564,723	USD 2,092,536	USD 7,657,259
Total	USD 5,564,723	USD 2,092,536	USD 7,657,259

25. Over the last few months, the discussion between the Government and UN agencies has been focused on phasing out major humanitarian programming, as the transition to recovery and reconstruction programmes accelerate.
26. The Government's strategic plan has been shared recently with the international community. The immediate-term objectives of the plan call for a maximum benefit from technical programmes and assistance offered by the regional and international institutions, as well as investments of such assistance in favor of society. This will speed up the ongoing discussions with different governmental offices on a variety of areas for potential capacity development and technical assistance provided by WFP.
27. Currently the Government is prioritizing political reform, elections, and national reconciliation. Social services and safety nets supporting vulnerable populations, such as the food-insecure, require a continued external complementary support. While the country recovers over the coming months, WFP is working with other UN agencies to provide this support, through capacity building and hand over activities, while ensuring that WFP activities are imbedded within the existing government structure and are in line with its priority strategies.
28. Following consultation with different local partners, WFP aims to hand over the provision of food and voucher assistance to national organizations, including LibAid, National Zakat System and the Libyan Red Crescent (LRC), by the end of July 2012. The EMOP will support a sustainable hand-over of these activities until September 2012. To ensure this, WFP is supporting these national partners, and is taking advantage of the voucher distribution modality to build their capacities in many areas, including vulnerability analysis, beneficiary selection and targeting, food distribution, and operational matters. These established hand-over strategies will help improve their efficiency and institutional capacities.

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