

Regional Emergency Operation North Africa 200257
Food Assistance to Vulnerable Populations Affected by Conflict:
B/R No.: 10

PROJECT REVISION FOR THE APPROVAL OF:
➤ Deputy Executive Director and Chief Operating Officer

<u>ORIGINATOR</u>	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>ReasonFor Delay</u>
Regional Bureau on behalf of Country Office
 <u>CLEARANCE</u>				
Mr. Mohamed Diab Regional Director,
Ms. Michelle Barrett Project Budget and Programming Officer, RMBP
Mr. Laurent Bukera Chief, RMBP
Mr. Adrian van der Knaap Chief, OSLT
Mr. Finbarr Curran Director, RMB
Mr. Stanlake Samkange Director, OSZ
 <u>APPROVAL</u>				
Mr. Amir Abdulla Deputy Executive Director and COO

PROJECT: Regional EMOP 200257 (Libya)
Start date: 01-Mar-11 End date: 31-Dec-13 Extension/Reduction period: 6 months New end date: 30-Jun-14

<u>Cost (United States dollars)</u>			
	Current Budget	Increase	Revised Budget
Food and Related Costs	84,879,896	-	84,879,896
Cash and Vouchers and Related Costs	11,084,227	-	11,084,227
Capacity Development & Augmentation	-	727,283	727,283
DSC	18,620,776	(586,786)	18,033,990
ISC	8,020,943	9,835	8,030,778
Total cost to WFP	122,605,842	150,332	122,756,174

TYPE OF REVISION

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

DISTRIBUTION:

DED and COO	Regional Director	RB Programme Advisor
Chief, OSLT	Chief, OSZP, RMBP, OSZR, OSZC	RB Programme Assistant
Country Director	Programme Officer, RMBP	RB Chrono
OD Registry	Programming Assistant, RMBP	Liaison Officer, OM Cairo
PGG	RMB	

NATURE OF THE INCREASE

1. ***This Budget Revision to Regional Emergency Operation (EMOP) North Africa 200257 “Food Assistance to Vulnerable Populations Affected by Conflict” launched during the 2011/2012 emergency in Libya, will extend the operation in time from 31 December 2013 until 30 June 2014, without any adjustments to the operational activities.***
2. ***In line with WFP’s new financial framework, this budget revision reallocates US\$586,786 from direct support costs (DSC) to the Capacity Development and Augmentation component of the budget template.***

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of existing project activities

3. EMOP 200257 aims to save lives, reduce food insecurity and stabilize the nutritional status of residents, internally displaced persons, returnees, refugees and other conflict-affected people and vulnerable groups. It also provides technical support to the Libyan food subsidy regime and for food security and vulnerability assessment and targeting.
4. Budget Revision 9, approved in April 2013, extended the EMOP in time until 31 December 2013 and increased the budget by US\$897,970. It allowed the commencement of activities under WFP’s exit strategy, namely the provision of capacity development and technical support to allow the Government of Libya to review its social protection systems, in particular, sustainable food safety nets.

Conclusion and recommendation of the re-assessment

5. ***The WFP Regional Bureau undertook a number of missions from May to October 2013 to further define the parameters of the collaboration with Government counterparts, such as the Ministry of Planning (MoP) and the Ministry of Economy (MoE) as well as with other international development partners. During these missions, WFP was informed that a decision had been taken to shift from an in-kind food subsidy system to a system of universal cash transfers.***
6. ***The MoE expressed interest in receiving WFP support to conduct a survey to analyze dietary habits, as well as assistance in the areas of food safety, quality and fortification.***
7. ***In addition, the MoP stressed that to enable reforms to the food subsidy system, a thorough analysis and evidence-based policy would be required. The MoP favoured conducting the said analysis and holding more discussions before the transition to direct cash transfers. The MoP stressed the importance of WFP engagement in, and contribution to, this national effort.***
8. ***WFP’s expertise and analytical capacity was also sought by the Bureau of Statistics (BoS). In July 2013, WFP trained a number of BoS analysts in food security and policy impact analysis. As a result, the conclusion was reached that the elimination of the direct food subsidy regime could lead to a three-fold increase in food deprivation among Libyan households with the greatest impact being on the poorest 20 percent of the population. WFP and the BoS are planning to present the results of the joint WFP-Government analysis to the Committee overseeing the reform of the food subsidy regime.***

9. ***The results of the missions and analysis indicate that the Government requires sustained capacity development support from WFP to undertake an evidence-driven policy design and implementation process to reform food subsidies and transition to a more efficient and effective safety net against hunger and food insecurity.***
10. ***The extension in time requested through this Budget Revision will enable WFP to continue providing the Government with the necessary support. The implementation of the capacity development activities envisioned under WFP's exit strategy were delayed due to increasing security concerns and the need to adapt to Government timing.***
11. ***While WFP initially planned to follow up on the aforementioned discussions with a series of capacity development activities and assessments, it soon became evident that WFP needed to adjust to the Government's pace and invest in consolidating a relationship based on mutual trust. Reform processes are typically slow as governments consider the consequences of the different options as well as public reaction.***

Purpose of extension and budget increase

12. This Budget Revision will allow WFP to support the Government of Libya in the development of an evidence-based policy on the reform of the food subsidy regime. It will also support the Government in the design of a social safety net that will mitigate any negative effects of the elimination of the subsidy and which is responsive to the food security requirements of the Libyan population.
13. The orientation of activities will remain as previously planned. WFP will undertake a number of joint assessments and trainings with Government counterparts including the MoP, BoS and MoE to strengthen their capacity in evidence-based policy design. WFP will support the work of the committee responsible for the subsidy reform process and hold workshops with relevant stakeholders to present the conclusions of the joint WFP-Government analysis and WFP recommendations on food subsidy and safety net reform.

FOOD REQUIREMENTS

14. ***No direct food, cash, or voucher distributions will be carried out under the Budget Revision.***