

BUDGET REVISION 4 TO IRAQ EMERGENCY OPERATION 200677

Emergency Operation (EMOP): “Emergency Assistance to Populations Affected by the Iraq Crisis”

Start date: 1 April 2014 **End date:** 31 December 2015

Total revised number of beneficiaries	2,215,000		
Duration of entire project	1 April 2014 – 31 December 2015		
Extension/Reduction period	n.a		
Gender marker code	1		
WFP food tonnage	244,361		
Cost (United States dollars)			
	Current Budget	Increase	Revised Budget
Food and Related Costs	261,114,840	5,527,988	266,642,827
Cash and Vouchers and Related Costs	98,138,417	20,431,741	118,570,158
Capacity Development & Augmentation	-	-	-
DSC	32,813,818	2,168,600	34,982,418
ISC	27,444,695	1,968,983	29,413,678
Total cost to WFP	419,511,769	30,097,312	449,609,081

Additional table to be filled only if project is to be approved by EB

Cost (United States dollars)			
	Current Budget	Increase	Revised Budget
Food Transfer	187,550,682	3,265,555	190,816,237
C&V Transfer	89,478,400	18,574,310	108,052,710

NATURE OF THE INCREASE

1. This Budget Revision (BR) aligns WFP’s EMOP with the updated inter-agency Humanitarian Response Plan for Iraq, targeting 2,215,000 beneficiaries across the country for food assistance.
2. This Budget Revision covers additional requirements to:
 - Increase the number of beneficiaries from the current 1,827,900 per month to an approximate maximum of 2,215,000 (1,129,650 women/girls, 1,085,350 men/boys) due to continued displacement as a result of the conflict. The number of internally displaced persons (IDPs) continues to increase as the conflict intensifies, particularly in Anbar, Ninewa and Salah Al-Din governorates.
 - Transition 106,700 beneficiaries in Kerbela, Basra and Akre from food to voucher distributions.

- Assist approximately 13,500 children between 6-24 months through blanket distributions of Supercereal Plus in IDP camps.
 - Provide 23,600 children attending UNICEF-assisted primary schools in IDP camps with a daily nutritious snack.
 - Initiate food-assistance for asset (FFA) activities to support early recovery for 5,000 beneficiaries in areas and communities where return has been possible post conflict.
 - Strengthen monitoring capacity to meet additional requirements of a diversified portfolio.
3. Cost savings will be achieved through:
- A change in procurement strategy, through which commodities will be purchased as break bulk where possible, instead of the current family food parcels (FFPs).
 - A change in food basket for general food distributions (GFD) which will retain the nutritional value but make the ration more cost-effective.
 - Continuing efforts to link and harmonise food entitlements with the PDS, whereby WFP will seek to provide a complementary (rather than full) ration to PDS recipients.
- Specific changes under this BR will increase the budget by:
- | | |
|----------------------------------|-----------------|
| • Food costs | US\$ 3,265,555 |
| • External Transport / LTSH | US\$ 1,533,429 |
| • Other Direct Operational Costs | US\$ 729,003 |
| • Voucher transfer costs | US\$ 18,574,310 |
| • C&V related costs | US\$ 1,857,431 |
| • Direct Support Costs | US\$ 2,168,600 |
| • Indirect Support Costs | US\$ 1,968,983 |

JUSTIFICATION FOR BUDGET INCREASE

Summary of Existing Project Activities

4. The current EMOP was initially approved on 1 April 2014, and has undergone three budget revisions¹ to cater for increased and evolving needs. WFP provides life-saving food assistance to IDPs affected by conflict in Iraq through FFPs, immediate response rations (IRRs) and voucher transfers. These modalities aim to meet over 80 percent of daily energy requirements.
5. The increased number of people assisted under this BR addresses the increase in displacement since BR3 and WFP's improved access into Anbar governorate, currently hosting over 400,000 IDPs. Whilst pro-government forces made significant gains towards the end of 2014 and during 2015, many liberated areas remain insecure, with the remnants of conflict impeding the process of return.
6. Military operations are expected to continue in western and northern Iraq, as pro-government forces attempt to regain cities and territory captured by ISIL. The liberation of Mosul, Iraq's second largest city, is likely to cause further mass displacement.

¹ BR1 approved on 1 August 2014, BR2 approved on 19 September 2014, BR3 approved on 5 January 2015

7. The Operation is aligned with WFP's Strategic Objective 1. It aims to protect lives and livelihoods by addressing the urgent food needs of vulnerable women, men, girls and boys by assisting communities to strengthen their coping mechanisms, and by safeguarding the nutritional status of the most vulnerable groups. It also addresses Strategic Objective 2 in providing nutrition support to children 6-24 months living in camps, and provision of micronutrients to children in camp schools and FFA activities.

Conclusion and Recommendations of the Re-Assessment

8. Assessments completed by Food Security Cluster (FSC) partners, indicate that 4.4 million people across Iraq are in need of food assistance.² This includes IDPs, host communities, conflict-affected people, and returnees to recently liberated areas. Both availability of and access to food and agricultural inputs have been negatively affected by the conflict. Food consumption data show that food insecurity has increased across all governorates.³ Anbar, Duhok and Ninewa, which have large numbers of IDPs, have the highest rates of poor and borderline food consumption (20–33 percent), and the highest rate of negative coping mechanisms.
9. Provisional planning estimates from OCHA indicate that there are expected to be nearly 2.9 million IDPs nationwide by the end of May 2015.⁴ The FSC estimates that 75 percent of IDPs are food insecure and the most recent rapid food security assessments (RFSA)⁵ indicate that over 49 percent of surveyed IDPs state food assistance as their top priority.
10. According to the RFSA, it is estimated that female-headed households spend on average only half of what male-headed households spend on food, and are able to acquire, on average, only 769 kilocalories per person daily from their own resources, with the remainder acquired through other sources such as the host communities and humanitarian assistance.
11. Assessment data available from UNICEF indicates higher levels of chronic malnutrition in camps around Duhok and Sulaimaniyah than in Erbil.⁶ Additionally, micronutrient deficiencies, and in particular anaemia, suggest camp schools represent a viable platform for the delivery of tailored assistance to boost micronutrient intake.
12. Although WFP has not been implementing nutrition-specific activities thus far, WFP Iraq sees the importance of focusing on the '1000-days' and opted to initiate an integrated pilot prevention activity in IDP camps targeting children under 2 years old. The activity is expected to be expanded to pregnant and breastfeeding mothers at a later stage.
13. Progress towards harmonising WFP's distributions with rations distributed through the PDS has not developed as anticipated, and although significant advances have been achieved – notably in developing MOUs with PDS authorities in the KRI governorates – additional time is required to operationalise these relationships.

² Humanitarian Needs Overview, Food Security Chapter, Food Security Cluster Iraq, April 2015

Rapid Assessment of Agricultural Livelihoods, Ninewa, ACF/FAO, September 2014

Multi-cluster Needs assessment of IDPs outside of camps; REACH, February 2015

Rapid Food Security and Livelihoods Needs Assessments, Anbar, Kirkuk, Divala, Baghdad, WFP/FAO, February 2015

³ WFP mVAM, Bulletin 6, May 2015

⁴ Framing Note on Provisional Population Estimates (OCHA, March 2015)

⁵ Rapid Food Security and Livelihoods Needs Assessments, Anbar, Kirkuk, Divala, Baghdad, WFP/FAO, February 2015

⁶ Nutrition and mortality surveys among IDPs in Duhok, Erbil and Suleimaniyah Governorates; UNICEF September – November 2014

Purpose of Extension and Budget increase

14. WFP will target a total of 2,215,000 people under this BR amid continuing displacement, and a realistic assessment of the ability to access those affected. This will consist of:
 - 1,603,300 IDPs receiving regular monthly GFD through FFPs;
 - 606,700 IDPs receiving assistance through vouchers;
 - 13,500 children aged 6-24 months⁷ through blanket distributions of Supercereal Plus in IDP camps, to prevent chronic malnutrition;
 - 23,600 primary school children in UNICEF-supported schools in IDP camps benefitting from a daily nutritious snack in school to address micronutrient deficiencies;
 - 5,000 beneficiaries of FFA projects to support early recovery activities in areas of return.
15. The rapid response mechanism (RRM) will continue to target 500,000 people every three months through IRRs. This is considered sufficient to meet the current level of displacement. Assumptions on the number of IDPs and returnees under BR3 were considerably lower than those of the RRM, so an additional one million rations are now required under this revision to cover five months' requirement from August to December.
16. *Revision of Ration Composition and Entitlements:* The in-kind modalities (FFP and IRR) and market access tool (voucher) will continue to be used in parallel with the introduction of the Complementary Ration for beneficiaries transitioning to the PDS. Rations for in-kind modalities will be calculated based on a family size of five, while the voucher modality value will be calculated according to actual numbers of family members. When possible, food will be locally procured to support the local economy and encourage local supply chains.

The IRR parcel consists of “ready-to-eat foods” sufficient for three days, and weighs 8.82 kg. The parcel consists of culturally acceptable items providing 2,050 kcal per person, per day.

The FFP composition and transfer value are revised based on the following criteria:

- Increased cost effectiveness by removing bulgur, pasta and white beans to allow for break bulk purchases;
 - Beneficiary consultations, helping to identify food items considered less preferable;
 - FFPs will provide 1,755 kcal per person per day for one month which is more than 80 percent of the daily energy requirements, as populations have access to markets; albeit with depleting purchasing capacity. The ration is nutritionally balanced.
17. *Complementary Ration:* Five items (lentils, chickpeas, white beans, sugar and iodised salt) will be distributed to people who receive their main food entitlements from the PDS system. This ration will provide approximately 420 kcal to complement the PDS food basket. The ration is determined based on beneficiary feedback surveys conducted by WFP and partners.

⁷ Based on UNHCR's number.

TABLE 1: BENEFICIARIES BY ACTIVITY⁸

Activity [or Component]	Modality	Current			Increase / Decrease			Revised		
		Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
GFA	FFP in kind	625,418	702,482	1,327,900	134,946	140,454	275,400	760,364	842,936	1,603,300
	Vouchers	225,200	274,800	500,000	52,283	54,417	106,700	277,483	329,217	606,700
RRM	IRR in kind	321,500	348,500	670,000	490,000	510,000	1,000,000	811,500	858,500	1,670,000
Nutrition	In kind				6,615	6,885	13,500	6,615	6,885	13,500
School Feeding	In Kind				11,564	12,036	23,600	11,564	12,036	23,600
Food for Assets	Vouchers				2,450	2,550	5,000	2,450	2,550	5,000
TOTAL		850,618	977,282	1,827,900	189,679	197,421	387,100	1,040,297	1,174,703	2,215,000

18. *Vouchers*: as of November 2014, IDPs in urban and peri-urban areas of KRI currently assisted with FFP rations continue to be progressively shifted to the value voucher transfer modality. The revised transfer value is about US\$16 per person per month. The voucher transfer value is calculated using a pre-defined food basket and beneficiaries are free to purchase food according to their dietary and cultural preferences. The value of the voucher reflects a review of the actual purchasing patterns of beneficiaries, and the value of the food items. Beneficiaries who are transferred to the PDS system will receive a reduced voucher worth approximately US\$10 per person per month aligned with the Complementary Ration. Values will be adjusted in line with the fluctuations of food prices in the local market. The voucher modality continues to be implemented using a paper-based distribution mechanism, but WFP Iraq is exploring the option of electronic vouchers using the corporate SCOPE platform.

TABLE 2: REVISED DAILY FOOD RATION/TRANSFER BY ACTIVITY [OR COMPONENT]
(g/person/day)

	General Ration (FFPs)	PDS (Complementary Ration)	Immediate Response Ration	Nutrition	School Feeding (snack)	Food-assistance for Assets
	Revised	Unchanged	Unchanged	Revised	Revised	Revised
Wheat Flour	150					
Rice	140					
Lentils	40	33				
Vegetable Oil	30					
Dry chick peas	60	33				
White beans		17				

⁸ All demographic data for BR4 from the International Organisation for Migrations Displacement Tracking Index (April 2015) report.

Sugar	33	33	33.33			
Salt	5	5				
Canned meat			68			
Canned beans			80			
Canned chick peas			80			
Biscuits			106.67			
Crackers						
Tea			3.33			
Dates			80			
Tahini			26.67			
Halawa			26.67			
Nutritious snack					80	
Supercereal Plus				200		
Cash/voucher (US\$/person/month)	16	10				16
TOTAL	458	121		200		
Total kcal/day	1,755	420	2,048	787	360	
% kcal from protein	11.3	75	14.2	16.6	8	
% kcal from fat	19.3	6	22.7	23.2	12	
Number of feeding days per year or per month	30	30		180	20	30

			Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	
North	Percent		-	40%	60%	85%	100%	
	Persons assisted		-	530,800	796,020	1,127,695	1,327,000	
South	Percent		20%	40%	60%	85%	100%	
	Persons assisted		90,000	212,000	318,000	450,500	530,000	
Central		353,000 individuals remaining on full rations (due to insecurity and inaccessibility it is not foreseen that the PDS will resume)						

This approach is based on the following assumptions:

- The PDS will be operational in all but conflict affected areas, but may not cover all IDPs for some time and not all PDS commodities will always be available;
- Full transition to the PDS will be slower in the north due to a number of factors, including the greater numbers of IDPs;
- The degree to which IDPs will be able to complement their food baskets will remain relatively low and therefore WFP assistance will be required;
- There are no major secondary displacements;
- The timeline assumes a lag time for contracting/expanding capacity of PDS agents;
- Vouchers are considered in the KRI and expansion will be based on WFP's ability to monitor.

19. PDS Access for IDPs: Under the traditional PDS protocol, Iraqis could redeem their PDS rations at their place of residence only; therefore IDPs lost access to their entitlement. The Ministry of Displacement and Migration and the Ministry of Trade (MoT) have carried out a

re-registration process that should enable IDPs to access their PDS entitlements in their place of displacement. WFP has engaged with MoT in Baghdad and KRI to ensure that all IDPs are transferred to the PDS in their new locations. As IDPs are re-established in the system, WFP's assistance will shift to the provision of a complementary ration or a reduced voucher value.

20. Access to the full range of PDS commodities is currently limited; the most readily available items are wheat flour and vegetable oil.⁹ The limited PDS ration is linked to the limited purchasing capacity of the Government. WFP will put risk mitigation and control measures in place such as the establishment of a PDS pipeline to forecast pipeline breaks to take appropriate action, and facilitate agreements to ensure timely distribution of PDS and complementary rations to IDPs.
21. The situation for IDPs with respect to the PDS can roughly be divided into three regions, with a different food security strategy required for each:
 - In the Southern governorates, increasing numbers of registered IDPs are accessing the PDS system from their new location. As the overall number of IDPs in this area is relatively low, information confirmed during April indicated that many IDPs are already receiving PDS entitlements, allowing WFP to move more quickly towards the provision of a complementary ration.
 - Conflict affected areas in the Central governorates are currently not served by the PDS. WFP will continue to pursue ad-hoc and "opportunistic" distributions of FFPs, as access allows. Local NGOs with access to areas such as Kirkuk are already on standby with Field Level Agreements in place for the distribution of FFPs. Five international NGOs have joint agreements with WFP and UNICEF for immediate response to the conflict affected areas.
 - Within the KRI, re-establishing IDPs on the PDS is proving more problematic than in the South due to a number of factors, including the large numbers of IDPs who have crossed governorate borders to seek assistance.
22. WFP and MoT will jointly consider access issues for IDPs, and in particular vulnerable groups in camps and other locations, with respect to the limited numbers of Food Agents for IDPs envisaged in each district.
23. New Activities considered under this BR:

a. School Feeding in IDP camps

WFP will partner with UNICEF to target 23,600 children in Grades 1-6 attending schools in IDP camps (11,564 boys, 12,036 girls). Although fortified commodities are included in the IDP monthly food ration to the extent possible, there remains a lack of micronutrients in their diet. Under this activity, children in school will receive a nutritious snack to mitigate this deficit. WFP Iraq is exploring options based on the most-effective and micronutrient dense products available locally, and which are in line with the activity's nutrition objective.¹⁰

b. Provision of Specialised Nutritious Foods to Children 6-24 months in IDP camps

⁹ The complete PDS ration per person/month is the following: wheat flour (9kg), rice (3kg), vegetable oil (1l), sugar (2kg) and for children < 1 are entitled for 12,000 ID (for 3.6kg of infant feeding). This is equivalent to 1971Kcal.

¹⁰ It is a condition of the Iraqi Government that all commodities used in school feeding projects are sourced from within the country. Close collaboration with the Ministry of Education and the Ministry of Health will ensure Iraqi food quality and hygiene standards are met.

To support prevention of chronic malnutrition in IDP camps, WFP will provide a blanket distribution of Supercereal Plus to all children 6-24 months, who require greater nutrient intake for sustained growth at a critical stage of development. The planned number of children is based on available demographic data is 13,500 (6,615 boys, 6,885 girls). Distributions will take place in health posts and will be implemented through WFP's new and existing cooperating partners (CPs), whose staff will be trained and informed about the use of Supercereal Plus. Nutrition surveillance will be incorporated to help monitor any possible deterioration of the nutrition situation in the camps. WFP will work with UNICEF and CPs so that joint messages on exclusive breastfeeding, proper nutrition for young children, health and hygiene practices are promoted.

c. FFA in areas of return

Recognising that voluntary return has been possible for communities in some areas of Iraq, WFP will implement FFA activities targeting about 1,000 families (5,000 beneficiaries). These projects will be focused on areas such as Zummar and Diyala where return has been both possible and sustained, and activities will focus on rebuilding and rehabilitating community assets. Beneficiaries will be selected from lists of registered returnees, through a process of community discussions and using other targeting criteria currently under development. Payment will be based on an estimation of the monthly food gap, and take into account Iraqi wage rates. A market assessment and cost analysis for a voucher programme on this scale will be completed before implementation starts. WFP will explore possibilities of linkages to existing activities currently under implementation by FAO. Where possible, women will be targeted for involvement, particularly through FFA groups.

Targeting

24. Given the variable economic status among IDPs, WFP will explore options to introduce targeting to meet the needs of the most vulnerable IDP groups and minimize inclusion and exclusion errors. A food security assessment is being carried out by VAM in KRI to inform the targeting methods and approaches.

Performance monitoring

25. With the enhanced transfer modalities (increased voucher programme, complementary ration) and new programme activities (nutrition, school feeding and asset creation), the M&E system will be reviewed and strengthened through additional staffing and capacity-building of WFP and partner staff. Third party monitoring will continue in areas with no humanitarian access, with close follow-up to ensure high quality data for evidence-based performance monitoring and decision-making.

Shift in Procurement Strategy

26. All commodities in the FFP ration will be procured break bulk through international purchase, instead of in pre-packaged parcels. Experience from other WFP operations (e.g. Syria) indicate this is both a viable and cost-efficient approach. The new ration will be phased in following a practical approach based on the full utilisation of rations purchased under the previous procurement strategy. Consultations with CPs will also ensure they are properly prepared for the new distribution modalities.

Logistics

27. WFP leads the Logistics Cluster which provides, logistics information management, logistics mapping and temporary storage and emergency transport, as available, to all humanitarian partners working in the Iraq conflict.
28. In conflict-affected areas, WFP has established an informal network with its CPs and commercial transporters to negotiate and secure safe passage along insecure corridors. This network is especially useful to respond rapidly and discretely into areas experiencing conflict, or where IDPs are on the move. As the PDS resumes, WFP will share its logistics partner information with the Government, for ease of agent contracting and expansion.
29. Logistics has the recognised in-country capacity (warehousing, transportation and supply network) to scale up operations to meet a surge in demand. A stock of 're-deployable' Moveable Storage Units are available in-country for immediate positioning to support partners in the event of any increase in activities. WFP maintains lists of vetted suppliers and transporters available to humanitarian partners upon request for potential contracting, and recently updated the Iraq Logistics Capacity Assessment report, providing key information on logistical support in Iraq.

FOOD REQUIREMENTS

TABLE 4: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY				
Activity [or Component]	Commodity / Cash & voucher	Food requirements (mt) Cash/Voucher (US\$)		
		Current	Increase	Revised total
GFD	Food transfer	226,231	11,398	237,629
GFD	Voucher Transfer	\$89,478,400	\$17,870,310	\$107,348,710
IRR	Food Transfer	4,486	1,817	6,303
	Plumpy Doze	64	-	64
	A29	9	-	9
Nutrition	Super Cereal+	-	243	243
School Feeding	Food transfer	-	114	114
Food for Assets	Voucher Transfer	-	\$704,000	\$704,000
TOTAL (MT)		230,790	13,572	244,362
TOTAL (US\$)		\$89,478,400	\$18,574,310	\$108,052,710

Hazard / Risk Assessment and Preparedness Planning

30. WFP Iraq has drafted a contingency plan for the likely scenarios should the Iraqi Security Forces launch a successful offensive for the liberation of Mosul from ISIL control. Under this response plan, the needs of 1.2 million people affected by conflict would be considered, in addition to the current caseload.
31. The transition from WFP food assistance modalities to WFP complementing the PDS may be delayed past December 2015 if the Government is unable to implement and re-register IDPs on the PDS or if the PDS ration is incomplete. In this case, food and voucher requirements will increase. These additional requirements will be catered for in a subsequent BR should the situation warrant.
32. In June 2014, as the conflict approached Baghdad, and as per the UNDSS directive, most international and a number of national staff moved out of Baghdad and Kirkuk. Alternate

arrangements were made to work from Erbil, and these remain in place. The security situation in KRI is more permissive and allows for WFP Iraq to manage and coordinate the EMOP from Erbil. However, as the security situation in Baghdad allows, WFP is seeking to secure a larger staff footprint in the capital, while retaining a strong presence in Erbil to oversee northern operations in particular.

33. UN staff may travel in the KRI and under certain security restrictions in the disputed areas. Although some areas in Iraq continue to be declared “no-go” areas for UN staff, ‘self-supporting’ missions by WFP staff beyond the Baghdad Green Zone are now possible, facilitating access to some areas previously off-limits. Distributions are conducted in collaboration with partners in secure areas and by partners exclusively in insecure areas.

Approved by:

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Reviewed by: [name] Regional Bureau Support Unit (OMS)

ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
<i>Food Transfers</i>			
Cereals	17,625	5,737,035	
Pulses	18,014	15,786,350	
Oil and fats	2,609	2,765,540	
Mixed and blended food	357	375,030	
Others	(25,033)	-21,398,400	
Total Food Transfers	13,572	3,265,555	
External Transport		-	
LTSH		1,533,429	
ODOC Food		729,003	
Food and Related Costs			5,527,988
C&V Transfers		18,574,310	
C&V Related costs		1,857,431	
Cash and Vouchers and Related Costs			20,431,741
Capacity Development & Augmentation			-
<i>Direct Operational Costs</i>			25,959,729
Direct support costs (see Annex I-B)			2,168,600
Total Direct Project Costs			28,128,329
Indirect support costs (7,0 percent)			1,968,983
TOTAL WFP COSTS			30,097,312

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
WFP Staff and Staff-Related	
Professional staff	343,770
General service staff	249,300
Danger pay and local allowances	10,530
Subtotal	603,600
Recurring and Other	40,000
Capital Equipment	40,000
Security	-
Travel and transportation	1,285,000
Assessments, Evaluations and Monitoring	200,000
TOTAL DIRECT SUPPORT COSTS	2,168,600