

# BUDGET REVISION 06 TO IRAQ EMERGENCY OPERATION 200677

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

**Start date:** 01 April 2014 **End date:** 31 December 2015

**Extension period:** 12 months **New end date:** 31 December 2016

Total revised number of beneficiaries	2,215,000		
Duration of entire project	01 April 2014 – 31 December 2016		
Extension/reduction period	01 January 2016 – 31 December 2016		
Gender marker code	1		
WFP food tonnage	330,590		
Cost (United States dollars)			
	Current Budget	Increase	Revised Budget
Food and Related Costs	266,899,740	70,712,050	337,611,790
Cash and Vouchers and Related Costs	118,570,158	101,572,800	220,142,958
Capacity Development and Augmentation	-	-	-
DSC	34,982,418	20,640,934	55,623,352
ISC	29,431,662	13,504,805	42,936,467
Total Cost to WFP	449,883,977	206,430,589	656,314,566

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

<b>Cost (United States dollars)</b>			
	<b>Current Budget</b>	<b>Increase</b>	<b>Revised Budget</b>
Food Transfer	190,816,237	49,390,452	240,206,689
C&V Transfer	108,052,710	89,700,000	197,752,710

## NATURE OF THE INCREASE

1. This Budget Revision (BR06) seeks to extend in time the current operation for 12 months, caters for additional budgetary requirements (food and cash transfers to beneficiaries and associated costs) and aligns EMOP 200677 with the inter-agency Humanitarian Response Plan (HRP) for Iraq for 2016. As such, WFP will reach a maximum of 1.5 million beneficiaries throughout the country with via food, voucher or cash transfers on a monthly basis.
2. This BR covers additional requirements to:
  - Adjust the number of beneficiaries to approximately 1.5 million food insecure people per month (780,000 women/girls, 720,000 men/boys) affected by continued and protracted displacement. The number of internally displaced persons (IDPs), returnees and others in need of assistance is contingent on the evolution and intensity of the conflict, as well as the outcome of counter-offensives of the Iraqi Security Forces (particularly in Anbar, Ninewa and Salah al-Din governorates);

- Gradually transition beneficiaries in urban and peri-urban areas of the Kurdistan Region of Iraq (KRI), Baghdad, Kirkuk, Salah al-Din, Diyala, Najaf, Kerbala and Basrah from in-kind to cash transfers.
  - Initiate food assistance for assets (FFA) activities, jointly with FAO, via cash transfers to support the early recovery of 75,000 beneficiaries in areas where return to their home communities has been possible;
  - Implement the SCOPE system for the management, delivery and monitoring of assistance to all IDP beneficiaries throughout Iraq;
  - Strengthen monitoring and evaluation (M&E) capacity;
  - Conduct a Comprehensive Food Security & Vulnerability Assessment (CFSVA) to better inform WFP strategic programming in 2017 and beyond.
3. Cost savings will be achieved through:
- A change in food basket composition for general food assistance (GFA) and Immediate Response Rations (IRRs) to make in-kind distribution more cost-effective while retaining the nutritional value;
  - Decrease of the non-food transfer value to USD10 per capita<sup>1</sup>;
  - A more stringent targeting approach focusing WFP assistance on the most food insecure populations;
  - Continued efforts to harmonise assistance with the national Public Distribution System (PDS), whereby WFP will provide rations to non-PDS recipients, facilitated by the adoption of the SCOPE database;
  - A consolidation of WFP operations in Baghdad; with a downsized WFP staff footprint in Erbil;
  - Adjustments in staffing to increase national staff and mid-level technical capacity.

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## JUSTIFICATION FOR BUDGET INCREASE

### Summary of Existing Project Activities

4. On 01 April 2014, WFP launched EMOP 200677 to respond to the needs of 240,000 displaced people from Anbar governorate. The EMOP has since undergone five BRs to respond to increased and evolving needs, dictated by the fluidity of the conflict and the impact of military operations on civilian populations and levels of displacement. WFP currently aims to provide life-saving food assistance to 2.2 million people affected by conflict in Iraq through three assistance modalities: Family Food Parcels (FFPs); vouchers; and IRRs. The EMOP is aligned with WFP's Strategic Objective 1: "to save lives and protect livelihoods in emergencies". It does so by addressing the urgent food needs of vulnerable women, men, girls and boys, assisting communities to strengthen their coping mechanisms, and safeguarding the food security of the most vulnerable groups.
5. In Iraq, WFP's operational priorities remain assisting Iraqis; in particular, food-insecure people including IDPs, returnees and people trapped in besieged areas, targeting critical assistance to the most vulnerable among these groups. The CO does this through a series of operations that complement EMOP 200677 including: (a) Special Operation (SO) 200746 "Logistics Cluster and Emergency Telecommunications Support in Iraq" that coordinates the logistics and emergency telecommunications response to ensure the efficient and

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<sup>1</sup> The WFP Vulnerability Assessment 2015 demonstrated that USD10 per month per person is adequate in the current circumstances.

effective delivery of humanitarian assistance; (b) Regional EMOP 200433 “Food assistance to vulnerable Syrian populations in Jordan, Lebanon, Iraq and Turkey affected by the events in Syria” that, in Iraq, supports 60,000 Syrian refugees in camps assisted through voucher mechanism, and (c) PRRO 200035 “Support for Vulnerable Groups” which works to support long-term recovery by providing technical support and capacity building for Iraqi institutions on activities such as school feeding and social safety net reform.

6. According to the Humanitarian Needs Overview (HNO), only 32 percent of displaced children had access to any form of education during the last academic year and 50 percent of IDP children in camps are not attending school. This is in part due to overcrowding of classrooms, poor teaching facilities and inadequate staff capacity. In addition, many displaced children (mostly from Arabic-speaking areas of Iraq) are now living in the Kurdistan Region, where Kurdish is the language of academic instruction. In BR4, WFP planned to provide 23,600 children attending UNICEF-assisted primary schools in IDP camps with a daily nutritious snack. Unfortunately this activity could not be implemented as intended, despite the signature of a Memorandum of Understanding (MoU) with UNICEF, due to the fact that children did not attend school over the summer. Based on discussions with the Ministry of Education (MoE) on incorporating IDPs into the wider portfolio, WFP is integrating this activity into the current school feeding programme under PRRO 200355; to be expanded nationally to assist 120,000 students with locally procured daily meals. The CO is working in coordination with the MoE and Ministry of Health (MoH) on targeting and other technical aspects of this activity.
7. The prevention pilot introduced in BR4 - blanket supplementary feeding for children in camps aged 6-24 months - has been put on hold pending an evidence base evaluation on the need for stunting prevention and the necessity to focus on the delivery of rapid, immediate, relief. In December 2015, WFP will implement a joint nutrition survey with UNICEF to investigate the nutrition status of children and vulnerable groups, and assess the possibility of including appropriate nutrition interventions at a later date. WFP is holding discussions with UNICEF, the MoH and the Nutritional Research Institute on the assessment tools and sampling. The findings of the survey will provide a strong evidence base to guide future planning and interventions that can be incorporated through any future BRs.

### **Conclusion and Recommendations of the Re-Assessment**

8. Assessments completed by WFP and Food Security Cluster (FSC) partners, including the REACH Multi-Cluster Needs Assessments (MCNA)<sup>2</sup> and the HNO, indicate that 2.4 million people are currently food insecure. This figure includes IDPs living in camps, host communities, returnees to newly liberated areas, and other conflict-affected groups. The primary drivers of food insecurity are displacement and poor food access due to sporadic access to livelihoods, volatility of food prices in conflict affected areas and uneven performance of the PDS. Of the 2.4 million deemed to be food insecure, 1.5 million people are considered to be the most vulnerable: noted by a significant food consumption gap or managing to achieve a minimum level of consumption only with the help of food assistance, while they engage in severe, intense and irreversible coping strategies.
9. Conflict continues to unsettle food commodity markets in central and northern governorates. Disrupted supply lines have hampered deliveries of the PDS, which accounts for a large share of aggregate food supply, and have caused instability in food supplies and prices in

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<sup>2</sup> Multi-Cluster Needs Assessments (MCNA) were conducted in two rounds: October 2014 and June 2015. See details at: <http://www.reach-initiative.org/tag/iraq>

conflict-affected areas of Iraq. WFP's mVAM monitoring shows wheat prices in some central and northern areas have consistently stood 30-50 percent above Baghdad, and higher still in besieged localities<sup>3</sup>.

10. According to REACH, food is the top priority need for households across Iraq, reported by 72 percent of households.<sup>4</sup> A majority of households are resorting to negative food related coping mechanisms, including eating less preferred foods (68 percent), limiting portions (29 percent), and skipping meals (18 percent). A significant number of households have reportedly exhausted their coping strategies: among the IDP households in camps, 33 percent had already spent all of their savings and 24 percent had previously sold their last female animal. This signals an alarming situation among the vulnerable IDPs whose coping capacity is diminishing due to the protracted crisis.
11. IDP households are the most exposed to food insecurity: mVAM monitoring suggests that 10-20 percent of IDPs had 'poor' or 'borderline' diets between April and August 2015. REACH found that 20 percent of households residing in camps have 'poor' or 'borderline' food insecurity.<sup>5</sup> One-third of IDP households had spent all their savings, signalling the exhaustion of coping capacity. Overall, IDP households in camps in Diyala, and both in and outside camps in central and southern governorates, are less food secure than in other parts of the country.
12. Food security has also been undermined because of the impact of the conflict on markets, livelihoods and PDS access. Above-average rates of use of coping strategies and 'poor' and 'borderline' food consumption levels were observed for households surveyed in Anbar, Duhok and Ninewa during successive rounds in 2015. Widespread adoption of negative coping strategies, in combination with high reliance on cash purchases for food and high rates of unemployment, indicates that current levels of food consumption are not sustainable without the continuation of assistance to prevent food insecurity.
13. WFP is making progress towards harmonising distributions with PDS rations. A unified strategy has not yet developed, partially due to the sporadic and inconsistent nature of distributions as observed in the field and in discussions with PDS offices. Advances have been achieved in developing MoUs with PDS authorities on the provision of monthly data to WFP on beneficiaries assisted by the Ministry of Trade (MoT) and Ministry of Displacement and Migration (MoDM). This has allowed WFP to decrease its monthly food requirements based on PDS plans, an approach which will be extended to the rest of the country, when and where possible.<sup>6</sup>

### **Purpose of Extension and Budget Increase**

14. WFP will target up to a total of 1.5 million people on a monthly basis under this BR as a realistic assessment of its ability to access affected populations amid continuing displacement. The total number of beneficiaries will consist of:
  - 500,000 IDPs receiving regular monthly general food assistance (GFA) through FFPs;

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<sup>3</sup> mVAM, September 2015

<sup>4</sup> REACH MCNA, March/April 2015

<sup>5</sup> REACH MCNA, March/April 2015

<sup>6</sup> Since October 2015, WFP has stopped the distribution of wheat flour with its monthly FFPs in Duhok governorate after a formal agreement with the local PDS authorities. WFP beneficiaries in Duhok, both in camps and non-camp settings, will receive wheat flour from PDS. Similar technical discussions are ongoing in Erbil and Sulaymaniyah governorates.

- 1,000,000 IDPs receiving assistance through a cash or voucher mechanism (by means of a gradual scale up across 2016);
- 75,000 beneficiaries of FFA projects to support early recovery activities in areas of return (they are also GFA recipients);
- IRRs for 140,000 newly displaced people (in the first 72 hours of displacement on a monthly average.) IRR beneficiaries through RRM are not included in the targeted total.

15. *Revision of Ration Composition and Entitlements:* In-kind distribution, through FFPs and/or IRRs, will continue to be used and is calculated on a family size of five. When possible, food will be locally procured to support the economy and encourage local supply chains. As populations have access to markets to certain extent and are gradually becoming assisted with PDS rations and one-off cash grants for all IDPs from the MoDM valued at USD 900, FFPs will cover 70 percent of daily energy requirements. The composition of FFPs, which remains nutritionally balanced, has been designed in consultation with beneficiaries, and with support from the Supply Chain Optimization tool in order to reach maximum cost efficiency. It is planned that the caseload assisted through vouchers will gradually transition to an unrestricted cash modality, and will be calculated according to the actual number of members in the beneficiary household.

16. Based on 2015 trends, WFP estimates it will assist 140,000 IDPs every month with the Rapid Response Mechanism (RRM) during the first 72 hours of displacement (28,000 rations per month on average). The IRR basket consists of culturally acceptable, ready-to-eat food items sufficient for three days and weighs 6.45 kg, providing 1,091 kcal per person per day. Following beneficiary consultations in which spoilage was observed, and using the Supply Chain Optimization tool, tahini, an oily sesame seed paste, and halawa, a sugar, nut and seed-based confection, have been removed from the parcel for increased cost effectiveness by aligning break-bulk purchases with the FFP basket.

**TABLE 1: BENEFICIARIES BY ACTIVITY<sup>7</sup>**

Activity	Modality	Current			Beneficiaries Planned During Extension Period			Revised Total (highest <u>planned</u> during the whole operation)		
		Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
GFA	Food transfer	760,634	842,936	1,603,300	240,000	260,000	500,000	760,634	842,936	1,603,300
GFA	Voucher transfer	277,483	329,217	606,700	-	-	-	277,483	329,217	606,700
GFA	Cash transfer	-	-	-	480,000	520,000	1,000,000	480,000	520,000	1,000,000
RRM	Food transfer	811,500	858,500	1,670,000	67,200	72,800	140,000	811,500	858,500	1,670,000
School feeding	Food transfer	11,564	12,036	23,600	-	-	-	11,564	12,036	23,600
Nutrition	Food transfer	6,615	6,885	13,500	-	-	-	6,615	6,885	13,500
FFA	Cash transfer	2,450	2,550	5,000	36,000	39,000	75,000	36,000	39,000	75,000
<b>TOTAL</b>		<b>1,040,297</b>	<b>1,174,703</b>	<b>2,215,000<sup>8</sup></b>	<b>720,000</b>	<b>780,000</b>	<b>1,500,000</b>	<b>1,040,297</b>	<b>1,174,703</b>	<b>2,215,000</b>

<sup>7</sup> Under BR6, recipients of GFA activities can potentially become recipients of FFA - for instance that they return to their areas of origin - and no longer recipients of GFA. Beneficiaries will not receive rations through GFA and FFA simultaneously. 140,000 beneficiaries (newly displaced) through RRM will be eventually included in the GFA. Therefore, these two groups of beneficiaries (FFA & RRM) are not counted in the grand total. All demographic data is taken from the International Organization for Migration Displacement Tracking Index.

<sup>8</sup> Total number of beneficiaries was approved through RB04, excluding overlapping.

**TABLE 2: REVISED DAILY FOOD RATION/TRANSFER BY ACTIVITY (g/person/day)**

	FFP	Complementary Ration	IRR	Nutrition	School feeding	FFA
	Revised	Revised	Revised	Revised	Revised	Revised
Wheat flour	200					200
Rice (5% broken)	100					100
Lentils						
Vegetable oil	30					30
Dry chickpeas	33					33
Horse beans	33					33
Sugar	33					33
Salt	5					5
Bulgur wheat	33					33
Canned chicken			80			
Canned beans			80			
Canned chickpeas			80			
Biscuits			107			
Tea			3.33			
Dates			80			
Cash/Voucher (USD/person/month)	10					10
<b>TOTAL</b>	<b>467</b>		<b>430.33</b>			<b>467</b>
<b>Total kcal/day</b>	<b>1,841</b>		<b>1,091</b>			<b>1,841</b>
<b>% kcal from protein</b>	<b>10.4%</b>		<b>16%</b>			<b>10.4%</b>
<b>% kcal from fat</b>	<b>17.1%</b>		<b>29.42%</b>			<b>17.1%</b>
<b>Number of feeding days per month</b>	<b>30</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>30</b>

### New Activities Covered Under BR6

17. *Cash Distribution:* As of January 2016, WFP will begin the process of gradually reaching IDPs in urban and peri-urban areas through the cash transfer modality in a careful and responsible manner. This approach will be discussed in detail and a plan will finalised during a technical meeting in Erbil in January 2016, during which the CO will benefit from the presence and contribution of representatives from its Headquarters and the Regional Bureau (RB). On average, the transfer value is expected to be approximately USD10 per person per month, based on the voucher value currently used which assessments have proven to be adequate.<sup>9</sup> A sequential Communicating with Communities (CwC) strategy will be rolled out to prepare and inform communities about the transition to cash modalities and targeting. The strategy will sensitise IDPs about WFP's criteria on assistance, which ensures vulnerable groups including female-headed households and the elderly are provided with assistance.

<sup>9</sup> WFP Vulnerability Assessment, 2015

18. WFP is establishing large database of beneficiaries using data from the MoT, PDS, MoDM, IOM, and UNHCR and cooperating partners (CPs). WFP will use the SCOPE database as a common platform enabling CPs and WFP to avoid duplications, identify gaps in assistance, and facilitate assessments and targeting processes. Having one common beneficiary database will ultimately make the humanitarian response in Iraq more cost efficient and responsive to the needs of affected population. The SCOPE database will inform, support and monitor the disbursement of cash via already established private sector delivery mechanisms. WFP is working in close liaison with the Cash Working Group and FSC partners on the transition to cash where appropriate and the SCOPE roll-out, as well as using its experience in cash-based transfers in Iraq, such as the food assistance for assets (FFA) activity via cash transfers implemented during 2009 to 2014.
19. A precondition for a successful and efficient cash programme is effective targeting. WFP is presently finalising a comprehensive targeting strategy that will enable WFP to identify the most food insecure people and support them in meeting their basic food needs; as WFP moves to using cash transfers, this will also mitigate risks of the misuse of cash. .
20. Due to strong agricultural traditions and the significant role of the agricultural sector in the economy, the Iraqi population is used to consuming a healthy, nutritious and varied diet typically based on locally produced meat, fruit and vegetables. IDPs' consumption of these products has not been guaranteed, totally or partially, by either the current distribution of dry foods in FFPs, or food redeemed via voucher. Through field monitoring and community consultations, WFP has observed that Iraqis prefer to procure fruit and vegetables in open-air markets where prices are more advantageous, rather than in the contracted shops for voucher redemption. Conversely, some partner shops – selected by WFP as 'general store'-type neighbourhood shops – sell fresh produce, it is often in limited quantities and at higher prices. Cash will enable families to not only purchase the foods they like the most, but also procure fresh and nutritious food that they are used to consuming. In this way, the cash modality offers dignity and choice to beneficiaries, and enables them to have greater control over their diets and daily lives, in line with WFP's Accountability to Affected Populations commitment.
21. By distributing unconditional cash that can be spent in any shop or market, WFP is able to avoid the potential risk of retailers applying different prices to IDPs, who are easily identifiable by their use of vouchers. Cash also better supports the local economy and stimulates competition among retailers, therefore promoting lower prices and enhanced services for consumers (particularly in peri-urban areas where there are fewer shops).
22. WFP is exploring three options of cash disbursement, which all have low associated costs:
  - the local hawala cash transfer system, which is well-established across all 18 governorates and can be performed through licensed money brokers;
  - the Qi Card, a debit card in Iraq currently used as a cash disbursement method primarily for Government salaries;
  - SMS message-based transfers, to be implemented predominantly in the KRI. This concept has been proposed by WFP to the KRI's largest mobile network and is ready to be deployed, pending legal authorisation from the Ministry of Telecommunications and the Ministry of Finance. Assessments of these cash modalities in Iraq demonstrate that they have significantly lower associated costs compared to in-kind or voucher modality. While the associated costs of a USD 10 voucher is 11-12 percent, the costs for the same value transfer are one percent when made over SMS, or two percent when made over the hawala system or Qi Card.

23. *FFA in Areas of Return*: FAO and WFP are partnering to scale up FFA activities in Iraq, targeting returnees in hard-to-reach areas as well as new IDPs. This new joint programming will improve cost effectiveness, reduce overlap and capitalize on the comparative advantages of FAO and WFP, while also enabling joint fundraising between agencies. It will also reduce overheads and therefore present value for money to donors.
24. The focus of FFA activities is on the provision of direct income support to the most economically vulnerable IDPs and returnees. This entails: providing immediate food assistance; restoring and safeguarding livelihoods and food production cycles; and creating job opportunities to increase food production at the household level. FAO and WFP, through the same CPs, will focus on conducting joint activities in Diyala, Salah al-Din, Ninewa and Kirkuk governorates where return has been both possible and sustained. In such locations, activities will include rebuilding and rehabilitating targeted vulnerable smallholder fruit farms, vegetable and poultry production and animal feed projects. This will ultimately benefit rural communities whose livelihoods have been affected by the conflict. WFP and FAO have agreed on key parameters to ensure the inclusion of women, and to support vulnerable households with disabled persons through a varied range of activities that will be determined once the beneficiaries and specific location of intervention have been identified. CPs already implementing similar activities under FAO's umbrella will carry out the process in conjunction with local communities to ensure a community based approach.
25. WFP will identify FFA beneficiaries through community discussions and targeting to provide short-term food assistance (food parcels over a period of three months). This will be followed by cash transfers to some 15,000 families, targeting one participant per family for FFA activities at a rate of USD 10 per day. WFP and FAO will jointly budget project costs according to FFA activities planned around requirements in areas of return. Payment will be based on an estimation of the monthly food gap according to the level of assistance currently provided<sup>10</sup> and taking into account Iraqi wage rates. This collaboration will address overall challenges in food security, nutrition and rural poverty through rapid-delivery and immediate-impact FFA activities over a 12-month period. These resilience-oriented activities will be complemented by other interventions from FAO.

## Targeting

26. WFP will target the most food insecure 1.5 million people with food assistance in 2016, who have a significant food consumption gap with poor or borderline food consumption score. WFP will target its assistance based on food security vulnerability criteria and key characteristics such as: female-headed households; the elderly; disabled persons; and families with no adults of working age (between 18-60 years).
27. A transition from WFP food assistance to assistance complementary to the PDS has been delayed; the Government was unable to fully implement and re-register IDPs on the PDS and the PDS ration is either incomplete or sporadically distributed in some areas, as observed in the field and data shared from PDS offices. This situation is improving but will remain a challenge in 2016, especially with the loss of Government revenues due to falling oil prices. The full implementation of the SCOPE database will enable WFP to maximise the complementarity between WFP assistance and PDS (where and when functioning, even if partially) and to adapt the most appropriate type of transfer for beneficiaries.

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<sup>10</sup> USD10 was assessed to be an adequate level of assistance in WFP's 2015 Vulnerability Assessment.

28. IDPs' vulnerability to food insecurity - a direct result of the ongoing conflict and their displacement - is related to their ability to consistently access PDS commodities, their capacity to continue utilising their own resources on food expenditure, and the availability of external assistance. Following field visits, PDM data and regular interaction between WFP field offices and PDS offices at governorate level, WFP has observed that the PDS is currently implemented sporadically and irregularly: not all commodities are distributed each month and not all IDPs are accessing the PDS in each governorate. Historically, Iraqis could redeem their PDS rations at their place of residence and within their registered governorate only, thus they lose access and entitlement following displacement. Supported with WFP technical assistance, the MoT is carrying out a re-registration process which should enable IDPs to access their PDS entitlements in their place of displacement. As of September 2015, the MoT provided PDS to approximately 55 percent of the total IDP families.
29. WFP's targeting profile for IDPs can roughly be divided into four geographical areas:
- According to the MoT, a high numbers of registered IDPs in the southern governorates are accessing the PDS system from their new location. WFP's targeting strategy for the southern governorates will be based on the consistency and availability of the PDS distributions – information provided on a monthly basis by the MoT. Cash distribution will occur in areas where the PDS does not operate, which is minimal at the moment.
  - Conflict-affected areas in the central governorates and Baghdad are partially served by the PDS. However, IDPs' capacity to meet their basic food needs is limited due to the volatility of food prices and local market access as observed by mVAM. WFP and CPs will continue to pursue ad hoc distributions of FFPs as access allows in conflict areas. Coverage will be blanket in volatile areas and windows of intervention will be linked to access. In Baghdad, where access to markets is not an issue, WFP aims to transition its assistance from voucher to cash modality where and when possible for the most food insecure families.
  - Discussions with PDS offices in the KRI indicate that the re-registration process is nearly complete and distributions of commodities are ongoing – mainly wheat flour, followed by oil and sugar – albeit on an irregular basis. The primary concern in terms of food insecurity in the KRI is related to the IDPs' protracted displacement and their residual food-based coping strategies to continue meeting their food needs with their own resources, more than one year into their displacement.
  - IDPs returning to liberated areas, including Salah al-Din and Diyala governorate, face a gap in food assistance until they are able to re-register on the PDS in their home areas. WFP will support returnees for an initial three-month period with the provision of FFPs or cash and then transfer to FFA, with the assumption that employment and markets will allow the families to begin covering their own food requirements.
30. WFP will make these decisions in liaison with the MoT, aiming at optimising WFP assistance over time against the PDS performance and focusing on the most marginalised and destitute IDP communities. Distributions will be reviewed every month based on WFP monitoring, field information and the MoT's forecast in terms of PDS coverage.
31. WFP will conduct a CFSVA in 2016 to further strengthen understanding of the situation in the country since the REACH assessment of March/April 2015. Data collection and analysis will continue through mid-2016, and contribute to refining targeting and a better understanding of the impact of the conflict on food security.
32. To enhance accountability to affected populations, WFP is working closely with CPs to prepare and inform those less vulnerable beneficiaries who will be eventually excluded from

receiving assistance. A long-term CwC strategy has been rolled out in the last few months of 2015, during which beneficiaries (both included and excluded groups) have been informed and sensitised of reductions to assistance, modalities and the concepts of food insecurity and vulnerability. As WFP continues rolling out gradual targeting in 2016, beneficiaries who are to be excluded from assistance will be informed of reasons for exclusion and other key messaging. WFP will continue the use of help desks and hotlines will continue, and introduce referral systems to take account of vulnerable IDPs that have been wrongly excluded.

## **Performance Monitoring**

33. With a new direction and new interventions, WFP has the need for better information, and as such are reviewing and strengthening M&E and VAM systems (inter alia through the full implementation of COMET). Third party monitoring will continue in areas where WFP has no access to obtain outcome-level data, with close follow-up to ensure high quality data for performance monitoring and decision-making. Monitoring will also be strengthened in the following ways:
- Strengthening of M&E capacity through additional staff and training for third party monitoring partners;
  - Reviewing the M&E system and tools in light of the introduction of the cash modality;
  - Enhancing operational planning, management and monitoring through the ongoing roll-out of COMET and SCOPE.
34. WFP will continue to strengthen mVAM remote data collection and food security monitoring, in order to continue providing the best possible operational information for programming. WFP is working with CPs to ensure that market monitoring, through mVAM, continues to cover areas with limited access, and that coverage will continue to be adapted as the situation on the ground developments. The CO will work closely with Headquarters and the RB to ensure that information products meet the highest standards of quality.

## **Procurement Strategy**

35. As per BR5, commodities in the FFP and IRR rations will continue to be procured in break-bulk through international, regional and local procurement. Experience indicates this as a viable and cost-efficient approach while offering greater flexibility to meet operational changes. The new rations will be introduced gradually to allow the full utilisation of rations purchased under the previous procurement strategy (arriving in-country in pre-packaged parcels). Consultations with CPs will ensure they are properly prepared for the new distribution modalities.
36. Various options are being explored in order to reduce the costs for IRRs in terms of procurement and distributions such as conducting 'in-house' packing and distributing through a bag or carton modality, as context allows. These approaches will allow WFP to better control its stocks and reduce procurement costs.

## **Logistics**

37. In conflict-affected areas, WFP has an established network with its CPs and commercial transporters to negotiate 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.

38. Logistics has the recognized in-country capacity (warehousing, transportation and supply network) to scale up operations to meet a surge in demand, for example in the case of widespread and rapid displacement should Mosul were to be liberated. 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 suppliers and transporters available to humanitarian partners upon request for potential contracting. The Iraq Logistics Capacity Assessment report (updated in April 2015) provides key information on logistical support in Iraq.

## FOOD REQUIREMENTS

TABLE 4: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY				
Activity [or Component]	Modality	Food requirements (mt) Cash/Voucher (USD)		
		Current	Increase/decrease	Revised
GFA	Food transfer	238,058	84,060	322,118
GFA	Cash transfer	\$108,052,710	\$89,700,000	\$197,752,710
RRM	Food transfer	6,303	2,169	8,472
FFA	Cash transfer	\$704,000	(\$704,000)	\$0
<b>TOTAL (mt)</b>		244,361	86,486	330,590
<b>TOTAL (USD)</b>		\$108,052,710	\$89,700,000	\$197,752,710

## Hazard / Risk Assessment and Preparedness Planning

39. Iraq presents a highly insecure context, with active conflict directly affecting governorates in the north-western, north-central and central parts of the country. Law and order remains a challenge throughout the country, as security forces are often preoccupied with counter-terrorism activities. Politically affiliated militia groups, often with opposing agendas, dominate various parts of the country. These factors give rise to a range of threats that necessitates a suite of security mitigation measures.
40. WFP's decision for interventions are made in accordance with the UN Security Management System, and in close liaison with the UN Department of Safety and Security (DSS) and Government authorities. A security risk assessment is undertaken by the security team, followed by risk mitigation measures, which include but are not limited to: the requirement for staff to undertake safety training; concentric rings of security established for office and accommodation facilities; movements in armoured vehicles and/or with armed escorts; and tracking of field missions through radio and GPS technologies. These mitigation measures form the basis for Minimum Operating Security Standards (MOSS). A requirement of the MOSS is to have a constant review of security plans and procedures. The office maintains the flexibility to adapt as the situation changes and missions are restricted if need be. Security reports are disseminated to facilitate decisions on daily programme activities that are likely to be affected by the security situation. It is also for staff to maintain situational awareness. All interventions are conducted in close liaison with UNDSS and Government authorities.
41. WFP is developing a larger staffing footprint in the capital while retaining an appropriate presence in Erbil for the activities of a field office; Erbil also remains the base for Procurement given the nearby location of local suppliers. Should any offensive approach

Baghdad again, as in 2014, WFP has maintained the flexibility to move staff back to Erbil to ensure operational continuity.

42. An escalation of the ongoing conflict, in particular should Mosul be liberated from the Islamic State of Iraq and the Levant (ISIL) control, could result in a dramatic increase in displacement and disrupt WFP's ongoing operations and pipeline. Alternatively, humanitarian access could shrink hampering the ability to reach vulnerable populations in key areas. In line with the inter-agency Contingency Plan, WFP has prepared a contingency plan for various scenarios. Under this plan, WFP's response would consider the needs of 1.2 million people affected by conflict, in addition to the planned beneficiaries. Given the volatility of the situation, WFP is seeking to have at any time a minimum stock IRRs and FFPs available throughout the country to be able to respond to any unexpected displacement.
43. UN staff can travel in the KRI, though under certain security restrictions; some disputed areas in Iraq continue to be declared "no-go" for UN staff. WFP staff and security can now undertake self-supporting missions with due care and planning outside Baghdad's International (Green) Zone, which enables access to some areas previously off-limits. WFP and CPs distribute assistance in secure areas; CPs distribute for WFP exclusively in insecure areas. In order to reach vulnerable people in areas under ISIL control, WFP is exploring partnerships with national NGOs that have access to those areas, and the FSC has identified focal points in those governorates to establish coordination systems and better linkages with national partners. This includes WFP's use of a third party monitor for M&E to ensure data from the field can be collected, analysed and fed back into programming to reflect the current situation.
44. Reduced or delayed donor contributions could negatively impact WFP's pipeline. WFP continues to strengthen fundraising, aiming to ensure early commitments. The CO has a dedicated Government Partnerships officer and the Country Director holds regular meetings with key donors in Baghdad, Erbil and donor capitals, assisted by the Donor Relations unit in the RB. If needed, WFP can utilise existing corporate advance financing mechanisms. In the possible event of funding shortfalls, the CO will prioritise life-saving activities through the provision of emergency food assistance to the most vulnerable families, ensuring they have access to food during critical times. WFP will also prioritise the delivery of rapid, immediate, life-saving supplies to families who are on the move and in hard-to-reach areas through the Rapid Response Mechanism. Support to the re-establishment of livelihood assets to strengthen coping capacities, through FFA activities, would become a secondary priority in the case of funding shortages.

Approved by:

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Ertharin Cousin  
Executive Director, WFP

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José Graziano da Silva  
Director-General, FAO

Date: .....

Date: .....

## ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity ( <i>mt</i> )	Value ( <i>USD</i> )	Value ( <i>USD</i> )
<i>Food Transfers</i>			
Cereals	59,940	25,750,800	
Pulses	11,880	8,910,000	
Oil and fats	5,400	6,426,000	
Mixed and blended food	-	-	
Others	9,009	8,303,652	
<b>Total Food Transfers</b>	<b>86,229</b>	<b>49,390,452</b>	
External Transport		-	
LTSH		13,161,743	
ODOC Food		8,159,855	
<b>Food and Related Costs</b>			<b>70,712,050</b>
C&V Transfers		89,700,000	
C&V Related costs		11,872,800	
<b>Cash and Vouchers and Related Costs</b>			<b>101,572,800</b>
<b>Capacity Development &amp; Augmentation</b>			<b>-</b>
<i>Direct Operational Costs</i>			172,284,850
Direct Support Costs (see Annex I-B)			20,640,934
<b>Total Direct Project Costs</b>			<b>192,925,784</b>
Indirect Support Costs (7%)			13,504,805
<b>TOTAL WFP COSTS</b>			<b>206,430,589</b>

**ANNEX I-B**

<b>DIRECT SUPPORT REQUIREMENTS (USD)</b>	
<b>WFP staff and staff-related</b>	
Professional staff	6,885,216
General service staff	4,888,598
Danger pay and local allowances	231,120
<b>Subtotal</b>	<b>12,004,934</b>
<b>Recurring and other</b>	<b>3,450,000</b>
<b>Capital equipment</b>	<b>800,000</b>
<b>Security</b>	<b>800,000</b>
<b>Travel and transportation</b>	<b>2,336,000</b>
<b>Assessments, evaluations and monitoring</b>	<b>1,250,000</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>20,640,934</b>

## Acronyms

BR	Budget Revision
CO	Country Office
CP	Cooperating Partner
CwC	Communicating with Communities
DSS	UN Department of Safety and Security
EMOP	Emergency Operation
FAO	Food and Agriculture Organization
FFA	Food assistance for assets
FFP	Family Food Parcel
FSC	Food Security Cluster
GFA	General Food Assistance
HNO	Humanitarian Needs Overview
IDP	Internally displaced person
IRR	Immediate Response Ration
KRI	Kurdistan Region of Iraq
M&E	Monitoring & Evaluation
MoDM	Ministry of Displacement and Migration
MoE	Ministry of Education
MoH	Ministry of Health
MOSS	Minimum Operating Security Standards
MoT	Ministry of Trade
mVAM	mobile Vulnerability Analysis and Mapping
PDM	Post-distribution monitoring
PDS	Public Distribution System
PRRO	Protracted Relief and Recovery Operation
RB	Regional Bureau
RRM	Rapid Response Mechanism
SO	Special Operation
UN	United Nations
USD	United States Dollars (\$)
VAM	Vulnerability Analysis and Mapping