



World Food Programme

PROJECT BUDGET REVISION FOR APPROVAL BY THE CHIEF OF STAFF

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**Islamic Republic of Iran – Protracted Relief and Recovery Operation 200310
Targeted Assistance to Refugees from Afghanistan and Iraq
Budget Revision (BR) No. 7**

Total revised number of beneficiaries	30,200
Duration of entire project	54 months
Extension / Reduction period	01 January 2017 to 31 December 2017
Gender marker code	2A
WFP food tonnage	20,919

Start date: 01 July 2013 **End date:** 31 December 2016 **Extension period:** 12 months
New end date: 31 December 2017

Cost (United States dollars)

	Current Budget	Increase	Revised Budget
Food and Related Costs	US\$ 10,056,798	US\$ 2,954,198	US\$ 13,010,996
Cash and Vouchers and Related Costs	US\$ -	US\$ -	US\$ -
Capacity Development & Augmentation	US\$ -	US\$ -	US\$ -
DSC	US\$ 2,162,019	US\$ 647,060	US\$ 2,809,078
ISC	US\$ 855,317	US\$ 252,088	US\$ 1,107,405
Total cost to WFP	US\$ 13,074,133	US\$ 3,853,346	US\$ 16,927,479

CHANGES TO:

Food Tool

- MT
 Commodity Value
 External Transport
 LTSH
 ODOC

C&V Tool

- C&V Transfers
 C&V Related Costs

- CD&A
 DSC
 Project duration
 Other

Project Rates

- LTSH (\$/MT)
 ODOC (\$/MT)
 C&V Related (%)
 DSC (%)



NATURE OF THE INCREASE

1. This BR07 to PRRO 200310 will extend the project in time by 12 months through 31 December 2017. The Country Office (CO) is planning to shift transfer modality from in kind to a hybrid system with continuation of the in-kind wheat flour distribution combined with cash based transfers (CBT) for the new operation as of 1 January 2018. This is in line with the recommendations of the Joint Assessment Mission (JAM) and inter-sectorial assessments conducted in May and July 2016. The extended period will allow the CO to work on the transition from the current PRRO towards a country strategic plan (CSP) including facilitation of a national strategic review and CSP formulation to be presented to the Executive Board in November 2017. This will give adequate time for the CO to conduct additional market research to ensure sufficient operational capacity for the rollout of CBT.
2. This BR proposes the following changes:
 - Increase in number of most vulnerable refugees entitled to enhanced full rations under the relief component from 11,500 to 12,500;
 - Increase food tonnage by 4,798 mt (from 16,121 mt to 20,919 mt);
 - Increase in number of primary and secondary students who receive take home rations (THR) from 3,000 to 3,300 and;
 - Augment direct support costs (DSC) and other associated costs as per the increased tonnage taking into account the trend of actual expenditures over the project's implementation period.

JUSTIFICATION FOR THE REVISION

Summary of existing project activities

3. The PRRO addresses the basic food needs of 30,000 of the most vulnerable Afghan and Iraqi refugees located in 19 refugee settlements in Iran through targeted relief and recovery activities. In addition, the PRRO increases access to education for refugee girls and provides skills development opportunities for youth.
4. The PRRO's main objectives are: maintaining/improving the level of food security inside the settlements with a focus on improving food consumption for the most vulnerable households through the provision of full rations together with the provision of partial rations to vulnerable refugee households; and increasing access to education and human capital development for refugee girls and youth through take home rations.
5. In agreement with the government and the United Nations High Commissioner for Refugees (UNHCR), WFP introduced a new targeting criteria based on vulnerability, which enabled the categorization of refugees into full and partial ration recipients.
6. As a result of WFP and UNHCR's advocacy efforts, more women are involved in community based activities such as women committees, acting as a member of refugee councils and participating in food distribution and warehouse management activities.

Conclusion and recommendation of the re-assessment

7. In collaboration with UNHCR, a JAM was conducted in May 2016. The JAM concluded the need for WFP to continue its assistance to refugees in the settlements in Iran. Major findings of the JAM are:
- ***Each of the 19 settlements is unique in its context - size, population, demographics, livelihood options and social network etc. However salient similarity in all settlements is the overall vulnerability and the need for continued WFP and UNHCR assistance.***
 - No major changes in the settlement population are anticipated in the near future. The demography of this population remains largely unchanged except for ageing of the population which results in loss of breadwinner and shifting into the elderly category, qualifying more people for receipt of full rations. Repatriation is not likely to take place at a scale due to the security situation in the countries of origin.
 - Refugees remain vulnerable to food insecurity. Economic vulnerability is among the major contributing factors to food insecurity among refugees. Livelihood opportunities are limited and work opportunities are mostly heavy manual labor in the construction or agriculture sectors, which are only available as daily wage opportunities with no prospects of stability and sustained livelihood.
 - Refugees in settlements mainly rely on food assistance. Refugees' food consumption is in general poor in its diversity, and the food sources are WFP food assistance and limited market purchases. With the provision of WFP assistance to all settlement refugees every month, the overall food security situation is positive as 81 percent of households surveyed during assessments were food secure or marginally food secure, 19 percent moderately food insecure and zero severely food insecure households.
 - Commodities provided as food assistance were generally perceived as appropriate with high demand for increased quantity and quality.
 - THR for girls has contributed to sustain girls' school attendance and the programme has achieved its objectives of gender parity and increased girls' school attendance
 - Situation is conducive to shift transfer modality from traditional in-kind to CBT subject to subsequent inter-sectorial assessment.
8. An inter-sectorial assessment was conducted in August 2016 jointly with UNHCR. Both male and female beneficiaries were consulted on their preferences of transfer modality and other concerns. The mission concluded:
- There is a need to introduce CBT to enable the refugees to access local markets for buying affordable food of their choice.
 - Based on the currently existing infrastructure of the local market and beneficiary preference it is recommended to continue distribution of the wheat flour to refugees.
 - The main priorities in terms of household expenditure were found to be food items and health/hygiene, followed by clothing, utilities, transportation, education, registration and other costs.
 - Refugees' preference regarding the shift from in-kind to cash was mixed due to the expectation that cash provided would not cover the same food/NFI basket. It was



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confirmed that the cash transfer value would be based on market prices and the preference was to receive cash with the exceptions of wheat flour and sanitary items. The great majority were strongly opposed to a voucher system.

- In larger settlements, local refugee-run markets are generally available with food and non-food items, whereas smaller settlements access nearby markets for most of their purchases
- WFP should continue distribution of the wheat flour for bread to refugees as it remains a strategic commodity in country and is not available in the retail sector.

9. Proposing the appropriate transfer modality for CBT is under the development which will be agreed upon with the government and transfer mechanisms will possibly be harmonized with UNHCR. Identification of the appropriate service providers, and solution for the beneficiary enrolment mechanism will require time. The one more year extension will give the country office sufficient time to carry out gender analysis and develop a full CSP.

Purpose of change in project duration and budget increase

10. According to the latest monthly distribution reports received from the settlements, the number of the most vulnerable refugees who are entitled to receive a full ration, which include women headed households, households with elderly, disabled and chronically ill members and those with only one breadwinner has increased by 8.7 percent since July 2015. This will result in increased costs to the project due to an increase in commodity requirements for those refugees entitled to full rations which is 6 kg /per person/month more than the partial rations. The overall beneficiary numbers remains the same although the number of men who have become disabled due to work related injuries, ageing and developing chronic diseases such as diabetes, heart and renal diseases have increased resulting in more men qualifying for full rations.

11. WFP will increase local purchases whenever feasible to reduce lead times and circumvent lengthy custom clearance processes. Specifically for rice which is more costly to buy locally, the CO is negotiating a waiver with the authorities for the ban on rice imports based on the humanitarian and non-commercial nature of the cargo and will endeavor to buy 80 percent of requirements at lower cost overseas.

12. WFP will work on setting up the infrastructure for CBT as per recommendations of the JAM and Inter-sectorial Assessment mission's recommendation. Initial findings of the CBT assessment indicate feasibility of a hybrid system with continuation of the in-kind wheat flour combined with a cash transfer through ATM cards. To this extent, several banks have been identified, one of which would be selected through a competitive process. Beneficiary enrollment will be carried out together with UNHCR and Bureau for Alien and Foreign Immigrant (BAFIA) authorities.

13. WFP will identify relevant activities aiming to strengthen the livelihoods, self-reliance and resilience of targeted refugees specifically for women for camp setting and consider the feasibility of including food assistance in this area as and when appropriate. A livelihood assessment is planned during the first quarter 2017 to identify possible livelihood interventions that could lead to more self-reliance of refugees



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14. WFP will aim to improve the gender-sensitive approach of the operation in areas such as participation of women in food distribution committees and the participation of women in decision-making over the use of food through a combination of actions to be put in place by WFP and UNHCR. Feedback from complaint boxes set up in all settlements easily accessible for women in the vicinity of warehouses/distribution centers will be collected regularly and reviewed to ensure feedback on received assistance is taken into account and improvement initiated whenever required.

15. A post-distribution monitoring (PDM) exercise will continue to be conducted in 2017. WFP will aim to triangulate and contextualize findings from the PDM using other qualitative tools such as on-site monitoring, activity monitoring and beneficiary outreach tools for analyzing sex and age disaggregated data collected during the exercise.

16. To allow for better informed decisions and to ensure that WFP keeps its obligations on transparency and accountability, outcome information will be shared on a regular basis to ensure that the operation is achieving its intended objectives. M&E reports will be published twice a year. Donor briefing sessions as well as high level coordination meetings with UNHCR and the Bureau for Aliens and Foreign Immigrants' Affairs under the Ministry of Interior will be held every six months and on ad-hoc basis when required.

Activity	Category of beneficiaries	Current			No. of beneficiaries to be assisted during BR period			Revised for overall project (highest planned number)		
		Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
General Food Distribution (GFD)	Partial ration (Ration A) (1,340 kcal/person/ day)	8,600	9,900	18,500	8,925	8,575	17,500	8,925	8,575	17,500
	Full ration (Ration B) (2,185 kcal/person/ day)	5,600	5,900	11,500	6,375	6,125	12,500	6,375	6,125	12,500
Support to girls' education	Primary	-	2,350	2,350	0	200	200	-	2,550	2,550
	Secondary	-	650	650	0	100	100	-	750	750
	Female teachers	-	200	200	0	200	200	-	200	200
Food For Training	Skills training	75	75	150	50	50	100	50	50	100
TOTAL*		14,200	16,000	30,200	15,300	14,900	30,200	15,300	14,900	30,200

*The total has excluded overlapping. Primary and secondary students and skills training participants are already included in GFD.

* The overall number of beneficiaries under GFD remain unchanged.

* Number of men and women who will be receiving full and partial rations during the extension period has been rectified based on gender disaggregated data collected through the Post Distribution Monitoring exercise in November 2015 and



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Joint Assessment Mission conducted in April 2016. The actualized figures indicate that 51% of the assisted population are men and 49 % women. As opposed to previous projection of 47% men and 53% women.

No changes in rations or transfer modality are envisaged for the duration of the budget revision.

**TABLE 2: FOOD RATION (Based on PRRO Document approved in 2013)
BY ACTIVITY (g/person/day)**

	GFD (Ration A)	GFD (Ration B)	Support Girls' Education	to Skills training
Wheat flour	300	300		
Vegetable oil	15.3	30.3	24.5*	24.5**
Lentils	33.3	66.6		
Rice		133.3		
Sugar		16		
TOTAL	348.6	546.2	24.5*	24.5**
Total kcal/day	1,340	2,185	216.58	216.58
% kcal from protein	12%	11%		
% kcal from fat	12%	16.2%		
Number of feeding days per year or per month (as applicable)	365 days/year	365 days/year	270 days/year	270 days /year

* 4 litres of oil, equal to 3.68 kg, will be provided to the households sending a girl to school each month for 9 months of scholastic year

**4 litres of oil, equal to 3.68 kg, will be provided to the households sending a youth to skills training. The food ration for the incentives has been calculated based on a household of five members. WFP will support 2 skills training courses during the extension period. Duration of each course is estimated as 3 months.

FOOD REQUIREMENTS

17. During the 12 month extension 4,798 mt of mixed commodities will be required to ensure the nutritional status of the most vulnerable refugees is maintained at an acceptable level and that both girls' education and skills training classes are supported through take home rations as indicated below:

Activity	Commodity ¹ / Cash & voucher	Food requirements (mt) Cash/Voucher (US\$)		
		Current	Increase	Revised total
GFD (Partial Ration) Ration A (mt)	Commodity	8,748	2,208	10,956
GFD (Full Ration) Ration B (mt)	Commodity	6,987	2,472	9,459
Support to girls' education	Commodity	373	117	490
Skills training	Commodity	12	1	13
TOTAL	Commodity	16,120	4,798	20,918

Hazard / Risk Assessment and Preparedness Planning

18. The main risks for WFP's continued support to refugees remain largely dependent on a number of factors beyond WFP's control, such as timely provision of services and inputs by the Government and UNHCR; continuous changes and enforcement of new restrictions for import of food commodity into the country resulting in delays and lengthy clearance formalities which can lead to pipeline breaks and subsequent food insecurity of the refugees. WFP continues to monitor the situation and negotiate waivers for import restrictions. Specifically for the ban on rice imports, the CO has negotiated a waiver with the authorities based on the humanitarian and non-commercial nature of the cargo and will endeavor to buy 80 percent of requirements at lower cost overseas. Furthermore the CO will continue to procure food locally to the extent possible and cost effective to avoid long delays.

¹ Please only present overall food requirement. Do not split by commodity.

ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
<i>Food Transfers</i>			
Cereals	3,840	1,396,740	
Pulses	510	844,050	
Oil and fats	373	449,461	
Mixed and blended food	-	-	
Others	75	47,250	
Total Food Transfers	4,798	2,737,501	
External Transport		99,658	
LTSH		83,159	
ODOC Food		33,881	
Food and Related Costs ²			2,954,198
C&V Transfers		-	
C&V Related costs		-	
Cash and Vouchers and Related Costs			-
Capacity Development & Augmentation			-
<i>Direct Operational Costs</i>			2,954,198
Direct support costs (see Annex I-B)			647,060
Total Direct Project Costs			3,601,258
Indirect support costs (7.0 percent) ³			252,088
TOTAL WFP COSTS			3,853,346

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

³ The indirect support cost rate may be amended by the Board during the project.

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
WFP Staff and Staff-Related	
Professional staff *	42,229
General service staff **	388,770
Danger pay and local allowances	-
Subtotal	430,999
Recurring and Other	104,068
Capital Equipment	15,000
Security	5,000
Travel and transportation	91,493
Assessments, Evaluations and Monitoring⁴	500
TOTAL DIRECT SUPPORT COSTS	647,060

⁴ Reflects estimated costs when these activities are performed by third parties. If WFP Country Office staff perform these activities, the costs are included in Staff and Staff Related and Travel and Transportation.