



Office of Inspector General

December 1, 2013

MEMORANDUM

TO: USAID Bureau for Democracy, Conflict, and Humanitarian Assistance, Assistant Administrator, Nancy E. Lindborg

USAID Bureau for the Middle East, Acting Assistant Administrator, Alina L. Romanowski

USAID/Jordan, Mission Director, Beth Paige

FROM: Regional Inspector General/Cairo, Catherine Trujillo /s/

SUBJECT: Survey of Selected USAID Syria-related Activities (Report No. 6-276-14-001-S)

This memorandum transmits our final report on the subject survey. In finalizing the survey, we considered your consolidated comments on the draft and have included them in Appendix II.

The survey contained no recommendations, and your offices are not required to take any additional action to address the survey's findings.

Thank you for the cooperation and courtesy extended to the survey team during this survey.

SURVEY RESULTS

The Regional Inspector General/Cairo (RIG/Cairo) conducted this survey to give USAID and the Office of Inspector General a better understanding of the status of activities and actions taking place in Syria. Doing so provides the Agency with assurance that internal controls are in place to make sure humanitarian assistance reaches those in need. The survey was conducted to answer the following objectives.

- What are USAID's activities related to the Syrian crisis?
- Have USAID/Office of Foreign Disaster Assistance (OFDA) and its implementers taken reasonable actions to manage and mitigate risks while responding to the Syrian crisis?

This survey does not contain any suggestions for improvement or action. A description of the survey's scope and methodology is in Appendix I. The Agency's comments on the draft survey report are in Appendix II, and our evaluation of them begins on page 9.

Background

What began in March 2011 as peaceful demonstrations against the Syrian Government has escalated over time. The current conflict between the government and opposition forces has had significant humanitarian consequences that now extend beyond Syria's borders. As of April 2013, the United Nations (UN) estimated that 6.8 million people required humanitarian aid; as of September 2013, more than 5 million people were internally displaced. About 2 million Syrians have fled to neighboring countries, the UN reported, including more than 500,000 to Jordan alone.

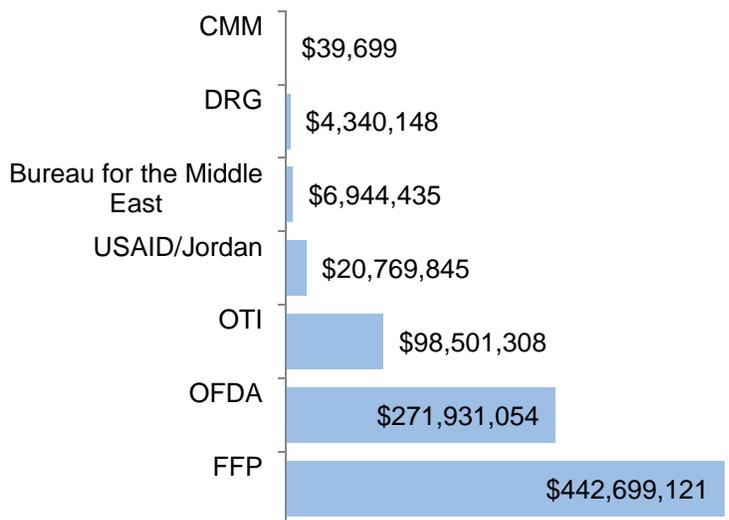
As of September 2013, the U.S. Government committed more than \$1 billion in assistance to respond to this conflict. The State Department and USAID are the main agencies involved; the State Department has primary responsibility for Syrian refugees, while USAID focuses on providing humanitarian aid to those still in Syria and supporting the countries that are taking in refugees.

USAID Syria-related Activities

As of September 2013, USAID had awarded approximately \$845 million through a variety of its offices to focus on issues related to Syria. Most of the offices are within the Agency's Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA); in fiscal years 2012 and 2013, they were the Offices of U.S. Foreign Disaster Assistance (OFDA), Food for Peace (FFP), Transition Initiatives (OTI), Conflict Management and Mitigation (CMM), and the Center of Excellence on Democracy, Human Rights, and Governance (DRG). Officials said the Agency's Bureau for the Middle East and USAID/Jordan also were conducting Syria-related activities.

As shown in Figure 1 on the following page, OFDA and FFP accounted for the largest portion of USAID's assistance.

Figure 1. Awards Related to Syria by Office, Fiscal Years 2012 and 2013 (Unaudited)



Office of U.S. Foreign Disaster Assistance. OFDA is the U.S. Government’s lead office for humanitarian responses to natural and manmade disasters. OFDA’s standard role is to coordinate the humanitarian response, identify needs and priorities, and provide funding through partners—including UN agencies, nongovernmental organizations (NGOs), and others—to respond to crises.

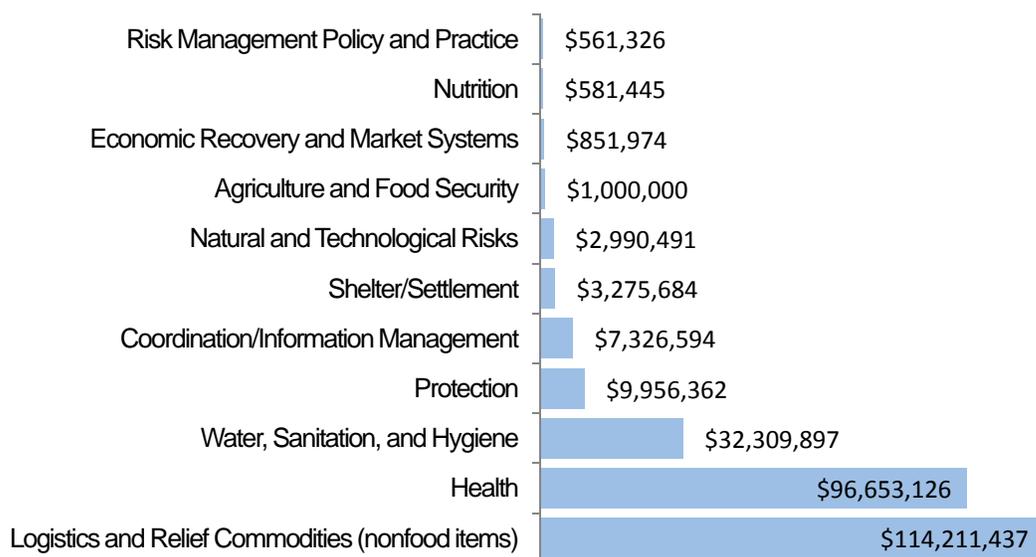
In fiscal years 2012 and 2013 OFDA awarded 49 cooperative agreements and grants worth almost \$272 million to UN agencies and NGOs.¹ As of September 30, 2013, approximately \$86 million (32 percent) had been disbursed. In addition, OFDA had obligated almost \$3 million in other costs attributable to Syria, including commodities the office procured directly.

These awards supported activities in a variety of sectors such as health, logistics support, commodities (generally nonfood assistance), and protection, as shown in Figure 2 on the next page. Funds used for nonfood assistance and health services made up the largest portion of OFDA’s support overall, at \$114 million (42 percent) and almost \$97 million (36 percent), respectively.²

¹ The UN continues to recognize the Syrian Government in Damascus; because of this, UN agencies generally are limited to working primarily in Government-controlled areas. NGOs work in both Government- and opposition-controlled areas.

² The nonfood assistance includes direct OFDA procurements and transportation of in-kind commodities, worth \$740,258.

Figure 2. OFDA-funded Activities by Sector, Fiscal Years 2012 and 2013 (Unaudited)

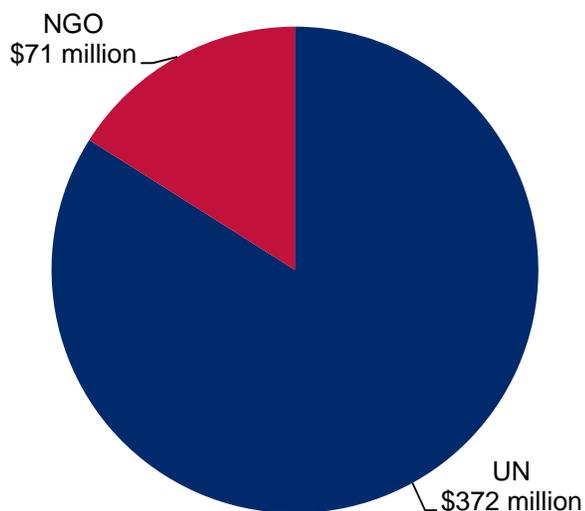


Office of Food for Peace. FFP supports activities designed to provide food assistance during emergencies, build resilience to address future problems, and promote long-term development. During emergencies, FFP’s programs focus on maintaining or improving the nutritional status of people affected, using food procured locally, regionally, or from the United States, cash transfers, and food vouchers.

During fiscal years 2012 and 2013, FFP reported giving ten awards worth almost \$443 million to the UN and NGOs, as illustrated in Figure 3 on the next page. Approximately \$372 million went to the UN World Food Program in the form of grants and in-kind contributions to support emergency operations for the Syria crisis.

One of those operations provides assistance to communities within Syria, while another provides assistance in the five countries that have significant numbers of Syrian refugees—Egypt, Iraq, Jordan, Lebanon, and Turkey. In these countries, FFP supports food vouchers and food distributions to refugees in camps and communities. FFP also has awarded five cooperative agreements worth approximately \$71 million to NGOs to support food rations to families and flour to bakeries in areas of Syria affected by the conflict.

Figure 3. FFP Funding by Awardee Type, Fiscal Years 2012 and 2013 (Unaudited)



Office of Transition Initiatives. OTI works with local partners to advance stability, peace, and democracy in countries experiencing or recovering from conflict or crisis. In 2013 OTI awarded a task order to respond to the Syrian crisis under an existing indefinite quantity contract; the order's ceiling was approximately \$99 million.³ As of September 30, 2013, almost \$54 million had been obligated to this award, and approximately \$5 million (9 percent) of that had been disbursed.⁴

OTI's award is designed to support efforts to build governance structures that reflect the will and needs of the Syrian people. Through targeted small grants and technical assistance, the award supports governing bodies, civil society, and citizens to identify and respond to local needs and participate in the political transition.

Center of Excellence on Democracy, Human Rights, and Governance. DRG focuses on advancing democracy, human rights, and governance to prevent crises and promote peaceful political transition. It does this by supporting activities designed to strengthen new democratic institutions, including civil society organizations.

DRG has largely used existing awards to support Syria-related activities. During fiscal years 2012 and 2013, DRG awarded approximately \$4 million for activities including:

- Promoting the participation of women leaders to make sure they have active roles in transition planning and peace negotiations.

³ An indefinite quantity contract provides for an indefinite quantity, within stated limits, of supplies or services during a fixed period.

⁴ An additional \$4 million was disbursed within the first month of fiscal year 2014, reflecting costs incurred during fiscal year 2013.

- Workshops and training to improve the ability of activists to document human rights violations and to provide information on transitional justice issues.
- Support to a Jordan-based program worth \$990,148 to provide psychosocial rehabilitation to Syrian refugees who have been tortured. A USAID/Jordan staff member will act as the activity manager for this program.

Office of Conflict Management and Mitigation. CMM provides analytical and operational support to other USAID offices, including overseas missions, focusing on the causes and consequences of violent conflict.

Through September 30, 2013, CMM had awarded one purchase order supporting a half-day conference worth \$39,699, which had been fully disbursed. According to CMM officials, the conference was designed to discuss policy and strategic priorities, identify appropriate USAID assistance interventions, identify areas that could be counterproductive, and bring in experts from outside the U.S. Government to share insights. Employees from USAID, the National Security Council, and the departments of State and Defense attended. Following the event, CMM distributed a conference summary to participants.

Bureau for the Middle East. The bureau has overall responsibility for USAID's activities in the region. During August and September 2013, the bureau issued and fully obligated three awards worth approximately \$7 million.

The bureau's funding supported activities under a contract and cooperative agreement, as well as one personal service contract for an individual to coordinate the two awards. Award activities include funding for small to medium infrastructure projects that could spur economic growth, such as roads to markets and agricultural projects.

USAID/Jordan. USAID/Jordan implements a variety of activities, including infrastructure, education, and health programs. Since the Syrian crisis began, more than 500,000 Syrian refugees have flooded the country. The Al Za'atari refugee camp in the north is now the second largest refugee camp in the world with more than 100,000 inhabitants, and the UN High Commissioner on Refugees estimates that another 366,735 Syrian refugees are dispersed in communities throughout the country.

During fiscal years 2012 and 2013, USAID/Jordan increased funding for two existing programs and anticipated awarding new projects to support activities addressing the impact the Syrian refugees have had. The total anticipated cost of these activities is approximately \$31.7 million. As of September 30, 2013, USAID/Jordan had obligated approximately \$21 million for these activities.

In addition, a USAID/Jordan staff member will be the activity manager for the DRG-managed psychosocial services program mentioned earlier. The U.S. Government also has committed approximately \$300 million in direct cash transfers for the Jordanian Government for support to its budget to help it cope with the refugees.

Planned and current activities include:

- Support for community-based water collection and other water infrastructure-related projects in areas affected by the refugees.

- Activities to support schools in areas with large numbers of Syrian refugees. This includes expanding schools, support for early grade (primary school) reading and math diagnostic tools, and community involvement activities.
- Health services for Syrian torture victims and awareness campaigns targeting refugees and host communities that focus on early marriage, child labor, human trafficking, and sexual and gender-based violence.

Actions to Manage and Mitigate Risks in OFDA's Syria-related Programs

OFDA and its implementers have taken steps to manage the significant risks associated with working in Syria by implementing a variety of internal controls. According to standards issued by the public and private sector, internal controls can provide reasonable assurance that an organization's objectives are being met, including those related to operations, reporting, and compliance with laws and regulations.⁵ However, implementation of these controls is an ongoing process, and while they can help organizations mitigate risks, safeguard their assets, and achieve their desired results, they are not an absolute guarantee that all risks will be avoided.

The five generally accepted internal control standards that apply to all aspects of an organization's activities are control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment. This encompasses an organization's integrity and ethics, and the standards, processes, and structures that establish a positive, supportive attitude toward internal control.

All OFDA awards made to NGOs in response to the Syrian crisis through July 2013 incorporated standard provisions designed to reinforce the control environment. They included requirements related to antiterrorism vetting, preventing human trafficking, and identifying ineligible goods and services. In addition, the awards also included a special provision requiring implementers to have a code of conduct that protects beneficiaries from sexual exploitation and abuse. OFDA required each implementer's code to comply with the principals established by the UN Interagency Standing Committee Task Force on Protection from Sexual Exploitation and Abuse in Humanitarian Crises.

The five implementers selected for review during this survey had taken steps to establish policies and procedures to build positive control environments. They included the required sexual exploitation and abuse codes of conduct, and policies and procedures related to antiterrorism vetting, conflicts of interest, and receipt of gifts. Most of the implementers had mechanisms in place for internal complaints and whistle-blowing, and several also had mechanisms in place to allow beneficiaries and stakeholders to lodge complaints and concerns.

Risk assessment. This refers to processes for identifying and assessing external and internal risks—the possibility that events “will occur and adversely affect the achievement of objectives.”

⁵ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government*, November 1999; Committee of Sponsoring Organizations of the Treadway Commission, *Internal Control-Integrated Framework*, May 2013; and U.S. Office of Management and Budget, *Circular A-123, Management's Responsibility for Internal Control*, December 2004.

The ability of OFDA and its implementers to conduct their own risk assessments in Syria has been limited by the unstable security situation there. Because of this, OFDA relied on the UN and other organizations for risk assessments. This included published reports as well as information obtained from ongoing coordination and communication with other organizations responding to the Syria crisis.

While the ability of OFDA and its implementers to directly conduct risk assessments is limited, OFDA requires its implementers worldwide—including those working in response to the Syria crisis—to submit a safety and security plan with their proposals. These plans must be specific about their planned activity locations and must include information on risk mitigation measures. In the proposals we reviewed during fieldwork, implementers identified problems with detention, kidnapping, and snipers. Some said they were accepted in local communities, but their acceptance among fundamental Islamist groups working with the opposition was nonexistent, which increased the risk for those implementers. They also reported that the presence of these groups in many of the camps for internally displaced people in northern Syria was increasing.

Control activities. These are the actions taken to make sure activities to mitigate risks are implemented. They can include authorizations, verifications, and reconciliations.

Given the security and access issues, implementers often cannot directly oversee activities to make sure that nonfood items and health commodities—sectors accounting for the majority of OFDA funding—reach their intended beneficiaries, are being distributed as planned, and have accurate reported results.

OFDA's implementers reported using several types of control activities, many based on best practices, to mitigate and manage risk. These include:

- Establishing standardized procurement and supply-chain procedures, and providing training to employees on them.
- Using inventory systems and performing periodic physical inventories to account for commodities.
- Using numbered waybills during transport.
- Minimizing the time commodities are held at any one point.

Information and communication. These are necessary to be sure an organization can control its activities. Information must be relevant and accurate, and communication must be ongoing and provided in the right form, at the right time, and to the right person.

A key information and communication control related to the Syria crisis was the establishment of Agency-wide and multi-agency coordination groups that OFDA participates in. At the Agency level, USAID implemented the USAID Syria Task Force in April 2013 to lead the response from headquarters; OFDA was the Task Force's lead for humanitarian assistance response. At the multi-agency level, the Syria Transition and Response Team was set up to coordinate efforts throughout the federal agencies; OFDA coordinated with this team.

OFDA shared information and coordinated activities through numerous internal mechanisms. Employees in Washington and the field had conference calls to share information at least

weekly, and the field-based employees communicated regularly with the implementers. During interviews, implementer officials said they were impressed with the OFDA staff's level of communication and coordination.

At the implementer level, OFDA brings its implementers together regularly to meet and share information. In addition, OFDA's implementers also reported meeting with other organizations that were not receiving OFDA funds to coordinate activities and discuss lessons learned. For example, during survey fieldwork, NGOs working in response to the Syria crisis, including OFDA's implementers, were meeting to discuss standardization of winterization assistance kits, keeping in mind different needs in different areas.

Monitoring activities. These are designed to assess performance over time and help organizations understand whether internal controls are present and functioning.

To support OFDA's ability to monitor activities, implementers are required to submit quarterly and annual financial and performance reports. Implementers send the reports to the designated agreement officer's representative (AOR) in Washington. While OFDA's staff in the field is key to monitoring internal controls, the AOR has final responsibility for overseeing the activities.

To the extent possible, implementers used full- or part-time staff and other networks to monitor activities in Syria. However, implementers expressed concern that the security situation was getting worse, limiting their ability to enter Syria.

EVALUATION OF MANAGEMENT COMMENTS

In its comments, USAID stated that it had no issue with the results of the survey, or the characterizations of the Agency's current actions in response to the crisis in Syria and throughout the region.

Because our report contained no recommendations, the Agency is not required to take any additional action by to address the survey report's findings.

SCOPE AND METHODOLOGY

Scope

OIG conducted this survey in accordance with the quality standards for inspection and evaluation issued in 2011 by the Council of the Inspectors General on Integrity and Efficiency.

The survey had two scoping levels, consistent with the objectives. To respond to the first objective, the team considered offices that USAID identified as having Syria-related activities in place as of July 2013; the team updated information on these activities as of September 2013. To respond to the second objective, the team considered OFDA activities that were active during the fieldwork, obtained information on all awards issued during fiscal years 2012 and 2013, and conducted a limited review of all documents for OFDA awards issued prior to July 31, 2013.

The survey scope was limited to obtaining an understanding of USAID's activities related to the Syrian crisis and the internal controls in place on the part of OFDA and its implementers to mitigate and manage risk related to activities in Syria. The survey did not evaluate the effectiveness of the internal controls reviewed. It did not involve substantive testing to verify whether the identified controls were, in fact, being implemented, and whether they complied with Agency policies and procedures or the relevant assistance agreements.

RIG/Cairo performed fieldwork from July 18, 2013, to October 17, 2013, and conducted site visits from August 14 to August 23, 2013, in Jordan and Turkey.

Methodology

In planning and performing this survey, we gained an understanding of USAID's Syria-related activities by reviewing documents and meeting with relevant Agency offices. We met with USAID officials from five offices in the Bureau of Democracy, Conflict, and Humanitarian Response, as well as officials from the Agency's Bureau for the Middle East, USAID/Jordan, and representatives from the Syria Task Force.

To answer our first survey objective, we collected information from each office that USAID officials said was engaged in Syria-related activities, both ongoing and complete. We reviewed award documents and the status of obligations and disbursements, and interviewed officials to obtain information on the activities.

To answer our second objective, we obtained information on OFDA's Syria-related awards during fiscal years 2012 and 2013. We reviewed awards made as of July 31, 2013, and obtained information on funding levels to date, including obligations and disbursements. From the listing of OFDA-funded awards, we selected a judgmental sample of five implementers that had ongoing activities for further review. Information from this sample cannot be generalized to the full population of OFDA implementers.

We reviewed and consolidated information on best practices and lessons learned on humanitarian assistance and working in complex security environments. We then used this information when reviewing practices and controls in place at USAID-funded implementers. For

the selected sample, we conducted interviews, on-site observations, and reviewed documents to identify the internal controls developed to mitigate risks and promote compliance with regulations, policies, and guidance. We collected information on types of activities implemented to date and challenges and successes encountered.

MANAGEMENT COMMENTS



USAID
FROM THE AMERICAN PEOPLE

TASK FORCE ON SYRIA

November 20, 2013

MEMORANDUM

TO: Regional Inspector General/Cairo, Catherine Trujillo

FROM: USAID Task Force on Syria Chair, Nancy Lindborg /s/
USAID Task Force on Syria Deputy Chair, Alina Romanowski /s/

SUBJECT: Formal Response to Survey of Selected USAID Syria-related Activities (Report No. 6-276-14-00X-S)

This memorandum transmits the USAID Task Force on Syria formal response to the Regional Inspector General/Cairo's draft report on the subject survey.

At this time, the Task Force on Syria has no issue with the results of the survey, or the characterizations of the current actions undertaken by the Task Force in response to the crisis in Syria, and across the region.

Please consider this the requested electronic version in Microsoft Word with /s/ representing signatures for the TF Chair, Nancy Lindborg, and the TF Deputy Chair, Alina Romanowski.

We will provide directly to you a signed hard copy for the record.

We thank the survey team for their work on this initial survey and look forward to continuing to work with the Regional Inspector General/Cairo as the Agency continues to respond to the ongoing crisis in Syria.