

OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID'S OFFICE OF FOOD FOR PEACE SYRIA-RELATED ACTIVITIES (EXECUTIVE SUMMARY)

AUDIT REPORT NO. 8-276-14-003-P JULY 30, 2014

FRANKFURT, GERMANY

This is a summary of our report on the "Audit of USAID's Office of Food for Peace Syria-Related Activities."

More than 3 years after Syria was riven by civil war, some 6.4 million people have been internally displaced and almost 11 million are in need of humanitarian aid. Food prices have soared, and the number of people vulnerable to food insecurity has as well. Reports state that in Aleppo and Idleb Governorates in northern Syria—areas targeted by USAID's Office Food for Peace (FFP)—food commodity prices increased by 40 to 50 percent in early January 2014 due to increased fighting. One assessment of Dar'a Governorate in southern Syria—an area also targeted by FFP—found that 75 percent of the population needed food assistance.

Prices for bread—a staple of the Syrian diet—have increased during the crisis, due in part to a lack of ingredients like flour and fuel to power the bakery. According to one analysis, in January 2014 the price of unsubsidized bread across Syria ranged from 50 Syrian pounds (SYPs) to 500—significantly more than the typical cost of subsidized bread, which was 15 SYPs.² By March 2014 bread prices continued to grow because fewer baking facilities were available and ingredients and fuel continued to be in short supply.

The ongoing conflict and changing situation in Syria have made it challenging to provide the necessary humanitarian aid. According to USAID officials and Agency implementers, the situation in the northern part of the country has changed since the start of the conflict. Initially, it was between the national government in Damascus and the Syrian opposition, with some level of stability in areas controlled by the opposition. However, Syria is now in the middle of two armed conflicts—one between the government and opposition forces, and one between extremists and more moderate factions of the opposition. This has caused security to deteriorate throughout the country and limited access to northern Syria. Southern Syria has seen ongoing fighting since the conflict began.

One of FFP's primary objectives is to provide food assistance in emergencies. During such times, FFP supports activities that focus on maintaining or improving the nutritional status of people affected. This can be done by using food procured locally, regionally, or from the United States, or by providing people with cash transfers and food vouchers. In Syria, FFP has awarded more than \$440 million to the UN and nongovernmental organizations during fiscal years 2012 and 2013.³

The Regional Inspector General/Frankfurt (RIG/Frankfurt) conducted this audit to determine whether USAID's FFP program is providing food for the intended recipients in Syria.

The audit concluded that food commodities, including flour and food rations, were reaching northern and southern Syria through the program. As of February 2014, FFP implementers had procured more than 24,000 metric tons of flour and more than 195,000 food parcels. However, the audit identified areas for improvement for which we made five recommendations.

¹ Food insecurity occurs when people do not have constant access to enough safe, nutritious food to maintain a healthy, active life.

² Assessment Capacities Project and MapAction's Syria Needs Analysis Project, *Regional Analysis Syria*, 04 April 2014. Part I - Syria. As of January 2014, \$1 was equal to 139 SYP.

³ This included approximately \$372 million provided to the UN World Food Program in grants and in-kind contributions to support emergency operations for Syria. Activities implemented by the World Food Program using FFP funding were not part of this audit.

Management decisions were acknowledged on five recommendations and final action was taken on two recommendations.

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