

[illegible]

From:

Sent:

To:

Cc:

Subject:

Dear all

We had a meeting yesterday afternoon with WFP [REDACTED], [REDACTED], [REDACTED]). [REDACTED],

and I attended.

WFP confirmed the situation that was reported by our field.

SITUATION:

The exact quantity of milk that will be procured will depend on price fluctuations in the next months, but will be most likely around 24.000 metric tonnes (versus 17 500 planned).

At the current pace, WFP would manage to distribute around 13 000 mt.

PROPOSED OPERATIONAL OPTION

However, WFP is no more asking for a NCE as they realize the challenge to go again to the HAC committee and having MS on board.

██████████ was involved in the previous HAC committee negotiations, and he acknowledges that it is too risky to try and have MS on board again.

Therefore, here is the proposed solution

- Modify the quantity of milk distributed *per child* : "**up to 400 ml**", instead of "200 ml". This is likely to have an impact on the number of beneficiaries (tbc).
- WFP to look at the logistics/administrative possibilities to expand the school network in the short term and come back to us should this possibility ever realizes.
 - o please note that this is just an attempt to ensure that all options were taken into account, since adding new schools to the programme would imply administrative/bureaucratic issues in relations with GoS, that has to agree.
- Increase the flexibility to use GFA (General food distribution), "whenever needed".
 - o Since the first aim of the project has to remain to feed school children, WFP will provide indicative projections on which share this could represent. WFP will perform accurate market and nutrition analysis when using milk in GFA.

PROCEDURE:

- field to field discussions,
- MR will be submitted along the proposed line
- ECHO will ensure the requested flexibility

- When approved, WFP will proceed with procurement according to the new workplan.

COMMENTS

The proposed solution seems the only operational one viable and acceptable to avoid NCE and money recovery.

If you greenlight, we will proceed this way. Happy to talk whenever needed.

■

From: ■ (ECHO)
Sent: Wednesday, May 31, 2017 4:13 PM
To: ■ (ECHO); ■ (ECHO); ■ (ECHO); ■ (ECHO)
Cc: ■ (ECHO); ■ (ECHO); ■ (ECHO); ■ (ECHO)
Subject: RE: Update on the Milk Scheme - inside Syria - developments

Dear all

Today WFP Damascus contacted ■ ■ to propose an alternative option to distribute the 24 000 mt of milk. WFP proposes to:

- double the quantity of milk distributed *per child* (400 ml instead of 200 ml).
- be allowed to include milk in the GFA not only as a last resort (as it is the case now) but whenever needed.

→ However, please note that the NoCostExtension remains for WFP the first recommended solution.

Tomorrow with ■ (WFP BXL) we'll discuss feasibility and risks under the new operational option, while on the NCE we will keep an holding line.

A decision will have to be taken soon. In fact, if NCE is not considered, the new option implies the change in WFP procurement plans.

We will report on the meeting tomorrow and we suggest to add the point to the next management meeting agenda.

Kindly,

■

From: ■ (ECHO)
Sent: Tuesday, May 30, 2017 7:07 PM
To: ■ (ECHO)
Cc: ■ (ECHO); ■ (ECHO); ■ (ECHO); ■ (ECHO); ■ (ECHO); ■ (ECHO); ■ (ECHO)
Subject: Re: Update on the Milk Scheme - inside Syria

Very clear and helpful. Thanks to ■ for this.

A time extension seems indeed to be the only option, also because it would better protect us against reputational risks.

The good bargain achieved by WFP, increasing the quantity within the initial budget, would provide us with a convincing argument if MS have problems.

■

■

On 30 May 2017, at 15:34, ■ (ECHO)
<■@ec.europa.eu> wrote:

Dear ■,
Please also find attached the briefing that we have produced for ■, with thanks to ■, ■, and the field colleagues.
Regards, ■

From: ■ (ECHO)
Sent: Tuesday, May 30, 2017 2:43 PM
To: ■ (ECHO); ■ (ECHO)
Cc: ■ (ECHO); ■ (ECHO); ■ (ECHO); ■ (ECHO); ■ (ECHO)
Subject: Update on the Milk Scheme - inside Syria

Dear ■, dear ■

As requested, please find below the update of the state of play of the milk scheme inside Syria.

General background:

- ? The project aims at distributing **17 500 metric tonnes** of UHT liquid milk of European Origin to 500 000 school children inside Syria. The milk is complementing an existing school feeding programme carried out by UNICEF and WFP and covers 400 schools in GoS controlled area in Homs, Damascus, Rural Damascus, Tartous, Quneitra and Lattakia governorates.
- ? The project is at its half way now, it started in June 2016 and will end in June 2018, encompassing 2 school years.
- ? The project is encoded under a special HIP, and has been approved by MSs with a written procedure.

State of play:

- ? WFP approached [REDACTED] in Damascus to request a 1 year No-cost extension.
- ? ECHO proactively checked with the legal unit if under a legal perspective an extension was deemed possible and asked WFP for more information. A meeting took place this morning (30/05) in Damascus on this topic.
- ? During the enquiry, the following information has been disclosed:
 - WFP, at procurement stage, negotiated a lower than expected price per litre. This will allow WFP to buy **24 000 metric tons of milk (instead of 17 500, as per initial proposal), equal to an increase of 37% of quantity to distribute.**
 - As of today, WFP distributed **5 000** metric tonnes of milk to 250 000 children (1/3 of the total quantity in ½ of the time). In addition, 4000 metric tonnes are already procured and will be shipped to Syria in September/October.
 - On timing, there is one school-year left to perform distributions. Distributions are not ongoing during summer, because with high temperatures the risks of bad storage and conservation for such a delicate product are too high.
 - → If it was already challenging to distribute the 17 500 metric tonnes foreseen, it will be not feasible to distribute 24 000 metric tonnes instead, in the same timeframe.

Options looked at:

1. Increase the caseload within the present conditions (i.e. in the area controlled by GoS). Challenges:
 - a. Administrative/clearances/authorisation will be

- difficult to have from GoS, who has approved the scheme, considering that 6 ministries are involved.
 - b. Storage of such high quantity in such short timeframe is impossible inside Syria at the moment. Storage has to be adequate (cool chain etc.)
 - c. Logistics capacity
- 2. Include milk in the GFA (General food assistance): Challenges:
 - a. Limited storage capacity / cold chain for such a huge quantity
 - b. Distortion of existing targeting among beneficiaries
 - c. Impact in breastfeeding / no harm principles
 - d. Milk is a product that beneficiaries could be re-sold into markets, with impact in humanitarian aid
 - e. Market distortions
 - f. Access constraints
- 3. XB TK option: Challenges:
 - a. TK does not allow huge quantity through the 2 crossing points
 - b. No existing school network
 - c. The operation would present serious challenges in terms of remote management of such a delicate product.
 - d. In Northern Syria small schools with small caseload and logistics impediments
- 4. If no time extension is deemed possible, a **fund recovery** for the quantity not procured and distributed could be envisageable.
- 5. A **time extension** could be justified in terms of cost-effectiveness of the operation (same amount, 37% more milk to distribute, but in 3 years instead of 2 for the objective operational constraints).

Under our request, a meeting with WFP BXL is scheduled for this on Thursday 01/06 at 15:30 with [REDACTED]. [REDACTED] [REDACTED] will attend.

Happy to discuss at any time.

Kindly,

[REDACTED]

Syria Team

[REDACTED]

<image001.png>

European Commission

DG ECHO

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<MP Meeting with DG AGRI Plewa on milk schemes
31 May 2017.docx>