

July 2016

SYRIA HUMANITARIAN ASSISTANCE

Some Risks of
Providing Aid inside
Syria Assessed, but
U.S. Agencies Could
Improve Fraud
Oversight

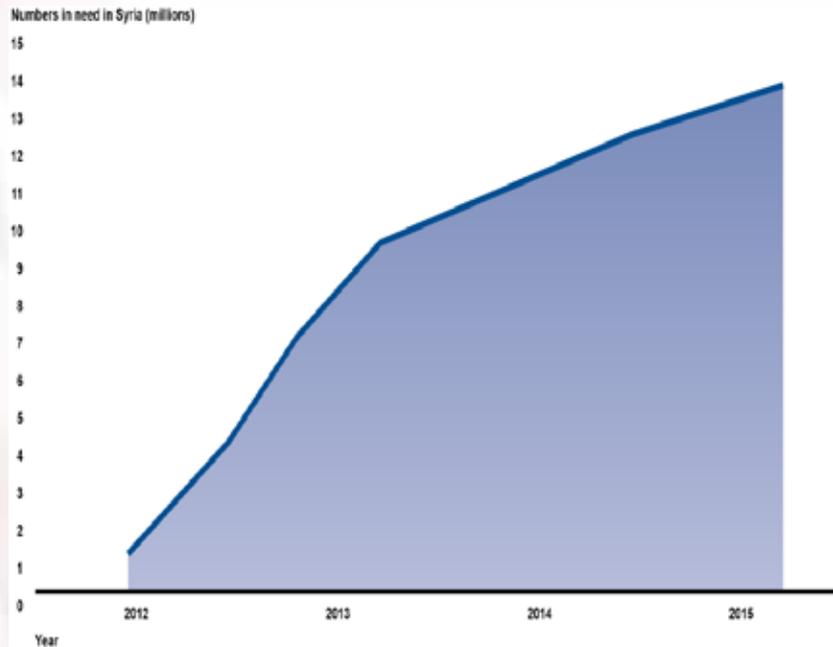
GAO-16-629

Report Objectives

In this report we examined humanitarian assistance provided by State, USAID, and their implementing partners to people inside Syria, including:

1. factors affecting delivery of such assistance,
2. the extent to which State, USAID, and their partners assessed risks to the programs; and
3. implementation of controls to mitigate identified risks and ensure appropriate financial oversight of humanitarian assistance projects.

Estimated Number of People in Syria in Need of Humanitarian Assistance, 2012 through 2015

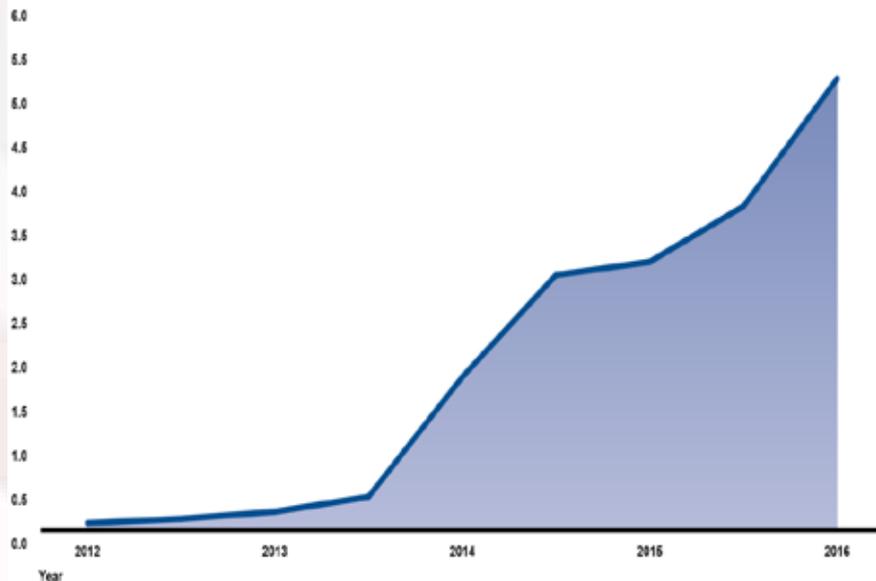


Source: GAO analysis of United Nations Office for the Coordination of Humanitarian Affairs. | GAO-16-629

As of May 2016, the UN reported that 13.5 million people inside Syria were in need of humanitarian assistance, of which 6.5 million were internally displaced.

Total U.S. Funding Obligated toward Humanitarian Assistance for People Affected by the Syrian Conflict Has Risen to Over \$5 Billion, as of February 2016

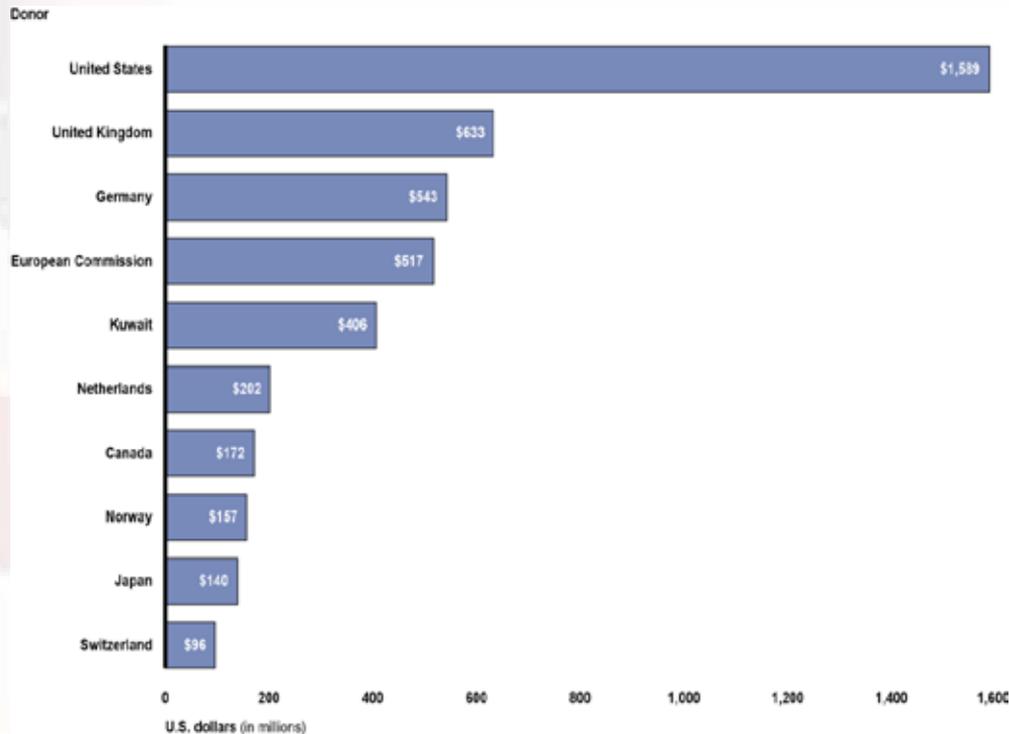
USG Assistance to Syrian Response (U.S. dollars in billions)



Source: GAO analysis of U.S. Agency for International Development data. | GAO-16-429

U.S. funding obligated in support of humanitarian assistance in Syria began in fiscal year 2012 and totaled just over \$5 billion, as of February 2016.

Top Ten International Donors That Provided Humanitarian Assistance towards the 2015 Syria Response, as of July 2016



Since 2013, the United States has consistently led global funding efforts, providing more than a quarter of the total international funding for the 2015 Syria Humanitarian Response plan

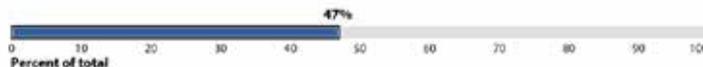
Source: GAO analysis of the United Nations Office for the Coordination of Humanitarian Affairs data. | GAO-16-629

Percentage of International Funding in 2015 for the Main Types of Humanitarian Assistance inside Syria



Food and agriculture:

In an effort to meet food needs while at the same time enhancing resilience through the provision of resources to rebuild livelihoods, food and agriculture assistance can include distribution of relief food items, monthly cash and vouchers, agricultural inputs (wheat and barley seeds), and flour to bakeries.



Shelter and nonfood items (NFIs):

Often the first element of emergency assistance to a crisis, NFIs can include basic household items, hygiene kits, clothing, new baby kits, and winterization kits. Shelter assistance can include the provision of adequate housing solutions, rehabilitation of public shelters, upgrading of private shelters, and the distribution of kits, tools, and shelter materials for shelter upgrade and rehabilitation.



Health and nutrition:

Providing lifesaving and life sustaining humanitarian assistance through specific initiatives, health and nutrition assistance can include the provision of essential medicines, supplies, and preventive nutrition services; strengthening trauma and injuries care, strengthening the management of noncommunicable diseases, reproductive health services, and immunization services.



Water, sanitation, and hygiene (WASH):

WASH assistance involves both short term humanitarian assistance to meet immediate survival needs and long term support in sustaining operations. WASH assistance can include direct assistance such as water trucking and household water treatment; maintenance and operations of water, sanitation, and sewage systems; and providing access to improved WASH facilities and services.



Education:

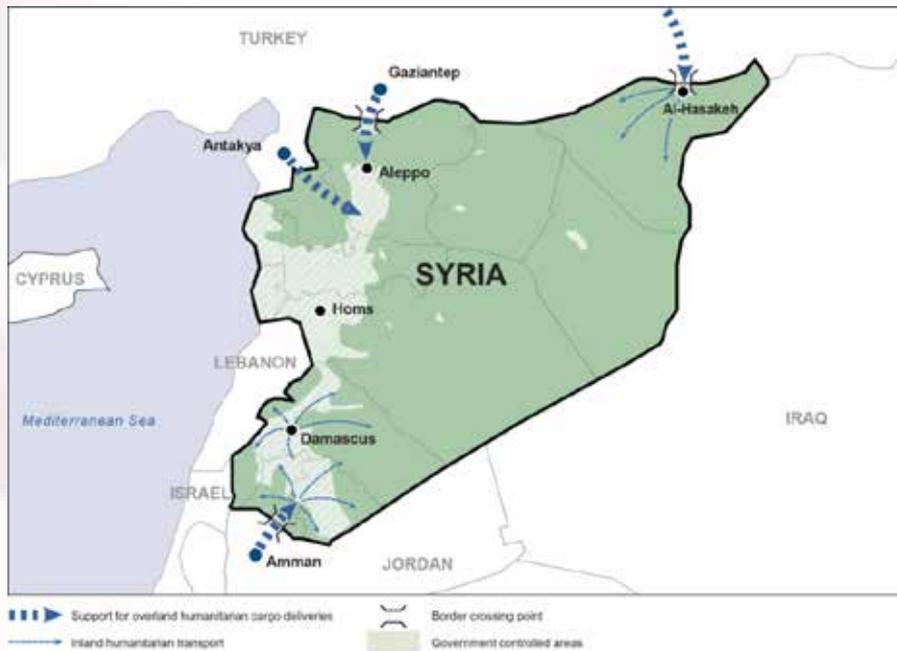
In an effort to provide access to safe and quality education to affected children and adolescents and to strengthen the capacity of education stakeholders, education assistance can include rehabilitating schools and establishing learning spaces, professional development for teaching staff, essential teaching and learning materials, and school feeding programs.



Source: GAO analysis of United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) data. | GAO-16-629

Operating Environment for Delivery of Humanitarian Assistance into Syria

State's and USAID's implementing partners contended with the multitude of actors as well as shifting conflict lines



Source: Map Resources (map). | GAO-15-429

- Implementing partners crossed the border into Syria to deliver assistance into opposition controlled areas
- UN and international organizations operating from Damascus largely remained within Syrian government controlled areas
- UN and international organizations also utilized cross-line delivery—traveling from the Syrian government controlled area through checkpoints into opposition controlled areas

Objective 1 - Three Factors Complicated the Delivery of Humanitarian Assistance to People inside Syria

1. The deterioration of the security environment hindered effective delivery of humanitarian assistance
 - Damage to health facilities in Syria after aerial attack, Tel Shehab, Dara'a (left) and Al Khaf, Rural Damascus (right)



Source: USAID Office of U.S. Foreign Disaster Assistance implementing partner. | GAO-16-829

Objective 1 - Three Factors Complicated the Delivery of Humanitarian Assistance to People inside Syria

2. Humanitarian organizations faced difficulties accessing those in need
 - Administrative procedures put in place by the Syrian government delayed or limited the delivery of humanitarian assistance, according to UN Secretary General reports.
3. Remote management created challenges for financial oversight of humanitarian assistance delivered inside Syria
 - Due to restrictions, USAID and State staff manage the delivery of humanitarian assistance in Syria remotely from neighboring countries.

Objective 2 – U.S. Agencies Did Not Require Comprehensive Risk Assessments

- USAID required implementing partners operating humanitarian assistance programs in Syria to assess certain types of risk, but did not require a comprehensive risk assessment
- State's humanitarian assistance inside Syria did not require implementing partners to conduct comprehensive risk assessments

Objective 2 - Most Partners Assessed Safety and Security Risks, But Not Risk of Fraud

Selected Risk	Vulnerability	Number of implementing partners out of a total of 9 who conducted assessments for this type of risk
Safety of personnel	Road accidents, road banditry, and ambushes while driving are all safety risks for implementing partner personnel	7
Security environment	Gathering of large crowds for distribution of humanitarian assistance can cause security risks for beneficiaries	8
Loss due to theft or diversion	Diversion of aid by armed groups or criminal elements	4
Fraud	Remote management of programs can weaken internal controls and increase opportunities for fraud and waste	4

Source: GAO analysis of implementing partner documents. | GAO-16-629

Objective 2 – Most Partners Did Not Assess Fraud Risks

USAID OIG Investigations

- USAID OIG had four investigations into allegations of fraud and mismanagement related to programs for delivering humanitarian assistance to people inside Syria.
- One investigation found that the sub-awardee of the implementing partner failed to distribute nonfood items in Southern Syria, instead subcontracting the distribution to another organization, but nevertheless billed USAID for the full cost of the project.
- USAID OIG had reported the identification of bid-rigging and multiple bribery and kickback schemes related to contracts to deliver humanitarian aid in Syria. These investigations resulted in the suspension of 14 entities and individuals involved with aid programs from Turkey, and according to the OIG, these findings led USAID to terminate the sub-award and reduce its planned funding to the prime implementer by \$10,500,000.

Objective 3 – Partners Developed and Implemented Controls to Mitigate Risks

Selected Risk	Vulnerability	Mitigating Activity	Number of implementing partners out of a total of 9 who conducted assessments for this type of risk	Number of implementing partners out of a total of 9 with control activities for this type of risk
Safety of personnel	Road accidents, road banditry, and ambushes while driving are all safety risks for implementing partner personnel	Provide instruction to drivers on methods for taking evasive action and fleeing to safety	7	8
Security environment	Gathering of large crowds for distribution of humanitarian assistance can cause security risks for beneficiaries	Conduct door to door distribution—rather than distribution from a centralized location—in high risk environments	8	9
Loss due to theft or diversion	Diversion of aid by armed groups or criminal elements	Obtain community acceptance through liaising with local councils; track and monitor supplies	4	9
Fraud	Remote management of programs can weaken internal controls and increase opportunities for fraud and waste	Train new staff and existing staff on fraud awareness; triangulate data and information from monitoring in programmatic and financial operations	4	8

Source: GAO analysis of implementing partner documents. | GAO-16-629

Objective 3 – Fraud Oversight Could Be Strengthened

Based on our review of these documents, we determined that:

- the documents contained guidelines for verifying the progress of activities in Syria, but did not clearly instruct field monitors to identify potential fraud risks as they conduct site assessments of projects in Syria
- the monitoring plan and site visit guidelines did not contain specific guidance on how to identify potential fraud risks
- field monitors did not receive the USAID OIG fraud awareness training, according to USAID officials
- the curriculum for training field monitors lacked specific courses for recognizing potential or actual instances of fraud that may occur on site

Recommendations for Executive Action and Agency Responses (USAID)

To improve the financial oversight of U.S. programs to provide humanitarian assistance to people inside Syria, we recommended that the USAID Administrator take the following four actions:

- Recommendation 1: Update guidance to require non-governmental organizations to conduct risk assessments addressing the risk of fraud.
 - Agency response: USAID noted that while their guidance is not yet officially updated, USAID will require all organizations seeking funding to directly address fraud risks and submit a detailed mitigation plan.
- Recommendation 2: Use risk assessments submitted by implementing partners to inform USAID oversight activities, for example, using information from assessments to ensure that control activities for programs are designed to mitigate identified risks.
 - Agency response: USAID noted it looks forward to assessing the fraud risk mitigation plans that will be submitted, and further tailoring oversight to mitigate identified risks.
- Recommendation 3: Ensure that field monitors in Syria are trained on assessing and identifying potential fraud risks.
 - Agency Response: USAID noted that its third party monitoring is not intended to serve an auditing or investigative function, but stated that USAID could work with third party monitors to ensure they are trained in methods to identify fraud risks.

Recommendations for Executive Action and Agency Responses (USAID and State)

- Recommendation 4: Instruct the third party monitoring organization monitoring OFDA programs in Syria to modify the site visit forms to include specific guidance for documenting incidents of potential fraud.
 - Agency response: USAID noted it will work with the implementing partner to ensure their field monitors are also able to train on non-food item monitoring in order to identify potential fraud.

To ensure that State has a comprehensive understanding of the risks facing its implementing partners providing humanitarian assistance to people inside Syria, we recommended that the Secretary of State take the following action:

- Recommendation: Include in its voluntary contribution agreements with implementing partners a requirement that the partner conduct risk assessments addressing the risk of fraud.
 - Agency response: In response to GAO's recommendation, State included language in its 2017 voluntary contribution agreements that specifies that activities funded by the contribution would be conducted in accordance with the recipient's risk management framework, including assessments of the risk of fraud. GAO is in the process of closing the recommendation.