CASH & MARKETS TASK FORCE (CMTF) MEETING MINUTES

Chair: Urayayi Gregory and Ruco Van Der Merwe
Venue: WFP Conference Room, Gigiri, Nairobi
Time/Date: 24th March 2015

Agenda
1. General Introduction
2. Market Information Resources
3. Unconditional Cash Transfer
4. FS Conditional Cash Transfer
5. Next steps

1. GENERAL INTRODUCTION
A round of introduction was done for the CMTF organizations and their representatives;

Chachu Tadiche...........................................Cooperazione Internazionale.......................COOPI
Urayayi Gregory.................................Cash Learning Partnership.............................CaLP
Darias Sanyatwe.................................Norwegian Refugee Council......................NRC
Asha Sawyer........................................Food and Agriculture Organization................FAO
Daniel Molla........................................Food & Agriculture Organization.................FAO/FSNAU
Abdullahi Khalif..................................Famine Early Warning Systems Network..............FEWS NET
Mohamed Harbi.....................................Jubaland Development Organization..............JDO
Pamela Dale........................................United Nations Childrens Fund.....................UNICEF
Elyas Hassan........................................Wajir South Development Association...........WASDA
Emmanuel Odongo..............................World Food Program..................................WFP
Ruco Van Der Merwe.............................Food Security Cluster..............................FSC
Nancy Koech..........................................Food Security Cluster..............................FSC

CMTF Terms of Reference
Rationale: The CMTF was developed because partners were facing challenges with big variations in money transfer values and the variation in monthly labor requirement.

CMTF Outputs
- Unconditional cash transfer guidance (UCT) note specific to determining transfer value. Must include logic and considerations in “Notes” section. (1-3 pages)
- Conditional cash transfer (relevant to food security) guidance note specific to determining transfer value. Must include logic and considerations in “Notes” section. (1-3 pages)
- Conditional cash transfer (relevant to food security) guidance note specific to labor/time requirements (days worked/trained per month and number of hours per day). (1-3 pages)
### CMTF ToR Timelines

<table>
<thead>
<tr>
<th>Activities</th>
<th>Outputs</th>
<th>Focal Points</th>
<th>Deadline</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>ToRs</td>
<td>ToRs are endorsed by SAG members.</td>
<td>Somalia FSC</td>
<td>Feb-15</td>
<td>Completed</td>
</tr>
<tr>
<td>CMTF formation</td>
<td>CMTF partners invited and committed to joining.</td>
<td>Somalia FSC</td>
<td>Feb-15</td>
<td>Completed</td>
</tr>
<tr>
<td>CMTF meetings conducted</td>
<td>First draft of outputs 1, 2 and 3 delivered.</td>
<td>CMTF Chairs</td>
<td>May 18th, 2015</td>
<td></td>
</tr>
<tr>
<td>Guidance Note Feedback</td>
<td>CMTF incorporates feedback as appropriate</td>
<td>CMTF Chairs</td>
<td>June 15th, 2015</td>
<td></td>
</tr>
<tr>
<td>Guidance Note Endorsed by SAG</td>
<td>Final guidance note endorsed by SAG</td>
<td>SAG / Somalia FSC</td>
<td>June 30th, 2015</td>
<td></td>
</tr>
<tr>
<td>Guidance Note shared with FSC community</td>
<td>Present final guidance at FSC general and regional meetings. Organize bi-lateral meetings to share results and promote uptake.</td>
<td>Somalia FSC</td>
<td>Starting July 2015</td>
<td></td>
</tr>
</tbody>
</table>

The CMTF should consider the below in their discussions;
- General alignment with relevant in-kind commodity baskets.
- Outputs should deliver a transfer value logic (ie: how to determine transfer value) and not an actual value.
- Should not detract from local labor markets
- Geographic specific
- Consider timelines/seasonality
- Consider vulnerability and food basket needs of population being targeted. This could be reflected through having two different UCT levels based on certain criteria (crisis vs emergency / moderate vs severely food insecure)
- CFA/CFW labor requirements should consider variation/range (in terms of daily hours) based on whether activities are labor intensive or not.
- Guidance should as far a possible build upon existing CTP guidance documents for Somalia.

### CMTF Expectations

Generally, the CMTF are expected to participation both in meetings and email correspondence and send appropriate technical staff assigned to CMTF and participate in a spirit of consensus building.

Participants should be conversant with market information resources, contribute to determining and drafting the UCT/CCT transfer logic and FS CCT labor guidance.

#### 2. MARKET INFORMATION RESOURCES

FSNAU and FEWS Net gave a presentation on *Monitoring and Analysis of Markets in Somalia*. Key highlights from the presentation were;
Over 100 markets (including 6 cross border) are monitored weekly in Somalia and split between main urban (48) and rural markets.
Commodities monitored included the prices of imported and locally produced food and essential non-food commodities, livestock and livestock products, wage labor, water, exchange rates as well as Minimum household Expenditure Basket.

The regular market information and analysis products for FSNAU include market price data available on-line on the FSNAU website (free subscription but registration required to access the data), monthly market update, and Cost of Minimum Expenditure Basket (CMEB). FEWS NET provide the monthly livestock and commodities price bulletin and the monthly price watch.

**Special Market Studies, and Reports and Resources**

Resources available from FSNAU studies conducted are the study reports on Revised and Updated Consumer Prices Index (CPI) for Somalia (March-April 2015) and the report on Integration of Cereal Markets in Somalia (March-April 2015).


FAO in consultation with FSNAU have developed *CFW wage rates* logic(Annex 1). Wage labor rates were set at 80% with 24 labor days per month and reaching approximately 80% of the Cost of Minimum Basket (CMB). Data used was regionally specific. The areas of debate included;

I. The objective of the intervention
II. Labor requirements and vulnerability
III. Variations in labor requirements based on vulnerability/status
IV. Determine time/days requirement.
V. Percentage of CMB to be covered
VI. Percentage of market wage rate to be paid
VII. Seasonal considerations by group (urban, IDP, riverine, agro-pastoral and pastoral
VIII. Protection issues
IX. Absenteeism

3. **CONDITIONAL CASH TRANSFERS (CCT)**

Under CCT, the conditions/activities are determined and accomplished before receipt of the money. The conditional activities in food security include work (eg. Assets reconstruction/rehabilitation) and training. It was noted that there is potential *overlap* of certain conditional activities between the Food security, Health and Nutrition cluster hence the need for harmonization.

**Transfer Logic**

It was agreed that:

- Conditional wage rates should be less than market wage rates. This is to ensure projects allow for self-targeting and do not distort local labor markets.
- The transfer value should meet a certain percentage of the CMB
- Logic should allow for calculation specific to geographical location
- Conditional assistance should not be more than 6 months in a year

**FSC Transfer Logic**

Following discussion on the time to do conditional cash transfers, the CMTF proposed on the below schedule for the different livelihoods.

*(note this is still draft and not officially endorsed)*

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
</table>
Issues arising
- Coordination of CCT activities
- Targeting of beneficiaries
- Timing – based on days/hours and seasonality
- Exact percentage coverage of CMB and Wage rate

ACTION POINT
- From issues arising above, the FSC together with CaLP to look at the norms for other countries and share with the team.

AOB
The next meeting will be communicated to the team via email.

Annex 1:
FAO/FSNAU CFW Wage Rate Logic (example)

<table>
<thead>
<tr>
<th>Region</th>
<th>Wage Labor US$/Day</th>
<th>Wage Labor US$/Month</th>
<th>CMB US$/Month</th>
<th>New/Revised US$/Day</th>
<th>New/Revised US$/Month</th>
<th>FAO CFW Benefit Transfer/Wage Rate</th>
<th>Remarks (on Column F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awdal</td>
<td>6.7</td>
<td>160</td>
<td>128</td>
<td>106</td>
<td>4.4</td>
<td>106</td>
<td>4.5</td>
</tr>
<tr>
<td>Woqooyi Galbeed</td>
<td>7.3</td>
<td>176</td>
<td>141</td>
<td>117</td>
<td>4.9</td>
<td>117</td>
<td>5.0</td>
</tr>
<tr>
<td>Togdheer</td>
<td>5.1</td>
<td>121</td>
<td>97</td>
<td>113</td>
<td>4.7</td>
<td>113</td>
<td>4.5</td>
</tr>
<tr>
<td>Sanaag</td>
<td>6.8</td>
<td>164</td>
<td>121</td>
<td>103</td>
<td>6.7</td>
<td>103</td>
<td>6.5</td>
</tr>
<tr>
<td>Sool</td>
<td>7.2</td>
<td>171</td>
<td>138</td>
<td>154</td>
<td>6.4</td>
<td>154</td>
<td>6.5</td>
</tr>
<tr>
<td>Bari</td>
<td>6.6</td>
<td>159</td>
<td>127</td>
<td>132</td>
<td>5.5</td>
<td>132</td>
<td>5.5</td>
</tr>
<tr>
<td>Nugaal</td>
<td>6.0</td>
<td>144</td>
<td>115</td>
<td>134</td>
<td>5.6</td>
<td>134</td>
<td>5.5</td>
</tr>
<tr>
<td>Mudug</td>
<td>3.8</td>
<td>90</td>
<td>72</td>
<td>93</td>
<td>3.8</td>
<td>92</td>
<td>4.0</td>
</tr>
<tr>
<td>Galguduud</td>
<td>4.0</td>
<td>96</td>
<td>77</td>
<td>113</td>
<td>4.4</td>
<td>105</td>
<td>4.5</td>
</tr>
<tr>
<td>Hiran</td>
<td>5.5</td>
<td>131</td>
<td>105</td>
<td>87</td>
<td>3.6</td>
<td>87</td>
<td>3.5</td>
</tr>
<tr>
<td>Middle Shabelle</td>
<td>2.4</td>
<td>59</td>
<td>47</td>
<td>77</td>
<td>2.8</td>
<td>68</td>
<td>3.0</td>
</tr>
<tr>
<td>Banaadir</td>
<td>7.8</td>
<td>186</td>
<td>149</td>
<td>77</td>
<td>3.2</td>
<td>77</td>
<td>3.0</td>
</tr>
<tr>
<td>Bakool</td>
<td>2.4</td>
<td>59</td>
<td>47</td>
<td>100</td>
<td>3.3</td>
<td>79</td>
<td>3.5</td>
</tr>
<tr>
<td>Bay</td>
<td>3.4</td>
<td>83</td>
<td>66</td>
<td>75</td>
<td>3.1</td>
<td>75</td>
<td>3.0</td>
</tr>
<tr>
<td>Lower Shabelle</td>
<td>3.6</td>
<td>86</td>
<td>69</td>
<td>77</td>
<td>3.2</td>
<td>77</td>
<td>3.0</td>
</tr>
<tr>
<td>Gedo</td>
<td>7.0</td>
<td>168</td>
<td>134</td>
<td>94</td>
<td>3.9</td>
<td>94</td>
<td>4.0</td>
</tr>
<tr>
<td>Middle Juba</td>
<td>3.2</td>
<td>76</td>
<td>61</td>
<td>74</td>
<td>3.1</td>
<td>74</td>
<td>3.0</td>
</tr>
<tr>
<td>Lower Juba</td>
<td>4.1</td>
<td>96</td>
<td>78</td>
<td>85</td>
<td>3.5</td>
<td>85</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Notes:
1/Average CMB and Wage rates calculated over the Jan 2014-Jan 2015 period.
2/New rates try to balance between meeting food security objectives (CMB) and minimizing distortion in the labor market (Wage labor).