Minutes of FSAC Livelihood Technical Working Group (LTWG) Meeting

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<th>14.02.2022</th>
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<td>Venue</td>
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<td>Attendance</td>
<td>WFP, FAO, ILO, CARE, NRC, NFDHR, BCHR, TYF, NMO SRA</td>
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Agenda

1. Action points from the last meeting;
2. Discussion about the review of the CCT Guidelines: presentation of the 4 revised scenarios;
3. Discussion about the review of the CCT Guidelines: further feedbacks from LTWG members, prioritisation of one scenario;
4. AOB.

1. Action points from the last meeting

The last Livelihood Technical working Group meeting, held on 17th January 2022, focused on the revision and discussion of Conditional Cash Transfer Programmes (Cash for work, Food for Asset, Food for training, other) guidance note. Action points were the following ones:

A. sharing with LTWG members the revised CCT scenarios (FSAC) and
B. Providing FSAC with inputs / recommendations (LTWG members).

Follow-up: FSAC shared with LTWG members the CCT revised scenarios and LTWG members provided FSAC with inputs / recommendation (summarised through a matrix prepared by FSAC and shared with LTWG before this meeting)

2. Discussion about the review of the CCT Guidelines: presentation of the 4 revised scenarios

The general principles of CCT, to be taken into account to review the CCT Guidelines:

A. One Conditional Cash Transfer Value (CCT) - computed as the mean of labor market unskilled labor rates (LMULR) collected in concerned Governorates - for IRG Area of Control (AoC) and one CCT for the SBA Area (calculated as the IRG Area one).
B. The above-mentioned CCT values are expressed in YER.
C. at AoC level CCT should be 10% higher than unconditional cash transfer value (UCT), aiming at ensuring a larger coverage (from 80%-85% Kcal - according to the MFB composition - to the 90%-95% Kcal) of the MFB. For more information, please refer to the UCT Guidelines: https://fscluster.org/yemen/document/fsac-unconditional-cash-transfer).
D. In a given Governorate, CCT should be 15% lower than LMULR.
E. 15 working days/month.
F. In Governorates where – according to the latest available data - the LMULR is 30% higher or lower than the average (per AoC) one, labor market assessments and / or interactions with FSAC are strongly suggested, to get updated data on markets by FAO and WFP and jointly identify the best way to move forward.
Conclusions that emerged from brainstorming with the LTWG members

It was especially challenging to give effect to all of the above principles, as they do not necessarily complement each other. As such, by prioritizing one (or few) general principle(s), four scenarios were developed.

Presentation of the 4 revised scenarios

- **Scenario 1**
  Priority is given to the LMULR, aiming at avoiding any local labor market disruptions. Then: If in a given Governorate the CCT suggested by the Guidelines (for more info: see point A. of the General Principles section) was 20% (or more) lower or higher than the LMULR, partners would be strongly encouraged to take the LMULR into account. In this specific case the monthly CCT would be calculated in the following way: 85% of the daily LMULR * 15 days / month. This rationale would also apply if 85% of the daily LMULR * 15 days / month was lower than UCT.

- **Scenario 2**
  This scenario still considers LMULR as a starting point but then seeks to reconcile the resultant CCT with UCT (related to the MFB) Then: If in a given Governorate the CCT suggested by the Guidelines (for more info: see point A. of the General Principles section) was 20% (or more) lower or higher than the 85% of the LMULR, partners would be strongly encouraged to take the LMULR into account. In this specific case the CCT would be calculated in the following way: 85% of the daily LMULR * 15 days / month. In those Governorates where 85% of the daily LMULR * 15 days / month was lower than UCT, partners would be strongly encouraged to increase the n. of working days / month, up to 22. In this way CCT could get higher than UCT.

- **Scenario 3**
  This scenario gives primacy to the need to ensure households can afford the MFB. Then: CCT should be 10% higher than UCT, regardless the LMULR. The n. of working days should be 15.

- **Scenario 4**
  This scenario still gives primacy to the need to ensure households can afford the MFB, then the CCT should be 10% higher than UCT. At the same time, and aiming at avoiding major disruptions of local labor markets, in those Governorates where the CCT was 20% (or more) higher than the 85% of the LMULR, partners would be strongly encouraged to increase the n. of working days / month, up to 22. In this way, daily CCT could be closer to daily LMULR. Based on the latest available data, it would be unlikely that CCT could be lower than the 85% of LMULR. Nevertheless, if CCT was 20% (or more) lower than the 85% of the LMULR, the CCT would be calculated in the following way: 85% of the daily LMULR * 15 days / month. In this way, General Principles C and D would be enforced.

3. Discussion about the review of the CCT Guidelines: further feedbacks from LTWG members, prioritization of one scenario

Further feedbacks from LTWG members

- There is need to prioritise an approach which ensures harmonisation as opposed to partner specific approaches.
- Some partners noted the need to adopt the “decent work” principles considering various ILO guidelines. However, it was highlighted that it will be challenging to give effect to all
the “decent work” principles as the conditional transfers under consideration pertain to humanitarian activities (seeking to achieve humanitarian objectives).

✓ There is need to recognise that conditional activities have multiple objectives: some of which give primacy to income, assets, resilience etc. As such, not all activities can be linked to the food basket.

✓ In coming up with the average transfer value by area of control, one approach is to exclude “outliers”. The governorates with rates that deviate significantly from the average will then be subject to real time area specific survey prior to implementation. The main challenge with this approach (for activities whose main/primary objective in improving access to food) is that the minimum food basket is by area of control (and not by Governorate). As such, once the appropriate unskilled labour rate for a Governorate is established, this rate will still need to be ‘harmonised’ with the MFB transfer value.

✓ The additional 10% in some scenarios is a good proposition to make the CCP attractive as it was challenging when implementing CCP with the same labor wage rate of CCP and UCT as people will prefer to go for UCT without work rather CCP. Nevertheless, justification for the percentage top up need to be thought through/explained.

✓ Number of working days: can be used as a variable to adjust the total value that can coincide with a minimum food basket

✓ In order to avoid disrupting the labour market, there is need to adhere to transfer values which are 15% less compared to the unskilled labour rates. It was noted that this is what scenario 4 seek to achieve.

✓ Exchange rate: At the time of disbursing beneficiary entitlements, there is a need to use a real-time exchange rate, as there is instability of the exchange rate, especially in Southern governorates.

Prioritization of one scenario
LTWG members endorsed scenario 4.

4. AoB
There is no any other business discussed in this meeting.