

FSAC NATIONAL CLUSTER MEETING

Date: 23rd July 2020

Venue: Virtual/Online Meeting

Time: 11:00 AM

Attendance: WFP, FAO, OCHA, DFID, ICRC, CARE, NRC, OXFAM, WC, ACF, IRY, IRC, ACTED, RI, DRC, ADRA, VHI, SI, ZOA, YFCA, NFDHR, YDN, RDP, TYF, LMMPO, YWU, KFD, SOUL, FMF, YLDF, SOUL, BFD, GWQ, NMO, SYDF, ICYC, SFHRP, MOZEN

Meeting Agenda:

1. Review of action points from last meeting
2. Updates on the FSAC Minimum Food Basket (MFB) revision
3. Yemen Partial IPC Analysis results for 133 Districts
4. COVID-19 related challenges faced by FSAC Partners
5. AOB

1. Summary of Meeting Action Points

1. FSAC to circulate the draft revised Minimum Emergency Livelihoods Assistance Package for comments/inputs by FSAC partners
2. FSAC to circulate an updated version of the cluster's guidance on food security response in the context of COVID-19
3. FSAC Partners to share written submissions on the challenges faced in the food security response in the context of COVID-19
4. The FSAC Minimum Food Basket (MFB) Technical Working Group (TWiG) to meet and propose adjustments to the YER value of the MFB in the Southern governorates as an interim measure to cater for the high prices of commodities. This should however be based on the requisite market data (prices of commodities and currency exchange rate)
5. FSAC Partners to provide currency exchange rates of USD to YER for the period July 2019 - June 2020 to facilitate the MFB revision

6. WFP and FAO to provide market prices of commodities in the MFB for the period July 2019 - June 2020 to facilitate the MFB revision

2. Updates on the FSAC Minimum Food Basket (MFB) revision

- Draft revised FSAC MFB circulated for comments/inputs by all FSAC partners
- Key summary comments/inputs received from FSAC partners:-
 - Donors requested the MFB to be pegged in US Dollars (USD) due to the fluctuations in the exchange rate and differences in exchange rates between the South and North
 - Revision of the MFB urgently since the current MFB value is not enough to cater for the prices of commodities in the South due to the high exchange rate
 - The need for one harmonized MFB across the country
 - One MFB with wheat flour as the main cereal (and a provision for rice whenever a partner/community wants it included)
 - Maintain the current value of the MFB if the prices have not gone above the current MFB rate. Monitor the market and revise in the coming days accordingly in case it goes above the current MFB cost
 - Share the revised MFB ASAP to inform the ongoing CMWG SMEB revisions
 - The MFB should be pegged in YER and not USD
 - The contingency should be reasonable and not 40%, it should be based on actual prices of commodities
 - Urgent revision of the MFB needed, changes to come into effect as from July
- Concerns raised by the MFB TWiG, CMWG Advisor, and FSAC partners on pegging the MFB in USD:-
 - Need for lots of management and follow-up with Financial Service Providers (FSPs), authorities and beneficiaries
 - Difficulty in enforcing one harmonized exchange rate utilized by all FSAC partners (this is the role of authorities/Central Bank and not FSAC)
 - FSAC partners (including in the same target locations) will provide different YER amounts leading to community friction which will go against the cluster's "do no harm approach"

- Price monitoring by cluster partners across the country is undertaken in YER while program planning would be in USD. This would lead to huge variations in terms of program design
 - Constant changes in MFB values every month due to exchange rate fluctuations would lead to programmatic and forecasting challenges with constant changes in the beneficiary pay-out amount every month
 - Different partners will negotiate different exchange rates with financial service providers. UN agencies and INGOs might negotiate better rates compared to NNGOs
 - Partners with bigger portfolio will negotiate better rates for service fees with FSPs
 - Different USD rates for the MFB in the North and South is sensitive and would lead to potential issues with the authorities
 - Increased protection concerns amongst beneficiaries / AAP
- Proposed way forward
- Short term
 - Maintain the “status quo” and continue utilizing the existing MFB (composition & value in USD)
 - Maintain one MFB for North and South at the existing USD value
 - Undertake a revision of the YER MFB value for the Southern governorates based on existing market data (prices of commodities and exchange rates)
 - Continue pegging the MFB in YER and calculate the USD equivalent at the prevailing exchange rate (factoring in projected fluctuations)
 - The FSAC MFB TWiG to convene and propose revisions in the YER value of the MFB for the southern governorates where the deteriorating exchange rate has led to price increments over and above the existing MFB value
 - The MFB to present the proposed revised MFB value in YER for endorsement by all FSAC partners
 - Long term
 - Undertake a comprehensive revision of the MFB for the whole country based on available data and factoring in the COVID-19/ economic decline related projections
 - FSAC is also in the process of engaging a nutritionist as part of the cluster coordination team to assist with the MFB revisions

- His/her main role will be to “Assess the nutritional adequacy of the MFB and propose adjustments”
- A methodological approach will be undertaken to ensure this process is well sensitized, coordinated, collaborative and subsequently endorsed by all stakeholders (partners, donors, authorities, beneficiaries) to ensure feasibility and effectiveness

3. Yemen Partial IPC Analysis results for 133 Districts

- Partial analysis results for 133 districts were released and circulated to all FSAC partners on 22nd July
- Partners can kindly access the below links for more details
 - Press release: <http://www.fao.org/news/story/en/item/1298770/icode/>
 - IPC snapshot:
http://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Yemen_AcuteFoodInsecurity_2020FebDec_Snapshot.pdf
 - IPC report:
http://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Yemen_AcuteFoodInsecurity_2020FebDec_Report_English.pdf
- Key highlights of the results:-
 - Out of the total population of 7.9 million people in the 133 districts, 2 million were estimated to be highly food insecure (IPC Phase 3 and above) in the period from February to April 2020, representing 25% of the population
 - From July to December 2020, the population facing high levels of acute food insecurity (IPC Phase 3 and above) increases to 3.2 million people (40 percent of the analysed population) if humanitarian food assistance is kept at the current levels
 - Although compared to the 2018/19 IPC results, this analysis (July - December 2020) shows an improvement with more than half a million people having transitioned to below IPC Phase 3, this was driven primarily by scale-up of HFA which increased by 47 percent in the same period
 - Given the fragility of Yemen, *these gains could be reversed quickly if the level and scale of humanitarian assistance reduces or other significant shocks occur*
 - Out of the 133 districts analyzed, 16 are in Emergency (IPC Phase 4), 103 are in Crisis (IPC Phase 3) while the remainder are in Stressed (IPC Phase 2)

- In terms of severity, the 16 worst affected districts, classified in Emergency (IPC Phase 4), are located in eight governorates: Al Dhalee (3), Marib (3), Al Bayda (2), Shabwah (2), Abyan (2), Taizz (2), Al Jawf (1) and Hadramaut (1)
- In terms of magnitude, the governorates with the highest numbers of people in Crisis or worse (IPC Phase 3+) are Taizz (590,000), Lahj (487,500) and Hadramaut (465,500). Between the two periods of analysis, February to April and July to December, the increase in people in IPC Phase 3 (Crisis) and above is concentrated in the six governorates, representing 83 percent of the increase, that is, Abyan, Aden, Ad Dhalee, Hadramaut, Lahj and Taizz
- Key drivers of food insecurity
 - **Economic decline:** Yemen's economy has suffered a serious decline over the years with a 19 percent depreciation of the national currency since December 2019, at least a 20 percent drop in remittances, while fuel exports have also reduced by 18 percent in the last six months
 - **Conflict:** Protracted conflict in Yemen, including new frontlines, continues to lead to population displacement, estimated at 1.3 million people in the analysed districts and expected to increase due to ongoing new conflict. Conflict continues to affect the ailing economy and complicates humanitarian delivery
 - **COVID-19:** The COVID-19 pandemic is rapidly spreading in Yemen, exacerbating the country's economic problems. Effects of COVID-19 in Yemen and abroad have led to loss of income, a sharp drop in remittances reducing purchasing power, and increased food expenditure
 - **Natural disasters:** The devastating combination of natural disasters including flash floods, disease outbreaks, desert locusts, and Fall Armyworm infestations has pushed many households into desperation
- Actions needed
 - Ensure continued and unhindered provision of direct food assistance to save lives and measures to protect livelihoods of populations estimated to be in IPC Phase 4 (Emergency) and IPC Phase 3 (Crisis). Special attention should be given to displaced people and fragile populations facing major food consumption gaps in priority districts
- Consider a complimentary food assistance approach to protect livelihoods by reducing food consumption gaps of the populations estimated to be in IPC Phase 3 (Crisis)

- Support rehabilitation of water infrastructures that have been damaged by floods to reduce the impacts of future floods that are likely to happen during the cyclone season;
- Promote good nutritional practices at the household level through nutrition sensitive activities such as home gardening and educational awareness on food and water safety

4. COVID-19 related challenges faced by FSAC Partners

- FSAC partners are currently facing several challenges related to the COVID-19 context. The key challenges being faced by partners revolve around the following thematic areas:
 - Staffing
 - Issues related to restrictions in staff movement (internationally and locally)
 - How the staff related restrictions are impacting organizational capacity and programme delivery
 - Issues related to the safety of staff (especially local staff)
 - Movement of staff to project locations
 - Movement of commodities
 - Issues related to restrictions on the movement of commodities (food and livelihoods) into the country and within the country (intra and inter - governorates) to reach target areas
 - Beneficiaries and exacerbated vulnerability
 - Heightened vulnerability for the most vulnerable groups (families with under-five malnourished children and PLWs, Female headed households, families with an elderly, chronically ill head etc.
 - Affordability of food due to high prices and deteriorating exchange rate
 - Emergence of new vulnerable groups e.g. families with a COVID-19 affected head
 - Difficulties in undertaking beneficiary registration and verification
 - Cash based programming (FSPs, payout of cash/vouchers etc.)
 - Increased cost of programme implementation
 - Challenges for FSPs to reach target beneficiaries/ locations

- Increase in the number of pay-out points for cash/vouchers
- Crowding measures leading to longer delivery times
- Reduction of number of beneficiaries per pay out point
- In-kind programming
 - Increased cost of programme implementation
 - Increase in the number of food and inputs distribution points pay-
 - Crowding measures leading to longer delivery times
 - Reduction of number of beneficiaries per food/input distribution point
 - Staggering of distributions leading to longer times for program delivery
- Monitoring (Post Distribution Monitoring, assessments/surveys etc.)
 - Reduction in the number of assessments conducted (PDM, surveys, monitoring etc.)
 - Difficulties in conducting face-to-face PDMs
 - Delays in conducting assessments/surveys
- Training and capacity building
 - Challenges in conducting face-to-face trainings
 - Restrictions by authorities on conducting trainings
 - Challenges in conducting virtual trainings for beneficiaries with limited or no access to internet
- Monthly reporting on response
 - Delays in the submission of monthly reports by cluster partners due to longer program delivery times
- Examples of mitigation measures instituted by FSAC partners:
 - Reduction in the number and frequency of physical PDMs, assessment, surveys etc.
 - Conducting online trainings, workshops, meetings etc.
 - Undertaking remote monitoring and data collection e.g. through mobile phones
 - Adherence to COVID -19 preventive measures e.g. wearing face masks and gloves to ensure the safety of staff and beneficiaries, staggering distributions, reducing the number of beneficiaries per distribution point

- Sensitizing the community during distributions or other community activities to increase their awareness on COVID- 19
- Sharing best practices and lesson learnt by partners
- Advocacy to donors, authorities, and other stakeholders on the COVID-19 context challenges and support in instituting relevant mitigation measures

5. AOB

- There was no AOB for the meeting