



## **FSAC Minimum Food Basket Transfer Value Guidelines: Unconditional Transfers**

### **Effective 15th November 2022**

#### **Background**

The Yemen Food Security and Agricultural Cluster (FSAC) is coordinating the humanitarian response to meet the food security and livelihood needs of the identified population in crisis in Yemen. To increase household immediate access to food for highly vulnerable families across the country, the FSAC provides emergency food assistance using different modality as in kind, voucher transfers, or as cash-based transfers.

#### **Purpose**

This guidance note serves as a guide for FSAC partners in designing the appropriate food response to ensure that targeted households in IPC3 and above have access to safe food of the right nutritional quality and quantity. In order to ensure relevance, the guidance on Minimum Food Basket (MFB) Transfer Values is updated quarterly (and monthly when needed).

#### **Recommendation**

The revised value of the FSAC MFB was recommended by the FSAC MFB Technical Working Group (TWG) and endorsed by national cluster partners meeting. The MFB transfer values are based on a detailed analysis and the review of the July to September 2022 food commodities price data (pegged on averages of the WFP and FAO market data), In addition, the transfer values are based on a food basket composition which meets 80-85% Kcal for a household size of 7 (please refer to items 1 and 2 under “Other Notes” for details of the food basket). Two approaches were endorsed as follows:

**(a) Harmonised transfer value based on average household size of 7**

Harmonised transfer values of the FSAC MFB for a household of 7 members will be YER 68,000/household/month in the northern governorates and YER 131,000/household/month in the southern governorates. This is equivalent to USD 121/household/month in the northern governorates and USD 118/household/month in the southern governorates.

**(b) Differentiate food basket based on actual household size**

For operational consideration, some FSAC partners can adjust the transfer values based on the actual number of eligible household members. As an example, this would equate to the following transfer values for households with 1-10 members.

	MFB in YER by HH size (operational consideration)									
Area	1	2	3	4	5	6	7	8	9	10
IRG controlled areas	18,700	37,400	56,100	74,800	93,500	112,200	131,000	149,700	168,300	187,000
Sana'a based authorities	9,700	19,400	29,100	38,800	48,500	58,200	68,000	77,600	87,300	97,000

**Effective Date**

The revised FSAC MFB will come into effect on 15<sup>th</sup> November 2022 and will remain valid until the next update. All FSAC partners should adopt this revised transfer value. In instances when it is not possible for a partner to adopt the revised transfer value due to operational considerations<sup>1</sup>, the affected partner should liaise with the Cluster for further project specific guidance. Ad-hoc review of the guidelines will be triggered in case ongoing MFB monitoring results show that prices are either significantly below or above the set transfer values.

<sup>1</sup> Including the appreciation of YER

## Other Important Notes

1. The composition of the FSAC MFB remains as follows:
  - Wheat flour 75 kg
  - Beans 10 kg<sup>2</sup>
  - Vegetable oil 8 liters
  - Sugar 2.5 kg
  - Salt 1 kg
2. Possible addition of rice (based on community preferences)<sup>3</sup>:
  - Wheat flour continues to be the main source of cereals in the MFB since it is cost-efficient and the most consumed cereal in Yemen.
  - Nonetheless, based on Yemeni coastal communities' food consumption patterns, beneficiary preferences, and FSAC partners' feedback, rice can be used to substitute 25 kgs of wheat flour.
  - In the event that rice is utilized as a substitute, the MFB composition should be 50 kg of wheat flour and 20 kg of rice (the respective quantities of all other items in the FSAC MFB remain the same).
3. The market price data is based on the price monitoring systems of food commodities by both FAO and WFP. For the review, the MFB TWG calculated monthly averages at governorate level (WFP at capital, FAO at district level urban/rural). Data from other partners is used on an as-available basis.
4. The differentiation of the transfer values in Yemeni Rial between northern and southern governorates is driven by the volatile exchange rate and its differences in the two regions.

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<sup>2</sup> 36 cans

<sup>3</sup> Prices reviews of the MFB have not taken rice into consideration given the potentially localized and ad-hoc implementation of this variation

5. The reference period for the market price data is July to September 2022 as the most recent month with available data at the time of the review.
6. 15 percent buffer has been factored as top-up of the regional average prices. Notably, there are significant differences in the MFB values between governorates.
7. There is a need for regular reviews and potentially updates of the MFB because of the inflationary trends of the MFB. The TWG decided to review the MFB every three months based on operational feasibility to ensure that beneficiaries receive the required transfer values to afford the commodities in the MFB. The regular review will also inform the CMWG SMEB updates and provide the wider humanitarian community with the requisite data/analysis to make informed decisions.
8. The FSAC MFB caters for all emergency food assistance transfer modalities (in kind, cash transfers or voucher transfers). All agencies/organizations involved in emergency food assistance (regardless of modality) should conform to the transfer value and composition of the MFB.
9. Emergency food assistance (in kind, cash transfers, or voucher transfers) should be provided a minimum of six (6) months/rounds consecutively to the same household in order to have any meaningful impact on improving households' food security status.
10. The USD to YER exchange rate utilized should be based on the existing agreement between the FSAC partner and the Financial Service Provider. The USD to YER exchange rate is negotiated every month based on the prevailing exchange rates. Authorities and beneficiaries should be well sensitized and informed of this transparently in line with the FSAC AAP principles.
11. Considering the fluctuations in the exchange rate of the USD to YER, Partners are requested to document all USD to YER exchange rates utilized on a monthly basis.
12. FSAC partners should utilize any savings made due to a favourable USD to YER exchange rate as follows:

- FSAC partners utilizing any savings from a favourable USD to YER exchange rate can provide food assistance either to the same beneficiaries in ongoing programs, or entirely new beneficiaries for any applicable number of months based on amount saved<sup>4</sup>.
  - If the savings made are not enough to provide 6 rounds/months of food assistance, FSAC partners should target highly vulnerable groups within the same location/district with either one month/one round, two months/two rounds, or three months/three rounds of assistance as appropriate. The number of rounds of assistance of less than 6 months does not apply to regular emergency food assistance programs.
13. Based on the local context, market functioning, and on a case-by-case basis, some FSAC partners undertaking voucher/ cash transfers can launch tenders and sign contracts with suppliers and/or financial service providers in USD (considering the erratic and rapid depreciation of the YER). In so much as the tender and contract with suppliers/ financial service providers can be in USD, there needs to be an explicit condition reflected in the agreement stating that *“the contract payment will be in USD adjusted every month based on the prevailing exchange rate, but the price of the MFB/ cash pay-out amount to beneficiaries will be in YER”*.
14. FSAC partners supplying canned beans should provide 36 cans (one and a half cartons) of red canned beans per household<sup>5</sup>.
15. FSAC partners involved in voucher transfers should provide the best quality of commodities available in the local market.

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<sup>4</sup> Preferable to target newly displaced IDP households and should be undertaken in consultation with the relevant FSAC Sub-Cluster coordinator for avoidance of duplication/overlaps

<sup>5</sup> The drained weight of each 400 grams red bean can is equivalent to 278 grams; 10 kg of dry beans are therefore equivalent to 36 cans or one and a half cartons of red beans