

## Yemen Food Security and Agriculture Cluster Guidelines



# Unconditional Cash Transfers for Minimum Food Basket Transfer Value July 2023 Update



## Background

Yemen continues to be one of the poorest and most food-insecure countries in the world, with extreme levels of multiple deprivations, as a result of the ongoing conflict in Yemen, which is now in its ninth year. Pervasive conflict, severe economic downturn, food insecurity, and the collapse of essential services continue to inflict damage on the population, aggravating an already precarious situation. Due to a collapsing economy, diverging currencies, and soaring price increases, fewer people are able to meet their basic requirements, and an increasing number are dependent on humanitarian aid. Millions of people have been affected by donor community funding shortages since the start of 2022. Insecurity, drought, and subsequent flooding have compromised food production and disrupted livelihoods while food prices continued to climb. Internally, a one-year nationwide truce precipitated the most peaceful period since the start of the conflict. However, the security situation remains volatile. Externally, the consequences of Russia's invasion of Ukraine, which has increased global food shortages, have touched many Yemeni people, as food and fuel prices have become unaffordable for poor households.

As a result, approximately 21.6 million individuals will require humanitarian aid in 2023<sup>1</sup>. A startling 17.4 million individuals (out of a total population of 31.8 million) are food insecure, including 7.6 million children according to the 2023 Humanitarian Needs Overview. The Yemen Food Security and Agriculture 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 modalities such as in kind, voucher transfers, or cash-based transfers. In 2023, FSAC response is targeting to reach 14 million people with emergency food assistance.

## 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 the national cluster partners meeting. The MFB transfer values are based on a detailed analysis and the review of the January to May 2023 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 Annex 1 and items 1 and 2 under “Other Notes” for details of the food basket).

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<sup>1</sup> Humanitarian Need Overview: Yemen, OCHA, December 2022.

**(a) Nutritional Value of the Food Basket**

The FSAC MFB makes up 80-85 percent of average daily calories for a household size of 7 members. The FSAC MFB composition was developed based on the acceptable nutritional value as per Sphere Standard, to provide 1,604 Kcal (51g protein and 46g fat) per individual/day. The table and chart below illustrate substantial nutritional values covered by FSAC MFB;

Daily Ration	g/person/day	414
Energy	kcal	1,604
Protein	g	51
Fat	g	46
Calcium	mg	170
Copper	mg	1.7
Iodine	µg	200
Iron	mg	14.0
Magnesium	mg	505
Selenium	µg	199.0
Zinc	mg	9.3

**(b) Harmonized transfer value based on average household size of 7**

Based on the market price data for the reference period January to May 2023, the harmonized transfer values of the FSAC MFB for a household of 7 members will be YER 62,500/household/month in the Sanaa Based Authorities (SBA) controlled governorates and YER 135,500 /household/month in International Recognized Government (IRG) controlled governorates. This is equivalent to USD 115/household/month in the SBA controlled governorates and USD 110/household/month in the IRG) controlled governorates.

**(c) 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 Under control	
	IRG controlled areas	Sana'a based Authorities
1	19,350	8,900
2	38,700	17,800
3	58,000	26,700
4	77,350	35,600
5	96,700	44,500
6	116,000	53,400
7	135,350	62,300
8	154,700	71,200
9	174,000	80,100
10	193,350	89,000

However, FSAC Partners should implement a robust system to accurately capture the number of household members for effective targeting purposes and to avoid disputes within the community. This process is subject to the operational context, verification process, registration tool, and technology used, partners' capacity, activity duration and other operational factors. Partners should consider all these factors and weigh them against the available resources to determine the most appropriate approach to use.

## Effective Date

The revised FSAC MFB will come into effect on 15 July 2023 for all new projects or yet-to-be-signed agreements and will remain valid until the next update. All FSAC partners are advised to 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>2</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.

## Targeting

FSAC vulnerability and targeting working group 3 explored and proposed ways of enhancing the existing Food Security and Agriculture Cluster (FSAC) vulnerability-based targeting, informed by direct food security indicators, while fully mitigating risks of inclusion and exclusion errors possible. The targeting for UCT programmes is explained in detail [FSAC vulnerability targeting guidance note final june 2021.pdf](#). FSAC partners are advised to fully adhere to the targeting protocols explained in the detailed guidance note.

<sup>2</sup> Based on the average exchange rate of 540 YER/1 USD in the northern governorates and 1225 YER/1 USD in the southern governorates at the time of developing the guidance note.

<sup>3</sup> The FSAC Vulnerability and Targeting Working Group was composed of CARE, DG ECHO, FCDO, FMF, FSAC, NMO, NRC, OXFAM, USAID/BHA, WFP, YFCA, ZOA



## Monitoring and Evaluation

Monitoring and evaluation (M&E) is a continuous process that should be carried out throughout the duration of the project implementation. It should be inclusive of all project results, the security context, cash flow, compliance with procurement procedures, and project objectives to ensure efficiency and effectiveness of the program. (M&E) is a crucial step in measuring the success of the UCT programme. Beyond collecting information and statistics to determine if the programme is reaching its objectives, there are other important aspects such as problem solving, and confidence-building of the beneficiaries etc. Progress monitoring enables project monitoring to gauge its impact on both a household and community levels.

**Feedback and complaint handling** mechanisms work in partnership with M&E in all phases of the program lifecycle. The complaint and feedback handling mechanism can take various forms, such as having a hotline telephone number, a complaint desk, feedback boxes, and so on. More information on this is available in [The Operational Guidelines for Mainstreaming Accountability to Affected People in the Food Security and Agriculture Cluster Response in Yemen.](#)

**Regular monitoring** allows finding out who received what, examining how the un-conditional assistances were used, and more importantly determining the repercussions on the expansion and development of the local food security situation and microeconomy are all made much easier through monitoring and evaluation.

**Post Distribution Monitoring (PDM)** activities are recommended for every round of cash disbursement. The PDM will assess the satisfaction of beneficiaries with the payment processes, the utilization of cash received, changes in coping strategies, gauge some response results, etc. . The PDM activities will also be designed to measure impacts on food security and nutrition status.

**Ad-hoc monitoring visits** can be performed as needed, as direct visits to the project site are limited to a maximum of three times. Regular follow-up visits should be conducted both in-person and over the phone with beneficiaries.

**Monitoring by the community and groups leaders:** community members and leaders have a role in the monitoring process through identifying the issues and collecting any feedback from community.



**What to Monitor:** A variety of monitoring indicators can be used to gauge the following:

Outcome Indicators	Output Indicators	Process Indicators
<ul style="list-style-type: none"> <li>• Food Consumption Score.</li> <li>• Household Diet Diversity Score.</li> <li>• Household Hunger Scale.</li> <li>• Household Food Insecurity Access Scale.</li> </ul>	<ul style="list-style-type: none"> <li>• % of people who cover their basic food needs through unconditional cash transfer activities.</li> <li>• % of total cash expenditure spent on food.</li> <li>• % of households who have their calorie intake increased to 2,300 Kcal pp/pd.</li> <li>• % of households who are able to meet the FSAC Minimum Food Basket.</li> </ul>	<ul style="list-style-type: none"> <li>• Amount of cash distributed to beneficiaries for humanitarian food assistance under unconditional cash transfer Activity (Disaggregated by cash and voucher assistance).</li> <li>• No of beneficiaries who receive unconditional cash transfer for humanitarian food assistance.</li> </ul>
<p>AAP Indicators</p>	<p><b>Satisfaction of beneficiaries</b></p> <ul style="list-style-type: none"> <li>• # of beneficiaries (men and women) receiving the appropriate cash transfers (by sex)/in-kind/voucher assistance on time.</li> <li>• % of beneficiaries (men and women) who report satisfaction with process and methods of implementation.</li> <li>• Number of programmatic changes made in response to community feedback.</li> </ul> <p><b>Gender Considerations</b></p> <ul style="list-style-type: none"> <li>• % of women and men who attended community meetings.</li> <li>• % of women and men who have key decision-making positions in UCT interventions.</li> </ul> <p><b>Complaint handling Mechanisms</b></p> <ul style="list-style-type: none"> <li>• % of affected people (men and women) and persons with disability who know how to make a complaint.</li> <li>• % of affected people (men and women) and person with disability who believe their opinion is considered by aid providers.</li> </ul>	



## Other important Notes

1. The composition of the FSAC MFB remains as follows:
  - Wheat flour 75 kg
  - Beans 10 kg<sup>4</sup>
  - Vegetable oil 8 liters
  - Sugar 2.5 kg
  - Salt 1 kg
2. Possible addition of rice (based on community preferences)<sup>5</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.
  - 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.
5. The reference period for the market price data is January to May 2023 as the most recent month with available data at the time of the review. See Annex 1
6. 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).
7. 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. reference period for the market price data is January to May 2023 as the most recent month with available data at the time of the review. **See Annex 1**
8. 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>4</sup> 36 cans.

<sup>5</sup> Prices reviews of the MFB have not taken rice into consideration given the potentially localized and ad-hoc implementation of this variation.



9. The reference period for the market price data is January to May 2023 as the most recent month with available data at the time of the review. **See Annex 1**
10. 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. FSAC Partners should sensitize beneficiaries on the objective of FSAC MFB, why they were selected to receive this assistance and all key information.
16. FSAC partners should do a robust monitoring to FSAC MFB provision activity and consider beneficiaries' views and feedback on the quality of food items provided and any other concerns as well.
17. 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.<sup>6</sup>
18. FSAC partners should utilize any savings made due to a favourable USD to YER exchange rate as follows:
19. 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*

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<sup>6</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.





*on the prevailing exchange rate, but the price of the MFB/ cash pay-out amount to beneficiaries will be in YER”.*

20. FSAC partners supplying canned beans should provide 36 cans (one and a half cartons) of red canned beans per household<sup>7</sup>.
21. 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”.
22. FSAC partners supplying canned beans should provide 36 cans (one and a half cartons) of red canned beans per household<sup>8</sup>.
23. FSAC partners involved in voucher transfers should provide the best quality of commodities available in the local market.:

**[Annex 1: MFB WFP FAO Q1 Q2 2023 FINAL](#)**

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<sup>8</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.