**MINUTES OF NATIONAL FSAC COORDINATION MEETING**

Date: 25th September 2018  
Venue: WFP Offices, Sana’a  
Time: 11:00 AM  

**Attendance:**  
WFP, OCHA, FAO, NRC, YFCA, PU-AMI, YWU, EU DELEGATION, SFHRP, YLDF, VHI, WC, CHR, TYF, YRC, IYCY, ACTED, SOUL, CARE, YDN, NAMCHA, MOPIC, MAI, HFY, FFD, LIMMPO, HCI, BFF, ICRC, IRY, MC, RDP, ITDC, KFD, CSSW

**Agenda:**

1. Review of action points from the last meeting  
2. Partners Experiences on E-Transfers - Presentation by SCI  
3. FSAC - Nutrition Cluster Referral Pathways  
4. Currency Depreciation and Impact on FSAC programs  
5. AOB

1. **Review of Action Points from Last Meeting**

- FSAC to circulate the Livelihoods Technical Working Group (LTWG) Terms of reference for comments/further inputs from all cluster partners  
  - Done  
- FSAC to circulate the OCHA presentation on humanitarian access and incidents reporting  
  - Done  
- FSAC to share the YHF 1st Standard Allocation Strategic/ Technical Review Proposal Prioritization Scorecard  
  - Done  
- A technical Working Group composed of RDP, LIMMPO, BFF, OXFAM, NRC/MC/CARE/DRC consortium, FAO, WFP, SFHRP, FSTS/MOPIC, VHI, & TYF to convene

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and discuss the generic guidance tools available from the Global Food Security Cluster, and make changes as necessary based on the Yemeni context

- Done - The technical working group met on Sunday 23rd September
- All member organizations of the WG to share their PDM tools
- FSAC to share PDM methodology and sampling to ensure harmonized procedure is followed by all partners
- Two smaller sub-groups formed to incorporate comments and inputs that were discussed and agreed upon during the meeting
- The core food security indicators already in place to be utilized in the PDM tools

2. Partners Experiences on E-Transfers - Presentation by SCI

- SCI made a presentation on experiences and lessons learnt on E-transfers in their ongoing Taiz and Lahj programs
- The presentation focused on cash transfers utilizing three methods:
  - Cash transfers distributed through Financial Service Providers (FSPs) agents whereby beneficiaries received their entitlements directly from the FSP
  - Mobile teams from Amal Bank distributed cash at designated distribution points near beneficiaries/communities/villages
  - IM Floos service from Al Kuraimi bank that enabled beneficiaries to collect their entitlements via mobile phones
- The presentation highlighted the detailed process, requirements, challenges faced, and lessons learnt when using E-transfers in Yemen
- The E-transfer method is an excellent and efficient method of cash transfers, that allows easy reach of beneficiaries (especially in far flung areas)

Action point:
- FSAC to circulate the SCI presentation on E-Transfers
- TYF and the NRC/MC/CARE/DRC consortium to share experiences in the next meeting/s
3. FSAC - Nutrition Cluster Referral Pathways

- FSAC has existing endorsed household vulnerability and targeting criteria currently guiding all partners household selection.

- Considering the high rates of malnutrition in the country and the plans by some Nutrition and Health Cluster partners to start providing cash assistance to households with SAM/ MAM under-five or PLWs, there was a need to meet and propose a common way forward.

- The idea is to further improve the linkages with the Nutrition cluster for households with SAM and/or MAM under-fives or PLWs.

- A meeting was held on Wednesday 19th September between the FSAC Coordinator, Nutrition Cluster Coordinator, UNICEF, and WHO.

- The summary discussion on the referral pathways was as follows:
  - Following ongoing collaboration with the Nutrition Cluster, households with children with SAM and MAM are part of the FSAC beneficiary and vulnerability targeting criteria and are to receive cash/voucher/in-kind food assistance as per the FSAC guidelines and standards.
  - FSAC Partners place great emphasis on these vulnerable groups within the household that face the greatest vulnerability and associated risks.
  - Currently FSAC partners select all households with pregnant and lactating women irrespective of whether they have acute malnutrition. Nonetheless partners’ experiences and post-distribution monitoring results have indicated that some households with PLWs are better-off and NOT VULNERABLE! This vulnerability criteria will therefore be revised to “Households having pregnant and lactating women who are acutely malnourished irrespective of whether the household meets the other FSAC vulnerability criteria or not.”
  - FSAC partners do not get beneficiaries lists from the Health Facilities (HFs) at district/sub-district level due to confidentiality concerns, but from the Governorate Health Offices (GHOs) who in turn get them from the relevant HFs.
  - The FSAC emergency food assistance is provided for 6 consecutive months to the same household with a cash/voucher/in-kind food basket cost of 32,500 YER per HH per month.
    - FSAC partners get the beneficiaries lists at the start of the project (all children currently enrolled in the programme), and there is no way to add additional children while the program is ongoing as the lists are set for 6 months.
- Different projects start at different times and it is not guaranteed that once a project is finished, there will be another new one targeting the same households in the same area.

- This results in only a limited number of children with SAM/MAM, benefiting from the FSAC interventions.

The following agreements were reached (between FSAC, Nutrition Cluster, UNICEF, and WHO):

- UNICEF sub-national offices to approach GHOs to ensure that the lists provided include all children who are not only currently in program, but also were discharged in the past three months.

- Any Nutrition Cluster partner who wants to include cash/food/voucher assistance only for households with children with SAM/MAM, can do so - on condition of following the FSAC guidelines and coordination this with the FSAC (budget for this should be reflected under FSAC, not Nutrition Cluster).

**Action point:**

- FSAC to re-circulate the cluster’s household beneficiary vulnerability and targeting criteria to partners.

### 4. Currency Depreciation and Impact on FSAC programs

#### 4.1 Background

- Prices of imported and processed commodities such as sugar, wheat, rice, cooking oil and fuel, cooking gas continued with an upward trend at a much steeper rate in the past three weeks of September, following the fast depreciation, due to market factors including trader’s prices increase to match the YER value losses.

- The continued depreciation of the YER will continue to worsen the food security and livelihoods situation of a large segment of the population, especially those already at risk of famine.

  - The YER exchange rate as of September (YER 596/USD) has increased by 177 per cent compared to the pre-crisis rate (YER 215/USD).

- This is exacerbated by the fact that Yemen has an import dependency of 90% import requirements (this includes 100% dependency on rice imports and 90-95% dependency on wheat imports; the country’s two main staples).

- The escalation of the conflict in Hudaydah governorate has affected the port operations for both Hudaydah and As-salif ports.
- Hudaydah port handles approximately 70% of all imports into Yemen
- The conflict has resulted in transportation/logistical challenges impacting the movement of goods thus leading to reduced availability
- The reduced availability is leading to scarcity of some commodities (e.g. petrol, diesel, and gas) and price hikes for food items

- The nominal wage and income of the Yemenis has further deteriorated alarmingly
- The nominal price of basic food commodities has steadily increased since October 2017, primarily due to the devaluation of the YER, the general security situation and the absence of official price controls. The most affected governorates are Hadramaut, Aden, Dhamar, Abyan, Al Hudaydah and Shabwah
- Commodity prices in 2nd week of September 2018 increased by 100% compared to the pre-crisis
- The cost of the minimum food basket has increased by 30-35% resulting to further constrained access for vulnerable households
- The rapid depreciation of the currency, scarcity and the rise in nominal price of fuel will further escalate the upward trend of the prices of all commodities (imported and locally produced) through inflated transport costs

### 4.2 Impact on FSAC Partners’ Programs

- Impact on the minimum food basket and the minimum emergency livelihoods assistance package
- The impact has been greater on the minimum food basket due to the fact that it is provided consecutively for 6 months to the same household
- Two options going forward:
  - Revise the cost of the minimum food basket as soon as practically possible
  - OR agree on modalities to ensure that ongoing programs are not impacted
- Discussions should revolve on whether it will be feasible to negotiate tenders for food baskets (through vouchers) and financial service provider fees and transfers in USD as opposed to YER which will provide stability and predictability for programs due to the fluctuating exchange rate
- The pros and cons of this option has to be discussed in detail due to the current existing “non-dollarization of the economy” FSAC policy

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In case this is an option, what measures would be put in place to safeguard beneficiaries? For instance if the YER continues to depreciate, all the profit will go to the merchants/suppliers or financial service providers and NOT TO THE VULNERABLE HOUSEHOLDS!

In case of revision to the FSAC minimum food basket, then a substantial contingency has to be put in place to safeguard against potential depreciation in the coming months in order to avoid revisions taking place every now and then!

The current contingency is 15%, in case the food basket amount is revised, then a potential contingency of 20-25% could be agreed (to be added to the minimum food basket amount)

**Action point:**

- FSAC to formulate the Minimum Food basket Technical Working Group (MFB TWG) next week to facilitate the revision of the current FSAC MFB, and propose ways of ensuring that ongoing programs are not impacted
- The MFB TWG to propose a common template for FSAC Monthly Price monitoring and establish a mechanism for partners to monitor the MFB on a bi-weekly / weekly basis, and utilize the data to update the MFB (if and when needed)

5. AOB

- Famine Risk monitoring updates:
  - Data collection completed in all districts of all governorates except Hudaydah, Sa’ada and Amran
  - Data collection in all districts of Amran governorate will commence from Monday 1st October 2018
  - Ongoing discussions with authorities on starting the data collection in Hudaydah and Sa’ada governorates