Minutes of FSAC National Meeting

Date 22.02.2022
Venue Virtual
Attendance WFP, FAO, OCHA, WB, CARE, NRC, OXFAM, ACTED, SCI, ADRA, SI, GC, DRC, NFDHR, BCHR, TYF, NMO SRA, YFCA, KFD, RHD, GWQ, YDN.

Agenda
1. Action points from the last meeting
2. Review of the CCT Guidelines. LTWG Outcomes, plenary discussion, endorsement
3. IPC update
4. HNO / HRP update
5. HRP: harmonized unit costs
6. AOB

1. Action points from the last meeting
FSAC to share FSAC Conditional Cash Transfer Value Scenarios to partners for comments
✓ Done


A. Background
The FSAC had been engaging with the LTWG for the past month in order to review the transfer value for conditional cash programmes (FFW/CFW/FFT/CFT/other). Notably, the current guidance (https://fscluster.org/yemen/document/fsac-conditional-cash-transfer) - issued in 2019 - stipulated a transfer value of approximately 4,000 YER (or US$6 based on the labor market rate at the time) / day.

B. General Principles
- 2 CCT values, 1 / Area of Control (AoC). CCT values as means of Local Market Unskilled Labor Rates (LMULR) throughout concerned Governorates. Values expressed in YER.
- At AoC level, CCT should be 10% higher than Unconditional Cash Transfer (UCT). Rationale behind it.
- In a given Governorate, CCT should be 15% lower than LMULR.
- 15 working days / month.
- 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 strongly suggested
C. Challenges
Not easy to give effect to all the above principles, as they do not necessarily complement each other. To facilitate the discussion, 4 scenarios were developed, aiming at better elaborating possible approaches the review of the CCT Guidelines could have been based on.

D. Scenarios

Scenario 1
- Priority given to the LMULR.
- If in a given Governorate the CCT suggested by the Guidelines was 20% (or >) lower or higher than the LMULR, partners should take the LMULR into account.
- CCT = 85% of the LMULR * 15 days / month. This rationale would also apply if 85% of the LMULR * 15 days / month was lower than UCT.

Scenario 2
- LMULR still the starting point but then seeks to reconcile the resultant CCT with UCT.
- If in a given Governorate the CCT suggested by the Guidelines was 20% (or more) lower or higher than the 85% of the LMULR, partners should take the LMULR into account.
- CCT = 85% of the LMULR * 15 days / month.
- In those Governorates where 85% of the LMULR * 15 days / month was lower than UCT, partners should increase the n. of working days / month, up to 22. In this way CCT could get higher than UCT.

Scenario 3
- Primacy given to the need to ensure HHs can afford the Minimum Food Basket (MFB).
- CCT should be 10% higher than UCT, regardless the LMULR. The n. of working days should be 15.

Scenario 4
- Primacy still given to the need to ensure HHs can afford the MFB,
- CCT should be 10% higher than UCT.
- In those Governorates where the CCT was 20% (or >) higher than the LMULR, partners should increase the n. of working days / month, up to 2022. In this way, daily CCT could be closer to daily LMULR.
- Based on available data, it would be unlikely that CCT could be lower than the 85% of LMULR. Nevertheless, if the monthly CCT was 20% (or >) lower than the 85% of the monthly LMULR, the monthly CCT would be calculated in the following way: 85% of the daily LMULR * 15 days / month.

E. Prioritised Scenario
Prioritized Scenario by the LTWG members is Scenario 4

Discussion about the review of the CCT Guidelines: further feedbacks from FSAC members, prioritization of one scenario
- There is a challenge in increasing the number of working days to meet the MFB. This might cause disturbance of local labour markets, as beneficiaries could get other jobs during the remaining days of the month and earn extra money, to cover other HH needs.
- The general principle is still 15 working days / month and it can be adjusted - depending on the local context - into 22 days. This is an exceptional case where, through 15 working
days / month, beneficiaries can’t afford the MFB (meaning: the CCT is still lower than the UCT), increasing the number of working days / month to 22 would enable supported HHs to meet the MFB.

✓ It is time to review the UCT Guidelines given the evolution of the context. Feedback from the FSAC Coordinator: this will be done soon after the finalisation of the CCT Guidelines review and the HNO / HRP process. Discussions at Technical Working Group will be held starting from end of March / beginning of April.

✓ A useful approach could be represented by excluding “outliers”. Governorates with LMULR which significantly deviate from the CCT value (calculated at AoC level), would be subject to real time and area specific survey prior to implementation. The main challenge (for activities whose main / primary objective is improving access to food) could be represented by the fact that the MFB is calculated at AoC level (and not at Governorate level). As such, once the appropriate LMULR in a given Governorate was established, it should be harmonised with the MFB (UCT value).

✓ To avoid disruptions of local labour markets, CCT values should be 15% lower than LMULRs. This is what scenario 4 seeks to achieve.

✓ Exchange rate: there is the need to use a real-time exchange rate, due to its volatility especially in Southern governorates.

Action points

FSAC will give two additional days to partners to share their feedbacks on the best approach through which the CCT Guidelines should be reviewed. The revision will be carried through a smaller group (the LTWG); eventually the reviewed CCT Guidelines will be made available through the FSAC website.

3. IPC update
   - IPC analysis workshop in Sana’a held form 25 Jan to 10 Feb 2022
   - IPC analysis workshop in Aden held form 24 Jan to 9 Feb 2022
   - Currently finalizing on the population distribution, maps and key messages
   - Final IPC report expected on 14 March 2022

4. HNO / HRP update
   - Tentative calendar by OCHA
     ✓ Sectoral HNO by 21st February, rescheduled. Sectoral HRP by 07th March.
     ✓ HNO and HRP drafts are expected by 5th and 15th March.
     ✓ HNO and HRP final documents by 11th March and 31st March.

Action points

HNO. Updating the document based on the IPC main outcomes and key figures. PIN should focus on IPC3+ people.

HRP. Mapping response capacities and unit costs (next agenda item) among partners. Matrix to be filled in by 27th February.

5. HRP: harmonized unit costs
   - Recap what has been done in 2021: FSAC mapped partners’ capacities. Collected information was reflecting in the FSAC 2021 HRP.
Rationale to be implemented in 2022:

- FSAC will follow what has been done in 2021. During the next national cluster meeting, one agenda item will be represented by the FSAC 2022 HRP, with a focus on its logical framework (sectoral objectives, key activities and indicators).
- Partners were kindly asked to fill the “partners response capacity” matrix in, by 27th February. The matrix (xls, made by 2 sheets: food assistance and livelihood) was presented and complementary information and clarifications provided.

6. AoB
When will be sharing the FSLA report? As partners using it for programming.

**Action points**
FSAC will contact WFP and share updated information.