Reducions to humanitarian assistance and rising food prices expected to worsen food insecurity

KEY MESSAGES

- Despite the announcement of a unilateral ceasefire by Saudi Arabia, high levels of conflict continue to disrupt livelihoods and restrict access to income in Yemen, with prices of food and non-food commodities substantially higher than pre-conflict levels. Crisis (IPC Phase 3) outcomes are widespread, with a growing number of people – increasing within the range of 17 to 19 million – expected to be in urgent need of humanitarian assistance through September. The severity of acute food insecurity within the population already facing Crisis (IPC Phase 3) or worse outcomes is expected to increase, with some households across Yemen expected to deteriorate to Emergency (IPC Phase 4) and Catastrophe (IPC Phase 5).

- Persistent conflict and deteriorating macroeconomic conditions – as well as some COVID-19 related disruptions – are resulting in further food price increases and restricted income-earning opportunities. Given this and significant reductions to humanitarian assistance in northern areas, area-level Emergency (IPC Phase 4) outcomes are expected in Hajjah, Sa’dah, Amran, Al Mahwit, and Al Bayda between June and September, with localized deterioration likely in other areas. A risk of Famine (IPC Phase 5) persists in Yemen. Famine would be possible if the country’s capacity to import food is severely limited or if food supplies to particular areas are restricted for a prolonged period of time. Although it is not the most likely scenario, if deteriorating macroeconomic conditions and COVID-19 impacts result in prolonged and severe physical or economic constraints to food access, extreme levels of food insecurity would be likely.

- The exchange rate remained stable between February and March but depreciated through mid-April according to FAO. The exchange rate remains higher in southern areas. In the coming months, currency shortages are expected to continue worsening, with reduced remittances from abroad expected to contribute to deteriorating macroeconomic conditions and reduced access to income. Given lower food import levels and rising food prices, both physical and economic access to food are of concern for an increasing number of people.

- The first case of COVID-19 was reported in Yemen on April 10, with five more reported in Aden on April 29. Preventative and control measures, including increased screening and quarantine measures at ports and internal movement restrictions, are reportedly increasing transport costs for traders. This, in combination with continued depreciation and some increased demand attributed to both COVID-19 concerns and Ramadan, has led to sharper food price increases for some commodities in April.
CURRENT SITUATION

Conflict and poor macroeconomic conditions continue to drive high assistance needs in Yemen. While households in agricultural areas have access to own-produced food at various times throughout the year, the importance of agricultural production to the food supply continues to decrease, with an estimated 90 percent of the national food supply currently imported. Meanwhile, prices of food and essential non-food commodities remain significantly elevated compared to pre-conflict levels and have further increased in recent months due to the depreciation of the currency and, in April, due to Ramadan and the impacts of COVID-19 movement restrictions. At the same time, access to income is expected to further decline in the coming months due to COVID-19 related business disruptions, reduced purchasing power among those who hire labor, and decreased remittance inflows from abroad. In this environment, an increase in the number of people unable to meet their food needs without engaging in unsustainable coping is expected. It is likely that some households in worst-affected areas face large consumption gaps, and acute malnutrition remains a serious concern in many areas. Hajjah and Sa’dah continue to face Emergency (IPC Phase 4) outcomes. In the rest of the country, Crisis (IPC Phase 3) outcomes are widespread, with ongoing humanitarian food assistance preventing more severe outcomes in many areas.

High levels of conflict continue in Yemen, with further escalations in conflict observed throughout early 2020. At the national level, the frequency of airstrikes in March reached the highest point since late 2018. Escalated conflict in Sana’a, Ma’rib, and Al Jawf since mid-January is ongoing – mostly in Ma’rib and Al Jawf – according to data from ACLED and Intelyse (Figure 1). Conflict has also increased recently in parts of Al Bayda and Sana’a City. In Aden and parts of Abyan and Shabwah, conflict between the UAE-backed Southern Transitional Council (STC) and the Saudi-backed government forces continues. Following increasing reports of the Riyadh agreement on the brink of collapse, UAE-backed forces announced self-rule in southern areas on April 25. Overall, the highest levels of conflict in March and early April have been observed in Ma’rib, Al Jawf, Al Dali’, and Al Hudaydah. Despite the announcement of a two-week unilateral ceasefire, the Saudi-led coalition had not reduced the frequency of attacks including airstrikes as of mid-to-late April. According to the Logistics Cluster’s Access Constraints map published on April 27, stretches of road remain closed or difficult to access, hindering the movement of goods and humanitarian actors.

Persistent conflict and flash floods during the rainy season continue to displace populations throughout Yemen. According to the International Organization for Migration (IOM), nearly 68,904 people (11,484 households) were displaced between January 1 and April 11, 2020, attributed mainly to conflict, and an estimated 148,680 people (21,240 families) including IDPs
have been affected by flooding in 13 governorates since mid-April, with Ma’rib, Aden, Lahij, Sana’a, and Sana’a City worst affected. This comes after flooding in late March affected over 4,635 households across 60 IDP sites in Lahij, Aden, Abyan, Ta’izz, Al Dali’, Al Mahrah, and Hadhramaut. Governorates hosting the highest numbers of newly displaced households attributed mostly to conflict during this time include Ma’rib (7,636), Ta’izz (948), Al Dali’ (826), and Al Hudaydah (765), although data are missing for some governorates (including Hajjah, where the highest number of newly displaced households were recorded in 2019). Recently escalated conflict mostly impacting Ma’rib and Al Jawf has led to a disproportionate share of conflict-related displacement in 2020. According to the IOM, this conflict has led to the displacement of nearly 9,000 households – over 50,000 people – since late January.

The scaled-up provision of monthly humanitarian food assistance in Yemen has continued through at least March 2020 (Figure 2), with WFP reaching over 12 million beneficiaries per month. However, increasing operational constraints and delays in the delivery of assistance continue to be reported, particularly in northern Houthi-controlled areas. As a result of the highly restrictive operating environment, WFP is reportedly reducing the frequency of distributions from monthly to bimonthly in northern Houthi-controlled areas (Figure 3). According to WFP’s March Country Brief, COVID-19 prevention measures at some distribution sites delayed the conclusion of the March distribution cycle, which has been extended through the end of April. Meanwhile, as of February 2020, 1 million out of a target 4 million beneficiaries in southern areas had been biometrically registered according to WFP. Despite the agreement reached between WFP and Houthi authorities in August 2019, the biometric registration exercise in Sana’a has not yet commenced, though ongoing negotiations have led to confirmation that the exercise can move forward.

At the same time, worsening macroeconomic conditions continue to restrict access to income and reduce household purchasing power for most Yemenis. The Yemeni government continues to face severe liquidity constraints, with worsening currency shortages observed in 2020 alongside the likely depletion of the 2 billion USD Saudi deposit. According to data from FAO and WFP, the Rial has been depreciating steadily by an average of 18-19 YER/USD per month at the national level between November 2019 and February 2020, with the currency weaker in southern areas. Between February and March, the Rial was fairly stable, but depreciated through mid-April according to FAO. Though the global reduction in oil prices, while reducing foreign exchange inflows, is expected to benefit Yemen’s balance of trade overall according to the World Bank, any gains will be limited relative to the growing deficit. Currency shortages are expected to continue to worsen in Yemen, exacerbated by Yemen’s dependence on oil exports as its major source of foreign exchange. This also comes at a time when negative economic impacts are expected due to COVID-19, including from disruptions to internal trade and business activities, as well as from a reduction in remittances from abroad.

According to UNVIM reporting, monthly food import levels through the Red Sea Ports of Al Hudaydah and Saleef have continued to decline between October and March (Figure 4). This is in line with expectations that foreign currency shortages would progressively reduce import capacity, restricting supply and putting additional upward pressure on food prices. According to FAO, a total 925,561 tons of food were imported through all of Yemen’s main sea ports (Al Hudaydah, Al...
Saleef, Aden, and Al Mukalla) and land ports (Shahin and Wadiea’ah) in the January-February period, of which 57.8 percent were imported through the Red Sea Ports. This percentage is similar to that estimated by Pragma in late 2019; in October 2019, approximately 53 percent of all food imported entered through the Red Sea ports (33 percent through Hudaydah and 20 percent through Saleef), while 40 percent entered through Aden. While data on food imports through Aden and other ports are less available, the similar and even slightly increased share of food imported through the Red Sea Ports in January-February 2020 relative to October 2019 suggests that food imports are likely declining nationwide and not only through the Red Sea Ports. Also according to FAO, approximately 90 percent of the wheat flour imported in January-February entered through the port of Al Hudaydah. This is a disproportionate share of wheat flour – a key staple – entering through this port, suggesting that the stability of much humanitarian assistance and commercial wheat flour destined for eastern and southern areas is more vulnerable to conflict- or COVID-19 related internal movement restrictions.

Food prices, already more than double pre-conflict levels, increased for key imported commodities in the first two weeks of April according to FAO. Though the price of imported wheat flour remained fairly stable, the cost of the minimum food basket increased by 3 percent in two weeks. Food price increases are attributed to impacts of COVID-19 related movement restrictions, which have increased transport costs for traders, in addition to some increased demand due to Ramadan and COVID-19 concerns. These impacts are on top of the upward pressure on prices already being exerted by the depreciation of the currency. The highest increases in the cost of the minimum food basket were observed in Sana’a City and Lahij, with increases also observed in Aden, Ta’izz, Socotra, and Ma’rib. Shortages of some perishable commodities including fruits, vegetables, and milk, were reported in the first week of April. In Socotra, shortages of many commodities – including wheat flour and sugar – have resulted from the closure of the main sea transport routes.

Fuel prices remain significantly above pre-conflict levels, which continues to strain typical livelihood activities, put upward pressure on food prices through higher transportation costs, and hinder the operation of health facilities. However, fuel imports through the Red Sea ports have remained fairly stable since rebounding from levels during the fuel crisis in September and October 2019. The prices of diesel and petrol remained stable at pre-shortage levels through March but have reportedly declined in the first week of April according to FAO. The price of cooking fuel remains relatively high compared to prices observed during the shortage and did not decline in the first week of April.

According to the FAO’s March 2020 desert locust bulletin, scattered immature and mature adult locusts were present on Yemen’s western coast, while hopper groups and bands were present on the southern coast. An immature swarm and some scattered adults were also present in the interior. In March, 3,190 hectares were treated with pesticides. Though no new information had been received as of FAO’s April 14 situation update, conditions are expected to have worsened as abundant rainfall in March led to favorable breeding conditions. Although 90 percent of the nation’s food is currently imported, populations dependent on agriculture throughout affected areas of Yemen are likely to be impacted by locust swarms. Locusts damage crops, livestock pastures, and beehives, thereby reducing food available for own-consumption and sale.

On April 10, the first case of COVID-19 in Yemen was reported in the eastern Hadhramaut governorate. On April 29, an additional five cases and two deaths were reported in Aden, accompanied by the STC announcing a three-day lockdown in southern areas. Risk of an outbreak remains high. Yemen’s health system is already operating at an estimated 50 percent capacity. Only 500 tests were available in the country according to reports in early April, with only 120 tests conducted as of April 30. Furthermore, poor sanitation conditions exist throughout much of Yemen, with limited resources available to improve them. Meanwhile, preventative and control measures including increased screening and quarantine measures at ports and internal movement restrictions are ongoing. Impacts of curfews and reduced working hours have also led to reduced business activity and a decline in casual labor opportunities – an important source of income for poor households – in many areas.

Though declining cholera incidence was reported throughout late 2019 according to the WHO EOC, risk of a cholera outbreak is now increasing with the start of the rainy season. Areas with poor access to clean water and areas impacted by floods – which can disrupt access to clean water supply – are at elevated risk. Between April 2017 and September 2019, a reported 2.1 million people contracted cholera and 3,740 died as a result.
ASSUMPTIONS

The assumptions used to develop FEWS NET’s most likely scenario for the period of April to September 2020:

- Given global trends as well as Yemen’s limited testing capacity, an increase in the number of COVID-19 cases in Yemen – both reported and unreported – is expected.

- Current COVID-19 control measures – including increased screening and quarantine at ports and internal movement restrictions between northern and southern areas – are expected to remain in place. Additional control measures including curfews and market closures will likely be instated periodically, particularly in areas closer to known cases. A prolonged total lockdown is not anticipated, given limited motivation and enforcement ability due to the number of people who need to move to access food.

- Conflict is anticipated to continue at current high levels, including recently increased levels in Sana’a, Ma’rib, and Al Jawf. Given historical patterns of failed ceasefire attempts, a ceasefire is not anticipated throughout the scenario period. Conflict-related population displacements are expected to continue at recently increased rates.

- Typical high rainfall amounts are expected throughout much of the country during the remainder of the rainy season through September. Risk of flooding will persist in low-lying flood-prone areas through September.

- Severe road access constraints are likely to persist in conflict-affected areas. Temporary access constraints are also expected due to impacts of flooding. Delays at checkpoints between northern and southern areas are expected to continue and are likely to worsen given the recent additional COVID-19 cases reported in Aden.

- Oil exports are unlikely to return to pre-conflict levels during the scenario period but will likely remain close to current levels through September 2020.

- In the coming months, macroeconomic conditions are likely to continue deteriorating due to severe currency shortages. Foreign exchange earnings from oil exports are expected to decline given low global oil prices, further limiting government revenue. Although this scenario assumes no further fiscal intervention from Saudi Arabia during the projection period, IMF debt relief and emergency lending could somewhat limit the extent of fiscal deterioration during the scenario period. As a result, depreciation of the Rial is likely to continue at recently observed rates, with the exchange rate expected to increase within the range of 564 and 700 YER/USD through September 2020. A sharper depreciation of the YER is possible in the event that tensions between the two central banks escalate or reserve levels decline faster than currently anticipated.

- Income from civil servant salaries will likely remain below average and further reduce – particularly in northern areas – through at least September 2020. Payment will likely continue to be erratic or absent in many areas due to the Central Bank’s lack of adequate financial resources. In northern areas, no payments are expected. Access to casual labor income is also anticipated to decline due to reduced purchasing power among those who hire labor and COVID-19 related business disruptions.

- The global economic slowdown due to impacts of COVID-19, and particularly reduced economic activity due to control measures in Saudi Arabia, is likely to result in decreased remittances from the diaspora. Furthermore, continued disruption of livelihoods coupled with rising prices of food and non-food commodities will continue to reduce the capacities of better-off households within Yemen to provide normal amounts of remittances.

- It is expected that cargo will continue arriving into Al Hudaydah, Saleef, Aden, and Al Mukalla ports. Food imports are expected to continue at recently observed lower levels, attributed largely to traders’ lack of access to import financing as currency shortages disrupt the issuance of letters of credit – exacerbated by the financial situation in Lebanon and declining remittance levels which are further reducing traders’ access to foreign currency. Fuel imports are expected to continue at recently observed levels, though typical volatility is likely. Increased COVID-19 related screening and quarantine measures at ports are expected to contribute to some supply chain disruptions.

- Informal food flows across land borders from Saudi Arabia into the western areas of Yemen are expected to continue at reduced levels compared to pre-conflict. Access will remain difficult due to rising civil insecurity and border closures due to COVID-19.

- The upcoming cereal harvest in June and July is expected to be below average due to the impacts of protracted conflict including reduced use of agricultural land due to displacement, loss of productive assets, and the presence...
of landmines in agricultural areas; declining incentives for agricultural production including increased prices of fuel and agricultural inputs; and some localized damage from locusts.

- It is anticipated that fishing along Red Sea coastal areas and on the Gulf of Aden coast will remain below pre-conflict levels, attributed to continuing conflict. Insecurity compounded by high fuel prices has limited access to fishing grounds and reduced capacities to purchase and maintain assets essential for fishing, especially in the western coastal areas.

- Food prices are expected to continue increasing through at least September 2020, attributed mostly to continued depreciation of the currency. During this time, some additional upward pressure on prices is expected due to gradual and continued reduction of in-country food supply due to lower import levels as well as to sporadic COVID-19 related supply chain delays. Overall, retail wheat flour prices are expected to range between 300 and 400 YER/kg in Aden, between 250 and 320 YER/kg in Al Hudaydah, and between 265 and 330 YER/kg in Sana’a.

- Throughout the scenario period, beneficiaries reached by WFP with humanitarian food assistance in northern Houthi-controlled areas are expected to receive distributions only every other month. Beneficiaries in other areas are expected to continue receiving distributions monthly. Some delays in deliveries are expected as humanitarian partners will continue to face increased restrictions on movement. Access to humanitarian assistance will remain constrained in areas where primary trade/access routes have been affected by conflict throughout the outlook period.

- Nutrition support programs, including for the treatment of moderate acute malnutrition (MAM) and severe acute malnutrition (SAM), are expected to continue operating at current capacity.

- Due to resource constraints, a restrictive operating environment, and COVID-19 control measures, disruptions to humanitarian programs are expected.

**PROJECTED OUTLOOK THROUGH SEPTEMBER 2020**

From May to September, an increasing number of people within the range of 17-19 million are expected to be in urgent need of humanitarian assistance. Deteriorating macroeconomic conditions are expected to contribute to rising food prices and reduced access to income. Meanwhile, COVID-19 related control measures are expected to exert additional upward pressure on food prices and further reduce access to income-earning opportunities given disruptions to business activity, reduced demand for labor, and reduced remittances. As a result, an increasing number of people are expected to exhaust available coping strategies. However, it is expected that most impacts will be felt by people already experiencing Crisis (IPC Phase 3) or worse outcomes, as these households are more likely to be those who access income through daily wage labor and depend on remittances. As such, the severity of acute food insecurity within the population already facing Crisis (IPC Phase 3) or worse outcomes is expected to increase over time, with some households across Yemen expected to deteriorate to Emergency (IPC Phase 4) and Catastrophe (IPC Phase 5).

It is anticipated that the approximate 8.5 million people in northern areas who will likely experience a 50 percent reduction in humanitarian food assistance are likely to engage in consumption-smoothing strategies but will still experience increasing consumption gaps and/or engage in more severe coping, in particular during the time leading up to the next distribution. The size of consumption gaps that households face, and the severity of coping in which they must engage, will depend greatly on the resources available to them outside of humanitarian food assistance. As a result, household-level food security will deteriorate at different paces and to different severities following assistance cuts. In some areas where assistance may not be reaching the worst affected due to interference and improper targeting, a higher proportion of beneficiaries are expected to be in Stressed! (IPC Phase 2!) and have relatively more coping strategies still available to them. These households will likely be able to support current levels of consumption in the face of cuts to assistance benefits for the next 1-3 months. In other areas, it is anticipated that a higher proportion of beneficiaries are in Crisis! (IPC Phase 3!). These beneficiaries are now likely to deteriorate to Emergency (IPC Phase 4) or Catastrophe (IPC Phase 5) following assistance cuts. As more severe consumption gaps will be experienced intermittently, excess mortality indicative of area-level Emergency (IPC Phase 4) outcomes are unlikely to be observed in the near term. However, the repeated intermittent reliance on unsustainable coping strategies is anticipated to lead to the exhaustion of these strategies over time. Areas of particular concern for more rapid governorate-level deterioration to Emergency (IPC Phase 4) by the June to September period are Amran, Al Bayda, and Al Mahwit, where a high proportion of the population receives humanitarian assistance and available information suggests that a higher number of households may already be in Emergency. Hajjah and Sa’dah are expected to remain in Emergency throughout the outlook.
period, with an increasing number of households likely to face Catastrophe (IPC Phase 5) outcomes. Also of high concern are Houthi-controlled areas of Al Dali, where a high number of poor households may already be in Emergency (IPC Phase 4). In other governorates, additional localized areas of worse outcomes are likely.

Worst-affected populations will be the poor, IDPs, marginalized communities, and those in areas with the greatest localized price increases or COVID-19 related movement restrictions. Additionally, IDPs living in settlements and particularly the large population in Ma’rib are of particular concern given high levels of vulnerability including to floods and the spread of COVID-19. Furthermore, shifting patterns of conflict make IDPs in and around Ma’rib City particularly vulnerable, should conflict move eastward and should they be displaced again.

Significant disruptions to imports due to damage of key port infrastructure, increasingly severe COVID-19 related screening and quarantine measures, or more severe macroeconomic deterioration remain possible. If imports are significantly disrupted for a prolonged period of time such that severe shortages of food, fuel, and other non-food items occur, supply well below national needs will result in further significant price increases for households already facing significant food deficits and eroded income sources. In such a scenario, Famine (IPC Phase 5) is possible if food access is significantly disrupted for a prolonged period of time. If deteriorating macroeconomic conditions and COVID-19 impacts result in prolonged and severe physical or economic constraints to food access, severe levels of acute food insecurity would also be possible in the absence of intervention.

**Events that Might Change the Outlook**

Possible events over the next six months that could change the most-likely scenario:

<table>
<thead>
<tr>
<th>Area</th>
<th>Event</th>
<th>Impact on food security outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>Yemen receives another large injection of hard currency, similar to the 2 billion USD provided by Saudi Arabia in 2018</td>
<td>The exchange rate would be expected to stabilize, with food imports likely to return to previously observed levels. While food prices would not be expected to return to previous levels, further price increases would be moderated, with some increases still expected due to increased transport costs as traders navigate COVID-19 related movement restrictions. As a result, purchasing power would still be expected to remain reduced for most poor households in areas where price increases have occurred.</td>
</tr>
<tr>
<td>National</td>
<td>Severe COVID-19 control measures are enacted along the lines of widespread market closures, tightened movement restrictions, curfews, and lockdowns</td>
<td>Disruptions to food supply chains and to income-earning would be more significant than anticipated. Food prices would be expected to increase more rapidly and access to income would be further constrained. An additional number of households would be expected to deteriorate from Stressed (IPC Phase 2) to Crisis (IPC Phase 3), and from Crisis (IPC Phase 3) to Emergency (IPC Phase 4) or worse outcomes. Shortages of some food commodities – particularly perishable commodities – would be likely. Shortages of staple foods would also be likely in areas where households have sufficient purchasing power to stockpile goods.</td>
</tr>
<tr>
<td>National, but especially northern areas</td>
<td>Significant limitation or inability of humanitarian actors to deliver assistance as planned</td>
<td>If significant delays in the delivery of humanitarian assistance in northern Houthi-controlled areas (beyond what is anticipated, such that deliveries occur more infrequently than every other month) result in further effective reductions in food assistance – or if changing patterns of conflict, weather shocks, or COVID-19 related movement restrictions significantly disrupt assistance supply chains and humanitarian access – access to food would be further reduced and deterioration would be more rapid.</td>
</tr>
<tr>
<td>National</td>
<td>Nutrition programs for the treatment of MAM and SAM are suspended</td>
<td>Increases in mortality would be likely.</td>
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</tbody>
</table>
MOST LIKELY FOOD SECURITY OUTCOMES AND AREAS RECEIVING SIGNIFICANT LEVELS OF HUMANITARIAN ASSISTANCE*

Each of these maps adheres to IPC v3.0 humanitarian assistance mapping protocols and flags where significant levels of humanitarian assistance are being/are expected to be provided. 🟢 indicates that at least 25 percent of households receive on average 25–50 percent of caloric needs from humanitarian food assistance (HFA). 🟡 indicates that at least 25 percent of households receive on average over 50 percent of caloric needs through HFA. This mapping protocol differs from the (!) protocol used in the maps at the top of the report. The use of (!) indicates areas that would likely be at least one phase worse in the absence of current or programmed humanitarian assistance.

Projected food security outcomes, April to May 2020

Projected food security outcomes, June to September 2020

Source: FEWS NET

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

ABOUT THIS UPDATE

This report covers current conditions as well as changes to the projected outlook for food insecurity in this country. It updates the FEWS NET’s Food Security Outlook, which is published three times per year. Learn more about our work here.