Yemen face to face with the Novel Coronavirus (COVID-19)
Capabilities, Impact, Response Plans and Remedies

INTRODUCTION:

The world woke to an unprecedented and unfamiliar catastrophe with announcement of the first novel Coronavirus (COVID-19) case in the Chinese city of Wuhan in December 2019, later spread and invaded many countries around the world in the early 2020s. The pandemic is still spreading quickly like wildfire, which prompted the World Health Organization on March 11, 2020, to declare it as a global pandemic requiring worldwide preparedness through response plans to combat the outbreak as it poses potential threat to humanity and lives day after day. Thousands of people have contracted the virus that claimed tens of thousands of lives even in the most advanced countries, and is still spreading at an alarming pace, leaving behind huge numbers of infections and deaths, with advanced health systems failing to prevent the pandemic or arrive at a drug or serum to eliminate it.

Countries around the world, including Yemen, have adopted precautionary measures to prevent the virus from spreading further and contain the pandemic, until scientists find out a drug to defeat and cure it.
including quarantine of the infected, home-quarantine and social distancing for the entire community members. To this end, education was suspended in schools and universities, economic, social and recreational activities put on freeze, aviation stopped and borders were closed, with states announced curfew, as well as total or partial lockdown of plagued areas.

It worth to be noted that the novel Coronavirus pandemic causes not only a health crisis, but also profound socioeconomic ramifications, pushing the global economy and all its elements into the verge of recession, while turning socioeconomic priorities upside down. This promoted many countries to adopt economic recovery plans and programs - together with supporting health systems – as a means to prevent economic crunch, bankruptcy and turmoil in the financial and monetary markets.

Despite great expectations for Yemen to remain free of this virus, such hopes unfortunately dashed after the first confirmed case of Coronavirus (COVID-19) discovered on April 10 in Al Sheher, Hadhramout Governorate and the five more new cases in Aden on April 29. The announcement of these cases has triggered the alarm bells and raised concerns about the extent to which the virus can spread, given the ailing health sector and lack of medical equipment and gear as well as damaged infrastructure because of the war and conflict. This requires mobilization of international support for the country, as it faces an exacerbated humanitarian crisis described as the worst in the world. Yemen suffers also high rates of poverty, unemployment with declining economic activity.

First: The Evolution of the Novel Coronavirus at the Global, Regional and National Levels

The rapid incidence of novel Coronavirus (COVID-19) put human health and life, as well as global economy and the international system to stand the test of challenge amid increasing toll of infections worldwide. Since it emerged in China at the end of 2019, the virus spread alarmingly to all countries of the world. Latest statistics indicate that deaths attributed to the pandemic reached 217,769 cases and infections neared 3,090,445 cases, while more than 1 million patients have recovered from the pandemic worldwide. The United States tops the list with 52,428 deaths, while Italy and The United Kingdom come second and third with 27,682 and 26,097 deaths, respectively. (WHO website: 2020/4/30, 10:00pm CEST).

At the regional level, 187,556 infections with novel Coronavirus (COVID-19) were reported with associated 7,561 deaths. Meanwhile, total people recovered account for 95,283 cases. Most of cases were reported in Iran, which alone had 94,640 cases and 6,028 associated deaths. At the national level (Yemen), there are only 6 confirmed cases so far discovered; the first case was on April 10, 2010 and five new cases reported on April 29, 2010. (WHO website - Regional Office for the Eastern Mediterranean: 2020/4/30, 6:00 pm).

Figure (1): Prevalence of the COVID-19 virus worldwide (Last updated: 2020/4/30, 10:00pm CEST)
Second: Status Quo of the Health System in Yemen

Yemen ranks among countries with the lowest human development in the world - 177 out of 189 countries – according to the 2019(1) International Human Development Report. The health sector plays a direct role in promoting human development by maintaining the health of the individual and raising its productivity, thus, increasing income opportunities and improving the standard of living for all segments of the population. The right to healthcare is one of the basic rights in the Yemeni constitution, as Article (54) provides for “Healthcare is a right guaranteed by the state for all citizens.” The fragile the health system in Yemen and deteriorated health indicators will lead to catastrophic conditions with anticipation and fear of the spread of Coronavirus and the first reported case of infection in Yemen.

The severity of the current suffering and health needs that are difficult to meet, especially for the most vulnerable groups, are frightening. According to a health needs assessment that was carried out as part of the Humanitarian Needs Overview based on the results of the Health Resources Availability Mapping System; 2018 (HeRAMS), it is estimated that(2):

- 19.7 million People (out of 30 million total population of Yemen) need health care services, while 14 million are in dire need of these services.
- Two-thirds of the districts (203 of the 333 districts) are most in need of health services due to poor access to health services. These districts covers 22 governorates and the severity of need varies from one governorate to another.

Figure (2): State of HFs in Yemen

Readiness of health facilities (HFs) to combat the novel Coronavirus in Yemen will be extremely difficult because the health system is currently operating at 50% of its actual capacity, 50% of health facilities are fully functional, 35% functioning partially and about 15% have completely stopped functioning due to: i) the damage caused by the war and conflict, ii) or staff shortage given the fact that part of the health staff, especially highly qualified ones, have left the country due to internal conditions unfolding in the country, iii) lack of medicines and medical supplies, as well as limited access to facilities over security concerns. In addition, most hospitals in Yemen do not have health waste disposal systems. Yet, waste disposal sites have to be there with safe access to these sites be ensured.

(2) WHO, Yemen: Health Resources and Services Availability Mapping System 2018 (HeRAMS).
The health system in Yemen is not particularly well prepared and lacks the necessary capabilities for rapid and early response to the spread of epidemics and infectious diseases:

Figure (3) shows the extent to which health facilities are ready to treat infectious diseases by governorate, from the lowest to the highest. Figure (3) also shows that Al-Jawf, Marib and Al-Dhale’e governorates suffer most and at alarming levels in terms of preparedness as over 60% of health facilities are not ready to handle infectious diseases. Overall, only 43% of functional health facilities offer full-scale services for treating infectious diseases, while 40% provide them partial services and 17% have no such services at all. This indicates how difficult it is to enforce social and physical distancing and self-quarantine procedures in already overcrowded health facilities given the fact that the conflict in Yemen has left nearly 20 million people, half of them children, in need of primary health care services.

Low coverage rate with health services in the context of humanitarian crises in Yemen: makes the health system less equipped with the necessary gear to face possible infections with Coronavirus:

Figure (4), meanwhile, shows that the health system is clearly suffering staff shortage with only 10 health workers, on average, for every 10,000 people in Yemen, far less that the WHO standards in times of humanitarian crises which call for at least 22 health workers/10,000 people. This means that only three governorates of 22 provinces meet this standard. Meanwhile the ratio of specialized doctors stands at 5% compared to 5% for general practitioners as a proportion to the entire health workers. This means providing specialized medical staff during crises and outbreaks to care for infected cases and prevent spread of the pandemic is further difficult.
WHO standards
For every 10 thousand people
22 health workers

Health Staff
- Specialist: 5%
- General Doctor: 5%
- Assistant Doctor: 12%
- Nurse: 26%
- Midwife: 10%
- Other Staff: 42%

Figure (4): # of health workers/10,000 people by governorate

These findings confirm that the health system is still lagging behind to respond quickly and in a timely manner to the spread of epidemics and infectious diseases, including the Coronavirus pandemic. Therefore, health system are required to allocate additional resources to care for infected cases and contain the spread at times of outbreaks. This often results in severe competition with routine health services for the mother and child as priority is given to caring for infected patients. The health system is still below the standards and has been subjected to strong shocks and pressing demand for health services.

Source: WHO, Yemen: Health Resources and Services Availability Mapping System 2018 (HeRAMS)

Figure (5), in the meantime, reveals that average hospital beds in Yemen is less than 5 beds/10,000 people, which is far below the international standards and that of WHO i.e. minimum 10 beds/10,000 people. This beds capacity to the total population as a ratio gives an indicator how poor is the health system to respond to the needs necessary to face possible Coronavirus infections in Yemen.

Source: WHO, Yemen: Health Resources and Services Availability Mapping System 2018 (HeRAMS)
Third: Factors Contributing to the Spread of COVID-19 in Yemen

Assuming an outbreak of the COVID-19 VIRUS in Yemen - given the strained health system - can be as catastrophic, with many factors supporting this hypothesis, mainly the following:

1. High rates of food insecurity:

   In Yemen, high levels of food insecurity are among the chronic issues that have exacerbated in an unprecedented way during the past few years. Results of the IPC analysis for the period from December 2018 - January 2019\(^3\) show that 15.9 million people, or 53% of the population, suffer from severe food insecurity (stage three or beyond), despite the humanitarian food assistance programs (Figure 6). It is a matter of concern that, for the first time, 63,500 people have reached the fifth stage (disaster stage), which reflects significant suffering from food insecurity among certain population groups that have become hungry and unable to meet their nutritional needs. In the absence of food assistance, the percentage of the population suffering severe food insecurity could go up to 67%, i.e. 20.1 million people. High levels of food insecurity could make local communities more susceptible to diseases and epidemics, including the COVID-19 virus pandemic.

   This situation has exacerbated by waves of desert locust swarms and proliferation due to heavy rains, which constitutes a serious threat to farming production during the next three months. This may also result in damaging effects on agricultural yields and local economies with its effect on food security and the livelihoods of people.

2. High poverty rates will hinder actions and measures to limit the spread of potential COVID-19 infections:

   The humanitarian situation in Yemen has reached a critical point as repercussions of war and conflict, which drew the attention of influential regional and international actors to call for urgent interventions to mitigate the crisis, a call widely echoed by international organizations. Nevertheless that the previous interventions to alleviate the currency crisis, including the financing imports of basic food commodities at a preferential exchange rate, but living conditions in the country are still deteriorating, especially suspended salaries of a large portion of public servants. Estimates show that over 80% of Yemenis live below the poverty line\(^4\). Such data indicate that whatever measures to reduce the spread of coronavirus in Yemen are taken (including, home quarantine), may be failed by the poorest and most affected groups, because staying home for long periods of time may result in more severe poverty among the population.

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(3) IPC for the period December 2018 – January 2019.
(4) UN OCHA: HNO in Yemen 2019, P 18.
3. High rates of malnutrition reduce immunity levels:

The nutritional situation in Yemen remains a cause for concern, with estimated 7.4 million people who need to be treated from or prevented against malnutrition, including 4.4 million people in urgent need. In addition, a total of 3.2 million people needing treatment from severe malnutrition, including 2 million children under five and 1.14 million PLWs.

Five governorates in Yemen (Hodeida, Lahj, Taiz, Aden and Hadhramout) with reported acute malnutrition rates that exceed the WHO emergency threshold of 15%. Malnourished children suffer irreparable damage to their growth and cognitive abilities, while households caught in recurrent disease cycles and stuttering growth remain the most vulnerable. In 2019, humanitarian actors operating in the area of nutrition projected a slightly higher rate of acute malnutrition among children under five, to just over 2 million children, including nearly 360,000 cases of severe acute malnutrition. Women as well as young girls and boys are more at risk, as morbidity rate among children under five with severe acute malnutrition is estimated to be 12 times higher than that of well-fed peers and the rate is 4 times higher\(^{(5)}\) than cases with moderate acute malnutrition.

Malnutrition contributes to low immunity levels, undermines the individual’s immunity and is more likely to develop acute infectious diseases, including Coronavirus, with a greater risk of death.

4. Continuing conflict and scarce financial resources:

The persistence of conflict and war may weaken any coordinated and joint efforts and, thus, such conditions might indirectly contribute to rapid and silent transmission of the virus and make Yemen systems less capable of preventing possible repercussions of the spread of the virus. Moreover, scarcity of financial resources - especially those required as economic stimulus packages to mitigate the consequences of prevention measures - will undoubtedly also weaken efforts to prevent the virus from spreading further.

5. Other factors:

Among other factors that can contribute to rapid and silent transmission of the virus and require true consideration when developing anti-virus measures are:

1. There is an estimated 3.3 million people displaced by the war\(^{(6)}\), some of whom live in camps lacking even the basic services, such as health, while others live in informal settlements due to overcrowded camps. This creates an ideal environment for diseases and viruses to spread.

2. Social factors such as lack of community awareness on the risks associated with the virus, state of public indifference and social norms and traditions characterizing the Yemeni society like no one else. The people of Yemen like gatherings i.e. Qat sessions, strong inter-family close bonds and sizable Yemeni family. Many of these phenomena are not negative in normal situations but could have serious implications during outbreaks.

3. The majority population of Yemen lives in rural areas, and given common way of life there, broad commitment to any precautionary instructions and procedures seems relatively difficult given the common way of living in these areas.

4. Other risks that might bring or facilitate the in-country spread of the virus include the multiple official entry ports for Yemen, not to mention informal entry point used by immigrants from the Horn of Africa not subjected to medical tests.

5. Start of the rainy season (April - August) could provide a fertile environment for other diseases to go viral such as cholera and dengue fever, which means additional pressure on the health system on the one hand and further transmission of infections on the other.

6. Increasing global demand for medical equipment and gear used in Coronavirus screening, control and treatment makes it even difficult for such supplies to flow into the Yemeni market.

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\(^{(5)}\) UN OCHA: HNO in Yemen 2019.

\(^{(6)}\) UN OCHA: HNO in Yemen 2019.
Fourth: Measures Taken Nationally to Combat the Novel Coronavirus (COVID-19)

Yemen was one of the first countries to initiate the formation of high-level national committees mandated to recommend the necessary precautionary measures to combat COVID-19 since mid-March 2020, that is, before suspected/confirmed cases of Coronavirus ever reported in the country. Major actions taken include the following:

- Suspension of air flights to and from Yemen and closure of sea, air and land ports.
- Suspension of basic and university education for a period of two weeks, as a first stage, which later extended until further notice.
- Providing border entry points with screening kits and quarantine centers, to take due medical measures for all arrivals.
- Subjecting arrivals coming from countries infected with the virus or who have previously visited these countries during the last 14 days to a 14-day home quarantine, mainly arrivals from China, South Korea and Italy.
- Strengthening the very limited medical capacities (equipment and staff training) using the partial support provided by the World Health Organization (To be further explained in part VI.
- Closing several assembly points, such as wedding halls, gyms and parks, while ensuring health requirements for some businesses such as restaurants, hotels and bakeries.
- Enhancing community awareness regarding the risks of Coronavirus pandemic through the various mass media and communications outlets and the measures to prevent it. Many civil society organizations have stepped in and joined hands through some community initiatives.
- Setting up rapid response teams (333 teams) in many districts to deal with suspected cases and verify such reports. These teams are being equipped with the necessary medical gear needed amid moves to increase their number to 999(7).
- Carrying out street sterilization campaigns.
- Directing some enterprises to produce products related to the prevention of Coronavirus, such as the Spinning and Weaving Company/Factory producing masks.
- Reducing the government sector workforce by 80%, except service and security institutions, especially the health sector.
- Taking measures related to monitoring the market, availability of medicines and basic commodities and potential price hikes.
- Exempting commercial shipping, humanitarian and relief aid, while taking the necessary screening measures.
- Soon after first COVID-19 case was discovered in Al Sheher, the local authorities in Hadhramout governorate imposed 24 hours curfew on the coastal city of Al Sheher.
- The private sector has shown full commitment towards the precautionary measures to combat the virus by providing aid and medical needs, particularly after reporting the first case, alongside commitment to ensure sufficient market supplies and price stabilization.

Overall, measures taken so far are mainly of preventive and precautionary nature. Therefore, it is extremely important to adopt a package of stimulus financial and monetary measures and policies targeting the most affected economic sectors once sufficient resources become available. Bearing in mind the scarce and limited domestic resources, it becomes imperative for Yemen’s regional and international partners as well as financial institutions to mobilize extra funds. In part “VI”, we will be discussing UN, international, regional and national response plans implemented so far.

In this context, annex (1) is enclosed and it furnishes key precautionary measures as well as financial and monetary stimulus introduced by other countries, mainly (China and Italy) at the global level and (Jordan and Tunisia) at the Arab level. While at the level of LDCs similar to Yemen in terms of human development index (Sudan) or in terms of vulnerability index (Libya, The Democratic Republic of Congo) to learn from their experiences.

**Fifth: The Socioeconomic Impact of the Novel Coronavirus Pandemic**

**At the global level:**

This new pandemic has had wide-scale negative impact on the global economy, brought the entire world into stalemate, and caused production and supply lines as well as air, land and sea traffic across the world to almost total standstill. Moreover, the financial markets, transportation and tourism, energy and oil sectors are no exception. So many parts of the world are in a state of lockdown triggered by quarantine measures adopted by most countries hit by the new virus, including major industrial nations such as the United States, China and many developed economies in Europe.

The World Economic Outlook released by the International Monetary Fund in mid-April 2020 indicates that the novel Coronavirus (COVID-19) pandemic continues to inflict heavy death toll worldwide. In order to protect lives and allow healthcare systems to cope with the crisis, lockdowns and curfews were the only way out to slowdown the spread of the virus. This health crisis has severe repercussions on the economic activity as the world economy is expected to witness a sharp contraction of about -3% in 2020, as shown in Table (1), according to one of the most pessimistic scenarios - much worse than the consequences of the global financial crisis in 2008-2009. It is also projected that output of advanced economies will contract by 6.1% compared to 7.5% in the Eurozone countries.

With regard to the economies in the Middle East and North Africa region, an estimated 3.3% contraction is projected against the backdrop of measures to combat the new Coronavirus and declining oil prices, the worst such performance in four decades. The report suggests that growth outcomes would be much worse, depending on the duration of measures taken.

**Table (1): Projected Growth of Global Economy during the COVID-19 Virus, April 2020**

<table>
<thead>
<tr>
<th></th>
<th>Global output</th>
<th>Advanced economies</th>
<th>USA</th>
<th>Eurozone</th>
<th>UK</th>
<th>MENA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sorghum</td>
<td>459</td>
<td>439</td>
<td>341</td>
<td>222</td>
<td>162</td>
<td>164</td>
</tr>
<tr>
<td>Wheat</td>
<td>250</td>
<td>233</td>
<td>192</td>
<td>125</td>
<td>96</td>
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For its part, the International Labor Organization (ILO) forecasts that the COVID-19 crisis, which it classified as the “worst global crisis since the Second World War,” will wipe out 6.7 percent of the total work hours globally in the second half of 2020 i.e. equivalent to 195 million full time jobs. The organization notes that the ultimate increase in global unemployment for 2020 is largely dependent on future developments and policies. In addition, it is feared that, by the end of the year, the number will get much higher than the ILO’s initial estimates of 25 million lost jobs(8).

Moreover, the World Trade Organization (WTO) expected that global trade will decrease in 2020 by 13% (according to the optimistic scenario), and this drop may reach 32% (according to the pessimistic scenario). This wide range of possibilities reflects the uncertainties about the health crisis sweeping the world due to the outbreak of the novel Corunavirus. The organization also indicates that the impact on trade is likely to overcome the recession caused by the global financial crisis during the 2008-2009 period(9).

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(9) [https://www.wto.org/english/news_e/pres20_e/pr855_e.htm](https://www.wto.org/english/news_e/pres20_e/pr855_e.htm)
**At the regional level:**

Initial estimated cost of the COVID-19 pandemic in the Arab region published by the Economic and Social Commission for Western Asia (ESCWA) indicated that measures to slow the spread of the virus have caused major economic turmoil, as the gross domestic product of Arab countries is expected to shrink by at least $42 billion. This figure is forecast to go up because of its triple effects, including the drop in oil prices and the substantial economic slowdown triggered by closure of public and private sector institutions since mid-March 2020. The longer the full lockdown goes on, the greater cost the region’s economies will sustain\(^{(10)}\).

According to these estimates, the region is likely to lose more than 1.7 million jobs in 2020, including nearly 700,000 jobs held by women\(^{(11)}\), with an unemployment rate of 1.2 percentage points higher. Contrary to the effects of the global financial crisis in 2008, employment opportunities in all sectors are likely to be affected. There is no doubt that the service sector, being the main source of job opportunities in the Arab region, will be the most affected by “social distancing” measures. Estimates predict that the sector’s activity to decrease by half. Likewise, assessment studies reveal that the impact of the COVID-19 pandemic on oil markets and sinking prices cost the region about $11 billion in net oil revenue during the period January to mid-March 2020. Such losses are likely to surge in the coming weeks with trade and transport from around the world ceased. Meanwhile, businesses in the region incurred during the same period huge losses in market capital, amounting to $420 billion, equivalent to 8 percent of total regional wealth. This means that nearly 8.3 million people will remain caught in poverty, which means that a total of 101.4 million people in the Arab region will turn poor as a result of the economic slowdown caused by the COVID-19 outbreak which overshadowed job opportunities, income, business and the flow of cash transfers across the region. The most vulnerable and at-risk groups, especially women, youth, young women and workers in the informal sector not covered by the non-inclusive social protection networks will bear the brunt of the crisis given the lack of the minimal social protection. On the other hand, about 50 million people suffer from under-nutrition. With the closure of schools and suspension of classes, school feeding programs that contribute significantly to achieving food security among children have also stopped.

The International Labor Organization indicates that the COVID-19 outbreak is expected to lead to the abolition of 8.1% of the total working hours in the Arab countries, equivalent to 5 million full-time jobs.

**At the national level:**

Although one single COVID-19 confirmed case reported so far, but the socioeconomic repercussions seem extremely dangerous given the already conflict-exhausted economy coupled with limited sources of income- mainly expat remittances, foreign grants and aid - in addition to declining oil prices, low oil and gas exports and suspension of most production fields, absence of foreign investment and halt of tourism revenues. On the other hand, Yemen is heavily dependent on imports as about (80% - 90%)\(^{(12)}\) of basic needs come from overseas. The potential socioeconomic impact of the COVID-19 pandemic on Yemen can be explained as follows:

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(10) The Economic and Social Commission for Western Asia (ESCWA), Coronavirus: The Economic Cost for the Arab Region, March 2020.
(11) The Economic and Social Commission for Western Asia (ESCWA), the effects of the COVID-19 pandemic on gender equality in the Arab region, April 2020.
(12) UN OCHA: HNO in Yemen 2019.
Economic implications and repercussions:

1. **Shrinking real GDP** after it witnessed a gradual recovery in 2019 following years of slowdown in the previous years because of the war that broke out in 2015 when it recorded (-30%) drop back then. Now, with the outbreak of the novel Coronavirus and continued prevention measures with their associated socioeconomic impact to be highlighted in the subsequent sections, it seems to be heading to negative values again in 2020. In this context, preliminary forecasts indicate that the Yemeni economy is likely to record a contraction, the extent and proportion of which depends on the period it takes for the Coronavirus crisis to disappear and the world succeeds in curbing it, as well as the depth of its impact on economic activity itself. According to IMF forecasts - indicated in table (1) - The average expected contraction of economic growth in the economies of MENA region is no less than -3.3. Yemen may be so close to this figure, especially of the novel Coronavirus hit the country. These forecasts will be kept up to date. Meanwhile, it worth to be noted that the projections of economic growth before the Coronavirus pandemic had indicated positive economic growth of about 2.5% for the same year.

2. **Declined government revenues**: incidence of the Coronavirus and ensuing preventive measures are expected to lead declining public revenues for 2020 due to fewer revenues in the form of taxes and customs as well as decreased volume of trade and business vis-à-vis increased public expenditures to combat and/or prevent the COVID-19 virus. This is further emphasized by the “FEWS NET”, which pointed out that absence of additional financial interventions will lead to continuous decline in the exchange rate in the parallel market over the coming months and currency depreciation to bridge the gap. This will lead to hike in the food prices. Meanwhile, public sector salaries are projected to decrease due to limited government revenues. Moreover, conditions as such are likely to reduce the purchasing power among millions of Yemenis who are already food insecure with most of them will probably be unable to up income earning(13).

3. **Reduced commodity and supply stocks**: Yemen depends heavily on imports as 80%- 90% of its basic needs come from abroad, hence, it is possible that the year 2020 will witness shortage of imported goods and manufacturers suffering disruption of trade and supply chains, and may find it difficult to secure some production inputs and spare parts or to find alternatives. In the meantime, suppliers may face some difficulties supplying good into the country, which may lead to a significant increase in the prices of commodities(14).

4. **Declined expat remittances**: these remittances are likely to decline in 2020 due to the Coronavirus pandemic, though they constitute a significant portion of Yemen’s foreign exchange resources because countries with huge number of Yemeni expats to suffer economic stagnation, especially Saudi Arabia. Expat remittances may drop between 60% -70%(15), which will deprive the country major source of hard currency and cause families that live on such remittances to suffer much. As a result, the number of people in need of assistance will shoot up. Yemen is likely to suffer declined remittance aggregate since economic slowdown in the GCC states and around the global is expected to slash more and more jobs currently available for Yemeni expats. If remittances decreases more than the gains in the trade balance, then the external position of Yemen may weaken, and pressure on the exchange rate would increase with its effects on prices of imported goods(16).

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(13) Reduced capacity to import food expected in Yemen with millions in need of urgent action https://fews.net/east-africa/yemen/alert/january-2020
(16) During the 2009 Global Financial Crisis, Remittance Flows to Yemen fell sharply. It is estimated that Saudi Arabia is the source of 60% of remittance flows to Yemen through the formal financial system. See: World Bank, Yemeni Monthly Report, February 2020.
5. **Slashing foreign aid to Yemen:** The difficult situation currently experienced by Yemen coincides with new directions by the United Nations to reduce the volume of aid provided to the country, given that donors and relief organizations are no longer able to continue food aid to millions of people because the working climate has declined significantly over the past few months. Such move may have major consequences not only at the humanitarian level, but also on Yemen’s foreign currency reserves, which will lead more fluctuation in the exchange rates and consequently higher prices of goods and services. Estimates for April 2020 show that the support provided to the northern governorates of Yemen has dropped by 50%, which means that an estimated 8.5 million beneficiaries, who receive almost full kit of food aid a month, will suffer 50% less aid due to the challenging operating environment faced by the World Food Program. This will significantly reduce food consumption among people who are already food insecure and increase the magnitude and severity of acute food insecurity. In addition, the risk of famine is expected to grow due to the complex negative effects of the partial loss of aid, high food prices and the recent escalation of the conflict. Any outbreak of the COVID-19 pandemic in Yemen is likely to increase acute food insecurity and deaths(17).

6. **Drop in tourism revenues, travel and services:** The tourism, travel and related services are among the hardest hit sectors by the Coronavirus outbreak, despite the fact that tourism industry in Yemen is already suffering since the war began five years ago. However, closing the borders and freezing of work, Umrah and visitor visas as well as declining in-country traffic led to huge losses in the tourism sector and related services such as hotels, restaurants, and transportation. Many small-and medium-sized enterprises operating in this sector have provided their employees with unpaid leaves(18). Therefore, interruption of this sector and its components as a result of the possible precautionary and preventive measures to face the Coronavirus pandemic will negatively affect a large segment of the population in terms of incomes lost and additional suffering to that brought by the five-year war.

7. **The foreign trade sector:** Yemen relies heavily on imports from abroad, specifically China, Dubai, Saudi Arabia, Egypt and some other countries that reported a number of COVID-19 cases. Closure of borders and curfews imposed by these countries will definitely reduce commercial exchange with others, including Yemen. Consequently, customs revenue will drop and so do the government spending, despite urgent need for such revenues to help boost spending on the health sector, including medicines, medical supplies, equipment, health quarantines, furnishing of hospitals to accommodate as much potential infections as possible, if it spread in Yemen.

8. **Hike in the prices of commodities and foodstuffs:** The ramifications of the novel Coronavirus will further complicate the living and humanitarian situation in Yemen due to hiking price of food, medicines and medical supplies at the global level. The FFPI of the Food and Agriculture Organization increased by 11.3% in January 2020 compared to the same month in 2019, as international prices for all major cereals went up in January 2020(19).

   Indeed, global consequences will manifest themselves on the local prices in Yemen, where the price of imported food commodities increased during January 2020, just one month later to the spread of Coronavirus in the world, sugar prices increased by 13.5%, by 7% for cooking oil, and by 4% for both wheat and flour(20). Accordingly, the national average cost of food basket to help 7 people in need survive continued to rise in February 2020, recording 38,758 YER, equivalent to $ 62, an increase of 3% compared to the previous month. The cost jumped by 123% compared to February 2015(21). It was also noted that the prices of medical supplies, especially those used for the prevention of the COVID-19 virus, increased by more than 600%(22).

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(20) Food and agriculture Organization (FAO): Market Watch Bulletin, issue 54, January 2020

(21) Market Watch Bulletin, February 2020

The consequences and impacts of the Coronavirus on the prices could make it difficult for millions of Yemenis to meet their basic needs (food and non-food), even in the presence of humanitarian food aid. With the imminent cuts in aid, the magnitude and severity of acute food insecurity will increase in the country described as the biggest humanitarian crisis in the world\(^\text{(23)}\). On the other hand, the Yemeni citizens have suffered severe inflation waves during 2015-2019, where the cumulative inflation rate reached about 41% in January 2020 compared to December 2014\(^\text{(24)}\), approximately 4 and 7 times the rate of inflation in the MENA region and in the world, respectively\(^\text{(25)}\). Based on these data, the inflation rate is likely to rise by about 14 percentage points to reach 55%.

**Impact and implications on the social sectors:**

1- **The impact on the health sector**

*The heavy caseload of infectious and non-communicable diseases limits response by the health sector to the expected infections from the spread of the Coronavirus:* Evidence shared globally indicates that patients with diabetes, blood pressure and weak immunity have recorded high rates of infection with COVID-19, making these groups more at risk. Regarding the current situation in Yemen, the national health system is not prepared enough to respond to the COVID-19 pandemic. This could lead to millions of deaths due to complications of underlying causes which are widely prevalent as well as the large number of preventable diseases, including infectious diseases, such as cholera, measles, dengue fever, diphtheria and non-communicable diseases, as the health system is not well positioned nor capable of dealing with such caseload. Considering the limited resources, any potential spread of Coronavirus in Yemen would increase pressure on the already strained health facilities of various types and levels in Yemen, including:

- The cholera epidemic continues to spread rapidly across all governorates of the Republic. The cumulative number of suspected cholera cases reported from October 2016 to January 31, 2020 reached about 2,316,197 and 3,910 associated deaths (CFR 0.17 per cent)\(^\text{(26)}\). If cholera has already exhausted the health sector, any outbreak of the novel Coronavirus will be disastrous.

- Dengue fever is currently high on the agenda of humanitarian actors working in the area of health, in order to mitigate the risk of dengue fever in 13 priority districts where large numbers of cases identified\(^\text{(27)}\). In 2019, about 76,768 suspected cases were reported nationwide and 271 associated deaths. Likewise, during the first two weeks of January 2020, some 5,524 cases reported with 11 associated deaths. The dengue fever outbreak hit 174 out of 333 districts (54%) in 22 governorates\(^\text{(28)}\). These results indicate that health facilities in these directorates will face mammoth pressure to the extent making them unable to prepare for new cases of Coronavirus.

- Immunization coverage levels have decreased by nearly 30% since the conflict in Yemen began\(^\text{(29)}\). The measles and diphtheria epidemics is an indication of low immunization coverage. It also indicates a poor preparedness to deal with the novel Coronavirus (COVID-19).

- Although there are no recent studies on the caseload of non-communicable diseases, data extracted from previous programs funded by the World Health Organization indicate that non-communicable diseases were responsible for 57% of deaths in the country during 2018, except for deaths attributed directly to the armed conflict. The most common underlying diseases are cardiac disease, blood pressure, cancer, chronic kidney failure and diabetes. The World Health Organization has provided medical care for a number of patients with life-threatening diseases, including 4,000 cancer patients undergoing continuous treatment and 32,000 patients needing dialysis sessions. Most deaths by the Coronavirus also suffer from such diseases, which requires more attention to these groups.

\(^{(23)}\) Yemen Food Security Alert: April 08, 2020  https://reliefweb.int/report/yemen/yemen-food-security-alert-april-082020-
\(^{(25)}\) IMF Dadatbase  http://www.imf.org/external/datamapper/PCPIEPCH@WEO/MEQ.
\(^{(26)}\) WHC,CHOLERA SITUATION IN YEMEN, January 2020.
\(^{(29)}\)UN OCHA, HNO in Yemen 2019.
Likewise, the caseload of patients with mental health disorders suffered by a large segment of the population due to the prolonged crisis who need PSS support services is very high, due to their exposure to conflicts over the past years.

The Yemeni health sector falls short of adequate specialized medical staff during crises and outbreaks to look after the infected cases and contain the spread of epidemics. Estimates show that out of 267 districts evaluated, 49 districts do not have even a single doctor, and in 42% of districts, there are less than 2 doctors in each health facility\(^{30}\). The main driving factors behind the health workers crisis are; migration of skilled health workers to find better opportunities outside the country, suspension of salaries for more than two years, which affected a large portion of health workers before payment resumed in January 2019. This is in addition to insufficient number of nurses and midwives – though with poor education, but still unable to bridge the human resources gap in the health sector. Moreover, and based on current knowledge about the structure of the workforce in the health sector, medical and assistance personnel lack training in case management, prevention of diseases, infection control and the use of personal protective gear as part of the response to the COVID-19 virus.

2- The impact on the education sector:

The Coronavirus pandemic 2019-2020 has also affected education systems all over the world. In the case in Yemen, the closure of schools, universities as well as technical and vocational training institutes has had major negative effects on the various educational stages. As for general education, the Education Cluster estimates that 4.7 million children throughout Yemen need education assistance - including 2.1 million girls and 2.6 million boys - of whom 3.7 million are in urgent need. Trends show that the number of children in need of education assistance is on the rise annually, as their number increased from 2.3 million in 2017 to 4.7 million in 2019.

3- The impact on the WASH sector:

The Coronavirus pandemic aggravates WASH-related needs either directly and indirectly. More pressure on hygiene and sterilization items is expected. Children, women, the poorest and most marginalized groups are especially vulnerable to risk. Influencing factors include increased household demand for water for hygiene to prevent Coronavirus amid water scarcity, as 55% of the population have no access to improved water sources. It is also feared that high prices of trucked water, which is already 50% high, will pose more risks, as 60% of households travel for more than 30 minutes to fetch water. This could trigger violence and harassment, especially for women and children, who are often responsible for this task. In addition, 75% of households cannot afford the cost of soap; yet, such needs will increase to cope with the COVID-19 outbreak.

UNICEF’s WASH program has helped provide safe drinking water and adequate sanitation services for children and families across the country. With Coronavirus threats in mind, meeting all WASH needs to protect vulnerable populations from the risks of relevant diseases and malnutrition would be of great importance.

**Figure (8): % of WASH Services**

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>of Households who cannot afford buying soap</td>
<td>75%</td>
</tr>
<tr>
<td>of Households dumping garbage in public places</td>
<td>60%</td>
</tr>
<tr>
<td>of households walking 30 minutes or long distance to fetch water</td>
<td>60%</td>
</tr>
<tr>
<td>of population without access to improved water sources</td>
<td>55%</td>
</tr>
<tr>
<td>increase in trucked water</td>
<td>50%</td>
</tr>
<tr>
<td>of households have no soap at home</td>
<td>45%</td>
</tr>
</tbody>
</table>


\(^{30}\) MoPHP and WHO, Service Availability and Health Facilities Functionality in 16 Governorates, October 2016.
4- The impact on social protection and vulnerable groups during the Coronavirus crisis:

Data suggest that procedures introduced in the wake of the COVID-19 as well as suspension of work by many individuals and governmental and private institutions will trigger drastic impact on social protection services targeting the most vulnerable groups during this crisis. Meanwhile, 2019 humanitarian data for Yemen show that about 24.1 million people are in need of some kind of humanitarian or protection assistance, including 14.3 million people with urgent needs. These figures indicate that the number of people with urgent needs increased by an impressive 27% compared to December 2017(31). Meanwhile, measures to limit the spread of the COVID-19 virus will further exacerbate income loss and poverty and increase vulnerability among affected people. Similarly, food-related needs will lead to food insecurity, widespread diseases and homelessness, among other things, and specific protection related risks and consequences. Inputs needed to limit the spread of the Coronavirus disproportionately affect groups such as women, adolescents, children, the elderly, persons with disabilities and other vulnerable and marginalized groups or persons and socially excluded people with special needs, as well as daily wage labor and employees whose salaries have been suspended.

5- Informal employment

Dealing with the repercussions of the COVID-19 outbreak with the corresponding actions, including suspension or disruption of individual and private sector businesses in the shadows or outside the formal system (daily wage), will push large numbers of these groups into financial default and inability to fulfill due financial obligations. Data suggest that employment in the informal sector accounts for 73.7% of the total jobs, according to findings of the 2013-2014 Yemen Labor Force Survey. However, since the break out of war in 2015 which is still raging until now, and because lots of workers in the formal sector lost their jobs, especially private sector units, many of them decided to go self-employed - which also falls within the informal sector- whose percentage during the years 2018-2020 exceeded 85% of the total working population. Consequently, prevention measures associated with the COVID-19 virus will soon influence this sector and its limited capacity, which have been subjected to recurrent shocks during the previous period. This means that some solutions must be proposed and support be directed to these groups to help them overcome this difficult stage. This comes amid expectations that the coming period will witness grouchiness by these groups if not directly support.

(31) UN OCHA, Yemen NHO 2019.
Sixth: UN, International, Regional and National Response Plans

At the international level

1. United Nations:

The United Nations has announced a $2.01 billion global humanitarian response plan for the novel Coronavirus (COVID-19) for 9 months from April - December 2020 to roll back the pandemic in the poorest countries by providing lab screening kits and medical equipment/gear needed to treat the infected cases and protect health workers.

![Figure (10): Priorities of the Global HRP]

2. World Health Organization:

The World Health Organization has established the COVID-19 Solidarity Response Fund to facilitate an unprecedented global response by supporting the WHO’s preparedness and strategic response plan, and appealed for US $ 675 million to fund critical response efforts to countries most in need until April 2020. Funding needed is likely to double as this outbreak develops. So far, the fund has received $ 402,933,150 . WHO website; last updated 24 April 2020).

3. The World Bank:

To help countries face the novel Coronavirus outbreak, the World Bank has earmarked $ 160 billion over 15 months to protect poorest and most in need groups, support businesses and boost economic recovery. As for the private sector, IFC allocated $ 8 billion in financing to help private businesses affected by the pandemic and to keep jobs. Besides, the International Investment Guarantee Agency will provides guarantees in the form of financial support of $ 6 billion as insurance against political risks and enhance credit for private investors and lenders.

4. International Monetary Fund

The fund seeks to help in alleviating the severity of economic repercussions triggered by the COVID-19 virus by providing nearly $50 billion in assistance through its financing facilities that allow urgent disbursement of resources on emergency basis to low-income countries and emerging markets that may request support in this setting. The fund allocated $ 10 billion to the poorest countries at zero interest, through a “Rapid Credit Facility”, with a grace period of 5 and a half years and 10 years maturity.
At the regional level:

1- The Islamic Bank for Development:

The Islamic Bank Group is working to establish a “Strategic Preparedness and Response Center” value $730 million to mitigate the negative effects of COVID-19 across the health, social and economic sectors. This includes $280 million provided by the Islamic Bank for Development and the Islamic Solidarity Fund for Development for sovereign projects and programs. Moreover, $300 million is earmarked by the International Islamic Trade Finance Corporation to finance trade in addition to $150 million from the Islamic Corporation for Investment Insurance and Export Credit to cover insurance. This funding will target both the public and private sectors with the objective to contain the spread of the pandemic (32).

2- United Nations Economic and Social Commission for Western Asia (ESCWA):

Arab governments advocated for the creation of a regional Social Solidarity Fund in support of the least developed and exposed Arab states to ensure an accelerated response to the needs of people in the Arab countries and provide relief in cases of food shortages and health emergencies. A fund to which Arab governments can contribute funds in a number of ways, including the permissibility of paying Zakat due this year to this Fund, whether it is Zakat upon wealth or fast-breaking Zakat (Zakat Al-Fitr).

At the national level:

There are efforts being made to mobilize resources to strengthen the health sector’s capacities to cope with the outbreak of the Coronavirus pandemic and mitigate its socioeconomic impact, on top of which are the following:

- Allocating about 6 billion Yemeni Riyals from the State’s public funds as additional support for the health sector in Yemen to cope with the COVID-19 outbreak.

- Receiving a $26.9 million grant from the World Bank’s International Development Association (IDA) in partnership with the World Health Organization to help in containing the spread of novel Coronavirus and mitigate the associated risks. In addition, the World Bank also allocated $30 million for Yemen to combat locust swarms and their catastrophic effects on agricultural yields and the local economy, which has much to do with food security and livelihoods of the population. The project interventions include three main elements: 1) Responding to locust swarms emergencies, 2) Recover and improve livelihoods, 3) Improve early warning systems and enhanced response. The locust control project will integrate some activities to counter the outbreak of the Coronavirus through training programs, capacity building and community awareness campaigns, as well as the provision of hygiene materials.

(32) Dr. Al-Walid Ahmed Talha, Economic Implications of the novel Coronavirus on Arab Countries, Arab Monetary Fund, April 2020.
- KSA has allocated $25 million in support to Yemen in the face of the Coronavirus pandemic.

With regard to Yemen and the previous international and regional response plans explained above:

- As for the UN Response Plan, Yemen is one of the priority countries in this plan and it implements a response plan in addition to being one of countries on top of the food insecurity and epidemic risk index. Yemen’s current humanitarian response plan must be updated to meet the growing humanitarian needs caused by pandemic, and this becomes even more important in the event of an outbreak.

- The focus is now on preparedness as long as no cases of infection confirmed.

- As for WHO, Yemen has prepared a draft COVID-19 National Preparedness and Response Plan on April 1, building on the main elements of the WHO’s Preparedness and Response Strategic Plan. Meanwhile, the WHO has supported health authorities in Yemen to increase their operational preparedness in anticipation of COVID-19 cases by providing medical supplies, 500 testing kits, staff training and media campaigns. It also distributed about 75 respirators to a number of hospitals and trained medical personnel on how to operate them. In this context, about 80 health workers have been trained in clinical management, infection prevention and control, triage and surveillance. Moreover, 37 health facilities across the country have been equipped to serve as COVID-19 isolation units and there are 25 functional emergency operations centers in Yemen.

- Negotiations are underway with the Islamic Bank for Development to obtain additional support to finance an emergency health, food security and food supply chains program and to ensure resilient private sector, especially SMEs.

- It is also important for the private sector to negotiate with these institutions, especially those with approved funding programs such as the Islamic Bank for Development and the World Bank to mitigate the ramifications of the COVID-19 pandemic.

When it comes to other sectors, the Ministry of Education, in cooperation with UNICEF, has responded to minimize the effects of school closures by replacing classes with remote lessons through educational TV channels as well as via the Internet, in addition to some self-learning programs.

Given the fragile infrastructure in Yemen, especially the health sector, the potential risks associated with the novel Coronavirus with its socioeconomic impact explained earlier, possible reduction of UN humanitarian programs from 41 to 31 major programmes unless funding is urgently received; it becomes imperative that regional and international community play their intended roles. This should go side by side with raising utilization efficiency of the available local resources, joining efforts to combat COVID-19 and taking advantage of declared responses at the international and regional levels and harnessing them to save lives. In the meantime, all government institutions shall prepare their own response plans to address any potential risks on sectors linked to their activities focusing more on the most vulnerable and most affected groups, particularly children, women and IDPs.

### Seventh: Priority Interventions and Remedies

Containing the COVID-19 virus and its socioeconomic effects require serious consideration of below priorities:

- **Protecting lives:** Although impact on livelihoods is true, but the crisis is primarily a health issue. Overall, priority must be to save lives and protect the people’s health since healthy economy necessitates healthy individuals. This means continued preventive measures alongside supporting the health system. To this end, speedy and effective national response in coordination and conjunction with other international responses, especially the United Nations and the World Health Organization.

- **Protecting livelihoods:** especially for the most vulnerable groups, by maintaining and even strengthening social protection programs.

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(33) UN OCHA Yemen; Issue 03 / March 2020; HUMANITARIAN UPDATE).

(34) Based on IMF priorities in face of the COVID-19 pandemic and its ramifications.
- Economic recovery planning (especially in the event of the COVID-19 outbreak and tightened restrictions and measures to combat the virus): including determining the appropriate timing for mitigating preventive measures based on clear evidence about the pandemic decline, allowing businesses to resume activities as they used to be before the crisis with moves to boost demand. Such planning requires broader support by international and regional organizations offering stimulus packages such as the International Monetary Fund and the Islamic Bank for Development.

In order to achieve these three priorities, an array of urgent interventions has been developed and to summarized below:

<table>
<thead>
<tr>
<th>Area</th>
<th>Urgent priority interventions</th>
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| Policies and action to address the Coronavirus pandemic | - Mobilizing resources to bridge emergency funding gaps resulting from growing needs triggered by Covid-19 response  
- Expediting efforts to finalization the MoPHP’s Preparedness and Response Plan in coordination with the World Health Organization and mobilize the necessary resources for its implementation.  
- Inviting UN and international organizations as well as the private sector to strengthen the health sector’s capacities in terms of capabilities and staff training, especially triage centers, including medical equipment and operating expenses.  
- Keeping abreast of WHO instructions and directives and adhere to their full and speedy application.  
- Protecting health personnel, especially front-line respondents dealing infected cases, including through personal protective gear and relevant WHO guidelines.  
- Raising awareness among citizens and direct public behavior towards promoting social distancing practices, reducing public gatherings and limiting social events.  
- Continuing to take precautionary and preventive measures to contain the virus from spreading further, with possible tightening of such measure, if necessary.  
- Introducing case monitoring procedures at all entry points.  
- Promoting proactive case detection.  
- Providing and scaling up lab tests.  
- Providing dedicated and appropriate quarantine sites.  
- Developing and following up appropriate protocols while treating cases.  
- Utilization proven experiences in other countries.  
- Increasing surface cleaning, spraying and sterilization in all public and private halls, facilities and informal settlements. |
### Developing a crisis management strategy in Yemen

- Setting up a national team to deal with the crisis with its economic impact in partnership with international organizations, the private sector and civil society.
- Early planning for the recovery phase, especially for the most affected sectors, while gearing up for all commercial and non-commercial activities such as education to resume business with the necessary requirements offered to them.
- Strengthening the health sector capabilities by relying more on local material and human resources (as available).
- Ongoing and dynamic evaluation of the reality of the crisis, including measures commensurate with the situation, away from panic or losing balance.
- Establishing and supporting a national sterilization program.
- Committing to transparency in dealing with the crisis and disclosing all data about the status of the pandemic within the country, on a regular basis.
- Addressing not only the health consequences of the novel Coronavirus, but also whatever measures and policies necessary to cope with the socioeconomic impact through sub-response plans for each government institution, in coordination with relevant international organizations.
- Excreting all efforts possible to facilitate the import of food and drug commodities through Yemeni ports to ensure flow of trade as freely and smoothly as possible to avoid food and drug shortages, monitor their prices and transportation after being checked.
- Taking measures and policies to would ensure regular follow up of the health and living situation of Yemeni expatriates and migrants, students and workers or stranded citizens (such as patients) due to closures applied in many countries in coordination with relevant international organizations.

### Strengthening social protection programs

- Expediting the disbursement of the eighth round of emergency cash assistance to beneficiaries of the Social Welfare Fund through UNICEF.
- Providing emergency assistance by international organizations to the most vulnerable groups (especially children and women), either directly or indirectly affected by the pandemic to cover their basic living needs.
- Paying public salaries, with the United Nations to assume its due role in this regard.
- Continuing and scaling up the distribution of food basket by the World Food Program.
- Targeting daily wageworkers, marginalized groups, and the handicapped with food baskets and hygiene kits, including members of their families.
- Keeping the school feeding project for children, even during school closure.
- Strengthening coordination between government social protection systems and humanitarian partners so they can interchangeably share their strengths and expertise.
- Making sure that students continue to be linked to distance learning programs using all possible means to avoid educational losses in the national human capital.
- Contributing and raising the private sector allocations for humanitarian donations.
- Making sure that the specific needs of women are met, especially those most at risk. This includes protecting their right to access and respond to information about the COVID-19 pandemic through remote counseling and PSS support; improving preparedness of COVID-19 triage centers and keep updating services to combat violence against women and girls and improve referral pathways.
- Taking urgent measures such as emergency cash transfers and small grants aimed at protecting them from against poverty shall be adopted as well.

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### Promoting food security

- Adjusting the minimum food basket in terms of its ingredients vis-a-vis prices.
- Making sure that the raw materials necessary for food production and agriculture are available.
- Expanding social protection programs vertically by raising the amount of the transfer, such as one-off payment or multiple payments at different intervals as they can meet their basic needs and avoid negative coping mechanisms.
- Providing unconditional cash assistance for a specified span of time for small farmers, anglers and livestock breeders.
- Adjusting the distribution of food, cash assistance, aid vouchers and raw materials for agriculture every now and then. For example, increasing the number of distribution points to avoid crowding and gatherings.
- Applying precautionary measures while distributing aid to the beneficiaries to protect them against infection, including pre-arrangement and good packaging of food baskets for the beneficiary to avoid the transmission of the virus, congestion and, thus, organizing the distribution process.
- Scheduling the distribution of coupons and cash, developing a distribution plan and informing the beneficiaries well in advance while instructing any person with symptoms similar to those of COVID-19 to stay home.
- Expanding social protection programs horizontally by providing cash or in-kind assistance to people not covered by these programs, including informal workers.

### Launching economic recovery stimuli programs and facilities ensure business continuity for the private sector

- Seeking urgent assistance from international and regional organizations that have allocated funds in support the private sector and business activity.
- Dealing with the negative economic impacts resulting from the Coronavirus crisis, and taking a set of measures to push economic recovery.
- Launch an initiative calling for the reduction of the additional burdens shouldered by businesses and help them cope with difficult market conditions.
- Expanding and improving microfinance services, especially for productive activities.
- Injecting more cash in local and foreign currencies to banks to enhance liquidity positions, alleviating major financial pressures and facing potential economic recession while helping citizens to obtain soft loans and/or slash interest rates on loans provided to citizens as part of the current crisis.
- Taking decisions allowing subsidized credit to companies and facilitating procedures on the importation of health equipment and other vital activities that fall within the scope of responding to the outbreak.
- Encouraging major companies to limit layoffs, postpone/exempt the payment of rents during the crisis.
- Recommending the private banks to exempt debtors from paying debt interests during the crisis, and for SMEs and self-employed workers to stop payment of principal temporarily.
- Suspending tax and customs duties on basic commodities in order to facilitate their flow at the lowest possible prices.

<table>
<thead>
<tr>
<th>Area</th>
<th>Urgent priority interventions</th>
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</table>
| The role of donors, UN and international organizations               | As a basic step, exceptional national efforts must be ensured to mobilize regional and international support.  
- Effective contribution by the United Nations in implementing its international resolutions and achieving sustainable peace.  
- Strengthening areas of cooperation and coordination with donors and mobilizing more resources to the health system and support a socioeconomic program addressing consequences of the pandemic.  
- Supporting the private sector in communicating with international and regional organizations that have earmarked funding programs, such as the Islamic Bank for Development and the World Bank, to assist their efforts seeking to mitigate the aftereffects of the COVID-19 pandemic on their activities.  
- Supporting international organizations shall assume their responsibilities in helping Yemen to cope with the pandemic by importing all protective gear, devices and medicines necessary to combat the pandemic.  
- Providing direct financial and technical support to Yemen to cope with import restrictions on commodities, basic foodstuff, salaries of civil servants and assisting individuals and institutions affected by the outbreak.  
- Providing and re-instating direct financial support to the poor and the most affected groups (especially children, women and IDPs) using safe mechanisms that guarantee transparent and responsible access.  
- Donors and international organizations shall make urgent contributions pertaining to all interventions required to combat the COVID-19 pandemic. |
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“This monthly update is supported by UNICEF YCO”
### Annex (1):

**Key policies and measures taken to limit the spread of the novel Coronavirus pandemic (COVID-19) responses by selected countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Key anti-COVID 19 precautionary measures</th>
<th>Economic measures to face the pandemic</th>
</tr>
</thead>
</table>
| China   | The Chinese government imposed strict measures to contain the pandemic, including:  
- Extension of the National Lunar New Year holiday.  
- Fill lockdown of Hubei Province and Wuhan City, being the epicenter of the virus. Restrictions on people movement together with social distancing.  
- Quarantine all migrant workers and returnees to China for a period of 14 days.  
- With the slowdown of the virus transmission since the beginning of April, some movement restrictions lifted and life began returning gradually to normal with preventive measures tightened. |  
• Allocate 2.6 trillion RMB to support the following financial measures:  
  - Increase spending on pandemic prevention and control measures as well as to scale up production of medical equipment.  
  - Speed up disbursement of unemployment insurance.  
  - Tax exemption and waived social security premiums.  
  - Increase public spending on infrastructure investment, develop a national public health emergency management system and enhance stabilization.  
• Adopt measures to support monetary policy, including:  
  - Inject 3.27 trillion RMB to boost liquidity in the banking system.  
  - Expand re-lending and rebate of about 1.8 trillion RMB in support of manufacturers of medical supplies and SMEs as well as the agricultural sector.  
  - Target cuts to Reserve Funds by 50 - 100 basis points for banks that support SMEs.  
• Adopt financial steps and procedures to reduce the harsh living conditions, including providing financial relief to the affected households, companies and regions facing difficulty in re-repayment, including:  
  - Postponing loan re-payment and credit support measures for SMEs and households.  
  - Bear the rise in bad loans for sectors affected by the pandemic and SMEs. |
| Italy   | - Imposing strict measures to limit the spread of the pandemic, including lockdowns at the state level, in addition to the travel ban, public gathering, and closure of schools, universities and public places, except for shops selling basic commodities, pharmacies and basic public services.  
- Close unnecessary production activities throughout the country, except for food commodity factories and companies.  
- Introduce strict safety measures for industrial companies still operating. |  
• The government adopted a package of emergency measures worth 25 billion euros as follows:  
  - Up to 3.2 billion euros for strengthening the health care and civil protection system.  
  - Up to 10.3 billion euros to support job retention policies and support laid-off and self-employed workers.  
  - Up to 6.4 billion euros to support business, postpone tax payments and payment of utility bills.  
  - Up to 5.1 billion euros, support credit offers aims to release about 350 billion euros of liquidity for companies and households.  
• Other major financial and monetary measures taken by the Italian government are the following:  
  - Freeze repayment of loans by HHs and SMEs, including real estate loans.  
  - Incentives for financial and non-financial institutions.  
  - A government guarantee of 0.5 billion euros for the State Development Bank to support lending and liquidity to banks to enable them finance medium and large companies. |
<table>
<thead>
<tr>
<th>Country</th>
<th>Key anti-COVID 19 precautionary measures</th>
<th>Economic measures to face the pandemic</th>
</tr>
</thead>
</table>
| **Jordan** | - Suspension of all flights to the country, suspension of schools and launch a public awareness campaign.  
- Closure of all public facilities, restaurants and tourist sites, restrict public gatherings and encourage social distancing.  
- As of mid-April 2020, easing off some restrictions on businesses to resume their activities.  
- Allow some private sector companies to reduce payments for staff under curfew. | - Postpone payment of taxes levied from all local sectors until the end of 2020 as well as importuned commodities and medicines.  
- Allocate 50% of insurance revenues to motherhood services (16 million JRD) to help the elderly and the sick.  
- Cap the prices of basic commodities.  
- Postpone collection of customs revenues for selected businesses and contributions by the private sector to the social security net.  
- The postponement of 70 percent of the value of customs duties for selected companies and the reduction of social security contributions from private sector establishment.  
- Reduce the interest rate by 50 basis points and then 100 basis points since mid-March.  
- Inject additional liquidity to banks at a value of 550 million Jordanian dinars by reducing the ratio of the mandatory statutory reserve on deposits at banks from 7% to 5%. |
| **Tunisia** | - The authorities have taken proactive steps to counter COVID 19 by declaring a state of national emergency and have adopted measures to contain the pandemic, including a total lockdown and a night curfew, with the exception of citizens returning to the country with a quarantine imposed on them. | • Declare an emergency plan value 2.5 million Tunisian dinars together with a set of measures, including:  
- Postpone repayments for telecom, IT, other taxes bases and social contributions.  
- VAT exemption.  
- Rescheduling taxes to provide liquidity to the private sector.  
- Limit layoffs and protect vulnerable groups, especially the informal sector.  
- Expand budget allocations to increase health expenditures  
• The Tunisian Central Bank announced a 100 basis point rate cut and called on banks to postpone payments on standing loans and suspend any fees on payments and withdrawals.  
• Postpone re-payment of staff credit for a period of up to 3-6 months, based on income. |
<table>
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<th>Country</th>
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| **Libya**                   | - Impose precautionary measures, including closing the country’s borders, banning large public gatherings, restrictions on movement and travel, and partial night curfew. | - The government announced a package worth 500 million dinars (about 1% of GDP) to support emergency expenditures to cope with the pandemic.  
- Reducing employee wages by 20%. |
| **Sudan**                   | - Introducing a number of precautionary measures, including closing the borders and airports, imposing a partial night curfew and encouraging social distancing.  
- Mandatory one-month home-quarantine for returning travelers.  
- Khartoum announced a full lockdown starting April 18 for a period of three weeks. | - Developing a health preparedness and response plan to the pandemic, identifying priority areas and estimating the budget for proposed activities value approximately $120 million.  
- The national private sector pledged to contribute $2 million to help the government.  
- Re-allocate $3 million by the government to cope with the pandemic.  
- The United Nations and international partners to donate $9 million, while the US government pledged $8 million.  
- The European Union announced on April 19 a package of measures worth 70 million euros, while the Islamic Bank for Development provided 35 million dollars to Sudan. |
| **Democratic Republic of the Congo** | In addition to restrictions on movement and travel while encouraging social distancing measures, the government has prepared a national plan with value $135 million to cope with the pandemic with the support of development partners. The plan focuses on the following:  
- Promoting early detection and monitoring and enhance technical and operational coordination within the government.  
- Improving the quality of medical care for the infected.  
- Introducing effective preventive communication strategies and strengthen medical logistics platforms. | - Three-month value-added tax exemption for health products and basic commodities  
- Grace period for tax arrears for some businesses.  
- Considering some measures, including the two-month exemption from water and electricity bills, for households and hospitals.  
* The Central Bank announced a set of measures to reduce the impact on cash liquidity, including:  
- Reduce interest rate by 150 basis points to 7.5%.  
- Abolish mandatory reserve requirements for demand deposits in local currency.  
- Extend the maturity of the emergency liquidity loans for 24 months.  
- Postpone the minimum capital requirements for new companies and encourage the restructuring of bad loans.  
- Encourage the use of electronic payments to reduce the risk of banknote contamination. |

**Source:**
2- Dr. Al-Walid Ahmed Talha, Economic Implications of the novel Coronavirus on Arab Countries, Arab Monetary Fund, April 2020.