



# YEMEN SOCIO-ECONOMIC UPDATE 2021

## Overseas Assistance: Relief and Development Nexus

### Partners .. Evaluation .. Challenges and Future Directions

#### The Editorial

Considering the difficulties that Yemen is going through compounded with economic collapse, ODA, regional and international support of all types (cash, in-kind and technical) and forms (humanitarian, development or service) is becoming increasingly critical. It save lives and contributes to mitigating the impact of the sever humanitarian crisis that ravaged 80% of the country's population, and pushed a significant portion to the brink of destitution and poverty, while others found themselves homeless and heading towards the unknown, without even basic needs for survival, food, clothing medicine compounded with dangers in just about everything.

On the other hand, ODA channeled towards economic recovery and development has become no less important than humanitarian support, and perhaps more of a priority. It spares the economy further deterioration and collapse, and protects it against contraction and recession that engulfed all elements and sectors of the economy. The economy has drained its limited savings to cover the basic commodities. In addition, the development and investment programs were also disrupted, amid remarkable capital flight abroad in search of safe havens, in an attempt to avert further erosion of its value due to devaluation of the local currency which lost 200% of its since 2014. In addition, the national economy has lost over 50% of its GDP, while development gains have declined and hundreds of thousands have been lost their jobs. Moreover, the fallout of the COVID-19 pandemic has had a profound impact in the various aspects of economic activity, further compromising the development perceptions and indicators, not to mention damaged infrastructure and collapse of basic services, especially electricity, water, health, education and other services, due to the war and conflict.

Though critical, external funding took a dive and declined remarkably amid intensifying economic and humanitarian crises in Yemen, which caused some humanitarian programs and development interventions to suspend operations, thereby deepening the crisis. This issue looks at and analyzes new angles and dimensions of the ODA other than those covered in YSEU 50. It focuses on evaluating the effectiveness of humanitarian and development aid, broadly analyzes the challenges and difficulties laying ahead, including future directions to raise the effectiveness of aid and ways to shift towards recovery, development and peace building projects.

#### In This Edition

I: Humanitarian Partners

II: Development Partners

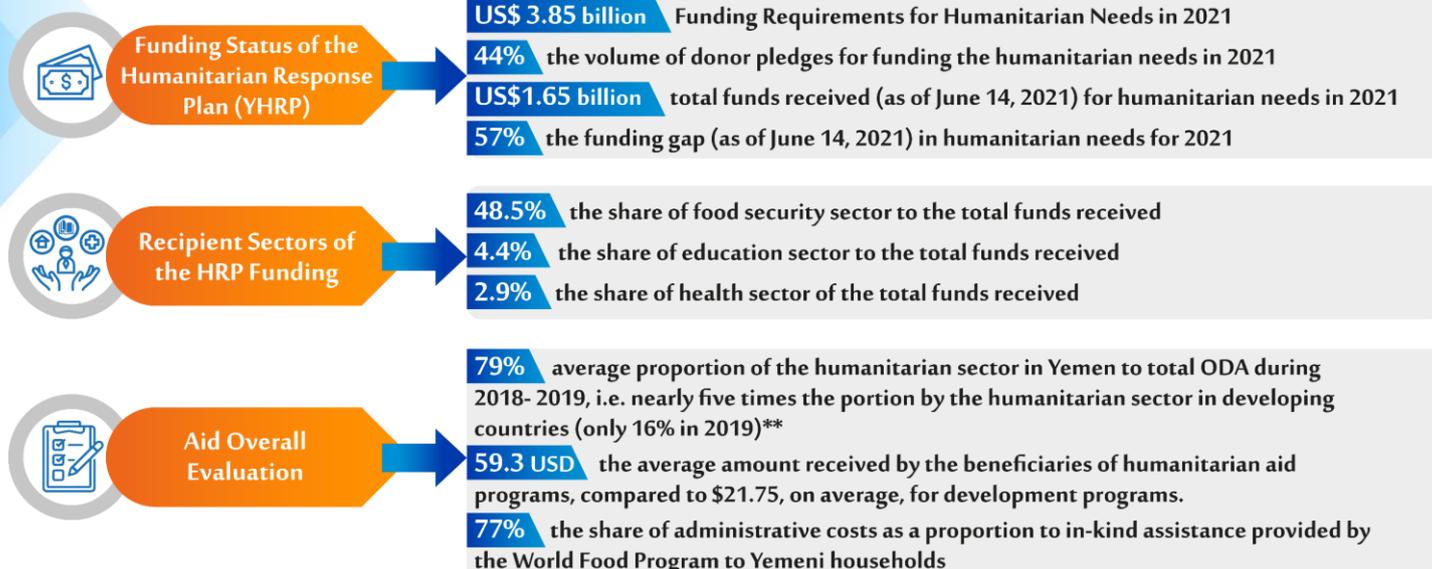
III: Evaluation of Development and Humanitarian Aid to Yemen

IV: Challenges for Humanitarian and Development Aid

V: Future Directions to Raise the Effectiveness of Humanitarian Aid and Shifting towards

*Annex: Development Programs National and INGOs Implementing Activities under the YHRP*

#### Facts and Indicators \*



\* Source: All facts and indicators included in this issue are referred to with their sources.

\*\* <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/Developing-World-Development-Aid-at-a-Glance-2021.pdf>

\*\* <https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/aid-at-a-glance.htm>.

## I Humanitarian Partners

A total of 20.7 million people, 66 per cent of the population, are estimated to need humanitarian assistance in 2021; 12.1 million people of whom are estimated to be in acute need for assistance. Meanwhile, over 50% of the population face high levels of acute food insecurity<sup>1</sup>, while nearly 20.5 lack access to water and sanitation services and 19.9 million people are without adequate healthcare.

Unprecedented levels of humanitarian assistance helped to avert further exacerbation of the humanitarian crisis and other disasters in 2019; yet, the underlying drivers of the crisis- including continued conflict, the spread of COVID-19 pandemic or natural disasters- persist. Although aid agencies assisted, on average, more than 10 million people every month in 2020 across the country, need delivering aid is much more difficult than it should be. Nearly 16.5 million people in need were estimated to be living in areas that humanitarian organizations consider to be Hard to Reach safely and sustainably which is challenged by insecurity and logistical impediments<sup>2</sup>.

Since the conflict escalated in 2015, a huge number of people were forced to displace and are now living in informal settlements lacking the basic services such as water, food and healthcare. More people are also expected to flee their homes in 2021 due to continued armed confrontations and natural hazards.

Other shocks facing Yemen’s economy and increase the severity of the crisis include outbreaks, natural disasters and the potential oil spill from the FSO SAFER.

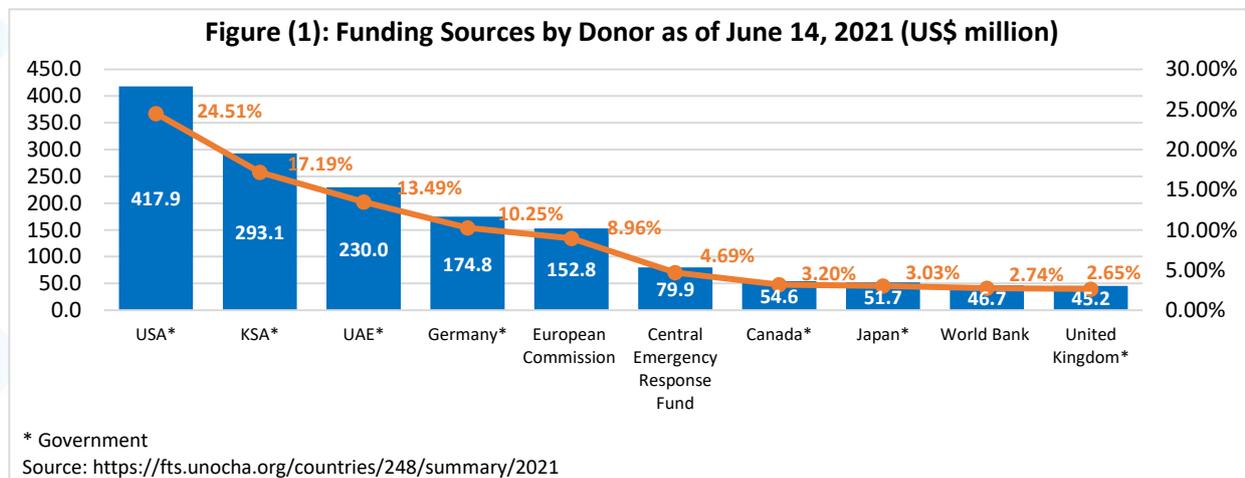
Below is an overview of the funding and executive role by humanitarian partners during 2021 to mitigate the humanitarian crisis in Yemen.

### Donors and International Funding Agencies<sup>3</sup>

#### 1. Volume of Funding and Funding Sources

The 2021 Humanitarian Response Plan (HRP) requires US\$ 3.85 billion. As of June 10, 2021, the volume of funds contributed under YHRP reached US\$ 1.65 billion (enough to meet 42.8% of the total needs), plus to US\$ 53.4 million in funding from outside HRP.

Figure (1) shows that ten donors have contributed 91% of funding requirements, led by USA (24.5%) and KSA (17%).



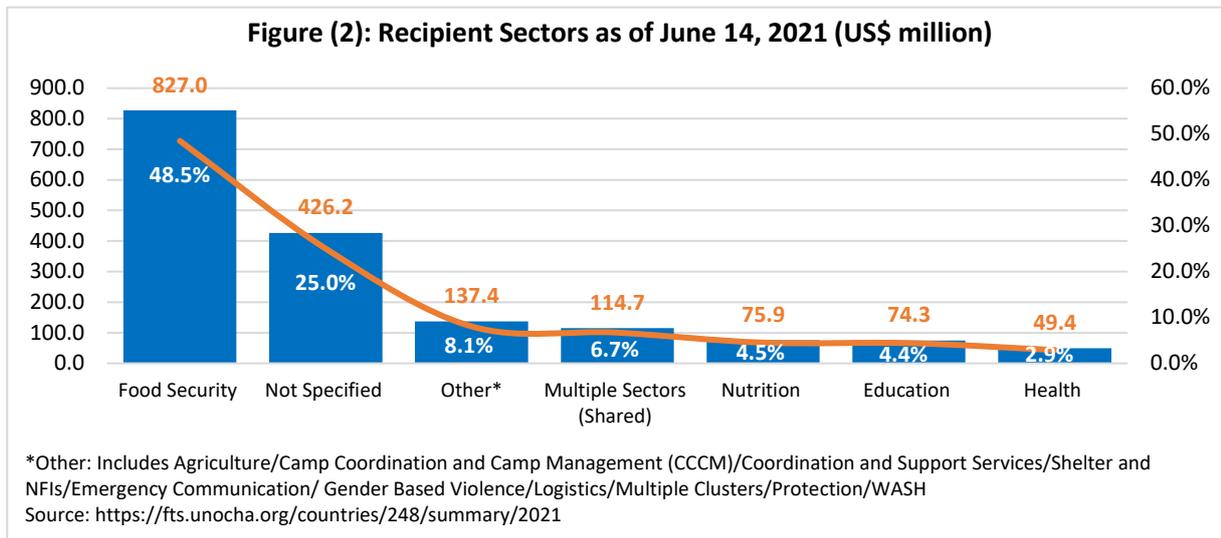
#### 2. Funding by Sector

Figure (2) shows that the food security sector received the largest share of funding, i.e. nearly half of all reported funding 48.5%, followed by not specified 25%, and then multiple sectors (shared) with 6.7%. For education and health sectors, their shares were 4.4% and 2.9%, respectively. Meanwhile, the agriculture and Camp Coordination /Management sectors had the least funding, with only 0.01% and 0.04% of all contributed funds as of June 14, 2021.

<sup>1</sup> HNO, Yemen 2021, February 2021, p 6.

<sup>2</sup> HNO, Yemen 2021, February 2021, p 22.

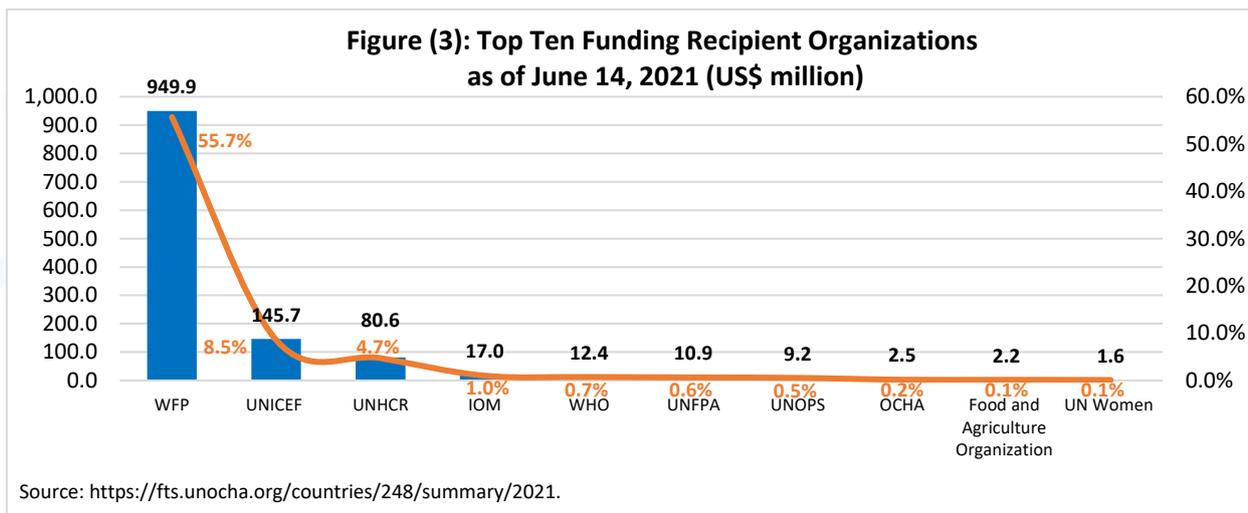
<sup>3</sup> Data in this section accessed to on June 14, 2021, <https://fts.unocha.org/countries/248/summary/2021>.



## Recipient and Implementing Organizations<sup>4</sup>

### 1. Recipient International Organizations

Figure (3) shows key recipient international organizations, led by the World Food Program (WFP) with 55.7%, followed by UNICEF (8.5%), the United Nations High Commissioner for Refugees (4.7%), and the International Organization for Migration (1%).



### 2. Implementing organizations

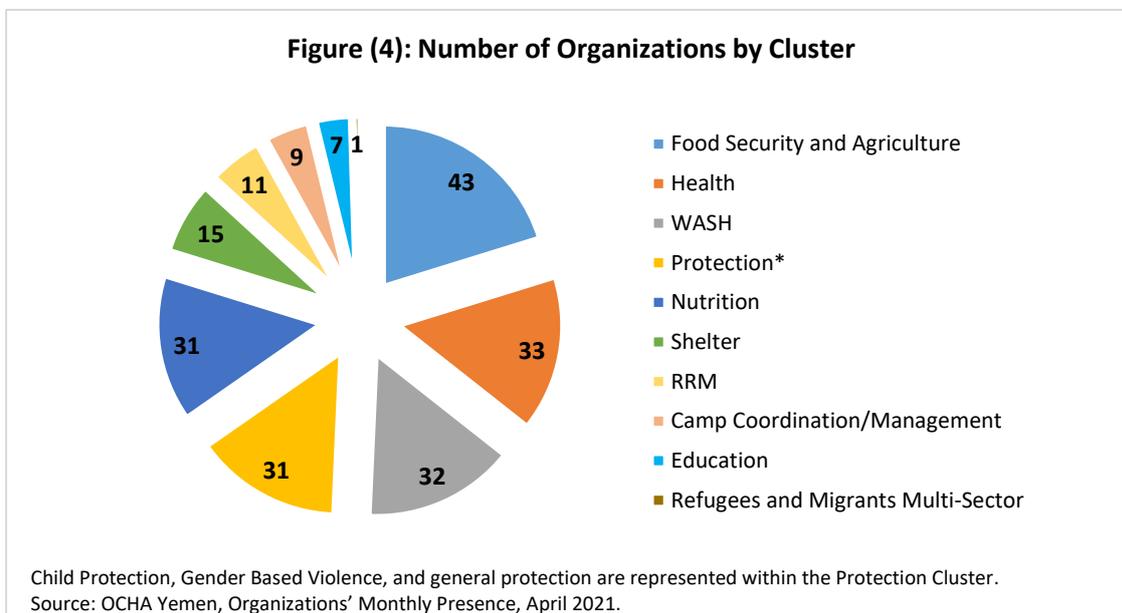
In implementation of the humanitarian response 2021, 104 organizations were active in 332 out of 333 districts during April 2021, and these organizations were as follows:

- 9 UN agencies are active in 329 districts:
  1. Food and Agriculture Organization (FAO)
  2. International Organization for Migration (IOM)
  3. UN Women
  4. United Nations Development Program (UNDP)
  5. United Nations Population Fund (UNFPA)
  6. United Nations High Commissioner for Refugees (UNHCR)
  7. United Nations Children's Fund (UNICEF)
  8. World Food Program (WFP)
  9. World Health Organization (WHO)
- 34 INGOs are active in 239 districts (list of these organizations is found in Annex 1-A).
- 61 national NGOs are active in 301 districts (list of these organizations is found in Annex 1-B).

<sup>4</sup> OCHA, Yemen, Organizations' Monthly Presence, April 2021.

By Cluster, Figure (4) shows that food security and agriculture cluster (FSAC) had the highest number of organizations, 43 organizations, and the health cluster, which had 33 organizations. Clusters with the least number of organizations implementing activities under the Humanitarian Response Plan are education and RMMS with 7 and 1, respectively.

With only international and national organizations being involved in implementation, this has perhaps created parallel mechanisms for implementation apart from government institutions, which were supposed to be partnered with in whole or in part, as this would enhance and boost the State's institutional and operational capacities.



## II Development Partners

The size of Yemen's economy has shrunk by more than half since the conflict began. More than 80 per cent of Yemenis now live below the poverty line.

The collapse is most visible in loss of income, depreciation of the Yemeni Rial, loss of government revenue, rising commodity prices and import restrictions, including for fuel. More than 40 per cent of Yemeni households are estimated to have lost their primary source of income<sup>5</sup>. The COVID-19 global downturn caused a sharp drop in remittances from Yemenis working abroad.

This calls for more important role by development partners – alongside humanitarian action – to limit the impact across all economic dimensions. Hence, we will be reviewing below ODA to Yemen, in addition to the role by key development partners and programs involved in this regard.

The war and conflict caused most development partners to freeze withdrawal of funds provided to the Republic of Yemen, and suspend most development programs, especially during March 2015 to mid-2016. However, the strenuous efforts made by the Ministry of Planning and International Cooperation (MoPIC) were successful and culminated in the resumption of development funding by the World Bank, the Islamic Development Bank, the Arab Fund for Economic and Social Development and the Kuwaiti Fund, which all contributed to mitigate the severe economic decline.

**We will also briefly shed light on Yemen's key development partners, as follows:**

### At the International Level

#### 1. European Union

As the socio-political conditions in Yemen continue to deteriorate, the European Union has adopted specific measures to address Yemen's pressing needs through two projects:-

- A. Promoting social resilience and social cohesion.
- B. Livelihoods support for food security.

<sup>5</sup> OCHA, YHRP, March 2021, p 11.

The total funding provided/committed by the EU for the programs it supports amounted to €209 million<sup>6</sup>, including:

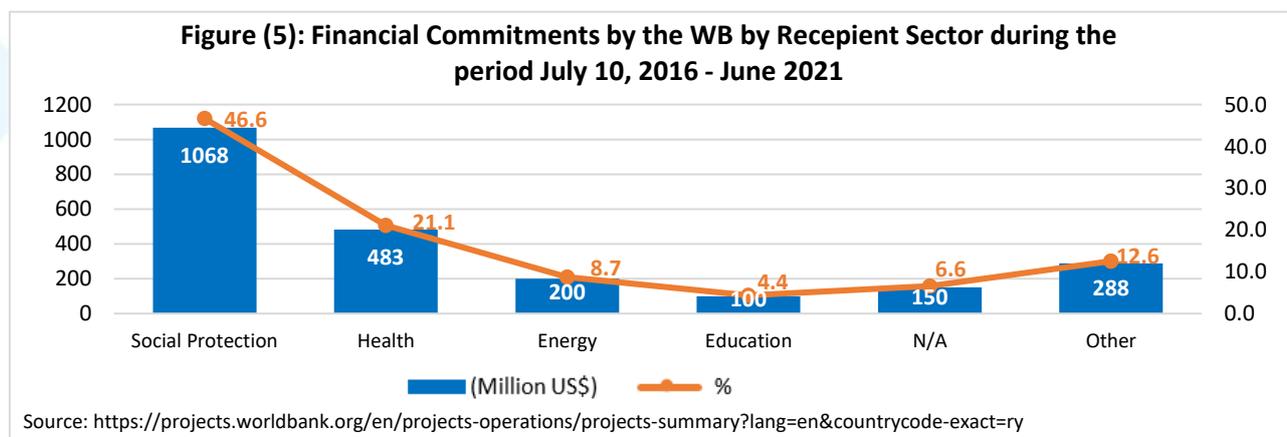
1. The Enhanced Rural Resilience in Yemen Programme (ERRY I): a 34.8 million Euro joint programme funded by European Union and implemented by the United Nations Development Program in partnership with the Social Fund for Development, CARE International, and some local NGOs. It is designed to enhance the self-resilience of rural people and communities to better cope with crises, risks and shocks, including providing communities with reliable income sources. Phase I of the project took place during the period March 2016 through 2019 in 14 districts across four governorates where a total 130,000 beneficiaries have been reached.
2. Support Resilient Livelihoods and Food Security in Yemen (ERRY II): a three-year (2019-2021) joint program funded by the European Union and implemented by UNDP in partnership with the Food and Agriculture (FAO), the International Labor Organization (ILO) and the World Food Programme (WFP). The program covers six governorates: Abyan, Hajjah, Hodeida, Lahj, Taiz, and Sana'a (16 districts in total). The overall objective of the program is to contribute to reducing vulnerability and strengthening resilience of crisis-affected communities in Yemen through the creation of sustainable livelihoods and improving access to basic services.
3. The Social Protection for Community Resilience Project (2017-2020) funded and supported by the European Union, and implemented by the UN Development Program in partnership with the Social Fund for Development. The US\$ 29 million project aims to enhance the purchasing capacity of vulnerable communities in 13 governorates most affected by conflict and war: (Abyan, Aden, Dhale'e, Jawf, Dhamar, Hajjah, Hodeidah, Ibb, Lahj, Mareb, Sa'ada, Sana'a, Shabwah and Taiz) where the financial contribution to this project is \$29 million.

## 2. World Bank

The World Bank has long been a key partner for Yemen. It implements its activities in partnership with the European Union, USAID, the United Nations Development Program and UNICEF with specific focus on responding to priority needs by the affected people in most governorates of Yemen (over 90% of all the 333 districts in Yemen) on the one hand, and expanding the scope of livelihoods-related project on the other.

The WB works in partnership with two highly effective national institutions: the Social Fund for Development and the Public Works Project. The Bank's support has been vital and effective to continue scaling up the delivery of critical services as to preserving institutional capacity and helping these institutions to continue providing basic services to communities in need.

For the 19 projects that the WB implements in Yemen, The bank has provided a total of about US\$ 2.288 billion in funding. In response to the exacerbating humanitarian situation in the country, the WB targeted multiple sectors such as the social protection sector<sup>7</sup>, which had the largest share<sup>8</sup> (46.6%) as a proportion to total commitments pledged during the period (July 2016 - June 10, 2021), followed by the health sector which came second with (21.1%), then non-specified sectors (12.6%), the energy sector (8.7%), and last the education sector with (4.4%), as shown in Figure (5).



Key WB projects funded through IDA portfolio include the following<sup>9</sup>:-

1. [Yemen Emergency Crisis Response Project](#) (US\$ 848.58 million)
2. [Yemen Emergency Health and Nutrition Project](#) (US\$ 638 million)
3. [Yemen Integrated Urban Services Emergency Project](#) (US\$ 150 million)

<sup>6</sup> MoPIC, International Cooperation and Donors Relationship, December 2020.

<sup>7</sup> For more details on social protection and programs in Yemen, as well as related interventions by DPs, please refer to YSEU issues (48 & 49).

<sup>8</sup> WB Projects in Yemen, Summary. <https://projects.worldbank.org/en/projects-operations/projects-summary?lang=en&countrycode-exact=ry>.

<sup>9</sup> [worldbank.org/en/country/yemen](https://projects.worldbank.org/en/country/yemen).

4. [Yemen Emergency Electricity Access Project](#) (US\$ 50 million)
5. [Yemen COVID-19 Response Project](#) (US\$ 26.9 million)
6. [Yemen Desert Locust Response Project](#) (US\$ 25 million)
7. [Emergency Social Protection Enhancement and COVID-19 Response Project](#) (US\$ 204 million)
8. [Yemen Restoring Education and Learning Project](#) (US\$ 100 million)
9. [Smallholder Agricultural Production Restoration and Enhancement Project](#) (US\$ 36 million) funded by the Global Agriculture and Food Security Program.

### 3. United Nations Development Program

Priority interventions by UNDP are aligned with the Country Programme Framework (2019-2021) and involves a strategy with three cross cutting objectives: -

- A. Economic recovery and development: enhancing self-reliance and the population and revitalize the local economy.
- B. Peace operation support: confidence and social cohesion building
- C. Governance and the rule of law: restoring capacities for the provision of priority public services

Resources for implementing programs and projects to achieve these objectives account up for US\$ 480 million, and are expected to be contributed by several donors, mainly the European Union and the World Bank, in addition to Japan and OCHA<sup>10</sup>.

## At the Regional Level

### 1. The Islamic Development Bank (IsDB)

In April 2017, the Islamic Development Bank agreed to resume funding for current projects, according to which the implementation of some projects was completed such as: Rural Roads Project value 6.6 million Islamic Dinars (1 Islamic Dinars is equivalent to 1.43 US dollars)\*.

In addition, work is underway on a number of other projects to move forward and complete their implementation, and the below table lists these projects. On the other hand, arrangements are underway to re-instate a number of suspended projects in the area of agriculture, fish, WASH. There are other projects in the health sector such as the project to respond to the COVID-19 pandemic (US\$20 million), a project to mitigate the economic and social impact of the pandemic across the food, agricultural and fish security area (US\$ 16.6 million), together with institutional capacity building programs<sup>11</sup>.

Table (1): Ongoing Projects Funded by the IsDB in Yemen

Project	Allocated (Islamic Dinar)	Withdrawn (Islamic Dinar)
 Youth Support Program	50	41
 Providing 15 Mobile Clinics to Yemen	US\$ 49.5 million	US\$ 4.6 million
 Literacy and professional knowledge to combat poverty	10.9	6.4
 Water and Sanitation Services in the town of Hawta	6.3	3.7
 Relief Grants for IDPs 2018/during 2017	2.5	-

Source: MoPIC, International Cooperation and Donors Relationship, December 2020.

<sup>10</sup> MoPIC, International Cooperation and Donors Relationship, December 2020.

\* The Islamic Dinar (ID) used by the Islamic Development Bank is equivalent to the (XDR) symbol referring to Special Drawing Rights (SDR) used by the International Monetary Fund. According to ["//https://www.xe.com"](https://www.xe.com), the XDR equivalent of ID equals US\$ 1.43.

<sup>11</sup> MoPIC, Report on the Status of Projects Funded by the Islamic Development Bank, 2021.

## 2. Arab Fund for Economic and Social Development (AFESD)

For over 40 years, AFESD has assumed a leading role in supporting the economic and social development in Yemen across many strategic areas and various economic fields and sectors, especially infrastructure and basic services. In July 2017, the Fund agreed to resume funding for the ongoing projects and to move forward to complete them. The table below lists projects funded by AFESD:

Project	Funding Amount (Kuwaiti Dinar)	Disbursed Amount (Kuwaiti Dinar)
The second gas power plant in Marib and Grid Expansion	43	25.8
Social Fund for Development – Phase 4	30	28
Sana'a City Infrastructure development project	30	6.2
Rural Roads Development	26	23
Sayhoot-Nashtown Road	26	22
Water and sanitation facilities in Aden governorate	10	1.4
Sanitation networks in Sana'a	18	14.6
Upgrading the sea route in Aden governorate	10	2.2
Sanitation facilities in Sayoun and Tareem	15	3.5
Fisheries and agricultural development in Hadhramout (Sahel districts)	12	6.1

Source: MoPIC, International Cooperation and Donors Relationship, December 2020.

### III Evaluation of Development and Humanitarian Aid to Yemen

Heavy reliance on humanitarian aid is growing rapidly, and so does the role of many such aid programs and parallel implementation mechanisms, thus offsetting the role of respective government mechanisms. Donors often assign some agencies with implementation, including UN agencies, national/INGOs or even CSOs. The suspension of many such programs has been accompanied by an increased reliance on international humanitarian aid, leading to a drastically altered institutional landscape of social protection in the country<sup>12</sup>, as only fewer number of institutions and programs with national mandate remained active in this area of intervention.

The alarming situation in Yemen called for immediate action by humanitarian and development actors together with the GoY to minimize the impact of the humanitarian crisis, mainly amid poorly performing state authorities (local governments) at humanitarian, development and social spheres due to heavy reliance on international NGOs to mitigate the severity of the crisis. These questionable issues need to be further assessed and reviewed.

United Nations agencies have warned that their capacity to deliver life-saving humanitarian aid has shrunk from 14 million beneficiaries a month to 10 million due funding shortfalls, knowing that coverage now is at its lowest level. In addition, there are about 2.3 million children under five years suffer from severe malnutrition, and that 400,000 of them in danger of dying if not urgently treated<sup>13</sup>. Key aspects of evaluating humanitarian aid will be addressed in sequence as follows:

#### Status of External Aid during 2015-2020

Overseas grants and aid are key funding sources to address the economic and humanitarian situation in Yemen. Since 2015, external aid was mostly relief and humanitarian in nature, i.e. delivering timely and urgent life-saving needs with limited development assistance, strengthening individual capacities to secure income and supporting assets through cash-for-work and livelihood projects for small farmers and SMEs owners through the Social Fund for Development and the Public Works Project.

#### Volume of Donor Pledges

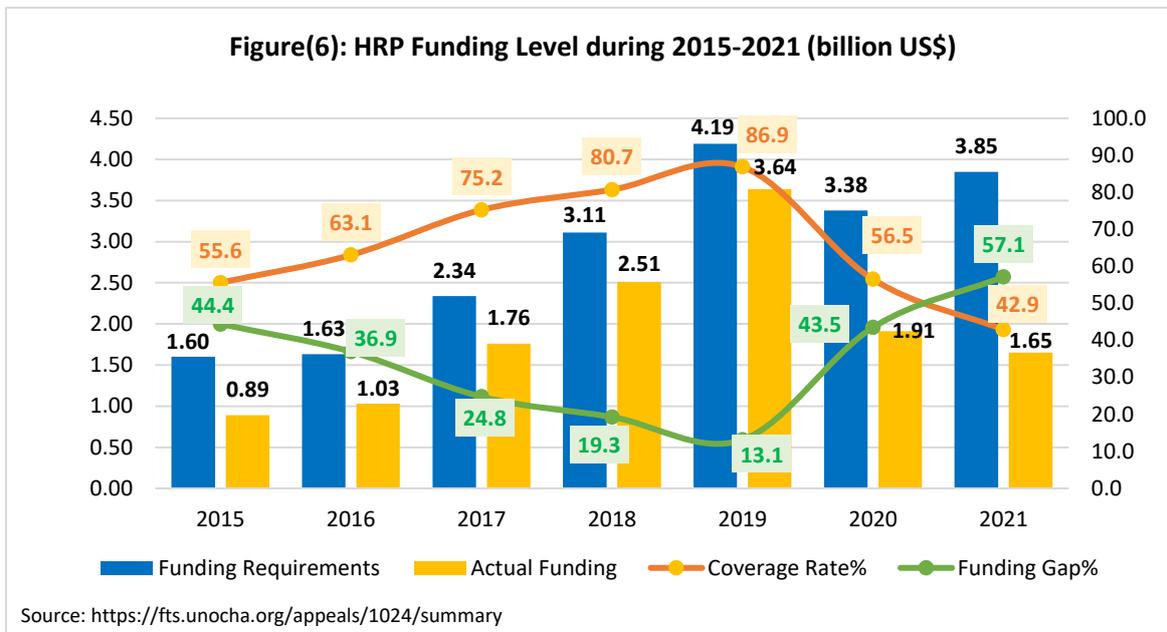
Funding requirements for humanitarian response plans have generally shown an upturn curve during the comparison period, rising from US\$ 1.6 billion dollars in 2015 to US\$ 4.19 billion in 2019, but again dropped to US\$ 3.85 billion in 2021. This indicates the severe need to fund the requirements of the humanitarian actions such as nutrition, health, education, water, shelter and settling IDPs and other urgent needs, including relief aid and life support, enhance livelihoods to alleviate the severity of the humanitarian crisis in Yemen. Response to funding requirements was at the lowest during the comparison years, increased from US\$ 0.89 billion in 2015 to its highest

<sup>12</sup> WBG, Social Protection and Jobs, Social Protection at the Humanitarian - Development Nexus: Insights from Yemen, No. 2104, April 2021. P 11.

<sup>13</sup> Towards Sustainable Humanitarian Aid and Assistance in Yemen, Mustafa Nasr, June 11, 2021, <https://www.annd.org>

level at US\$ 3.64 billion in 2019 (86.9% of the total funding requirements). In 2020, the coverage rate as a percentage of total donor pledges has decreased to 56.5% and further to 42.9% as of mid-2021 (Figure 6).

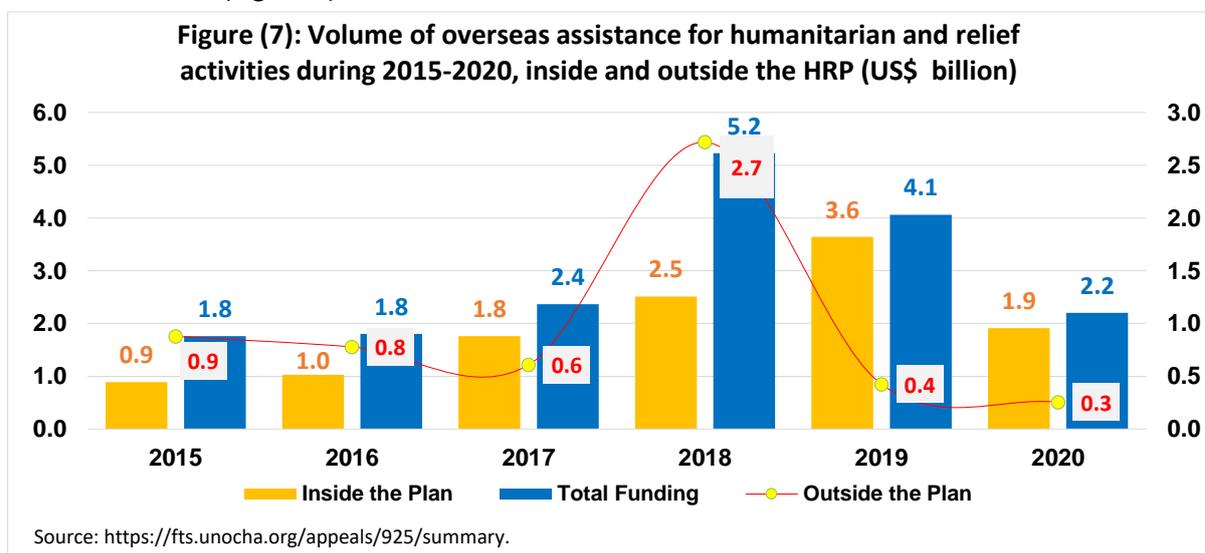
Access to funding needed to implement humanitarian response plans remains difficult. Available data show that the funding gap steadily declined during the first years (2015-2019), from 44.4% in 2015 to the lowest level at 13.1% in 2019, but it rose significantly to 43.5% in 2020, i.e. 57.1% gap as of mid- 2021 vs. annual needs, as shown in Figure (6). The funding gap remains huge despite numerous appeals to donors by the Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator - through the monthly briefing to the Security Council on the humanitarian situation in Yemen - to increase donor pledges in order to meet all the humanitarian needs of Yemen for 2021 at US\$ \$3.85 billion, millions of people would be denied access to life-saving assistance and basic services.



Despite the great efforts that have been mobilized to overcome the funding gap, yet it indicates a state of inaction and weak response by many international donors towards the humanitarian crisis in Yemen, described as the largest in the world, which have had a negative impact on the humanitarian situation. This requires serious solutions to allocate the available humanitarian aid to sustainably reach out to people in need, shift to development and economic recovery, and enhance resilience to external shocks that contribute to reducing reliance on foreign aid.

Humanitarian partners also worked to adjust their operations in 2020 to respond to the Covid-19 pandemic, including integrating efforts to prevent and respond to the pandemic into the response plans of the clusters and the overall response planning, taking into account the health and non-health impact of the pandemic.

Funding outside the HRPs witnessed relative up and down trends during 2015-2020, as it declined, from US\$0.9 billion in 2015 to US\$0.6 billion in 2017, then rose to reach its highest level of \$2.7 billion in 2018, before declining again to \$0.3 billion in 2020 (Figure 7).



These funds were contributed by donors as part of scaling up the response to the growing humanitarian crisis in Yemen and to meet funding of the huge food and livelihood requirements to sustain life.

**The decline in donor pledges can be attributed to multiple factors, perhaps the most important are the following:**

- The outbreak of Covid-19 pandemic is a key and major factor behind the drop in donor pledges for 2020 and 2021. This afflicted the world economy, especially in light of the decline in oil revenues and the impact sustained by vital sectors, such as transport and tourism.
- Inflated operational budgets of relief projects implemented in partnership with civil society. Most projects allocate as much as half of their funding as operational expenses, thus affecting the humanitarian operations and access to effected communities in a timely manner.
- Dwindled trust in international organizations by the donor community due to poor transparency, lack of accountability, as well and limited governmental and societal oversight over the flow of aid.
- Continued regulatory restrictions and interference in some governorates, increasing violence against humanitarian partners, and restricted movement of organizations, staff, or goods in the affected areas.
- Most interventions focus on relief away from development, which comes at the expense of sustainable solutions such as income sources and livelihoods beyond external shocks. Relief programs and projects consumes the bulk of funds provided by donors, which comes at the expense of development projects that guarantee a decent life for people in the long run.

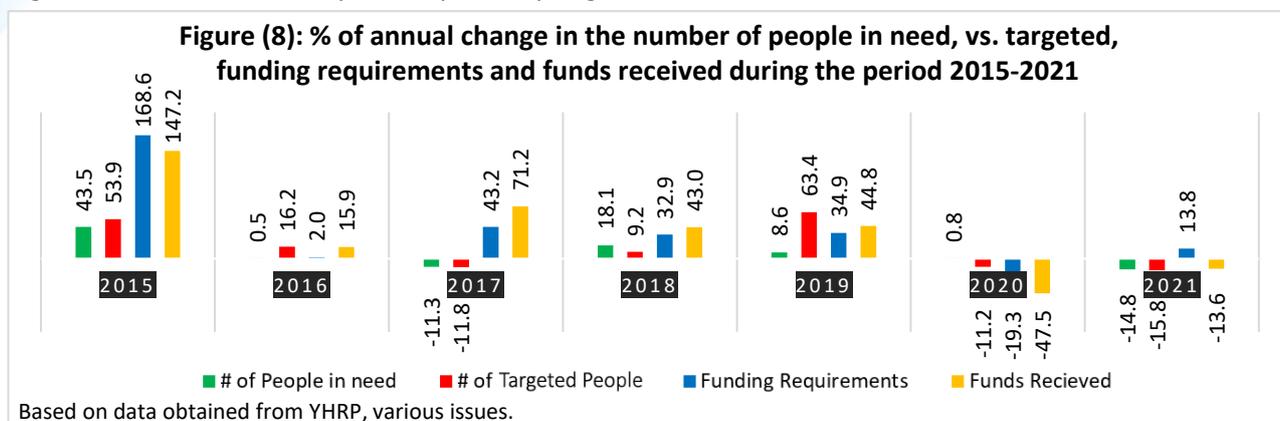
### Humanitarian and Development Support Mechanisms

Programs implemented by humanitarian and development agencies share some common features, including an increased reliance on cash as the modality of assistance, some similarities in the use of delivery systems, and a focus on target groups including the poor and food-insecure populations and IDPs

Evaluation of development and humanitarian support indicates disparity between development and relief efforts, which differ in nature based on conditions of conflict and war in Yemen, as follows:

#### 1. Disproportionality between the volume of the pledges announced, funds received and the number of beneficiaries

YHRP annual monitoring reports for the past years showed disproportionality in the trend between the volume of funding requirements and funds received, the number of those reached to total people in need. The percentage of funding requirements for the humanitarian response plan increased during 2016 by about 168.6% with 147.2% of funds received as compared to the previous year, yet the change in the number of those reached for the same year was 53.9% and total people in need at 43.5%. The percent change in the volume of funding requirements and collected funds decreased to 43.2% and 71.2% in 2017, respectively, while the % change in of the number of beneficiaries and people in need dropped to - 11.8% and negative 11.3%, respectively. The funding requirements and received funds hit the lowest level in 2020 with -19.3% and -47.5%, respectively. The same is true for the people reached and those in need, which both fell to - 11.2% and - 0.8%, respectively. Nevertheless, the change rate is projected to rise during 2021 to 13.8% for funding requirements and decline to - 13.6% for actual funds received as a proportion to total funding requirements. Likewise, the percentage of people reached and people in need will keep the downturn to reach - 15.8% and negative 14.8% in the same year, respectively (Figure 8).



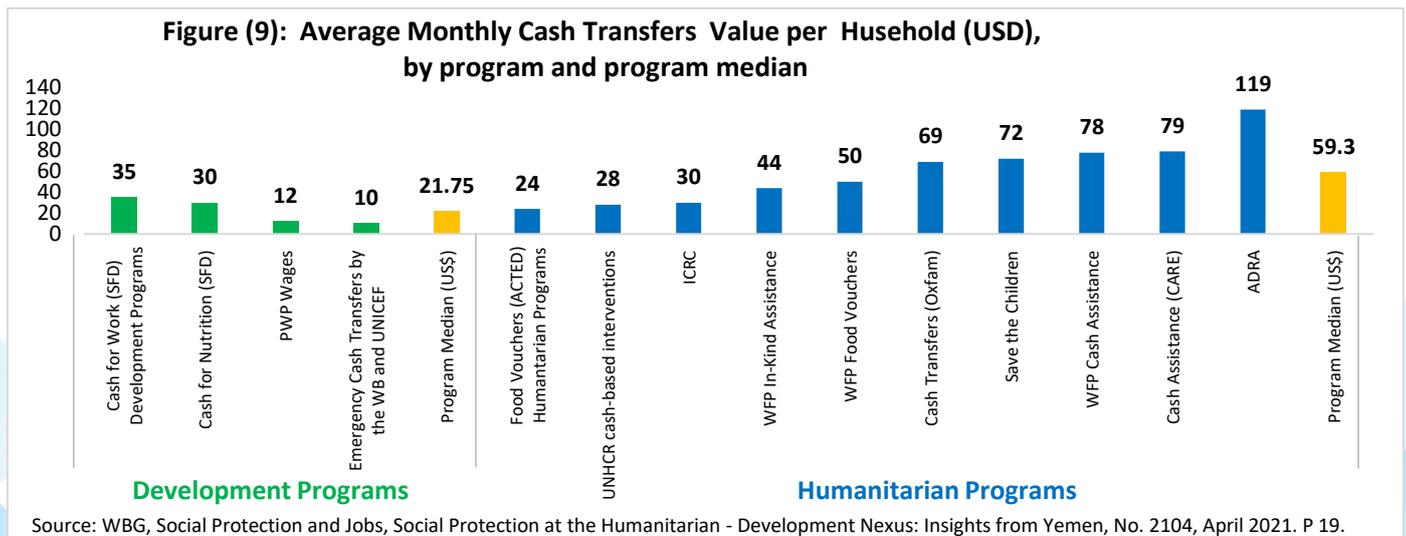
This indicates a relative decline in the interest of donors in Yemen despite the difficult living and humanitarian conditions as well as recurrent crises triggered by the exceptional circumstances that country is passing through.

This may be attributed in part to the political deadlock and the failure to reach a political solution to the crisis and put an end to the conflict and war in Yemen. Consequently, the international community no longer cares much about the entrenched humanitarian, economic and political tragedy that Yemeni people endure. It also reveals some sort of ineffectiveness and discretion as to utilizing the funds available for humanitarian action in Yemen, and

channeling huge financial resources outside humanitarian sphere, i.e. operating expenses for aid organizations or undeclared items and expenses, which indicates lacking transparency among local and foreign development organizations and agencies.

## 2. Coverage Rate and Outreach

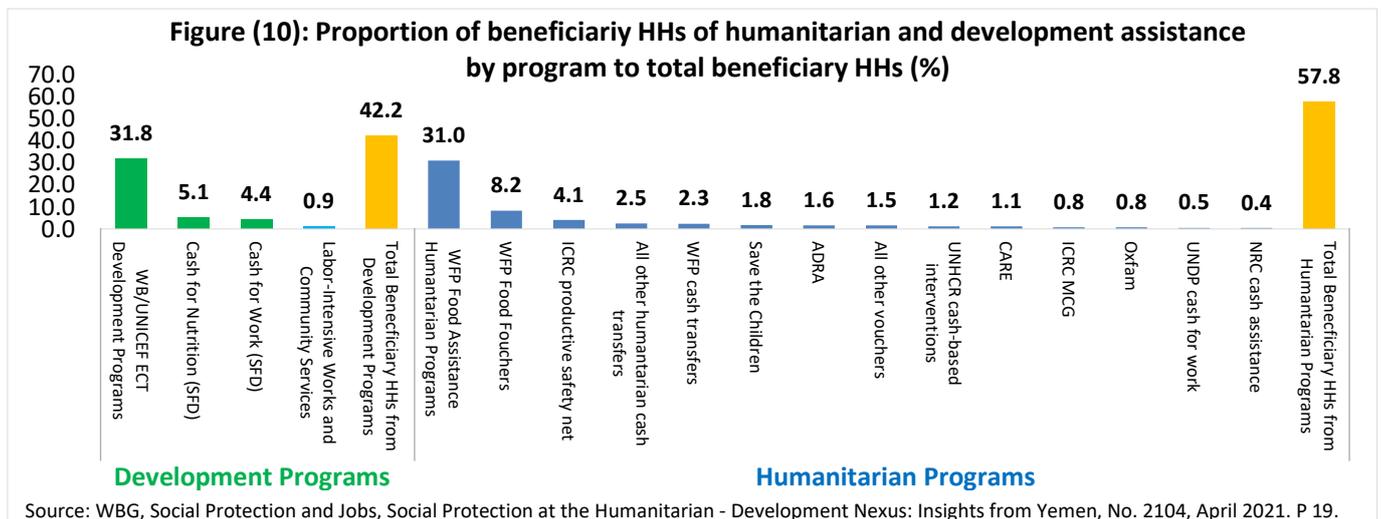
Figure 9 shows that humanitarian programs spend more than development programs, where the median value of assistance provided by humanitarian programs amounted to about US\$59.3 per individual beneficiary, while development programs provide no more than US\$21.75, on average, for each beneficiary. The lowest share was reported under WB/UNICEF ECT program (development programs), i.e. below the median (US\$ 10, on average, compared to \$24 for humanitarian programs (the food voucher program from the Technical Cooperation Agency and Development (Canada). Meanwhile, the highest averaged beneficiary share (US\$35) under development programs comes from SFD cash-for-work program, compared to an average of \$119 for humanitarian programs from the Seventh-day Adventists Development and Relief Agency (ADRA), as shown in figure (9).



Source: WBG, Social Protection and Jobs, Social Protection at the Humanitarian - Development Nexus: Insights from Yemen, No. 2104, April 2021. P 19.

Development and humanitarian programs show some variations, where development programs target much more beneficiaries with more outreach than humanitarian programs, which are often limited in scope and outreach. In terms of scale, humanitarian programs, with the exception of those implemented by the WFP, tend to be much smaller than development programs. As for coverage, development programs tend to serve higher numbers of households and operate across the entire country, and benefit levels (where humanitarian assistance transfer values far exceed those provided by development agencies<sup>14</sup>.

The proportion of HHs benefiting from development programs is less than HHs benefiting from humanitarian aid programs. The Total number of beneficiary HHs of all humanitarian and development programs put together (not accounting for overlaps between programs), where the proportion of HHs benefiting from development aid not exceeding 42.2% of the all HHs benefiting from Humanitarian and development programs. In addition, the portion of HHs benefiting from humanitarian programs rises to 57.8% of all households. Overall, the percentage of beneficiary HHs varies across programs, as shown in Figure (10).

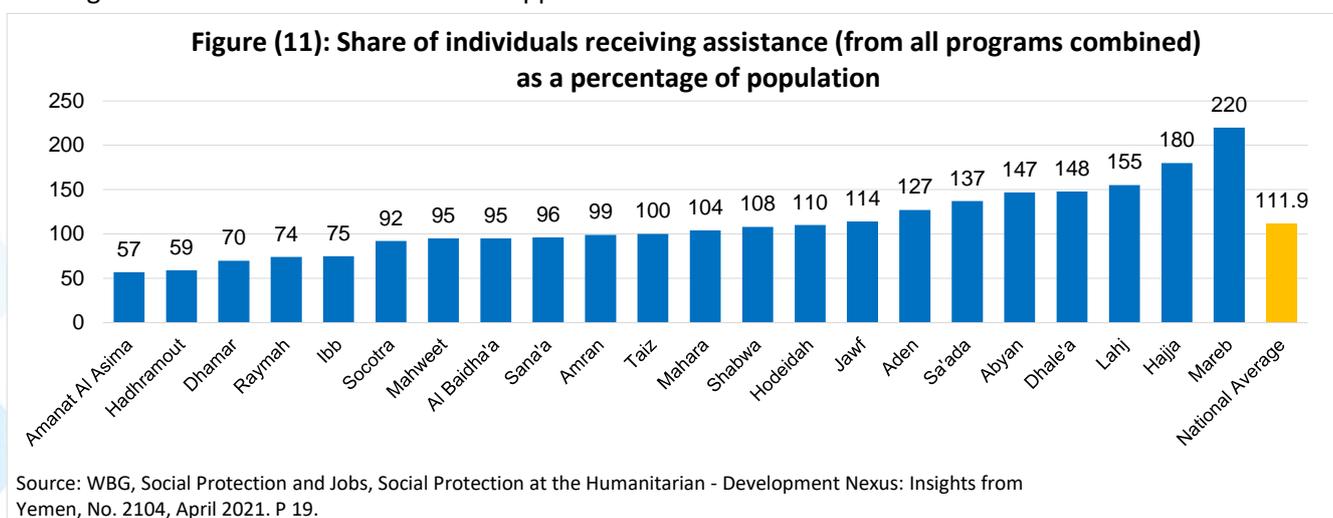


Source: WBG, Social Protection and Jobs, Social Protection at the Humanitarian - Development Nexus: Insights from Yemen, No. 2104, April 2021. P 19.

<sup>14</sup> WBG, Social Protection and Jobs, Social Protection at the Humanitarian - Development Nexus: Insights from Yemen, No. 2104, April 2021. P 19.

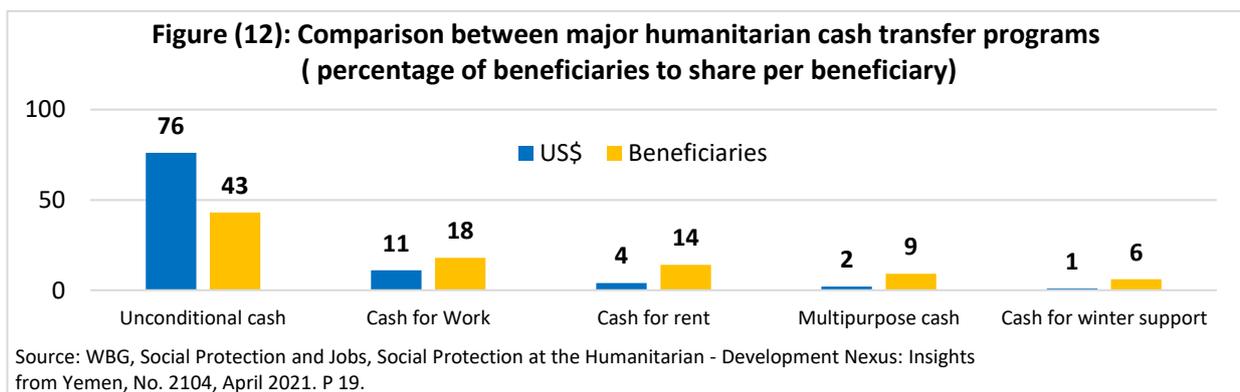
Evidence suggest simultaneous receipts from multiple programs by households, while others receive no assistance of any form. Such exclusion can be reduced considerably with better coordination between agencies and programs, including through the harmonization of transfer values and mutually intelligible approaches to geographical and household targeting. It is striking that the coverage rate of all programs combined exceeds 100%. In other words, the combined reach of humanitarian and development programs is enough to cover the entire Yemeni population. However, as a large (though currently unmeasurable) share of households likely receives benefits from multiple programs, many households may not receive any assistance at all. The extent of duplication of households across programs cannot be estimated without a detailed, representative household survey, or integrated beneficiary databases.

As Figure (11) indicates, the difference is more obvious in the number of beneficiaries from humanitarian and development programs by geography. Marib has much higher concentrations of households receiving assistance compared to the population (220%) followed by Hajja (180%). In contrast, Amanat al Asimah (Sana'a city), has lower concentrations (the total number of recipient households from all programs combined is around 57%), i.e. below the national average. When we recalculate the size of aid recipients taking into account the total number of displaced people in addition to the indigenous population. The percentage of beneficiaries in Marib, for example, does not exceed 60%. Also, many beneficiaries are counted more than once according to the organizations/programs providing aid to them across the different support sectors.



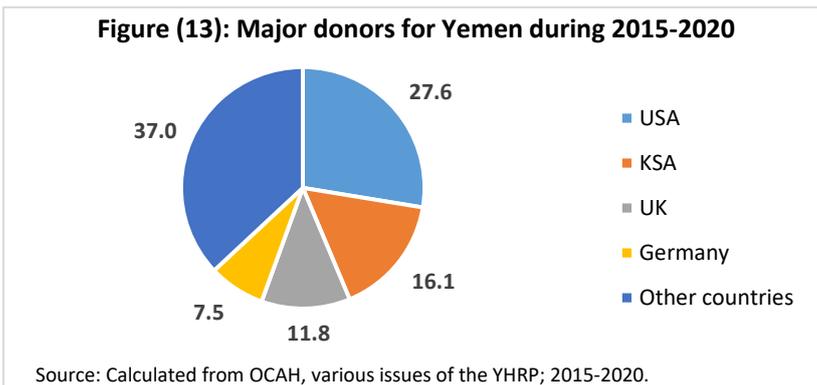
This upturn shown in governorates with high rates is caused by waves of displacement due to continued conflict and war, and the concentration of relief program in these governorates, or simultaneous receipts from multiple humanitarian and development programs by households. Inequality in the distribution of aid is likely and consequently simultaneous receipts from multiple programs by some beneficiaries. It may also reflect mismanagement of the resources available to the beneficiaries, lack of coordination among relief programs in the disbursement and distribution of aid, or weak official oversight role over the humanitarian relief programs.

Comparing between cash transfer programs and the percentage of the assistance provided, the type of transfers and the percentage of beneficiaries of these programs, Figure (12) shows clearly a significant percentage difference between cash transfers provided and the percentage of beneficiaries reached across all cash transfer programs. Nearly 76% of unconditional cash transfers went to about 43% of target beneficiaries. The cash transfers provided under cash for work interventions are relatively smaller, account for nearly 11% of the total transfers, and go to only 18% of the beneficiaries. As for cash for rent, the value amounts to 4% of total humanitarian transfers and go to 14% of the target beneficiaries. This difference vary depending on the type of program, being development or humanitarian, the coverage rate and inclusion of human settlements with high numbers of people in need.



### 3. The bulk of funding comes from a limited number of countries

Progress reports related to HRPs in Yemen indicated limited sources of funding available for humanitarian action in Yemen. The assessment findings that the bulk of funding comes from only 4 countries: the United States of America, Saudi Arabia, the United Kingdom and Germany, which all contribute about 63% of actual funds allocated for humanitarian action in Yemen during 2015-2020, as shown in Figure (13):



It was noticed, however, that several major industrialized nations have no role at all, which are considered major donors and have great strategic interests in Yemen, whether through their investment companies operating in Yemen in vital sectors such as oil, gas and mining, or the huge trade balance with Yemen worth hundreds of millions of dollars. Moreover, contributions by some Arab donor countries was humble compared to regional and international levels though they have great strategic interests in Yemen, and that Yemen’s economic and security stability serves the Arab and gulf national security. This makes it imperative for many countries, whether regional or international, to reconsider their role in Yemen and raise their contributions for survival and development purposes.

### 4. ODA Limited Development Impact

There is no doubt that the current regional and international support to Yemen is vital (as explained in part II). However, donors, international organizations and agencies focus primarily on relief and humanitarian action, with very little funds allocated for development, which has the potential to promote economic recovery and growth stimulation, especially the promising sectors with poverty alleviation dimensions such as the agricultural, fisheries, electricity, infrastructure and SMEs given jobs they generate.

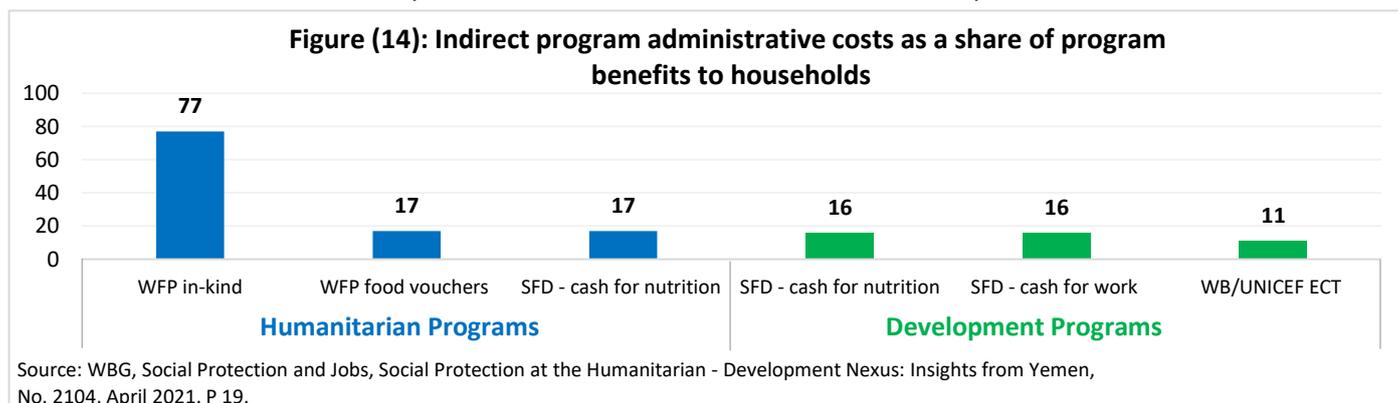
### 5. Mounting pressures on the Humanitarian Action in Yemen

The challenges and pressures faced by humanitarian action in Yemen have also intensified. Humanitarian action in Yemen is plagued by constant waves of human displacement and over the years due to continued and escalated war and restrictions imposed on the movement of actors in some areas, as well as the effects brought by natural disasters during the past period, mainly cyclones, floods and the spread of epidemics such as dengue fever and Covid-19, all of which have reduced the impact of humanitarian action on citizens.

### 6. High administrative costs as a share of program benefits

There appear to be no major differences in the overhead costs between the development institutions/programs and the WFP’s cash and voucher assistance programs, WFP’s in-kind assistance program stands out as much higher, where indirect costs only amounted to about 77% of the value of the benefits provided to the beneficiaries. These costs are much less in other programs, reaching about 16-17% of the value of benefits by other cash and in-kind programs, as shown in Figure (14).

The large difference is likely based on the modality of assistance, as cash transfers are much more cost-effective to implement compared to in-kind assistance which involves huge logistical costs, that are likely to be especially high in Yemen. While the implementation costs of WFP cash and voucher assistance are comparable to development programs, this may not be the case for other humanitarian programs that operate on a scale much smaller than the WFP’s and are therefore less likely to realize the economies of scale that can help reduce the share of overheads.



It means that there are other direct costs as financial and operational data for the various organizations and agencies working in these programs were not available. High overhead costs incurred by the World Food Program may be attributed, even in part, to the absence of direct oversight from government institutions and other community organizations. Also, there may be other non-specific patterns of spending, especially in areas where WFP has no full control over its activities and difficult safe access to the target areas, especially hotspots. As a result, food aid for 9 million people reduced by half while support for healthcare services was suspended, which the United Nations describes as “putting the lives of millions on the line.”

## IV Challenges for Humanitarian and Development Aid

Humanitarian and development action is hampered by immense challenges on multiple fronts. Yemen is at a critical juncture as the peace process struggles to gain traction, the threat of famine looms, and COVID-19 continues to spread. In the face of mammoth need and funding shortfalls, it is crucial to mobilize resources, learn from what works, and continue to support Yemen. Major challenges include the following<sup>15</sup>:

### 1. Reaching no sustainable peace ending the state of war and conflict

Continued conflict and failure to reach a sustainable peace ending the crises and reprogramming resources towards reconstruction, recovery and reactivation of the government institutions and the private sector, the situation in Yemen, livelihoods and economy will continue to deteriorate. The conflict has left more than 18 million people in need of humanitarian assistance, over 4 million IDPs, while tens of thousands were either killed or injured, according to United Nations estimates. Other social, economic and psychological issues persist, including volatile security, food scarcity and hiking fuel prices. Recurrent displacement was reported by many IDPs while others had to leave everything behind. One can hardly find a Yemeni been spared the negative impact of this difficult and complex situation.

### 2. Funding limits and shortfalls

The conflict has had a profound negative impact on the amount of support provided by donors. Between 2015 and 2019, international donors - led by the United Nations in Yemen - provided about US\$8.35 billion in funding to respond to the aggravating humanitarian crisis, including US\$3.6 billion in 2019, which helped reaching nearly 14 million people a month with some form of assistance, i.e. 7.5 million increase compared to 2018.

Donor support for United Nations relief agencies collapsed in June 2020 for many reasons, mainly: difficulties to keep delivering assistance, as relief agencies received only 24% of the total US\$3.4 billion they requested for this year<sup>16</sup>. The funding crisis has had a profound impact on Yemeni civilians, including halving food aid for 9 million people and suspending support for healthcare services, a situation described by the United Nations as “putting the lives of millions on the line.”

However, the Ministry of Planning and International Cooperation has spared no effort and maintained constant and active contact with the international community and donors to get them to shift from relief operations to recovery and development, given the fact that seven years of humanitarian action passed, yet failed to have addressed the humanitarian issue properly. Therefore, the Ministry once again calls on international organizations and donors to redirect support towards concrete projects that create jobs and revive the economy, through the window set up by the Ministry for this purpose.

### 3. Natural and geographical dynamics hindering relief and development efforts

Several challenges and difficulties stand in the way of development and relief efforts, mainly the fuel shortage crisis and the impact of natural and geographical issues, which negatively affected the performance of humanitarian actors and organizations. This includes difficult transportation of aid, suspending support for malnourished children, scaling down food and water distribution, thereby risking the delivery of life-saving humanitarian assistance, and immediate access to people in need of urgent food assistance, which means millions of people, especially women and children already suffering from hunger, may slip into famine in a country already ravaged by war.

### 4. Lack of adequate and effective inter-agency coordination

Absence of coordination among organizations and agencies working in the area of relief and development aid decreases the likelihood of the community benefitting from such aid, mainly the needy poor people. This leads to poor distribution and exacerbates the situation of poor communities, particularly those who depend heavily on aid. For this reason, MoPIC calls for full coordination with the Ministry through the platform that was created specifically for these purposes.

Evidence suggest simultaneous receipts from multiple programs by households, while others receive no assistance of any form at all. This can be tackled with better coordination between agencies and programs, including through the harmonization of transfer values and mutually intelligible approaches to geographical and household targeting.

<sup>15</sup> WB, Reflections and Lessons Learned from Yemen <https://blogs.worldbank.org/ar/arabvoices/reflections-and-lessons-learned-yemen>.

<sup>16</sup> OCHA, YHRP, June –December 2020.

## V

## Future Directions to Raise the Effectiveness of Humanitarian Aid and Shifting towards Development Programs.

Given the shortcomings - some of which were addressed in III and VI - that marred the work of the various organizations involved in humanitarian and development aid in Yemen under the conditions of the war that has been going on in the country for more than six years, and in view of the volume of aid provided by donors and modalities of distribution to deliver to those in need, the geographical outreach and the problems faced on the ground that hampered effective delivery, and taking into account that:

- Relief aid is of paramount importance to Yemen's economy at the current stage, given the fact that its total volume has become almost equal to the volume of the state general budget, while it created a parallel economy to the official one, with the great future risks that this entails. Perhaps the most prominent manifestation of that is the broader community of people dependent on urgent relief, unless all parties involved opt for another strategy to address the situation.
- Operating expenses of relief agencies working in Yemen exceed 40% of the total program benefits, which is unacceptable and cannot continue as it is. A significant portion of these funds go to temporary and unsustainable daily relief aid, not to mention the inability to reach the groups most in need due to complexities created by the volatile political, security and military situation.<sup>17</sup>
- Continued humanitarian relief in Yemen is crucial to mitigate ailing humanitarian situation and protect the groups most vulnerable against hunger and disease. Yet again, management and distribution of relief triggered a lot of skepticism mainly due to lack of transparency on the part of UN agencies and international organizations involved as well as their local counterparts, in addition to interference by political and military forces controlling the ground, which may compromise the management and distribution of relief and aid materials.

Consequently, and to set the course for future directions to raise the efficiency and utilization the available development and humanitarian resources, thereby alleviating the hard living and humanitarian situation, raising the development leverage, promoting livelihoods, bringing life back to normal, and reaching social peace in the future, below is a set of suggestions that shall be considered:

- The existing strategies followed by relief agencies and organizations operating in Yemen need to be reconsidered to ensure the maximum level of transparency in coordination with government institutions via MoPIC, the main and only gateway to development and humanitarian programming.
- International organizations and other agencies need to introduce mechanisms that help limiting the shortfalls emerged during the past period, while optimizing the use of resources available for development and relief and giving greater attention to development to ensure equality among those in need. Solid coordination with the government side as to the different mechanisms applied by humanitarian actors shall be ensured alongside steps to shift to development programming.
- The World Bank's experience in Yemen shows that even during conflict, development interventions are possible—and even valuable<sup>18</sup>, thus promoting the oversight process through third-party monitoring, and introducing innovative techniques such as geo-tagging, remote control and community engagement.
- Diversification of partners is must, with a greater role to be assigned to national institutions as well as fresh support for education, which is critical to maintaining human capital.
- Coordination between the government side and all agencies and organizations to be boosted in order to raise the efficiency of resources utilization, meet the basic needs of people in need, share the different experiences, diversify assistance modalities, and promote integration across development programs. In addition, to enhance the capacities of those in need towards more sustained income sources and livelihoods, and eventually reach out to as much poor as possible.
- Reactivate the government institutional oversight on the volume of humanitarian and development aid towards a more efficient use and to meet the needs of those who deserve to be assisted.
- MoPIC database on international organizations operating in Yemen shall be updated for streamlined aid and across the various regions and sectors, including periodic reporting by all organizations and agencies.
- Shift and transition from relief to development and recovery, including better programming of more sustainable development projects such as reconstruction and labor-intensive projects, to improve the standard of living for community members.

<sup>17</sup> Towards Sustainable Humanitarian Aid and Assistance in Yemen, Mustafa Nasr, June 11, 2021, <https://www.annd.org>

<sup>18</sup> WB, Reflections and Lessons Learned from Yemen <https://blogs.worldbank.org/ar/voices/reflections-and-lessons-learned-yemen>

## Annex National and INGOs Implementing Activities under the YHRP

### 1. International NGOs

Acronym	Organization name
ACF-F	Action Contre La Faim (Action Against Hunger) - France
ACTED	Agency for Technical Cooperation and Development
ADD	Addition for Disasters Assistance and Development
ADRA	Adventist Development and Relief Agency
CARE	Cooperative for Assistance and Relief Everywhere - Yemen
DA	Direct Aid
DKH	Diakonie Katastrophenhilfe
DRC	Danish Refugee Council
FHI360	Family Health International
HAD	Humanitarian Aid and Development Organization
HALO	The Halo Trust
HI	Handicap International
IMC	International Medical Corps
INTERSOS	INTERSOS
IRC	International Rescue Committee
IRY	Islamic Relief – Yemen
ITDC	International Training and Development Center
KSRELIEF	King Salman Humanitarian Aid & Relief Centre
MDM	Médecins du Monde
Medair	Medair
MH	Muslim Hands
MSIY	Marie Stopes International Yemen
NRC	Norwegian Refugee Council
ONSUR	International Association for relief and development
OXFAM	Oxford Committee for Famine Relief GB
PAH	Polish Humanitarian Action
PU-AMI	Première Urgence - Aide Médicale Internationale
Pure Hands	Pure Hands
QC	Qatar Charity
QRCS	Qatar Red Crescent Society
RI	Relief International
SCI	Save the Children International
SI	Solidarities International
VHI	Vision Hope International

Source: OCHA, Yemen, Organization's Monthly Presence, April 2021.

### 2. National NGOs

Acronym	Organization name
ADO	Abs Development Organization
AGF	All Girls Foundation for Development
ALAWN	Al-awn Foundation for Development
Almaroof	Al Maroof Development Association
Altwasul	Altwasul for Human Development
AL-ZAHRA	AL-ZAHRA Foundation and Development
AOBWC	Alaman Organization for Blind Women Care
AYF	Abyan Youth Foundation
BCFHD	Bena Charity for Humanitarian Development
BCHR	Benevolence Coalition for Humanitarian Relief
BFD	Building Foundation for Development
CRB	Coalition of Relief and Building
CSSW	Charitable Society for Social Welfare
DEEM	DEEM for Development Organization
EFD	Enjaz foundation for development
FCDF	Family Counseling and Development Foundation
FHD	For Human Development Foundation
FMF	Field Medical Foundation
Ghadaq	Ghadaq for Development
GWQ	Generations Without Qat
Hadramout Foundation	Hadramout Foundation
HDP	Humanitarian Development Program
HFD	Horizon Organization for Development
Human Access	HUMAN ACCESS
IYCY	International Youth Council Yemen
MDF	Millenium Development Foundation
MMFY	Medical Mercy Foundation Yemen
MOHR	Mwatana Organization for Human Rights
NDEO	Nabd Development and Evolution Organization
NDF	NAHD Developmental Foundation
NFDHR	National Foundation for Development and Human Response
NMO	Nahda Makers Organization
OMD.Y	Ola Al Majd for Development
PCF	Psychiatric Care Foundation
RADF	Rawabi AL-Nahdah Developmental Foundation
RDP	Relief and Development Peer Foundation
RFDH	Raimah Foundation for Development and Humanitarian Response
RHD	Rofqa for Humanitarian Development
RMENA	Response MENA for Human Relief and Development
SDF	Sustainable Development Foundation
Selah	Selah Foundation for Development
SFD	Social Fund for Development
SFHRP	School Feeding and Humanitarian Relief Project
SHS	Society for Humanitarian Solidarity
SOUL	SOUL for Development
SRA	SRA Foundation for Sustainable Development
SULWAN	Sulwan Foundation for Relief and Development
Taybah	Taybah Foundation for Development
TFDHR	Together Foundation for Development & Human Rights
TYF	Tamdeen Youth Foundation

Source: OCHA, Yemen, Organization's Monthly Presence, April 2021.

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