LESSONS LEARNED STUDY:

YEYEM EMERGENCY CRISIS RESPONSE PROJECT (ECRP)

SYNTHESIS REPORT

1 THIS DOCUMENT IS A SUMMARY OF THE FULL LESSONS LEARNED REPORT, PREPARED BY THE CONSULTANT, SPYROS DEMETRIOU.
DISCLAIMER

This report presents the findings of a commissioned study on the lessons learned of the Yemen Emergency Crisis Response Project (ECRP). The views expressed in this study are those of the author(s) and do not necessarily represent those of the United Nations, including UNDP, and of the World Bank, the Social Fund for Development (SFD) and the Public Works Project (PWP). Furthermore, the designations employed herein, their completeness and presentation of information are the sole responsibility of the author(s) and do not necessarily reflect the opinion of the United Nations Development Programme.
Following a period of political crisis and social and economic instability in 2011-2014, Yemen descended into a violent and protracted conflict which is today still far from being resolved. The consequences of the conflict have been disastrous for the country and its population. It is currently the worst humanitarian crisis in the world, with 24.1 million Yemenis (over 80 per cent of the population) in need of urgent assistance and protection; over 3.3 million people displaced; and elevated risks of famine and disease epidemics affecting large parts of the country. Economic conditions have significantly deteriorated due to insecurity, the disruption of markets, trade and productivity and price and exchange rate volatility; while provision of essential social services such as education and health have been interrupted, compounding the economic impacts of the conflict.

The international community is actively engaged in Yemen in order to mediate a peaceful resolution to the conflict, address the urgent humanitarian needs of millions of people, and preserve economic, social and institutional capacities essential for the country’s eventual recovery. Since 2015, the international response has evolved based on the recognition that these different types of interventions need to be implemented concurrently in the context of an uncertain and protracted conflict in which linear pathways from peace to development do not exist. In many respects, Yemen today constitutes a test case of the international community’s ability to address the complex causes and consequences of conflict through a more comprehensive and coordinated political, humanitarian and development approach.

The World Bank-funded Emergency Crisis Response Project (ECRP) constitutes a key component of the international community’s evolving approach in Yemen. Launched in 2016, the ECRP aims at complementing ongoing humanitarian assistance by strengthening individual, household and community coping mechanisms and preserving core institutional service delivery capacities. Implemented in partnership with UNDP and two national institutions—the Social Fund for Development (SFD) and the Public Works Project (PWP)—the ECRP has achieved impressive results to date and represents one of the first large-scale attempts to operationalize a development-oriented approach in a context of active conflict.

This Lessons Learned Study, commissioned by UNDP, reviews the approach and progress to date of the ECRP with the aim of identifying lessons and best practices to inform similar interventions in Yemen and other countries. It is based on a comprehensive review of ECRP project documentation and data, as well as consultations with project stakeholders from the World Bank, UNDP, SFD and PWP. Research and analysis based on the information acquired have been organized along three principal lines of inquiry: partnership and collaboration; project strategy and implementation approach; and operational and fiduciary mechanisms.

OVERVIEW OF THE ECRP

The ECRP is financed by World Bank IDA funds and implemented by UNDP, with responsibility for individual components attributed to the SFD and PWP. The ECRP parent project was approved in mid-2016 with a current budget of US$ 400 million. The project follows a multi-sectoral approach that prioritizes the populations most affected by the conflict, with the overall objective of “providing short-term employment and access to selected basic services to the most vulnerable; and preserve implementation capacity of the two service delivery programs”.

The Project is being implemented through three main substantive components, with a focus on interventions that seek to both strengthen individual, community and institutional capacities to cope with the adverse impacts of the current crisis; and create opportunities for promoting human and social capital, generating employment and enhancing economic productivity. These consist of:

- Enhancing individual and household resilience through short-term income generation, skills development and provision of social services.
- Restoring community assets delivering essential social and economic benefits.
- Restoring and enhancing the operations and productivity of financial service providers and SMEs.

2 For the purposes of this study, the ECRP refers to the components of the Bank’s overall emergency crisis programme that are being implemented by UNDP. This study excludes the components implemented by UNICEF and WHO.
3 Ibid. The two service delivery programs are the Social Fund for Development (SFD) and the Public Works Program (PWP).
I. MORE THAN THE SUM OF ITS PARTS: INNOVATIONS IN PARTNERSHIP AND COLLABORATION
The ECRP evolved from and is the articulation of an unprecedented partnership between the World Bank, UNDP and national implementing partners (the SFD and PWP). The collaboration between the four institutions has played a critical role in the effectiveness of the project to date. The co-leveraging of technical expertise, capacities and resources provided by each institution enabled the successful implementation of the project at national level in an innovative, flexible, timely and responsive manner. At the same time, and despite the structural challenges inherent in ensuring a fully integrated operational approach across very different institutions, effective coordination and oversight mechanisms enabled a consensual and collaborative approach that enabled responsiveness and flexibility in addressing emerging situations and needs.

1. RATIONALE, FRAMING AND FORMALIZATION OF THE PARTNERSHIP

From the outset of the crisis in 2015, international dialogue on economic entry-points to support peace negotiations and humanitarian assistance created space for the re-engagement of development partners. During early peace mediation attempts in 2015, economic issues were identified as possible confidence-building measures to facilitate peace negotiations. These and other initiatives, including the global UN-WB partnership framework, provided a platform for initial dialogue between the UN, World Bank and recognized government on options for re-engagement on development programming which eventually paved the way for discussions that culminated with the development of the ECRP.4

In 2016, the World Bank decided to re-engage in Yemen in line with its MENA regional strategy and new approach to working in fragile and conflict-affected contexts. The focus of these efforts centered around identifying entry points for supporting resilience of affected populations, preserving institutional capacities, and addressing structural drivers of fragility and conflict.5 The World Bank also triggered operational policies which provided modalities for delivery of assistance through UN and other international organizations in the absence of an internationally recognized government. By 2018, the World Bank had allocated over US$ 1.3 billion from its country portfolio to address a range of resilience, protection and institutional strengthening priorities, implemented through several UN agencies.

UNDP interest and engagement in the ECRP emerged from its overall strategic orientation and approach in Yemen. From the onset of the crisis in 2015, UNDP progressively reoriented its approach and program portfolio within the framework of its Yemen Resilience Program to emphasize critical livelihood strengthening and resilience priorities. This was underscored by a recognition, reflected in the UN systems’ overall strategic approach to the crisis, of the importance of complementing humanitarian life-saving assistance with development-oriented programming to reduce vulnerability, strengthen individual, household and institutional coping mechanisms and establish foundations for recovery. In this context, collaboration with the WB in Yemen was accorded corporate priority and received substantial support from several corporate departments.

Although disrupted by the conflict, the core capacities of key national institutions such as the PWP and SFD remained important foundations for provision of key services to affected populations. Since the 1990s, the SFD and PWP have been primary providers of social protection, short-term employment opportunities and other services to poor and vulnerable populations, with demonstrated results and a track record of operating with political neutrality. Preserving the institutional capacities of national institutions such as the SFD and PWP emerged as a key priority in early dialogue among international partners in 2015/2016 in order to sustain delivery of essential services to affected populations.

The preparation of the ECRP project in 2016 was characterized by close joint work and collaboration between WB and UNDP teams. This was the result of direct engagement and leadership provided by the country management of both institutions, as well as regular cross-sectoral interactions between UNDP and WB technical experts in DC, New York, Amman and Sana’a. Project preparation was facilitated by a shared vision of the objectives and approach of the ECRP, as well as the pro-activity of UNDP which identified and deployed additional technical expertise on different aspects of the project. Key issues requiring substantial negotiation were on audit, budget and GMS (UNDP’s indirect project costs).

**Lessons Learned**

- The ECRP constitutes an important example of operationalizing the new directions of the WB and UN in fragile and conflict-affected contexts, including through the use of IDA resources and alternative implementation modalities, and through promotion of greater coherence with humanitarian and peace mediation initiatives.
- The Yemen experience highlights the importance of linking economic issues to political/peace processes, which created ‘space’ and institutional incentives in an environment largely focused on life-saving interventions.
- While institutional level strategic frameworks were important in creating a predisposition for collaboration, dialogue and relationships between senior management at country level were the real drivers of the collaboration.
- Engaging in these processes requires corporate prioritization, significant investment and a willingness to work together and accommodate the procedures and approaches of different institutions.
- Cross-institutional resources such as the deployment of the WB advisor to the Office of the UN Special Envoy to Yemen played a catalytic role in facilitating dialogue between the UN and World Bank at different levels, highlighting the value of these mechanisms.

**2. STRATEGIC VALUE AND CONTRIBUTION OF THE ECRP PARTNERSHIP**

The ECRP provides a good example of what effective partnerships and collaboration between the World Bank, the UN and national partners can achieve in crisis and conflict contexts. This enabled the project to achieve results which would not otherwise have been possible. Within the ECRP framework the four institutions contributed expertise, resources and capacities based on their comparative advantages, which were jointly leveraged to achieve project results. This included provision of financing and technical assistance by the World Bank; effective oversight and implementation support by UNDP; and the delivery of project results in a challenging environment enabled by the delivery systems of the PWP and SFD.

Effective collaboration enabled innovation, learning and refinements to the project strategy, drawing on the collective experience, technical know-how and capacities of the partners. Collaboration was characterized by well-structured and joint coordination, decision-making, monitoring and oversight mechanisms based on a clear division of roles and responsibilities. Together these provided the ECRP with critical flexibility in delivering results in a volatile and changing operating environment.

---

6 For UNDP, priority was placed on ensuring that all necessary expertise required for project design was mobilised, including through SURGE deployments, while within the WB this entailed engagement across a number of global practice areas under the leadership of its Country Director. Communication with senior UNDP staff, 8 April 2019.
Relationships between partners within the ECRP are dynamic and allowed for the evolution of roles and responsibilities in relation to emerging project needs. This allowed each institution to evolve to maximize its contribution to the project by fully leveraging and adapting its resources and capacities to address issues critical for the effective implementation of the project. Accordingly, the role of UNDP has progressively expanded beyond fiduciary management and oversight to better support management of risks and contingency planning; monitoring and coordination with authorities; and strengthen IP programmatic and operational capacities. Similarly, the PWP and SFD have progressively adapted their business models and approach to ensure effective delivery in a context of protracted crisis.

The partnership within the ECRP framework served as a catalyst and platform for broader donor engagement. It helped facilitate and focus donor interest and support around the IPs and the thematic issues addressed by the ECRP, resulting in additional financing and projects aligned with the ECRP approach (e.g. USAID, EU, KSA and UAE).

Lessons learned

- The ECRP highlights the strategic value of the collaboration between the four institutions and stands as a good example of when such partnerships ‘work’, despite their different approaches, incentive structures and corporate priorities. Four factors explain the effectiveness of the ECRP partnership:
  - The joint leveraging of institutional expertise, capacities and resources based on a collective vision and goals, and a clear demarcation of responsibilities and accountabilities;
  - Effective collaboration through joint coordination, oversight and monitoring mechanisms that allowed collective decision-making on implementation;
  - A collaborative approach to problem solving, learning and innovation, which provided critical flexibility in delivering results in a volatile and challenging operating environment;
  - A dynamic relationship and engagement of partners which allowed for evolution of roles and responsibilities in relation to emerging project needs and challenges.

- The engagement of the World Bank was critical in demonstrating the salience and feasibility of development financing in Yemen. The engagement of the World Bank in the ECRP catalyzed attention and focus on how development resources can be effectively disbursed in conflict contexts; created a space for the engagement of other bilateral donors; and brought to bear its expertise and capacities to ensure a proper balance between risk taking and accountable fiduciary management.

- The ECRP experience also demonstrates that the role of a UN entity in these contexts can and must go beyond acting as fiduciary ‘pass-through’ agent. The additional roles and associated resources and expertise UNDP took on to ensure successful implementation underscores the importance of robust implementation support to national implementing partners in volatile and challenging contexts, including provision of technical advice and capacity building support.
• The ECRP experience highlights the important role that relevant national institutions can provide in the provision of critical social services in crisis contexts, as well as the importance of investing in national institutions, particularly those with a demonstrated track record and capacity for delivery in challenging environments.

• Despite institutional differences, ECRP partners were able to maintain a collaborative and joint approach across all aspects of project implementation. Key success factors include the consistent engagement of country management; the establishment and effective functioning of a multi-tiered system of project coordination and oversight informed by multi-source reporting; and the professional engagement of all institutions to ensure timely and adequate follow-up to decisions affecting implementation.

• The ECRP highlights the importance of developing appropriate mechanisms and strategies early on to enhance interoperability and common approaches on key implementation issues. Several challenges to project implementation were identified and addressed through pro-active action of the partners, including on communications, social and environmental safeguards, and local-level operational and fiduciary issues. To the extent possible, these should be addressed as part of project design.

• As the case of the ECRP demonstrates, the knowledge and capacity of individual institutions in this regard can vary, necessitating additional adjustments and strengthening of capacities and business processes. To the credit of the project, identified challenges and needs were successfully identified and addressed in collaborative fashion, highlighting the emphasis on internal learning and adaptation that have been essential to the overall success of the ECRP.
II. TOWARDS A NEW PARADIGM FOR DEVELOPMENT ASSISTANCE IN CONFLICT CONTEXTS
The ECRP represents one of the first large-scale attempts to operationalize a development approach within the context of the humanitarian-development nexus. Conceptually, it provides an articulation of how development resources can complement humanitarian efforts by helping households, communities and the private sector cope with the adverse effects of the conflict, while preserving the capacities and service delivery mechanisms of key national institutions. Although not a traditional recovery or development project, the value proposition of the ECRP lies in its contribution to preserving human, social and institutional capital in a context of active conflict and serving as a bridge between short-term humanitarian life-saving assistance and post-conflict recovery. The ECRP also represents a paradigmatic shift in the way development resources are used, demonstrating innovative approaches to ensure flexibility and responsiveness to needs, while also managing elevated risks.

After over two years of implementation, the ECRP has achieved impressive results. Since the launch of the ECRP in September 2016, remarkable results have been achieved in a relatively short time-frame and despite significant security, conflict, economic and other challenges (see table 2 below). At present, the ECRP is being implemented across all 22 governorates and in 320 out of a total of 333 districts. During this time, ECRP income generating activities have directly and indirectly increased livelihood opportunities and purchasing power for almost 2.3 million people (out of a total population in a situation of acute food security of 9.9 million), and expanded access to key services (water, education and nutrition) to over 3.5 million people. Financial and non-financial assistance has helped almost 17,000 SMEs recoup crisis-related losses, resume productivity and contributed to economic activity and employment, while technical assistance and inputs has helped over 5,000 farmers, livestock producers and fisheries in resuming and enhancing productivity, and also creating employment. The ECRP has also ensured that specific population groups, notably women, youth and IDPs benefit from assistance: 19 per cent of all wage earners are women, 7 20 per cent are internally displaced people, and 31.5 per cent are youth. In addition, of the total number of people who have been provided with access to key services, 50% are female; 53% of supported SMEs are headed by women; and of the farmers, livestock producers, and fisheries supported, 20% are women.

At this point with implementation still ongoing it is difficult to accurately assess the developmental impact of the ECRP in relation to its core objectives and theory of change. While the results described above indicate that project has generated important social, economic and institutional impacts, they do not provide measures of how this has contributed to strengthening resilience, understood in terms of enhanced capacities to mitigate or prevent conflict-related stresses, and preserve and adapt livelihoods, access to services and productivity in a sustainable and self-sufficient manner. The regular monitoring and progress reports prepared by UNDP, the implementing partners and the third-party monitoring (TPM) do provide some measure of impacts, as assessed through beneficiary perception surveys and other qualitative methods but have not for the most part included an assessment of impact, sustainability and economic returns of project outputs. For these reasons, it is difficult at this point to draw general conclusions and lessons on the overall development value created by the project, beyond the clear short-term benefits accruing from the considerable investments in human, social and institutional capital. At the same time, several preliminary observations and lessons learned have been identified in relation to how activities can be more effectively calibrated in accordance with differing needs and socioeconomic conditions throughout the country.

7 This number is determined based on calculation of women participation in all interventions of SFD and PWP, while PWP interventions are completely related to construction work in which women participation are very poor due to nature of interventions. On the other hand, SFD interventions confirmed almost 29.7 percent of female participation within SFD implemented interventions which is very close to targeted participation of women (30%) in ECRP interventions.
8 ECRP project data, accessed September 2019.
Lessons Learned

- The ECRP constitutes one of the first large-scale attempts to operationalize a development approach in a context of active and protracted conflict. Its development value proposition consists of its contribution to preserving human, social and institutional capital in a context of active conflict and serving as a bridge between short-term humanitarian life-saving assistance and post-conflict recovery.

- Strengthening resilience, defined as the ability of individuals, communities and institutions to cope, adapt and transform in response to conflict, is a defining feature of the ECRP. This has been operationalized through a multi-sectoral and integrated approach to strengthening coping capacities, which demonstrates important economic and social benefits and multipliers, as well as gains accruing from avoided losses, and which has enabled humanitarian assistance to focus on the most critical needs.

- Crisis and conflict environments impose hard constraints on the overall effectiveness and sustainability of resilience strengthening initiatives such as the ECRP. This highlights the importance of adopting a pragmatic approach to defining both the nature and scope of interventions, given the need to balance responsiveness with effectiveness. Key considerations in this regard include: a) calibrating the scope and nature of resilience interventions in accordance with prevailing conditions, which can range from strengthening coping capacities or preventing a deepening of vulnerability over the short term to more systemic and structural interventions designed to create sustainable community and institutional capacities to manage and recover from crisis; b) linking ‘downstream’ resilience measures targeting individual institutions (households, communities, institutions) with ‘upstream’ macro-economic and political measures designed to create appropriate enabling environments for sustainable resilience building.

- Important trade-offs exist between maximizing geographic scope and effectiveness of interventions when financial resources are limited. Given that the nature and impact of a crisis/conflict will often vary considerably throughout a country, consideration should be given to approaches that combine national coverage with targeting indicators allowing for differentiation of resource allocation and scope of interventions based on the identified potential impact (and enabling environment for) resilience-enhancing measures.

- Building in specific indicators to measure the impact of resilience enhancing activities is important for both targeting and monitoring/evaluation. This can include definition of economic and security baselines to inform the potential for, and define the scope of, resilience activities; as well as indicators to measure the short-term impact of activities on key resilience outcomes and inform the refinement and adjustment of project targeting and implementation.

IMPACT AND EFFECTIVENESS OF INDIVIDUAL PROJECT COMPONENTS

At the level of individual project components, the ECRP has contributed to short-term resilience outcomes, while also highlighting opportunities for deepening development impact. In general terms, the ECRP has generated important short-term resilience outcomes, defined in terms of strengthened capacities to cope with the economic, social and other shocks created by the conflict at individual, household and institutional levels. Given the overall context in Yemen, as discussed in the previous section, it is not realistic to expect longer-term systemic or sustainable resilience impacts given the absence of sufficient security and macro-economic stability. At the same time, these results do indicate the potential for the types of activities implemented by the ECRP to generate more sustainable resilience impacts once conditions enable a shift towards post-crisis recovery.
Lessons Learned

- **Cash for work:** Rapid employment creation approaches effectively increased individual and household purchasing power and coping strategies in the short-term but cannot be considered sustainable in the absence of additional measures. These include calculation of wages to ensure generation of sufficient savings that can be used for productive purposes, and linkages with measures expected to generate sustainable income generation (e.g. access to micro-finance and business support, and initiatives to stimulate economic productivity).

- **Enhanced access to service:** Rehabilitation of community assets such as roads, water/sanitation systems and schools stand to increase household and community resilience due to improved purchasing power, food security, health and education-related economic gains. In order to maximise the impact of such interventions, however, it is important to conduct accurate assessments of what types of interventions would be most suitable and effective in relation to household/community needs and develop indicators to monitor the impact on food security, livelihood, and education outcomes.

- **Empowerment and employment of youth:** Creation of employment and empowerment of youth in service provision and community mobilization is an important approach to enhance the resilience of households and communities. The ECRP demonstrates the significance of this approach, both in terms of the important role played by youth in supporting community-led processes of planning and project implementation; delivery of essential services to community members. It also demonstrates the sustainability of this approach, given that many youth were able to find sustainable employment beyond the project.

- **Cash for nutrition services:** Integrated approaches to enhancing delivery and access of nutrition related services demonstrate high complementarity to humanitarian assistance and can serve as foundations for post-crisis service delivery. Training youth in nutrition and health service provision expanded the pool of trained personnel, while education of mothers facilitated behavioral changes leading to important nutrition and child development outcomes. At the same time, measures to strengthen demand side interventions need to be complemented by a focus on strengthening supply side institutional capacities (notably nutrition treatment centers).

- **Restoring and strengthening economic productivity.** Provision of financial and non-financial assistance to MFIs and SMEs is essential to restoring productive capacity, but long-term sustainability will depend on structural improvements. Translating short-term gains through the restoration of productive assets into long-term capacities to withstand crisis-related shocks and enhance productivity requires complementary efforts to improve the broader macro-economic, security and regulatory enabling environment. In the absence of broader structural change (as in the case of a protracted crisis), intermediate priorities to strengthen coping capacities over the medium-term could include measures to enhance self-sufficiency and strengthen productive value chains.

- **Strengthening social cohesion and inclusion.** The ECRP approach highlights the value of participatory methods for the identification and implementation of community projects, as well as the need to include all affected groups in order to promote ‘horizontal’ social solidarity and cohesion; the significance of identifying the ‘right’ projects which promote a sense of collective stakes and provide a foundation for collaboration; and the importance of community level structures in both enabling collective responses to crisis conditions and serving as foundations for post-crisis local planning. Beyond this, it is also important to reflect on how participatory and community-based approaches have enabled or facilitated ‘deeper’ social cohesion through resolution of longer-standing inter-communal differences.

- **Preserving and enhancing institutional capacities.** Implementing project activities through existing national institutions such as the SFD and PWP is an effective way to restore and maintain critical service delivery capacities. It also provides an avenue for developing business processes adapted to the needs and conditions present in a crisis context. The restoration of these institutional capacities also constitutes important foundations for post-crisis recovery. In the absence of a functioning state-institutional structure, the dependence on international financing is potentially problematic given lack of long-term predictability and sustainability.
BRIDGING THE HUMANITARIAN-DEVELOPMENT NEXUS

From a conceptual perspective, the ECRP is closely aligned with the vision of how development-oriented interventions fit within the broader HDN nexus approach. It is predicated on the need for coherent and concurrent efforts across humanitarian and development domains in order to enable effective and joined up responses to and recovery from crisis. The approach and relationship of the ECRP in relation to the HRP follows the key principles of the WHS ‘Grand Bargain’ and the New Way of Working, insofar as it contributes to collective outcomes across both the HRP and HRP plus; utilizes common targeting and priority-setting criteria; and has sought to ensure operational coordination and alignment of activities.

In operational terms, the ECRP was strategically aligned and coherent with the HRP, despite being implemented in parallel. At the level of strategic outcomes, the ECRP is broadly coherent with the HRP, contributing to efforts to reduce vulnerability and enhance short-term resilience through preserving the capacities of individuals, communities, and institutions to cope with the impacts of the conflict. At programmatic and operational levels, three specific linkages can be identified:

- **Priority setting and targeting using humanitarian criteria and indicators.** A key linkage with the HRP in terms of priority setting and targeting is articulated through the ECRP targeting methodology, which is based on a composite ‘distress index’ compiled from key humanitarian indicators and data, including severity of food insecurity, emergency needs and presence of IDPs.

- **Responsiveness to emerging needs.** ECRP implementation has been adjusted to address emerging needs as part of the overall response of the international community. These include in particular the response to famine and cholera epidemics risk in 2017 and 2018, which included coordination with relevant humanitarian clusters.

- **Coordination on nutrition interventions.** The nutrition-related interventions of the ECRP have been implemented areas prioritized by the humanitarian nutrition cluster, while at programmatic level demand-side interventions directly complemented humanitarian provision of treatment services.

Lessons learned

- **The ECRP highlights how development-oriented interventions can be strategically aligned and complementary to humanitarian assistance.** Key innovations in this regard include the development of a targeting methodology based on humanitarian indicators and criteria and an implementation approach responsive to emerging needs and coordinated with humanitarian interventions.

- **The ECRP experience highlights opportunities for deepening operational coordination and coherence across the HDN.** Specifically, more reflection is needed on how humanitarian and development-oriented activities can be jointly targeted and sequenced at a deeper operational level. This is essential to ensure the contiguity, inter-relationships and sequencing of humanitarian and development efforts across time and space.

- **The linkages between the ECR and HRP highlight important functional relationships between humanitarian and development-oriented interventions.** These include enabling provision of humanitarian assistance; reducing vulnerability (preventing slide into acute humanitarian need); and transitioning from life-saving to development approaches. A clear operational understanding of how humanitarian and development-oriented interventions relate to each other in terms of their respective roles and contribution in addressing common outcomes and priorities is vital to enabling deeper operational coordination and alignment of activities.

- **Coordination across the HDP nexus requires investment.** UNDP and IP coordination with humanitarian clusters has improved during the project life-span but underscores the importance of both ensuring necessary capacities and addressing core structural constraints such as the absence of an integrated reporting and monitoring system encompassing humanitarian and development resources and activities.

- **Yemen requires a platform for coordinating resilience and development interventions with humanitarian and peacebuilding efforts.** Building on the ‘humanitarian plus’ this can include a platform for dialogue on collective outcomes and practical modalities to facilitate operational coherence across the HDP nexus.
PROGRAMMATIC INNOVATIONS: IMPLEMENTATION IN THE ABSENCE OF TRADITIONAL ENABLERS

Development programming in contexts of active conflict or crisis face significant constraints with respect to the feasibility, sustainability and overall effectiveness of interventions. These contexts lack the traditional ‘enablers’ or conditions normally considered as prerequisites for development programming, including notably sufficient security, presence of capable institutions, existence of functioning markets and economic infrastructure; and a minimum degree of economic, social and political stability. Development partners have historically been averse to allocating financing in the absence of these factors. This has contributed to gaps between humanitarian assistance and the ramping up of recovery/development efforts, resulting in important missed opportunities. In recent years, growing recognition of the costs of not engaging development resources earlier as well as frameworks such as the HDN have led to innovative thinking and practice on how development interventions can be effectively implemented in crisis contexts despite the high risks and challenges entailed.

Implementing development-oriented interventions in crisis and conflict contexts requires innovation, flexibility and robust risk management in order to address challenges to delivery and ensure responsiveness to changing needs. The experience of the ECRP demonstrates a successful and innovative approach which have been critical to ensuring the uninterrupted implementation of the project and which could usefully inform similar interventions in other countries.
Lessons Learned

• Implementing project activities through national institutions enabled scalable, rapid and cost-effective delivery. While the situation and capability of national institutions varies considerably between crisis contexts, the Yemen experience highlights the importance of: a) identifying national institutions with the potential for implementation as part of project design; b) investing in the strengthening of their capacities as an integral part of the project; and c) contemplating ‘mixed’ implementation modalities (combining national and international delivery capacities) depending on project needs and capacity constraints.

• The neutrality and impartiality of UNDP and the implementing partners enabled it to operate across front lines and throughout the country. By not being affiliated to any one party to the conflict and demonstrating an inclusive and impartial approach to project targeting and implementation, project partners were able to operate freely and autonomously. This demonstrates the possibility of implementing development-oriented programs in the absence of a peace agreement or presence of formal government counterparts.

• The targeting methodology utilized by the ECRP allowed it to reach the affected most affected populations. By combining humanitarian and development indicators (including poverty levels, displacement, vulnerability and food insecurity), the ECRP’s composite distress index enabled targeting of populations most affected by the conflict in an inclusive and transparent manner. Regular updates of data and indicators moreover enabled dynamism of targeting over time to address emerging needs and constraints. Together, this approach illustrates how a development intervention can both ensure responsiveness and alignment with broader humanitarian interventions.

• In the absence of formal government counterparts, the ECRP’s community-based and participatory approach to sub-district targeting ensured responsiveness to local needs and accountability to beneficiaries. By working at community level, the ECRP was able to ensure that project activities responded to local needs and priorities; contributed to local peacebuilding and also worked to empower and strengthen local stakeholders in development planning and implementation.

• A flexible and responsive approach to implementation has ensured responsiveness to changing needs and circumstances. Through a robust system of project monitoring, reporting and coordination, the ECRP was able to adjust the scope, nature and sequencing of interventions to address emerging needs. The willingness of project partners to allow flexibility in the adjustment of project activities was key to ensuring responsiveness, allowing the project to address unexpected needs (e.g. responding to the cholera epidemic) and reallocate resources in a timely manner when faced with security and access constraints.

• A dynamic risk management framework enabled the ECRP to identify, prevent and mitigate key challenges to implementation. Through a dynamics risk management framework linked directly to project monitoring and decision-making, the ECRP was able to identify a number of political, economic, programmatic, fiduciary and institutional risks, and successfully implement measures to prevent and mitigate associated threats to implementation, which were essential to avoid interruption or delays in delivery.

• The mainstreaming of conflict sensitive approaches through all aspects of the project ensure that it did not exacerbate conflict risks and contributed to local peacebuilding. Conflict sensitive approaches are integrated throughout all aspects of the ECRP, including engagement with communities, identification and prioritization of activities, implementation and monitoring. These measures, which have been implemented by the implementing partners and draw on the global experience and expertise of UNDP and the World Bank, have ensured that the project is able to contribute effectively to preventing social and economic grievances from aggravating conflict risks, while at the same time strengthening community capacities for conflict resolution and local peacebuilding.
III. BUSINESS UNUSUAL: OPERATIONS IN A CONTEXT OF ACTIVE CONFLICT
The volatility, insecurity and constraints of conflict contexts pose significant challenges for the operational and fiduciary aspects of project implementation. The experience of the ECRP in Yemen highlights a number of these challenges as well as innovations which enabled the project to refine and adapt its approaches to ensure delivery of high-quality results across the country. A major strength of the ECRP in this regard has been its overall business model, wherein overall responsibility for the project is vested in UNDP under the terms of legal agreement with the World Bank, with implementation of activities delegated to national implementing partners (the SFD and PWP). The partnership between these various institutions not only enabled effective coordination and the mutual leveraging of their different institutional resources, capacities and expertise, but also allowed for adaptation and refinement of the project’s approach to implementation, operations and financial management.

The experience of the ECRP highlights the importance of robust and tailored project management and implementation support capacities. The ECRP is a complex project involving multiple partners with activities under different components being implemented country-wide in an extremely challenging operating environment. A key factor in the success of implementation to date rests in the institutional capacities that have been leveraged within the project framework for the management, oversight and implementation of activities. At the level of implementation, the capacities and delivery systems of the SFD and PWP have enabled the implementation of project activities at scale throughout the country, while in terms of overall project management and oversight, UNDP’s country office and project management capacities have been critical for the development and application of project-wide standards and systems for targeting, monitoring and financial management (among others), as well as the provision of technical, operational and fiduciary support and backstopping to address a range of challenges and risks.

Robust monitoring and reporting arrangements have enabled an adaptive and responsive approach to project implementation. The ECRP has a robust strategy for monitoring and reporting on project implementation, covering programmatic, operational and fiduciary dimensions which has been effective in enabling regular monitoring of project implementation down to beneficiary level despite the challenges involved in accessing project sites, through triangulation of findings and conclusions. Monitoring and reporting outputs are directly linked to the coordination and decision-making mechanisms (notably monthly meetings and the twice annual review meetings with the World Bank) and have enabled project partners to take informed decisions on a range of issues affecting implementation. At the same time, opportunities exist to strengthen the current monitoring and reporting system, notably through development of a unified MIS system and inclusion of methodologies for measuring impact of project activities.

The ECRP experience highlights the importance of addressing social and economic safeguards as an integral part of project design. This includes integrating social and economic risks as part of the project’s overall risk management strategy and approach, as well as ensuring that adequate management and operational capacities are established and in place prior to implementation to ensure adequate screening and mitigation of identified risks from the start.
Lessons Learned

• The ECRP demonstrated an adaptive approach to operations, strengthening systems and capacities in relation to evolving needs. Crisis and conflict contexts are by definition volatile, fluid and unpredictable and result in an extremely challenging operational environment. The ECRP was able to maintain continuity of operations through an effective process of adaptation across a number of areas, including the business model and mechanisms of the IPs; the expansion of implementation support functions provided by UNDP; an effective system of monitoring and reporting linked directly to project coordination and decision-making mechanisms; and innovative solutions to financial challenges posed by exchange rate volatility and liquidity shortages.

• At the same time, some operational requirements for working in conflict contexts could have been identified and addressed as part of the project design phase. Some of the operational challenges encountered by the project could have been mitigated by an earlier assessment and identification of operational risks and required mitigating measures. The institutional capacity assessment of the two implementing partners at the start of project implementation could have been more thorough, with a specific focus on the capacities required to deliver effectively in a conflict context. Similarly, an assessment of information management needs linked to project activities could have enabled the earlier establishment of an integrated and fit-for-function MIS.

• Social and environmental risks should be included as part of the project’s overall approach to risk management. Social and environmental risks and associated safeguards management approaches should be considered as a core component of the project strategy and prioritized as part of project design and associated institutional arrangements. Adequate attention to social and environmental risks and clear accountability to ensuring their impacts are mitigated and addressed is essential to ensure that project activities do not further exacerbate social, economic and environmental conditions and contribute to compounding the complex dynamics and threats to peace and development that currently characterize the Yemeni context.