

# **UNDP Yemen**

Strategic Direction 2023-2025

Yemen and Amman

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#### Introduction

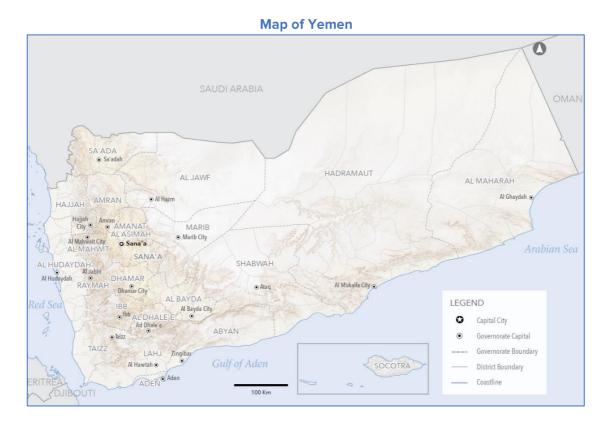
Given the changing political context of Yemen and the wider region, the United Nations Development Programme (UNDP), from May to July, launched a visioning process to guide UNDP's strategic direction for 2023 – 2025. The process consisted of an analysis of the latest global, regional, and country-level socio-economic and political developments, a review of UNDP's extensive experience in Yemen, and in-depth discussions with UN Agencies, Funds, and Programmes, Yemen's development partners, foundations, and Yemeni researchers and institutions.

The in-depth discussions focused on defining the modalities and direction of UNDP's programme, considering (a) the most likely direction of the peace process in the coming years, (b) the widely varying context in Yemen's governorates and districts, and (c) the critical role of local authorities.

Complementing and feeding into the visioning process, UNDP Yemen elaborated a work programme on 'development solutions to internal displacement' and a climate 'change, energy, and environment' strategy. The organisation also recalibrated the support for mine-action and maritime security.

Lastly, to match UNDP Yemen's ambitions with its internal implementation capacity, an internal review of the business processes and functional structure is ongoing to ensure a "fit-for-purpose" Country Office operationally equipped to implement an ambitious programming framework within Yemen's complex environment.

This report outlines strategic recovery and development solutions pathways for UNDP programming in 2023-2025. For UNDP Yemen, the Strategic Direction is a living document, flexible and agile, to respond to the operating environment's changes and challenges and allow the UNDP Country Office to continue its adaptive management processes.



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#### **UNDP** in Yemen



UNDP has been present and working in Yemen for 55 years with a country-wide footprint through its network of offices in Aden, Hodeidah, Mukalla, and Sana'a, with plans to establish presences in Marib and Ta'iz as part of a planned UN presence. With a wide-reach assistance footprint, the organisation supports interventions in all 22 Governorates and 322 out of 333 districts. UNDP's Amman sub-office facilitates UNDP's partnership management and strategic positioning.

Throughout Yemen's eight-year crisis, UNDP has successfully provided recovery and development solutions by continuing to stress that development is possible and necessary in pre-crisis (prevention) and crisis contexts. While acknowledging the need for life-saving humanitarian assistance, UNDP believes in pursuing national and local ownership in prevention, during the response and promoting early development solutions through an integrated Humanitarian-Development-Peace Nexus and the organisation's Nexus integrator role that will reduce the dependency on humanitarian assistance and strengthen resilience.

UNDP's focus on national and local partners' capacity development aims at national ownership and a programming approach with a clear longer-term exit strategy. Therefore, as a neutral partner and honest broker, UNDP enjoys a relationship of trust with all counterparts, balancing interventions across Yemen's regions to serve the Yemeni population. As such, partners call on UNDP to support different interventions, including livelihoods support, strengthening sub-national and local governance institutions, critical economic infrastructure rehabilitation, climate change resilience, as well as providing support to Track I initiatives stemming from the negotiations led by the UN Special Envoy through the Peace Support Facility.

The partnerships built over time with national and local authorities, community groups, and implementing partners greatly facilitate UNDP's work in Yemen's governorates and districts.

UNDP's work in Yemen is supported by technical expertise and knowledge from its international and national team based in Yemen and Amman, UNDP headquarters, regional offices and the organisation's presence in over 170 countries, providing a broad and diverse network of partnerships in different contexts.

Despite the complex operating environment in Yemen, UNDP provides quality assurance in the programmes and projects the organisation or its implementing partners execute. UNDP also ensures transparency and accountability<sup>1</sup> to the Government and the development partners in all its programmes and projects.

<sup>&</sup>lt;sup>1</sup> In UNDP's transparency portal, enter the keyword "Yemen" and click on any project. For example: <a href="https://open.undp.org/projects/00097850">https://open.undp.org/projects/00097850</a>. In the project page, scroll down for a list of purchase orders and tenders.

#### Yemen's peace process

There is a general recognition that the <u>United Nations Security Council Resolution 2216</u>, published in 2015, does not present a realistic understanding of the current conflict. The Resolution's lack of inclusivity toward large sections of Yemeni society may facilitate bilateral negotiations but complicates the long-term process toward sustainable peace.

The momentum created in April 2022, with the onset of the six-month truce negotiations and again in early 2023 with the Oman-led talks, has led to renewed optimism for reaching a peace process in Yemen. However, the momentum has slowed recently, leaving many sceptical about the peace process going forward.

As repeatedly stressed by the Special Envoy of the Secretary-General for Yemen, Hans Grundberg, achieving peace in Yemen will only occur if the process is inclusive, which requires simultaneous action at the international, national, and local levels. The UN-led peace negotiations follow three complementary tracks: political, military and economic, although much of the current negotiations focus on the economic track.

The United Nations Country Team (UNCT) in Yemen, in June 2023, presented three possible post-agreement scenarios to the Yemen Partner Group (YPG), as follows:

- 1. An **optimistic scenario** would follow the roadmap laid out in the negotiations with a roadmap for ending the conflict, allowing a unified political structure and the reintegration of institutions, resolving critical contestations, and guaranteeing Yemen's territorial integrity.
- 2. A **status-quo scenario** where negotiations would stall, and other actors continue on the sideline, risking a hardening of positions and pursuing a more specific secessionist path.
- 3. A worst-case scenario where the negotiations may break down and hard-won humanitarian gains from the past 12 months could be again lost. A resumption of conflict, with new inflows of weapons, would significantly harm the prospects for peace and further entrench different parties' positions, leading to an uptick in conflict and humanitarian needs.

The discussions carried out in the context of this report outlined different projections for the years ahead, with the following main points relevant to UNDP Yemen's newly revised strategic direction:

- The most probable scenario for the coming two years is a lengthy peace process iterating between modest progress and setbacks, noting that a sustainable solution and an agreement on Yemen's future (one, two or more states) and its political-governance structure (federalism, decentralisation, etc.) is not yet achievable. There is fear that one of the more severe setbacks will be a new round of localised and escalated armed violence before actors make real progress toward peace.
- A "Yemeni-Yemeni" peace process is essential but can only bear fruit if it is inclusive and supported by a coordinated international process and favourable regional geopolitical agenda.
- Aside from the geopolitical powerplay, socio-economic drivers of conflict need addressing, most notably those related to revenue sharing and access to (natural) resources. A sinequa-non condition for peace is a well-defined solution to access, use and revenue management of the country's natural resources, primarily oil and gas.
- Yemen is not homogenous, and UNDP programming should factor this in using a
  differentiated approach to support recovery and development based on the specific subnational context. While some areas continue to require humanitarian assistance, many parts
  of Yemen are ready for recovery and reconstruction interventions as the basis for longerterm development programming. Peacebuilding efforts tailored to the local realities are
  required throughout Yemen.

- Support for local governance and actors (with a critical role for civil society and the private sector) is crucial, irrespective of the outcomes of the broader peace process. Also, local governments require capacity development and support to improve service delivery to the population. While focusing on local government, there is a need to support national institutions to avoid further fragmentation.
- Supporting the private sector as the driver of Yemen's economy and ensuring the private sector's active engagement in development planning and the subsequent recovery and reconstruction activities is crucial.
- <u>Conflict-sensitive programming should be mainstreamed in all interventions</u>, which is, among others, understood as balancing resource allocations between the south and the north.
- Notwithstanding the continued need for humanitarian assistance, the context is ripe for increasing the focus on the Humanitarian – Development - Peace Nexus, gradually shifting to recovery and development programming.

#### Implications for UNDP programming

Irrespective of the short-term political and peace outlook, UNDP should *be ready* to swiftly respond to the changing socio-political and security environment, including requests from the Office of the Special Envoy of the Secretary-General (OSESGY) and parties to the conflict in case a peace agreement is negotiated, and implementation needs to start swiftly.

As such, UNDP, in line with the discussions within the UNCT and the YPG, is framing its response based on the three scenarios outlined above as follows:

The **optimistic scenario** of a comprehensive and smooth peace process calls for *preparing now* to support implementing the following type of interventions:

- Constitutional reform (outlining, among others, the future governance structure of the country, decentralisation and revenue sharing, among others) and public sector modernisation.
- National and local elections.
- Security sector reform (including the format of the country's security forces, community security systems, Disarmament, Demobilisation and Reintegration -DDR- or integrating former combatants into the country's security forces).
- Transitional justice.
- Confidence-building measures include salary and revenue management and rehabilitating large infrastructure<sup>2</sup> (roads, airports, and seaports).
- Sub-national and community-based reconciliation and the prevention of violent extremism.

All other support and interventions proposed in the <u>UNDP's response</u> chapter can proceed under this optimistic scenario.

A most probable scenario for the immediate future is a peace process that iterates between modest progress and setbacks with significant differences in the political and security context and access from one region to another. In this scenario, the shift from preparation to implementation of the abovementioned interventions will be on hold or slow down. Instead, UNDP Yemen will implement a sectorally diverse, geographically differentiated programme that concentrates on the interventions proposed in the 'UNDP's response' chapter below in those regions where the political and security context allows UNDP and its partners to have access.

<sup>&</sup>lt;sup>2</sup> Where politics, security and access allow, the rehabilitation of smaller infrastructure should continue under all scenarios.

A worst-case scenario, a return to war, will impose critical restrictions on UNDP programming. Although unlikely to affect all of Yemen, most of UNDP's proposed programming will continue, focusing on livelihoods emergency support, and implementation of local development initiatives, with only emergency activities proceeding in areas where the organisation or its partners have access.

In all scenarios, UNDP will:

- Continue supporting the Special Envoy and his Office with Track I, II and III<sup>3</sup> peacebuilding efforts through the Peace Support Facility (PSF) and other projects.
- Focus on increasing Yemeni institutions and citizens' agency and empowerment, among others, by supporting local-level peace dividends<sup>4</sup>.
- Maintain its focus on local development (livelihoods), governance (including conflict resolution mechanisms and public sector capacities) and service delivery tailored to the specific context of each area. It is critical to continue supporting governance at the village, cluster-of-villages, district and governorate levels to increase the citizen's confidence in local and national authorities and access much-needed public services. Simultaneously, UNDP will maintain sight of supporting the national level through a coherent and consistent approach to building up institutions in Yemen to reduce further fragmentation.
- Ensure programming activities create an environment conducive to peacebuilding and mainstream conflict sensitivity in all its proposed and ongoing programmatic interventions to contribute to conflict resolution, balancing support between the country's north and south and different social groups.
- Consistently target and integrate <u>gender</u>, <u>climate security</u> and <u>climate change</u> considerations and focus on Yemen's <u>civil society</u> and <u>private sector</u>.
- Operationalise an <u>integrated</u> and adaptive programming approach where regular evidencebased 'learning and decision-making loops'<sup>5</sup> steer the programme to remain relevant and responsive to the national and local contexts.

#### Assessing the Impact of the War in Yemen - Pathways for Recovery

The third and final report in UNDP's flagship "Assessing the Impact of War" series emphasises that through achieving a peace deal, pursuing an *integrated* recovery strategy and leveraging critical transformative opportunities, Yemen can compensate for lost time and offer better opportunities to the next generation.

The report defines 'integrated recovery' as focusing *simultaneously* on the following five building blocks:

- Investing in agriculture Focusing on improving access and reducing food insecurity.
- **Economic development** Concentrating on boosting investment and productivity while utilising diverse sources of finance.
- **Empowering women** Demonstrating the effect of improving women's health, education and participation in the economy and society.

<sup>&</sup>lt;sup>3</sup> Track I refers to official discussions typically involving high-level political and military leaders and focusing on cease-fires, peace talks, and treaties and other agreements. Track II refers to unofficial dialogue and problem-solving activities aimed at building relationships and encouraging new thinking that can inform the official process. Participants can be influential academic, religious, and NGO leaders and other civil society actors who can interact more freely than high-ranking officials. Track III refers to people-to-people diplomacy undertaken by individuals and private groups.

<sup>&</sup>lt;sup>4</sup> For example, the opening of feeder roads, mine clearance, and restoring or setting-up off-grid small electricity systems.

 $<sup>^{\</sup>rm 5}$  The learning and decision-making loops will involve the authorities and UNDP partners.

- Human capabilities Addressing human development, especially population health and education.
- Governance quality Greater transparency, government effectiveness, and effective publicprivate partnerships in infrastructure development.

For the report, the <u>Frederick S. Pardee Center for International Futures</u> modelled seven different recovery scenarios (based on the building blocks and leveraging the private sector) to understand better the prospects and priorities for recovery and reconstruction in Yemen. The analysis identified critical leverage points and recommendations for a successful recovery.

Moreover, the report stresses that by combining these, it is possible to save hundreds of thousands of additional lives and put Yemen on a path not only to catch up with – but to surpass – its pre-war Sustainable Development Goal (SDG) trajectory by 2050, provided that:

- Policymakers include women in political leadership and the economy.
- The international community is an active and engaged partner with Yemen and supports the recovery efforts with significant financial resources.
- Effective and trustworthy partnerships exist between public and private resources, and investments flow into the country.
- Significant infrastructure, agriculture, education, and health investments put the country on a new development trajectory.

The report suggests the following recommendations for post-conflict recovery in Yemen:

- Prioritise a sustainable and lasting peace. The most critical determinant of successful recovery is sustained peace, which opens the pathway to post-conflict recovery, emphasising improvements in governance and strengthening institutions.
- Coordinate international, national, and local recovery efforts. Recovery, tailored to local realities, will require immense resources and coordination to maximise efficiencies and effectiveness.
- Invest in human health and education for long-term sustainable development. The conflict
  has set back human development for two decades. But focusing on building human
  capabilities now can begin to make up for that loss and result in significant improvements
  in the future.
- Invest in women's empowerment to unlock significant potential through inclusive recovery. Yemen ranks last globally in the UNDP's Gender Inequality Index. The conflict has exacerbated this problem but represents an opportunity for recovery.
- Focus on food security within the constraints of Yemen's agricultural limitations. With a
  growing population and numerous geographic challenges, Yemen will likely rely on imports
  for food in the future. However, joint UN programming to address acute hunger while
  developing a more secure and sustainable agricultural portfolio to support Yemen is
  possible in the long run.

#### Importance of partnerships, coordination and alignment

#### **Partnerships**

UNDP Yemen understands that implementing the above recommendations requires strong partnerships with all stakeholders, the government and authorities, development partners and donors, UN Agencies, Funds and Programmes, International Financial Institutions, Yemeni and international civil society organisations, and the private sector.

UNDP Yemen believes it has a critical role in supporting Yemen's pathways to recovery, as outlined in the next section, but also recognises several recommendations are outside the organisation's mandate, driving home the importance of the above partnerships and close coordination between the partners to implement the integrated recovery recommendations.

#### **Coordination with development actors**

The donor community created the Yemen Partner Technical Team (YPTT) in 2022 to address the urgent need for coordination and foster coherence across the Humanitarian-Development-Peace Nexus (HDPN).

The YPTT – a technical forum that supports the work of the Yemen Partner Group (YPG) – serves as the implementation arm of the YPG, reviewing priorities and policy issues at the technical level while coordinating technical work across partners working within the HPDN in Yemen. Furthermore, to help ensure coordination at the working and technical levels, the YPTT members agreed to establish Working Groups co-chaired by the UN and donors.

UNDP co-chairs the Water Sector Working Group (with Germany), the Peace, Security and Governance Working Group (with the United Kingdom) and the Food Security and Livelihoods Working Group (with the World Bank and FAO). Furthermore, UNDP drove the establishment of a Climate Change and Environment sub-group under the Water Sector Working Group and a sub-working group for Local Governance as part of the Peace, Security and Governance Working Group. The leadership of – and participation in – these groups is also well aligned with the UNDP's new Strategic Direction.

The more recently established Economy and Private Sector Working Group (EPS-WG) provides a platform for those working on issues related to Yemen's economy and private sector. It allows members to propose policy and reform solutions that promote economic development and create suitable conditions for Yemeni micro, small and medium enterprises (MSMEs), individual entrepreneurs, and sector-focused firms. It also allows for interaction, feedback and buy-in from Yemeni authorities nationwide.

#### Alignment to UN frameworks

UNDP Yemen has ensured the Strategic Direction is (a) aligned with the UN Sustainable Development Cooperation Framework's pillars: Food security and nutrition, livelihoods and renewable energy; Income security and jobs for youth, women and vulnerable groups; Rights-based governance and rule of law; and (d) Social protection and basic service delivery and (b) contributes to the UNSCDF's desired impact: "All people of all ages affected by conflict, forced displacement, and living in poverty in all its dimensions will experience change in quality of lives".

Through the UN Economic Framework, a UN Country Team plan identifies the need for a gradual shift from humanitarian assistance to a development approach. This Strategic Framework – through the green economic recovery and development pillar – will work to help unleash Yemen's vast economic potential.

#### **UNDP's response (2023-2025)**

#### **Proposed strategic direction – An introduction**

UNDP's response in the short-term, building on the 'most probable' scenario outlined above, will centre around the following three *interdependent* and *mutually reinforcing* development solutions that support improvement in Yemen's social contract<sup>6</sup> and pathways towards peace and resilience:

- Governance and peacebuilding.
- Green economic recovery and development.
- Climate change, water, energy, and the environment.

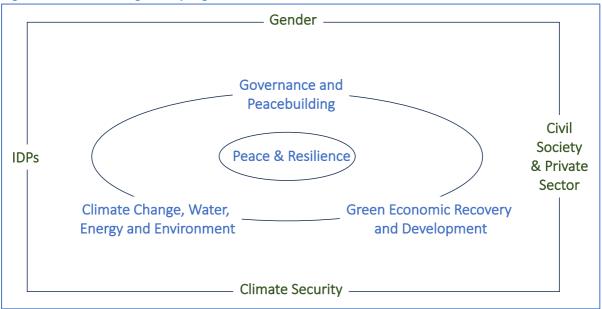
Each development solution is a *goal* and a *means* to achieve the other solution pathways. *Simultaneous* progress is needed in the three solution pathways to strengthen Yemen's resilience and contribute to building lasting peace. For example:

- Effective local governance, the Rule of Law, and peacebuilding efforts are essential to (a) manage and transform conflicts, (b) facilitate and regulate inclusive, green economic development, (c) and manage scarce water resources.
- The jobs created by green economic development are critical to stabilise communities and avoid migration or displacement. A green development focus is vital for sustainably dealing with the adverse effects of climate change, managing Yemen's water resources and putting the country on a path towards generating electricity through a renewable energy mix.
- Understanding the impact of climate change and environmental degradation provides opportunities for green economic development and transforming inter and intra-communal conflict surrounding water and other natural resources.



<sup>&</sup>lt;sup>6</sup> The social contract sets out the expectations and arrangements – some expressed constitutionally or in other laws, and many of which are implicit – that govern the exchanges between citizens, the Government and the other institutions of society.

Figure 1. UNDP's integrated programme



Similarly, as an integrated portfolio of solutions, most UNDP projects will contribute to -and require a contribution from- two or three development solution pathways. The following bullets provide some examples:

- If managed sustainably, fisheries development is essential for the country's development and employment generation. It requires that the government delivers security services to prevent illegal fisheries and protect the fisherfolk at sea.
- Mine action, for example, will develop the country's capacity to oversee mine clearance
  operations as part of peace mediation efforts between frontline communities and enable
  people to farm and harvest previously contaminated land.
- The local governance project develops the capacity of local governance structures, empowers these structures to facilitate local economic development and funds local development plans. Empowered local governance structures are the foundation for local stabilisation and peacebuilding efforts.
- Renewable energy projects help achieve mitigation goals, drive private-sector-led economic development, boost employment, and public-private partnerships for service delivery.
- Development solutions for internally displaced citizens require effective local governance structures that deliver critical services (including security, water, energy, health and education) and climate- and gender-sensitive development plans that cater for the shifts in livelihoods and the rapid urbanisation.

UNDP will quality control and monitor its programmes and projects on gender sensitivity, boosting the role of civil society and the private sector, contributing to climate security and addressing the plight of Yemen's internally displaced persons.

#### 1. Governance and peacebuilding



Over the past ten years, the Yemen State and its institutions have fragmented to a dangerous degree. Central state institutions have *de facto* duplicated in the north and the south. Much of the physical and human resources of the previously unified central government are Sana'a-based. The IRG state institutions in Aden are often housed in temporary buildings with new (and sometimes inexperienced) recruits. In the south, the state has fractured further. Regions have appropriated a de facto large degree of autonomy, over which the central authorities in Aden have little control, lacking the capacity for policy development and resources.

In many cases, local departments of central institutions report to the Governor's Office instead of the centre. Crucially, in the more productive regions, public revenue management is firmly in the hands of the regions. In the north, on the other hand, institutions have become even more centralised; regions have little autonomy, and public revenue collection and management is firmly in the hands of the central authorities (resource extraction has become a one-way street and is not reinvested in public services in the regions).

The centrifugal forces of the conflict have reawakened a strong regionalism in Yemen, which predates the short-lived unified state under the Saleh regime. The cultural concept of Yemen glosses over starkly different governance traditions, economic ecosystems, and tribal realities. The idea of a unified Yemen (political) state is relatively young, and its realisation is a work in progress. Constitutional models and their institutions are fledgling experiments in a 'young' state-building process, trying to find a fit with the political, economic, social and tribal realities on the ground. This inherently political process cannot be rushed or prescribed by 'best practice' and technical solutions but should focus on finding workable accommodations between local traditions and state institutions.

The shape and substance of the future Yemen constitution is the big 'unknown' of any future political settlement. A unified state remains the preferred outcome but does not answer the division of power issue and, crucially, public revenue management between the central and sub-national authorities. A preliminary peace settlement, as currently discussed, is focused on ending the armed conflict and has pushed these thorny constitutional questions down the road, however much they have contributed to the original conflict. Given the intensely political nature of these questions, an ex-ante, technical solution designed by development partners, most likely with only a limited

representation of political stakeholders, is an inefficient use of time.<sup>7</sup> Development partners might do more harm than good when interfering with these processes.

Sub-national authorities are still functional in Yemen. It is a common misperception that the solution to institutional fragmentation is a simple reconstruction of the pre-war parts along the formal and informal pre-conflict lines. On the contrary, it is crucial to appreciate to what degree the 'fragments' have continued to develop in response to the emergency, often in very different directions. In some cases, in the south, they perform better than before the conflict, especially in areas with access to significant revenues. In the IRG areas, in the absence of an effective central state 'umbrella' (policy and resources), sub-national authorities are reorienting towards local power and stakeholders, recalibrating their relationship with local communities and slowly adapting to their new local roles and responsibilities, increasingly 'localising' representatives of central ministries and agencies on holding on to locally raised revenue. The DFA has developed a sophisticated parallel 'supervisory' attached to formal sub-national authorities (potentially the embryonic beginning of a new LA system). At the same time, when not outsourced to international organisations, public service delivery is increasingly provided by private individuals and 'companies' closely related (or outright part of) the DFA regime.

Awareness of the potential consequences of these divergent developments is essential. In the IRG areas, it is not only the political elites, including tribal leaders, that might resist 'reunification' under pre-war conditions: citizens, who have seen an improvement in service delivery (or more broadly, the benefits of locally managing public revenues), might actively support this hesitance or outright resistance to renewed heavy centralisation, especially of local revenues. In the DFA areas, on the other hand, the increased centralisation -emphasising the extraction of local rents- with the accompanying 'supervisor' structure might encourage a sustained pushback, especially when the excuse of the 'war effort' and the 'common enemy' has disappeared with a settlement.

Given the uncertainty of the future constitutional arrangements, the current limited IRG capacity, and the essentially extractive governance approach of the DFA in Sana'a, the local level will drive the humanitarian, recovery and development responses. The HDP potential for a 'temporary' reorientation to sub-national authorities, centring around the formal structures outlined by the Local Administration Law of 2000 (minus the Local Councils), is promising. It would allow interventions to consider the significant regionalism and regional differences, implement effective and locally driven area-based development strategies and interventions (see below), support bottom-up reconciliation and peace efforts, and promote a more inclusive, equitable and responsive public service model. By doing so, this kind of support will contribute to creating 'threshold conditions' for a more sustainable (because more broad-based) political settlement.

Awareness of the inherent risk and temptation in such an approach is essential. There will be a temptation to (inadvertently) treat these sub-national 'units' (most likely the Governorates) as ministates needing similar capacities, resources and mandates as the 'ideal' future central government. That would surpass any reasonable requirement for a robust local authority (even in a federal setting) and create another heavy layer of bureaucracy. When approached wrongly (for example, through direct budget support to the sub-national authorities), significant incentives for reunification, in whatever shape, were removed. Lastly, it will destroy the remaining central authority's capacity.

It is, therefore, essential to balance support to sub-national and central authorities. Although it is difficult to identify *the* future central authorities, it will likely consist of or at least incorporate current central ministries and agencies. UNDP should therefore encourage collaboration between central and local institutions without assuming or (involuntarily) prescribing a particular relationship (heavily centralised, federalised, or heavily localised). Collaboration at the technical level will work best.

<sup>&</sup>lt;sup>7</sup> After making the most important political decisions, drafting decentralisation laws and policies is straightforward.

UNDP's governance, rule of law and peace-building programming will ensure that human rights-based and "human security" approaches are mainstreamed and integrated across its work as part of UNDP's global "Crisis Offer".8

#### 1.1 Local governance

A unified Yemen is not a likely short-term scenario, as many groups actively contest unification<sup>9</sup>. Regions in the southern and eastern parts of the country are functioning de facto independently and show little commitment to a unified Yemen state. Some, such as Hadramout and Marib, perform better in service delivery than before 2011.

Local authorities in different regions operate in different circumstances, relationships, and capacity constraints. The significant degree of diversity manifests itself, among others, in the following ways:

- Local governance traditions (including modes of community representation).
- Political allegiances.
- Existing and emerging needs (the presence of Internally Displaced Persons -IDPs-, susceptibility to natural disasters, and opportunities for economic growth).
- Existing levels of capacity at local authorities.
- Available resources and the resource base.
- Levels of collaboration between local authorities and the private sector.

In the areas under De Facto Authorities' (DFA) control, centralisation has led to an even stricter hierarchy between central and local authorities. In contrast, the ongoing fragmentation in the areas under the Internationally Recognised Government of Yemen (IRGY) control has led to a significant shift from the 'centre' to the regions.

Given these different contexts -and with no intention to pre-empt the outcome of a future peace agreement- supporting and strengthening local institutions is a critical building block for Yemen, irrespective of the peace process outcome.

The Yemeni Constitution and Law Concerning the Local Authority (August 2000) regulate decentralisation in Yemen and set forth the formation, powers and responsibilities of Yemen's local governing units. The Law, still considered authoritative by most stakeholders, outlines two layers of formal authority (i.e., Central and Local Authority). The Local Authority consists of Governorate and District Authorities.

UNDP's Strengthening Institutional and Economic Resilience in Yemen (SIERY) project works on improving the social contract by linking support to local governance with local economic development planning and implementation. SIERY supports Governorate and Districts Authorities to improve basic service delivery (including to IDPs) and facilitate local recovery and development through (a) Public Expenditure Management capacity development, (b) setting up and strengthening mechanisms for collaboration between local authorities and local communities, (c) participatory development planning, (d) public infrastructure investment grants and (e) 'whole-of-local value chain' support. SIERY, therefore, critically contributes to UNDP's <u>Green Economic Recovery and Development</u> solution.

<sup>&</sup>lt;sup>8</sup> UNDP's Crisis Offer | United Nations Development Programme [last accessed on 18 July 2023].

<sup>&</sup>lt;sup>9</sup> Yemen's fractured map resembles ancient fault lines, exposing the significant historical, social, economic, and political differences between the geographical regions under the veneer of cultural similarities. The first modern unified Yemen state of 1990-2014 piloted a heavily centralised strategy for state-building and failed. The Law Concerning the Local Authority, introduced in 2000, was a political response to pressure for a more balanced approach but proved ineffective in redressing the balance between the centre and the regions (due to the almost immediate undermining of key elements by the central authorities).

At the village level, the Social Fund for Development's (SFD) Tamkeen ("Empowerment") methodology supports development planning led by Village Cooperative Councils (VCCs). SFD implements the UNDP-managed "Supporting Resilient Livelihoods, Food Security, and Climate Adaptation in Yemen (ERRY III)" Joint Programme, co-implemented by UNDP, the International Labour Organisation (ILO), the Food And Agriculture Organisation (FAO) and the World Food Programme (WFP). ERRY III strengthens the population's resilience in the most vulnerable governorates in Yemen by supporting the creation of sustainable livelihood opportunities through enhancing food security, employment, community assets restoration, basic social services, agricultural value chains, gender equality and women's economic empowerment and access to renewable energy.

More recently, 'geo-bundling', promoted by the World Bank, has introduced a sub-district (or cluster-of-villages) focus on improving food security through increased agricultural production, enhanced nutrition practices, support to livelihoods, the relaunch of local economic activities and access to basic services. UNDP acts as the World Bank's implementing partner to oversee SFD's Tamkeen programme implementation.

Given UNDP's broad presence at the local level, funded by a wide range of partners<sup>11</sup>, the organisation is well-positioned to create synergies between the village, cluster of village/sub-district, district and governorate development planning processes, ensuring that:

- The District Resilience and Recovery Plans (D2RP) incorporate the community priorities (a)
  collaboratively developed in SIERY's broad network of community representatives and (b)
  reflected in the Community Resilience Plans, developed through the Social Fund for
  Development's Tamkeen methodology.
- Local Authorities will gradually lead local development and area-based planning processes, integrating the community-driven initiatives within a broader collaboration framework with communities (for basic service delivery) and the private sector (for an enabling business environment).<sup>12</sup>

As noted, UNDP's local governance approach strongly focuses on service delivery and local economic development (including for internally displaced citizens). The approach drives and synergises with UNDP's <u>short-term employment</u>, <u>local economic development</u> and Rule of Law interventions.

Strategically, UNDP will continue focusing on SIERY and ERRY interventions during the coming period while looking at increasing geographic coverage and replicating these initiatives in other governorates. UNDP will also elaborate policy papers on sub-national governance structures in preparation for future peace scenarios.

<sup>&</sup>lt;sup>10</sup> Supporting Resilient Livelihoods, Food Security and Climate Adaptation in Yemen.

 $<sup>^{11}</sup>$  Including the World Bank and the European Union, [mention other partners].

<sup>&</sup>lt;sup>12</sup> Regarding UNDP project coordination, for example, SIERY and ERRY-III have a well-defined division of labour, where the first strengthens the capacity of local authorities to include community engagement in its planning process while the latter deals with the capacity of sub-district community structures to collaborate with local authorities.

#### 1.2 The Rule of Law



UNDP's Rule of Law programming follows a people-centred, human rights, security-based approach.<sup>13</sup> It bridges the relationship between the community (as the rights holders) and authorities (as the duty bearers) to improve the social contract between the citizens and the State. Intermediaries between the State and people require greater attention. UNDP views the Rule of Law sector as multiple layers of formal and informal institutions (among the latter are civil society, traditional leaders and communities).

In Yemen's case, UNDP emphasises that the Rule of Law is a "service" to resolve disputes and administer justice in everyday life. Without a unified state authority, the design of bottom-up interventions is a decision and pragmatic approach of necessity. At the same time, UNDP is making efforts to maintain the vertical linkage between local-level peacebuilding and state-level peacemaking by partnering with OSESGY and the United Nations Mission to Support the Hudaydah Agreement (UNMHA). Partnerships with UNICEF and UN Women reinforce the horizontal linkage between thematic humanitarian protection (Justice for Children, Justice for Women) and comprehensive developmental transformation (Justice for All and "Leave no one behind").

UNDP, through the Promoting Inclusive Access to Justice (PIAJ) project, supports a people-centred Rule of Law by focusing on four areas:

- Community safety initiatives to address diverse community protection needs, including
  those of women and youth. The project will establish links with local governance processes
  to establish sustainable community safety and protection platforms. The initiatives include
  support for sexual and gender-based violence.
- More accessible justice services for vulnerable populations, such as IDPs, women, youth
  and other marginalised groups such as Muhamasheen<sup>14</sup>. In collaboration with the formal
  rule of law institutions and civil society, the project supports initiatives to strengthen service
  delivery, focusing, among others, on referral pathways and the continuity of assistance.

<sup>&</sup>lt;sup>13</sup> A way of strengthening justice systems by putting people and the outcomes they need at the centre, not institutions and existing procedures.

<sup>&</sup>lt;sup>14</sup> The Muhamasheen (the Arabic term for marginalised) are an ethnic group in Yemen who experience systematic discrimination. They are generally referred to negatively and racially discriminated against in Yemen and are considered to be the lowest social class in the country. There are no official records on the size of this group, however, the United Nations reported that there are about 3.5 million Muhamasheen presently in Yemen. Due to societal pressure, they tend to live in isolated communities, separated from the rest of the population. They face discrimination, lack of rights, and work in occupations that society considers inferior. Muhamasheen Community Profile ACTED (1).pdf

- Enhancing gender justice capacity through gender-inclusive rule of law institutions with more robust women participation and leadership in delivering security and justice services (including legal aid) to women, children, the elderly and other marginalised groups. UNDP will pursue contributions to strategic peacebuilding goals in line with the Women, Peace and Security (WPS) agenda.
- Detainee protection with an additional focus on reintegrating men, women and juvenile detainees into the community after release to protect them from stigma and ostracism.

UNDP leads joint UN programming on Yemen's prison reform, with the World Health Organisation (WHO), the United Nations Education, Scientific and Cultural Organisation (UNESCO), the United Nations Population Fund (UNFPA), the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Children's Fund (UNICEF).

#### 1.3 Mental Health and Psychosocial Support (MHPSS)

According to the Sana'a Center, "the average 25-year-old in Yemen has lived through 15 armed conflicts. The armed conflict in Yemen has, directly and indirectly, affected over 80 per cent of the population. Persons living in Yemen have faced widespread and frequent exposure to harm, violence and conflict, which, compounded by a context of neglect from the government, widespread insecurity, increased poverty, fractured social ties and a lack of basic social services, creates a serious risk of significant adverse mental health among the population."<sup>15</sup>

Little is done for the physical well-being of the people, either physically or psychologically. Detainees, civilians and members of armed groups suffer from some of the country's poorest mental health and living conditions. Without appropriate intervention, those with mental illness will continue to be targeted and suffer the most from the protracted conflict's fallout.

In 2021, the UN Secretary-General stated, "Mental health and psychosocial support must be seen as integral to all humanitarian, peacebuilding and development programmes across the UN." <sup>16</sup>

UNDP believes urgent action is required across Yemen, recognising that:

- There is no one-size-fits-all. There must be a step-by-step approach to integrating MHPSS<sup>17</sup> into peacebuilding, recognising that MHPSS and peacebuilding are mutually reinforcing processes.<sup>18</sup>
- Poor mental health at an individual level can negatively impact inter-communal relationships and hamper constructive efforts to engage in conflict resolution and peacebuilding.

UNDP proposes a joint UN approach to providing psychosocial support within prisons in Yemen. In the short term, this project pilots an MHPSS set of interventions within UNDP's Rule of Law project, specifically in Sana'a Central Prison and Bier Ahmed Prison. Drawing upon the previous work that addressed psychosocial treatment and prison improvement as a part of prison reform, the pilot will test MHPSS treatment for detainees across the two institutions in conjunction with legal aid assistance, rehabilitation, and educational and vocational opportunities.

Trialling an approach over a year, the UN will aim to roll out the MHPSS approach to the broader public.

<sup>&</sup>lt;sup>15</sup> Yemen's obligations to respect, protect, and fulfil the right to mental health - Sana'a Center for Strategic Studies <a href="https://sanaacenter.org/publications/main-publications/6789">https://sanaacenter.org/publications/main-publications/6789</a>.

<sup>&</sup>lt;sup>16</sup> High-level Event on 'Mental Health Interventions for Peacebuilding in Conflict and Humanitarian settings'. António Guterres spoke at a high-level event on Mental Health Interventions for Peacebuilding in Conflict and Humanitarian settings in 2021, at <u>High-level Event on 'Mental Health Interventions for Peacebuilding in Conflict and Humanitarian settings' | United Nations UN Audiovisual Library (unmultimedia.org).</u>

 $<sup>^{17}\,\</sup>underline{\text{https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(19)30934-1/fulltext.}}$ 

<sup>&</sup>lt;sup>18</sup> https://www.un.org/ruleoflaw/files/pbf 090611 sg.pdf.

#### 1.4 Security Sector Reform (SSR) - First steps

Supported by OSESGY's Military Advisor and SSR Team and funded by the Peacebuilding Support Office, UNDP will pilot a Civil Defence (part of the Ministry of Interior) capacity development pilot<sup>19</sup> on disaster risk reduction (related to climate emergencies, early warning systems and response, and the ability to respond to crises caused by hostilities, such as damaged buildings.

The pilot will also explore integration models for armed actors into the Civil Defence service. Because civil defence capacity building would not require the armed groups to demobilise personnel or sacrifice combat readiness, it can be considered at this stage of the conflict when parties are unwilling to accept more robust SSR and DDR-type initiatives.

Through the pilot, UNDP will also support the ongoing OSESGY-facilitated mediation between Military Coordination Mechanism (MCC) members by delivering concrete, local-level interventions that address the MCC members' needs. As a result:

- The MCC members build credibility with the parties' political leadership as an institution that delivers
- The UN demonstrates that the security and civilian protection issues identified by the parties
  are relevant and merit UN support, encouraging them to elevate civilian protection issues
  in implementing the agreement and the ongoing negotiations.
- Support for civil defence capacity development represents a critical dividend of the peace process and a future ceasefire agreement for the Yemeni population, strengthening grassroots support for the mediation process.
- Lastly, capacity development can give armed groups and individual fighters a visual of an
  alternative mission post-peace agreement that would not imply the loss of their military
  identity, status or income, thus reducing their potential to act as spoilers in the peace
  process. Armed groups perceive themselves to be defending their communities. Civil
  defence offers a channel to continue that mission, with many similarities (group activity,
  uniform, danger, community standing, use of specialised equipment).

# 1.5 Rehabilitating critical national infrastructure as confidence-building measures

The eight-year conflict has significantly damaged critical infrastructure, impeding critical services delivery to a significant portion of the population across the country. For years, UNDP Yemen has worked with the support of international and local partners to address this by concentrating on infrastructure rehabilitation. Rehabilitating historic infrastructure will promote national identity and boost the country's post-peace tourism potential.

Based on a <u>series of assessments</u><sup>20</sup>, UNDP Yemen stands ready -resources and security allowing-to rehabilitate critical economic and social infrastructure, such as ports (Aden, Mukalla, Hodeidah, Salif and Ras Issa), airports (Sana'a, Taiz and Hodeidah), roads, refineries, and oil and electricity facilities for which assessments are forthcoming.

<sup>&</sup>lt;sup>19</sup> The UN Human Rights Due Diligence Policy (HRDDP) guides UNDP Yemen's support to the country's security actors. On 13 July 2011, the Secretary-General's Policy Committee adopted a UN-wide Human Rights Due Diligence Policy (<u>HRDDP</u>), which requires all UN entities to ensure that any support to non-UN security forces is provided in a manner that is consistent with the UN's purposes and principles as set out in the UN Charter and with their obligations to respect, promote and encourage respect or international humanitarian, international human rights and international refugee law. The HRDDP also requires that each UN entity providing support must develop an implementation framework in accordance with its management practices to ensure compliance with the process.

<sup>&</sup>lt;sup>20</sup> See also: <u>Damage and Capacity Assessment for Ports of Hodiedah, Salif and Ras Issa; Damage & Capacity Assessment for Ports of Aden and Mukalla;</u> Assessment of Sana'a Airport.

UNDP also supports critical fishery infrastructure development – primarily the cold chain- to address post-harvest losses and maintain quality for consumption, trade, and related fishery value chain infrastructure.

Besides being significant as confidence-building measures, the work on damaged critical infrastructure is equally essential for Yemen's economic development, outlined in the <u>green recovery and economic development</u> section.

#### 1.6 Maritime safety and protection



Yemen's ports are a valuable humanitarian and economic lifeline. While Yemen relies on commercial shipping for both imports and exports, Yemeni institutions, including the Yemen Coast Guard and Port Authorities, have limited capacity to protect the fisheries fleet, assure the safety of shipping and protect Yemeni waterways and industries from environmental hazards, including oil spills, chemical spills, and illegal dumping of pollutants.

To address the maritime safety challenges, UNDP will:

- Strengthen the capacity of Yemeni institutions to ensure the safety of life at sea under the <u>International Convention for the Safety of Life at Sea</u> (SOLAS) 1974.
- Support the identification and management of environmental risks at sea under international conventions, including MARPOL<sup>21</sup>, the London Convention and Protocol<sup>22</sup>, and the Basel Convention<sup>23</sup>.
- Support identifying and managing risks relating to explosive hazards at sea.
- Facilitate strengthened linkages between Yemeni maritime institutions and regional and international actors.

<sup>&</sup>lt;sup>21</sup> The International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978, or "MARPOL 73/78" (short for "marine pollution"), is one of the most important international marine environmental conventions

<sup>&</sup>lt;sup>22</sup> The "Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter 1972", the "London Convention" for short, is one of the first global conventions to protect the marine environment from human activities. The Convention has been in force since 1975. Its objective is to promote the effective control of all sources of marine pollution and to take all practicable steps to prevent pollution of the sea by dumping of wastes and other matter.

 $<sup>^{23}</sup>$  Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal

UNDP will work in several locations in Yemen, including Aden, the Red Sea zone (possibly Hodeidah) and Mukalla, to build capacities for maritime security. As the capacities and threats differ in each location, UNDP will customise the support provided to suit local requirements.

The proposed project builds upon previous UNDP support to the Yemen Coast Guard under the *Maritime Governance to Promote Security and Safety in Yemen'* project, supported by the European Union and the United Kingdom.

#### 1.7 Mine action



Yemen ranks third globally for mine action accidents, and, despite consistent UNDP and partner efforts, the Yemeni mine action structures (the National Mine Action Committee (NMAC), the Yemen Mine Action Coordination Cell (YMACC) and the Yemen Mine Action Centres (YEMACs) in the north and south remain fragile and fragmented.

A recent joint global expert mission by the UN Yemen Resident Coordinator's Office (RCO) and UNDP reviewed the previous and current structure of the mine action work in Yemen. It concluded that the funding stream has dried up due to lacking confidence in the mine action work. As of June 2023, no additional funds will be available for ongoing mine action work in Yemen. The review team concluded that a "reset" is necessary to restructure the mine action sector and streamline the UN's mine action support.

Subject to further discussion, the division of labour between UNDP, UNICEF and the Resident Coordinator' and his Office (with UNMHA and the United Nations Mine Action Support (UNMAS) support) is as follows:

- UNDP will focus on creating an enabling mine action environment in Yemen by:
  - Leading sector coordination.
  - Develop national mine action structural capacity as regulatory authorities.
  - Develop YEMAC capacity in their role as regulatory authorities.
  - Lead on integrating mine action in HDP Nexus programming.
  - Provide financial support and incentives to core YEMAC office staff at headquarters to ensure that YEMAC, as the national regulatory authority, can deliver on its core functions (coordination, information management, quality management, standards development, accreditation, and general sector leadership).

- UNICEF will lead Explosive Ordnance Risk Education (EORE) and Victim Assistance (VA), which entails resource mobilisation and supporting the YEMACs with EORE and VA training and incentives.
- RCO (with support from the UNMHA and UNMAS), if required, will support the leading
  international mine action operators (i.e., HALO Trust (United Kingdom), Norwegian People's Aid
  (NPA) and Danish Refugee Council (DRC). The accreditation process in the north to undertake
  survey and clearance operations is ongoing.

#### 1.8 Peace Support Facility (PSF)

Following the Stockholm Agreement in 2018, UNDP and partners established the PSF to implement the rehabilitation of the Port of Hodeidah. With most of Hodeidah Port's rehabilitation efforts finalised, the partners agreed to a second PSF phase (PSF 2.0) focusing on Resident Coordinator and the Special Envoy's proposed subnational peace- and confidence building initiatives. The PSF 2.0 governance structure emphasises donor inclusion in the decision-making process.

PSF 2.0 implements a Small Grant Mechanism supporting Yemeni civil society organisations and supports mine action activities in Taiz, a ceasefire monitoring system for the OSESGY, assessments for critical infrastructure rehabilitation and gender stand-alone activities. The PSF 2.0 also finances emerging opportunities.

The PSF's comparative advantage is its adaptability and focus on rapid implementation of critical developmental priorities of OSESGY, RCO, and UNDP, facilitating conflict sensitivity principles, Do No Harm, leave no one behind, and UNDP's extensive expertise in numerous thematic areas.

Lastly, the PSF will lead the development of a <u>Crisis Risk Dashboard</u> for Yemen, ensuring regular situational updates for the UNCT and development partners.

#### 1.9 Social cohesion and Prevention of Violent Extremism

A sustainable PVE approach relies on a nationally owned vision and management of PVE programmes. The temptation of moving to an armed existence for youth without opportunities for advancement is manifold and difficult to counter. Developing a structural approach in Yemen's conflict-ridden environment will only be possible with sustainable peace prospects.

Therefore, in anticipation of a broader vision and a more explicit focus on PVE (not feasible in the current context), UNDP will focus on innovative community-based small-scale initiatives, using the organisation's extensive community network to take a broader approach to the underlying drivers that create vulnerabilities to violent extremism.<sup>24</sup>

To ensure future UNDP PVE programming is evidence-based, the Peace Support Facility will commission research and analysis on PVE in the Yemeni context, recommending interventions to promote diversity and tolerance and address youth's specific needs and challenges.

Besides providing at-risk youth with livelihood opportunities, PVE programming requires (a) setting up community-based peace infrastructures that include early warning systems and (b) investing in dialogue and mediation that address the grievances driving radicalisation and (c) providing counternarratives to at risk-population.

Yemen's vibrant civil society, particularly in the south, is well-placed to support social cohesion and PVE work eventually.

<sup>&</sup>lt;sup>24</sup> The Swiss Government describes PVE as "depriving violent extremism of its breeding ground by enhancing the capacity of individuals and communities to resist it."

#### 2. Green economic recovery and development

Most of Yemen's population is poor. The Oxford Poverty and Human Development Initiative's forthcoming report on measuring multidimensional poverty in Yemen indicates (based on 2021 data provided by the World Bank's <u>Yemen Human Development Survey</u>) that the percentage of people living in multidimensional poverty in Yemen is 82.7 per cent. The intensity of poverty, or the average number of deprivations faced by multidimensionally poor people, was 46.7 per cent. Deprivations in years of schooling and sanitation are two of the highest deprivations, with more than 70 per cent of the population deprived in these indicators.

Yemen's economy largely depends on oil and gas export (around 27 per cent of the gross domestic product and 70 per cent of export revenues), foreign aid and remittances from workers in neighbouring Gulf States. Regarding the latter group, the number of Yemenis abroad is around 1.3 million. Their remittances are around US\$ 3.8 billion per year.<sup>25</sup>

Besides oil and gas, agriculture (employing over 50 per cent of the population) and fisheries are critical economic sectors requiring UNDP support.

The challenges to tackle multidimensional poverty and set the country on a green and sustainable development path are enormous. For example, addressing the shifts in livelihoods and accelerated urbanisation caused by 4.3 million internally displaced citizens requires a sustained and robust set of interventions.

UNDP's response will help address the challenge with a green economic recovery and development solution that requires the integration of the following four intervention types:

- Addressing the immediate short-term employment needs of the population.
- Focussing on medium to longer-term private sector-led local economic development.
- National authority capacity development on recovery and development planning.
- The rehabilitation of large, critical infrastructure for economic development (click here).

UNDP will support short-term employment and local economic development based on the organisation's <u>livelihood</u> and <u>area-based management</u> approaches. UNDP will also work, through a Sustainable Livelihoods Approach, to support medium- and longer-term livelihood creation in promising labour-intensive economic sectors.

<sup>&</sup>lt;sup>25</sup> The Yemen Socio-Economic Update, December 2022. The YSEU estimates that 63 per cent reside in the KSA, 19 per cent in the UAE and 5 per cent in Kuwait.

#### 2.1 Short-term employment and local economic development



UNDP short-term employment and social protection programming responds to the needs (identified in <u>local planning processes</u>) of crisis-affected groups with interventions to help restart and consolidate livelihoods through income generation and short-term employment.

Funded by the World Bank, UNDP currently partners with SFD and its subsidiaries and units, the Small and Micro Enterprises Promotion Services (SMEPS), the Micro Enterprise Development – (SMED), and the Public Works Project (PWP) to respond to the needs of Yemeni communities. The partnership:

- Supports development opportunities by improving access to basic services, enhancing economic opportunities, reducing the vulnerability of poor Yemenis, and building capacities of community structures.
- Promotes value chain development, business development services and entrepreneurship.
- Provides financial and non-financial services to micro and small businesses.
- Contracts infrastructure construction and rehabilitation projects.

UNDP has joined forces with UNICEF and WFP on a social protection programming partnership that covers three intervention areas:

- Joint support for formulating a National Social Protection Strategic Framework in Yemen.
- Spearheading the mainstreaming of Social Protection in Humanitarian-Development-Peace (HDP) Nexus Programming.
- Investing in contributory arrangements and a national public works scheme.

These areas of social protection support will contribute to an inclusive social protection system for all Yemenis that (a) tackles and prevents poverty and inequality, (b) contributes to employment and economic growth through UNDP's sustainable livelihood approach, and (c) strengthens the social contract. They will continue to be a strategic focus of UNDP in the future while strengthening quality assurance by establishing a Grievance Redress Mechanism in the UNDP Country Office.

#### 2.2 Economic recovery in high investment sectors

UNDP's short-term employment and local development programming has built a solid base for <u>sustainable livelihoods</u> and economic development interventions. UNDP is present in all governorates and most districts and has established linkages and partnerships with the private sector, NGOs/CSOs, training institutions, local authorities, central institutions, and local communities.

Despite the dire status of the Yemeni economy and labour market<sup>26</sup>, there are economic sectors and areas with a promising outlook for more structured interventions and a development-oriented approach. In the past years, UNDP Yemen has comprehensively assessed value chains in Yemen (coffee, solar, pottery, fisheries, and beekeeping) and launched initiatives to develop the honey and fisheries value chains.

Yemen annually produces over 1,500 tons of honey, providing an income to around 100,000 beekeepers.<sup>27</sup> The country's honey is among the best varieties in the world and much sought after in the region. Yemen exports over half of its honey production.

In several regions, the conflict impedes beekeepers from moving around to look for "pasture" areas for their bees and access the market. Climate change-induced water shortages and shifts in rainfall volume further reduce pasture availability.

In the past years, UNDP has provided support through technical training to beekeepers to help them overcome these difficulties and consolidate their business. Furthermore, through a value chain approach, UNDP supported infrastructure construction and rehabilitation, including the central honey market for trade and export in the Al-Qatn district in the governorate of Hadramout, the leading trade area for honey in Yemen. Testing laboratory and storing facilities complement the market, allowing for the issuance of a "certificate of origin" to honey that respects the standards, supporting the quality of the product for the internal and export markets.

The training on testing has opened employment opportunities for technicians working at the market facility as honey testers for a transparent grading and pricing of the product. Lastly, UNDP supports job creation in the sector through a matching grant mechanism. UNDP will support MSMEs with approved business plans with a grant covering 50% of the investment costs, allowing for the expansion of the business and the creation of jobs.

UNDP support to the fisheries sector focuses on the following:

- Providing an enabling environment (regulatory framework, infrastructure and services) to promote private sector involvement and investment.
- Supporting artisanal fisheries and fisheries cooperatives to ensure equitable value chain development.
- Coastal communities' food security.

<sup>&</sup>lt;sup>26</sup> Yemeni GDP has been reduced to half its size, and approximately one million Yemenis have lost their jobs since the start of the crisis.

<sup>&</sup>lt;sup>27</sup> https://www.undp.org/yemen/publications/beekeeping-value-chain

#### 2.3 Private sector development (PSD)

Involving the private actors will be pivotal, and UNDP will pursue this through an Inclusive Markets Development (IMD) approach, which implies a systemic understanding of markets, not only from the point of view of their efficiency but also in terms of their equity, to reduce poverty in Yemeni communities.

The IRG and the Yemeni private sector signed a Memorandum of Understanding in November 2014 that continues to provide a solid foundation for "private sector engagement in economic growth and sustainable development".<sup>28</sup>

A critical point of action in the Memorandum is establishing and operationalising a Public-Private Sector Dialogue (PPD), a process OECD and UNDP will jointly support in the months ahead.

UNDP will ensure that addressing the Yemeni private sector's needs is integral to the organisation's programme. Besides supporting the PPD, the three following development solutions will focus on:

- Supporting local authorities in creating an enabling and transparent environment for businesses and local markets to thrive in crisis and post-crisis times, including critical local and national infrastructure.
- Investing in human capital, i.e., capacity development, to align Yemen's labour force skills to future needs.
- Facilitating access and finance for small and medium-scale enterprises.
- Facilitating access to (<u>renewable</u>) energy and water, among others, through public-private partnerships.<sup>29</sup>
- Investing in repairing broken value chains in, for example, fisheries and agriculture to ensure a robust catalytic effect on restoring livelihoods and creating new opportunities to access and develop markets, particularly in the context of cross-border agreements.
- Developing strategies to advance digital-related livelihoods by looking at Internet connectivity as a public good and addressing digital gaps in rural areas that limit Yemenis' capacity to sustain their livelihoods.

A flourishing private sector is critical for social cohesion, increasing disaster risk resilience and the three proposed development solutions.

#### 2.4 National capacity development for recovery and development

UNDP will focus on developing critical public institutions' capacity to design and oversee the implementation of the country's upcoming 2024 – 2026 Interim Recovery and Development Framework (IRDF), building on a series of assessments outlined <a href="here">here</a>.

UNDP and the IRG have agreed that the following interventions are critical to deliver on the IRDF:

 Develop the capacity of critical public institutions (i.e., the Prime Minister's Office, the Ministry of Planning and International Cooperation (including the Central Statistical

<sup>&</sup>lt;sup>28</sup> Memorandum of Understanding between the Government of the Republic of Yemen and Yemeni Private Sector [unofficial translation].

<sup>&</sup>lt;sup>29</sup> The potential and need for collaboration between local authorities and the private sector is straightforward in the case of Yemen. It is, however, equally clear that both lack the capacities, spaces and platforms to collaborate meaningfully and productively. On the side of the local authorities, knowledge about local economic development, value chain analysis and public-private partnerships is limited to non-existent, which hampers the discussions at the few interactive platforms available (such as the local Chambers of Commerce), provides poor evidence for planning and leads to unproductive initiatives. The private sector is mostly unable to find effective entry points to the sub-national authorities.

Organisation), the Ministry of Finance, and the Central Bank of Yemen) to execute their respective mandates effectively.

- An inclusive process to develop the IRDF with a well-defined role for Yemen's private sector.
- A well-defined system for revenue collection and management.
- The definition and execution of annual national budget frameworks.
- Formalisation of the Public-Private Partnership Law and Private Sector Engagement Strategy.
- Operationalisation of national accounts, debt management, data collection and aid management.
- Preparation of Public Investment Projects for critical sectors and sectors with a high growth potential.

#### 2.5 War risk insurance and food affordability

The UNDP and OCHA "Assessing the Impact of the Reduction of War Risk Insurance Premiums on Imports to Yemen" Flash report<sup>30</sup> concludes that war risk insurance premiums for vessels' hull and machinery cover calling at Aden, Mukalla, Al Hudeidah and As Saleef ports increase the country's import costs by US\$ 218 million. As Yemen imports up to 90% of its food supply and is a net fuel importer, the premiums drive up food prices and increase food insecurity.

The impact of war risk insurance goes beyond the direct cost as it affects how international businesses engage with Yemen, contributing to a continuing foreign exchange rate imbalance and limiting any potential recovery of container transhipment activity at Aden port.<sup>31</sup>

The Flash report further concludes that the establishment of a war insurance bond could lead to a significant reduction in the costs incurred by importers. Based on the report's recommendations, the IRG has set aside US\$ 50 million for insurance bonds and US\$ 9 million for a UNDP-implemented technical support project

In the current context, a war risk insurance bond would initially apply to Aden Port, with a favourable cost-benefit ratio, especially for war risk charges on relatively high-value containerised cargoes. A US\$ 75 million bond could save an estimated US\$ 114 million per year for commercial imports via Aden Port, primarily on containerised imports, with broader positive implications for Yemen's economy, benefitting consumers through lower prices.

If the outcome of providing the bond for ships calling at Aden is positive, the next step would be to examine the implications of extending the cover to other Yemeni ports. The additional cost could be modest if the market has an appetite to extend the cover. It would also allow conflict-sensitive programming by supporting the ports supplying most Yemeni population.

#### 3. Climate change, water, energy, and the environment

The following sections briefly outline UNDP Yemen's existing and proposed climate change, water, energy and environment programme.<sup>32</sup>

As part of its global experience in addressing the climate crisis and installing renewable energy systems, UNDP is building a team and capacity to support the Government in mobilising and

<sup>&</sup>lt;sup>30</sup> Yemen Evidence for Action, Assessing the Impact of the Reduction of War Risk Insurance Premiums on Imports to Yemen, Flash report, November 2021. A paper prepared as part of the 'Shifting the dial on the IPC rating on Yemen: Evidence for Action' project, supported by OCHA and UNDP.

 $<sup>^{31}\,\</sup>text{See 2021 UNCTAD Trade Report}\,\underline{\text{https://unctad.org/system/files/official-document/rmt2021}}\,\,\text{en}\,\,\,0.\text{pdf.}$ 

<sup>&</sup>lt;sup>32</sup> For more details, please refer to the forthcoming publication: "UNDP Strategic Priorities in Yemen on Energy, Environment and Climate Change (2023 – 2027), UNDP Yemen.

leveraging financing and investment for climate change action through initiatives such as the Global Environment Facility (GEF), the Green Climate Fund (GCF), and other funding mechanisms. Furthermore, UNDP's team will support Yemen to access and manage climate finance and to identify and develop investment opportunities for climate change action.

#### 3.1 Climate change adaptation and Disaster Risk Reduction (DRR)

The Indian Ocean rim, the half-circle of coastal countries from Somalia to Pakistan, is among the areas most severely impacted by the climate crisis. On top of Yemen's *vulnerability* to climate change, the Notre Dame Global Adaptation Index<sup>33</sup> ranks Yemen among the countries *least ready* to deal with the effects of climate change, with a "great need for investment and innovations to improve readiness and a great urgency for action". For example, the June 2022 floods left an estimated 300,000 Yeminis without a home, personal belongings and lost crops and livestock.

Currently, Yemen suffers about 14 "extremely uncomfortable days" per year, expected to increase to 100 by 2060, with temperatures on the hottest days projected to rise between 4 and 7 degrees. The current temperature rises will cause increased evaporation of Yemen's limited groundwater, increasing water scarcity.

Extreme weather events, including drought, flooding, and storms, are rising in Yemen.<sup>34</sup> Dry spells have become longer, leading to severe droughts projected to increase in intensity and frequency. Droughts will increase, reducing food supply, as more than 90 per cent of Yemen's agricultural output is rain-fed.<sup>35</sup> Simultaneously, typhoon periods, torrential rain, and flash flooding are intensifying and expected to worsen, further reducing soil quality and endangering populations. Occurrences will become more erratic, with variability in rainfall and extreme weather events becoming increasingly difficult to predict and plan.<sup>36</sup>

The flooding, heat waves, and lack of consistent rainfall have resulted in significant challenges for farmers nationwide. Yemen is highly dependent on surface and groundwater. Changes in precipitation will therefore cause substantial disruptions in the water supply.<sup>37</sup>

In early 2020, an estimated 300,000 people in Yemen lost their homes, crops, livestock, and personal belongings due to torrential rains and severe flash floods. Amongst the displaced were people previously forced to flee their homes by the conflict. The most badly hit areas included Abyan, Aden, Amran, Hajjah, Hodeidah, Lahj, Marib, and Ta'iz governorates, where floods killed at least 148 people. In Hababa, a sudden and catastrophic break of the Al-Roone dam led to the uncontrolled release of 250,000 cubic metres of water, affecting thousands of people in IDP sites in Al-Tahseen, Souq al-Lill and elsewhere.<sup>38</sup> Heavy rains and flooding tore through Yemen throughout the summer of 2022, causing extensive damage and civilian harm. In June alone, floods affected over 41,000 people in Ad Dali', Al-Hodeidah, Hadramawt, Hajjah, and Ta'iz governorates.<sup>39</sup>

<sup>&</sup>lt;sup>33</sup> See: <a href="https://gain.nd.edu/our-work/country-index/rankings/">https://gain.nd.edu/our-work/country-index/rankings/</a>. The Index a) measures a country's current vulnerability to climate disruptions and b) assesses a country's readiness to leverage private and public sector investment for adaptive actions.

 <sup>&</sup>lt;sup>34</sup> Yemen - From severe drought to intense flooding, Yemen teeters on the brink | Digital Situation Re-ports (2023). Available online at https://reports.unocha.org/en/country/yemen/card/3xgDjvW1Ud/, updated on 1/30/2023, checked on 1/30/2023.
 <sup>35</sup> Frans Schapendonk; Cesare Scartozzi; Tina Kuruth; George Meddings (2022): Deliverable 5: Comparative Analysis and Lessons Learned Report. CGIAR. Montpellier.

<sup>&</sup>lt;sup>36</sup> USAID (2017): Climate Risk Profile. Yemen. USAID. Washington, D.C.; The World Bank: Yemen: As-sessing the Impacts of Climate Change and Variability on the Water and Agricultural Sectors and the Policy Implications. The World Bank (Report No. 54196-YE). Available here.

<sup>&</sup>lt;sup>37</sup> UNDP & Netherlands Enterprise Agency (RVO), Water Availability in Yemen, 2021. Available <u>here</u>.

<sup>&</sup>lt;sup>38</sup> UNHCR, 2020, a summary of UNHCR spokesperson Andrej Mahecic's statement.

<sup>&</sup>lt;sup>39</sup> Humanitarian Update," UNICEF, June 2022, available <u>here.</u>

Following UNDP Yemen's trilogy reports on the "Impact of War on Yemen", the Country Office – in collaboration with UNDP's Regional Hub for Arab States – will commission a new report focusing on climate change in Yemen. The report will (a) assess the current trends and future risks from climate change on development and crisis recovery pathways towards 2030 and (b) provide recommendations for evidence-based climate change adaptation and disaster risk reduction programming. The report, among others, will provide recommendations on critical programmatic responses in Integrated Water Resources Management (see also next section), promoting climate-resilient agriculture and agricultural value chains and strengthening disaster preparedness and response.

The following are among UNDP's proposed projects for the upcoming period:

- Applying an Integrated Energy-Water-Food Nexus Approach to Enhance Resilience to Climate Change in Yemen.
- Strengthening disaster preparedness and response UNDP will invest in Yemen's disaster
  preparedness and response mechanisms to reduce the impacts of extreme weather events,
  including floods and storms. The response includes the development of early warning
  systems, the provision of emergency shelters, and the establishment of response teams.
- Safeguarding vulnerable Yemeni communities and their physical and economic assets from climate-induced disasters through resilient infrastructure.
- Address water-conflict-peace nexus by rehabilitating water infrastructure in Yemen and empowering communities.
- Building capacity to advance National Adaptation Plan Process in Yemen.

#### 3.2 Water

Two-thirds of the country classifies as hyper-arid, with less than 50 millimetres (mm) of yearly rainfall. Most of the other third classifies as arid, with less than 200 mm of precipitation. Only the western mountainous regions, where most of the population lives, receive annual rainfall above 250 mm, with some areas receiving 800 mm.

Yemen's yearly water use of 3.9 billion cubic metres (BCM)<sup>40</sup> far exceeds the country's surface and groundwater replenishment capacity (estimated at 1 and 1.5 BCM per year). Yemen today bridges the gap through excessive groundwater abstraction. The projection for future demand hovers around 4.5 BCM, further increasing the abstraction gap.

With funding from the German Federal Ministry for Economic Cooperation and Development (BMZ), through the German Bank aus Verantwortung (KfW), UNDP partners with FAO in the *Resilience Programme in the Irrigation and Agricultural Sector* project. In the project, UNDP focuses on transforming conflict surrounding water resources, a critical component of UNDP's support to peacebuilding. According to researchers from Sana'a University, 70 - 80 per cent of disputes in rural Yemen are related to water. Estimates are that one-third of the cases taken to criminal courts in Yemen focus on water-related conflict deaths, with an estimated 2,500 people killed annually over water disputes.<sup>41</sup>

The basis of UNDP's planned expansion in water sector programming is the following:

- Good Global Integrated Water Resources Management practice.
- The 2002 and recently (2006) amended Water Law.

<sup>&</sup>lt;sup>40</sup> The main water users are the agriculture sector (90%), followed by domestic consumption (around 8%) and industry (around 2%).

<sup>&</sup>lt;sup>41</sup> The Hague Institute for Global Justice, 2014. <u>The Political Economy of Water Management in Yemen: Conflict Analysis and Recommendations.</u>

 Analysis and recommendations, presented in three recent (and one forthcoming) UNDP publications.<sup>42</sup>

UNDP will focus on developing and implementing sustainable water management practices to reduce water scarcity in Yemen. The following are among the planned actions:

- Support establishing an enabling legal, technical and regulatory environment at the catchment or wadi level.
- Support measures aimed at balancing water demand and supply.
- Support the relevant authorities in controlling water allocations, sources, and water quality protection.
- Support decentralising the management at the catchment or wadi level through strengthening existing and, where necessary, establishing new local institutions.

#### 3.3 Renewable energy



Yemen faces an energy crisis due to various factors, including conflict, economic instability, and inadequate infrastructure. The country's energy sector has been in disrepair for many years, with chronic under-investment, poor maintenance, and insufficient generation capacity. The ongoing conflict in Yemen has further exacerbated the energy crisis in the country, as infrastructure (power plants and transmission lines) has been damaged or destroyed, with disruptions in access to fuel and other resources.

Only 48.4 per cent of the population has access to electricity, the lowest percentage in the Middle East and North Africa region, where access averages 90 per cent. The percentage is lower for rural Yemenis, around 33.5 per cent, compared to 78.9 per cent for the urban population (around 30 per cent of Yemen's population). The electric grid provides access to energy for about half of those connected. Private diesel generators supply the other half.

Energy provision from renewable sources is under 1 per cent, which stands in sharp contrast to the potential of renewable sources – 18 gigawatts (GW) for solar and 34 GW for wind. On a positive

<sup>&</sup>lt;sup>42</sup> Study on Water Availability in Yemen, Literature review of the current and future water resources and water demand in Yemen, RVO, KfW, Acacia Water and UNDP, October 2021; <u>A Holistic Approach to Addressing Water Resources Challenges in Yemen</u>, UNDP Strategic Framework, November 2022; and <u>Water-related Conflict Assessment Report Resilience Programme in the Irrigation and Agricultural Sector</u>, Lisa Guppy and Sadeq Alnabhani, FAO, GiZ, KfW and UNDP, January 2023.

note, solar is rapidly gaining popularity, with imports of photovoltaic systems increasing from 250 to 250 megawatts (MW) in 2020.

The renewable energy sector in Yemen faces significant financing, regulatory and technical barriers. To overcome the obstacles and advocate for a transition to renewables, UNDP commissioned a "Technical Assessment and Energy Outlook with Cost Effective Generation Mix" study that contains a proposal for an immediate and longer-term energy investment plan that maximises renewables.

Based on the study, UNDP programming will operationalise the low-carbon and sustainable energy system goal considering the country's unique economic, social, and environmental conditions by:

- Enhancing energy access, particularly in rural areas, through (a) deploying off-grid renewable energy solutions, such as solar-powered mini-grids, and (b) policies that support the development of energy infrastructure in remote areas.
- Supporting the design of a regulatory framework that promotes sustainable energy development and ensures a level playing field for renewable energy technologies. The support includes creating a favourable investment climate for renewable energy and strengthening institutions that oversee energy planning, regulation, and monitoring.
- Building local capacity and promoting innovation by investing in local capacity building and fostering innovation in sustainable energy technologies through research and development programs and partnerships with universities and research institutions.

The following are among UNDP's proposed projects for the upcoming period:

- Strengthening the policy, legal and regulatory framework for renewable energy solutions.
- Solar-powered agri-food systems in Yemen.
- Improve micro, small and medium-scale enterprise access to distributed renewable electricity.
- Solar-powered mini-grid for rural communities in Yemen.

Increased access to the (renewable) energy sector is a sine-qua-non for government-led service delivery (health, education) and green economic development.

#### 3.4 Preserving Yemen's ecosystems

According to the United Nations Convention to Combat Desertification (UNCCD), unsustainable agricultural practices and overgrazing have degraded over 7% of Yemen's land area.

Although rigorous statistical data does not exist due to the conflict, the harvest of marine resources most likely is beyond its maximum sustainable yield. Lobster, cuttlefish, shrimp, and shark stocks are declining. The harvest methods are mostly unsustainable, including fisheries subjected to trawling, spear and dynamite fishing. These unsustainable harvest techniques further degrade fragile coral reefs and seagrass habitats.

The sector consists of artisanal, commercial and international individuals and companies. Overfishing is directly threatening the livelihood of local fisherfolk.

Coastal zone development further impacts marine resources. The mangroves' exploitation for timber, fuel and animal feed destroys coastal habitat and reduces the zone's resilience to extreme weather events. The run-off from sewage, agrochemicals, over-grazing, and inappropriate land development brings pollution and sediment that harms marine environment integrity, including the health of the nation's unique coral reefs.

UNDP will support local government in strengthening the ecosystem and increasing community

resilience to environmental degradation and climate change by applying nature-based solutions<sup>43</sup> and integrated waste management in Yemen.

Protecting Yemen's biodiversity is critical for the country's sustainable development and the livelihoods of its people. By addressing the challenges faced by Yemen's biodiversity and promoting conservation efforts, the country can secure a more sustainable future for its ecosystems and the species that depend on them.

In close collaboration with the FAO, UNDP will support national and local authorities to address these challenges by:

- Promoting sustainable land use practices such as agroforestry and sustainable grazing to reduce the pressure on natural resources.
- Supporting the establishment of protected areas and conserving critical habitats for threatened species.
- Encouraging the participation of local communities in biodiversity conservation efforts through community-based approaches.
- Increasing public awareness and education about the value of biodiversity and the threats it faces.
- Strengthen policies and regulations related to biodiversity conservation and increase enforcement efforts to ensure compliance.

The following are among the proposed projects:

- Strengthening landscape management capacities for biodiversity conservation in Yemen.
- Strengthening the protected area network in Yemen by establishing new protected areas and improving the management effectiveness of existing ones.
- The blue economy in critical coastal areas in Yemen.

### Designing and implementing UNDP's response

#### **Evidence-based programme design and implementation**

UNDP will design new projects and programmes based on assessments and, where necessary, amend existing ones following UNDP-commissioned research and evaluations. The assessments will identify opportunities for development programming in a crisis context. UNDP projects and programmes will contribute to at least two, preferably the three, defined development solutions.

Guided by the Special Envoy and the parties to the peace process, UNDP completed several assessments on critical infrastructure, such as the <u>Hodeidah, Salif, Ras Issa and Aden seaport</u> and <u>Sana'a airport</u>, among other damage assessments.

In support of the peace process and to provide critical input for dialogue and decision-making for (a) the Government of Yemen, (b) UNDP, (c) UN Agencies, Funds and Programmes' planning and (d) other development partners, UNDP will continue commissioning assessments<sup>44</sup>. Among these are the following:

- Additional damage assessments for large, critical national infrastructure relevant to the peace negotiations, such as major roads and electricity stations.
- Gender-sensitive socio-economic recovery assessments including Post Disaster Needs Assessments (PDNAs) and Recovery and Peacebuilding Assessments (RPBAs) – to help

<sup>&</sup>lt;sup>43</sup> Solutions that are inspired and supported by nature, which are cost-effective, simultaneously yield environmental, social and economic benefits and help build local communities' resilience.

<sup>&</sup>lt;sup>44</sup> Building on the World Bank's Yemen Dynamic Needs Assessment (DNA), Phase 3.

guide decisions on prioritising forward-looking national and sub-national recovery plans. The assessments will analyse:

- The social and economic impacts of the war, accounting for human, physical, environmental, financial and natural capital.
- o The economic factors that heighten the risk of crisis recurrence.
- The role of the state and institutions in facilitating economic recovery and development in crisis and post-crisis countries. (<u>Assessing the Impact of War on Yemen: Pathways for Recovery (2022) set the foundation</u>).
- Household Building Damage Assessment (HBDA) to assess and quantify infrastructure, economic, and social damages.

To allow UNDP, the Resident Coordinator, UN AFPs and development partners to implement area-based, adaptive and conflict-sensitive programmes better, UNDP's Peace Support Facility will:

- Regularly publish localised Political Economy Analysis.
- In collaboration with the Risk Anticipation Hub in UNDP's Crisis Bureau, develop a Yemen Crisis Risk Dashboard (CRD)<sup>45</sup>, which will include:
  - o Data collection and visualisation.
  - Conflict monitoring, food security data, and humanitarian access data, among other data.
  - o Analysis, sensemaking and foresight.
  - Other priorities, mapped during the development of the CRD through stakeholder engagement.

In addition, UNDP will commission a new research series on "Out-of-Fragility Strategies". The series will provide analysis and recommendations for development programming in a crisis context focusing on entry points, financing strategies and local, national, regional, and global partnership opportunities. UNDP Yemen plans the series to focus on the following areas of concern:

- Poverty and inequality
- Governance
- Resilience and recovery
- Energy and environment
- Gender equality

 $<sup>^{45}</sup>$  The Crisis Risk Dashboard builds on UNDP Yemen's ongoing area-based social risk monitoring.

# Integration of critical considerations in project design and implementation



#### **Gender**

Yemen acceded to the Convention on the Elimination of All Forms of Discrimination against Women (CE AW) in 1984. Yemeni law, however, disadvantages women, especially in family law. Women remain unprotected against sexual violence in many articles of the penal code, posing enormous challenges for women to denounce the crime if they face violence.<sup>46</sup>

The religious, cultural, social, and political traditions drive the roles, responsibilities, and division of labour between women and men. Despite significant differences across Yemen depending on location, rural, and urban areas — and between tribes and generations — the overall situation of women in Yemen offers a sad reality. While women actively participated in the protests during the 2011 uprising and contributed over 25 per cent of participants to the National Dialogue Conference, the ongoing conflict has essentially reversed this progress.

In 2021, Yemen ranked 155 of 156 in the World Economic Forum's Global Gender Gap Index, depicting substantial gender disparities. Yemeni women remain significantly under-represented in public and elected office, holding only 4.1 per cent of managerial and decision-making positions and having minimal leadership roles in national and local peace agreements.

Among the consequences of gender inequality in Yemen, women in some parts are subject to restricted movement, female genital mutilation, and gender-based violence, including early and forced marriage. Moreover, women's participation and leadership in the public sector and formal and informal paid work is low, as the rate of women's participation in the workforce in Yemen is only 6 per cent. And structural inequality impedes women and girls' access to basic services, leading to a massive gender gap in literacy and education and high maternal mortality rates.

As part of the gender-sensitive approach, UNDP will:

 Support the Women, Peace and Security (WPS) agenda by ensuring that all conflict prevention and peacebuilding programming, policy and analysis is gender-responsive, addressing gender inequality as a root cause of crisis and conflict and advocating for the participation and leadership of women in prevention and peacebuilding efforts across all levels.

 $<sup>^{46}</sup>$  Yemen – Gender justice and the law. UNDP, in collaboration with UN Women, UNFPA and ESCWA.

- Implement policies and programmes focusing on women's leadership, economic empowerment, human rights and access to justice: (a) collective social and economic empowerment and (b) strengthening understanding and response to intersectional inequalities, including how gender equality, climate and security are linked.
- Update the UNDP Country Office Gender Strategy.

Working to prioritise women has been consistent in UNDP Yemen's projects and programmes, with the role of women always at the front and centre in a culturally appropriate, community-led manner. The sustained effort has afforded UNDP Yemen the acclaimed gender programming <u>'Silver Seal'</u> award. UNDP Yemen will continue integrating gender sensitivity in the design and implementation of strategies, policies and projects in line with the UNDP corporate gender strategy.

#### Youth

Yemen has a significant youth population. As of 2021, approximately 68% of Yemen's population is under 30, making it one of the youngest populations in the world.

UNDP aims to empower and engage young people through an integrated approach, as follows:

- **Economic empowerment** UNDP promotes youth entrepreneurship and employment, including young people training and mentoring to start and grow successful businesses.
- Partnership UNDP works with the governments, civil society and the private sector to support youth development initiatives and promote youth-friendly policies and programs.
- Innovation Encourages innovation in youth development, recognising that young people are often at the forefront of social and technological change. UNDP supports developing and using new technologies to empower young people and address their challenges.

Through its Youth Leadership Programme (YLP), UNDP invests in young women and men to unleash their potential to become social innovators, leaders, thinkers, and a powerful force for change in their country. YLP empowers young change-makers to design and implement innovative, impactful, and sustainable development solutions to real-life challenges. YLP participants innovate in the field of climate change, waste management, technology, and economic empowerment. Products include plastic bricks, biogas production, waste management, and digitalized new approaches to solving social problems and challenges. The programme has connected youth to regional and international platforms/programmes such as <a href="ECOSOC 2023">ECOSOC 2023</a>, <a href="Yemen Women Innovators Programme">Yemen Women Innovators Programme</a>, <a href="CoP27">CoP27</a> and LDC5.

UNDP also leads the process of "Youth Learning, Skilling, Social Inclusion and Transition to Decent Work" with other UN agencies, including UNICEF, ILO, and UNFPA, through supporting government, youth, CSOs, and the private sector to develop national commitments and plan the implementation.

UNDP mainstreams youth in most ongoing projects and programmes by ensuring that at least 30% of the targeted programme participants are youth.

#### **Civil society**

Through an increasing number of projects, UNDP supports civil society (National NGOs and other Civil Society Organisations) as a client, i.e., to boost their capacity to perform their role. Support centres on (financial) administration, planning and development approaches. In tandem with capacity support, UNDP funds national and local NGOs to support the local authorities in delivering services to Yemeni citizens.

UNDP Yemen's SIERY project specifically supports CSOs that promote the participation of women in local administration processes and economic development. In Marib, for example, UNDP

collaborates with (and develops the capacity of) the Marib Girls Foundation in training cohorts of (potential) female administration officers, including a placement program at the Governor and District Offices. In Hadramout, UNDP helped establish and continues to support the Women Business Forum, a collective of women entrepreneurs in their interactions and negotiations with the local authorities in Mukalla.

As part of professionalising the planning and implementation processes of Local Authorities, UNDP brings together networks of NGOs, CSOs and other representatives in selected Governorates for training in collaborative action techniques and facilitates their participation in the district development planning and monitoring processes.

UNDP Yemen will ensure new programmes and projects focus on the capacity development of national and local civil society organisations working in areas where the organisation has a mandate.

UNDP will focus on strengthening national civil society organisations, including capacity development, training, and implementation.

#### Internal displacement

As outlined in the previous section, internal displacement is climate- and conflict-driven. These two realities often interrelate and mutually reinforce each other in fragile contexts, as in Yemen, which currently has 4.3 million internally displaced citizens, one of the largest IDP "caseloads" in the world.

In UNDP's view, the two types of displacement require development solutions beyond "complementing" humanitarian assistance as a de facto extension of the three standard IDP options: return, local integration or resettlement. Development solutions are not an "exit strategy" but a comprehensive approach to internal displacement through engagement in prevention, nationally-owned responses and solutions to restore rights and livelihoods for displaced and surrounding communities.

Whether climate- or conflict-induced, displacement epitomises a fundamental breakdown of the bonds between a state – its systems and services – and its citizens. In fragile and conflict-ridden states, parties (including the government) instrumentalise and weaponise human mobility by forcing populations into internal displacement. Notwithstanding having been part of, or at the centre of, the cause of displacement, states are not exonerated from their accountability towards their people and obligation to ensure that they ultimately can access their rights and return towards productivity and self-reliance. Helping governments rebuild systems and create accountability between institutions and citizens while supporting social cohesion is fundamentally the transformation that development partners can help promote, shifting from an externally-driven protection-based approach to one rooted in accountable national and local governance and the Rule of Law.

Treating internal displacement and solutions as nationally-owned developmental priorities provides the opportunity to substantially re-orient the approach to foster systematic collaboration between governments, development and humanitarian actors, donors and other stakeholders. Doing so would require a mindset change on the part of national and international actors to move from the traditional "durable solutions" approach, primarily coordinated and led by humanitarian actors, towards development solutions, oriented around a shift from beneficiaries to citizens where IDPs contribute to their host communities' economy. Taking a development approach rooted in governance opens the opportunity to consider internally displaced individuals and communities as agents of change and leaders in the development processes that shape their lives and to be part of the solution.

UNDP Yemen proposes a development lens in dealing with climate and conflict-related displacement, which requires, among others, the following actions and approaches:

- Increased field presence, enabling UNDP to be "hands-on" in supporting the change management towards development solutions.
- Systematic and equitable inclusion of internally displaced persons on a needs basis in ongoing UNDP programmes through applying a "solutions marker". The development solutions pursued under existing programmes should be nationally owned and participatory, comprising internally displaced communities, authorities and other local stakeholders (e.g., the private sector).
- Building of programmatic interventions focusing on three themes:
  - Urbanisation and spatial planning Rather than merely responding to ongoing unmanaged urbanisation (accelerated by the massive displacement realities), UNDP will engage authorities at all levels to restore access to fundamental rights and basic services, including sustainable livelihoods.
  - Shift in livelihoods The displacement-induced urbanisation has resulted in a shift away for large population groups from agricultural and pastoralist existences to the urban informal sector. It would be necessary for UNDP to promote the early reinstatement of productive agricultural livelihoods through early returns (where possible) or adaptation to peri-urban agricultural activities (including micro-gardening, greenhouses and intensive livestock management). For those with no interest or ability to return to their original rural livelihoods (particularly the youth), the area-based urban livelihood activity design should engage the private sector.
  - o Increasing climate and conflict resilience through pre-emptive and conflict-sensitive programming: There is significant repetitive displacement in Yemen due to disaster and climate-induced flooding and other catastrophic events. Disaster-resilient infrastructures can prevent and mitigate this type of displacement. Moreover, through a systematic conflict-sensitive approach to programming, UNDP's activities in Yemen could support a collaborative environment, bringing together displaced, host communities and local authorities in remedial action to their socio-economic challenges.
- In addition to the "horizontal and inclusive programming" described above, UNDP will support the Resident Coordinator in designing UN Joint Programmes<sup>47</sup>, which would facilitate the change from humanitarian to development (and conflict sensitive) approaches around major development priorities in Yemen.
- The Government should (with help from national and international actors) include civil society (defined broader than NGOs) and the private sector in the decision-making and implementation process. Development solutions require inclusive national and local governance instead of a government focus.
- UNDP should integrate a focus on internal displacement throughout the country programme and avoid a focus on stand-alone projects.

### **Climate security**

Yemen is increasingly suffering from climate crisis-related extreme weather events. Droughts, floods, and heatwaves negatively impact the country's environment, agriculture, and water availability, exacerbating existing vulnerabilities and potentially leading to instability and conflict.

 $<sup>^{</sup>m 47}$  Funded through the Multi-Partner Trust Fund modality, which UNDP can facilitate and manage.

Disaster risk reduction is essential through a preventive approach to disasters, i.e., adapting to avoid the extreme weather event from becoming a disaster.

The Norwegian Institute of International Affairs (NUPI)<sup>48</sup> has identified four primary climate crisis impacts that increase the risk of conflict and should be considered when designing and implementing UNDP Yemen's projects, as follows:

- Droughts and water scarcity negatively affect agriculture and food availability and exacerbate livelihood insecurity and the potential for conflict. Women and girls are disproportionately affected due to pre-existing gender norms and persisting inequalities.
- A loss of livelihoods (primarily farmers), resulting partly from climate change and environmental degradation, contributes to increased internal migration and displacement (leading to accelerated urbanisation) and may exacerbate existing tensions in resourcestrained host communities. Livelihoods are either lost and recovered post-return or livelihoods permanently shift, particularly in the case of urban migration.
- Armed groups and militias exploit economic hardships and grievances exacerbated by climate change's effects to recruit and garner support. Violence and coercion by armed actors impede efforts to reduce climate vulnerability.
- Weak governance and political competition facilitate elite exploitation and corruption and undermine climate change adaptation and resilience building, accentuating vulnerable groups' marginalisation, exclusion and grievances.

#### Area-based management approach

UNDP will support the Resident Coordinator and his Office's focus on area-based programming. For this, and to ensure local-level programming reflects local realities and needs, UNDP will prioritise at-scale, area-based programming overseen by the Country Office and led by the local presences in areas where UNDP has a mandate and a comparative advantage.

UNDP experience from other fragile and conflict settings shows that at-scale and geographically targeted programme interventions, coordinated with other partners and UN Agencies, Funds and Programmes, are more effective and can deliver structural improvements in people's lives – even in a crisis context.

Area-based programming is anchored in social dialogue and uses an area instead of a sector or a target group as the entry point to provide support. Area-based programming requires the consistent involvement of all actors with a stake in the types of investments made in the area. Among those actors are local Government, the private sector, workers' organisations, business associations, civil society and other local leadership representing all groups and the area's men, women, and youth.

For UNDP, an area represents a coherent territorial entity seen from its resource base (land, water, rivers, biodiversity), economic potential, service delivery, urbanisation and mobility patterns, and administrative structures. Hence, UNDP will seek to apply the area-based approach to various settings, such as watersheds, river basins, mountain ranges, coastal areas, cities and their metropolitan areas, among others. These areas can correspond to one or several districts or a whole governorate.

The approach analyses<sup>49</sup> the area's challenges and opportunities, promoting the multi-sectoral and locally-led implementation of interventions that leverage government resources, the territory, and the population to benefit the communities. As a locally driven approach, it successfully addresses

<sup>&</sup>lt;sup>48</sup> https://www.nupi.no/en/projects-centers/climate-related-peace-and-security-risks. The primary focus in on Iraq. UNDP Yemen has adapted NUPI's thinking to the Yemen context.

<sup>&</sup>lt;sup>49</sup> Through preliminary data collection, initial territorial analysis, and territorial diagnosis, institutional mapping of public, civil society and private sector and local economic assessment of opportunities and challenges of the area.

the complexities of the local area, including the variety of local needs, the diversity of people and organisations, and the relationships between institutions<sup>50</sup>. Political economy and conflict analysis should occur and come together at this level.

Given UNDP's strong presence in national and local-level institutions and processes, the organisation is well-positioned to ensure that area-based management provides a space for local aspirations to meet central and sectoral policies essential for national ownership and sustainability.

Simultaneously, area-based programming allows for a specific focus on the shared support requirements of people in humanitarian need, people or groups with previous conflict relations, and people with the potential to become peace engines.

UNDP will advocate for and support the Resident Coordinator's Office to coordinate with other UN Agencies, Funds, Programmes and organisations in areas outside the scope of its mandate.

Finally, and uniquely, it allows for quick area-specific programme adaptations in response to emerging changes.

UNDP programmes and projects will simultaneously work in targeted areas in a conflict-sensitive way to create synergies, reduce implementation costs, and increase the impact of its interventions.





Central to UNDP's livelihood approach is understanding the factors (among others, natural resources, conflict drivers, socio-political and economic interests, and regulatory frameworks), local and national trends and the recurrent shocks that have a positive or negative impact on livelihoods and understanding how these relate to each other.

The understanding will allow UNDP to calibrate its programmes according to the different areas' peculiarities (vulnerabilities and potentials) to make gains sustainable. A livelihood is sustainable when it is resilient, i.e., when it can withstand, cope and recover from stresses and shocks and maintain or ideally enhance its capabilities and assets by adapting to the new framework while not undermining the natural resource base.

 $<sup>^{\</sup>rm 50}$  And reduce fragmentation and duplication of work.

UNDP Yemen's livelihoods approach (implemented through the SIERY, ERRY, ESPECRP<sup>51</sup>, FSRRP<sup>52</sup> and SFISH<sup>53</sup> projects) contributes to the following:

- Alleviate the socio-economic shocks on the most vulnerable groups, including women, youth, and persons with disabilities, through short and medium-term support that increases their employability or capacity to self-employ.
- Engage and enable private sector actors to stimulate local economic development, job retention and creation as part of the recovery and transformation of the national economy.

Among the actions to alleviate the socio-economic shocks on the target groups are the following:

- Labour-intensive interventions that provide cash support through cash-for-work activities. The interventions align with community and local government plans to maximise the benefit. They sustain livelihoods while maintaining infrastructure that is rapidly depleting because of a lack of investment by the Government.
- Skills building for increased employability. The economic crisis has changed market structures. The changes require skill building to match the latest market needs. In livelihood programmes, UNDP assigns a budget to complement skills training with business start-up support.

Private sector support centres around capacity development (training on know-how), cash and inkind grants (implementing the know-how), the formalisation and registration of businesses, and support in accessing local and international markets and renewable energy.

Recently, the World Bank requested UNDP to lead a new approach to significantly improve food security through increased agricultural production, allowing graduation towards longer-term development benefits. The request fits well in UNDP area-based programming approach and builds on the following:

- Sequenced targeting of a variety of interventions within a defined geographical area, spanning interventions from addressing acute needs to those supporting sustainable livelihoods along the agricultural value chain.
- Simultaneous targeting of several interventions focusing on the complementarity of interventions that reinforce one another to allow for a comprehensive, concurrent approach to tackle structural issues leading to food insecurity.
- While initially, only World Bank-funded projects with food security-related interventions were part of the approach; it currently accommodates activities financed by other partners.

In the context of Yemen, this programme alignment provides a unique opportunity to advance the HDP Nexus approach. The World Bank funds the strategy to provide humanitarian assistance and a continuum of support for more medium-term resilience. This is a unique opportunity to show the impact on the ground, from the bottom up, of how the Nexus can make a difference in the longer-term resilience of people's lives.

UNDP will contribute to fomenting area-based agricultural development that strengthens food sufficiency at the village, cluster-of-village, district and governorate level of the territory and the country to offset the impacts of the global shocks affecting Yemen's food supply and food security while promoting more nature-based solutions that can help preserve the country's limited natural resources (land in particular) and building more inclusive local economies.

<sup>&</sup>lt;sup>51</sup> <u>Social Protection Enhancement and COVID-19 Response Project.</u>

<sup>&</sup>lt;sup>52</sup> Yemen Food Security Response and Resilience Project.

<sup>53 &</sup>lt;u>Sustainable Fishery Development in Red Sea and Gulf of Aden Project.</u>

#### Adaptive and conflict-sensitive programming

UNDP Yemen does not work *around* conflict but *on* conflict, which requires a clear focus on the root causes or underlying drivers of conflict and an understanding of the actors that garner legitimacy within the area. Deep knowledge of the local situation, conflict dynamics and political economy will inform engagement with national and subnational actors. A lack of understanding may create new grievances by perpetuating existing and inequitable power structures. The highly complex and dynamic Yemini context calls for conflict-sensitive programming that continuously has a 'finger on the pulse' regarding changes in the national and local context.

The first aspect of conflict sensitivity requires that UNDP Yemen and its partners analyse and understand the impact of national and local conflict dynamics on UNDP and its partners' ability to deliver area-based programmes and projects. The understanding includes UNDP's political, reputational, organisational, operational, and staff risk management approach, focusing on security and beyond.

The second aspect of conflict sensitivity considers the impact of UNDP Yemen's programmatic interventions on the various national and local dynamics and conflicts. The focus on conflict goes beyond the do-no-harm approach by explicitly supporting local actors to transform the conflicts.

As described above, the basis for conflict-sensitive programming is conflict analysis combined with consistent progress, context, assumptions and risks monitoring. These three interconnected elements provide data and analysis required for learning and decision-making on programming adaptation.

To absorb and act on new data, the UNDP team will integrate learning cycles into their overall management arrangements. The professional dialogue, organised as a learning cycle, will identify lessons, implications of these lessons and define adaptive measures as and when needed. Where appropriate, donor partners participate in the learning process, increasing the UNDP programme's accountability and transparency. In an 'external' learning cycle, the shared analysis among different actors generate the potential for multiple spin-off effects, including an increased potential for collective action, increased scale, increased quality of interventions and more.

#### Local presences

UNDP Yemen has sub-offices in Aden and Hodeida, and staff posted in Mukalla, with plans to field staff in Ma'rib and Taiz (co-located under a joint UN initiative). Local presence (a) facilitates field visits (often difficult to organise from Sana'a), (b) is critical for project implementation through UNDP's direct implementation modality, (c) allows for supervision of UNDP's implementing partners, and (d) keeping a 'finger-on-the-pulse'. The latter is essential for adaptive management and conflict-sensitive programming approaches. It is important to note that the strengthening of the UNDP local presence in the governorates will also be guided by security considerations.

#### **Grievance redress mechanism**

UNDP Yemen will set up a grievance redress mechanism (GRM) that provides UNDP project participants with a direct channel to UNDP Yemen's senior management to file (a) complaints and (b) the redress of individuals and groups whose rights may be affected through the implementation of UNDP projects.

Participants can confidentially interact with a dedicated UNDP Yemen GRM staff member through a telephone hotline, a dedicated website, and a WhatsApp number. The dedicated staff member reports directly to UNDP Yemen Resident Representative.

#### Implementation mechanism

The Country Office will continue to use the Direct Implementation Modality (DIM) for UNDP projects and programmes. Moving forward, under DIM, UNDP will employ a differentiated approach depending on the nature of the projects, utilising: (a) national implementing partners, (b) international and national non-governmental organisations, (c) international and national private sector, and (d) direct implementation. Considering UNDP's focus on national capacity development, the organisation will prioritise national counterparts and sub-contractors.