



COUNTRY STRATEGY NOTE

UNDP Yemen

July 2021 – December 2024

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Dignity and Peace

COUNTRY STRATEGY NOTE

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Foreword

The waves of the Arab Spring unseated the three decades reign of Ali Abdullah Saleh and threw Yemen into uncertainty in 2011.

Before 2011, the country was already a fractured political entity that, while avoiding collapse, remained stubbornly resistant to stabilisation. For decades, the country was locked in a poverty-conflict trap, driven by the mismanagement of resources that fed an extensive patronage system and violated basic human rights.

Yemen is dotted with spaces of disorder, beset by severe institutional weaknesses and a limited capacity to establish security and government authority, thereby failing to prevent a plethora of armed nonstate actors from posing severe threats to stability.

The Yemeni state's institutions are so underdeveloped and under-resourced that they lack power and authority to penetrate society, enforce it well and perform its core functions. In the context of state fragility, Yemen's armed non-state actors have flourished in spaces of disorder and created parallel power centres, alternative ad hoc 'public' institutions, and their transnational networks.

Compared to the start of the conflict, the map of Yemen shows more pockets of violence and civil unrest in the eastern, northern, and southern parts of the country. Each of these pockets has created its orbit of conflicts, public distrust, and deep social grievances.

The rise of Ansar Allah, the Saudi-led military campaign – the most forcible external intervention into Yemen since the

1960s – and the militarization of social life in the country's southern provinces is part of Yemen's long-standing transformation process of political violence where regional and international linkages play a central role.

UNDP Yemen's 2018 conflict analysis provided the analysis above, which is as pertinent as ever, as is the Country Strategy Note (CSN) title "Al-karama wa al-salaam", continued from the previous CSN (2019 – 2021). The title reflects the desire expressed by Yemenis for a dignified life in a peaceful Yemen, where they no longer depend upon foreign assistance to sustain their livelihood.

This new and ambitious Country Strategy Note pays particular attention to political participation and inclusiveness required for a positive peace and tackling the structural factors of Yemen's protracted food crisis.

This CSN covers July 2021 to December 2024 and provides UNDP Yemen staff with strategic analysis for the Country Programme Framework (CPF) and UNDP's contribution to the United Nations Sustainable Development Cooperation Framework (UNSDCF).

Both the CPF and UNSDCF will be formulated in the months ahead.

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1. Programme rationale

1.1 Introduction

The Republic of Yemen is a sovereign Arab state located at the southern end of the Arabian Peninsula, bordered by Saudi Arabia, Oman, the Red Sea, the Gulf of Aden, and the Arabian Sea. The country covers an area of 527,948 square kilometres, has a coastline of over 2,500 kilometres and an estimated population of approximately 30.8 million.¹

The country, viewed through a geopolitical

lens, is of strategic importance. The Bab-el-Mandab Strait acts as a strategic link between the Indian Ocean and the Mediterranean Sea via the Red Sea and the Suez Canal. Of the 39.2 million barrels per day of crude oil imported by sea in 2020, 1.74 million barrels per day went through the Suez Canal.²

Of international concern are human trafficking³ and smuggling and the conflict

¹ Yemen Humanitarian Needs Overview (HNO), 2021. Consolidated by OCHA (on behalf of the humanitarian country team and partners).

² <https://www.reuters.com/article/egypt-suezcanal-oil-idINKBN2BI26C>, accessed April 2021.

³ <https://borgenproject.org/human-trafficking-in-yemen/>, accessed April 2021. In order to reach Saudi Arabia, migrants have to cross the Red Sea into Yemen and travel north to the border, which requires a complex network of smugglers to organise travel and get them entry into the Saudi Arabian border. Approximately 138,000 people, mostly Ethiopians, crossed the Red Sea in 2019.

between Iran and its adversaries. As this partially plays out in Yemen, it contributes to the ongoing and renewed interest of the Gulf countries and the USA, respectively.⁴

Two-thirds of the country is classified as hyper-arid with less than 50 millimetres (mm) of rainfall per year, and most of the rest is classified as arid with less than 200 mm rainfall. Only the western mountainous regions, where most of the population lives, receive annual rainfall above 250 mm, with some areas receiving 800 mm.

Around 63 per cent of Yemenis live in rural areas, down from 68 per cent in 2010. The country's 2.7 per cent population growth rate is among the highest globally, with approximately 38 per cent of Yemenis under 15⁵ and 63 per cent are under 24 years of age.⁶ The United Nations Fund for Population Activities (UNFPA) projects that the population will double by 2035.

Following the outbreak of the 2015 conflict, the Secretary-General established a Special Political Mission for Yemen known as the Office of the Special Envoy of the Secretary-General for Yemen (OSESGY). OSESGY focuses upon supporting Yemen's return to a peaceful political transition per the Gulf Cooperation Council (GCC) Initiative, the outcomes of the National Dialogue, and Security Council resolutions.

After a breakthrough in negotiations in January 2019, the Secretary-General established a second Special Political

Mission – the United Nations Mission to support the Hodeidah Agreement (UNMHA) – to support the implementation of the Agreement on the City of Hodeidah and Ports of Hodeidah, Salif, and Ras Issa as set out in the Stockholm Agreement.

The Riyadh Agreement⁷ between the legitimate government and the Southern Transitional Council (STC), signed November 2020, “includes several political, security and economic provisions such as the formation of a new government that includes the STC; the disarmament and integration of militias and military formations under the auspices of the ministries of defence and interior; support of the Yemeni economy; and the demilitarization of Aden.”⁸

At the time of writing, the United Nations Special Envoy was pursuing an agreement between the Yemeni parties on four elements, previously discussed under the Joint Declaration and currently presented as the “4-point plan”:

1. A nationwide ceasefire.
2. Lifting restrictions on the entry of imports to the Hodeidah ports.
3. Opening Sana'a airport to international and domestic destinations.
4. Launching an inclusive, intra-Yemeni political process under UN auspices to end the conflict and pave the way toward sustainable peace.

⁴ Please refer to section 1.4 for a short description of the conflict dynamics in Yemen.

⁵ UN Data – Yemen Country Profile (<http://data.un.org/en/iso/ye.html>).

⁶ arabdevelopmentportal.com. If provided with the right incentives and opportunities, the youth bulge offers significant potential for Yemen's future development.

⁷ The agreement includes two annexes on (a) political and economic arrangements and (b) military arrangements.

⁸ The Riyadh Agreement: Yemen's new Cabinet and what remains to be done, February 1, 2021, Ibrahim Jalal.

1.2 A humanitarian and a development crisis

People in acute need

Yemen is the world's worst humanitarian crisis. The 2021 Humanitarian Response Plan indicates that the country is on the brink of the worst famine the world has seen in decades.⁹

About 24 million¹⁰ Yemenis – 80 per cent of the total population – need humanitarian assistance; 12.1 million Yemenis are in acute need.¹¹ Over 2.25 million children under five years and more than a million pregnant and lactating women are projected to suffer from acute malnutrition in 2021. Around 16.2 million people will go hungry this year (Integrated Food Security Phase Classification (IPC) Phase 3 or higher). Five million people face emergency conditions (IPC Phase 4), and nearly 50,000 are already experiencing catastrophic conditions (IPC Phase 5).¹²

Yemen's parties to the conflict continue to prioritise¹³ funding the conflict over addressing the humanitarian disaster. International support helped avert famine

and further disaster in 2019 and 2020. Yet the underlying drivers of the crisis persist, and what little gains were made have withered, leaving vulnerable populations increasingly less able to cope.

In 2020 alone, 172,000 people were displaced in Yemen, bringing the current total number of internally displaced persons (IDPs) to 4 million¹⁴ or more – the fourth-highest level of internal displacement globally. Many are in a situation of protracted and multiple displacement, straining their resources and exacerbating vulnerabilities. Moreover, the influx of large numbers of IDPs puts an additional burden on resources and infrastructure in hosting communities – many of which are conflict-affected with significant humanitarian needs.¹⁵

On 1 March 2021, the UN's appeal to fund Yemen's humanitarian response raised US\$ 1.7 billion, half of what is needed to prevent a famine.

⁹ Yemen Humanitarian Response Plan (HRP), 2021. Consolidated by OCHA (on behalf of the humanitarian country team and partners).

¹⁰ 11.1 million of whom are children.

¹¹ The severity of need is classified as minimal, stress, severe, extreme and catastrophic. Acute need combines the extreme and catastrophic severity categories.

¹² Yemen 2021 HNO

¹³ Or, as some prefer to put it, have no other option than funding the conflict.

¹⁴ The 2021 HNO does not disaggregate by gender and age. The 2018 HNO indicated that 76 per cent of IDPs were women and children.

¹⁵ Yemen 2021 HNO. There has been significant displacement from Ansar Allah-controlled to Internationally Recognised Government-controlled areas. Besides internal displacement, the country is host to a population of Ethiopian and Somali refugees for whom Yemen is a transit country.

Food insecurity

The exchange rate of the Yemeni rial to the US dollar in southern parts of the country is at a historically low value, yet trends show further losses of the rial being very likely.¹⁶ According to the World Bank, a depreciation is highly undesirable as Yemen currently imports 80 to 90 per cent of its basic food, medicine, and energy needs.

Despite strained distribution channels, food availability is not a problem in Yemen. The problem is that many Yemenis simply cannot afford to buy the food available in the country's markets. The only solution is that food prices must come down, and Yemenis' income and purchasing power must go up. Food security in Yemen is a structural and development issue that requires addressing a series of underlying factors that humanitarian assistance will not solve.

Food insecurity is more severe in areas with active fighting and bordering areas with limited access; it particularly affects IDPs and marginalized groups such as landless labourers and Muhamasheen.¹⁷ "Women suffer disproportionately from food insecurity. They eat last and least, giving priority to children and other family members, or they use their money for other household needs."¹⁸

Food insecurity has also increased in areas where people traditionally survive on low and irregular sources of income and suffer poor access to public services, a situation exacerbated by the conflict.

ACAPS¹⁹ emphasises that "many of the current food supply chain challenges and constraints in Yemen stem from structural dynamics that date back decades.

Throughout the 1990s, Yemen accelerated its transition to a highly import-dependent economy – especially for basic foodstuffs – as oil export revenues, combined with large remittance flows from Yemeni workers abroad, were used to support a strong domestic currency.

Local food production could not remain competitive in the face of cheap imports. Agriculture shifted towards the production of local cash crops geared for the domestic market, such as qat. Structural reforms designed to liberalise the economy during the last 20 years – and make it more open and competitive – ultimately increased the market dominance of a small number of businesses closely tied to the ruling political class. This model has seen some change but remains in place today."

Yemen's food supply chain has continued to function through six years of conflict, in large part because food importers on all sides have adopted dynamic operational methods in a complex and politicised environment. But the continued functioning has come at a high cost. Food prices have doubled between 2015 and 2019 and continue to rise. Without sustained and informed external support, the gap between the cost of food and what Yemenis can afford will steadily grow.

¹⁶ IPC (Integrated Food Security Phase Classification), December 2020.

¹⁷ A visible minority who suffers from caste-based discrimination and have long been characterised by deep-seated poverty and exclusion.

¹⁸<https://www.oxfam.org/en/yemen-brink-conflict-pushing-millions-towards-famine>, accessed May 2021.

¹⁹ Yemen food supply chain, Mercy Corps and ACAPS Analysis Hub – Thematic Report, 16 December 2020.

Considering the above, the UN has endorsed a comprehensive famine response structured along the following four pillars:²⁰

1. Mostly in-kind) emergency food assistance (for Yemenis in the IPC Phases 4 and 5).
2. Macro-economic stability (by focusing on the Central Bank of Yemen (CBY) and an improved foreign exchange rate to keep the price of imported food accessible to most of the population).
3. Lowering the cost of food (by improving

seaport, airport, and road infrastructure – combined with measures to improve the efficiency of ports).

4. Social protection, public works, livelihoods (for Yemenis in IPC Phases 2 and 3) through direct cash transfers and income-generating activities.

The response aims to ensure people in IPC 2 and 3 do not shift to IPC 4 or 5 by ensuring they remain productive. In parallel, humanitarian action is focused on IPCs 4 and 5 to keep people alive and, if possible, to lower IPC levels.

COVID-19 pandemic

As described in the section on the economic downturn, the pandemic has contributed to falling global oil prices and exports, sharply declining remittances, and reduced humanitarian aid funding with severe consequences for Yemen's economy. In combination with the limited capacity of Yemen's health sector to deal with the pandemic, Yemen's COVID-19 crisis represents a crisis within a crisis with potentially catastrophic effects on the population – particularly women and children.

The 2021 Yemen Humanitarian Action for Children (HAC) emphasises that: “The COVID-19 pandemic has [...] exacerbated the underlying protection and gender-related vulnerabilities of children, adolescents and women.”²¹

Based on Imperial College model projections, the World Health Organization (WHO) predicts in the “Most Likely Scenario” – with no mitigation measures applied – that nearly 86 per cent of the population will become infected with COVID-19 resulting in more than 400,000 hospitalisations and over 60,000 deaths.

In line with the UN Secretary General's “Shared responsibility, global solidarity: Responding to the socio-economic impacts of COVID 19” report, the UN in Yemen – facilitated by UNDP – has endorsed “a strategic framework for an immediate socio-economic response to COVID-19 in Yemen”. The framework complements the WHO-led Emergency Health Response and Yemen's 2021 Humanitarian Response Plan (HRP).

²⁰ UNDP will support pillars 2, 3 and 4, as detailed in Chapter 3: Programme priorities and partnerships.

²¹ Despite its negative impact, the pandemic may potentially provide new opportunities to promote gender equality as women have more access to knowledge and public spaces.

Economic downturn

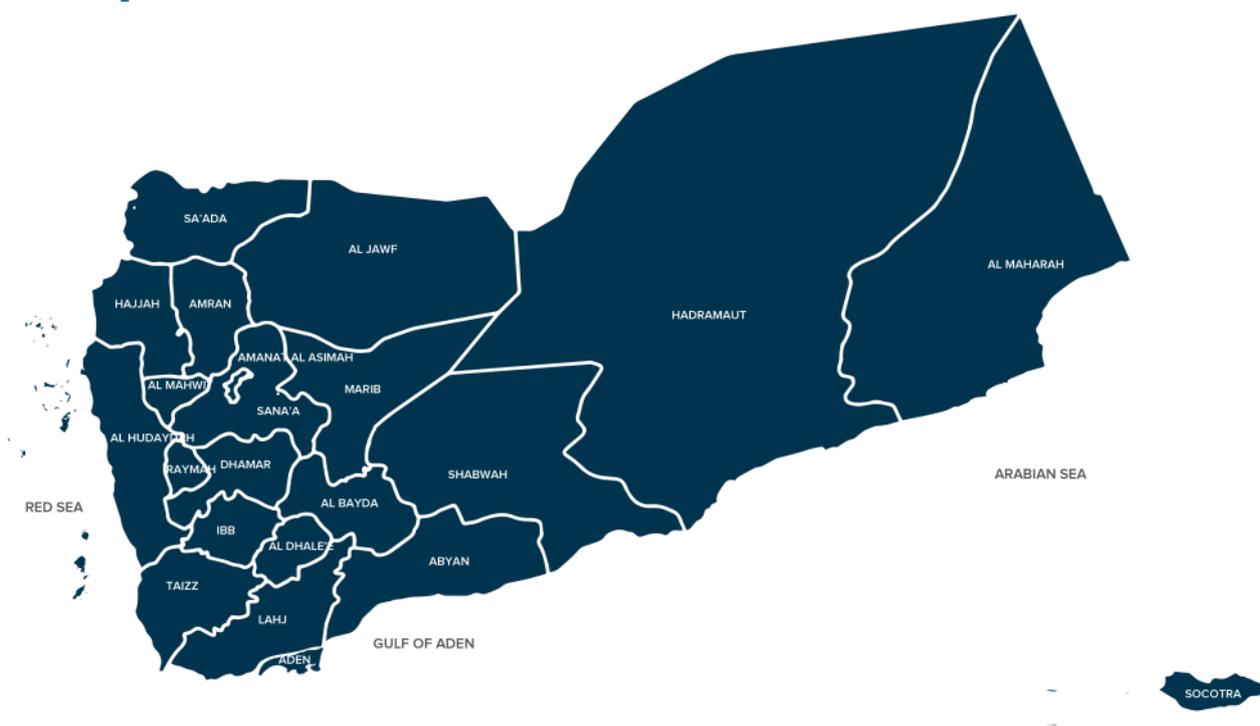
As described earlier, Yemen's development or structural challenges predate the 2011 MENA uprisings²² and the outbreak of violent conflict in 2015. In 2010, Yemen's second Millennium Development Goals report concluded that "under the current structural challenges as well as the new challenges created by the negative effects of the global financial crisis, food crisis, climate change, and the security problems [...] it is expected that Yemen will remain an off-track country and will not achieve most of the Millennium Development Goals by 2015"²³. Section 1.6 explains that the situation has further deteriorated. In 2019, as outlined in UNDP Yemen's Impact of War

report series, the human development index was set back by 21 years.

The size of Yemen's economy has shrunk by more than half since the beginning of the conflict. More than 80 per cent of Yemenis now live below the poverty line. The downturn is most visible in loss of income, depreciation of the Yemeni rial, loss of government revenue, rising commodity prices and import restrictions.²⁴

Employment in the agricultural sector (the primary provider of employment) has decreased by around 75 per cent in rural and semi-urban areas. Government salaries are not, or irregularly, paid.

Map of Yemen



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

²² A term representing the region's "karama, thawra and haqooq (dignity, revolution and rights)" movements.

²³ Yemen Second National Millennium Development Goals Report, 2010, Ministry of Planning and International Cooperation and UNDP.

²⁴ Yemen 2021 HRP.

At the height of oil prices and exports in 2008, oil revenue hovered around 30 per cent of Gross Domestic Product (GDP). In 2019, due to the lower international prices and reduced production,²⁵ oil revenues fell to 8.5 per cent of GDP. The 2019 budget produced a 5 per cent – largely monetised – GDP deficit, creating inflationary pressures.

The World Bank reports that approximately 25 per cent of Yemeni businesses have closed, and over 51 per cent have decreased in size and scaled-down operations. As a result, already-high unemployment levels have spiked, and significant private sector capital and skills have migrated overseas. Without additional support, the few remaining large businesses (mainly in construction and import) risk collapse. In addition, thousands of informal micro, small, and medium enterprises (MSMEs) are struggling to operate – let alone create jobs.

The combination of (a) the COVID-19 crisis and reduced oil revenue; (b) a predicted reduction in remittances²⁶ as the economic slowdown hits the Yemeni diaspora; (c) a

decline in humanitarian assistance;²⁷ (d) the near exhaustion of the KSA grant;²⁸ and (e) the chaos surrounding the Presidential decree to the headquarters of the Central Bank of Yemen to Aden²⁹ all point to an increasing fiscal deficit in 2021 and beyond. If not sorted, this could potentially trigger a further depreciation of the Yemeni rial, especially in the South.



²⁵ Since the start of the conflict, oil and LPG production came to a halt. In 2019, a production resumed but with limited quantities not even enough to cover domestic demand.

²⁶ “Imprecise estimates of yearly remittances vary between US\$ 3-4 billion, although annual micro data suggests that one in ten Yemenis (or 20 per cent of households) fully rely on remittances to meet essential needs. Remittances were also bolstered by their countercyclical nature, having increased since the conflict began and, in 2017 becoming the largest single source of foreign exchange into Yemen. Remittances are expected to fall in 2021 as Yemenis abroad are hit by the economic slowdown. While the IMF estimates that remittances will fall by 20 per cent a recent OXFAM (2020) study indicates remittance dropped by 80 per cent between January and April 2020.”- A strategic framework for an immediate socio-economic response to COVID-19 in Yemen (2020-2021), UNDP, October 2020.

²⁷ US\$ 1.59 billion in November 2020, down from US\$ 3.64 billion in 2019.

²⁸ US\$ 2 billion Saudi that pays for the food import letters of credit system.

²⁹ Yemen’s economy is increasingly operating under two different monetary and financial systems, with two separate currencies. Fragmentation hampers any efforts to address economic stabilisation policies. This creates multiple costly distortions for economic actors and is placing extreme stress on the banking system. Unless steps are taken to unify the Central Bank, restore its neutrality and ensure the separation of monetary and fiscal policy, the prospects for economic recovery in Yemen are limited, as are any enabling roles by the private sector.

1.3 Natural resources, environment, and the climate crisis

Climate crisis

The Indian Ocean rim from Somalia to Pakistan is among the most severely impacted by the climate crisis. On top of this, the Notre Dame Global Adaptation Index³⁰ ranks Yemen among the countries least prepared for climate shocks and among the most vulnerable to the climate crisis.

Yemen's vulnerability came to the forefront during the April to August 2020 period, when heavy rains and flooding devastated communities – causing deaths and injuries, destroying infrastructure and livelihoods, and increasing the spread of deadly diseases. Tens of thousands of families – many already displaced – were affected. Other natural hazards also pose a threat, including desert locust infestations, projected to cause damage and loss worth US\$ 222 million.³¹

Temperatures in Yemen may increase by up to 3.3° Celsius by 2060 and by 5.1° Celsius by the end of the century. With temperatures rising faster than the global average, models predict more prolonged droughts and heatwaves. Warming will be

more severe in the interior regions with a decrease in the average rainfall at a rate of 1.2 mm per month (a 9 per cent decrease), particularly in the Highlands. The reduction in average rainfall comes with a higher precipitation variability which is likely to reduce food security due to droughts and floods.

With approximately 60 per cent of the population dependent upon natural resource-based livelihoods and most IDPs originating from rural areas, mainstreaming climate risks into the development response is essential for resilient recovery.

Women can act as agents of change at different levels of the adaptation process. For example, rural Yemeni women provide casual daily labour in agricultural fields³², rear livestock, and participate in livelihood activities from within their homes (e.g., food processing).³³ Still, given that less than one per cent of Yemeni landowners are women³⁴, they are not aware nor engaged in climate change adaptation and mitigation efforts.

³⁰ <https://gain.nd.edu>

³¹ Yemen, 2021 HNO.

³² Around 60 per cent of labour in crop farming. FAO Yemen, Plan of Action 2018 – 2020.

³³ Strengthening the role of Women in peace building through natural resources management in Yemen, Food and Agriculture Organization. Accessed May 2021 <http://www.fao.org/resilience/multimedia/videos/video-detail/en/c/1202378/>

³⁴ FAO Yemen, Plan of Action 2018 – 2020.

As a future of more frequent and severe climatic disasters, increased water insecurity, heightened fragility in food production, and continued land degradation trends is likely, Yemenis need to boost adaptation measures and improve their natural resource management practices.

First-order effects like droughts and floods are well known, but second and higher-order effects are less well understood. For

example, climate change is a driving factor behind an increasing number of internally displaced people and refugees, which causes greater internal mobility and fast-growing urbanisation, increasing the pressure on basic services, housing and the potential for conflict.

Agriculture and water management

There is a close association between identity, water, and land in Yemen – particularly in the Northern Highlands, where the population maintains strong tribal values. Thus, competition over these resources can quickly spiral into an extensive pattern of conflict. A study by Sana'a University researchers found that 70 to 80 per cent of all rural conflicts in Yemen are related to water – including tribal, sectarian, and political conflicts.³⁵

Yemen is one of the most water-stressed countries in the world. Most of Yemen's water comes from rain, and Yemenis have historically exploited groundwater by digging wells. Water availability in Yemen is 150 cubic metres per person per year (the Middle East has an average of 1,250 cubic metres). Already in 2014, a year before the outbreak of the conflict, the World Bank had concluded that the water table was sinking by six metres per year in the countryside around Amran, Dhamar, Saadah, Sana'a, and Taiz.

The exploitation of all surface and groundwater resources is beyond the level of recharge. Groundwater abstraction in the

Sana'a basin is four times higher than its recharge. At this abstraction rate, Sana'a will deplete its water supply by 2023.

The agriculture sector, responsible for 93 per cent of water consumption, could make an essential contribution to rural development but remains constrained by water scarcity. Qat production, Yemen's number one crop, consumes more than 40 per cent of the country's water supply. Reducing qat consumption through consistent awareness-raising campaigns can be a means to boost the country's food security³⁶ – especially if accompanied by the promotion of alternative crops that can provide comparable sources of income.³⁷

Besides qat consumption, there are other explanations for Yemen's water scarcity. Underpinning the issue is the lack of state capacity and regulation. Schmitz stresses that “while traditional social institutions [...] to regulate the water rights for farmers and herdsman, they were ill-equipped to monitor and regulate the emerging bore wells that allowed much faster withdrawal rates.”³⁸

³⁵ Hadil Al-Mowafak, Peacelab blog (<https://peacelab.blog/search?author=hadil-al-mowafak>)

³⁶ Mohamed et al., 2017.

³⁷ UNDP Yemen “Qat to Coffee project”.

³⁸ Leading to Schmitz's (2016) conclusion that the country's water problem is not the absence of water, but rather the inability to manage the available resources”.

The introduction of diesel-operated pumps³⁹ and deep-well drilling technology⁴⁰ in the twentieth century further exacerbated the problem. The more privileged Yemenis could access groundwater at far greater depths in the North of the country to “irrigate high-value fruit crops. On the other hand, most smallholders were impoverished, as their shallow wells dried up and they lost their own agricultural and pastoral potential.”⁴¹

A further consequence of limited state capacity and regulation is poor upstream watershed management, as illustrated by

the dire state of Yemen’s terraces due to lack of maintenance – impeding upstream watershed replenishment and reduced downstream groundwater availability. The aforementioned changing rainfall patterns, with increasingly violent downpours, are reducing replenishment as the loss of topsoil prevents the absorption of flows.

Lastly, Yemen’s rapid population growth – averaging 2.7 per cent a year and combined with a lack of awareness regarding the importance of water conservation in most of the population – contributes to a higher demand for water.



³⁹ In more recent times, solar powered pumps have also contributed to the problem.

⁴⁰ The area irrigated by wells increased from 37,000 hectares in the 1970s to more than 400,000 in the first decade of this century.

⁴¹ Helen Lackner and Abdulrahman Al-Eryani- Yemen’s Environmental Crisis Is the Biggest Risk for Its Future, The Century Foundation, 14 December 2020. The authors assert that the “situation created fertile ground for the rise of the Houthi movement, which presented itself as a popular response to the actions of a kleptocratic elite. Elsewhere in Yemen, following the exhaustion of their water supplies, families forced out of their villages increase pressure on resources in the towns to which they migrate.”

Fisheries

Despite significant challenges regarding available infrastructure, limited human capacity, and poor regulation that predate the 2015 conflict, the fisheries sector is Yemen's second-largest exporter – after the oil and gas sector – with a 15 per cent share of total exports.

The sector is an essential source of employment, income, and food security along the coastal zone. Approximately 83,400 small-scale enterprises, sustaining around 667,000 people, dominate the industry.⁴² In total, nearly a million people are engaged in capturing, processing, and selling fish and shellfish. Among this group are fisherfolk⁴³, their families, boat and net-makers, fish processors (drying, canning or freezing), traders, transporters, and exporters.⁴⁴

The organisation Rethinking Yemen's Economy (RYE)⁴⁵ estimates that Yemen's total annual fishery production before the 2015 conflict amounted to roughly 200,000 tons and that 40 to 50 per cent was exported, generating US\$ 300 million in revenues.

Since the start of the conflict, production has dropped by half, to less than 70,000 tons per year. Regular fuel shortages have increased the fisherfolk's costs of operating their boats. Many have been displaced from coastal communities due to armed clashes, losing access to their livelihood and source

of income.⁴⁶ And conflict and insecurity in coastal areas along the Red Sea coast have regularly interrupted fishing activities for those not displaced.

RYE further emphasises that (a) the growing popularity of destructive fishing techniques such as deploying small-mesh nets that capture immature fish and excessive by-catch; (b) bottom trawling that destroys coral reefs and marine habitat; and (c) blast fishing using explosives are a severe threat to the sector's sustainability. Illegally operating foreign trawler fleets significantly contribute to this problem.



⁴² Impact Research, Fisheries value chain, July 2020. Commissioned by UNDP Yemen.

⁴³ Besides fishing, women are involved in the net making and fish processing.

⁴⁴ The Impact of the War in Yemen on Artisanal Fishing of the Red Sea Ammar Mohammed Al-Fareh, December 2018. London School of Economics, Middle East Centre.

⁴⁵ Rethinking Yemen's Economy, Developing Yemen's fishing industry, Policy Brief, April 2020.

⁴⁶ Some fishermen had their equipment destroyed.

FSO Safer threat

FSO Safer is a floating oil storage and offloading vessel moored in the Red Sea north of Hodeidah, about 7 kilometres offshore from Ras Issa. The ship is estimated to contain about 1.14 million barrels of crude oil valued at up to US\$ 80 million. The tanker, built in 1976, suffers from a severe lack of maintenance which could result in an explosion or spill of disastrous environmental and humanitarian implications.

The United Nations Environment Programme (UNEP) estimates that if an explosion or spill were to occur, the consequences would be four times worse than the 1989 Exxon Valdez oil spill disaster in Alaska. It could cost Yemeni economic fishing stocks US\$ 60 million a year or US\$ 1.5 billion over the next 25 years. Between 3 to 6 million people would be affected, including by poisoning and health problems should the toxic gases end up in the aquifers. Black clouds would cover four per cent of the productive agricultural land in Yemen, destroying the grain, fruit, and vegetable harvests, with around US\$ 70 million in losses.

The severe environmental, health and socio-economic consequences could also lead to the deterioration of security in the region. According to UNEP, the worst-case scenario would entail damaging all the Red Sea coast fisheries, a closure of Hodeidah

Port for five to six months, and a 200 per cent increase in fuel prices and food prices. The Bab-el-Mandeb Strait, one of the busiest global shipping routes for goods between Asia and Europe (20,000 ships per year), would be crippled.

At the time of writing, the international partners⁴⁷ have made little progress in their negotiations with the relevant authorities to prevent the disaster. Consequently, with UNDP's participation, the involved organisations are currently focused on kick-starting the contingency planning process.⁴⁸



⁴⁷ OSESG, the International Maritime Organization (IMO), the Regional Organization for the Conservation of the Environment of the Red Sea and Gulf of Aden (PERSGA), UNEP, and UNEP-OCHA Joint Environment Unit (JEU).

⁴⁸ As this process has recently started, this version of the CSN does not include possible UNDP support activities.

1.4 Governance and conflict

Conflict dynamics

In 2020, conflict escalated in several areas, mainly along the established lines of control. There are now 49 active front lines in Yemen – including 14 that opened up in 2020.⁴⁹ While this is deeply worrying and a cause of great suffering, it is equally important to consider that 70 per cent of the country's territory, home to around 35 per cent of Yemen's population, has no or few incidences of violent conflict.

The conflict is multi-layered and complex. Firstly, Yemen's history has one constant factor: interference by foreign actors.⁵⁰ The country is a pawn in the international (fight against terrorism) and regional geopolitical chessboard. Yemen is a victim of a regional conflict between Saudi Arabia (supporting the Internationally Recognised Government [IRG]), the Gulf States (all backing KSA, except the United Arab Emirates (UAE) that backs the Southern Transitional Council [STC]) and Iran (backing the De Facto Authorities (DFA), aka Ansar Allah or the Houthis) with military assistance from international actors such as the USA, United Kingdom and France. Besides relying on military assistance, an investigation by Rogers⁵¹ reveals “a dramatic and largely untold fiscal transformation of the Yemen Arab Republic during the 1960s, which meant that government income came to

rely primarily on external donors.”

Secondly, at the national level, Ansar Allah (declared as a Foreign Terrorist Organisation in January 2021 by the Trump Administration but withdrawn by the Biden Administration a month later) and the IRG dispute national authority. This conflict has roots going back further in time.

Thirdly, divisions in the south of Yemen are between the STC and the IRG and comprise other political factions. Following the declaration of self-rule by the STC, officials in three southern provinces – Shabwa, Hadramaut and Socotra – rejected the declaration, which indicates that the STC does not enjoy full support among all southerners.⁵²

Lastly, there is a conflict between central and subnational authorities regarding who has the legitimacy to regulate society and control economic activity. This challenge to central authority comes from a broad spectrum of groups, such as the Hadramout or Marib Governors, tribal groupings, military-economic groupings, and violent extremist groups such as Al-Qaeda in the Arab Peninsula. Salisbury (2017)⁵³ describes Yemen as a “place where the central government has either collapsed or lost

⁴⁹ 2021 HNO.

⁵⁰ With a detrimental effect on existing local conflict resolution mechanisms, which UNDP aims to boost in the EU SIERY project

⁵¹ Not yet published: Joshua Rogers, Violence and the (trans)formation of the state in the Yemen Arab Republic 1962-1970.

⁵² The New Arab, 2020, cited in Assessing the Impact of War on Development in Yemen: Policy recommendations for recovery and reconstruction anchored in the Sustainable Development Goals (Draft October 2020).

⁵³ Peter Salisbury, Yemen - National Chaos, Local Order, The Royal Institute of International Affairs, Chatham House.

control of large segments of the territory over which it is nominally sovereign; and where a political economy has emerged in which groups with varying degrees of legitimacy cooperate and compete with one another.” He explains that “Yemen more closely resembles a region of mini-states at varying degrees of war with one another and beset by a complex range of internal politics and conflicts”.

On the dispute for national authority, UNDP, a growing number of organisations and pundits agree with the assessment of the International Crisis Group⁵⁴ that a political settlement between the IRG and Ansar Allah “might once have been able to end the war and return the country to a political transition. But subsequent shifts in the military balance, political and territorial fragmentation, and heavy-handed regional intervention have changed peace-making requirements. A more inclusive, UN-brokered, multiparty settlement is needed, along with interim governance arrangements that avoid rapid re-centralisation of power in Sana’a to the benefit of just one or two groups”.

According to the International Crisis Group, Yemen is now roughly divided into five regions of political and military control:

1. The Ansar Allah-controlled northern highlands.
2. IRG-aligned areas in Abyan, northern Hadramawt, al-Jawf, al-Mahra, Marib (under threat), Shebwa, and Taiz city.
3. The pro-separatist Southern Transition Council-dominated territories in Aden and its hinterland.

4. Districts along the Red Sea coast where the Joint Resistance Forces are the dominant power.
5. Coastal Hadramawt, where local authorities prevail.

Absent the buy-in of these groups; a peace settlement will not be sustainable. On this very issue, a UNDP commissioned report⁵⁵ calls for a more holistic approach to peacebuilding that champions inclusive peacebuilding efforts that recognise the existing power dynamics.

The inclusion of women in the broader peace process continues to be a challenge. In the 2018 Stockholm peace talks, the Yemeni delegation included one woman (Rana Ghanem, Assistant Secretary of the Yemeni Popular Nasserist Party). Women continue to be excluded or marginalised in the broader peace process despite having been leading mediators in resolving local-level conflicts.

A ReliefWeb report stresses that “the UN will continue to need to draw on Yemeni women’s knowledge as it attempts to hammer out a ceasefire and initiate national-level political talks. UN peace-making needs to involve other actors, including women’s groups steeped in local peacebuilding. The UN can achieve inclusion by imposing quotas on the warring parties’ delegations, combined with a parallel process that links civil society actors to political talks.”⁵⁶

⁵⁴ International Crisis Group, Rethinking Peace in Yemen. Middle East Report N°216, 2 July 2020.

⁵⁵ Assessing the Impact of War on Development in Yemen: Policy recommendations for recovery and reconstruction anchored in the Sustainable Development Goals (Draft October 2020). Frederick S. Pardee Center for International Futures, Josef Korbel School of International Studies at the University of Denver.

⁵⁶ <https://reliefweb.int/report/yemen/case-more-inclusive-and-more-effective-peacemaking-yemen-middle-east-report-n-221-18>

Impact on communities

The conflict exacerbates pre-existing social, political, geographic and religious divisions and creates new ones, placing a significant strain on community cohesion across the country.

The conflict impacts the rural and urban population in different ways. Conflict driven displacement and displacement for economic reasons, access to services, and income disparities continue to characterise rural areas. The urban population continues to experience congestion, a high number of unemployed skilled and unskilled labour, depletion of natural resources, increased incidences of hydrological and geological hazards, and solid waste management challenges.

Yemenis are further divided according to whether they reside in IRG or DFA areas. Those in DFA areas are more likely to struggle economically, have changed their source of income, and rely on illicit or functional markets. Notably, there are more significant economic incentives in DFA areas for the perpetuation of the conflict.

Since the beginning of the conflict, parties to the conflict on all sides continue to violate the principles and rules of international humanitarian law and international human rights law⁵⁷, which affect women and children in particular. The 2021 HRP reports that women and children comprise more than 70 per cent of internally displaced persons, who live in inadequate shelters, where overcrowding is commonplace, protection risks are severe and basic services are limited. Sites often lack gender-segregated facilities, putting women and girls at particular risk of gender-based violence.

In many parts of the country, the ruling elite suppresses the right to freedom of speech.

The ongoing conflict has destroyed infrastructure, eroded social cohesion and community stability, and damaged livelihoods and employment opportunities.



In the absence of meaningful employment and means of self-reliance, parts of the population have become increasingly politicised and militarized. Males are increasingly turning to armed groups or violent extremist groups, exacerbating ongoing human rights violations and already high crime rates. The tendency is particularly prevalent amongst young men, leading to a shift in local leadership and new power structures.

A deadly consequence of the ongoing and protracted violent conflict is the presence of land mines and explosive remnants of conflict in large swaths of land throughout Yemen, including areas where most of the population lives.

⁵⁷ <https://reliefweb.int/report/yemen/warring-parties-continue-undermine-yemeni-lives>, accessed April 2021.

The conflict economy⁵⁸

Nearly six years of protracted conflict have created a political economy in which economic interests generated by conflict, institutional fragmentation, and social disintegration perpetuate the conflict and complicate a peaceful solution. The longer Yemen's conflict drags on, the more persuasive and entrenched the economy becomes, creating powerful vested interests to maintain the status quo of weak and fragmented state structures, predatory capture of state resources, and general political disorder.

Besides the presence of markets existing due to 'illicit' economic behaviours,⁵⁹ Yemenis increasingly rely on what Huddleston and Wood term 'functional markets' (i.e., markets in which Yemenis engage in economic transactions away from standard regulatory bodies through 'how to do business' agreements with a range of authorities that are not internationally recognised). Functional markets are different as most transactions occur in a controlled environment in normal times or under peacetime governance, but the conflict has displaced them.

The main risk of this type of unregulated market is the creation of opportunities for rent-seeking and, more importantly, a reinforcement of the political and economic bonds between Yemenis and their subnational authorities – weakening the central state. The market can become sophisticated enough to be quite difficult to

dismantle and can even contribute to state fragmentation. On the other hand, the functional market ensures Yemenis have access to essential goods and income and may help promote peaceful conflict resolution.

Yemen's functional markets have formed across the country differently, as the central authority has been contested. The DFA has replicated government institutions and issues decrees to control economic life. Similarly, in areas nominally controlled by the IRG, a range of local actors have taken on regulatory roles, such as the financial exploitation of Mukalla's ports or increasing levels of taxation of economic activities. Even when the IRG's overall authority is not in dispute, subnational authorities at the governorate, district, and village levels have also taken on some regulatory responsibility for business activities.

The context of the conflict economy presents the double-edged sword of localized self-sustainment. The leadership in regions affected by conflict lay essential building blocks⁶⁰ of a state, which goes hand in hand with forming new local elite networks.

The more ingrained these building blocks become, the harder it will become to cease power to a newly formed, central state. Whatever the make-up of this newly formed state, a meaningful decentralisation of powers is essential.

⁵⁸ Most of the content of this section is taken from: Huddleston, R.J. and Wood, D., 2021. Functional markets in Yemen's War Economy. *Journal of Illicit Economies and Development*, 2(2), pp. 204-221

⁵⁹ And often tolerated or promoted by the IRG and DFA, benefitting the agenda of its leadership.

⁶⁰ For example, the provision of security, the establishment of tax frameworks, regulatory regimes, and the formation of financial institutions.

National and subnational governance

An essential feature of Yemen's governance system is a fraught central-subnational relationship. A relationship that:

1. Ignored the historical and cultural characteristics of the country's fabric
2. Concentrated power and rents in the hands of a minority's elite.
3. Failed to lift the country out of poverty.
4. Deepened gender inequality.

The elite consists of parts of the military, tribal, political, and business leaders. Its patronage networks and a system of pervasive corruption have proliferated and prevented the development of strong state institutions and impaired the provision of quality basic services and security in large swaths of the country. The country remains close to the bottom (176 out of 180 countries) of Transparency International's 2020 Corruption Perception Index.

Yemen's national governance, administrative, fiscal, and economic institutions have continued to fragment in recent years. The breaking up of the nation-state and its institutions has led to the development of both ad-hoc and more permanent, formal and informal arrangements at the sub-national level where women continue to be under or non-represented.

The conflict has increased Yemen's complexity by creating a whole new paradigm for the seat of power and the flow of resources away from the centre. Still, it has also contributed to a higher level of regional inequalities than ever in the country – another impediment for future peace.

Since 2014, most local councils' political legitimacy, and human and financial resources, at governorate and district levels have shrunk dramatically as the political and security conflict has penetrated subnational government structures. Central government transfers, including salaries and investment capital to local councils, have stopped or are irregular. Subnational administrations operate without the technical oversight and support of specialised government agencies, often leading to leakage of funds due to corruption. Only a handful of these (water, agriculture, and livestock) continue providing support to service delivery in some areas, both at a reduced level and mostly when international actors pay their operating expenditures.



Despite this, some subnational authorities (mainly the local executives and their administrations) have demonstrated a great deal of resilience when receiving at least a modicum of support.⁶¹ In some areas, local revenue sources obtained as non-legislated taxes and fees have partly compensated the reduced – or lack thereof – central government budget allocations. The Berghof Foundation⁶² emphasises that “Governorates benefiting from oil income and control over trade routes have been able to maintain or expand local services, while most others have seen a collapse in service provision and local administration.”

At the community level in rural and urban areas, committees⁶³ organise needs assessments, plan and implement small interventions, monitor aid distributions, and are a space for collective decision-making for both men and women. The committees both cushion the impact of the conflict on social cohesion and make decision-making accessible to women and youth. The sustainability of the committees may become an issue as donor funding decreases or ceases.

Besides the formal subnational authorities, informal local structures operate by drawing their legitimacy from tribal customs, which play an essential role in local conflict resolution, administering justice, and providing security. Al-Dawsari⁶⁴ points out that Yemenis have relied on indigenous tribal traditions to regulate conflict and establish justice for centuries. Tribal mechanisms – while lacking the inclusion of women and youth – did

effectively handle conflicts between various tribes, between tribes and extractive companies, and between tribes and the government. They managed to provide a reasonable level of security within their territories and along the main roads that connect tribal territories.

Tribal leaders tend to play a positive role in their area of influence, where their function has evolved as representatives of the tribe to the state. Their role as actors in national politics seems less constructive as many disregard state law and can be a source of conflict. Some of Yemen’s tribal leaders are politically aligned. They use resources of the state to control land and access resources, particularly in rural regions where economic activity yield spoils in areas associated with oil, gas, and the construction of roads and utilities, among others.

On the other hand, according to Al-Dawsari, “tribal leaders and citizens in the tribal areas of al-Bayda, al-Jawf, Marib, and Shabwa are eager to see legitimate and functioning state institutions in their areas and have the desire and willingness to achieve it. She further indicates that “tribal governance and conflict resolution traditions will again play a part in helping to ease tensions and mitigate conflicts that will arise as Yemen moves toward political transition”. At the subnational level, “...tribal mechanisms for conflict resolution need to be integrated with the formal system so that they work alongside and complement formal institutions”.

⁶¹ Or even in the absence of support, as for example in Marib and some districts of Taizz.

⁶² Berghof Foundation, Mapping of local governance in Yemeni Governorates, January 2020.

⁶³ Often supported by the Social Fund for Development (SFD). SFD was established by Law No. 10 of 1997 and is fully funded by the international community. SFD supports development opportunities through improving access to basic services, enhancing economic opportunities, and reducing the vulnerability of the poor as well as building capacities at national, subnational, and community levels.

⁶⁴ Tribal Governance and Stability in Yemen, Nadwa Al-Dawsari, The Carnegie Papers, April 2012.

Further to the above analysis on the issue of subnational governance, UNDP's Local Governance diagnostic⁶⁵ concludes:

1. Because of the conflict, subnational State authority has declined in most of Yemen's territory, with some exceptions such as Hadramout and Marib governorates.
2. Nowhere have formal subnational authorities at the district or governorate level wholly disappeared. Nor have they been replaced by alternative forms of governance that assume core state functions such as revenue collection and service delivery.
3. The level of autonomy of subnational authorities has increased with the weakening of the central state. However, the increase is limited in DFA and IRG areas.
4. Civil society plays a more prominent role in bridging the gap between communities and subnational authorities and protecting the most vulnerable. Still, formal mechanisms for a more organised and constructive relationship with sub-national authorities have yet to emerge in many areas.
5. The human and financial resources available to subnational authorities to conduct their missions have not been drastically affected by the conflict, especially at the district level. In contrast, the areas surveyed under IRG-control maintained or increased revenue compared to pre-2015 conflict levels.
6. Subnational authorities' core planning, budgeting, and fiscal management processes are not fundamentally different from the pre-conflict period but with less accountability. Subnational

authorities have more autonomy to appropriate their resources and increased incentives to collect revenues in line with the Local Administration Law. With the increased autonomy, the discretionary powers of local executives in 70 per cent of the administrative units have grown, especially in the absence of local councils whose function is to provide oversight.

7. District authorities seem better insulated from the debilitating effects of the conflict than governorate authorities, as the latter have a more political and security provision role and are more vulnerable to national conflict dynamics.

As further outlined in Chapters 2 and 3, engagement with subnational formal and informal authorities is essential. Any form of engagement should build on a thorough knowledge of local conflict and power dynamics to avoid perpetuating existing and inequitable power structures that have the potential to create new grievances.



⁶⁵ UNDP, Rapid local governance diagnostic in Yemen – Main findings reports, September 2019.

1.5 The situation of women, youth and vulnerable groups

Women

While Yemen acceded to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 1984, Yemeni law – like most countries in the region – 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.⁶⁶

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 somber 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.

As explained in the “*From the ground up*” report⁶⁷, the conflict did reduce the impact of restrictive cultural norms and traditions around women’s participation in community life and employment. However, the role of women remains marginal in the case of regional and national level decision making.

There is one woman in parliament and no woman in the present Cabinet of Ministers regarding political empowerment.

Yemen ranks last of 153 countries analysed in the World Economic Forum’s gender gap index⁶⁸ and last of 162 countries in UNDP’s Gender Equality Index. According to the *Global Gender Gap Report*, women’s enrolment rates in primary and secondary education are much lower than those of their male counterparts, and their labour force participation is only one-third of that of Yemeni men. For example, in the Ministry of Interior, women represent less than 2.5 per cent of the workforce, and in the Ministry of Justice, only 10 per cent.⁶⁹

Lackner reports⁷⁰ that the last couple of years have seen many analyses and discussions of women’s civil, military, and humanitarian roles in the conflict and the impact of the conflict on women. Critical findings in her report are, firstly, that the primary concern of women in Yemen is the lack of security due to increased violence.⁷¹

The lack of security manifests itself in reduced freedom of movement due to the increasing risks of arrest and ill-treatment at checkpoints. As in other conflict settings, Yemeni women become more

⁶⁶ Yemen – Gender justice and the law. UNDP, in collaboration with UN Women, UNFPA and ESCWA.

⁶⁷ From the ground up: Gender and conflict analysis in Yemen, Care, GENCAP and Oxfam, 2016.

⁶⁸ The Global Gender Gap Report and Index examines the gap between men and women across four categories: Economic Participation and Opportunity, Educational Attainment, Health and Survival and Political Empowerment.

⁶⁹ Yemen Police and Security Assessment, March 2017, UNDP Yemen.

⁷⁰ The para summarises the findings presented in an unpublished report by Helen Lackner, Legacy of conflict in Yemen and its impact on women and girls, A nation-wide study, Literature review for UNDP.

⁷¹ The 2019 Humanitarian Response Plan states that reported incidences of gender-based violence increased 70% in 2018.

vulnerable to gender-based violence and sexual exploitation. The Yemen Protection Brief⁷² points out that gender-based violence has risen by 63 per cent during the conflict. Tensions within families partly cause the rise due to frustrations from lack of income and loss of livelihoods.

Secondly, the conflict has brought a three-fold increase of girls-child marriage incidences,⁷³ seen by families to ensure better living conditions for the girl and simultaneously reduce her burden on the household.

Thirdly, women in female-headed households have become the primary income providers and are more impoverished and subject to higher food insecurity. Women's dependence on humanitarian assistance has increased, and access to health care and education has lowered.

For future local and national political settlements, the work of Yemeni women as peace actors and mediators will be

essential. Although rarely mentioned in the literature, there have been several examples of women-led mediations and negotiations at the subnational level. For instance, women spearheaded the re-opening of Mukalla airport. Also, a network of Yemeni mothers in Marib and Sana'a managed to get their children released from prison.⁷⁴

According to Al-Dwasari, international approaches to gender inclusion have tended to be "very elitist", and "injecting women into programmes" does not meaningfully engage Yemeni women. There is more space for women's participation in more traditional, socially conservative and stable areas such as rural Ayban and Hadramawt. In contrast, space is shrinking in places like Aden and Sana'a, where there has been a resurgence in religious discourse and regressive gender norms. The revival alters social attitudes to such an extent that it is difficult for women to claim a role in public life in the way that became possible between 2011 and early 2015.⁷⁵



⁷² Protection Cluster Yemen, Yemen Protection Brief, October 2020.

⁷³ There is no mention of a minimum age of marriage in the personal status code and its amendments.

⁷⁴ Abductees Mothers Association, 2020.

⁷⁵ Interviewee quoted in the report: Assessing the Impact of War on Development in Yemen: Policy recommendations for recovery and reconstruction anchored in the Sustainable Development Goals (Draft October 2020).

Youth

Seventy per cent of Yemen's population are youth.

In 2011, masses of youth – mainly politically unaffiliated – emerged as a driving force behind the demonstrations that ended the 33 year-rule of Ali Abdullah Saleh. Youth political participation, however, did not significantly increase. The November 2011 GCC initiative defined a formal transition process for the country, marginalizing the 'independent youth' who had forced change through nonviolence.⁷⁶

The Youth Employment Action Plan (2014 – 2016)⁷⁷ outlines the challenges for youth employment in Yemen. In 2014, close to 50 per cent of young Yemenis were not in education, training, or working. Youth unemployment rates are more than three times higher than those of adults, and significant gender discrepancies exist, as the unemployment rate is three times higher for young women. The sectors that employ most youth are agriculture, retail, and construction.

The 2015 outbreak of conflict further exacerbated Yemen's youth insofar as restricted or no access to education and training. This contributes to a generation of Yemenis lacking the requisite skills to seek employment opportunities as they may arise. Under these circumstances, there is no alternative for some young people but to seek alternative sources of income to support themselves and help their families,

making them vulnerable to manipulation by armed criminal or extremist groups operating in Yemen.

The degree to which vulnerability leads to recruitment in extremist groups appears quite limited. Kendall⁷⁸ emphasises that "the key to [...] success was not recruitment. [Violent extremists organisations] worked to secure buy-in from influential city and tribal leaders and win passive toleration from local populations. [They] did this by focusing on four key areas: local integration and branding, tribal relations, community development, and youth engagement."



⁷⁶ Yemen Polling Centre - Youth Activism in the Yemeni Civil War, Mareike Transfeld, February 2019

⁷⁷ Ministry of Planning and International Cooperation and Ministry of Social Affairs and Labour, with support from the Emergency Capacity Development Facility (ECDF)

⁷⁸ E. Kendall, Contemporary jihadi militancy in Yemen. Middle East Institute.

Muhamasheen

The 2021 Humanitarian Needs Overview (HNO) points out that “the Muhamasheen community represent about 10 per cent of Yemen’s population. They mostly live outside Yemen’s traditional tribal social structures, with sizeable communities in conflict-affected cities, including Aden, Hodeidah, and Ta’iz. For many years, even decades before the conflict, this group has suffered widespread discrimination, social exclusion, and reduced access to public services.

Reports of violence targeting the Muhamasheen, including gender-based

violence, also are common. A lack of birth certificates and identification documents limits their access to education and other public services and increases social exclusion. Nearly 40 per cent of the Muhamasheen women have never attended school.

Many Muhamasheen have fled their homes as a result of the conflict. IDPs from this group are less likely to be hosted by local communities due to social prejudice. Therefore, they are more likely to seek shelter on farmland, in public spaces, or other sub-standard living conditions.”



1.6 Impact of the conflict in numbers

Conflict and economic collapse have significantly degraded the quality, quantity, and accessibility of Yemen's public services and essential infrastructure. Only half of the

health facilities (10,000) and two-thirds of schools (16,000) are currently functioning. Water infrastructure is operating at less than 5 per cent efficiency.⁷⁹

Human development⁸⁰

Two factors drive the enormous impact of conflict on development in Yemen. Firstly, as previously mentioned, the country is – and has historically been – very dependent on food imports. Secondly, unlike some conflict countries, the population is unable to migrate for political and geographic reasons.

According to the UNDP Yemen commissioned Frederick S. Pardee Center for International Futures research, the ongoing conflict has caused development, as measured by the Human Development Index (HDI), to deteriorate significantly (see Figure 1). As of 2019, the conflict has set Yemen's human development back by 21 years. If the conflict were to end in 2022, human development would be set back 26 years (over one generation). If the conflict persists through 2030, that setback grows to nearly four decades or more than one-and-a-half generations.

Not only will the overwhelming portion of Yemenis live in poverty, but the depth of poverty will be the worst in the world. The population overwhelmingly will be malnourished, and many of those who survive will face lifelong stunting, along with the associated impacts on health, education and productivity. The economy will be fundamentally altered, with GDP per capita ranking among the worst globally. Severe inequality will tear at the social fabric, making Yemen more vulnerable to an ongoing and vicious cycle of conflict, regional instability, and suffering.

The combination of the humanitarian and development crises and the ongoing conflict – coupled with the realities of climate change and the current reality for women in Yemen – leads the researchers to conclude that Yemen will not attain any of the SDGs by 2030.

⁷⁹ 2021 Humanitarian Needs Overview.

⁸⁰ The content of this section is based on three UNDP commissioned studies by the Frederick S. Pardee Center for International Futures, Josef Korbel School of International Studies at the University of Denver:

Assessing the Impact of War on Development in Yemen (2019); Assessing the Impact of War in Yemen on Achieving the Sustainable Development Goals (2019), and Assessing the Impact of War on Development in Yemen: Policy recommendations for recovery and reconstruction anchored in the Sustainable Development Goals (Draft October 2020).

The three reports focus on SDG 1: No Poverty; SDG2: Zero Hunger; SDG 8: Decent Work and Economic Growth; and SDG 10: Reduced Inequalities.

The conflict-attributable impact⁸¹ of conflict in Yemen on development through 2019 includes:

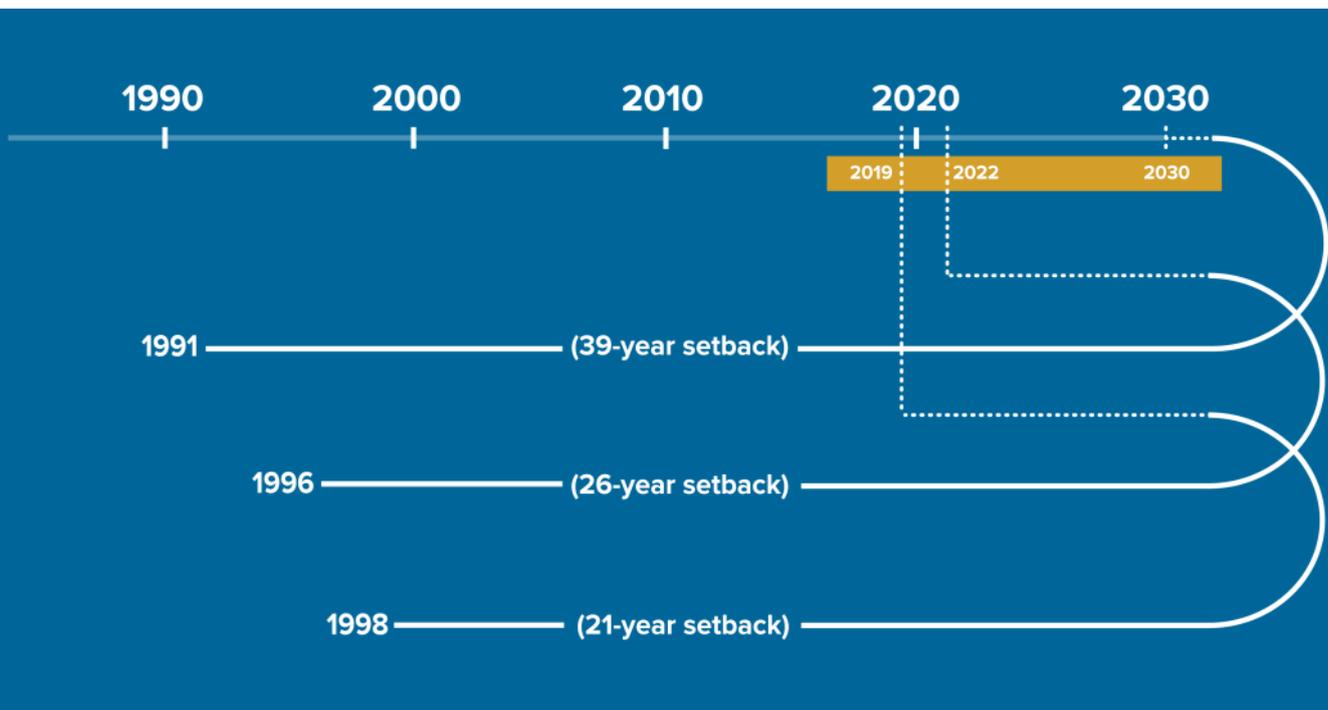
1. Pushing 11.7 million people into extreme poverty.
2. Thrusting 4.9 million people into malnourishment, including 600,000 children younger than five.
3. Reducing economic growth by US\$ 88.8 billion.

Because the cost of conflict is so enormous, it can be challenging to

conceptualise. The Yemen conflict has similar developmental impacts to those in the Central African Republic (2005-15), Democratic Republic of Congo (1992-2015), Iraq (2003-2015), Liberia (2000-2003), and Sierra Leone (1991-2002). These conflicts had lasting impacts on the development trajectories of these countries, with many still facing ongoing tension and territorial partition.

The Pardee Centre research shows that there are no paths to significantly mitigating this suffering during the conflict. The only reasonable path forward is to end the conflict.

Figure 1. End of conflict in 2019, 2022 and 2030 and impact on the Human Development Index



⁸¹Measures the difference between actual 2019 data and projected “no-2015 war scenario” data.

Reconstruction in numbers

The World Bank's estimates that recovery and reconstruction needs in the areas and sectors covered in the Dynamic Needs Assessment (DNA)⁸² amount to US\$ 20 to US\$ 25 billion over five years. The DNA presents an urgent picture of the country's reconstruction needs:

1. Thirty-nine per cent of the housing stock in the assessed cities has been damaged; 1 per cent beyond repair.
2. Thirty-four per cent of education facilities are partially or fully damaged, leaving more than 10 per cent of education facilities non-functional.
3. More than 90 per cent of the population has no or limited access to grid electricity.
4. Twenty-nine per cent of the intra-urban road network sustained physical damage.

1.7 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.⁸³ The organisation currently supports interventions in all 22 Governorates and 322 out of 333 districts.

UNDP has gained the trust of the parties involved in the conflict by balancing interventions across Yemen's regions with the sole purpose of serving the Yemeni population without taking sides in the conflict. The trust is reflected in the following requests: (a) all parties involved in

the conflict wish for UNDP to support governance structures and institutions at the local level and (b) they would like UNDP to support Track I initiatives stemming from the negotiations led by the UN Special Envoy via the Peace Support Facility.

The partnerships built over time with sub-national authorities and stakeholders⁸⁴ greatly facilitate UNDP's work in Yemen's governorates and districts. This is because they provide UNDP with a comprehensive understanding of changing priorities and dynamics, and some are UNDP's implementing partners.

⁸² This third phase of the DNA covered the following sectors: Education, Food security, Governance and institution building, Health, Housing, Information and communications technology (ICT), Power, Social protection and jobs, Social resilience, Solid waste management (SWM), Transport, and Water, sanitation and hygiene (WASH).

⁸³ Plans to open an office in Marib are temporarily halted in light of the complicated security situation.

⁸⁴ Including local associations, local administration managers, community-based groups and the private sector.



2. Programme strategy

The first section of this chapter outlines the country programme theory of change that will provide the strategic direction for UNDP's work in Yemen in the years ahead.

UNDP will deliver on the theory of change through a programme strategy – described in Sections 2.2 to 2.8 – and three programming priorities, with respective programming areas, presented in Chapter Three.

2.1 Country programme theory of change

The geopolitical situation, a high population growth rate, the devastating impact of the climate and COVID-19 crises, weak governance systems leading to national and localised power struggles, marginalisation and high poverty rates for the population have set the stage for Yemen's profound development crisis and high degree of vulnerability.

The ongoing conflict, combined with these external and structural factors drive the world's worst development and humanitarian crisis which impacts the people of Yemen, particularly women,

children and other marginalised groups.

UNDP's response aims to tackle this reality with an integrated set of programming priorities that strengthen and make more inclusive the country's national and local governance structures, set the country on green and inclusive development path with a clear focus on tackling the root causes of the country's food insecurity crisis and support confidence building measures (including the rebuilding of productive infrastructure), national and local peace processes.

To strengthen the social contract and the agency of all Yemeni citizens, UNDP will promote their inclusion in decision-making processes and access to economic opportunities and social services. Among these are the Muhamasheen, women (especially women-headed households for IDPs and returnees), displaced groups (including returnees and IDPs), and people with disabilities. Marginalised youth with limited social and economic opportunities will have access to alternative livelihoods and income opportunities to prevent their recruitment in armed conflicts and violence.

The Yemeni diaspora, private sector, and Civil Society Organisations (CSOs) continue to play a critical role in bringing local priorities to regional and global discussions on recovery and reconstruction in fragile and conflict-affected contexts. UNDP will promote the inclusion of a broad

set of actors in Yemen's recovery and reconstruction processes. A whole-of-society focus is essential for peace negotiations. Long-term success will only happen if all Yemeni stakeholders join the peace negotiations.

During the implementation phase of this country programme, UNDP will work under the assumption that a future peace negotiation will include an agreement on decentralised political power, security, and resource management. Supporting subnational authorities and governance will then provide the foundations for making any future peace agreement.

In light of the above, this Country Programme focuses on three highly interconnected and interdependent priority areas, outlined in the next sections.

2.2 Humanitarian – Development – Peace Nexus (HDP Nexus)⁸⁵

There is a clear understanding among stakeholders that the ongoing provision of life-saving humanitarian assistance is essential and should continue in the foreseeable future. However, as set out in Chapter 1, humanitarian aid is not sufficient to address the worsening vulnerability of Yemenis, driven by the conflict and exacerbated by underlying development and governance deficits.

For UNDP and many of Yemen's actors – based upon a thorough understanding of variations in local and regional experiences of the conflict – it is essential to increasingly concentrate on complementing humanitarian assistance with development and peacebuilding interventions. This is critical as different areas of Yemen, having experienced the conflict in different ways,

are at varying development trajectories.

The Yemeni “Development Champions” echo this view and emphasise that “reconstruction and recovery efforts must begin immediately, even while the conflict is ongoing” to shore up human development outcomes and serve as a platform for building the public's confidence in future political settlements.⁸⁶

The significant growth of UNDP's programme in the last few years can be attributed to successfully linking the immediate humanitarian assistance with the required medium- to longer-term development and peacebuilding interventions – ultimately increasing Yemenis' dignity, self-sufficiency, and autonomy.

⁸⁵ The HDP Nexus option paper (June 2020) defines the HDP nexus as a “mechanism and framework for facilitating coherent and joined up planning, action and collectively defined outcomes on specific priorities that cut across humanitarian, development and peacebuilding lines of engagement.”

⁸⁶ DeepRoot, 2019.

UNDP operationalises the HDP Nexus in the Country Programme by:

1. Bridging humanitarian action with stabilisation, recovery, and peacebuilding programming reduces the need for humanitarian assistance.
2. Putting subnational (state and non-state, male and female) actors in the lead at the early stages of the programme through capacity development and empowerment, enabling them to continue coordination, social cohesion and development efforts, and gradually reduce the dependence on international engagement.
3. Contributing to OSESGY and UNMHA brokered local peace agreements and providing the foundation for the implementation of a nation-wide peace agreement by focusing upon, as well as consolidating and upgrading, inclusive, locally-led institutions and mechanisms.
4. Supporting local partners and institutions to plan and implement from an area-based perspective, allowing a strategic focus on women and youth while simultaneously targeting the different dimensions of resilience.
5. Investing in local conflict and political economy analysis and integrate conflict sensitivity in all UNDP-supported area-based interventions and processes.
6. Integrating medium- to longer-term (a) gender equality and women's empowerment considerations; (b) environmental considerations; and (c) urbanisation considerations where large populations of IDPs, returnees, and refugees occur into all UNDP supported area-based interventions and processes.⁸⁷

2.3 Whole-of-society focus

To strengthen the social contract and the agency of all Yemeni citizens, UNDP will promote their inclusion in decision-making processes and access to economic opportunities and social services. Among these are the Muhamasheen, women (especially women-headed households for IDPs and returnees), displaced groups (including returnees and IDPs), and people with disabilities. Marginalised youth with limited social and economic opportunities will have access to alternative livelihoods and income opportunities to prevent their recruitment in armed conflicts and violence.

The Yemeni diaspora, private sector, and Civil Society Organisations (CSOs) continue to play a critical role in bringing local priorities to regional and global discussions on recovery and reconstruction in fragile and conflict-affected contexts. UNDP will promote the inclusion of a broad set of actors in Yemen's recovery and reconstruction processes.

A whole-of-society focus is essential for peace negotiations. Long-term success will only happen if a peace settlement is joined by all Yemeni stakeholders.

⁸⁷ UNDP Yemen commits to applying UNDP's Social and Environmental Standards and Accountability Mechanism.

2.4 Few, integrated, and at-scale programmes

UNDP experience in other crisis and post-crisis contexts indicates that a shift to integrated and at-scale programmes is necessary to achieve impact, particularly with an increase in the Country Programme size.

To achieve a reduction in transaction costs, the burden on Country Office Programme and Operations teams, UNDP Yemen will continue the shift from smaller, often siloed projects to integrated, at-scale

programmes to increase value-for-money and boost the impact on Yemenis' lives.

Where accessible – either directly or through implementing partners like the Social Fund for Development (SFD), Public Works Programme (PWP), and local, national, and international non-governmental organisations (NGOs) – UNDP will continue to support Yemenis throughout the country.

2.5 Adaptive management

The operating environment in Yemen calls for a system and a practice that:

1. Allows UNDP Yemen a constant 'finger-on-the-pulse' in terms of data and analysis in the areas of operation.
2. Allows UNDP Yemen to change course in terms of scenarios, strategies, partnerships, and assumptions without
3. Allows UNDP Yemen to identify and address complex and multifaceted challenges and issues from a multidimensional perspective.
4. Contributes to the safety of UNDP staff and personnel.

losing track of delivering the desired longer-term results.⁸⁸



⁸⁸ This has been articulated in the theory of change: 'A clearly defined destination with flexibility in the chosen strategies and pathways to arrive at the destination'.

UNDP Yemen calls this ‘adaptive management’. Adaptive management will allow for regular programmatic and operational adaptations based on gender-, age-, and conflict-sensitive analysis and evidence gathered from external and internal learning loops to achieve and contribute to better development results. Together, they define changes – or adaptations – to theories of change, portfolios, and pathways.

External Learning Loop - An external learning loop gathers data and analysis on development changes, local and national conflict dynamics, and ever-changing contexts. The loop defines implications for UNDP’s portfolio of interventions. **Internal Learning Loop** - An internal learning loop collects data and analysis to assess progress – or lack thereof – toward programme theories of change and project results. It compares the effectiveness of different approaches (results pathways) and draws lessons for future programming.

Effective learning loops depend upon a robust network spanning community, political, social, and economic spheres. The feedback provided by people will allow for UNDP and implementing partners to make rapid changes to programmes when needed, based upon the ever-changing needs of communities in conflict.

UNDP will invest in capacity development for relevant stakeholders, particularly at the local and grassroots level, to ensure their ability to monitor, process and analyse the community needs. The organisation will manage this in a conflict-sensitive manner and make all efforts to maintain high levels of community trust.

Capacity development will also support UNDP’s adaptive management system’s cost-effectiveness and sustainability and

help expand the Organisation’s implementing and responsible party base.

Starting an adaptive management system and practice will not be without challenges, as summarised by Christian Aid Ireland (CAI)⁸⁹: “Adaptive programme management, which responds to the uncertainty inherent in a complex context, is less natural. It involves admitting limited understanding and being willing to adopt an experimental mindset, including changing course when the current evidence suggests it to be necessary – regardless of whether the context has changed. Particularly for those trained to report programme implementation against a results framework or other predefined schedules of activities, outputs, and targets, embracing the ‘error’ element in trial and error is hard psychologically.”

The following sections describe some of the critical aspects of an adaptive management system and practice.



⁸⁹ Learning to make a difference, Christian Aid Ireland’s adaptive programme management in governance, gender, peace building and human rights. David Booth with Karol Balfe, Róisín Gallagher, Gráinne Kilcullen, Sarah O’Boyle and Alix Tiernan. September 2018.

Area-based, at-scale programming

To ensure local level programming reflects local realities and needs, UNDP will prioritise area-based programming overseen by the Country Office and led by Sub- and Project Offices. UNDP experience from other fragile and conflict settings shows that holistic, geographically targeted programme interventions⁹⁰ are more effective and can deliver structural improvements in people's lives – even in a humanitarian context and in the absence of a peace agreement.

Area-based programming uses an area instead of a sector or a target group as the entry point to provide support. The approach analyses the challenges and opportunities of the area as a whole, promoting multi-sectoral and locally-led implementation of interventions that leverage government resources, the territory, and the population to benefit the communities. As it is locally driven, it successfully addresses the complexities of the local area, including the variety of local needs, the diversity of people and organisations, and the relationships between institutions.

Simultaneously, area-based programming allows for a specific focus on the shared support requirements of people in humanitarian need (including IDPs and Returnees), people or groups with previous conflict relations, and people with the potential to become peace engines. Finally, and uniquely, it allows for quick area-specific programme adaptations in response to immediate area-specific changes.

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

UNDP Yemen will use this approach to best address the challenges and opportunities identified in the learning loops by coordinating with and compiling the experiences and capacities of the United Nations Agencies, Funds and Programmes (AFPs). The approach will uniquely enable easier, wide-scale, quick, and collective action that will allow for immediate, effective, and efficient action.

Conflict-sensitive programming

UNDP does not work *around* conflict but *on* conflict, which requires a clear focus on the root causes or underlying drivers of conflict⁹¹ and an understanding of the actors that garner legitimacy within the area. Deep knowledge of the local situation, conflict dynamics and political economy should inform engagement with national and subnational actors. A lack of

understanding risks creating new grievances by the perpetuation of existing and inequitable power structures.⁹²

The highly complex and dynamic Yemen context calls for conflict-sensitive programming that continuously has a 'finger-on-the-pulse' regarding changes in the national and local context.

⁹⁰ That foster local development and build resilience of local economic, social and environmental systems.

⁹¹ In addition to day-to-day conflict sensitive practices, such as with regard to beneficiary selection, poor environmental management practices and technologies, lopsided Communicating with Communities, among many others.

⁹² A recent HPG report on community engagement by humanitarian actors in Yemen showed that international actors have contributed to an aggravation of power inequalities among local actors, often in favour of one political side over another, and in turn, what the authors of this report described as a "false localisation", whereby lip service is paid to engaging local communities and Yemeni humanitarian actors, but without meaningfully engaging them in the response (El Taraboulsi – McCarthy et al, 2020).

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

Experimentation, iteration, and innovation

Complex and chaotic environments demand informed experimentation, iteration, and innovation to find out what works through trial and error while not losing sight of the desired outcomes and required accountability. Experimentation builds a work plan incorporating several different alternatives⁹³ that potentially all contribute to a defined result.

Based upon the ongoing monitoring and analysis of what works and what does not during testing, successful alternatives will continue, with some continuing in adapted form and others discarded all together based upon efficacy.

UNDP Yemen senior Country Office managers will create a work ethic that encourages experimentation, iteration, and innovation. In addition, experimentation and adaptation need anchoring in project,

programme, and operations plans and processes.

Experimentation, iteration, and innovation should take place:

1. At the operational level (e.g., explore different ways to procure goods and services in line with UNDP rules and regulations).
2. At the programmatic level (e.g., experiment with different methodologies, approaches, programmatic interventions, partnerships, and partnership modalities during implementation).
3. With varying modalities of implementation (i.e., private sector, NGO, or national implementation).⁹⁴

Local presences

Local presences (either through a Sub-Office or a Project Office) are essential for a better understanding of the local situation, conflict dynamics, and political

economy and complement data gathering and analysis done by UNDP's implementing partners in nearly all Yemen's districts.

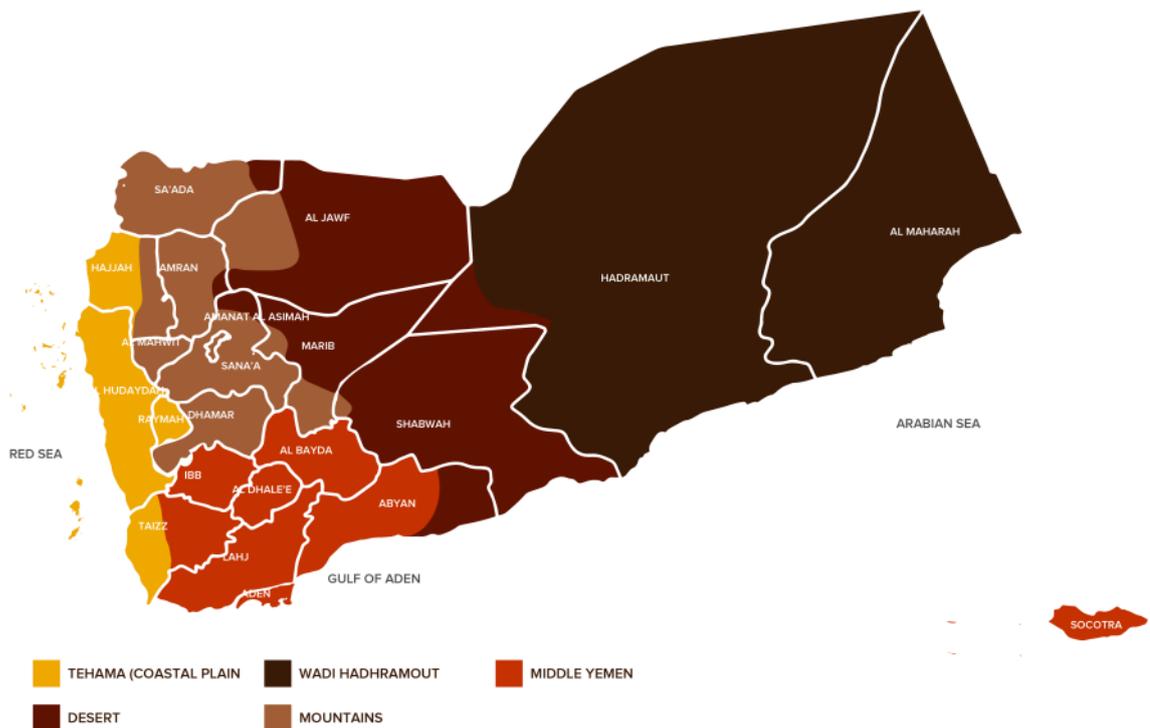
⁹³ Such as different approaches, methodologies, and pathways, among others.

⁹⁴ UNDP Yemen will establish an innovation committee to help in fostering an innovative environment, build a culture of innovation, encourage innovation through assessing and awarding innovations meeting criteria that may include contribution to advancing gender equality and women's empowerment within or outside UNDP's environment such as the design of the first GBV mobile applications or to receive Ashden awards for women empowerment in green sectors.

UNDP Yemen has identified five politically neutral “agro-ecological” regions⁹⁵ characterised by historically shared values and economic linkages⁹⁶ to avoid unintended political consequences. The regions presented in the map below include:

1. Tehama: The coastal plain and the foothills overlooking the Red Sea coast. The coastal parts of Hajjah, Hodeidah, Taiz, and the low-lands of Mahwit and Raymah.
2. Mountains: The Amran and Sa’ada governorates. The high plateaus of Al Jawf, Dhahar, Hajjah, Mahwit, Raymah, and Sana’a governorates.
3. Lower or Middle Yemen: Abyan (western), Aden, Al Bayda (northwestern), Dhale’e, Ibb, Lahj, Taiz, and Socotra (western).
4. Desert: The governorates of Marib and Shabwah. The deserts of Abyan (western), Al Bayda, Al Jawf, Hadhramaut (north-western and northern), and Sana’a.
5. Wadi: Al Maharrah and part of Hadramawt.

Map – UNDP Yemen – Regional Office programming areas



⁹⁵ The regional work on gathering and analysing conflict and political economy data and facts should not be confused with the area-based programming focus outlined in the previous section. The first is about analysis and adapting UNDP and implementing partner interventions, the second about comprehensively targeting selected areas within the regions, based on defined area selection criteria.

⁹⁶ The Arabic translation of agro-ecological regions should not resemble the word for political in the NDC documents.

2.6 Gender equality and women's

UNDP seeks to address gender equality by:

1. Strengthening interventions to produce structural changes that accelerate gender equality and women's empowerment, rather than engaging primarily in programmes focused on women as beneficiaries.
2. Strengthening the integration of gender equality into UNDP's work on the environment, energy, and crisis response and recovery.
3. Better aligning UNDP programming with its corporate messaging on the centrality of gender equality and women's empowerment to achieving sustainable development.
4. Building upon institutional mechanisms for gender mainstreaming, like the Gender Equality Seal and the gender marker, provides measurable standards and incentives to drive progress.

Based on the above, UNDP will promote gender-transformative programming to

change unequal gender power relations, address the root causes of gender inequality, and promote the value of women and girls. UNDP programmes will go beyond improving the condition of women and girls to enhancing their social position.

UNDP in Yemen, in line with its Gender Equality Strategy 2020-2022, will:

1. Apply a gender-responsive approach in UNDP Yemen's programme design, implementation, and monitoring and evaluation stages in sync with the UNDP Strategic Plan and UNDP Gender Equality Strategy.
2. Ensure wide dissemination of results.
3. Apply gender-responsive policies in internal operational processes and builds relevant staff capacities.
4. Achieve solid partnerships and strategic positioning with national and international partners to enhance the impact of gender work.⁹⁷

2.7 Communications and Advocacy

A critical component of the Country Programme is UNDP Yemen's Partnership and Communications Strategy and Action Plan (PCAP), designed, among others, to inform and engage with UNDP's partners and donors on UNDP's results and challenges.

The PCAP commits the organisation to allocate 3 to 5 per cent of programme resources to Communication for Development (C4D) and advocacy and has been effective in ensuring the visibility of the Country Office regionally and internationally.

The Country Office Communications Unit supports the new line of thinking and operationalisation within the adaptive management framework. The communications functions intend to remain flexible and agile in the ever-changing Yemen context, ensuring continual internal and external support to programmes, projects, Country Office staff, Headquarters, Regional and Representation Offices, and partners.

⁹⁷ UNDP Yemen Gender Equality Strategy 2020-2022.

Through close collaboration with UNDP Yemen senior management and the programme and project staff, the Communications Unit will help ensure that the project and programmes can (a) communicate effectively within communities, (b) keep a pulse on community priorities through social listening and tools to help inform the CO teams of changing attitudes within the community.

In addition to the CPAP, UNDP Yemen has developed a communications and visibility strategy for the Country Office, including the following objectives:

1. Advocate for investment in development in Yemen in tandem with the current, ongoing humanitarian response.

2. Promote UNDP Yemen as (a) the partner for development projects, (b) in area-based, conflict-sensitive programming, and (c) a global thought leader.
3. Increase and broaden UNDP Yemen's donor base and partners by leveraging UNDP Yemen's programmes and projects.
4. Build and grow support for UNDP within Yemen.
5. Motivate and build community among all those working for UNDP Yemen.

2.8 Private sector

UNDP will concentrate on furthering the partnership with the private sector to transform the local economy. The private sector negotiates conflict divides to transport, trade, and sell that requires maintaining relationships with political actors, local councils, communities and armed groups. All of them are essential for their continued operations.

The private sector also has a track record of assisting local initiatives to reduce conflict and enhance resilience, including facilitating local trade agreements, funding local education and health services, providing humanitarian assistance, and negotiating movement.

Yemen's private sector primarily consists of micro, small, and medium enterprises,

predominantly operating in the informal (and functional) economy and employing around 70 per cent of Yemen's total labour force. For UNDP to support and partner with the private sector in a conflict-sensitive approach, the organisation will need to understand the realities of the highly dynamic conflict economy,⁹⁸ leveraging opportunities and interventions that build inclusive economic recovery and peace.

To the extent possible, UNDP will contract the local private construction sector and supporting businesses in the targeted communities. This type of business is labour-intensive and uses local labour to maximise income and employment opportunities for unemployed skilled and unskilled workers (focusing on youth and women).

⁹⁸ Knowledge on the local conflict dynamics and political economy is essential to support the elimination of obstacles to business start-ups; facilitate market access and penetration; tackle logistical challenges; encourage flexible regulations, taxation and customs systems; and improve the management of economic institutions with a view to boosting the local economies.

2.9 Donor Compact

UNDP Yemen, its implementing partners, partners in UN AFPs, and donors must understand and ascribe to the adaptive management approach.

The organisation will promote a “Donor Compact” that outlines the partnership between UNDP Yemen and its donor partners. The Compact will (a) emphasise and detail UNDP’s total commitment to accountability and transparency; (b) allow for frank and open discussions on risks, shortcomings, successes, and failures of

projects; and (c) outline the process for the required flexibility that adaptive programme management needs.

The appropriate mechanism to operationalise the Donor Compact is UNDP Yemen’s Country Programme Board. The Board, where UNDP and partners meet twice a year, will oversee the implementation and needed adaptations to the Country Programme.





3. Programme priorities, programming areas and partnerships

During the implementation phase of this country strategy, UNDP will work under the assumption that:

1. A future peace negotiation will include an agreement on decentralised political power, security, and resource management. Supporting subnational authorities⁹⁹ and governance will then
2. The political and security context allows UNDP Yemen to be present and operate in line with its programme strategy, programme priorities, and proposed partnerships.

provide the foundations for making any future peace agreement stick, ensuring its implementation.

⁹⁹ Also, building their legitimacy is one of the requirements to facilitate a bottom-up and inclusive, rather than an elite-bargained peace agreement. An immediate result of current, highly dynamic context is the widening of regional inequalities for access to security, basic needs, services, livelihood opportunities and economic growth. These disparities are increasing and may pose a severe threat to reaching peace if not rapidly addressed. The difference in contexts and the multiplicity of local governance realities are not just dictated by the intensity of fighting or the presence of natural riches or economic assets; they are also strongly linked to the quality of local leadership, of the strength of local compacts especially with tribal structures and on regional influences.

UNDP's engagement with Yemen's system will be in the overlapping and strongly interconnected areas of addressing the food crisis and green, inclusive economic development, (sub)national governance and peacebuilding.

It will avoid a one-size-fits-all approach as essential differences exist between (a) Yemen's different regions and peoples; and (b) support to and empowerment required by women and men, youth and children, and marginalised groups.

The Country Programme focuses on three highly interconnected and interdependent priority areas:

1. Boosting food security and green, inclusive economic development.
2. Preserving and strengthening Yemen's subnational governance structures.
3. Support confidence building measures and national and local peace processes.

Programme priority #1: Boosting food security and green, inclusive economic development

Besides the ongoing conflict and COVID-19 crisis, structural food insecurity¹⁰⁰ is the most critical constraint for Yemen's recovery. As mentioned in Chapter 1, food affordability instead of availability drives food insecurity in the country.

To improve food affordability, food prices must come down, and Yemenis' capacity to purchase food must go up.

Given that Yemen imports 90 per cent of its food, reducing food prices requires improved macro-economic management (improve the exchange rate, among others) and more efficient food supply chains – primarily through better quality seaports, airports, and roads.

To increase Yemenis' purchasing power, in the short-term, Yemenis' income should increase by social protection, public work schemes, support to local agriculture and fisheries. Ideally, the resumption of public administration salary payments would complement these measures.

In the medium- to longer-term, the country needs to boost domestic food production – either for domestic consumption or export – and diversify the economy. Both will require addressing the water scarcity challenge, increasing the agriculture and fisheries sectors' capacity, and providing its people and productive sectors with access to cheap renewable energy.

Programming area #1: Macro-economic management

At present, competing monetary, fiscal, and economic policies of the parties to the conflict are politicising and dividing the economy. Priorities are:

1. Address the exchange rate crisis.
2. Remove the obstacles to financing food imports with greater transparency to

build trust in the system.

3. Help Yemeni banks reconnect with the international banking system and access accounts and foreign currency frozen abroad.
4. Create safer and more efficient pathways for remittance transfers.

¹⁰⁰ Mainly tackled by yearly humanitarian aid cycles.

To this end, and in close collaboration with the International Financial Institutions, the European Union and the 'Quad'¹⁰¹, UNDP will embed international technical assistance and supervision in:

1. The Central Bank to restore trust and support the implementation of sound monetary and fiscal policies to stabilise the exchange rate and curb inflation.
2. The Ministry of Planning and International Cooperation (MoPIC) to support fiscal policy formulation and implementation.



Programming area #2: Reduce the cost of food

Yemen largely depends upon three partially functioning seaports for its food imports. In 2020, total food imports through the Red Sea ports (Hodeidah and Salif Ports¹⁰²) accounted for 58 per cent¹⁰³ of total food imports, followed by Aden (35 per cent). Small quantities of food also come through Mukalla port (3 per cent) and Al Wadiah (2.6 per cent), the last remaining land border with Saudi Arabia. Food shipped through the Shahen border crossing from Oman to Yemen accounts for less than 2 per cent of total food imports.¹⁰⁴

As described in Chapter 1, Yemen's food supply chain has continued to function through five years of conflict and destruction; however, this has come at a cost. Food prices doubled between 2015 and 2019 and continue to rise, driven mainly by the transport and logistic costs associated with Yemen's seaports. In 2021 and 2022, UNDP aims to rehabilitate the Aden and Mukalla Ports and develop port personnel's capacity to increase the ports' efficiency.

¹⁰¹ Consisting of the governments of the Kingdom of Saudi Arabia, United Arab Emirates, United Kingdom, and United States of America.

¹⁰² The rehabilitation of the two ports, essential to reduce the price of food, is one of the confidence building measures in the Stockholm Agreement and is therefore part of programme priority 3.

¹⁰³ The percentage was higher before the destruction of the gantry cranes at Al Hodeidah port in August 2015, and the ban on 'commercial' containers at the port, which has diverted container traffic to Aden. Aden's container handling capacity is under pressure because of high volumes, but it has continued to handle near record numbers of import containers throughout 2020 (around 400,000 TEUs) despite significant challenges. The goods passing through Aden are subject to double taxation when they are trucked north.

¹⁰⁴ And is bound almost exclusively for Yemen's sparsely populated Mahara governorate.

Shipping, insurance, and demurrage cost associated with imported food make up 50 per cent of its cost. The high percentage is caused in large part by inefficiencies. In Aden, for example, these include:

1. Conflict damage, lack of equipment, spare parts, and poor maintenance.
2. The average waiting time of a ship (on anchorage) is 16 days before it enters the Aden Port.
3. The average time at berth in Aden Port is ten days.
4. Due to the Saudi-led Coalition's (SLC) inspections in Jeddah and Djibouti, the cost of transporting a container is double the regular market price.

With the port rehabilitation, UNDP calculates that the shipping costs of wheat can decrease from 50 per cent to 10 per

cent of the consumer price, which would save around US\$ 500 million per year.



Programming area #3: Social protection and emergency employment

UNDP, in partnership with and funded by the World Bank, the European Union, Japan, KSrelief, and other partners, will continue to facilitate emergency employment through gender- and age-appropriate cash-for-work and cash-for-services modalities. We will also continue other community-prioritised service provision interventions such as livelihood stabilisation, asset restoration, and local economic revitalisation support.

UNDP provides support to:

1. Enhance social protection and safety nets to improve the population's capacity to deal with shocks and stressors.
2. Ensure climate-resilient livelihoods restoration and reviving small businesses focusing on identified community needs.
3. Boost the purchasing power and economic self-reliance of crisis-affected individuals and households by providing access to immediate gender-appropriate employment and income opportunities.
4. Enhance equal access to productive community assets and facilities, such as clean water, feeder roads, rehabilitation of irrigation canals and fertile land.

UNDP will ensure women benefit from the support¹⁰⁵ as they are crucial to food production, food processing, and marketing. Improving women's social and economic status within their households and communities directly impacts food security and nutrition, particularly child nutrition.

Evidence from Africa, Asia and Latin America consistently shows that expanding women's access to productive resources and technologies¹⁰⁶ and enhancing their role in decision-making at all levels improves food security.¹⁰⁷



Programming area #4: Diversify value chains

The current crisis presents unprecedented economic challenges that require immediate recovery measures. Properly managing such a recovery process arguably also offers an opportunity to address the long-term impacts of conflict and unlock many environmental and economic benefits. UNDP designed the Strengthening Institutional and Economic Resilience in Yemen (SIERY), Enhanced Rural Resilience in Yemen (ERRY), and Yemen Emergency Crisis Response Project (YECRP) to address the immediate and longer-term needs.

Based upon local market assessments, UNDP, in partnership with the Yemeni

Microfinance Network, micro-finance institutions, banks, and the Social Fund for Development, will promote value-chain development and access to innovative financial services and products for entrepreneurs.¹⁰⁸

Value chain development support will start with technical assessments and local mapping to identify the availability and demand for products. Recent studies¹⁰⁹ show significant gaps in product availability while other products flood the market. Setting up or improving the value chain requires support to value chain actor networking, currently largely absent.

¹⁰⁵ By focusing on gender appropriate employment and income opportunities, recognising and addressing the different capacity levels between men and women, prioritising women and children's community needs and providing equal access to community assets and facilities.

¹⁰⁶ Including land, market opportunities, decent employment and social protection.

¹⁰⁷ FAO, Empowering women to end hunger and poverty. Accessed in May 2021 at: <http://www.fao.org/zhc/detail-events/en/c/471293/>.

¹⁰⁸ Including agricultural and non-agricultural business owners, and small and medium enterprises.

¹⁰⁹ To better understand the requirements for more effective value chains, UNDP, ILO, FAO and WFP commissioned IMPACT Research to produce a series of value chain studies for the bee keeping, fisheries, handloom and textile, meat and poultry, pottery, and solar energy sectors.

Though a vital source of jobs and fresh produce, domestic agriculture covers less than 20 per cent of staple food needs. To cover the remaining 80 per cent, Yemen relies on food imports, which leaves the country vulnerable to price changes, directly affecting the food security of many people. To reduce future risks and build up a diversified export of premium crops such as coffee, boosting climate-smart local agricultural production will be essential. To support this transformation, UNDP, in partnership with the Food and Agriculture Organization (FAO) and the World Food Programme, will implement a comprehensive food security improvement programme.

With a coastline of more than 2,500 kilometres and rich fishing grounds offshore, Yemen's fisheries sector holds untapped promise in contributing to the

national economy. Yet, the industry has long faced many challenges, which the ongoing conflict has exacerbated. Before the 2015 conflict, fisheries contributed roughly 3 per cent of the country's gross domestic product and constituted the country's second-largest source of export earnings after oil. Rough estimates indicate that Yemen's total annual fisheries production amounted to 200,000 tons before the conflict, of which 40 to 50 per cent was sent for export, generating revenues of about US\$ 300 million.

As a first step, UNDP, in partnership with and funded by the Government of Japan, is helping to boost the capacity of artisanal fisherfolk in Aden and Hadramawt. In coordination with FAO, the organisation will evaluate the feasibility of environmentally responsible coastal fish farming.

Programming area #5: Sustainable water management

UNDP, FAO, and their implementing partners will support the capacity of local institutions responsible for water resource management. Proper management requires restoring and improving access to water, which entails wadi bank rehabilitation to prevent flooding, the building of irrigation canals and construction of water barriers to reduce water loss for agricultural production, and shallow wells and spring rehabilitation.

Furthermore, UNDP and partners will work on:

1. Raising awareness on the importance of water conservation.
2. Promoting drought-resistant practices in agriculture.

3. The transformation of destructive grazing and other soil degrading practices.
4. The restoration of the productive capacities of the agricultural terraces to revive terrace farming in relevant areas.
5. Facilitate upscaling of rainwater harvesting for household consumption.
6. Capacity development for disaster risk management.

As water resources are increasingly scarce, resulting in an increased competition over water resources, sustainable water management is an essential component of transforming ongoing and preventing future conflict.

Programming area #6: Renewable energy

Yemen is one of the world's most energy insecure and poor countries, with most of the country lacking access to energy. In 2015, 40 per cent of the population had access to electricity, as compared to 85 per cent in the region. The ongoing conflict has worsened the situation; current figures put access below 10 per cent due to extensive damage to the national grid and fuel shortages across the country. The impact is felt at the household level (no electricity and water supply) and in the closure of schools and health centres.

Yemen has a vast untapped potential of on- and off-grid renewable energy sources (solar, wind, and geothermal) that should be utilised to replace old fossil fuel-based power plants. UNDP will partner with Yemen's well-established private sector in untapping these renewable resources. The private sector can also play a role in waste to energy initiatives.

UNDP will promote energy resilience in communities by scaling up access to solar energy to enhance the productive capacities of farmers, private businesses and households. Furthermore, UNDP will provide energy solutions for health facilities, including maternal and child health care services.

A specific focus will be on creating employment opportunities for youth and women in the solar value-chain, where demands for expertise in sales, installation or maintenance are increasing at all levels, from the larger importers to small shops at the district level.



Programme priority #2: Preserving and strengthening the subnational governance structures¹¹⁰

In today's Yemen, the Central State, as it was known before 2011, has fragmented. What remains in terms of local governance that makes decisions affecting people's lives rests for the most on the shoulders of subnational (and de-facto) authorities and more ad-hoc coalitions of formal and informal actors.

Supporting subnational authorities is essential for Yemen's future. Still, planning and working towards reinstating the pre-2011 governance structures is not recommended. The system was marred with corruption, patronage and inefficiencies, failing to deliver quality services and protection to the vast majority of Yemenis.

Irrespective of the negotiated (set of) peace agreement(s) in the near or not so near future, formal and informal subnational authorities and governance structures will have a central role to make the agreement(s) stick and ensure implementation. Therefore, guaranteeing their survival and raising their effectiveness in the years ahead is vital.

In this context, UNDP's Local Governance Diagnostic emphasises the following emerging issues that need addressing under this programme priority:

1. Subnational authorities have proven remarkably resilient in the face of the prolonged effects of the conflict. Yet, many are in a precarious state, and

further deterioration will have implications for Yemen's recovery and the viability of any future political settlement and transition.

2. State authority, embodied by local councils and executives, and public trust remains at risk of further weakening. Their performance and accountability issues require urgent attention.
3. The progressive absence of the Central State has reduced its oversight capacity and increased the autonomy of subnational authorities. This autonomy has driven subnational authority resilience, responsiveness and, in specific locations, the emergence of new virtuous practices (i.e., for grievance handling). The absence, however, of central policy setting and oversight has opened the door to power capture and rent-seeking behaviour by local interest groups.
4. While human and financial resources available to subnational authorities have been preserved, they remain structurally inadequate to support the country's recovery. Staff distribution between sectors and areas does not follow needs and cannot adjust rapidly to shifting situations regarding population figures and humanitarian needs. Financial resources are excessively geared to covering salaries – while staff

¹¹⁰ In all that follows, the terminology 'Local Authority' (district or governorate) designates the ensemble of legally established institutions at the local level that report to a local chief executive (District Director or Governor) or have constitutional legitimacy to represent citizens at the local level. This includes therefore the local councils (District Council, Governorate Council), the chief executive (District Director, Governor) his/her front office, the local administration (or Diwan) and the semi-decentralised Sector Executive Organs (or line ministry offices), as the latter report by law both to the local chief executive and to the central government. Local offices of other state ministries (e.g. the Ministry of Planning and International Cooperation, Civil Service, Finance) or agencies who report entirely to central government (e.g. Post Office, Central Organisation for Control and Auditing) are not covered by the terminology 'Local Authority.'

absenteeism is rife in some areas – and only a handful of subnational Authorities have enough investment funds available to repair their service infrastructure, let alone develop it.

5. The conflict has exacerbated territorial fragmentation, and institutional and economic resilience unbalances, directly impacting the quality of and access to subnational governance, opening up new conflict liabilities and perpetuating the conflict.
6. The increasing ‘localisation’ and ‘privatisation’ of service delivery can contribute to resilience. It has also brought more significant social and territorial inequalities.
7. Participation and inclusion are improving at the grassroots level, but unelected decision-makers and political leaders increasingly control power and public resources at the formal level. With their buy-in, it would not be difficult to re-establish the Management Board of Local Councils (responsible for the oversight of local executives and their

administrations) in many districts.

8. The government, subnational authority and donor focus remains mainly on fortifying basic services to overcome the humanitarian crisis. While understandable, it implies deprioritising critical areas for the sustainable recovery and development of the country.¹¹¹

Working with sub-national authorities, even in areas where these authorities have a degree of legitimacy, is not without risk. While this approach avoids building parallel institutions, it can also involve overlooking corruption and inefficiencies for the sake of informal relationship-building. The approach can increase the unfair distribution of services if not done correctly and may play into the hands of a local conflict actor using services to gain political allegiance from the community.¹¹²

As outlined earlier in the adaptive management section, supporting subnational governance requires a thorough knowledge of the local political economy and conflict dynamics.

Programming area #7: Supporting subnational governance

UNDP’s SIERY project, funded by the EU, works in nine governorates and 46 districts in Yemen. The project assists sub-national authorities in achieving the programming priority by:

1. Improving the business environment for economic recovery and employment opportunities.
2. Empowering private sector players in selected value chains by skills development, capital support, job creation.

3. Facilitating the rehabilitation and reconstruction of community-prioritised infrastructure.
4. Enabling and engaging microfinance service providers and networks, private sector, business associations and regulators to support producers, private sector, and subnational authorities to de-risk the unstable market environment.

¹¹¹ In particular local economic development, urban planning and environmental protection.

¹¹² Assessing the Impact of War on Development in Yemen: Policy recommendations for recovery and reconstruction anchored in the Sustainable Development Goals (Draft October 2020).

Strengthen and support community/sub-national institutions. At the community level, in rural and urban areas, gender- and age-balanced committees gathering various sectors of society have been established, facilitated mainly by the Social Fund for Development. Whether called Community Development Committees or Village Cooperative Councils, the committees organise needs assessments, plan and implement small interventions, monitor aid distributions, and, more generally, are a space for collective decision-making. The councils will cushion the impact of the conflict on social cohesion and making governance accessible to women and youth kept out of making decisions affecting their community.

Other community structures also exist, more informal and drawing their legitimacy in tribal customs, and play an essential role in conflict resolution, justice and local security.

Enhance the capacities of subnational administration and civil services. Since 2014, most local councils' political legitimacy and human and financial resources at governorate and district levels have shrunk dramatically as the political and security conflict has penetrated deep into

subnational government structures. Central government transfers for operating costs, including salaries and investment capital to local councils, have stopped. Local revenue sources – levied by non-legislated taxes and fees – have partly compensated for the loss of the central government budget, disregarding resource-sharing arrangements between governorates and the central government stipulated in local authority law.

Under the restoring local governance programme, UNDP will assess the feasibility of setting up a local recovery or development fund for gender- and age-sensitive initiatives designed by district or subdistrict planning structures.

UNDP Yemen will enhance private sector¹¹³ capacity to engage with subnational authorities on local economic recovery and development. UNDP will actively promote public-private partnership opportunities to improve community service delivery.

UNDP will ensure that local economic recovery and development plans are inclusive, integrating, and addressing the needs of Muhamasheen, women and female-headed households, youth, IDPs, and Returnees.

Programming area #8: Rule of Law

To support the rule of law in Yemen, UNDP takes a phased and evidence-based approach, building upon an inception period of assessing safety, security, protection, and justice needs to deliver a balance of gender-responsive supply and demand interventions. The approach entails rapid support to police redeployment and security and justice services where conditions permit.

UNDP will support communities in identifying their safety and security

concerns, understand and claim their rights, and empower them to seek redress where rights are denied. Among others, through community safety and justice forums.

To facilitate the security, safety and protection of Yemenis, UNDP, OSESGY, The United Nations Children Fund (UNICEF), UN Women, The UN Refugee Agency (UNHCR) and the UN Office on Drugs and Crime (UNODC) will collaborate under the umbrella of the rule of law sector-wide approach.

¹¹³ Including the chambers of commerce and trade and small and medium enterprises in identified viable sectors.

The sector-wide approach will ensure that Yemen's rural and urban areas receive support based upon their needs and existing capacities. Support to the security sector, particularly the police and coast guard, will focus on developing the operational and planning capacity through enhanced human resources management, training, and gender-sensitive infrastructure¹¹⁴ development.

Building upon political agreements and identified needs in urban sites (and where politically feasible), UNDP and OSESGY will support the re-deployment of police in identified cities. UNDP will continue to facilitate establishing a community policing system to enhance security, protection, and trust at the community level.

UNDP will provide support for criminal cases to the formal justice sector to improve the delivery of gender-responsive justice services. The interventions in this area will develop the capacity of the judiciary and the prosecutors to ensure effective delivery of justice, providing equal access to the formal justice system for women and men.

In stable areas, and where politically feasible, UNDP will work on improving access to justice, particularly for women, by:

1. Working with civil society on legal rights awareness-raising.
2. Establishing legal helpdesks in police stations and other sites easily accessible by vulnerable groups.
3. Training legal aid providers.

4. Paralegal outreach.

5. Providing access to direct legal aid through the Bar Associations, lawyers networks and civil rights NGOs.

UNDP will provide support to align the corrections system with international human rights standards. Interventions will include capacity building on prison management and human rights awareness-raising among prisons staff. A priority is reducing pre-trial detention and establishing effective linkages with police stations, the courts, protection, and legal representation of detainees, as well as legal aid help desks in prisons. UNDP will also support improving prison conditions and their infrastructure, particularly for women and juvenile detainees.



¹¹⁴ With a view to encouraging the recruitment and retention of female officers.

Diversity-sensitive community safety. Building upon the local governance platform backed by SIERY, the UNDP's Rule of Law programme will support community safety.¹¹⁵ Diversity-sensitive community policing engagement with subnational RoL institutions and informal service providers will promote inclusive justice, including the protection from Gender-Based Violence. UNDP will partner with other UN AFPs such as UNICEF, UN Women, and the UN Population Fund (UNFPA) to ensure integrated services through seamless referrals.

Inclusive institutional capacity development. UNDP will continue to support capacity development to security, justice, and human rights institutions in line with the Human Rights Due Diligence Policy (HRDDP) for stronger central-subnational relations. This upstream intervention intends to maintain a modicum of connectivity between the central state and subnational authorities. UNDP will empower women members at security, justice, and human rights institutions as bottom-up, Track II¹¹⁶ peacebuilders in line with UN Security Council Resolution 1325 (2000) on Women, Peace and Security. In the long run, sustained RoL capacity with empowered women leadership will be critical to transitional justice and accountability, as recommended by the Group of Eminent Experts.

UNDP will collaborate with UNODC to develop the rule of law actors' capacity, including the Yemen Coast Guard,¹¹⁷ to uphold port security and maritime security to preserve life safety at sea. This support will reduce some of the drivers of conflict (for example, by intercepting illegal transnational shipments of weapons, drugs and contraband items) and will further reinforce UNDP's livelihoods engagements in strengthening the fisheries value chain by protecting Yemen's fishing stock and protecting the safety of fisherfolk at sea.



¹¹⁵ While differentiating between the needs of women, youth, persons with disabilities, persons in detention, and other marginalised groups such as IDPs, refugees, and Muhamasheen.

¹¹⁶ Track II refers to unofficial, informal peace-making efforts and initiatives carried out by mediators with various societal groups, including civil society organisations, women's organisations, political groups, youth movements, religious groups, professional organisations and trade unions.

¹¹⁷ UNDP Yemen is considering formulating a joint programme with the UNDP sister offices in Sudan, Somalia and Djibouti to support the Coast Guard.

Programme priority #3 - Support confidence building measures and national and local peace processes

Some conflict actors have an entirely understandable desire for the conflict to end and negotiations towards a national political settlement. Still, this process may not prosper in the immediate future as UN Resolution 2216 treats the conflict as a two-party conflict no longer provides a realistic avenue for peace in a country with multiple conflicts and multiple national and international parties.

A lasting solution needs to include tribal groups and local actors capable of being spoilers to the process and only loosely aligned with one of the main warring parties and the southern groups. Also left out are women, youth and other civil society whose support is critical to sustaining an agreement.¹¹⁸ Similarly, Yemen's territorial fragmentation leaves the UN's mandate, predicated ultimately on a unified nation-state with a power-sharing agreement over Sana'a, unworkable.¹¹⁹

Even if a high-level agreement is ultimately signed, most national and regional stakeholders will likely be unsatisfied. Various forms of localised conflict would continue for many years, if not decades.

Throughout efforts to resolve Yemen's multifaceted conflict, researchers have mainly analysed local actors through a lens of complicating the national peace process and, at best, providing islands of stability in

some post-conflict areas of the country. The central role of community leaders and local officials in de-escalation initiatives has not received sufficient attention.

Beyond bringing much-needed respite to communities trapped near the frontlines, these locally-driven peace processes build trust between the warring parties, cultivate local acceptance and buy-in for a broader agreement, and lay the groundwork for more rapid stabilisation in the immediate post-conflict period.¹²⁰

Al-Dawsari¹²¹ stresses that despite the damage caused by the conflict, various formations of local solidarity continue to manifest themselves. Local solidarity constitutes an opportunity for international and regional engagement to build on these "pockets of stability" and take them to a national level.

The Overseas Development Institute (ODI)¹²² confirms that coping strategies for conflict have become increasingly localised. Communities have come to rely almost exclusively on local and self-organised forms of security provision. Any effort, for example, at security sector reform will need to simultaneously operate at the national and sub-national levels and work out how to integrate local security providers into the public system.

¹¹⁸ International Crisis Group (ICG), 2020.

¹¹⁹ Gregory D. Johnsen, Foreign actors in Yemen: The history, the politics and the future, Sanaa Center for Strategic Studies, 2021.

¹²⁰ Brett Scott, The road to peace runs through Taiz, June 2020. Deeproot consulting.

¹²¹ Al Dawsari, Nadwa (2019) "Yemen: Local Pockets of Stability Can Build Peace." Chatham House.

¹²² UNDP Yemen Impact of War Report – Volume III. Assessing the Impact of War on Development in Yemen: Policy Recommendations for Recovery and Reconstruction Anchored in the SDGs, ODI, October 2020 (Draft).

Therefore, peace process support also needs to recognise differentiated subnational realities and political economies for security, recovery and reconstruction, to help restore social cohesion, livelihoods, assets, and production levels of crisis-affected communities. A key concern in this regard will be to (re)build trust among social actors and address deep social divisions to overcome the threat of political tensions and social unrest effectively.

Track II efforts should closely engage with local civil society groups and networks. The engagement should include interventions

aiming to prevent youth recruitment into violent extremist organisations, including creating cultural spaces and funding cultural initiatives to nurture exchange and peaceful coexistence. Increasing prospects of social cohesion by building societal resilience while emphasizing gender equality and women's empowerment will be a critical element to dealing with and overcoming tribal, ethnic identity related and regional divides. A holistic approach is required that champions existing local efforts and embeds them in a broader framework of shifting power dynamics in favour of inclusivity.

Programming area #9: Inclusive national and local peace

In partnership with OSESGY, UNMHA and the RCO, UNDP will deliver on national and local peace process support through two main areas:

1. Support to Track I peacebuilding initiatives, including confidence building measures (ports and airports) and mine action.
2. Track II peacebuilding at the community level with an emphasis on women, youth, and civil society.

Programming area #10: Support confidence building measures¹²³ and the rehabilitation of infrastructure for peace

Re-opening the Sana'a International Airport. One of the main confidence-building measures in the Joint Declaration (JD) is the resumption of commercial flights from Sana'a International Airport (SAH). Under an agreed cooperation mechanism, the UN will assist in supporting operational procedures for SAH.

Pending the green light from the parties to the conflict and a request from the OSESGY, UNDP will support setting up an UN-administered Flight Clearance Liaison Desk.

¹²³ This section includes data and analysis from the report: Yemen food supply chain, Mercy Corps and ACAPS Analysis Hub – Thematic Report, 16 December 2020.

Hodeidah port rehabilitation.¹²⁴ With 70 per cent of all imports and 80 per cent of all humanitarian assistance passing through the Ports of Hodeidah, Salif and Ras Issa, they are critical and irreplaceable infrastructure to commercial and humanitarian activities in Yemen. The three west coast ports have recently accounted for 85 per cent of wheat grain, 42 per cent of rice imports and nearly half of the wheat flour that entered Yemen. However, the area's recent conflict has made the passage of goods difficult, if not impossible. Several key access routes to the city have been blocked, with only one route remaining for civilian, commercial, and humanitarian traffic. The blockage has left critical humanitarian infrastructure – including milling capacity and warehousing – inaccessible.

UNDP, in close coordination with relevant authorities, UNMHA, the United Nations Verification and Inspection Mechanism for Yemen (UNVIM) and WFP, will take the lead in providing support to the Yemen Red Sea Ports Corporation (YRSPC). UNDP intends to support port restoration and building operational capacity to help facilitate the entry of vital humanitarian aid and commercial shipments.

UNDP's initial support aims to upgrade port facilities, including, among other priorities, the replacement of navigational aids at the main port, refurbishing the training centre, replacing the berth guards, and enhancing the perimeter lighting.

In support of these efforts, UNDP commissioned the Port of Rotterdam to assess the ports of Hodeidah, Salif and Ras Issa in 2019. The assessment recommends a €46,570,000 investment package. Priority 1 projects valued at €2,850,000 are required to maintain ongoing port

operations. Priority 2 projects valued at €18,720,000 aim at re-establishing containerised cargo handling at Hodeidah Port. Priority 3 projects valued at €25 million are required to restore or improve the safety and sustainability of the port's operations and assets.

Addressing the fuel crisis. Given the severe impact of the fuel crisis on the humanitarian situation of a large segment of the population in Yemen, reaching a negotiated settlement to facilitate the entry of fuel shipments to Hodeidah port has been a top priority of the UN-led mediation process to date.

The Hodeidah Agreement – the outcome of the 2018 Stockholm peace talks – included a clause related to the collection of revenues from the Hodeidah Port. The revenue would contribute to the payment of civil servants' salaries in Hodeidah and across the country.

Since the suspension of the temporary mechanism in June 2020, to ease humanitarian concerns, only shipments of (a) humanitarian INGOs, (b) local factories, and (c) ad-hoc commercial fuel have berthed in Hodeidah Port. End of March 2021, four fuel ships carrying 72,295 metric tons of fuel were cleared to enter Hodeidah port and started discharging fuel.

UNDP offers its support with the design and quick implementation of a new proposal that addresses the shortcomings of the temporary mechanism but builds on the existing working modalities. The suggested arrangement for tax and customs revenue management increases accountability and transparency so that the parties can easily monitor.

¹²⁴ The content of this section is taken from the report Damage & capacity assessment – Ports of Hodeidah, Salif and Ras Issa, Engelberts, H. and Wormmeester, M., UNDP and Port of Rotterdam.

Programming area #11: Mine clearance

Throughout much of the country, particularly in the west, where most of the population resides, the conflict has left widespread Unexploded Ordnance (UXO) contamination. Large tracts of land are contaminated in areas of direct and indirect violent conflict. The aerial campaign has added a new threat of unexploded aircraft bombs.

The principal areas – prerequisites for the normalisation of social and economic

activity in the most conflict-affected areas of the country – of the ongoing UNDP Mine Action intervention assistance are:

1. Providing access to critical infrastructure.
2. Restoring of essential basic social and productive services.
3. Reducing injuries and fatalities.





4. Monitoring, evaluation, learning and accountability

UNDP Yemen will evaluate programmes and projects according to UNDP rules and regulations and as reflected in the UNDP Yemen Evaluation Plan.

Due to the crisis context of Yemen, UNDP will directly execute the programme with the support of selected Implementing and Responsible Parties. The Harmonised Approach to Cash Transfers (HACT) will be used in a coordinated fashion with other UN agencies to manage financial risks. And per Executive Board decision DP/2-013/32, UNDP will charge all direct costs associated with project implementation to the concerned projects.

A minimum of 15 per cent of all programme and project activities will specifically address gender equality and women's empowerment. A minimum of 50 per cent of all programmes and project activities will significantly address gender equality and women's empowerment. To monitor country programme expenditures and improve gender-responsive planning, implementation and monitoring, UNDP will apply the Gender Marker and the gender-responsive UNDP Country Office Monitoring and Evaluation Plan.

Upcoming publications

UNDP Yemen will maintain its role as a global thought leader in Yemen by delivering knowledge products to (a) better understand the situation in Yemen and (b) improve programming.

Upcoming products will support the narrative that stresses the fact that Yemen is in a severe development crisis that requires solutions well beyond humanitarian action. Among the planned products are:

1. Policy Recommendations for Recovery and Reconstruction Anchored in the SDGs, ODI. Currently in draft form.
2. Assessing the Impact of War on Development in Yemen (Volume III): Currently working with the Frederick S. Pardee Center for International Futures, Josef Korbel School of International Studies at the University of Denver.
3. Green recovery and renewable energy.

4. Bi-Monthly Updates on economic data affecting food security in Yemen such as the fuel crisis, developments within the banking sector and the central banks, exchange rates, transportation and others) and their implications on humanitarian and development operations.

All UNDP implemented or supported programmes will apply a conflict and gender-sensitive approach, risk management and compliance to Social and Environmental Standards to mitigate potential social and environmental safeguards risks and impacts, including those related to OHS. Risks management and compliance to safeguards requirements will be closely monitored and enforced.



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