

LESSONS LEARNED STUDY: YEMEN EMERGENCY CRISIS RESPONSE PROJECT (ECRP)

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CEN	Country Engagement Note
CfW	Cash for work
CO	Country Office
DPC	Direct project costs
ECRP	Emergency Crisis Response Project
ESMF	Environmental and social management framework
EU	European Union
FAO	Food and Agriculture Organization
FPA	Fiduciary Principles Accord
GCC	Gulf Cooperation Council
GMS	General Management Services
HDN	Humanitarian-development nexus
HDP	Humanitarian, development and peace (nexus)
HRP	Humanitarian Response Plan
IDA	International Development Association
IDP	Internally displaced people
IFR	Interim financial report
IMF	International Monetary Fund
IP	Implementing partner
IsDB	Islamic Development Bank
KSA	Kingdom of Saudi Arabia
MENA	Middle East and North Africa
MFI	Micro-finance institution
MIS	Management information services
NWOW	New Way of Working
OCHA	Office for the Coordination of Humanitarian Affairs
OHS	Occupational health and safety
PWP	Public Works Project
RUAWFD	Rural and Urban Advocates Working for Development
SFD	Social Fund for Development
SME	Small and medium size enterprise
TPM	Third-Party Monitoring
UAE	United Arab Emirates
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
USAID	U.S. Agency for International Development
VCC	Village Cooperative Council
WASH	Water, sanitation and hygiene
WB	World Bank
WHO	World Health Organization
WHS	World Humanitarian Summit

I. INTRODUCTION



Following a period of political crisis and social and economic instability in 2011-2014, Yemen descended into a violent and protracted conflict which is today still far from being resolved. The consequences of the conflict have been disastrous for the country and its population. It is currently the worst humanitarian crisis in the world, with 24.1 million Yemenis (over 80 per cent of the population) in need of urgent assistance and protection; over 3.3 million people displaced; and elevated risks of famine and disease epidemics affecting large parts of the country. Economic conditions have significantly deteriorated due to insecurity, the disruption of markets, trade and productivity and price and exchange rate volatility; while provision of essential social services such as education and health have been interrupted, compounding the economic impacts of the conflict.

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

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

This study, commissioned by UNDP, reviews the approach and progress to date of the ECRP with the aim of identifying lessons and best practices to inform similar interventions in Yemen and other countries. As such, the specific objectives of the study are to:

- Contribute to enhancing UNDP's overall partnership-building efforts with the World Bank.
- Showcase the uniqueness and effectiveness of ECRP's approach in operationalizing the HDP nexus.
- Identify critical elements for scale-up and replication for other UNDP Country Offices in crisis situations seeking to work with IFIs/World Bank on strengthening the HDP nexus.

The study is based on a comprehensive review of ECRP project documentation and data, as well as consultations with project stakeholders from the World Bank, UNDP, SFD and PWP. Research and analysis based on the information acquired have been organized along three principal lines of inquiry, corresponding to relevant dimensions of the project. These are:

- The partnership and collaboration between UNDP, the World Bank and the two implementing partners (the Social Fund for Development and the Public Works Project);
- The ECRP strategy and implementation approach, with specific focus on its roles in strengthening resilience in a context of protracted crisis and in working across the HDP nexus;
- The operational and fiduciary arrangements of the ECRP and their role in enabling implementation and delivery of results in a volatile and challenging environment.

II. COUNTRY CONTEXT AND BACKGROUND TO THE ECRP



COUNTRY SITUATION

Yemen is today in its fifth year of a complex and protracted conflict, with no clear end in sight. Although triggered by the failure of the 2011 GCC-brokered peace and transition agreement and the inability of the National Dialogue process to bridge long-standing political and regional disputes, the current conflict is a product of long-standing tribal, geographic and sectarian grievances and divisions; deep-rooted socioeconomic inequalities and political exclusion; the breakdown of a governance system characterized by elite capture and patronage; and competition over scarce natural resources such as water and petrol.¹ Following the occupation of Sana'a by the Houthis in early 2015, armed conflict has expanded to a number of governorates. Today, the country is divided, with the northern regions controlled by the former and the south controlled by the Hadi-led government with the support of the military coalition led by Saudi Arabia and the UAE. Despite repeated attempts at peace negotiations (in 2016 and 2017), the conflict has continued. The latest peace initiative led to the signing of the Stockholm Agreement in late 2018, which included confidence building measures on Hodeidah, Taiz and a prisoner exchange agreement. At present, some progress has been made in implementing provisions on Hodeidah, but armed conflict has continued.

The humanitarian and economic impacts of the conflict have been devastating and are getting worse. Over 24.1 million people (80% of the population) currently require humanitarian assistance and protection, with 14.3 million requiring urgent life-saving assistance. Over 3.3 million people are currently displaced, cut off from their homes, livelihoods and access to services, and an estimated 70,000 conflict-related deaths have been registered in health facilities. In this context, the threat of imminent famine is serious and very real.² 20 million people are currently food insecure, and of these 9.6 million are in IPC Phase 4 'emergency' phase (i.e. in a near-famine situation).³ The humanitarian impact of the conflict is exacerbated by pre-existing poverty and vulnerability; poor infrastructure and availability of public services; weak governance and institutional capacities; and historically low levels of food production combined with a dependency on imports. Moreover, the conflict has pushed Yemen's already weak economy and institutions to the brink of total collapse. National GDP has contracted by over 50 per cent of the past several years; over 1.25 million civil servants are not receiving incomes; and provision of key services such as water, sanitation and electricity have been severely disrupted, compounding health risks and economic losses.⁴ The impacts on the country's development prospects are significant—by UNDP estimates, the conflict has already set back human development by 21 years.⁵

OVERVIEW OF THE ECRP

The ECRP⁶ was developed in 2016 in response to the recognition by international partners of the need to complement humanitarian assistance in a context of protracted crisis with measures to safeguard individual, community and institutional resilience. The project is financed by World Bank IDA funds and implemented by UNDP, with responsibility for individual components attributed to the SFD and PWP. The ECRP parent project was approved in mid-2016 with an initial US\$ 50 million in grant financing from IDA. This was complemented in January 2017 with an additional financing of US\$ 250 million to expand project coverage. The expected completion date of the ECRP is currently September 2021.

The project follows a multi-sectoral approach that prioritizes the populations most affected by the conflict, and is based on a theory of change that posits that "protecting Yemen's human capital and supporting the resilience of communities and local institutions during conflict will enable a smoother transition into recovery and rebuilding once peace is restored".⁷ Accordingly, the overall objective of the ECRP is "to provide short-term employment and access to selected basic services to the most vulnerable; and preserve implementation capacity of the two service delivery programs".⁸

A number of core principles and assumptions undergird the ECRP's approach and are based on global lessons from World Bank and UNDP engagement in fragile and conflict-affected contexts. These include the promotion of horizontal equality through inclusive beneficiary targeting and representation of key affected groups, including women, youth and

¹ UNDP, *Conflict Development Analysis – Yemen*, undated manuscript.

² OCHA (2019). *2019 Yemen Humanitarian Needs Overview*. Geneva: OCHA.

³ IPC (2017). *Yemen Acute Food Insecurity Analysis, December 2018-January 2019*.

⁴ World Bank (2019). *Country Engagement Note for the Republic of Yemen for the Period FY20-FY21*. Washington, DC: World Bank.

⁵ UNDP (2019). *Assessing the Impact of War on Development in Yemen*. New York: UNDP.

⁶ For the purposes of this study, the ECRP refers to the components of the WB-IDA supported emergency crisis response programme that are being implemented by UNDP. This study excludes the components implemented by UNICEF, which is also under ECRP.

⁷ World Bank, 2016 (b).

⁸ Ibid. The two service delivery programs are the Social Fund for Development (SFD) and the Public Works Project (PWP).

IDPs; prioritizing areas with highest number of vulnerable and affected populations, while ensuring political neutrality and national coverage across all governorates and districts; and promoting conflict sensitivity, social cohesion and institutional capacity development through all aspects of project implementation.

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

- **Enhancing individual and household resilience through short-term income generation, skills development and provision of social services.** Key activities include labor-intensive community infrastructure projects; provision of training for youth and health works and employment opportunities in community mobilization; and conditional cash transfers to mothers to improve health and nutrition outcomes. This component is implemented by SFD.
- **Restoring community assets delivering essential social and economic benefits.** Key activities include participatory identification of small-scale community infrastructure, and the implementation of rehabilitation and reconstruction works, generating income and employment for private contractors and wage laborers drawn from targeted communities. This component is implemented by PWP.
- **Restoring and enhancing the operations and productivity of financial service providers and SMEs.** Key activities include supporting the operating deficit of micro-finance institutions (MFIs) to continue provision of financial services; the payment of outstanding SME loans and rehabilitation of their enterprises; and provision of technical assistance and inputs to farmers, livestock producers and fishermen to enhance productivity and create employment. This component is implemented by SFD.

SUB-COMPONENT 1.1: CASH-FOR-WORK AND YOUTH-TARGETED COMMUNITY SERVICES (SFD)

**NUMBER OF
WORKING DAYS CREATED
(TOTAL)**

Project End Target
7,000,000
Progress To Date
7,159,942

102%

PROJECT END TARGET

35%

% YOUTH

20%

**% IDPS/
RETURNEES**

30%

% FEMALE

PROGRESS TO DATE

50%

16%

29%

**CUBIC METERS OF WATER
SCHEMES CONSTRUCTED/
REHABILITATED (M³)**

Project End Target
300,000
Progress To Date
608,905

203%

**AREA OF AGRICULTURE
LAND AND TERRACES
REHABILITATED (HECTARES)**

Project End Target
1,900
Progress To Date
8,310

437%

**LENGTH OF ROADS
IMPROVED (KM)**

Project End Target
200
Progress To Date
262

131%

SUB-COMPONENT 1.2: SMALL COMMUNITY INFRASTRUCTURE (PWP)

**NUMBER OF
WORKING DAYS CREATED
(TOTAL)**

Project End Target
2,000,000
Progress To Date
1,998,027

99%

PROJECT END TARGET

30%

**% IDPS/
RETURNEES**

PROGRESS TO DATE

35%

**CUBIC METERS OF WATER
SCHEMES CONSTRUCTED/
REHABILITATED (M³)**

Project End Target
200,000
Progress To Date
303,131

151%

**AREA OF AGRICULTURE
LAND AND TERRACES
REHABILITATED (HECTARES)**

Project End Target
7,000
Progress To Date
11,959

171%

**NUMBER OF CLASSROOMS
REHABILITATED**

Project End Target
820
Progress To Date
2,441

298%

**LENGTH OF ROADS
IMPROVED (KM)**

Project End Target
40
Progress To Date
43

108%

SUB-COMPONENT 1.3: SME REVITALIZATION AND EMPLOYMENT GENERATION (SMEPS AND SMED OF SFD)

NUMBER OF MICROFINANCE CLIENTS (SMEs) SUPPORTED

Project End Target

4,000

Progress To Date

4,023

101%

PROJECT END TARGET

50%

**TOTAL
FEMALES %**

PROGRESS TO DATE

53%

NUMBER OF INDIVIDUALS WHO BENEFITED FROM FARM, FISHERY AND ANIMAL PRODUCTION-BASED WAGE EMPLOYMENT (SHORT OR LONG TERM, INCLUDING INFORMAL)

Project End Target

26,000

Progress To Date

63,332

244%

PROJECT END TARGET

20%

**TOTAL
FEMALES %**

PROGRESS TO DATE

20%

NUMBER OF MICRO- FINANCE INSTITUTIONS THAT BENEFITED FROM THE PROJECT

Project End Target

9

Progress To Date

9

100%

III. MORE THAN THE SUM OF ITS PARTS: INNOVATIONS IN PARTNERSHIP AND COLLABORATION



The ECRP evolved from and is the articulation of an unprecedented partnership between the World Bank, UNDP and national implementing partners (the SFD and PWP). The collaboration between the four institutions has played a critical role in the effectiveness of the project to date. The co-leveraging of technical expertise, capacities and resources provided by each institution enabled the successful implementation of the project at national level in an innovative, flexible, timely and responsive manner. At the same time, and despite the structural challenges inherent in ensuring a fully integrated operational approach across very different institutions, effective coordination and oversight mechanisms enabled a consensual and collaborative approach that enabled responsiveness and flexibility in addressing emerging situations and needs.

This section identifies key lessons learned, innovations and best practices from the partnership and collaboration in the ECRP framework. These are grouped in relation to the institutional relationships and dynamics that enabled and shaped collaboration within the ECRP framework; the strategic value-added of the partnership and the contribution of individual institutions; and the joint arrangements and modalities established for project management, oversight and decision-making. The analysis of these three dimensions provides insights and key lessons into the value of the partnership approach, as well as considerations for future initiatives.

1. RATIONALE, FRAMING AND FORMALIZATION OF THE PARTNERSHIP

The ECRP emerged from and was made possible by an enabling institutional environment and strategic space for engagement of development resources in a conflict context. This section identifies the institutional factors which enabled the development of the ECRP and the partnership; and the process of decision-making spanning the conception, preparation and approval of the ECRP, with a view to identifying lessons learned that could usefully inform future initiatives.



From the outset of the crisis in 2015, international dialogue on economic entry-points to support peace negotiations and humanitarian assistance created space for the re-engagement of development partners.

During early peace mediation attempts in 2015, economic issues (notably the payment of civil servant salaries, cash transfers and the status of the Central Bank of Yemen) were identified as possible confidence-building measures to facilitate peace negotiations. While these negotiations failed, they did raise the profile and importance of issues such as maintaining institutional capacities for delivery of essential social services and enabling support for livelihoods and economic productivity. Alongside these efforts, dialogue among international partners to identify pathways for addressing the Yemen crisis that linked humanitarian, peacebuilding and development efforts (notably in the context of the Dead Sea and Larnaca meetings in 2016), facilitated the identification of entry points for development interventions. These initiatives provided a platform for initial dialogue between the UN, World Bank and internationally-recognized government on options for re-engagement on development programming which eventually paved the way for discussions that culminated with the development of the ECRP. This dialogue was supported and encouraged through existing UN-WB partnership mechanisms and resources at global level, including the global UN-WB partnership framework and through the facilitation of the WB advisor seconded to the O/SE.⁹

⁹ Bosire, Lydiah (2018). *The UN-World Bank Partnership in Yemen: Lessons Learned from the Deployment of a UN-World Bank Advisor in the Office of the Special Envoy of the Secretary-General*. Unpublished report.

In 2016, the World Bank decided to re-engage in Yemen in line with its MENA regional strategy and new approach to working in fragile and conflict-affected contexts. Following the start of the crisis in 2014-15, including the occupation of Sana'a by the Houthis and the subsequent escalation of violence and insecurity throughout the country, the World Bank initially suspended its operations and financing. At the same time, its Country Team for Yemen began to work on options for re-engagement. In line with World Bank's MENA strategy, the focus of these efforts centered around identifying entry points for World Bank engagement in a context of active conflict to support resilience of affected populations, preserving institutional capacities, and addressing structural drivers of fragility and conflict.¹⁰ These efforts were given an impetus by the ongoing dialogue with international partners and articulated in the World Bank's Country Engagement Note (CEN) developed in June 2016, which articulated a strategy for engagement during the crisis premised on the recognition of the potential risks and high costs associated with delaying re-engagement until after a formal peace settlement and cessation of hostilities.¹¹ At the same time, the World Bank triggered Operational Policy 2.30 (Development Cooperation and Conflict) which provided modalities for delivery of assistance through UN and other international organizations in the absence of an internationally recognized government. This enabled the World Bank to initiate the restructuring of its programme portfolio and IDA country allocation in line with the strategic priorities identified in the CEN.¹² By 2019, the World Bank had allocated over US\$ 1.3 billion from its country portfolio to address a range of resilience, protection and institutional strengthening priorities, implemented through several UN agencies, including UNDP, UNICEF, WHO, FAO and UNOPS.

UNDP interest and engagement in the ECRP emerged from its overall strategic orientation and approach in Yemen. From the onset of the crisis in 2015, UNDP progressively reoriented its approach and program portfolio within the framework of its Yemen Resilience Program (2015-2017) to emphasize critical livelihood strengthening and resilience priorities. This was underscored by a recognition, reflected in the UN systems' overall strategic approach to the crisis, of the importance of complementing humanitarian life-saving assistance with development-oriented programming to reduce vulnerability, strengthen individual, household and institutional coping mechanisms and establish foundations for recovery. In this context, collaboration with the WB in Yemen was accorded corporate priority and resulted in the mobilization of several departments (including RBAS, BPPS and BERA) to ensure the CO had sufficient technical capacity to engage with the WB in the design of the project.

Although disrupted by the conflict, the core capacities of key national institutions such as the PWP and SFD remained important foundations for provision of key services to affected populations. Since the 1990s, the SFD and PWP have been primary providers of social protection, short-term employment opportunities and other services to poor and vulnerable populations, with demonstrated results and a track record of operating with political neutrality. Both institutions operated nationally with a focus on bottom-up participatory approaches to identification and delivery of services and were able to provide key benefits for a significant portion of the population.¹³ The onset of the 2015 crisis and the suspension of donor funding (on which both institutions were heavily reliant) led to the disruption of SFD and PWP programmes and a significant downsizing of both institutions. Preserving the institutional capacities of national institutions such as the SFD and PWP emerged as a key priority in early dialogue among international partners in 2015/2016 in order to sustain delivery of essential services to affected populations. This was also based on the recognition of the value of the existing knowledge, expertise and capacities retained by PWP and SFD, which constituted important assets that could be leveraged to rapidly address urgent needs at scale and facilitate the re-engagement of development partners following the end of the crisis.

The preparation of the ECRP project in 2016 was characterized by close joint work and collaboration between WB and UNDP teams. This was the result of direct engagement and leadership provided by the country management of both institutions, as well as regular cross-sectoral interactions between UNDP and WB technical experts in DC, New York, Amman and Sana'a.¹⁴ Project preparation was facilitated by a shared vision of the objectives and approach of the ECRP, as well as the pro-activity of UNDP which identified and deployed additional technical expertise on different as-

¹⁰ Devarajan, Shanta (2015). "Promoting Peace and Stability in the Middle East and North Africa," World Bank.

¹¹ World Bank (2016). *Country Engagement Note: Republic of Yemen FY17-FY18*. Washington, DC: World Bank.

¹² Al-Ahmadi, Afrah Alawi and de Silva, Samantha (2018). *Delivering Social Protection in the Midst of Conflict and Crisis: The Yemen Emergency Crisis Response Project*. Washington, DC: World Bank.

¹³ According to the World Bank, projects implemented by the SFD totaled approximately US\$ 1.67 billion between 1996-2015, while PWP projects totaled approximately US\$ 648 million. Together, both organisations provided support and services to over 20,000 villages and 5,000 urban neighborhoods and played an important role on mitigating the impact of the 2010-2011 crisis on vulnerable communities. World Bank (2016).

¹⁴ For UNDP, priority was placed on ensuring that all necessary expertise required for project design was mobilised, including through SURGE deployments, while within the WB this entailed engagement across a number of global practice areas under the leadership of its Country Director. Communication with senior UNDP staff, 8 April 2019.

pects of the project. Key issues requiring substantial negotiation were on audit, budget and GMS (UNDP's indirect project costs). Discussions on GMS in particular revealed the need for greater understanding on the part of both institutions on the complexities and associated costs of operating and ensuring high oversight standards in a volatile environment. Based on the successful arrangements developed for the initial ECRP parent project (US\$ 50 million, launched in late 2016) as well positive early results, the World Bank approved an additional financing of US\$ 250 million at the end of 2016.

Lessons Learned

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

2. STRATEGIC VALUE AND CONTRIBUTION OF THE ECRP PARTNERSHIP

Over the past decade, collaboration and partnerships have emerged as important principles for effective engagement of the international community in crisis and conflict contexts. This is due to the need for coherence and alignment of efforts in contexts where the complexity and challenges of crisis management and recovery require focus and concentration of efforts on specific priorities. It also emerges from a recognition of the need for approaches that leverage the comparative advantages and expertise of different organizations towards more comprehensive approaches to addressing the multi-dimensional nature of challenges and priorities in these contexts. These principles have been articulated in a number of international policy frameworks and documents, including the UN Security Council resolutions on peacebuilding, the 2016 WHS 'Grand Bargain' and New Way of Working, as well as internal strategies of the World Bank and the UN.

The ECRP represents a good example of how these principles have been operationalized in Yemen at project level. Collaboration between the four institutions enabled the leveraging of expertise, resources and resources towards the successful implementation of an ambitious and comprehensive project in a highly volatile and challenging operating environment. This section provides an overview of the strategic value of this partnership, as well as the contribution of individual institutions.

Strategic Value of Partnership

Four main aspects of the partnership between the World Bank, UNDP, SFD and PWP in the ECRP framework highlight its strategic value:

- **The four institutions working together within the ECRP framework enabled the project to achieve results which would not otherwise have been possible.** Within the ECRP framework the four institutions contributed expertise, resources and capacities based on their comparative advantages, which were jointly leveraged to achieve project results. These included a shared vision on the importance of preserving human capital and institutional capacities in Yemen; the development of an innovative programme strategy drawing on the accumulated experience and multi-sectoral expertise of the four institutions; the provision of significant financing by the World Bank and its effective and rapid disbursement at national level through effective financial management by UNDP, PWP and SFD; and the delivery of project results in a challenging environment enabled by the tools and methodologies employed by individual institutions. These include UNDP's risk management, contingency and business continuity mechanisms; SFD and PWP's established operational and delivery mechanisms across the country; and the World Bank's fiduciary procedures, social and environmental safeguards.

- **Effective collaboration enabled innovation, learning and refinements to the project strategy, drawing on the collective experience, technical know-how and capacities of the partners.** Collaboration was characterized by well-structured and joint coordination, decision-making, monitoring and oversight mechanisms based on a clear division of roles and responsibilities between the four institutions. These provided a framework not only for coordinating project implementation, but also for adjusting implementation in response to identified risks, operational challenges and evolving needs. Key innovations included a targeting methodology which ensured prioritization of the most affected areas and population groups; a realignment of existing activities to deliver critically needed services in a more nimble and fast manner; a strategy and process to responding to emerging needs (notably food insecurity and cholera epidemic in 2017); and development of a strategy for integrating conflict sensitivity as part of the project implementation approach (these are further addressed below). A joint approach to addressing emerging implementation and operational challenges, risks and bottlenecks has also led to flexible and continuous adjustments and refinements of the project strategy and activities. The success of this joint approach to project implementation highlights the priority accorded by management to collaboration; the importance of clearly defined roles and responsibilities of individual partners; the centrality of a collective approach to problem-solving and innovation; and a dynamic approach to risk management and project monitoring. Together these have provided the ECRP with critical flexibility in delivering results in a volatile and changing operating environment.
- **Relationships between partners within the ECRP are dynamic and allowed for the evolution of roles and responsibilities in relation to emerging project needs.** In a reflection of the adaptive approach to implementation, the relationship between the four institutions also created space for adjustments to the roles and contribution of individual partners. In a reflection of the requirements of implementation support in a crisis context, the role of UNDP has progressively expanded beyond fiduciary management and oversight to better support management of risks and contingency planning; monitoring and coordination with authorities; and the adjustment and strengthening of IP programmatic and operational capacities to enhance their responsiveness in addressing urgent needs in a crisis context.¹⁵ Similarly, the PWP and SFD have progressively adapted their business models and approach to increase the overall efficiency of service delivery and implementation, including through managerial and organizational changes at central and field levels; enhancing conflict sensitive approaches; and developing mechanism to ensure greater inclusion of specific populations groups such as women and IDPs. The dynamic nature of the ECRP partnership therefore allowed each institution to evolve to maximize its contribution to the project by fully leveraging and adapting its resources and capacities to address issues critical for the effective implementation of the project.
- **The partnership within the ECRP framework served as a catalyst and platform for broader donor engagement.** It helped facilitate and focus donor interest and support around the IPs and the thematic issues addressed by the ECRP, resulting in additional financing of approximately US\$ 60 million, including projects aligned with the ECRP approach (e.g. USAID, EU, KSA, and UAE).

Contribution of individual institutions

Each institution contributed expertise, capacities and resources which played essential roles in the effective implementation of the ECRP:

- **World Bank:** Beyond the provision of financing for the project through IDA resources, the World Bank contributed technical advice and expertise to project design and implementation in the areas of social protection, job creation, social services and infrastructure. In addition, a number of its policies and mechanisms, including on safeguards, risk management, and monitoring/oversight, have been essential to enabling delivery in a structured and accountable fashion. Last but not least, the longstanding relationship to and engagement with the two IPs helped facilitate effective collaboration and delivery of results. Its engagement through large-scale financing despite high risks also created incentives for other donors to engage.

¹⁵ This has included, among other adaptations, the shortening of SFD and PWP time-frames for bid evaluations and sub-project completion; decreasing sub-project allocations to facilitate greater distribution of project benefits; and decreasing the cash benefit per household to increase beneficiaries reached. Correspondence with UNDP staff, August 2019.

- **UNDP:** Although originally perceived as a partner which would ensure project and fiduciary management and oversight, the role and contribution of UNDP has evolved and expanded significantly to encompass a range of implementation support functions. In addition to its functions in fiduciary management, and project management and oversight, UNDP has contributed significant technical/sectoral expertise in the design and refinement of the ECRP programmatic approach to be more relevant in a context of protracted crisis; supported the development of IP capacities to enable them to operate in a crisis context; facilitated alignment and coordination with broader UN political and humanitarian efforts (notably through the distress index established for targeting of project activities and facilitating PWP/SFD coordination with relevant humanitarian clusters); helped maintain and expand operational 'space' by leveraging its neutral role and presence as a UN entity; ensured robust monitoring of project implementation; and ensured a conflict sensitive approach at all project levels. These contributions were enabled by the high priority accorded by UNDP to the project and partnership with the World Bank, and the successful mobilization of technical and staffing resources to strengthen CO capacities.
- **PWP/SFD:** For over two decades, the SFD and PWP have implemented nation-wide social protection, job creation and community development programmes with significant donor support, and possess established institutional capacities for project management, financial management, and operational presence / reach throughout the country. Their participatory and community-based approach to identification and delivery of services and projects has been essential in ensuring a responsive and needs-driven approach to ECRP implementation. Equally important, their political and institutional autonomy has enabled them to continue operations and to successfully implement activities in a complex political and governance environment.

Lessons learned

- **The ECRP highlights the strategic value of the collaboration between the four institutions and stands as a good example of when such partnerships 'work', despite their different approaches, incentive structures and corporate priorities.** Four factors explain the effectiveness of the ECRP partnership:
 - The joint leveraging of institutional expertise, capacities and resources based on a collective vision and goals, and a clear demarcation of responsibilities and accountabilities;
 - Effective collaboration through joint coordination, oversight and monitoring mechanisms that allowed collective decision-making on implementation;
 - A collaborative approach to problem solving, learning and innovation, which provided critical flexibility in delivering results in a volatile and challenging operating environment;
 - A dynamic relationship and engagement of partners which allowed for evolution of roles and responsibilities in relation to emerging project needs and challenges.
- **The engagement of the World Bank was critical in demonstrating the salience and feasibility of development financing in Yemen.** The engagement of the World Bank in the ECRP catalyzed attention and focus on how development resources can be effectively disbursed in conflict contexts; created a space for the engagement of other bilateral donors; and brought to bear its expertise and capacities to ensure a proper balance between risk taking and accountable fiduciary management.
- **The ECRP experience also demonstrates that the role of a UN entity in these contexts can and must go beyond acting as fiduciary 'pass-through' agent.** The additional roles and associated resources and expertise UNDP took on to ensure successful implementation underscores the importance of robust implementation support to national implementing partners in volatile and challenging contexts, including provision of technical advice and capacity building support.
- **The ECRP experience highlights the important role that relevant national institutions can provide in the provision of critical social services in crisis contexts,** as well as the importance of investing in national institutions, particularly those with a demonstrated track record and capacity for delivery in challenging environments.

3. COLLABORATION AND WORKING TOGETHER IN PRACTICE



Effective collaboration between institutions, particularly on complex issues such as those addressed in the ECRP, often encounter significant challenges due to lack of interoperability at procedural, fiduciary and levels, cultural differences, and inter-institutional politics/competition. In Yemen many of these challenges were avoided through development of robust and joint coordination, management, reporting and monitoring mechanisms that allowed for successful collaboration and the reconciliation of different approaches. This section identifies key lessons learned across these areas in the development of an operational modus operandi that enabled successful collaboration between the various partners.

- **Project preparation and negotiations.** The design of the ECRP was characterized by close collaboration between WB and UNDP country teams under the leadership of their respective management. This was underpinned by a shared vision of the rationale and objectives of the project, which facilitated the development of a programme strategy based in inputs from technical experts from both institutions. The fiduciary arrangements proposed by the Bank, which are based on the Fiduciary Principles Accord (FPA), allowed UNDP to utilize its own operational and fiduciary policies and procedures, which further facilitated negotiations on the project. The individual roles and responsibilities of all partners were furthermore clearly articulated in the Project Appraisal Document and subsequent Operational Manuals, which were considered critical to the subsequent success of the project coordination and oversight arrangements.
- **Project management and coordination.** Although overall responsibility for the management of the project is vested in UNDP, an effective system for coordination on implementation issues was established that facilitated joint review and decision-making between the four institutions. This consists of twice-yearly technical review meetings to review and take decisions on strategic issues; monthly meetings between UNDP, SFD, PWP and the third-party monitoring agent (TPM); and regular meetings between UNDP and individual IPs on programmatic and operational issues. These coordination meetings are informed by regular review and reporting by UNDP, the IPs and the TPM, which are then used as the basis for discussion and decisions on different aspects of implementation. In the views of the staff consulted these mechanisms have functioned extremely well, including through excellent follow-up, and have proven essential for ensuring the project remained on track and responsive to needs and the situation on the ground, as well as making necessary adjustments to ensure that key issues related to implementation (such as safeguards, access issues, exchange rate fluctuations, conflict sensitivity, among others) are addressed.
- **Fiduciary arrangements.** A clear framework for the flow of funds from the World Bank to UNDP, the IPs and on to their respective service providers and beneficiaries was developed at the start of project implementation in 2016. World Bank and UNDP staff interviewed expressed their satisfaction with these arrangements and reported no significant issues, including with respect to the quality and timeliness of interim financial reports (IFRs). World Bank staff also expressed their satisfaction with the fiduciary performance of UNDP within the FPA framework. The only challenge that has arisen in this context concerns differences between the accounting systems of UNDP and the IPs, and the need for the latter to accurately reflect sub-project level expenditures, which is currently being resolved. A key structural issue that has posed a challenge is differences in views between the World Bank and UNDP on indirect and direct project costs (GMS and DPC). While the former has been negotiated at 3%, there continue to be differences in views, with UNDP underscoring costs associated with overseeing and providing implementation support to a project of this scale in the current environment in Yemen. A key lesson

learned here is the need to enhance familiarity between both institutions of the direct and indirect costs associated with project implementation in crisis contexts

- **Communications and outreach.** Communications around the ECRP and its activities and results to date have been substantial, with all four institutions producing numerous products, but room for improvement exists at the level of joint institutional communications and outreach. Key challenges in this regard include the need to balance joint communications with ensuring visibility of the results and contributions of individual institutions; insufficient joint strategic messaging at corporate level across UNDP and the World Bank; and the absence of dedicated capacity to ensure consistent focus on communications at all levels. Lessons learned in this regard are currently being addressed through a dedicated ECRP communication strategy as well as strengthened communications staffing capacity envisioned in future phases of the ECRP. The experience underscores the importance of developing a joint communications strategy as part of initial project design to avoid a 'stove-piped' approach and possible competitions for visibility.
- **Inter-institutional operability:** Apart from some issues around incompatibility of accounting systems, in general the different systems and procedures of the institutions did not pose an obstacle to implementation. UNDP and the IPs have been highly responsive in ensuring that practices comply with WB procedures and standards, while IPs also effectively adapted and aligned with UNDP fiduciary and reporting requirements. Key areas for improvement with respect to enhancing compliance with project procedures and standards include social and environmental safeguards (and in particular OHS); conflict sensitivity; information management; and community level engagement. These have been identified as areas for improvement through the various ECRP coordination and oversight mechanisms and are progressively being addressed (see section X for more details).

Lessons learned

- **Despite institutional differences, ECRP partners were able to maintain a collaborative and joint approach across all aspects of project implementation.** Key success factors include the consistent engagement of country management; the establishment and effective functioning of a multi-tiered system of project coordination and oversight informed by multi-source reporting; and the professional engagement of all institutions to ensure timely and adequate follow-up to decisions affecting implementation.
- **The ECRP highlights the importance of developing appropriate mechanisms and strategies early on to enhance interoperability and common approaches on key implementation issues.** Several challenges to project implementation were identified and addressed through pro-active action of the partners, including on communications, social and environmental safeguards, and local-level operational and fiduciary issues. To the extent possible, these should be addressed as part of project design.
- **As the case of the ECRP demonstrates, the knowledge and capacity of individual institutions in this regard can vary, necessitating additional adjustments and strengthening of capacities and business processes.** To the credit of the project, identified challenges and needs were successfully identified and addressed in collaborative fashion, highlighting the emphasis on internal learning and adaptation that have been essential to the overall success of the ECRP.

IV. TOWARDS A NEW PARADIGM FOR DEVELOPMENT ASSISTANCE IN CONFLICT CONTEXTS



The ECRP was developed against the backdrop of international dialogue on new ways of engaging in crisis and conflict contexts. In 2015 a series of UN high-level panel reports and subsequent UN Security Council resolutions on peacebuilding highlighted the importance of holistic approaches to conflict prevention, resolution and recovery which integrate diplomatic, security, humanitarian and development efforts and shift the discourse away from linear notions of conflict, relief and recovery. In 2016, the World Humanitarian Summit produced the ‘Grand Bargain’ and a set of principles known as the ‘New Way of Working’ which seek to bring together humanitarian and development communities based on a recognition of the need for simultaneity in addressing lifesaving needs and enhancing resilience of individuals, communities and institutions to better cope with crisis-related shocks. This dialogue at international level was complemented by a recognition by international development partners of the need for earlier engagement in fragile and conflict settings in order to address root causes and drivers of conflict and strengthen institutional capacities for both mitigating the impact of crises and establishing the foundations for sustainable peace and development. (2011 WDR).

The programme strategy of the ECRP reflects this new conceptual approach to the role of development in crisis contexts. It is founded on the principle that despite the devastating humanitarian impact of the Yemen conflict, development investments are still relevant and needed in order to safeguard human and social capital, productive assets and critical institutional capacities, while also establishing foundations for post-crisis recovery and development. It is also premised on the recognition that while humanitarian life-saving assistance is essential in addressing urgent needs, it needs to be complemented by measures to enhance resilience and coping mechanisms in order to prevent the deterioration of the humanitarian situation and the collapse of vital state structures and services. The ECRP also represents a paradigmatic shift in the way development resources are used, demonstrating innovative approaches to ensure flexibility and responsiveness to needs, while also managing elevated risks.

This section reviews the key innovations and lessons emerging from the ECRP as an example of this new approach to engaging in crisis contexts. Specifically, this section reviews the following aspects of the ECRP strategy and implementation approach:

- The development value proposition of the ECRP in terms of its underlying theory of change, individual component strategies, results and impact to date;
- Complementarity, coherence and coordination with the humanitarian response within the framework of HDP nexus and NWOW approaches;
- Innovations in the ECRP implementation approach, with focus on measures to ensure project delivery, flexibility and responsiveness in the absence of traditional enabling conditions for development programming.

1. STRATEGIC INNOVATION: STRENGTHENING RESILIENCE IN PROTRACTED CRISES

This section reviews the relevance and effectiveness of the ECRP program strategy as an approach to strengthen household, community and institutional resilience in a context of protracted crisis. For the purposes of this study, the concept of resilience is defined in terms of absorptive, adaptive and transformative capacities (see box 1). More specifically, it seeks to identify lessons regarding the specific development value proposition presented by the ECRP in relation to its overall approach and theory of change as well as its individual component strategies and results achieved to date.

BOX 1: DEFINING ‘RESILIENCE’

For the purposes of this study, resilience is defined as “the ability of individual, communities and institutions to cope, recover and transform in response to crisis” and is comprised of three types of capacity:

- **Absorptive capacity:** the ability of individuals, households and communities to mitigate or prevent exposure to shocks and stresses and their negative impacts on livelihoods and basic needs;
- **Adaptive capacity:** The ability of individuals, households, communities, institutions and systems to adapt and evolve in the context of changing environments and related stresses and shocks, while maintaining continuity of activities, functions and provision of services;
- **Transformative capacity:** The ability to fundamentally transform the overarching policy, regulatory and institutional environment and associated systems to eliminate structural risk factors and improve prospects for long-term viability and growth.



Overall Strategic Approach and Impact

The ECRP represents one of the first large-scale attempts to operationalize a development approach within the context of the humanitarian-development nexus. Conceptually, it provides an articulation of how development resources can complement humanitarian efforts by helping households, communities and the private sector cope with the adverse effects of the conflict, while preserving the capacities and service delivery mechanisms of key national institutions. Although not a traditional recovery or development project, the value proposition of the ECRP lies in its contribution to preserving human, social and institutional capital in a context of active conflict and serving as a bridge between short-term humanitarian life-saving assistance and post-conflict recovery. Key strategic elements of the ECRP in this regard include:

- **A multi-sectoral and integrated approach targeting different dimensions of resilience.** The ECRP seeks to strengthen individual and household capacities to cope with the conflict by enhancing livelihoods and purchasing power through short-term job creation and skills development, while also improving access to key services such as water, nutrition services and education. The ECRP also seeks to strengthen the ability of economic actors—notably micro-finance institutions, SMEs and agricultural, fishery and livestock producers—to restore and enhance productive activity. Last but not least, by implementing project activities through the SFD and PWP, the ECRP contributes to preserving critical national institutions and their ability to deliver essential services throughout the country. This multi-pronged approach responds to two important characteristics of the Yemen context: First, it acknowledges the impact of protracted conflict on social, economic and institutional life (and its aggravation over time of structural poverty, deterioration of livelihood systems and decline of economic productivity), and the concomitant need for a comprehensive and mutually reinforcing approach that builds resilience across these levels to prevent deepening of vulnerability. Second, it responds to a reality where life still goes on despite protracted crisis – but where livelihoods, economic productivity and access to schools, healthcare and clear water are currently threatened by the ongoing crisis and which cannot be maintained or safeguarded through humanitarian assistance alone.
- **A cost-effective strategy with important economic benefits and multipliers.** By investing in human, social and economic capital—notably through job creation, skills development, rehabilitation of infrastructure and support to private sector entities—the ECRP approach in principle generates important economic benefits which go beyond what humanitarian life-saving assistance alone can provide. These include enhanced livelihoods and economic productivity of individuals and households through short-term job creation and skills training; the dual economic impacts of labor-intensive infrastructure works which both create jobs and enhance productivity through improved roads and agricultural assets; and important economic multipliers created by supporting SMEs and producers (farmers, fishermen and livestock producers) including employment creation, increased availability of goods and services, and contribution to overall economic productivity.¹⁶ Investments to improve access and delivery of essential services within the ECRP—notably in the areas of water management, nutrition and education—also carry important economic benefits, both in terms of institutional strengthening of service provision mechanisms (which is also more cost-effective than humanitarian provision of similar services), and

¹⁶ For further details, see Apex Consulting (2019). *YECRP Rapid Assessment: Rehabilitated Small Community Infrastructure Interventions*.

in terms of the economic returns related to the productivity gains that would otherwise have been lost due to malnutrition and lack of education. Box 2 outlines provides an overview of the economic benefits associated with the types of interventions implemented by the ECRP.

BOX 2: KEY ECONOMIC BENEFITS ASSOCIATED WITH RESILIENCE INTERVENTIONS

- **Increased individual and household purchasing power and productivity**, including through increased employment and livelihood opportunities; skills development; and enhanced coping strategies;
- **Productivity gains and economic multipliers** resulting from improved access to productive assets, increased production due to better practices and improved inputs, and enhanced access to markets and technical services.
- **Avoided losses related to the further deterioration and collapse of critical services**, including losses in individual and community welfare, foregone productivity and the cost of substituting services through humanitarian assistance.
- **Avoided losses of productive assets**, including through the closure of businesses and negative coping strategies (eg. Distress sales), through the preservation of livelihoods and productive capacities.
- **Long-term productivity and development gains due to avoided health and education-related losses**. The reduction in food insecurity over time would be expected to decrease the exposure and incidence of malnutrition and disease and their long-term impacts, including stunting and morbidity, and also facilitate acquisition of productive skills through access to education. This would generate productive capacity that would otherwise have been lost due to prolonged food insecurity, reduce future health costs, and would also avoid costs related to provision of direct emergency assistance.
- **Reduction of recurrent international expenditure**. Over time and where conditions permit, a transition from life-saving to resilience and development interventions would also result in considerable savings in international financial assistance, given expected positive returns on investment and decreased reliance on international support.
- **Prevention of conflict**, particularly at the community level, by decreasing and preventing competition over income sources, food and natural resources.

Source: Adapted from Demetriou, Spyros (2017). *Business Case Assessment for Accelerating Development Investments in Famine Response and Prevention in North-East Nigeria, Somalia, South Sudan and Yemen*. New York: UNDP. See also Apex Consulting (2019).

- **A focus on working through and preserving vital national institutions and service delivery capacities.** ECRP activities are implemented through two national institutions—the SFD and the PWP—under the overall management and oversight of UNDP. This enables utilization of tried and tested operational and service delivery mechanisms established by the two institutions across the country, and also responds to a core project objective of contributing to the preservation and strengthening of vital national capacities. As a result, the ECRP has prevented the collapse of these institutions during the conflict period, which would have had significant negative consequences both on the welfare of vulnerable populations but also on post-crisis recovery prospects. By investing in institutional capacities during the crisis, the ECRP thereby contributes to maintaining critical foundations for post-crisis recovery. In addition, the involvement of both institutions in the ECRP has also allowed them to adapt their business model and operations to work in a challenging crisis environment, ensure more precise targeting and inclusivity of affected groups, and integrate a conflict sensitive approach—all important variables which will likely remain salient in a post-crisis context. Last but not least, working through the PWP and SFD has allowed for the rapid scaling up of the project throughout the country, and a more cost-effective approach to direct implementation by international partners.¹⁷
- **Enhancing community engagement, social cohesion and conflict prevention.** The ECRP adopts a community-based and participatory approach to the identification of needs and development of associated activities under the labor-intensive public works and small community infrastructure components. The advantages of this approach are two-fold: it ensures that assistance is tailored to the actual needs and priorities of communities and affected populations and provides a platform for mobilizing community engagement around common goals and providing them with a voice in decision-making. This approach complements the focus on preserving national institutional capacities by strengthening the capacity of communities to collectively cope and manage the social and economic impacts of the conflict, while also establishing the foundations for bottom-up recovery. The use of existing SFD and PWP participatory planning methodologies and systems facilitated community engagement given their existing familiarity and trust with these approaches, while the ECRP's emphasis on including key vulnerable groups such as youth, women and IDPs has also fostered greater inclusiveness and horizontal decision-making, and promoted social cohesion by bringing people and commu-

¹⁷ Implementation through national institutions such as the PWP and SFD has reduced the number of international staff, and associated institutional overheads, required, and also took advantage of existing infrastructure, networks and relationships that otherwise would have needed to have been established and managed directly by an international organization.

nities together to address common challenges and priorities. Last but not least, the participatory and community-based approach at the heart of the ECRP also provides an important foundation for confidence building and peacebuilding at grassroots level through both the focus on strengthening collective mechanisms for dialogue and decision-making on community and social priorities, and addressing key issues (water, land, jobs) that otherwise could have constituted potential causes of tension, competition and conflict.

- **A targeting approach that ensures that the most vulnerable populations and affected areas are prioritized.** The ECRP utilizes an innovative methodology for the targeting of project activities and allocation of funds at governorate and district levels through a 'distress index' that is a compound of poverty, vulnerability and displacement indicators. This ensures that the project is able to reach those populations most affected by the conflict, and whose vulnerability is caused by multiple factors. It also ensure flexibility and responsiveness to changes in needs across geographic areas. In addition, the project explicitly seeks to maximize the inclusion of specific population groups across all components of the project, notably women, youth and displaced populations. Taken together, these approaches ensure that the needs of the most affected populations—and groups within these populations—are addressed, while also promoting the empowerment of women, youth and IDPs through provision of livelihood opportunities, access to services and inclusion in community-based decision-making around project activities.



After over two years of implementation, the ECRP has achieved impressive results. Since the launch of the ECRP in September 2016, remarkable results have been achieved in a relatively short time-frame and despite significant security, conflict, economic and other challenges (see table 2 below). At present, the ECRP is being implemented across all 22 governorates and in 320 out of a total of 333 districts. During this time, ECRP income generating activities have directly and indirectly increased livelihood opportunities and purchasing power for almost 2.3 million people (out of a total population in a situation of acute food security of 9.9 million), and expanded access to key services (water, education and nutrition) to over 3.5 million people. Financial and non-financial assistance has helped almost 17,000 SMEs recoup crisis-related losses, resume productivity and contributed to economic activity and employment, while technical assistance and inputs has helped over 5,000 farmers, livestock producers and fisheries in resuming and enhancing productivity, and also creating employment. The ECRP has also ensured that specific population groups, notably women, youth and IDPs benefit from assistance: 19 per cent of all wage earners are women,¹⁸ 20 per cent are internally displaced people, and 31.5 per cent are youth. In addition, of the total number of people who have been provided with access to key services, 50% are female; 53% of supported SMEs are headed by women; and of the farmers, livestock producers, and fisheries supported, 20% are women. A number of components of the ECRP have significantly exceeded original project targets owing to lower than expected costs and other factors, including notably in the areas of access to key services (141% of the completion target); nutrition services (348% of the completion target), and assistance to farmer, fisheries and livestock producers (121% of the completion target).¹⁹

¹⁸ This number is determined based on calculation of women participation in all interventions of SFD and PWP, while PWP interventions are completely related to construction work in which women participation are very poor due to nature of interventions. On the other hand, SFD interventions confirmed almost 29.7 percent of female participation within SFD implemented interventions which is very close to targeted participation of women (30%) in ECRP interventions.

¹⁹ ECRP project data, accessed September 2019.

Table 2: ECRP Results Achieved to Date (2016-2019) – Selected Indicators

Project Sub-Components	Indicators	Dec-16	Jun-17	Dec-17	Jun-18	Dec-18	Jun-19	TARGETS	% Completion
All project Sub-component	The number of direct beneficiaries of wage employment	11,743	39,504	146,084	228,057	328,579	358,500	400,000	90%
	Number of indirect beneficiaries of wage employment (households)	70,458	237,024	876,504	1,368,342	1,971,474	2,251,925	2,580,000	87%
	The number of people provided with access to key services	450,000	454,000	1,074,010	1,415,051	3,010,510	3,520,498	2,500,000	141%
	No. of people who benefited from nutrition services	-	18,727	64,059	115,153	296,142	296,142	85,000	348%
Sub-component 1.1 and 1.2 (labor-intensive public works and small community infrastructure)	Cubic meters of water schemes constructed /rehabilitated (m3)	19,625	43,977	147,492	378,615	670,106	912,036	500,000	182%
	Area of agriculture land and terraces rehabilitated (hectares)	9	516	2,590	1,385	5,245	8,310	1,900	437%
	Length of roads improved (Km)	20	35	104	172	261	306	240	128%
	Number of classrooms rehabilitated (no.)	205	314	958	1,527	2,189	2,441	820	298%
Sub-component 1.3 (SME revitalization and employment generation)	Number of micro-finance institutions (MFIs) benefited from the project	-	-	6	9	9	9	9	100%
	Number of microfinance clients (SMEs) supported through financial and non-financial resources	5	6	5,735	12,245	13,714	13,735	4,000	343%
	Number of farmers, livestock producers and fisheries	-	-	1,450	3,409	4,826	4,855	4,000	121%

Source: UNDP ECRP Bi-Annual Progress Reports and RRF Data (2016-2019)

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

The ECRP demonstrates considerable cost effectiveness when compared to humanitarian assistance. Although humanitarian assistance is not directly comparable to the ECRP given its focus on strengthening resilience (with the former focused primarily on meeting urgent life-saving needs), it does demonstrate the benefits of the ECRP model, which focuses on implementation through national institutions (as opposed to more costly international direct implementation modalities). As outlined in the table below, the cost per capita to provide individuals with food security and livelihoods assistance is approximately the same between the humanitarian response and the ECRP (US\$ 114 and US\$ 101 respectively). The overall financing for the ECRP however also includes a number of other activities and associated resilience and productivity benefits (community infrastructure, social protection services and support to SMEs). If based on the ECRP budget for income generating activities alone, the cost per capita would be far lower. Furthermore, taking into account the various economic returns and multipliers outlined in the previous section—which we assume were generated in part by ECRP activities—than the value of the ECRP investment can be considered even more significant.²⁰

²⁰ These economic returns and multipliers include the investment return on project activities (for instance economic or household productivity gains accruing from enhanced access to services and means of production); savings generated by utilizing national delivery capacities versus more costly international direct provision of services; and the qualitative benefits of building national ownership and strengthening national systems, including long-term sustainability and decreased development assistance needs over the long-term.

Table 3: Comparison of assistance provided in the areas of food security and livelihoods between HRP and ECRP, 2017-2018

Type of assistance	HRP Food and Livelihoods Assistance	ECRP income generation (CfW, community infrastructure, SME)
Number of individuals receiving regular emergency food assistance (in kind, cash transfers or voucher transfers)	13,000,000.00	0
Number of individuals provided with access to emergency agricultural, livestock or fisheries kits and longer-term livelihoods restoration support	3,169,074.00	2,980,000
Funding mobilized and allocated	1,839,200,000	300,000,000
Assistance per individual (US\$/capita)	114	101

Sources: OCHA Humanitarian Response Plan 2018, ECRP RRF project data

The ECRP adopted a pragmatic approach to defining resilience interventions in light of the prevailing economic, political and security climate in Yemen. Conflict environments impose a hard constraint on the overall impact and sustainability of development interventions, which require a modicum of macro-economic stability, freedom of trade, functioning markets, and sufficient security, among other enabling factors. In their absence there needs to be a clear understanding of the limits within which resilience enhancing measures can deliver sustainable impacts. The design of the ECRP reflects this understanding. Employment creation activities (through labor-intensive works), for instance, are articulated from a social protection perspective, as opposed to a more complex economic growth approach focusing on both demand and supply of labor. Similarly, institution capacity development through the implementation of project activities through the SFD and PWP aims at restoring and maintaining their capabilities without however making claims about longer-term sustainability, which would require a broader state-building and governance reform approach which in the current context is simply not possible given the nature of the conflict. This approach therefore still allows the project to deliver developmental benefits (albeit over the short-term) without the risks associated with more complex interventions by decreasing individual, community and institutional vulnerability to conflict-related stresses and shocks and creating a bridge for longer-term interventions. It is still developmental in nature because it prioritizes individual, community and institutional agency in coping with stresses (as opposed to being passive recipients of aid) and leverages existing community and institutional resources, capacities and systems, all of which are essential foundations for self-sufficient and sustainable development.

The ECRP experience highlights several important considerations for how resilience interventions can be calibrated in crisis contexts. In Yemen, the broader enabling environment has fluctuated significantly due to the dynamics of conflict (with overall macro-economic conditions progressively trending downwards over the years). There has also been considerable uncertainty regarding the end-point of the crisis, which is a critical variable for timing resilience enhancing measures, given their role as a bridge with post-conflict recovery. In contexts where this end-point is uncertain, as is the case in Yemen, this creates the risk that resilience measures will provide only temporary benefits, with longer-term impacts potentially being undermined or reversed by worsening conditions. Taken together, these challenges underscore two important considerations:

- **The importance of linking ‘downstream’ resilience interventions, where possible, with ‘upstream’ measures to improve macro-economic conditions, aspects of national governance, and the peace process itself.** In a context of protracted crisis, this could include interim political agreements between parties to address key macro-economic stabilization priorities and economic violations (such as closure of ports, markets and economically important road networks); national priorities and systems for improving service delivery, social protection and management of natural resources such as water. Such measures directly complement resilience measures by helping create an environment that is more favorable for their long-term sustainability and impact.
- **The importance of clarity on how resilience is being defined in operational terms.** It is also important in these contexts to accurately define the nature and scope of resilience interventions, and to be clear how the ‘preservation’, ‘adaptation’ or ‘transformation’ of capacities is being operationally defined. Activities can in this

regard be articulated along a continuum of expected results and impacts ranging from strengthening short-term coping capacities (i.e. through resilience measures focused strictly on generating temporary 'breathing space' for individuals, households and institutions) to strengthening systemic resilience (generating sustainable and autonomous livelihoods, economic productivity and institutional delivery). It is important to be clear on how resilience interventions are being defined in order to set clear expectations on the project's development value proposition and ensure that monitoring and reporting are tailored accordingly. Diagram 1 outlines how approaches to resilience can be conceptualized along such a continuum within a broader HDP approach.

Diagram 1: Conceptualizing resilience approaches as part of the HDP nexus



Defining the geographic focus of the ECRP entailed hard trade-offs between maximizing inclusiveness and impact. A decision was taken early on in the project to extend the scope of implementation throughout the country (all governorates and districts). Given the limited resources available relative to the overall scale of country needs (US\$ 300 million over three years), this necessarily entailed a wide distribution of resources to reach all targeted communities. At the time, ensuring all areas were targeted by the project was considered essential for reasons of both equity and political neutrality. It ensured that the needs of the largest number of affected populations were addressed and avoided possible exposure to criticisms of political favoritism and bias – which was extremely important given the divisions in the country. At the same time, this horizontal distribution limited the funding allocations for individual communities. According to some project stakeholders, the overall impact of the project could have been greater if resources had been more concentrated vertically by prioritizing some but not all districts (while maintaining coverage across all governorates). This however is an assumption that would need to be based on an understanding of the financial investment 'threshold' by sub-projects needed to generate significant or sustainable resilience impacts. Another way to approach this is to prioritize, through relatively larger allocations, specific governorates and districts with greater potential for sustainable economic recovery (i.e. areas that are relatively stable).²¹ Both options however entail a hard trade-off with the principles of equity and neutrality, which in early 2017 were judged to be of paramount importance.

ECRP monitoring and review reports indicate that resilience is being enhanced, but the current methodology does not allow for systematic and real-time measuring of associated indicators. A key lesson learned is the need for a socioeconomic analysis to inform both the planning and targeting of the project, as well as its monitoring and evaluation. Given the focus of the project on resilience strengthening (as opposed to life-saving humanitarian assistance), it is important from the outset to obtain a clear understanding of the scope for resilience programming, understood as the presence of an environment conducive for developmental approaches. This could include a baseline analysis for specific governorates and districts that generates key indicators related to social, economic, and security conditions which would inform an understanding of key threats and challenges and identify the 'space' for resilience and development-oriented

²¹ One way to do this would be to include, as part of the targeting methodology, indicators related to security and economic stability, in addition to the humanitarian-related indicators.

interventions. This would allow for a more strategic and geographically differentiated approach to the prioritization, formulation and sequencing of project activities across geographic areas. At the same time, and in order to ensure some systematic measure of potential project impact in relation to its objectives and key outcomes, it would be important to integrate a mechanism permitting real-time measurement of the impact of interventions. While this is obviously very difficult to do during implementation and over the short term, a key consideration would be to identify indicators that provide some insight into the economic impact and multipliers associated with resilience measures. These could include, for instance, a measure of local economic activity associated with the rehabilitation of a particular road; an analysis of the short-term economic multipliers generated by the reopening of businesses; and the impact on local agricultural value chains and markets generated by the resumption and improvement of agricultural activity. While not perfect or by any means conclusive, such measures could nonetheless provide useful indicators that could inform the adjustment and refinement of project implementation. To a certain extent, this is already occurring in the ECRP; impact studies done on the community infrastructure, youth and nutrition components are already being used to inform the strategy and targeting of the next ECRP additional financing currently under negotiation.

Lessons Learned

- **The ECRP constitutes one of the first large-scale attempts to operationalize a development approach in a context of active and protracted conflict.** Its development value proposition consists of its contribution to preserving human, social and institutional capital in a context of active conflict and serving as a bridge between short-term humanitarian life-saving assistance and post-conflict recovery.
- **Strengthening resilience, defined as the ability of individuals, communities and institutions to cope, adapt and transform in response to conflict, is a defining feature of the ECRP.** This has been operationalized through a multi-sectoral and integrated approach to strengthening coping capacities, which demonstrates important economic and social benefits and multipliers, as well as gains accruing from avoided losses, and which has enabled humanitarian assistance to focus on the most critical needs.
- **Crisis and conflict environments impose hard constraints on the overall effectiveness and sustainability of resilience strengthening initiatives such as the ECRP.** This highlights the importance of adopting a pragmatic approach to defining both the nature and scope of interventions, given the need to balance responsiveness with effectiveness. Key considerations in this regard include: a) calibrating the scope and nature of resilience interventions in accordance with prevailing conditions, which can range from strengthening coping capacities or preventing a deepening of vulnerability over the short term to more systemic and structural interventions designed to create sustainable community and institutional capacities to manage and recover from crisis; b) linking 'downstream' resilience measures targeting individual institutions (households, communities, institutions) with 'upstream' macro-economic, governance and political measures designed to create appropriate enabling environments for sustainable resilience building.
- **Important trade-offs exist between maximizing geographic scope and effectiveness of interventions when financial resources are limited.** Given that the nature and impact of a crisis/conflict will often vary considerably throughout a country, consideration should be given to approaches that combine national coverage with targeting indicators allowing for differentiation of resource allocation and scope of interventions based on the identified potential impact (and enabling environment for) resilience-enhancing measures.
- **Building in specific indicators to measure the impact of resilience enhancing activities is important for both targeting and monitoring /evaluation.** This can include definition of economic and security baselines to inform the potential for, and define the scope of, resilience activities; as well as indicators to measure the short-term impact of activities on key resilience outcomes and economic conditions, and inform the refinement and adjustment of project targeting and implementation. Given the scarcity of data on local economic condition, development of data collection and analysis mechanisms should be a priority, perhaps in the context of future UN / World Bank joint analytical collaboration on HDP issues, or as a function the humanitarian clusters could incorporate into existing assessment methodologies.

Impact and effectiveness of individual project components

This section identifies lessons from specific ECRP components and their associated results, with a focus on their contribution and impact in relation to project objectives. Given that the ECRP is still being implemented and pending the results of the comprehensive project evaluation, an in-depth analysis of the impact and effectiveness of individual project components is not feasible. That said, enough data points exist to identify a number of observations and emerging lessons learned on the contribution of program components to ECRP resilience and recovery outcomes, defined in relation to project objectives and the underlying theory of change. In general terms, this analysis indicates that the ECRP has generated important short-term resilience outcomes, defined in terms of strengthened capacities to cope with the economic, social and other shocks created by the conflict at individual, household and institutional levels. Given the overall context in Yemen, as discussed in the previous section, it is not realistic to expect longer-term systemic or sustainable resilience impacts given the absence of sufficient security and macro-economic stability. At the same time, these results do indicate the potential for the types of activities implemented by the ECRP to generate more sustainable resilience impacts once conditions enable a shift towards post-crisis recovery. Table 4 below provides a summary of these different resilience outcomes, which are discussed in further detail below.

Table 4: Contribution of ECRP activities to short and long-term resilience outcomes

Type of Activities	Short-term resilience	Long-term resilience
	<i>Enhancing capacities to cope with the crisis and maintaining continuity of services</i>	<i>Strengthening capacities for self-sufficient and autonomous livelihoods and productivity, delivery of services, and transformational growth</i>
Creation of employment and livelihood opportunities	Cash for work – temporary job creation to increase household purchasing power / improve food security and access to services	Sustainable employment generation through combination of supply and demand side labor market interventions and enhanced economic productivity
Empowerment of youth	Skills development and temporary job creation enhance livelihoods and household welfare; youth play an active part in community resilience initiatives.	Long-term employment creation for youth, including pathways for additional education and vocational training; leadership roles in community governance; access to micro-finance and business development services.
Provision of nutrition education and services	Increased demand and access to education and nutrition services; active engagement of women and youth as community social workers creating employment; improved nutrition practices and outcomes over the short-term.	Longer-term behavioral changes for improved nutrition practices for women and children, and extension of nutrition service provision through referrals enhancing impact of overall malnutrition-related response.
Rehabilitation of community assets (roads, water/sanitation, schools, agricultural protection)	Decreased household costs for transport, access to water and other services such as health and nutrition; increased school enrollment; increased agricultural productivity and reduced costs of inputs (this has a multiplier impact on humanitarian interventions, facilitating access of the vulnerable population to overall critical life-saving aid).	Enhanced educational, health and food security outcomes due to improved access to services; linking school infrastructure rehabilitation to broader education recovery and reform programs; linking agricultural protection measures to broader agricultural development, value chain development strategies and measures to improve markets and trade.
Support to MFIs and SMEs	Provision of financial and non-financial assets permits recovery of conflict-related losses; continuation of operations; and more cost-effective production.	Assistance to individual economic actors combined with structural reforms and measures to enhance sectoral productivity and economic value chain development.

Support to Village Cooperative Councils (VCCs)	Establishment of new VCCs or reactivation of old VCCs (with 50% women) as community-engagement mechanism for participatory planning and prioritization process also mainstreaming gender considerations.	Strengthening of participatory community engagement and planning/oversight mechanisms for 'bottom-Up' area-based approach for recovery and development, linked with wider and systematic decentralization/local governance support.
Preserving national institutional capacities (SFD and PWP)	Provision of assistance to allow for restoration of organizational, operational and service delivery capacities through direct international financing.	Development of autonomous capacities for maintaining institutional capacity; integration within formal state institutions and budgetary processes for provision of social services and community development.

Strengthening individual and household resilience



The ECRP seeks to strengthen individual and household resilience to conflict-related shocks through a number of different activities, including through creation of temporary employment, skills development, education and health services, and cash transfers. The identification of beneficiaries follows the project's overall participatory and community-based approach and has sought to ensure inclusion of youth, IDPs and women. Key issues and lessons learned relating to the impact on resilience of these activities include the following:

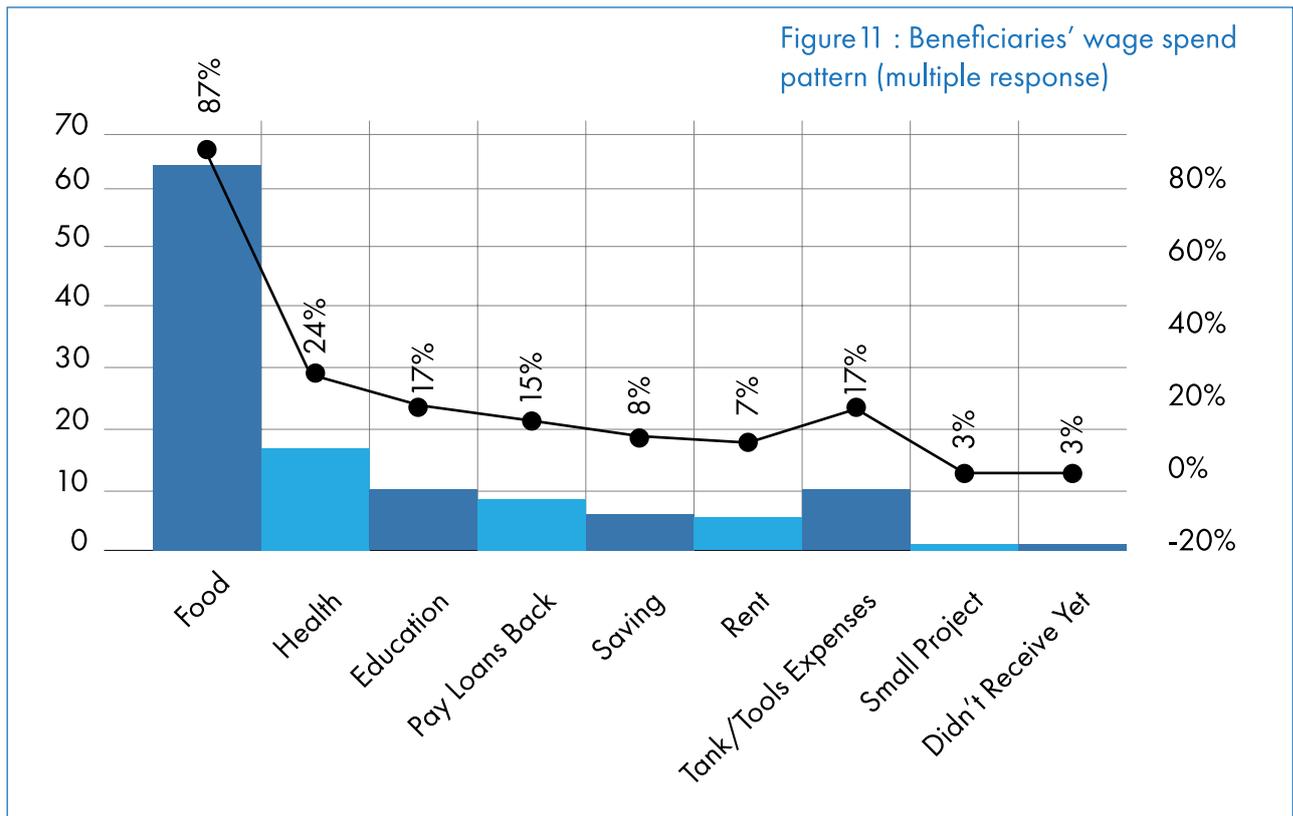
Short-term employment creation

The ECRP has contributed to creating short-term employment creation and livelihood opportunities for populations most directly affected by the conflict. Activities include the cash for work modality utilized in the labor-intensive public works activities under component 1.1; the creation of temporary employment for skilled and unskilled workers through the small community infrastructure component (component 1.2); and the creation of employment resulting from the restoration and expansion of productivity among SMEs and producers (farmers, fishers and livestock) through component 1.3. The wage rate for the CfW activities under Component 1.1 was capped at USD 500 per households for an average of 60-100 working days, which is slightly lower than the market wage rate, to facilitate self-targeting with the aim of delivering safety nets for the vulnerable. Market wage levels were utilised for both component 1.2.²² To date, employment created across these various components has directly benefited 344,000 individuals (of which 18.7 % are women, 20% are IDPs and 30% are youth aged between 16-35 years), and indirectly benefited over 2.5 million people.

Employment creation under the ECRP delivered clear benefits in terms of improving livelihoods and enabling households to meet urgent needs. Increased purchasing power from generated income allowed households to spend money on critical subsistence needs such as food and health, cover education costs and repay loans. Key resilience benefits in this regard include improved food security and coping mechanisms, and reduced vulnerability to economic and other shocks. According to TPM reports, spending patterns highlight food, health and education as the main expenditure priorities (see diagram X below). The data also reveals that some households also managed to generate savings and invest in productive inputs. In addition to the income obtained from short-term employment, individuals also benefited from skills development from on the job training, which in principle increases their employment prospects. In general, the vast

²² For infrastructure rehabilitation activities under 1.2, wages ranged between US\$ 8-12 per workday for unskilled labor, and US\$ 16-24 per workday for skilled labor following the local wage rates (based on an exchange rate of 250 YER to 1 USD). World Bank (2016). *ECRP Project Appraisal Document* and Apex Consulting (2019). *Rapid Assessment: Rehabilitated Small Community Infrastructure Interventions*. Sana'a.

majority of beneficiaries (70-90%) indicated moderate improvements in livelihoods (allowing them to cover basic household needs), 5-6% indicated a significant improvement (i.e. one which allowed them to generate savings and invest), while 5-19% indicated no improvements (income was insufficient to cover all family needs).²³



Source: TPM 4

At the same time, wage levels and duration of employment limited the impact and sustainability of income generating activities. In light of the relative modest wages and short duration of employment/income generating opportunities created through the project, it is not clear that these have sufficiently expanded livelihood opportunities in a way that can be a) sustained through to the end of the crisis; and b) leave beneficiaries in a position to resume 'normal' life once the crisis ends. While the project resulted in enhanced purchasing power, this was both temporary and sufficient only to meet basic and essential needs – with very little left over for savings or productive investments. Furthermore, wage levels were inelastic and were not adjusted in light of severe fluctuations in the exchange rate and commodity prices, which further decreased the purchasing power benefits of employment. This highlights the importance of further reflection to determine a) a wage level high enough to allow households to generate meaningful savings and/or investment capital, thereby increasing chances for sustainable livelihoods creation; b) a mechanism for adjusting wage levels in relation to temporary economic fluctuations.

Reflection is needed on more sustainable approaches to employment and livelihoods. Although the ECRP project document is clear that the focus of the employment creation activities was meant to be short term and considered from a social protection perspective, the experience to date does provide grounds for further reflection on how sustainability and impact could be enhanced in future interventions. In addition to setting wage levels according to requirements for generating sustainable livelihoods, employment creation could be linked to other productive activities. Consideration in this regard could be given to the "3x6" approach developed by UNDP in other countries and also successfully implemented in Yemen, for certain beneficiary profiles including youth with entrepreneurial proclivity.²⁴ This approach involves a phased approach to creating sustainable livelihoods by combining short-term employment with skills development, the use of income for productive investments, and provision of financial incentives and business assistance. In addition, further consideration could be given to how ECRP support for SME recovery and expansion under component 1.3 could be leveraged and expanded to generate longer-term employment opportunities (including through referrals from component 1.1) for a greater number of beneficiaries (at present, this component accounts for approximately 60,000 of all jobs created under the ECRP), and through scaled up support for entrepreneurship development, business development services, and development of new financial products and services that enhance productivity and business expansion in

²³ Data based on perception surveys conducted by the third party monitoring agent across different beneficiary sample groups (TPM Reports 7 and 8, 2018).

²⁴ UNDP (2017). *The 3x6 Approach for Income Opportunities Creation and Recovery: Assessment for Efficient and Effective Application in Humanitarian and Crisis Contexts*. UNDP: Sana'a.

relevant sectors (i.e. agriculture, fishery, and private service provision in water, waste mgt. etc.) for increased sustainable employment opportunities and revitalization of the local economy.

Enhanced access to services through community infrastructure works²⁵



The rehabilitation and construction of community infrastructure contributed to individual and household resilience by improving access to services. Community infrastructure activities under project subcomponents 1.1 and 1.2 included sub-projects which included the rehabilitation and construction of key urban and rural roads; water reservoirs and sewage systems; and classrooms. TPM perception surveys, a rapid impact assessment of PWP small community infrastructure projects and key informant interviews indicate that these sub-projects created tangible benefits, these have not been quantified or analyzed in order to accurately assess their economic contribution or impact on individual household well-being and livelihoods. Indicative impacts as well as indicators to accurately assess the impact of these activities could include:

- **Road rehabilitation:** Monitoring and evaluation reports indicate decreased costs of transportation, enhanced mobility and better (faster) access to key services. Indicators to more accurately measure impact on individuals and livelihoods could include: a) change in household transportation costs; and b) enhanced educational, health and food security outcomes attributable to greater accessibility of services (e.g. change in school enrollment, health services obtained, and availability of food).
- **Water and sewage management:** Monitoring and evaluation reports indicate improved accessibility to water and improved hygienic practices contributing to reduced vulnerability to diseases, e.g. cholera. Indicators to more accurately assess impact could include: a) time needed to obtain water which could be used for other productive purposes; b) changes in the monetary cost of obtaining water (trucked versus reservoir/well access); c) changes in health outcomes attributed to sanitation infrastructure and improvements.
- **Expanded school capacities (classrooms):** Monitoring and evaluation reports indicate increased enrollment, particularly of female students, following the rehabilitation of schools. This was due both to the increase in the physical capacity of schools to accommodate students and increased willingness of parents to send children to school given improved conditions. Indicators to more accurately assess the impact of school rehabilitation could include percentage increases in school enrollment (and retention) rates, as well as longer term productivity enhances accruing from a more educated workforce.

²⁵ This sub-section analyzes one aspect of the community infrastructure activities supported by the ECRP, namely their impact on individual and household resilience. Other aspects, including contribution to social cohesion and economic productivity are covered in the following sections.



Empowerment and employment of youth



The ECRP has provided significant support to youth affected by the conflict through provision of training and employment opportunities. Under component 1.1 of the ECRP, youth are provided with skills training in health, education and nutrition referral services; receive temporary employment as social service providers and community mobilization facilitators; and are engaged in the planning and implementation of community development initiatives. To date, 2,760 youth (50 % of whom are women) have benefited from training and temporary employment. ECRP youth activities have been managed within the framework of two national programs implemented by SFD, notably the Rural and Urban Advocates working for Development (RUAWFD) program, through which youth have received skills development training; and the Empowerment for Local Development Program (Tamkeen) through which youth have been employed as social service providers and community facilitators.

The results of youth empowerment and employment activities indicate impacts on resilience at several levels. Employment has enhanced the purchasing power of associated households, while skills training and involvement in service provision has provided youth with valuable skills and enhanced their employability. Engagement of youth in community mobilization activities—namely through the facilitation of participatory planning exercises and development of community resilience projects—has also contributed to strengthening community capacities to address collective needs, primarily through support for the establishment and running of Village Cooperative Councils. Results to date reflect these impacts: 37% of youth have secured employment with different national and international organizations; over 60,000 individuals have benefited from health and education services, as well as life skills training provided by youth; while 1,275 youth-led community initiatives (primarily in the form of rehabilitation of community assets) have been financed and implemented.²⁶ What is less clear is the impact of youth providing education services, which has not been clearly captured in progress reporting.

²⁶ SFD, *RUAWFD Youth Employment and Community Empowerment*. Presentation to the Technical Review Meeting of the ECRP, November 2018; SFD (2019). *Tamkeen Youth Employment in Community Empowerment: First Quarter Report 2019*.



Cash for nutrition services

The ECRP has contributed to improving nutrition and health outcomes for key vulnerable groups (youth females, children, pregnant women and mothers with children under 5), thereby reducing vulnerability to food insecurity and malnutrition. Under project component 1.1 a multi-pronged strategy is being implemented which combines short-term employment for young females as community educators in nutrition and reproductive health (for a total of 3,471 youth employed to date); cash transfers to women conditional on attending nutrition education sessions (for a total of 85,000 women who received 12-40 US\$ per month); enhancing access of pregnant and lactating women to health services (for a total of 77,500 women and children to date); and enhancing community awareness on nutrition issues. To date, over 295,000 women and children have benefited from nutrition services under the ECRP, significantly exceeding the project target of 85,000 beneficiaries.²⁷ Targeting of beneficiaries under this sub-component was coordinated with the humanitarian nutrition cluster, complementing food and nutrition assistance provided under the HRP.

Initial impact assessments of the ECRP nutrition component highlight important results. Conditional cash transfers have contributed to both enhanced purchasing power for targeted beneficiaries, but also improved consumption through better dietary diversity (with over 74% of household using cash to buy more food, and 14.4% of households buying better quality food). The nutrition and health education received by beneficiaries also had a demonstrated impact on practices, including an increase on exclusive use of breastfeeding (by 10-15%) and rate of treating water (by 11-17%), with highest increases reported among illiterate women. Most significantly, the project has reduced the rate of malnutrition among children by 7-10 %, and the rate of diagnosed severe acute malnutrition by 3-5 %.²⁸

ECRP nutrition assistance has demonstrated the impact and scalability of demand-side interventions, and demonstrated how sustainability can be achieved by linking to supply-side issues. The nutrition activities under the ECRP were both complementary and cost-effective in relation to direct food assistance, with additional benefits accruing from cash transfers with respect to empowering and enabling households to purchase services and goods contributing to broader livelihood outcomes. Importantly, improved nutritional knowledge and practices enhanced coping strategies, which food assistance alone cannot provide. At the same time, project activities also underscore the importance of strengthening the availability and provision of health and nutrition services, including in particular through strengthened service delivery capacity of nutritional treatment centers. In the context of the ECRP, this was provided through coordination with the Emergency Health and Nutrition Project implemented by Unicef and WHO, as well as the Health Cluster, which facilitated strengthening of health and nutrition facilities in areas targeted by the former. This will be critical to ensuring the sustainability and nation-wide scale up of nutrition services in a post-crisis context and beyond the duration of the project. At the same time, while the employment of young females as community educators resulted in both income generation and skills development, sustainability will ultimately depend on the creation of long-term employment or job referral opportunities.

²⁷ ECRP project reporting.

²⁸ International Food Policy Research Institute (2018). *Impact Evaluation Study for the Yemen Social Fund for Development, Cash for Services: Nutrition Program*.

Restoring and strengthening economic productivity

The project contributes to economic productivity outputs across three sub-components: the small community infrastructure sub-component (1.1 and 1.2) and the SME revitalization and employment generation sub-component (1.3). Under both, the focus is both on restoring productive community and SME assets and strengthening productivity through improved or enhanced inputs and skills. Key issues and lessons learned relating to the impact on resilience of these activities include the following:



Small Community Infrastructure

The rehabilitation and construction of community infrastructures appears to have contributed to economic activity by enhancing agricultural production, facilitating access to markets and stimulating private sector activity. These consist of activities under both the labor-intensive public works and Small Community Infrastructure components (1.1 and 1.2 respectively), including in particular the rehabilitation and protection of agricultural lands and the improvement of roads. With respect to the first, perception survey and anecdotal reports indicate that activities such as land reclamation, improved water sourcing and irrigation, and protection such as retaining walls contributed to reduced land maintenance costs, decreased exposure to environmental risks (e.g. flooding), increased crop production and enhanced livelihoods and investment capital due to savings generated. With respect to the rehabilitation of roads, perception surveys indicate that these activities enhanced access to market and movement of goods, and also stimulated local businesses and employment.²⁹ An ancillary—but significant—impact of the small community infrastructure component has also been the strengthening and maintenance of the national industry of construction contractors and consultants which have been responsible for the design and implementation of sub-projects. To date, 633 contractors and 2,317 consultants have been employed by the project.³⁰

Further data and analysis are required to define the overall economic impact and sustainability of community infrastructure. In the absence of data to measure the impact of community infrastructure sub-projects on key economic and productivity indicators (e.g. agricultural production figures, market prices, trading volume, as well as broader economic and social multiplier effects), it is not possible to assess their overall contribution to economic recovery and productivity. It can also be assumed that the economic benefits generated by these sub-projects will be strongly impacted by the broader security and economic environment, with potential gains in some areas being offset or undermined by conflict and interruptions of local markets and trade. This highlights the importance of linking productivity-enhancing interventions with a) a proper analysis of projected economic impact and sustainability factors; and b) broader structural interventions to improve economic and security 'enabling' conditions to both maximize impact and ensure sustainability. In addition, and although the project did include provisions for infrastructure maintenance, the effectiveness of these still need to be properly evaluated over the medium to long-term, given the complexity entailed for some projects (e.g. roads) and the limits of community-based approaches to infrastructure maintenance in a crisis environment.

²⁹ Apex Consulting, *ibid.*

³⁰ UNDP (2019). *Narrative Bi-annual Progress report for the period 1 July 2018-31 December 2018 on Yemen Emergency Crisis Response Project.* UNDP: Sana'a.



Support to MFIs and SMEs

The ECRP provides support to private sector actors with a focus on recouping losses and damages and enhancing productivity. Within sub-component 1.3, the three types of activities have been implemented in this regard: a) provision of financial assistance to micro-finance institutions (MFIs) to cover operating deficits and enable them to resume provision of financial services (lending); b) provision of financial and non-financial assistance to small and medium-size enterprises (SMEs) to allow them to resume operations through replacement of lost assets and cover outstanding debts; and c) the provision of grants to farmers, livestock owners and fishers to recovery and enhance their operations. Results of this subcomponent to date, which are implemented through the SFD Small and Micro Enterprises Development Program (activities a and b) and the Small and Micro Enterprise Promotion Service (activities b) include: recovery of the operating capital of 7 MFIs; disbursement of micro-loans from MFIs to over 85,000 clients, including 9,895 new SME clients; the provision of recovery grants and loan payments to over 3,819 SMEs directly affected by the conflict, as well as over 4,800 farmers, fishers and livestock owners.³¹

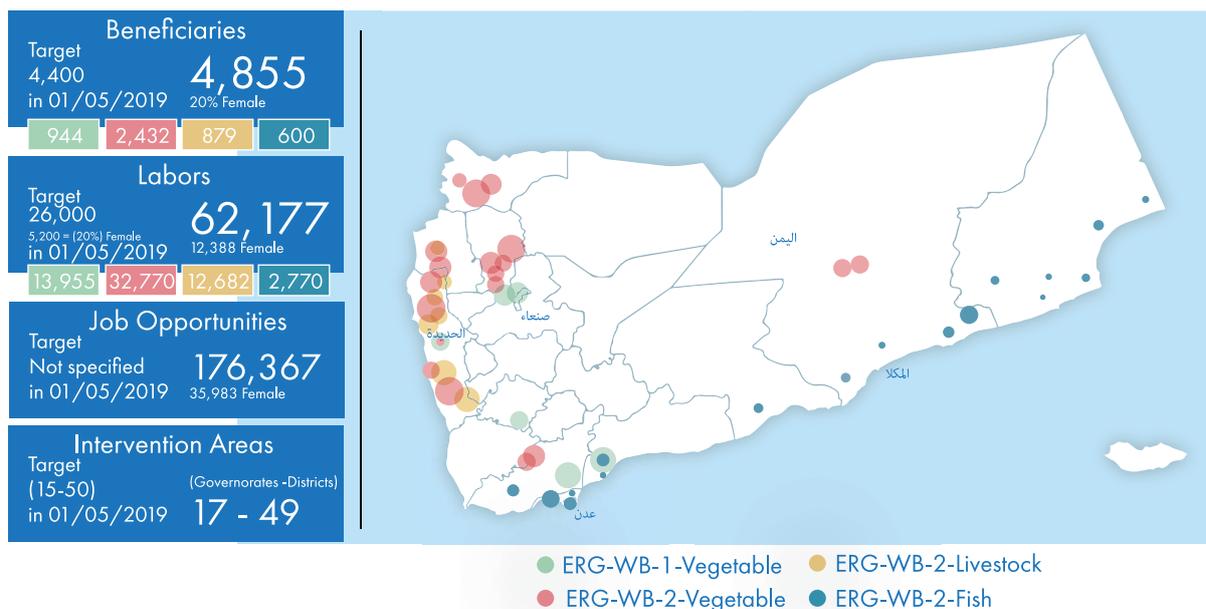
Important results have been achieved in enabling MFI and SME recovery and productivity. Project results indicate that financial support to MFIs and SMEs has enabled them to offset and recover from losses incurred as a result of the crisis, effectively returning them to a status quo ante situation. There is also evidence that important economic multipliers have been generated, including notably through new employment created by the resumption, and in certain cases, expansion of productivity. This is most clear in the case of support to farmers, fishers and livestock owners, where important productivity gains have been generated through introduction of new production techniques and inputs. SFD/SMEPS data indicates productivity increases of almost 167% and a 44% increase in incomes; as well as economic multipliers in relation to agricultural value chains and employment, including the creation of 61,000 jobs and the replication of new approaches by other producers not covered by the project (on a 3 to 1 ratio).³² At the same time, these gains have been offset by a number of challenges, including inconsistent calibration of assistance with agricultural cycles and seasonal variations, as well as continuing economic/security shocks which affect market access and trade, and result in highly volatile input prices.³³

³¹ UNDP (2019), *ibid*;

³² SFD/SMEPS (2018). *SMEPS Policy Brief: Humanitarian-Development Nexus: Protecting the Development Space in Yemen is a Life-Line for Peace*.

³³ Moore Stephens (2018). *Fourth TPM Report (July-December 2017)*.

Diagram 2: Distribution of farmers, livestock owners and fishers supported by the ECRP



Source: <https://sites.google.com/site/wbfaemergencyproject/>

A key challenge is moving beyond recovery to resilient and sustainable productivity over the long-term. Given the context in Yemen today, a key challenge for MFIs and SMEs will be to translate gains acquired with ECRP assistance into capacity to withstand shocks and maintain productive activities in a context of deepening economic crisis (including inflation, market distortions), widespread insecurity and severe access/trade constraints. To date the main focus of support to MFIs and SMEs has been the recapitalization and restoration of productive assets and inputs. It is not clear, in the absence of improvements to the broader economic and security environment, whether these can be sustained until the end of the crisis. If so, then they could certainly constitute important drivers for recovery of the private sector and economic productivity more generally. The ECRP experience in this regard highlights two important considerations:

- **Promoting self-sufficiency and sustainability.** A first consideration concerns the need to design MFI and SME productivity recovery and enhancement measures that take into account the operational capacity requirements needed to ensure self-sufficiency and sustainability beyond the short term. Such measures could in principle be calibrated to the overarching economic and security environment and linked to broader structural interventions (e.g. macro-economic interventions supported by IFIs such as the IMF).
- **Focus on strengthening and transforming productive value chains.** A second consideration concerns how productivity gains achieved by SMEs can be built upon and scaled up as the basis for strengthening economic value chains in specific sectors and geographic areas. The potential of such an approach is highlighted by support provided to farmers, livestock owners and fishermen, where the introduction of new techniques and inputs have demonstrated significant productivity increases which, if sustained through to the end of the crisis, could result in important opportunities for the recovery and transformation of the respective value chains.



Strengthening social cohesion and inclusion

A foundational aspect of the labor-intensive public works and small community infrastructure sub-components of the ECRP is a community-based approach to the identification, implementation and maintenance of sub-projects. This approach, together with an emphasis on interventions which seek to create collective goods for all vulnerable and conflict-affected groups, seeks to reinforce collective coping mechanisms, social cohesion and peace-building. The ECRP community-based approach is based on established networks maintained by the SFD and PWP since the 1990s, and their role as trusted and neutral providers of social services. Project monitoring reports and perception surveys provide anecdotal evidence pointing to important results achieved by the project in strengthening community level resilience, understood as capacities to both cope with and recover from the impacts of the crisis.

The participatory approach to the identification and design of project activities facilitated an inclusive process of community dialogue, mobilization and cooperation in addressing urgent priorities. Both SFD and PWP utilized participatory methods to support communities in the identification of community interventions that would respond to urgent needs. These included consultations with key local stakeholders (community leaders, local authorities, civil society organizations and representatives of affected groups, eg. IDPs, women, and host communities) as well as application of participatory rapid appraisal methodologies implemented by social workers and youth beneficiaries of the SFD's Tamkeen program (see section above). Particular emphasis was placed on ensure broad inclusiveness in these to processes to ensure the participation of all affected groups, including women, youth and IDPs. Key benefits included strengthening social cohesion through a collective process of dialogue and cooperation in identification of priorities and corresponding projects; a sense of collective ownership and engagement in the project; and the identification and design of activities that responded to community realities and needs, including those of women.³⁴

Community interventions provided frameworks for collective action and strengthening relationships between different social groups. Both SFD and PWP interventions, which focused primarily on the rehabilitation or construction of community assets, involved communities at three levels of implementation. Labor for construction works was drawn primarily from the communities utilizing a transparent and inclusive process, with an emphasis on ensuring proportionate participation of different affected groups (women, youth and IDPs). Second, the establishment of local mechanisms involving beneficiaries and community mechanisms (such as the VCCs, discussed below) facilitated community oversight and engagement at different levels of sub-project implementation, ensuring that it conformed to expectations, facilitating community contributions (in kind and financial), and providing a mechanism to identify and resolve any disputes that arose. Third, most sub-projects include a process of community-led maintenance and management of community assets. Taken together, these approaches have provided common activities around which entire communities could mobilize and contributed to empowering them as primary agents in responding to and recovering from the impacts of the conflict. The approaches have also enhanced the sense of ownership, contributing to the sustainability of the community assets. The project's strong emphasis on ensuring inclusion of all vulnerable groups (including IDPs, women, and youth) also appears to have contributed to social cohesion through generation of new relationships and forms of cooperation at community level.

³⁴ UNDP (2019), *ibid.*; Al-Ahmadi, Afrah Alawi and de Silva, Samantha (2018).

Local structures supported through the ECRP constitute important foundations for community-led recovery and peacebuilding. As mentioned, the project has contributed to tangible improvements in social cohesion at community level through facilitating cooperation, collaboration and development of new relationships in pursuit of common goals (sub-projects). There is also evidence that these have been institutionalized in some areas through development and strengthening of community level structures such as the Village Cooperative Councils (VCCs). During the course of implementation, over 2,000 VCCs have been established (out of a total of 6,000 nation-wide) with support from the SFD Tamkeen program and the engagement of youth community mobilisers engaged under the youth empowerment component (see above).³⁵ VCC members are democratically elected at village level, 50% of whom are women.³⁶ VCCs have led community planning processes, resulting in the development of community resilience plans and the implementation of over 1,000 community led initiatives. They have also facilitated the delivery of humanitarian assistance (over 1,000 humanitarian activities implemented by 23 different national and international humanitarian partners).³⁷ The engagement of women in the selection and decision-making processes has ensured that to the extent possible and where required, gender considerations were integrated and reflected in the prioritization of the locations, selection of types of sub-projects, and additional considerations were incorporated in the design and implementation to ensure safe and equitable access to sub-projects and benefits to women in the targeted communities. Importantly, the project has also resulted in greater inclusion of previously marginalized groups in community decision-making, helping to address horizontal inequalities and promoting broader and more effective participation, as well as strengthening social cohesion. In principle, these constitute important capacities for community level planning and coordination in a post-crisis period and would enable communities to engage in a broader post-crisis recovery effort in an organized, inclusive and effective manner. A key issue is to ensure the sustainability of these structures and capacities beyond the life-span of the project.

Preserving and enhancing institutional capacities



At the institutional level, the ECRP has played a key role in enabling the PWP and SFD to recover from the impact of the crisis. Their role as entities responsible for implementation of project activities has enabled them to resume core services and activities throughout the country, and to restore their institutional and staffing capacities at local and central levels. The ECRP, through technical assistance and capacity building support provided by UNDP, has also enabled these institutions to adapt their business model to the current operating environment in Yemen to deliver faster and more efficiently. Moreover, the project has also catalyzed additional financing by other donors, which has further reinforced SFD and PWP capacities. This has positioned both institutions to play an important role in post-crisis recovery at national level. The dependence of both PWP and SFD on international financing (which at present accounts for 80-85% of their entire financing) and the question of how they will be integrated into a post-crisis national institutional structure does raise the issue of long-term institutional viability.³⁸

³⁵ SFD (2019); Interview with SFD staff, 3 April 2019.

³⁶ Email exchange with SFD staff, 11 April 2019.

³⁷ SFD (2018). *RUAWFD Youth Employment and Community Empowerment*. Presentation delivered at the November 2018 Technical Review Meeting of the Yemen ECRP Project.

³⁸ UNDP (2019).

Lessons Learned

- **Cash for work: Rapid employment creation approaches effectively increased individual and household purchasing power and coping strategies in the short-term but cannot be considered sustainable in the absence of additional measures.** These include calculation of wages to ensure generation of sufficient savings that can be used for productive purposes, and linkages with measures expected to generate sustainable income generation (e.g. access to micro-finance and business support, and initiatives to stimulate economic productivity).
- **Enhanced access to service: Rehabilitation of community assets such as roads, water/sanitation systems and schools stand to increase household and community resilience due to improved purchasing power, food security, health and education-related economic gains.** In order to maximize the impact of such interventions, however, it is important to conduct accurate assessments of what types and scale of interventions would be most suitable and effective in meeting household/community needs and develop indicators to monitor the impact on food security, livelihood, and education outcomes.
- **Empowerment and employment of youth: Creation of employment and empowerment of youth in service provision and community mobilization is an important approach to enhance the resilience of households and communities.** The ECRP demonstrates the significance of this approach, both in terms of the important role played by youth in supporting community-led processes of planning and project implementation; delivery of essential services to community members. It also demonstrates the sustainability of this approach, given that many youth were able to find sustainable employment beyond the project.
- **Cash for nutrition services: Integrated approaches to enhancing delivery and access of nutrition related services demonstrate high complementarity to humanitarian assistance and can serve as foundations for post-crisis service delivery.** Training youth in nutrition and health service provision expanded the pool of trained personnel, while education of mothers facilitated behavioral changes leading to important nutrition and child development outcomes. At the same time, measures to strengthen demand side interventions need to be complemented by a focus on strengthening supply side institutional capacities (notably nutrition treatment centers).
- **Restoring and strengthening economic productivity. Provision of financial and non-financial assistance to MFIs and SMEs is essential to restoring productive capacity, but long-term sustainability will depend on structural improvements.** Translating short-term gains through the restoration of productive assets into long-term capacities to withstand crisis-related shocks and enhance productivity requires complementary efforts to improve the broader macro-economic, security and regulatory enabling environment. In the absence of broader structural change (as in the case of a protracted crisis), intermediate priorities to strengthen coping capacities over the medium-term could include measures to enhance self-sufficiency and strengthen productive value chains.
- **Strengthening social cohesion and inclusion.** The ECRP approach highlights the value of participatory methods for the identification and implementation of community projects, as well as the need to include all affected groups in order to promote 'horizontal' social solidarity and cohesion; the significance of identifying the 'right' projects which promote a sense of collective stakes and provide a foundation for collaboration; and the importance of community level structures in both enabling collective responses to crisis conditions and serving as foundations for post-crisis local planning. Beyond this, it is also important to reflect on how participatory and community-based approaches have enabled or facilitated 'deeper' social cohesion through resolution of longer-standing inter-communal differences.
- **Preserving and enhancing institutional capacities. Implementing project activities through existing national institutions such as the SFD and PWP is an effective way to restore and maintain critical service delivery capacities.** It also provides an avenue for developing business processes adapted to the needs and conditions present in a crisis context. The restoration of these institutional capacities also constitutes important foundations for post-crisis recovery. In the absence of a functioning state-institutional structure, the dependence on international financing is potentially problematic given lack of long-term predictability and sustainability.



2. BRIDGING THE HUMANITARIAN-DEVELOPMENT NEXUS

The ECRP emerged from a recognition of the need to complement the humanitarian response to the conflict in Yemen with interventions to safeguard core national institutional capacities and enhance social and economic resilience. As such, it is an example of how development resources can be brought in 'earlier' during a context of active conflict in order to bridge gaps between immediate humanitarian life-saving interventions and support for maintaining critical national institutional capacities and services.³⁹ This section provides an overview of how the ECRP operationalized this bridging function in relation to ongoing humanitarian efforts in Yemen, with specific focus on coherence, coordination, targeting, and joint monitoring within the framework of the humanitarian-development 'nexus' (HDN) approach and associated international normative and policy frameworks (notably the 2016 WHS and the New Way of Working).

Strategic alignment and positioning of the ECRP relative to the Yemen Humanitarian Response Plan (HRP)

From a conceptual perspective, the ECRP is closely aligned with the vision of how development-oriented interventions fit within the broader HDN nexus approach. As such it predicated on the need for coherent and concurrent efforts across humanitarian and development domains in order to enable effective and joined up responses to and recovery from crisis. As outlined in section II (1), the integrated multi-sectoral approach of the ECRP provides a framework for complementing life-saving humanitarian assistance through a focus on strengthening individual, community and institutional resilience and enhancing capacities for long-term recovery. The ECRP is in this regard considered a critical component of the 'humanitarian plus' programming in Yemen (which is articulated in both the World Bank Country Engagement Note and the UN Strategic Framework), and is considered an essential part of the international community's response given the limitations of humanitarian assistance and the need to safeguard livelihoods, means of production and institutional capacities in the face of deepening food insecurity and economic decline. The approach and relationship of the ECRP in relation to the HRP follows the key principles of the WHS 'Grand Bargain' and the New Way of Working, insofar as it contributes to collective outcomes across both the HRP and HRP plus; utilizes common targeting and priority-setting criteria; and has sought to ensure operational coordination and alignment of activities.

In operational terms, the ECRP was strategically aligned and coherent with the HRP, despite being implemented in parallel. At the level of strategic outcomes, the ECRP was broadly coherent with the HRP, contributing to efforts to reduce vulnerability and enhance short-term resilience through preserving the capacities of individuals, communities, and institutions to cope with the impacts of the conflict (see diagram 3 below). More specifically, three types of programmatic linkages enabled the ECRP to complement the HRP. These included:

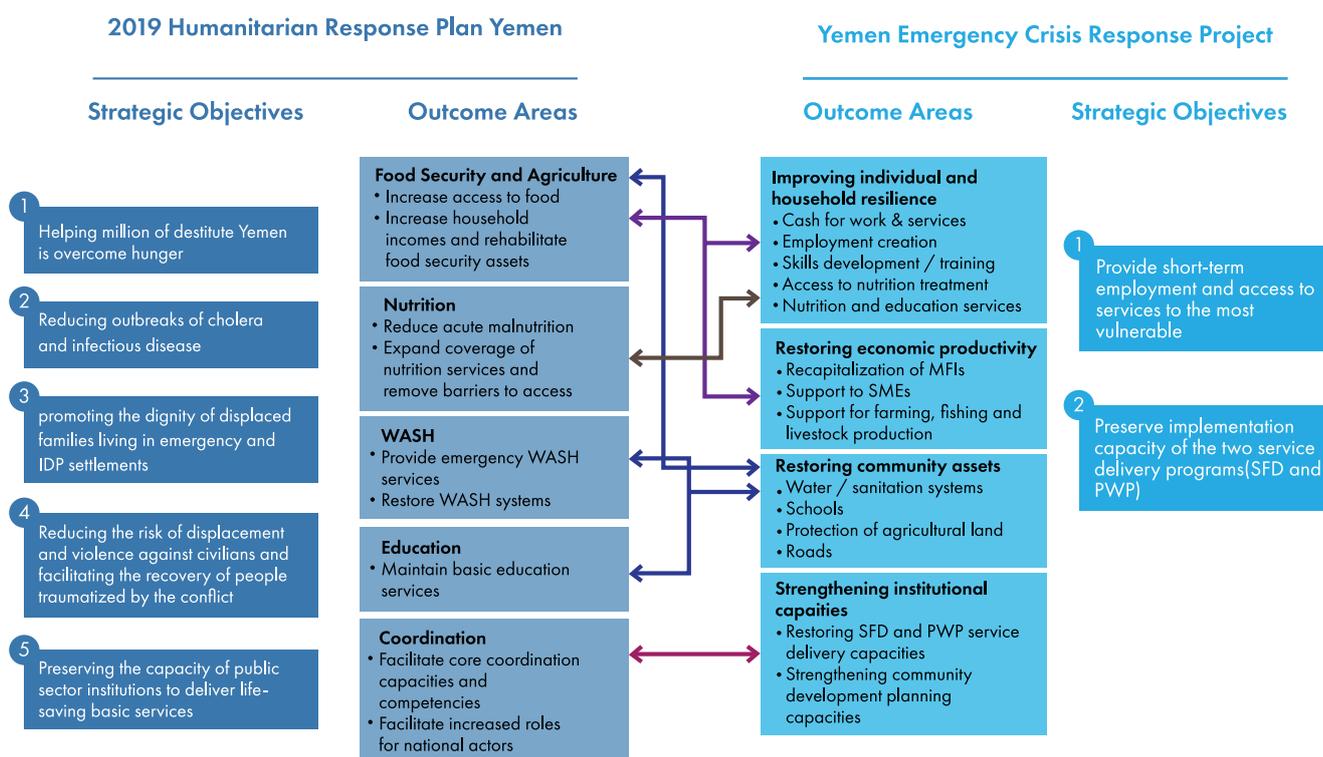
- **Priority setting and targeting using humanitarian criteria and indicators.** A key linkage with the HRP in terms of priority setting and targeting is articulated through the ECRP targeting methodology, which is based on a composite 'distress index' compiled from key humanitarian indicators and data, including severity of food insecurity (from the food security cluster), emergency needs (from OCHA data on population in need) and presence of IDPs. This has enabled the ECRP to allocate and prioritize resources and efforts in geographic areas (governor-

³⁹ OCHA (2017). *Yemen Humanitarian Response Plan – 2017*.

ates and districts) and communities that have been the most affected by the conflict and the multi-faceted nature of vulnerability, and which also constitute priorities for the humanitarian community.

- **Responsiveness to emerging needs.** ECRP implementation has been adjusted to address emerging needs as part of the overall response of the international community. These include in particular the response to famine and cholera epidemics risk in 2017 and 2018, which included coordination with relevant humanitarian clusters. The ECRP contributed to the reduction of food insecurity through interventions expanding the social protection floor, notably temporary job creation and cash transfer activities across multiple project components, which enhanced household purchasing power. The approach to revising ECRP implementation – in particular to the threat of cholera in 2017 – entailed revision of activities within the labor-intensive works and community infrastructure components to include sub-projects focused on preventive and treatment interventions across health, infrastructure and education sectors. The cholera response within the ECRP was developed in line with the Integrated Cholera Response Plan and coordinated closely with WASH and Health humanitarian cluster partners.
- **Coordination on nutrition interventions.** The nutrition-related interventions of the ECRP under component 1.1, which include conditional cash transfers for women with children linked to provision of nutrition services and education, are a good example of coordination with humanitarian efforts. At the level of targeting, ECRP activities were implemented in 21 high priority districts in six governorates prioritized by the humanitarian nutrition cluster. At the programmatic level, the ECRP approach which focused on demand-side interventions (providing beneficiaries with the knowledge and means to access nutrition assistance) was directly complementary to humanitarian activities which focused primarily on the direct provision of treatment (through direct provision of services in nutrition centers). Moreover, the results achieved by ECRP activities contributed directly to improving nutrition outcomes for a sizable population (over 175,000 children), freeing up humanitarian resources for the provision of life-saving assistance for severe cases of acute malnutrition.

Diagram 3: Areas of complementarity between ECRP and HRP (strategic objectives and selected outcome areas)



The ECRP experience highlights opportunities for deepening operational coordination and coherence across the humanitarian-development nexus (HDN). The ECRP demonstrates how operational linkages with humanitarian efforts can be created through the use of common targeting indicators and criteria, and how programmatic interventions responding to common objectives can be coordinated at sectoral and cluster levels. Going beyond this, more reflection is needed on how activities across the HDN can be more jointly targeted systematically and sequenced geographically and chronologically across sectors to enable multi-track and differentiated responses. This deeper level of operational coordination and coherence could enhance the leveraging of humanitarian and development resources in addressing needs and avoiding gaps or duplication of assistance.⁴⁰ It could also contribute to multi-sectoral approaches linking humanitar-

⁴⁰ As highlighted in TPM reports, some duplication of assistance (from HRP and ECRP) did occur with respect to the CfW component, with beneficiaries in some locations receiving assistance from both sources. TPM report 1.

ian and development efforts to address multidimensional causes of vulnerability in specific geographic areas. Opportunities for enabling this more detailed and operational-level coordination currently exist within the framework of the 2019 HRP which encompasses resilience-strengthening assistance as 'second line responses' and can provide a framework for facilitating information sharing and joint decision-making on the targeting and sequencing of activities across the HDN.⁴¹

The diversity of linkages between the ECRP and HRP highlights important functional relationships between humanitarian and development-oriented interventions. A key factor enabling deeper operational coordination and alignment of activities is a precise understanding of how humanitarian and development-oriented interventions relate to each other in terms of their respective roles and contribution in addressing common outcomes and priorities. The experience of the ECRP highlights three types of functional relationships, which can constitute an important basis for deepening knowledge and practice on operationalization of the HDN:

- **Reducing vulnerability.** An important impact generated by the ECRP was the reduction of vulnerability of individuals, households and communities to conflict-related shocks. Through social safety net (CfW) and livelihood (e.g. support to farmers) interventions the ECRP contributed to reducing food insecurity, while the nutrition sub-component decreased the incidence of malnutrition through prevention-orientated measures. Similarly, economic productivity and community infrastructure activities also helped improve sustain and enhance livelihoods, health and education. Together, these activities have played an important role in preventing a slide into acute food insecurity, malnutrition and poverty for hundreds of thousands of households and allowed humanitarian financing to focus on the most urgent and acute life-saving priorities.
- **Enabling humanitarian assistance.** In addition to their role in enhancing resilience and livelihoods, ECRP activities have also facilitated the delivery of humanitarian assistance. Youth trained through the project in the areas of health, education and community mobilization services have supported or facilitated the work of humanitarian agencies, and in some cases been employed by them. VCCs established and supported through the ECRP have facilitated the identification, planning and delivery of humanitarian assistance at local level, enabling it to reach beneficiaries most in need. Finally, the rehabilitation of roads, schools and water/sanitation systems have provided infrastructure to facilitate delivery of humanitarian-financed social services, while reducing high costs associated with expensive temporary facilities.
- **Transitioning to recovery and development.** ECRP activities contribute to preserving and strengthening capacities that will be vital for post-crisis recovery and development. In time, this will enable a transition from life-saving assistance to development-oriented approaches with a focus on strengthening self-reliant and autonomous recovery processes. The preservation of core national institutions such as the SFD and PWP will enable a progressive transfer of assistance from humanitarian to national service delivery mechanisms, while local VCCs will provide a critical link between communities and local authorities in the management of recovery planning. Last but not least, productivity enhancing measures for the private sector will enable not only the preservation but expansion of production and job creation once conditions improve. In reality, post-crisis transition and recovery will not be linear, with continuing economic, security and other constraints likely requiring concurrent and coordinated humanitarian and recovery interventions that are closely coordinated and calibrated to needs and conditions as they evolve.

Coordination across the humanitarian-development nexus requires investment in capacities and integrated systems. At present, coordination structures exist at both national and local levels for the delivery of humanitarian assistance, and are extremely active in the targeting, management and monitoring of activities undertaken by a large network of national and international organizations. UNDP and the two implementing partners have faced challenges in participating in all relevant clusters at both levels due to the multi-sectoral scope of the ECRP (which covers food security, nutrition, education, WASH and health clusters). This has been principally due to a lack of staffing capacity to ensure regular participation in cluster meetings and the lack of a unified information management system across UNDP and the IPs. This is a priority that has been progressively addressed, with PWP and SFD engaging more systematically in relevant clusters. Monitoring and reporting challenges have been further compounded by the lack of a reporting mechanism that can track financing from both humanitarian and development sources.⁴²

Beyond the ECRP, a framework is needed for the overall coordination of development-oriented interventions in the context of the HDN. At present, development-oriented resources and assistance which aim to complement humanitarian assistance are categorized as 'humanitarian plus' interventions. There is however no overarching strategy or

⁴¹ OCHA (2019). *Yemen Humanitarian Response Plan, January-December 2019*. OCHA: Geneva.

⁴² At present, financial and activity monitoring within the humanitarian cluster system is exclusively based of the OCHA Financial Tracking System (FTS), which excludes financing outside of the HRP.

framework to ensure that the allocation of development financing from the international community is responding to a common set of objectives and priorities, including with the HRP as part of a common vision on the HDN, or to facilitate programmatic coherence and coordination across sectors and geographic regions. While the UN Strategic Framework provides such a framework for the UN system, it does not cover all development partners. Likewise, the World Bank's US\$1.3 billion portfolio, while strategically coherent in relation to the Bank's objectives and the UN agencies who are its partners, is not coordinated more broadly with other development initiatives. This fragmentation of the 'development' space poses structural constraints to advancing the HDN in Yemen, and also limits the overall impact of individual interventions such as the ECRP, which are not as a result clearly connected to a broader strategy of engagement and investment by development partners. This underscores the importance of developing a broader platform encompassing all humanitarian and development assistance to facilitate dialogue on collective outcomes and practical modalities to facilitate an integrated response to addressing both immediate humanitarian needs and deep-rooted economic and development challenges.

Lessons learned

- **The ECRP highlights how development-oriented interventions can be strategically aligned and complementary to humanitarian assistance.** Key innovations in this regard include the development of a targeting methodology based on humanitarian indicators and criteria and an implementation approach responsive to emerging needs and coordinated with humanitarian interventions.
- **The ECRP experience highlights opportunities for deepening operational coordination and coherence across the HDN.** Specifically, more reflection is needed on how humanitarian and development-oriented activities can be jointly targeted and sequenced at a deeper operational level. This is essential to ensure the contiguity, inter-relationships and sequencing of humanitarian and development efforts across time and space.
- **The linkages between the ECR and HRP highlight important functional relationships between humanitarian and development-oriented interventions.** These include enabling provision of humanitarian assistance; reducing vulnerability (preventing slide into acute humanitarian need); and transitioning from life-saving to development approaches. A clear operational understanding of how humanitarian and development-oriented interventions relate to each other in terms of their respective roles and contribution in addressing common outcomes and priorities is vital to enabling deeper operational coordination and alignment of activities.
- **Coordination across the HDP nexus requires investment.** UNDP and IP coordination with humanitarian clusters has improved during the project life-span but underscores the importance of both ensuring necessary capacities and addressing core structural constraints such as the absence of an integrated reporting and monitoring system encompassing humanitarian and development resources and activities.
- **Yemen requires a platform for coordinating resilience and development interventions with humanitarian and peacebuilding efforts.** Building on the 'humanitarian plus' this can include a platform for dialogue on collective outcomes and practical modalities to facilitate operational coherence across the HDP nexus.

3. PROGRAMMATIC INNOVATIONS: IMPLEMENTATION IN THE ABSENCE OF TRADITIONAL ENABLERS

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

Despite the extremely volatile and challenging context in Yemen, the ECRP has been able to deliver significant results at scale. Its success is due to an implementation approach which combines innovative delivery modalities, flexibility and robust risk management to ensure rapid delivery of results at national scale. Taken together, these constitute important lessons which provide the basis for a new operational paradigm for bringing development assistance in earlier in crisis contexts as part of a broader HDN approach.

Implementing project activities through national institutions enabled scalable, rapid and cost-effective delivery. In crises contexts the norm is to utilize international organizations for direct implementation based on the assumption that national institutions lack the required capacities and expertise or sufficient neutrality and legitimacy. The ECRP directly challenges this assumption by implementing the project through two national institutions – the SFD and the PWP. This has had generated multiple benefits, including:

- Allowing for rapid results at scale, building on the extensive operational presence and service delivery mechanisms of both organizations throughout the country;
- Ensuring the organizational and financial sustainability of the implementing partners, while helping adapt and strengthen their system and capabilities in working in a crisis environment;
- Facilitating targeting and local level implementation that is tune with local realities and utilizes national networks to facilitate delivery; and
- Enabling a far more cost-effective business model than would have been the case if international organizations had been used.

By investing in and utilizing the capacities of the Implementing Partners, the ECRP was able to achieve results with speed and at national scale that would have taken considerable time, efforts and risks to achieve under a direct (international) implementation approach. Consideration should be given to how this approach can be replicated in other contexts. While the situation and capability of national institutions varies considerably between crisis contexts, the Yemen experience highlights the importance of a) identifying national institutions with the potential for implementation as part of project design; b) investing in the strengthening of their capacities as an integral part of the project; and c) contemplating ‘mixed’ implementation modalities (combining national and international delivery capacities) depending on project needs and capacity constraints.

The neutral and trusted status of ECRP partners enabled project implementation throughout the country. The ECRP was able to implement nationally, despite the division of the country and considerable political and security volatility due to the institutional autonomy of the SFD and PWP, which are not currently under direct operational control of specific government institutions.⁴³ This, together with their track record in providing apolitical services and support to Yemen’s poorest since the 1990s, has allowed it to operate with relative autonomy throughout the country. In addition, UNDP has also leveraged its UN political status in the country to ensure the free operations of the two institutions. This has been particularly important at times when the parties to the conflict have tried to control or restrict ECRP activities. The combined role of both UNDP and the implementing partners in enabling country-wide implementation highlights the possibility of operating in the absence of a peace agreement or presence of a formal government counterpart.

The ECRP utilizes a targeting methodology which has allowed it to reach populations most affected by the conflict in a neutral and inclusive manner. The targeting methodology utilized at governorate and district level by the ECRP is comprised of a distress index (DI) which is a composite of food security, displacement and vulnerability indicators (see box 3, below). This has enabled the project to prioritize and allocate resources to the most vulnerable populations, and also provided a neutral methodology that has prevented the manipulation of project targeting for political or other purposes. The use of the DI is complemented by specific targeting methodologies for specific sub-components and activities, including notably the nutrition interventions (which is based on nutrition cluster targeting) and SME productivity activities. The annual updating of the distress index has enabled the project to adjust targeting, which has given it some flexibility to respond to needs as they evolve in a complex and volatile environment. These have notably included deviations from the distress index to accommodate the revision of allocations due to insecurity and inaccessibility, as well as adjustments to the weighting of the IDP indicators to ensure sufficient coverage of highly impacted areas with few IDPs.⁴⁴ While considered a good model, some have highlighted the need for more flexibility in the application of the targeting methodology

⁴³ While under the overall leadership of the Prime Minister, SFD’s governance structure enables it to take autonomous decisions with respect to strategic direction, finances and operations. PWP is formally constituted as a project management unit under the Ministry of Planning and International Cooperation, but both the IRGY and the de facto authorities in Sana’a have agreed to abstain from involvement in its decision-making. Communication with UNDP staff, August 2019.

⁴⁴ UNDP (2018). *Bi-Annual UNDP Progress Report (January-June 2018)*. UNDP: Sana’a.

(particularly given the complex realities in urban areas) given the rapid evolution and significant differences in needs across districts that are not always accurately captured in the indicators utilized.⁴⁵

BOX 3: ENSURING THE MOST AFFECTED ARE EQUALLY TARGETED: THE ECRP COMPOSITE DISTRESS INDEX (DI)

The ECRP utilizes a two-tiered targeting approach for the prioritization and allocation of project resources at governorate and district levels. This targeting approach utilizes a composite distress index (DI) based on a number of humanitarian and development indicators which are reviewed periodically to account for changes in vulnerability, access and population movements. These include the following data sources: displacement (IOM/UNHCR Population Movement Task Force); food insecurity (FAO/IPC food insecurity reports); population in needs (OCHA); total population (2013 census projects, CSO).

At the governorate level, fund allocation is based on a distress index constructed from six indicators: the level and intensity of people with food insecurity (i.e. the number of food insecure people in the governorate and their share of the total population), the level and intensity of displacement (i.e., the number of IDPs and returnees in the governorate and their share of the total host population), and the level and intensity of population in urgent need for assistance.

Governorate	Population projection 2016	Intensity of emergency needs and food insecurity (% of population in phase 3 & 4) (1)	Proportional distribution of people with food insecurity (2)	Intensity of displacement (Total Displaced) (3)	Relative distribution of population affected by displacement (Total Displaced in Gov/ Total Displaced) (4)	Intensity of population in needs (5)	Relative distribution of population in need of assistance (6)	Distress Index (1+2+3+4+5+6)/6
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At the district level, funds are allocated based on a district distress index which is determined by level and intensity of displacement, including IDPs and returnees, (defined as a share of total displaced in the district out of the total population of the district) and the level and intensity of food insecurity (defined as the share of the population in severely and moderately food insecure out of the total population of the district). Where the governorate funding allocation is not sufficient to cover all districts, priority districts are identified based on their ranking.

Districts	Population Estimate 2016	Intensity of displaced population (1)	Relative distribution of displaced population (2)	Intensity of food insecurity (severely and moderately food insecure) (3)	Relative distribution of food insecurity (severely and moderately food insecure) (4)	Distress Index (1+2+3+4)/4	District Ranking
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Source: ECRP Revised Targeting Approach, 2017.

The ECRP sub-district and community level targeting approach ensured responsiveness to local needs and realities and accountability to beneficiaries. At the sub-district level the implementing partners utilize available field data and information on the local impact of the conflict (on community infrastructures, displacement, and livelihoods), together with consultations with local stakeholders, to identify priority communities. Participatory approaches are a core component of the ECRP targeting strategy (notably with respect to the CfW and small community infrastructure components) and are utilized for determining and programming financial resource allocations at the community level. It also facilitates sub-project identification and the engagement of communities in implementation, monitoring and maintenance. This has multiple benefits for ECRP implementation, including ensuring that project activities correspond to local needs and realities; engendering community ownership and engagement in project implementation; strengthening social cohesion; and contributing to the prevention and management of community-level conflicts. By strengthening community planning and project management capacities (notably through support provided for the development of local resilience plans and the establishment of VCCs) the project has also helped empower communities as development actors, which is vital for the sustainability of interventions in the absence of a national institutional framework for development.

⁴⁵ Interview with SFD staff, 3 April 2019.

A flexible approach to implementation has ensured responsiveness to changing needs and circumstances.

The ECRP has demonstrated considerable flexibility in adjusting the framing, scope and nature of project interventions in light of changing circumstances and needs. This is attributable to several factors, including regular coordination between UNDP and the implementing partners; an effective monitoring system to identify emerging needs and changing conditions; and the ability of the implementing partners to rapidly adjust activities at local level. A notable example of the project's responsiveness is the responses to the 2017 cholera outbreak (see box 4, below). In order to support the broader international response to the outbreak, CfW and small community infrastructure sub-projects within existing allocations at governorate and district level were oriented towards cholera prevention and treatment activities (awareness raising, education, construction of WASH facilities, and health services). Additional examples of flexibility include the measures taken within the framework of the ECRP Contingency Plan to address interruption or prevention of implementation in certain areas due to insecurity or conflict, which spanned from temporary delays to re-allocation of financing (temporarily) to other districts.

BOX 4: RESPONDING TO THE 2017 CHOLERA OUTBREAK: A CASE STUDY OF FLEXIBILITY IN PROJECT IMPLEMENTATION

Following the April 2017 cholera outbreak in Yemen which affected large parts of the country, an Integrated Cholera Response Plan was developed within the framework of the humanitarian cluster system to address priority needs in 30 priority high risk districts across 10 governorates. In order to complement and support humanitarian actors, a decision was taken by the World Bank, UNDP and the implementing partners in June 2017 to re-orient some ECRP activities to help mitigate and prevent the spread of cholera. A Cholera Response Plan was developed which identified a number of measures including improvement of water and sanitation facilities and large-scale communication and awareness raising campaigns which together, were intended to respond to some of the structural factors driving the epidemic (notably the collapse of basic services and inadequate sanitation conditions).⁴⁶

During the course of 2017, a number of cholera risk mitigation activities were implemented within the existing ECRP governorate and district level funding allocations which are considered to have contributed to the overall decline in cholera cases by the end of 2017. These included:

- The construction by PWP of 13 public latrines in high priority districts in Sana'a City and Hodeida; implementation of 15 sanitation and 110 water sub-projects, addition of chlorination units to piped water supply sub-projects in 57 out of the 98 high priority districts; and dissemination of 30,000 education materials through awareness campaigns conducted by female social consultants in those districts.
- SFD cholera risk awareness raising and education were integrated into a number of activities, including Cash-for-work (CfW), youth-led initiatives and nutrition support. Awareness raising campaigns reached 271,792 households in 881 urban and rural settlements; 1,785 volunteers were trained on awareness raising and together with their communities implemented 573 initiatives related to Acute Watery Diarrhoea (AWD).⁴⁷

A dynamic risk management framework has enabled the ECRP to identify, prevent and mitigate key challenges to implementation.

The ECRP utilizes a robust risk management strategy and mechanism to track a number of political, economic, programmatic, fiduciary and institutional risks linked to project monitoring and coordination mechanisms. The use of this mechanism has enabled the project partners to take appropriate decisions the prevention and mitigation of risks which could otherwise delay, interrupt or negatively affect project implementation. Based on an initial matrix of risks developed as part of project preparation, continuous monitoring and dialogue on risks enabled timely decision and action on a number of issues, including exchange rate volatility; interference by de facto authorities in operations; contingency measures to address delays or interruptions caused by insecurity or conflict; and provision of capacity strengthening support to IPs to address identified implementation weakness and shortcomings. The risk matrix is complemented by a contingency plan which outlines provisions and modalities for addressing interruptions in implementation due to insecurity and inaccessibility, including through temporary suspension of operations and criteria for the reallocation of funds to other districts. Overall, the ECRP risk management mechanism has proven essential to addressing implementation risks at multiple levels, which otherwise could have negatively affected results and the ability of the partners to deliver.

⁴⁶ ECRP. *Yemen Emergency Crisis Response Project: Report of the Technical Review Meeting, June 4-5 2017.*

⁴⁷ UNDP (2017). *ECRP Biannual Narrative Progress Report for the period 1 July – 31 December 2017.*

BOX 5: THE ECRP RISK MANAGEMENT FRAMEWORK

The ECRP risk management framework is comprised of a regularly updated matrix of political, economic, programmatic, fiduciary and institutional risks. This used as a basis to track specific risks; the actual or potential threat they pose to implementation; identify specific mitigation or prevention measures (and accompanying management responses) and report on progress. The risk management framework is directly integrated into UNDP and IP monitoring and reporting mechanisms and informs discussions and decisions at different levels of project coordination, including the biannual technical review meetings with the World Bank. As of late 2018, the following risks to implementation are included in the risk management framework:

- Undue influence, control, and/or obstruction from political forces on the management and delivery of the project;
- Potential disruption in IP's business processes and project management services due to conflict;
- Hyper-inflation, liquidity, fraud, and cash advance management;
- Difficulty to verify results on the ground in a timely manner, and potential inability to timely meet delivery expectation/targets;
- Project activities directly impacted by potential air strikes, landmines and UXO, terrorist attacks, and ground combat, and natural disasters;
- IP subject to politically motivated defamation and may be perceived as partial and biased vis-à-vis one or more parties to the conflict;
- Disruption of Head Office activities, Sanaa City becomes inaccessible (IPs and UNDP);
- ECRP might be subject to public pressure or reputational defamation by people who might have been seriously injured or even might lose life during work in the work sites.⁴⁸

A conflict-sensitive approach within the ECRP has ensure that project implementation does not exacerbate conflict risks and contributes to local peacebuilding. Implementing a large-scale national project like the ECRP in Yemen is fraught with conflict risks, given tensions around key issues such as land, access to water, and distribution of resources. Despite this, the project has managed considerably well to both prevent tensions and conflict arising from project implementation while also reinforcing community dynamics and capacities for dispute resolution through inclusive and participatory approaches. This is due in part to the existence of explicit conflict risk analysis and mitigation methodologies in use by the IPs that predates the ECRP, and which include:⁴⁹

- Undertaking rapid conflict analysis of community-level grievances, tensions and conflict risks to inform approaches to community engagement and project planning;
- Training on conflict-sensitivity to project staff engaged in working with local communities;
- Ensuring broad based consultation with all local stakeholders to accurately assess local needs and realities, including through triangulation of information collection;
- Ensuring neutrality, impartiality and a fully transparent approach to targeting of geographic areas for implementation of activities;
- Conducting awareness raising, sensitization and outreach on project activities and their contribution to local peacebuilding;
- Engaging proactively with communities and local leaders to identify, prevent and resolve disputes related to project activities;
- Ensuring transparency through full community engagement and participation in project implementation;
- Strengthening of community capacities to address conflict risks and promote peacebuilding (e.g. VCCs);
- Conducting periodic analyses of conflict risk as part of project monitoring to track the impact of activities on conflict dynamics;

While a project-wide conflict sensitivity framework is being developed late in the implementation cycle (by the third quarter of 2019), it builds on years of established knowledge, experience and practice by the two implementing partners and the global experience and expertise of UNDP and the World Bank.⁵⁰ The experience of the ECRP highlights the importance of such mechanisms as an integral part of the project implementation cycle in crisis and conflict contexts.

⁴⁸ Yemen Emergency Crisis Response Project – Risk Log, updated 9 November 2018.

⁴⁹ The following are drawn from PWP and SFD conflict sensitivity frameworks: PWP, undated. *PWP's risks, practices and gaps matrix of conflict sensitivity*; SFD (2018). *Social Fund for Development Conflict Sensitivity Framework*.

⁵⁰ ECRP (2018). *Yemen Emergency Crisis Response Project: Report of the Technical Review Meeting, 11-15 November 2018*.

Lessons Learned

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

- **Implementing project activities through national institutions enabled scalable, rapid and cost-effective delivery.** While the situation and capability of national institutions varies considerably between crisis contexts, the Yemen experience highlights the importance of: a) identifying national institutions with the potential for implementation as part of project design; b) investing in the strengthening of their capacities as an integral part of the project; and c) contemplating 'mixed' implementation modalities (combining national and international delivery capacities) depending on project needs and capacity constraints.
- **The neutrality and impartiality of UNDP and the implementing partners enabled it to operate across front lines and throughout the country.** By not being affiliated to any one party to the conflict and demonstrating an inclusive and impartial approach to project targeting and implementation, project partners were able to operate freely and autonomously. This demonstrates the possibility of implementing development-oriented programs in the absence of a peace agreement or presence of formal government counterparts.
- **The targeting methodology utilized by the ECRP allowed it to reach the most affected populations.** By combining humanitarian and development indicators (including poverty levels, displacement, vulnerability and food insecurity), the ECRP's composite distress index enabled targeting of populations most affected by the conflict in an inclusive and transparent manner. Regular updates of data and indicators moreover enabled dynamism of targeting over time to address emerging needs and constraints. Together, this approach illustrates how a development intervention can both ensure responsiveness and alignment with broader humanitarian interventions.
- **In the absence of formal government counterparts, the ECRP's community-based and participatory approach to sub-district targeting ensured responsiveness to local needs and accountability to beneficiaries.** By working at community level, the ECRP was able to ensure that project activities responded to local needs and priorities; contributed to local peacebuilding and also worked to empower and strengthen local stakeholders in development planning and implementation.
- **A flexible and responsive approach to implementation has ensured responsiveness to changing needs and circumstances.** Through a robust system of project monitoring, reporting and coordination, the ECRP was able to adjust the scope, nature and sequencing of interventions to address emerging needs. The willingness of project partners to allow flexibility in the adjustment of project activities was key to ensuring responsiveness, allowing the project to address unexpected needs (e.g. responding to the cholera epidemic) and reallocate resources in a timely manner when faced with security and access constraints.
- **A dynamic risk management framework enabled the ECRP to identify, prevent and mitigate key challenges to implementation.** Through a dynamics risk management framework linked directly to project monitoring and decision-making, the ECRP was able to identify a number of political, economic, programmatic, fiduciary and institutional risks, and successfully implement measures to prevent and mitigate associated threats to implementation, which were essential to avoid interruption or delays in delivery.
- **The mainstreaming of conflict sensitive approaches through all aspects of the project ensure that it did not exacerbate conflict risks and contributed to local peacebuilding.** Conflict sensitive approaches are integrated throughout all aspects of the ECRP, including engagement with communities, identification and prioritization of activities, implementation and monitoring. These measures, which have been implemented by the implementing partners and draw on the global experience and expertise of UNDP and the World Bank, have ensured that the project is able to contribute effectively to preventing social and economic grievances from aggravating conflict risks, while at the same time strengthening community capacities for conflict resolution and local peacebuilding.

V. BUSINESS UNUSUAL: OPERATIONS IN A CONTEXT OF ACTIVE CONFLICT



The volatility, insecurity and constraints of conflict contexts pose significant challenges for the operational and fiduciary aspects of project implementation. The experience of the ECRP in Yemen highlights a number of these challenges as well as innovations which enabled the project to refine and adapt its approaches to ensure delivery of high-quality results across the country. A major strength of the ECRP in this regard has been its overall business model, wherein overall responsibility for the project is vested in UNDP under the terms of legal agreement with the World Bank, with implementation of activities delegated to national implementing partners (the SFD and PWP). As described in section 1, the partnership between these various institutions not only enabled effective coordination and the mutual leveraging of their different institutional resources, capacities and expertise, but also allowed for adaptation and refinement of the project's approach to implementation, operations and financial management. This section provides an overview of several selected operational and fiduciary challenges and issues addressed by the project and identifies corresponding lessons for future interventions.

1. PROJECT MANAGEMENT, COORDINATION AND OVERSIGHT

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

- **Implementation in crisis and conflict contexts often requires adjustments to business processes, operational and fiduciary capacities which should be assessed and addressed as part of project design.** The institutional and service delivery capacities of SFD and PWP constitute critical assets for the ECRP and enabled rapid implementation and delivery of results from the launch of the project. At the same time, it became evident that these capacities, which were developed in the 1990s, required adaptation in order to address the numerous challenges posed by the volatility, disruptions and insecurity created by the conflict. These included the need for greater devolution of authority on project management, operational and fiduciary issues from national to local offices to ensure greater flexibility and responsiveness to needs and evolving situations at the local level; the paring down of non-essential business processes and the streamlining of internal procedures to enhance speed and efficiency of decision-making and transaction processing; enhanced internal cross-departmental coordination to improve implementation of multi-sectoral project components; and improved MIS and financial accounting systems to allow for accurate reporting. All of these issues have been, or are in the process of being, addressed through the efforts of the implementing partners and with the support of UNDP. This experience highlights the importance of undertaking a thorough capacity assessment prior to project implementation and including a capacity development plan as an integral part of the project.
- **The complexity and scale of the ECRP and the operating environment in which it is being implemented requires substantial investments in project management, oversight and support capacities.** Unlike traditional development contexts where international partners and donors can rely on the systems and capacities of national institutions for project implementation, the context in Yemen and the specificities of the ECRP approach require substantial engagement and support from UNDP. Over the course of project implementation, the role of UNDP progressively expanded to encompass a range of functions. As outlined in section 1, these have gone beyond fiduciary management, oversight and quality control to include technical guidance and capacity building support to the implementing partners on a range of issues including enhancing relevance and impact of the project activities including an understanding of the HD nexus and resilience-building; financial management and accounting; information management and reporting; social and environmental safeguards; conflict sensitivity; communications; risk and contingency management and coordination with the humanitarian response. The UNDP project management unit established within the ECRP played a critical role in providing this support, underscoring the importance of including provision for such capacities as part of project design. In addition, UNDP Country Office capacities in the areas of technical and programmatic guidance oversight and guidance, and operational and finance support, had to be scaled up significantly to address the needs of the ECRP. HQ support in elevating the advocacy around ECRP which was scaled up in 2019, was crucial in raising the profile of ECRP, the results achieved and the successful partnership between WB and UNDP.

A multi-tiered project coordination framework has facilitated effective joint project oversight and monitoring between the partners. Coordination between project partners (UNDP, World Bank and the IPs) on issues related to project implementation, monitoring, and financing is undertaken at several levels. These include regular meetings (every third week) between UNDP and individual partners on operational issues; monthly meetings between UNDP, both IPs and the TPM agent; and twice-yearly review meetings which bring together the World Bank, UNDP, and the IPs. According to staff interviewed, coordination at these levels has been effective, and enabled joint review and action on a range of implementation, operational and fiduciary issues. It has also provided a platform for joint review and oversight of progress and decision-making on adjustments to the project strategy and approach. Coordination with external actors has been more challenging. While technical coordination between project partners and district authorities has been effective, coordination at central level with relevant authorities (NAMCHA in the north and the IRG in the south) has been undermined by attempts to influence or obstruct implementation. On the whole coordination with authorities throughout Yemen constitutes a significant challenge due to the conflict, and necessitates close interaction with authorities at central, governorate, district and village levels to obtain necessary work authorizations and facilitate access.

The ECRP demonstrates sound fiduciary management despite exchange rate volatility and liquidity shortages. Financial management within the ECRP is governed by the legal arrangements between the World Bank and UNDP (specifically the Financial Management Framework Agreement) and an agreed system for flow of funds from the World Bank to UNDP and the IPs. In practice, these arrangements have generally work well, with key challenges relating to lack of inter-operability between UNDP and IP accounting systems and external variables such as the extreme exchange rate volatility in 2017 and 2018 and the lack of liquidity in Yemen. In both of these latter cases, UNDP worked closely with the IPs to mitigate and minimize negative impacts, demonstrating both proactivity and innovation in finding solutions to enable continuity of project implementation.

2. MONITORING AND REPORTING



Robust monitoring and reporting arrangements have enabled an adaptive and responsive approach to project implementation. The ECRP has a robust strategy for monitoring and reporting on project implementation, covering programmatic, operational and fiduciary dimensions. This strategy is comprised of three separate mechanisms: regular UNDP programme monitoring (including through field visits) on compliance issues (including through HACT spot checks); beneficiary participation and satisfaction; quality assurance; and lessons learned/best practices; Third Party Monitoring (through a contracted agent) with a focus on implementation progress, quality and results/impact; verification of processes and compliance; and beneficiary perceptions; and activity monitoring conducted by the implementing partners through their respective mechanisms. These mechanisms have also been complemented by a series of evaluations and lessons learned exercises. This multi-tiered approach has been effective in enabling regular monitoring of project implementation down to beneficiary level despite the challenges involved in accessing project sites, through triangulation of findings and conclusions. Monitoring and reporting outputs are directly linked to the coordination and decision-making mechanisms (notably monthly meetings and the twice annual review meetings with the World Bank) and have enabled project partners to take informed decisions on a range of issues affecting implementation.

Opportunities exist to enhance current monitoring and reporting approaches. Current challenges include the lack of integrated MIS system across UNDP and the implementing partners, and constraints to the monitoring methodology utilized by the TPM and IPs, which is primarily quantitative, and perception based, and in some cases does not track activities in a fully disaggregated manner. Lessons in this regard include the importance of establishing an integrated MIS system as part of project design, which should also inform respective IP mechanisms; a stronger role for UNDP provision of

technical advice and assistance on MIS to IPs; and the inclusion of explicit methodologies for measuring impact (including through proxy variables and economic analyses).⁵¹ These are key priorities for enabling more precise monitoring of implementation, but also facilitating real-time assessments of project impacts (as opposed to activity outputs) which could usefully inform the project strategy and approach (see section 2.1 above).



3. SOCIAL AND ENVIRONMENTAL SAFEGUARDS

Ensuring adequate attention to safeguards issues has constituted a major challenge within the ECRP. Although the ECRP was originally categorized as 'low risk' in relation to the initial UNDP Social and Environmental Screening Procedure (SESP), safeguard issues have become a major issue and concern for project partners, particularly with respect to occupational health and safety (OHS).⁵² Several work-related fatalities in 2017 highlighted the need for a robust project-wide management framework for addressing social and environmental risks, as well as strengthened capacities within UNDP and the implementing partners to ensure adequate screening; integration of risk mitigation measures in the design of project activities; effective compliance monitoring and implementation of corrective measures. Challenges in the development and implementation of such a framework include the lack of advisory and technical capacities and support on safeguards within UNDP at both corporate and country levels, and tendency to view safeguards as a compliance requirement rather than as part of the project's overall management approach to risk.⁵³

Rapid action by ECRP partners ensured that key social and environmental risks were promptly addressed and a comprehensive framework for managing safeguards developed. During the course of 2018-2019, ECRP project partners undertook a series of measures to address and mitigate identified OHS risks through an interim response plan, including a full audit of social and environmental risks; the suspension of high-risk sub-projects; and establishment of appropriate safety measures.⁵⁴ Concurrently a comprehensive Environmental and Social Management Framework (ESMF) was developed through a collective process between UNDP, the World Bank and the implementing partners, including consultations with beneficiaries and other project stakeholders, and approved in early 2019. The ESMF, which has been developed in compliance with World Bank and UNDP safeguards policies as well as relevant Yemeni policies, provides a comprehensive framework for identifying, mitigating and monitoring a range of social and environmental risks across ECRP components. As such, it:

- Defines the legal and regulatory framework for social and environmental safeguards;
- Provides an overview of the key social and environmental risks relevant to the ECRP, together with indicative management measures;
- Defines the procedures for addressing social and environmental risks and impacts, including sub-project screening and site-specific assessment and management requirements;
- Sets out the institutional arrangements for the management of the ESMF and oversight and accountability of project partners;
- Provides provisions for capacity building and training to ensure adequate systems for ESMF implementation;
- Outlines a strategy for ensuring engagement of stakeholders and disclosure of information;
- Defines the modalities for project-level grievance redress;

⁵¹ Discussion with ECRP project staff, 3 March 2019.

⁵² Although OHS have been identified as the most significant risk, other project-related risks include gender and social inclusion; biodiversity and natural resources; climate change; community health; cultural heritage; and pollution.

⁵³ Interview with UNDP, World Bank and SFD/PWVP staff (March-April 2019).

⁵⁴ UNDP / World Bank (2018). *Mid-Term Review Mission Report, May 27-30 2018*.

- Provides a framework for monitoring, reporting and evaluation of ESMF implementation.⁵⁵

Following the adoption of the ESMF, a six-month Safeguards Action Plan (SAP) was developed in order to support its implementation. Key priorities include strengthening the institutional capacities and the respective responsibilities of project partners (UNDP, PWP, and SFD); strengthening the safeguards management system (including through integration with MIS, project monitoring and reporting systems, and development of operational procedures); and developing safeguards learning material including operational tools, checklists and periodic lessons learned exercises.⁵⁶

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

Lessons Learned

- **The ECRP demonstrated an adaptive approach to operations, strengthening systems and capacities in relation to evolving needs.** Crisis and conflict contexts are by definition volatile, fluid and unpredictable and result in an extremely challenging operational environment. The ECRP was able to maintain continuity of operations through an effective process of adaptation across a number of areas, including the business model and mechanisms of the IPs; the expansion of implementation support functions provided by UNDP; an effective system of monitoring and reporting linked directly to project coordination and decision-making mechanisms; and innovative solutions to financial challenges posed by exchange rate volatility and liquidity shortages.
- **At the same time, some operational requirements for working in conflict contexts could have been identified and addressed as part of the project design phase.** Some of the operational challenges encountered by the project could have been mitigated by an earlier assessment and identification of operational risks and required mitigating measures. The institutional capacity assessment of the two implementing partners at the start of project implementation could have been more thorough, with a specific focus on the capacities required to deliver effectively in a conflict context. Similarly, an assessment of information management needs linked to project activities could have enabled the earlier establishment of an integrated and fit-for-function MIS.
- **Social and environmental risks should be included as part of the project's overall approach to risk management.** Social and environmental risks and associated safeguards management approaches should be considered as a core component of the project strategy and prioritized as part of project design and associated institutional arrangements. Adequate attention to social and environmental risks and clear accountability to ensuring their impacts are mitigated and addressed is essential to ensure that project activities do not further exacerbate social, economic and environmental conditions and contribute to compounding the complex dynamics and threats to peace and development that currently characterize the Yemeni context.

⁵⁵ UNDP (2019). *Environmental and Social Management Framework: Yemen Emergency Crisis Response Project (ECRP)*. UNDP: Sana'a.

⁵⁶ UNDP. *Safeguards and Occupational Health and Safety (OHS) – Environmental and Social Management Framework (ESMF): Presentation delivered at the UN/World Bank Deep Dive II meeting, 18 April 2019.*

VI. CONCLUSIONS



The protracted conflict in Yemen has had disastrous consequences for its population and is currently the worse humanitarian crisis in the world. Although the main focus of the international community at present remains the provision of life-saving assistance to address the urgent needs of over 24 million people, it is clear that more needs to be done to prevent the deepening of acute vulnerability and need while also checking the deterioration of key economic and social systems and institutions which are exacerbating the impacts of the ongoing conflict. Complementing humanitarian assistance with development-oriented measures to strengthen resilience and coping capacities is essential to avoid the worsening of an already severe humanitarian situation and to preserve national institutions as a bulwark against deepening vulnerability and a foundation for the country's eventual recovery from conflict.

Since its launch in late 2016, the Emergency Crisis Response Project, and the broader set of World-Bank financed interventions of which it is part, has demonstrated the relevance, impact and feasibility of development-oriented approaches as part of the international community's response to the Yemen conflict. Based on the review of ECRP implementation to date, this study has identified a number of lessons learned and practices which together provide clarity on the specific contributions and limits of resilience programming in conflict contexts; its strategic and operational relationship to humanitarian life-saving interventions; the prerequisites for enabling implementation and operations in a challenging and highly-constrained environment; and the importance of a multi-partner and collaborative approach to programming and financing which allows the co-leveraging of expertise and resources towards common objectives.

A number of concluding observations and recommendations emerge from the lessons of the ECRP which could inform future interventions in Yemen and other relevant crisis and conflict contexts. These include:

Partnerships and Collaboration

The ECRP provides a good example of what effective partnerships and collaboration between the World Bank, the UN and national partners can achieve in crisis and conflict contexts. Three main aspects of this partnership are important to highlight in this regard. The first is the willingness of the institutions to collaborate on a development project in the midst of an ongoing conflict, which can be attributed to a favorable institutional authorizing environment; the creation of a space for dialogue on development in the context of the peace process; and pro-active UN/WB country leadership. The second was the effective co-leveraging of World Bank financing, technical expertise and operational procedures and systems with UNDP's country presence, neutral and impartial role, crisis-specific operational expertise and capacities and ability to provide sustained in-country capacity development and technical support to implementing partners. Last but not least, the institutions were able to effectively work together to ensure the successful implementation of the project despite an extremely challenging operational environment, highlighting the importance of robust joint oversight, decision-making and coordination mechanisms; sustained engagement of country management; and institutional flexibility to ensure adaptability and responsiveness of the project. Considerations for how the lessons from this collaboration could inform future joint UN/WB initiatives include:

- **Yemen benefited from the pro-active engagement of World Bank and UN country leaders who played a critical role in driving dialogue and collaboration in the formulation of the ECRP.** Making this a consistent practice across crisis / conflict contexts entails examining how institutional support, guidance and incentives for World Bank and UN country leadership and management can be strengthened to facilitate more systematic and up-front interaction and collaboration, particularly in early dialogue on development entry points in a crisis/conflict context.
- **The global UN/WB partnership framework provided valuable support in facilitating dialogue, common understanding and collaboration between institutions during the process leading to the ECRP.** The deployment of a World Bank advisor to the UN was particularly instrumental and should be considered an essential component of future assistance strategies to UN/WB teams, particularly in the early phases of engagement in a crisis / conflict situation.
- **The inclusion of economic issues in the peace mediation efforts led by the UN Special Envoy raised their profile as possible vectors for confidence building and peacebuilding.** This facilitated the re-engagement of development actors and was critical to shaping the process of dialogue between the World Bank and the UN system. Together, these highlight the importance of advocating for early and systematic participation of development partners in international mediation attempts.
- **The ECRP has pioneered a 'hybrid' implementation arrangement that combines UN expertise with delivery through national institutions.** This enabled the ECRP to be implemented through the SFD and PWP, thereby also sustaining their operational capacity, while also receiving substantial technical assistance and ca-

capacity development support from UNDP which allowed them to enhance and adapt their business model to the challenging operating context in Yemen. More detailed consideration of such implementation arrangements is warranted in view of possible replicability in other contexts where there is a need for robust implementation support to implementing partners, and where World Bank presence and implementation support is constrained.

- **Joint oversight and coordination arrangements between ECRP partners ensured a responsive, dynamic and flexible approach to implementation.** Key success factors included consistent senior management engagement; design of effective mechanisms; and a willingness by institutions to accommodate revisions to implementation in order to address challenges, unforeseen needs and refine approaches based on real-time monitoring. The mechanisms developed by the partners in this regard, including the dynamic risk management framework, monitoring and reporting system, and social safeguards strategy merit further review for possible replication in other projects.

The ECRP development value proposition

The ECRP represents a paradigmatic shift in the use of development resources in a context of active and protracted conflict. Its development value proposition rests in its contribution to preserving human, social and institutional capital in a context of active conflict and serving as a bridge between short-term humanitarian life-saving assistance and post-conflict recovery. Strengthening resilience, defined as the ability of individuals, communities and institutions to cope, adapt and transform in response to conflict, is a defining feature of the ECRP that has been successfully operationalized at scale through an integrated and multi-sectoral approach. As such it provides a 'proof of concept' of the salience and impact of development programming in conflict contexts, both in terms of reducing vulnerability and generating important socioeconomic benefits and multipliers. The results and lessons learned to date highlight several issues which could inform future initiatives:

- **Resilience and development interventions in conflict contexts need to be accurately defined and tailored to the context.** The ECRP adopted a pragmatic approach to defining project outcomes given the highly constrained operating environment, which were limited in scope while still contributing to development outcomes. Calibrating development interventions (understood as a continuum of measures spanning short to long-term outcomes) to what can realistically be achieved at national and sub-national levels should be considered a key project design principle for future interventions.
- **Resilience programming should not be considered a substitute for broader economic reform, governance and development processes and interventions.** Interventions which aim to strengthen the coping capacities of individuals, households, communities and institutions cannot be sustainable in the long-term in the absence of measures to improve national economic, social services, political and governance systems. This highlights the importance of situating resilience programming as part of a broader strategy and vision for peace-building, post-conflict stabilization and recovery, and long-term economic growth and development.
- **Better metrics are required to understand resilience needs and baselines and inform the feasibility, design and monitoring of associated interventions.** This requires a move away from an output-based approach to designing and monitoring interventions which, while useful in the context of life-saving assistance, does not allow for a deeper understanding of social and institutional capacities and how (and what) resilience interventions can affect them. Expanding project monitoring methodologies to include metrics to allow for real-time monitoring of resilience and development impacts, even if imprecise, can provide a deeper understanding of the relevance, impact and contribution of project activities to identified outcomes.

Bridging the humanitarian-development nexus

The ECRP demonstrates how development programming can be coherent with and linked to the humanitarian response. In addition to its alignment with key humanitarian outcomes related to improving food security and preventing deepening of vulnerability, the ECRP established several programmatic and operational linkages with the humanitarian response which constitute practices that could be replicated in other interventions. Key innovations in this regard included the development of a targeting methodology based on humanitarian indicators; an implementation approach responsive to emerging needs and risks and coordinated with humanitarian interventions (e.g. the cholera epidemic); and the coordination of specific project sub-components with relevant humanitarian clusters (e.g. on health and nutrition). At the same time, this experience points to specific areas for further improvement and consideration in future interventions:

- **Deepening operational alignment, coordination and coherence across the HDN.** Specifically, more reflection is needed on how humanitarian and development-oriented activities can be jointly targeted and sequenced at programmatic and operational levels. This is essential to ensure the contiguity, alignment and

sequencing of humanitarian and development efforts across time and space, and to avoid gaps and inconsistencies across interventions.

- **The diversity of linkages between the ECR and HRP highlights important functional relationships between humanitarian and development-oriented interventions.** A key factor enabling deeper operational coordination and alignment of activities is a precise understanding of how development-oriented resilience interventions relate to humanitarian assistance in relation to common goals and objectives. Key functional relationships around which strengthened linkages can be created include: the role of resilience and development-oriented measures in facilitating provision of humanitarian assistance through national capacities; helping mitigate causes and effects of vulnerability (preventing slide into acute humanitarian need); and providing a basis for transitioning from life-saving to development approaches.

Innovations in implementation: delivering in challenging environments

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

- **Implementing project activities through national institutions can ensure scalable, rapid and cost-effective delivery.** While the situation and capability of national institutions varies considerably between crisis contexts, the Yemen experience highlights the importance of: identifying national institutions with the potential for implementation; investing in the strengthening of national capacities; and considering 'mixed' implementation modalities combining national and international delivery capacities.
- **The neutrality and impartiality of UNDP and the implementing partners enabled it to operate across front lines and throughout the country.** By not being affiliated to any one party to the conflict and demonstrating an inclusive and impartial approach to project targeting and implementation, project partners were able to operate freely and autonomously. This demonstrates the possibility of implementing development-oriented programs in the absence of a peace agreement, but also requires continuous efforts to maintain neutral institutional spaces given the absence of a unitary national authority and the volatility of the political context.
- **The targeting methodology utilized by the ECRP allowed it to reach the most affected populations.** The ECRP's dynamic targeting approach, which is based on a composite index of humanitarian and development indicators, allowed it to reach populations most affected by the conflict while ensuring responsiveness to emerging needs and constraints. Together, this approach illustrates how a development intervention can both ensure responsiveness and alignment with broader humanitarian interventions.
- **In the absence of formal government counterparts, the ECRP's community-based and participatory approach to sub-district targeting ensured responsiveness to local needs and accountability to beneficiaries.** By working at community level, the ECRP was able to ensure that project activities responded to local needs and priorities; contributed to local peacebuilding and also worked to empower and strengthen local stakeholders in development planning and implementation.
- **A flexible and responsive approach to implementation ensured responsiveness to changing needs and circumstances.** Through a robust system of project monitoring, reporting and coordination, the ECRP was able to adjust the scope, nature and sequencing of interventions to address emerging needs. Ensuring flexibility in project design to accommodate revisions during implementation is thus critical in this regard.
- **A dynamic approach to risk enabled the ECRP to identify, prevent and mitigate key challenges and threats to implementation.** Through a dynamic risk management framework linked directly to project monitoring and decision-making, the ECRP was able to identify a number of political, economic, programmatic, fiduciary and institutional risks, and successfully implement measures to prevent and mitigate associated threats to implementation, which were essential to avoid interruption or delays in delivery.
- **The mainstreaming of conflict sensitive approaches through all aspects of the project was effective in mitigating conflict risks and contributed to local peacebuilding.** Conflict sensitive approaches are integrated throughout all aspects of the ECRP, including engagement with communities, identification and prioritization of activities, implementation and monitoring. As such this highlights the importance of integrating conflict sensitivity as a core project design principle across project and activity formulation.

Operations in a conflict context

The ECRP reflects a number of innovative approaches and solutions on operational and fiduciary issues that allowed the project to deliver results in an extremely challenging and constrained environment. This experience and accompanying lessons yield a number of important principles for consideration in future interventions:

- **Robust project management, oversight and monitoring mechanisms are essential for maintaining momentum on delivery and addressing challenges to implementation.** The ECRP experience highlights the importance of effective project coordination at all levels, a robust and multi-tiered system for monitoring and reporting, and establishment of adequate capacities for project management, technical oversight and delivery. This requires substantially more investment than in 'traditional' development contexts.
- **The ECRP highlights the importance of an adaptive approach to operations, strengthening systems and capacities in relation to evolving needs.** Crisis and conflict contexts are by definition volatile, fluid and unpredictable and result in an extremely challenging operational environment. Maintaining continuity of operations in these contexts requires a willingness and capacity to adjust business models and approaches 'on the fly' and to provide capacity development support to implementing partners to address unforeseen challenges and enhance delivery.
- **To the extent possible, key operational requirements for working in a conflict context should be identified and addressed as part of the project design phase.** Some of the operational challenges encountered by the ECRP could have been mitigated by an earlier assessment and identification of operational risks and required mitigating measures. This highlights the importance of undertaking thorough capacity assessments of implementing partners (and building in capacity building measures as needed); developing a unified and robust system for financial accounting; and establishing integrated 'fit for purpose' MIS systems as during the project design phase.
- **Social and environmental risks should be included within overall approaches to risk management.** Social and environmental risks and associated safeguards management approaches should be considered as a core component of the project strategy and prioritized as part of project design and associated institutional arrangements. Adequate attention to social and environmental risks and clear accountability to ensuring their impacts are mitigated and addressed are essential to ensure that project activities do not further exacerbate social, economic and environmental conditions and contribute to compounding the complex dynamics and threats to peace and development.



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