



Distr.
LIMITED
E/ESCWA
30 August 2023
ORIGINAL: ENGLISH

Economic and Social Commission for Western Asia (ESCWA)

Consultations on Developing Social Expenditure Monitor (SEM) for Yemen

Location: Coral Hotel, Aden, Yemen

Date and time: September 5-6, 2023

INFORMATION NOTE

I. BACKGROUND

The **Social Expenditure Monitor (SEM)**, developed by ESCWA, helps Arab States assess the efficiency and effectiveness of their social policy expenditures and provides them with the information needed to reallocate resources to the sectors most in need of development in coherence with macro-fiscal policy targets. The SEM is an innovative and effective monitoring tool to better understand the landscape of social expenditures,¹ identify social policies priorities and shortfalls in resource allocation including the targeting of expenditures to the poorest and the vulnerable populations, identify the inefficiencies in social spending and optimize resource allocation toward improving SDGs and macro-fiscal sustainability.

By 2022, the Social Expenditure Monitor (SEM) has been adopted by two countries, Tunisia and Jordan, and several other Arab countries are in discussion with ESCWA for establishing the SEM. In 2022, IMF METAC and ESCWA published a regional paper on the importance of the SEM for the budgeting exercise. In 2022, ESCWA in collaboration with UNDP and UNICEF produced a first of its kind regional report on “Social Expenditure Monitor for Arab States” that assessed important trends and gaps in social expenditures in the region and provided policy recommendations for informing fiscal policy choices.

Based on request from Yemen, ESCWA and the MoF of Yemen have planned to organize a multi-stakeholder consultation meeting with different entities in Yemen toward developing the SEM for Yemen. Yemen is facing a prominent challenge of managing and monitoring social spending in a time of conflict, which includes what the government (budgetary resources) and other development entities (extra-budgetary resources) spend for social purposes including health, education, direct subsidies, cash support for needy families, as well as pensions and social insurance. The establishment of SEM can bring together the consolidation of budget lines of social spending for better monitoring, analyzing the trends, assessing the shortfalls, improving allocations to priority areas and vulnerable populations, and also assessing the funding needs for social spending.

¹ The SEM framework is aligned with the Sustainable Development Goals (SDGs) and in coherence with Classification of the Functions of Government (COFOG) codes developed in the International Monetary Fund (IMF) Government Finance Statistics (GFS) 2014 manual. The SEM framework captures public social expenditure in seven dimensions: Education; Health and nutrition; Housing, connectivity and community amenities; Labour market interventions and employment generation; Social protection, subsidies and support to farms; Arts, culture and sports; Environmental protection (ESCWA 2019). See <https://sem.unescwa.org/framework>

II. OBJECTIVES OF THE NATIONAL CONSULTATIONS PLANNED IN YEMEN

The consultations aims to foster dialogue among representatives of various entities of government and international organizations that are providing budgetary and extra-budgetary support to social spending in Yemen. The primary objectives of the national consultation are:

- Discuss the concept of SEM, its methodology and its different dimensions and indicators to tailor it to Yemen's context.
- Consult with representatives from government entities, international agencies on data availability and mechanisms of compiling data for the SEM of Yemen,
- Agree on a way forward and next steps.

III. EXPECTED PARTICIPANTS

- **Government of Yemen:** Representatives of line ministries and public entities as relevant to the seven dimensions of the SEM, coordinated by the Ministry of Finance
- **International Agencies (TBC):** UN Agencies, IMF METAC, World Bank, other donors
- **ESCWA Team [3 or 4 experts]**
- **UNCT of Yemen**
- **OSESGY**

IV. ORGANIZATION OF THE MEETING

The National Consultations will take place in Aden, Yemen during 5-6 September 2023. Discussions will be undertaken in Arabic language with simultaneous interpretation will be provided during the consultation.

V. CORRESPONDANCE

For any inquiries, kindly contact the following meeting focal points:

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Agenda

Consultations on Developing Social Expenditure Monitor (SEM) for Yemen

Venue: Coral Hotel, Aden, Yemen

5-6 September 2023

Day 1: 9:00 – 15 :30	
9:00 - 9:30	Registration
9:30 - 09:45	Welcoming and opening remarks <ul style="list-style-type: none"> • <i>Mr. Mohamed El Moctar Mohamed El Hacene</i>, Cluster Leader, Shared Economic Prosperity Cluster, ESCWA • <i>H.E Mr. Salem Saleh Salem Ben Brik</i>, Minister of Finance, Yemen
09:45 - 11:00	Session 1: Overview of the SEM Project tools and its usefulness for budgeting and policy decisions in Yemen Moderator: Mohamed El Moctar Mohamed El Hacene, Cluster Leader, Shared Economic Prosperity Cluster, ESCWA) <ul style="list-style-type: none"> ➤ SEM project tools: Optimizing social expenditures toward improving SDGs and macro-fiscal sustainability (<i>Niranjana Sarangi, SEAO & Coordinator of SEM, ESCWA</i>) ➤ SEM and financial statistics reporting: Methodology of SEM, Bridging with GFS and National Accounts , Success Story of Jordan SEM (<i>Omar Hakouz, Senior Statistician, ESCWA</i>) ➤ Video on the SEM online tool: An example and lessons learned (<i>Dana Hamdan, Research Assistant, ESCWA</i>) <p>Q & A [Expectations from the consultation]</p>
11:00-11:15	Coffee Break
11:15 -12:45	Session 2: Assessing data for Yemen’s SEM and challenges in data gathering process Moderator: Omar Hakouz, Senior Statistician, ESCWA <ul style="list-style-type: none"> • MoF Budget Authority: Summary of the existing data infrastructure, highlighting what is available and its limitations. • Authorities from sectoral ministries: Budget process, estimates and data availability by social purpose and by populations. <ul style="list-style-type: none"> ➤ Education ➤ Health ➤ Social affairs ➤ Housing ➤ Labour ➤ Environment ➤ Arts and sports • International Organizations supporting aid through extra-budgetary resources: <ul style="list-style-type: none"> ➤ United Nations Organizations (TBC) ➤ Other international Organizations (TBC) <p>Q and A</p>
12:45-13:00	Coffee Break

13:00 – 14:30	<p>Session 3: Methodology of data gathering and consultation discussions Moderator: Niranjan Sarangi, SEAO, ESCWA</p> <ul style="list-style-type: none"> • Data template and missing information as per SEM template [Application of SEM template to 2014, 2020, 2021] • Advance template to gather missing information for SEM dimensions. <ul style="list-style-type: none"> ➢ Breakout working group discussions format to discuss the templates of data gathering process, tools and the associated logistics (TBC) ➢ Each group will provide suggestions on improving data • Way forward for data gathering process, collaboration across ministries, and technical assistance
14:30 –15:30	Lunch
Day 2: 9:00 – 15 :30	
9:30 – 11:00	<p>Session 4 : SEM dimensions and indicators:</p> <ul style="list-style-type: none"> • Application to Education Dimension including the advanced template: <ul style="list-style-type: none"> - Education dimension and indicators data (methodology and availability of data) - Review and feedback on data from education authorities and other authorities contributing to education programs and services. • Application to Health and Nutrition Dimension including the advanced template: <ul style="list-style-type: none"> - Health and Nutrition dimension and indicators data (methodology and availability of data) - Review and feedback on data from health authorities and other authorities contributing to health programs and services
11:00-11:15	Coffee Break
11:15 -12:45	<p>Session 5 : SEM dimensions and indicators:</p> <ul style="list-style-type: none"> • Application to Social Protection, subsidies and support to farms Dimension including the advanced template: <ul style="list-style-type: none"> - Social Protection, subsidies and support to farms dimension and indicators data (methodology and availability of data) Review and feedback on data from social affairs authorities and other authorities contributing to social protection programs and services. • Application to Labour market interventions dimension including the advanced template <ul style="list-style-type: none"> - Labour market interventions dimension and indicators data (methodology and availability of data) - Review and feedback on data from employment and labour authorities and other authorities contributing to the Labour market interventions programs and services
12:45-13:00	Coffee Break
13:00 – 14:30	<p>Session 6: SEM dimensions and indicators:</p> <ul style="list-style-type: none"> • Application to Environmental Protection Dimension including the advanced template: <ul style="list-style-type: none"> - Environmental Protection Dimension and indicators data (methodology and availability of data) - Review and feedback on data from Environmental Protection authorities and other authorities contributing to Environmental Protection programs and services

	<ul style="list-style-type: none"> • Application to Housing, connectivity, and community amenities dimension including the advanced template: <ul style="list-style-type: none"> - Housing, connectivity, and community amenities dimension and indicators data (methodology and availability of data) - Review and feedback on data from housing and transport authorities and other authorities contributing to housing and transport programs and services • Application to Arts, culture and sports Dimension including the advanced template: <ul style="list-style-type: none"> - Arts, culture and sports dimension and indicators data (methodology and availability of data) - Review and feedback on data from Arts, culture and sports authorities and other authorities contributing to Arts, culture and sports programs and services
14:30 – 15:00	<p>Summary of discussions (<i>Niranjan Sarangi, SEAO & Coordinator of SEM, ESCWA</i>)</p> <p>Close of meeting (<i>Mohammed El Moctar Mohamed El Hacene, Cluster Leader, Shared Economic Prosperity Cluster, ESCWA</i>)</p>
15:00-15:30	Lunch