



**Republic of Yemen**  
Ministry of Planning and  
International Cooperation

# **Yemen Resource Allocation In Support Of National Development Planning**

Expert Group Meeting on “Implementing Agenda 2030: Economic Governance and  
National Development Planning in the Arab Region”

10 May 2018

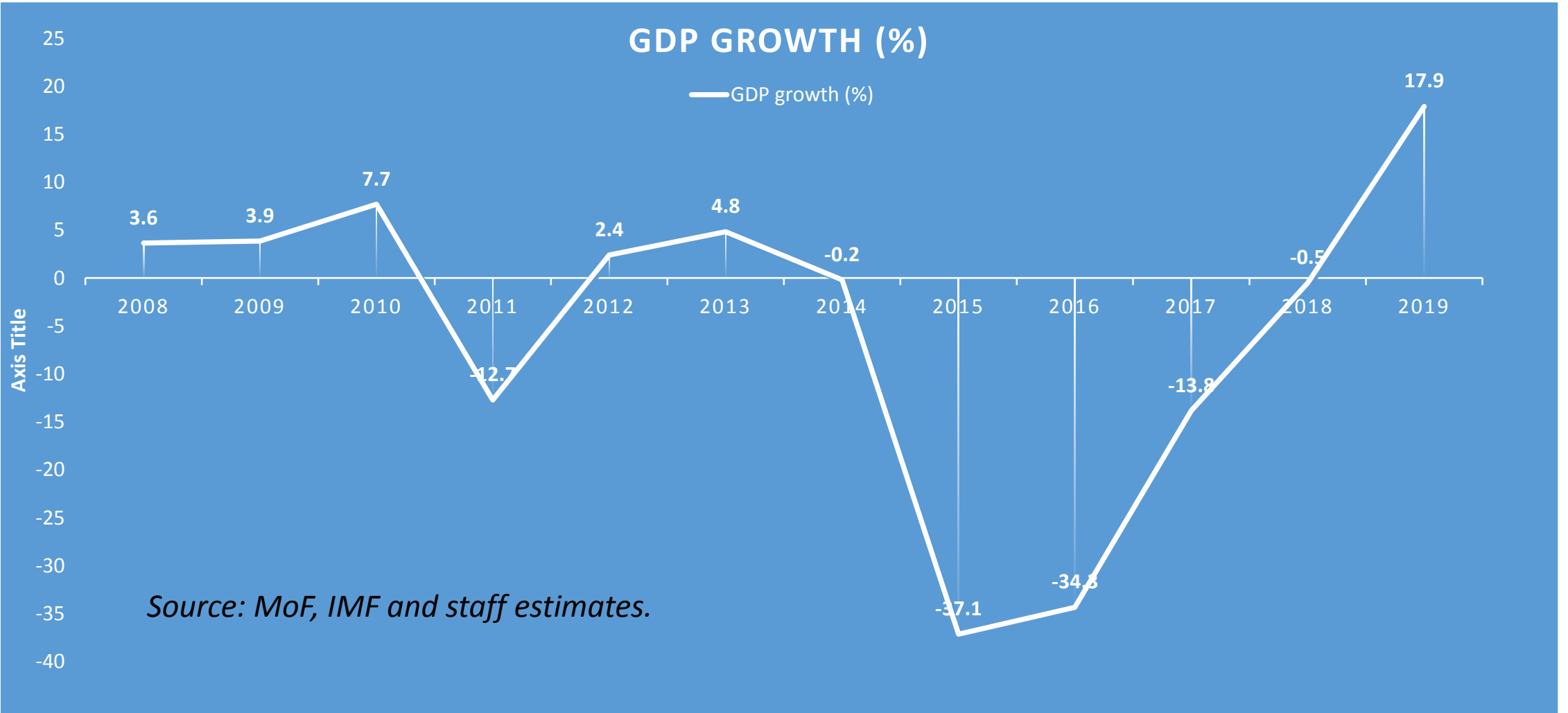
**Tunis, Tunisia**

# Contenets

1. General situation, economic, social and humanitarian
2. Damage and Needs Assessment DNA
3. Social Protection System
4. General Framework for Reconstruction and Economic Recovery
5. Efforts of the regional and international community to support Yemen
6. Coordination and Follow - up Committee
7. The role of Yemen's partners

# General Economic, Social And Humanitarian Situation

# 1-GDP Growth

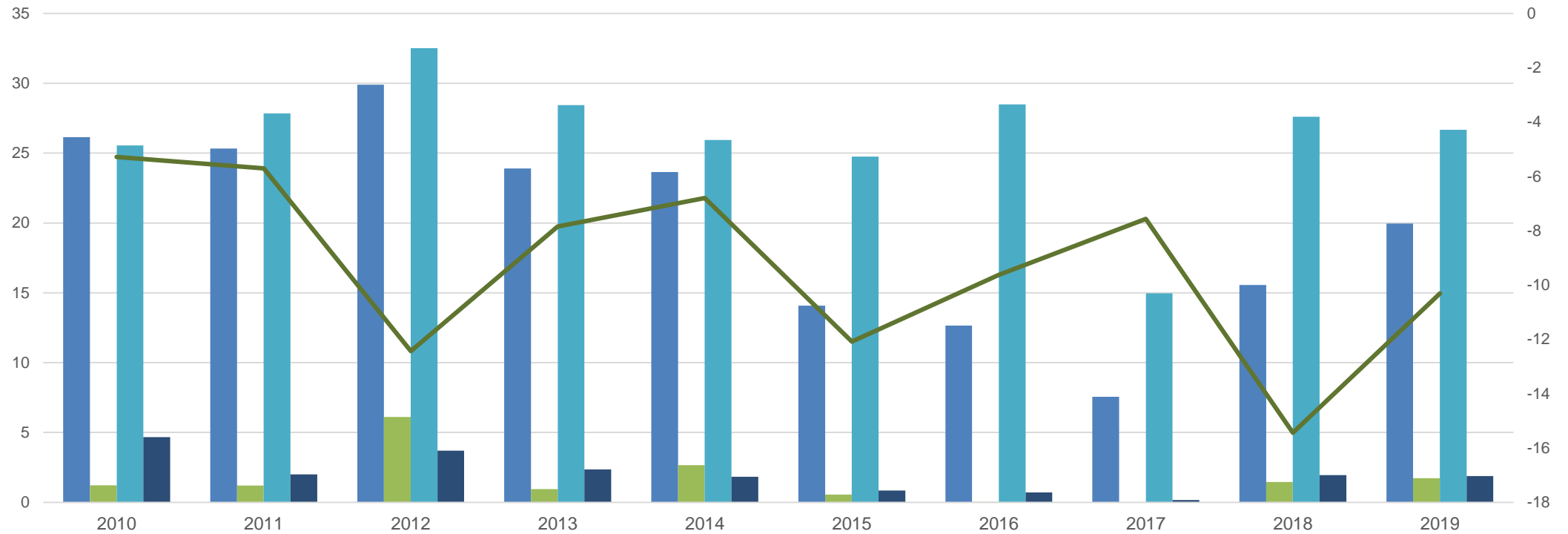


# 3- Yemen Public Finance

Chart Title

In % of GDP

In % of GDP



Total domestic revenues

Grants

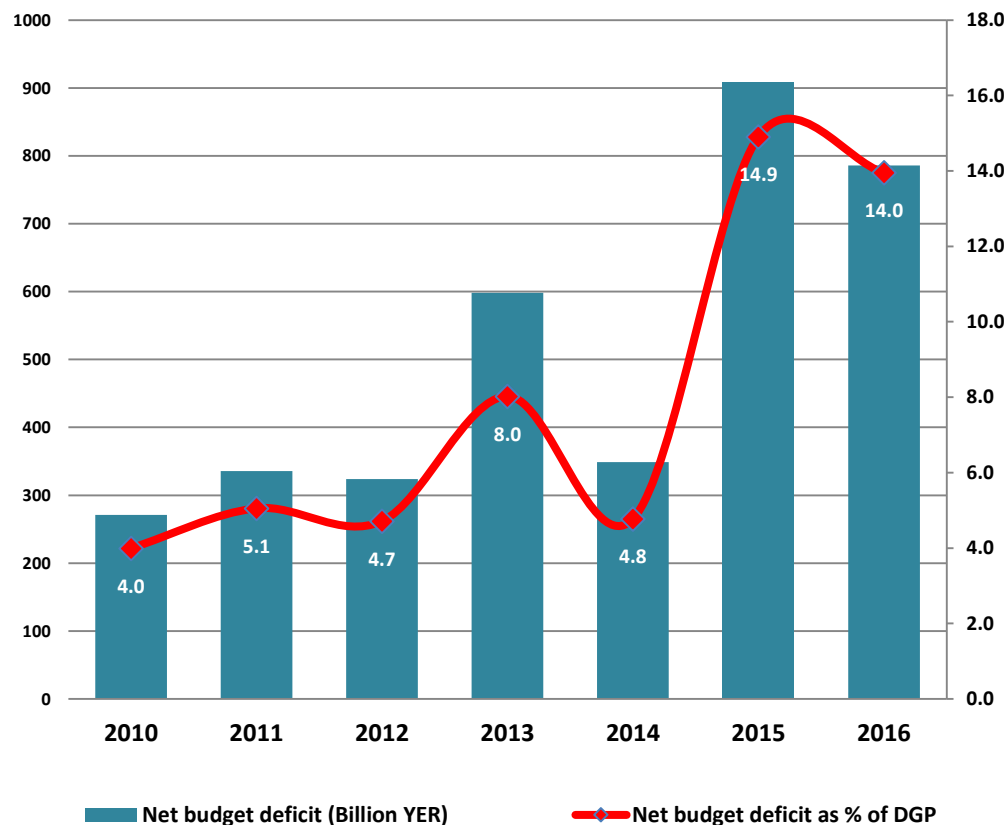
Current expenditure

Capital expenditure

Fiscal deficit excl. grants (Right Axis)

# 3.1-Budget deficit and sources of funding

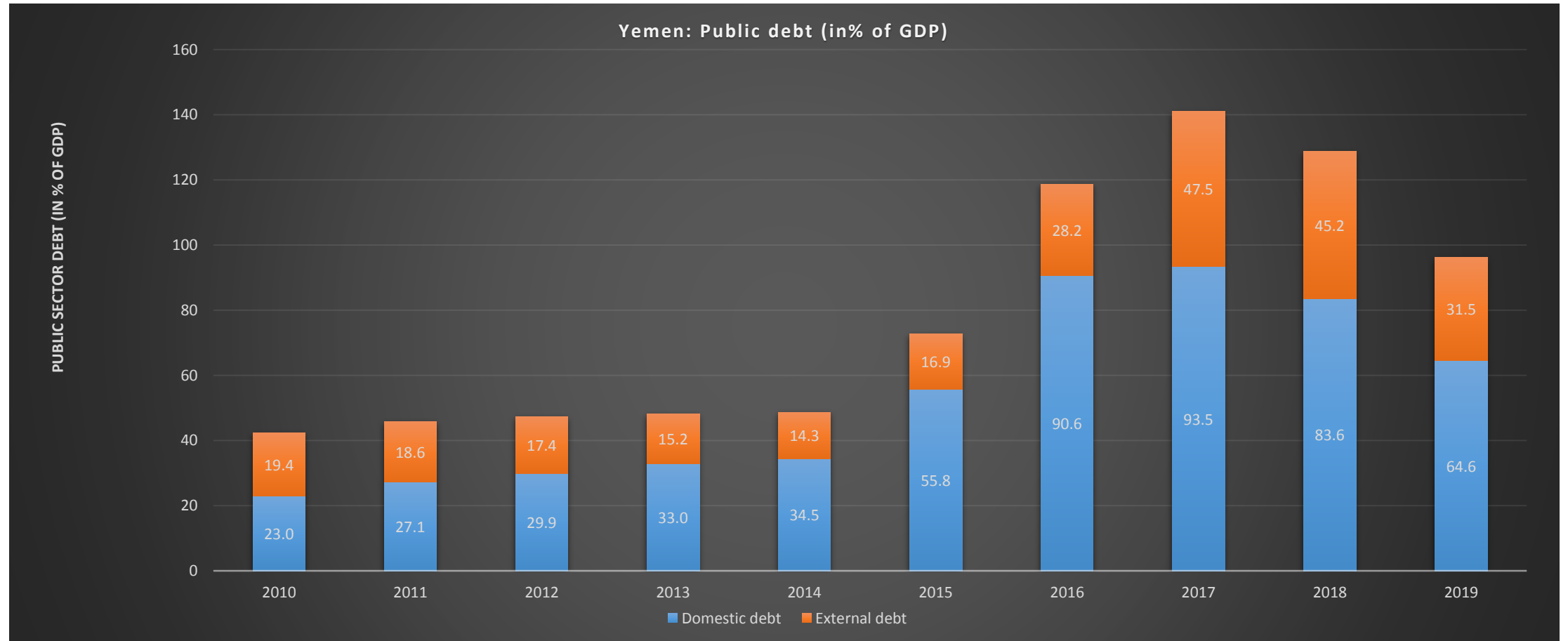
Figure ( ) Net Budget Deficit



Source: MoF, 2016.

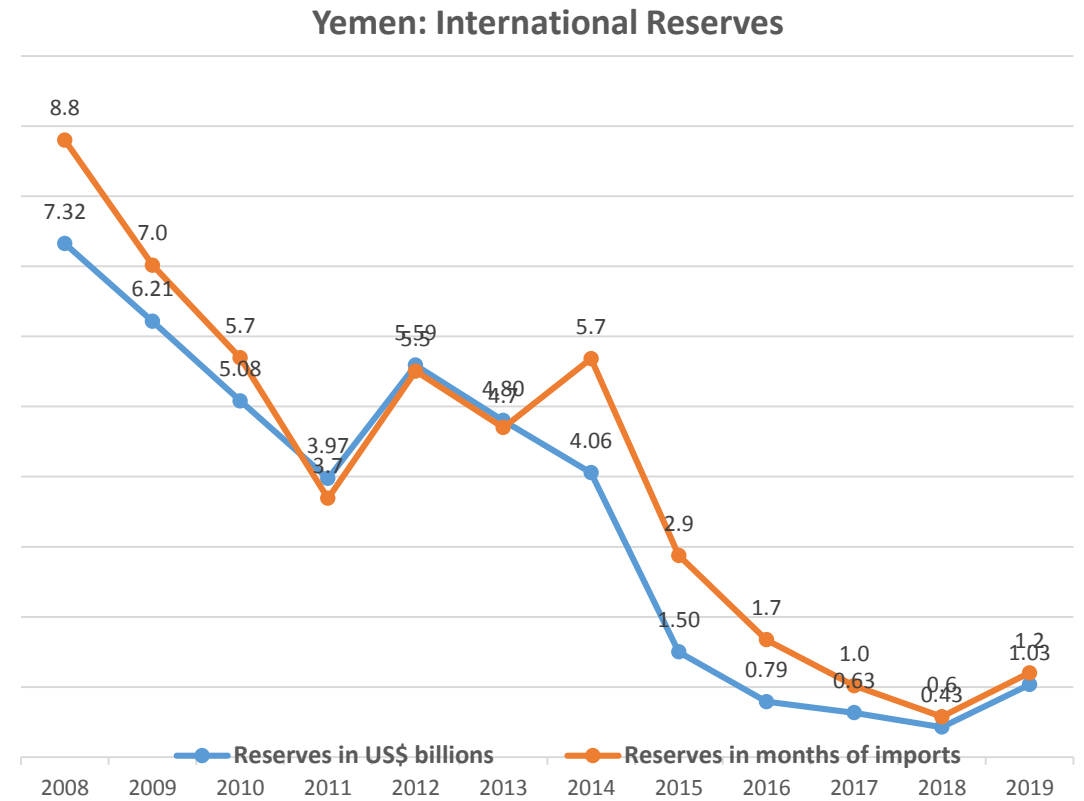
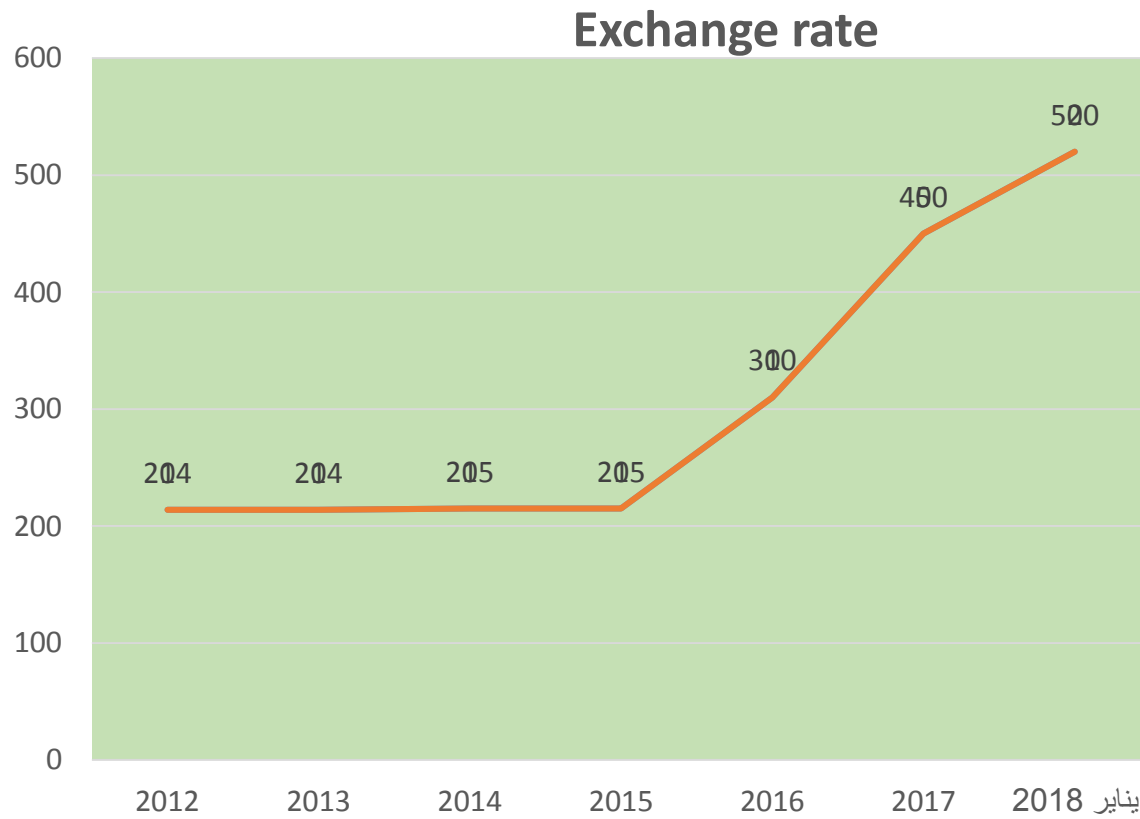
Options for financing the budget deficit		
Constraints and Risks	Financing tools	Sources of funding
Not available because of liquidity crisis in the banking system. And poor confidence in public finances	- 1. Borrowing from commercial and Islamic banks: Treasury bills Government bonds Islamic sakok	Local funding sources
Its effects are serious on inflation and currency value.	- 1. Direct borrowing from the Central Bank through: New cash version. Use of external reserves.	

# 4-Domestic and external debt



Source: Central Bank of Yemen and IMF staff estimates.

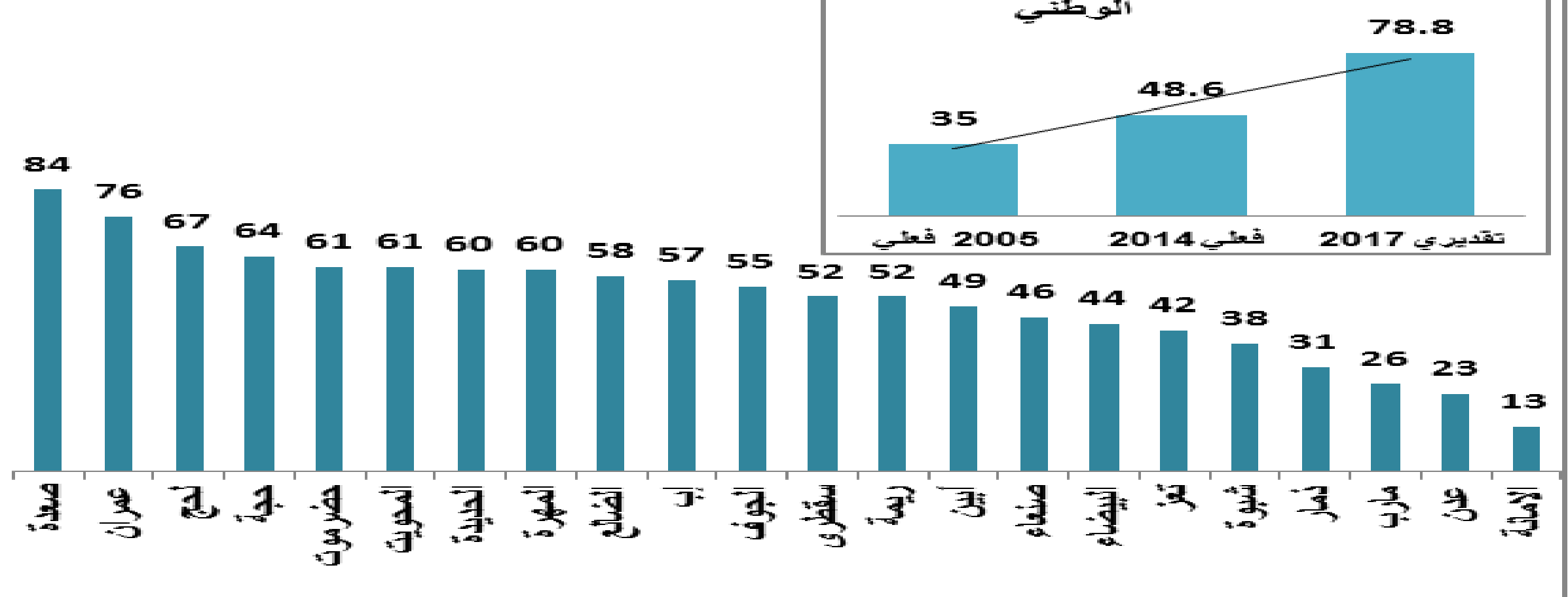
# 5- Reserves and exchange rate





## 6. Poverty indicator

شكل ( ) نسبة الفقر حسب المحافظات 2014



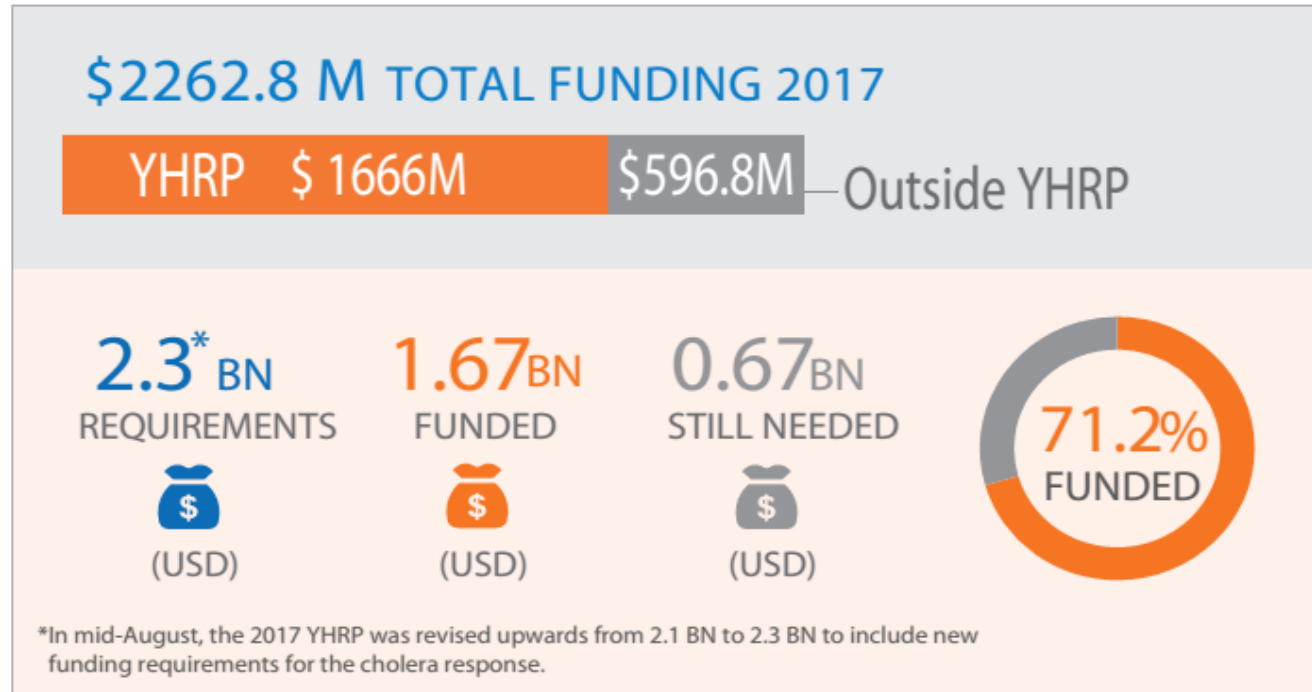
المصدر: الجهاز المركزي للإحصاء، مسح ميزانية الأسرة 2014. وتقديرات الفقر عام 2017.

# 7-indicators Of The Humanitarian Situation

يناير 2018	2017	subject
22.2	20.7	People In Need Of Humanitarian Assistance (Million)
11.3	9.8	In Acute Need Of Humanitarian Assistance (Million)
17.8	17	Food Insecure
8.4	6.8	Suffer From Sever Food Insecure
	(thousand ) 50	Martyrs And Injured
1 خارجيا	3 داخليا	Internally displaced 3 million people and externally a one million people

# 7. Humanitarian Response Plan

## Revised Humanitarian Response Plan 2017 – Funding Status (End of Year 2017)



Source: OCHA, 2018.

[https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/ocha\\_yemen\\_funding\\_status\\_20181130\\_en\\_0.pdf](https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/ocha_yemen_funding_status_20181130_en_0.pdf)

# Damage and need assessment DNA

## Damage And Need Assessment (Million Dollar) Phase 1

<b>total</b>	<b>Losses in 2015</b>	<b>Damages ( million \$)</b>	<b>Sector</b>
19,079.5	12,224.2	6,855.3	<b>Total</b>
846.1		846.1	<b>Health</b>
168.6		168.6	<b>Education</b>
1,728.4	1,506	222.4	<b>Energy</b>
113.1		113.1	<b>Water</b>
182.0		182.0	<b>Transport</b>
4,687.2		4,687.2	<b>Housing</b>
2,613.4	1,977.4	635.9	<b>Agriculture And Fishing</b>
8,740.7	8,740.7		<b>Industry</b>
			<b>Others</b>

# Damage and need assessment . phase2

Recovery and reconstruction needs by sector (\$ million)						
Total		Medium term 2-5 year		Short term need ( 1 year)		sector
High estimate	Low estimate	High estimate	Low estimate	High estimate	Low estimate	
344	282	275	225	69	56	Education
2037	1666	1629	1333	407	333	Energy
1469	1202	1175	962	294	240	health)
11177	9145	8942	7316	2235	1829	Housing
3.8	3.1	1.9	1.5	1.9	1.5	Communica tion
943	771	754	617	189	154	Transport
635	520	451	369	184	151	Water
16609	13589	13229	10824	3380	2.765	Total

Assessment of Damage by sector \$ million		
High Estimation	Low Estimation	Sector
145	118	Education
220	180	Energy
505	413	Health
6387	5226	Housing
2.2	1.8	Communication
539	441	Transport
248	203	Water
8045	6583	Total

## Damage and need assessment -phase3

- The assessment includes six other cities affected by the war
- The assessment includes assessment of damage and identification of needs in nine sectors (basic services, social services, communications and food security)
- Institutional assessment of the capacities of local authorities Benefiting from the Social Fund and the Public Works Project in the Field Assessment
- The evaluation will take place during the first half of 2018

social protection system



# Social protection

## **Social Welfare Fund**

- 1.5 million people of the poorest groups benefit from the Social Welfare Fund
- Payment of cash transfers has stopped in 2014
- The World Bank provided \$ 200 million through UNICEF covering only six months

## • **Social Fund for Development**

- The number of projects in December 2016 reached 361 projects at a total cost of \$ 87.4 million compared to 238 projects at a cost of \$ 67 million in September 2015
- During the first half of 2017, the second phase of the emergency response project in Yemen was signed for \$ 170.4 million. Some 430 new projects were approved at a total cost of \$ 88.6 million

## **Public Works Project**

- The World Bank, through UNDP, provided \$ 85 million for the Public Works Project in two phases: the first in August 2016 at \$ 15 million, the second in March 2017 at \$ 70 million

# The general framework of the reconstruction and economic recovery program

## 1-Objective of the program of reconstruction and economic recovery

The program aims to secure national economic recovery, restore security stability and social peace, and achieve sustainable economic and social development

## 2 - Urgent priorities for the reconstruction program

- First Priority :Meeting Humanitarian Needs.
- Second Priority: Restoration Of Basic Services, Especially Electricity, Water, Education And Health.
- Third Priority: Rebuilding The Infrastructure Damaged By The War
- Fourth :Restore Economic Stability And Growth
- Fifth :Restore Political And Security

## Medium-term priorities

- Restore security and stability and secure urgent needs and basic and emergency services for the population.
- Stimulate economic growth to reduce unemployment and diversify sources of income for the national economy, enhance the role of the private sector
- Institutional reform, justice, the promotion of good governance and nation-building
- Development of the infrastructure
- Human Resource Development
- Expand social protection and poverty alleviation
- Rehabilitation of the Yemeni economy for integration in the economies of the GCC countries ‘

# . Institutional arrangements for reconstruction

## **High Supervisory Committee**

A Higher Committee was formed under the chairmanship of the Minister of Planning and International Cooperation to supervise the assessment of damages, determine the needs, prepare the necessary plans and programs, and set priorities, needs and regulations

## **Institutional mechanisms during the conflict**

- Social Fund for Development
- Public Works Project
- Implementation units existing in electricity, roads, education, health and others

## **Post-conflict institutional mechanisms**

- To establish a reconstruction, recovery and development council, taking advantage of the best international experiences
- Strengthen the institutional capacity of the State at the central and local level

# Examples of regional and international community efforts to support of Yemen

## First model: Saudi Arabia

- Saudi Arabia is Yemen's biggest supporter and strategic partner in all previous donor conferences
- Currently, the Central Bank of Yemen supported two billion dollars as a deposit to preserve the local currency
- Support for the electricity sector with oil derivatives of diesel for one year in the liberated areas
- Support for reconstruction and economic recovery



## The second model is the overall humanitarian response plan of the coalition

- Arab coalition led by Saudi Arabia announced a plan for comprehensive humanitarian operations in Yemen to support Yemeni legitimacy in January 2018
- Aimed at supporting humanitarian needs in Yemen by \$ 1.5 billion.
- Saudi Arabia and the United Arab Emirates offer \$ 1 billion
- The rest of the Alliance's role is committed to \$ 500 million

## Model III: World Bank

- The World Bank's portfolio was \$ 1.2 billion for five emergency projects (labor intensive, cash transfers, health and nutrition, integrated urban services project).
- Preparing the Economic Recovery Plan (blue print document).
- Multi-donor Trust Fund Document.
- Damages and needs assessment
- Holding monthly coordination meetings between the Bank and the Ministry of Planning and International Cooperation

## Model IV – Donors' Pledges Progress (2012-Untill now)

Comments	Disbursed		Signed		Approved		Allocated	Donor	م
	%43.6	2466	%60.1	3396	%91.2	5150	5650	<b>GCC</b>	
	%36.1	893.795	%94.0	2328.9	%100.0	2478.5	2478.5	<b>International and Regional Finance Institutions (IRF)</b>	<b>1</b>
	%71.0	1254.98	%86.0	1519.44	%90.7	1602.04	1766.6	<b>Countries Within Organization for Economic Cooperation and Development (OECD)</b>	<b>2</b>
	<b>%46.6</b>	<b>4,614.78</b>	<b>%73.21</b>	<b>7,244.54</b>	<b>%93.29</b>	<b>9,231.54</b>	<b>9,895.10</b>	<b>Total</b>	<b>3</b>

## Model IV – Other International & Traditional Donors

- Some Donors Suspended their Development Projects in 2015 and other resumed their activities
- Donors Ready to Express their readiness to resume previous Projects
- Donors re-Allocated their funds to the Humanitarian Efforts

# Coordination and Follow - up Committee

A committee was formed by a decision of the President of the Republic to follow up and coordinate with the Saudi side to follow up the support directed to Yemen in the following fields

- The Central Bank of Yemen (CBK) has pledged US \$ 2 billion as a deposit to curb the sharp decline in the currency
- Provision of oil derivatives of diesel and diesel fuel in the liberated areas for one year
- Rehabilitation and restoration of basic services in the liberated areas began on January 1, 2018 in the electricity, water, health, education, roads and transport sectors.

# Role of development partners

- Supporting Yemen's efforts in reconstruction and economic recovery
- Support the humanitarian response plan
- Left the suspension on projects funded from previous pledges
- Strengthen coordination and integration of interventions, programs and activities

Thank you for your attention