



LINKING CVA AND SOCIAL PROTECTION IN THE MENA REGION

YEMEN CASE STUDY

KEY TAKEAWAYS

Background: Prior to the protracted humanitarian crisis that currently engulfs Yemen, the government had set the foundations of a national social protection system through the Social Welfare Fund (SWF) which provided cash transfers to over 1.5 million households. The continued conflict since 2014 has limited the government's ability to deliver on its social protection responsibilities.

Linking CVA and social protection: In 2015, UNICEF began a humanitarian cash programme that 'piggy-backed' on several of the SWF's administrative systems. The rationale was to use and sustain the best elements of the SWF operations without compromising humanitarian principles. Since 2017 UNICEF has implemented the Emergency Cash Transfer Programme, which continues the cash assistance to SWF beneficiaries in the absence of state support. While funded and implemented by humanitarian actors, the strategic goal is to maintain the SWF's 'brand value', for its future restoration when conditions allow. Donors also fund WFP to provide food assistance (CVA and food) to approximately 12.4 million people. Since 2018 DFID Yemen and partners have been increasingly focused on designing the response in a way that improves coordination and alignment of the response with national systems and enables smooth transition to Government ownership in scenario of improved stability.

MAIN LESSONS FROM THE YEMEN EXPERIENCE:

Political and legal aspects can enable or constrain this approach: The nature of the conflict led to donor restrictions on transferring funds to central government including SWF, which influenced the nature of the ECTP design and meant UNICEF had to act as intermediary. Another aspect is the legal issues around beneficiary data protection which constrained the use of data collected for humanitarian purposes to be shared and used by others.

Entry points: even in fragile and complex humanitarian crises, there can be value to trying to link humanitarian assistance and social protection. By using national institutions, social protection systems built for more stable settings may be preserved for the future while also contributing to provision of immediate emergency response. A key entry point has been the previous relationship between UNICEF and the SWF prior to the crisis. As in other countries of the region, these actions have been primarily led by donors and UN agencies rather than NGOs.

There are limitations as well as benefits to linking: It has been necessary to make several operational adaptations to the SWF's implementation procedures for UNICEF's programme to be effective in the conflict setting.

Coordination across organisations and disciplines is needed: Donors have emerged as a key player in driving the necessary coordination both operationally and at policy level. Donors have formed a donor group spanning the humanitarian- development divide. Improving coordination between the main actor in the humanitarian cash system will also be essential to move forward with this vision – however competing agendas of operational agencies is noted as a constraint.

Progress requires a longterm vision and financing across the nexus: it requires humanitarian agencies and development partners to understand together the dynamics, trends and processes, and to think more developmentally, while continuing to provide immediate assistance that is needed. Assistance will need to be externally financed for the foreseeable future.

BACKGROUND TO THE CONTEXT

Prior to the current conflict, Yemen was already one of the poorest countries in the Middle East and North Africa region with widespread food insecurity, malnutrition and poor health, exacerbated by structural underdevelopment and widespread poverty. In 2011 the ‘Arab Spring’ protests evolved into months of armed conflict, with major negative socio-economic impacts and worsening of the already fragile situation. In 2012, 45% of the population lived below the poverty line.¹

In 2012 the transitional government developed a Transitional Plan for Stabilisation and Development 2012–14, which prioritised the expansion of social protection to improve living conditions of the poorest. At that time, the Yemen social protection system comprised two quasi-governmental organisations – the Social Welfare Fund (SWF) and the Social Fund for Development (SFD), providing cash transfers and community support for Yemen’s poorest. The SWF managed the flagship social protection programme of the same name, established in 1996, which provided unconditional cash transfers to beneficiaries on a quarterly basis. The programme expanded coverage significantly between 2012 and 2013, using a new poverty-targeting approach promoted by the World Bank, and by 2014 it covered one-third of the population (over 1.5 million households). Since 2012, it has relied on budget support from donors to cover up to 25% of the transfers. The SFD was established by law in 1997 as a non-profit organisation and is one of Yemen’s main social safety net instruments, also supported by the World Bank. The Fund focused on community and local development; capacity building; small and micro enterprise development; and labour-intensive cash-for-work programmes.

Conflict in Yemen escalated in 2015 following takeover of the state capital Sana’a by opposition forces, prompting military intervention by the Kingdom of Saudi Arabia and other Arab states. The protracted conflict has caused forced displacement, erosion of livelihoods, severe food insecurity and resort to damaging coping strategies, making Yemen the worst humanitarian crisis in the world.² The conflict led government social protection programmes to stop operations, since budget support from both the government and development partners had to be suspended. This removed a vital source of income for poor and vulnerable people. As the situation deteriorated, international organisations began humanitarian interventions and since 2015 the humanitarian system has been relied on to meet the increasing immediate needs of the most vulnerable. There was a gradual transition from in-kind to cash and voucher assistance (CVA) and since 2016 there has been a massive scale-up of humanitarian CVA in Yemen, which now has one of the highest volumes of CVA in any response globally.³ Humanitarian assistance (food, vouchers and cash) has become consolidated under the operations of WFP and UNICEF, operating separately from one another.

While humanitarian assistance is essential for meeting critical needs in a hugely challenging, complex and fluid operating context, as the protracted crisis continues, donors and UN agencies have also acknowledged that relying upon the humanitarian system to address structural deprivation is unsustainable and inefficient. Furthermore, there were the foundations of a national social protection system in Yemen. This has led to growing acknowledgement from donors of the need to find ways to transition the humanitarian response towards something more appropriate for a protracted crisis (anticipated lengthy period of high levels of need) and in a way that supports the restoration of safety net systems.⁴

¹ EUD (2019).

² In 2018, some 75% or 22.2 million Yemenis were dependent on some form of humanitarian assistance to survive. (DFID 2019). Nearly 80% of the entire population – over 24 million people – require some form of humanitarian assistance and protection. The UN estimates that over 20 million people in Yemen do not have reliable access to food and almost 10 million people face extreme food shortages.

³ Hutton et al. (2018).

⁴ DFID (2018).

LINKING CVA AND SOCIAL PROTECTION – THE STORY SO FAR

In 2015, UNICEF began to forge linkages between the national social protection system and its CVA programme, through the Social Welfare Fund. The aim was to provide humanitarian assistance while simultaneously maintaining and building the capacity of national institutions and systems to respond to people's needs. This began with a feasibility assessment which considered aspects such as political factors and risks, government and donor regulations, strengths and weaknesses in the SWF programme design and implementation features and institutional capacity.

From 2015 to early 2017, UNICEF implemented a CVA programme financed by humanitarian donors, which aimed to improve purchasing power and meet basic needs for over 20,000 vulnerable households affected by the conflict in Sana'a and Taiz. The programme was conceived and implemented separately from the Government of Yemen's SWF programme, but UNICEF 'piggybacked' on several of the SWF's administrative systems to implement its CVA programme, including the staff of the social welfare institutions and the payment mechanism.⁵ The rationale was to leverage, and sustain, the best elements of the SWF operations without compromising humanitarian principles.

In 2016–17, donor support for transitioning to longer-term approaches grew. In 2016 a donor workshop for EU member states on Yemen's post-conflict Recovery and Reconstruction was held, where Member States highlighted both the importance of preserving Yemen's institutions to avoid an economic collapse, and of donors supporting a bridge and eventual transition from emergency response to reconstruction and development.⁶ In 2016, the World Bank also began a substantial re-engagement in financing social protection in Yemen, channelled through UN agencies, with the dual aim of directly assisting impoverished Yemenis while also maintaining some of the capacity of Yemen's national social protection system.⁷

In 2017, UNICEF launched an Emergency Cash Transfer Project (ECTP), with funds from the World Bank and others, which aimed to continue cash payments to the previous SWF caseload. This targets 1.5 million vulnerable households (over nine million people) nationwide and makes use of the 2014 SWF beneficiary list. While the programme is funded and implemented by humanitarian actors, the strategic goal is to maintain the institutions' 'brand value' of SWF, for its future restoration as the official social transfer mechanism, which will be at least partially affordable by a government treasury, under appropriate future conditions. The ECTP is 100% funded until end of 2020. Since 2017 donors including the World Bank, EU, KfW (German Development Bank) and DFID have also been funding the Social Fund for Development (SFD) to implement a range of community resilience programmes at District and Village levels including cash for work.

Donors continue to fund WFP to provide food assistance in the form of CVA and food to approximately 12.4 million people, through international and national NGOs.

In 2018, DFID Yemen, through the DFID BASIC Framework, commissioned a series of studies to assess entry points for how DFID and partners could design the response in a way that improves coordination and alignment of the response with national systems and strengthens the Yemen social protection system – primarily the SWF and SFD⁸ – to explore options for scaling up social protection support, and enabling a smooth transition to government ownership in a scenario of improved stability. This mapped the types and features of existing social protection and humanitarian cash programmes in Yemen, reviewed the capacity, complementarity and limitations of these existing mechanisms, identified opportunities for scaling up, aligning and consolidating these so as to strengthen future transition to government ownership, and increase the capacity and use of national mechanisms to achieve humanitarian and resilience objectives.

This study concluded that the fragmentation of humanitarian delivery mechanisms is costly and leading to duplication and gaps of coverage. It recommends that while Yemen will remain heavily reliant on external aid for the foreseeable future, the international community must design and implement this aid within a long-term vision that aims to ensure the conditions and capacity for an institutional system are in place, and to improve delivery systems of the protracted response in ways that build towards this. Recommendations include:

⁵ EUD (2019).

⁶ EUD (2019).

⁷ Gentilini et al. (2018); Al-Ahmadi and de Silva (2018).

⁸ DFID (2018).

- Continued donor funding for UNICEF to maintain the SWF as a long-term social protection institution, to gradually reduce dependence of the population on WFP as the predominant delivery channel of cash transfers and maintain a viable social assistance delivery system in the long-term.
- Actions that allow greater interoperability and coherence between the different programmes, for harmonised targeting and registration.
- Agree on distinct and complementary roles for SWF and SFD and build capacity for increasing participation to deliver social protection, prioritising decentralised authorities to assume this role while national authorities' roles are restricted.
- Continuing to fund humanitarian cash delivery through WFP in the short- to medium-term, as the largest consolidated system delivering direct assistance, while an alternative long-term system is created.⁹ Cash harmonisation is therefore being proposed as a first step towards this) to provide a more predictable social protection response in the future.

LESSONS FROM EXPERIENCE

POLITICAL AND LEGAL FACTORS CAN ENABLE AND CONSTRAIN THIS APPROACH

The Yemen experience highlights the importance of considering how legal and political factors can influence efforts to link CVA and social protection in conflict settings. There was already widespread understanding and support for the use of cash modalities by the authorities, given the reach of the national social protection system, so acceptance of cash modalities was not problematic.¹⁰ The nature of the conflict led to donor restrictions on transferring funds to central government, including SWF, which influenced the nature of the ECTP design and meant UNICEF had to act as intermediary. It also meant UNICEF could use the national postal service, the SWF programme's main payment service provider, to deliver cash. On the other hand, the SFD is independent of the Yemeni Government and has thus been a partner for major donors for large programme implementation in Yemen.¹¹ Another aspect is the legal issues around beneficiary data protection. This has limited the extent to which data collected for humanitarian purposes can be shared and used by others. However, the registration data held by SWF and SFD does carry informed consent, which has facilitated actions to date.

ENTRY POINTS

The case of Yemen shows that even in fragile and complex humanitarian crises, there is value to be gained from efforts to link humanitarian assistance and social protection. When national delivery systems for social protection exist pre-crisis, they offer the possibility to be used for response by providing a starting point for targeting and delivery mechanisms. By using national institutions, social protection systems established for more stable settings may be preserved for the future while also contributing to the provision of immediate emergency response.¹² Although humanitarian cash assistance is unsustainable over the long-term, in the short- to medium-term, it has an essential role in shaping the transition towards a more harmonised approach.

A key entry point was the relationship between UNICEF and the SWF prior to the crisis, which meant that UNICEF already had a good understanding of the strengths and limitations of these national systems and relations of trust already existed. The ECTP project builds on the system-strengthening work initiated by UNICEF in pre-crisis times. Capacity building has been a key part of UNICEF's approach to date and is also a key recommendation of DFID's assessment report for how humanitarian actors can add value going forward. UNICEF engages the SWF staff to build technical capacity, while the emergency project has introduced improved complaints and appeals

⁹ Goodman et al. (2019).

¹⁰ Hutton et al. (2018).

¹¹ EUD (2019).

¹² Gentilini et al. (2018).

mechanisms and enhanced processes that, it is hoped, can be transferred to SWF post-conflict.¹³ Given the nature of the crisis, it has been the engagement of local rather than national government departments that has provided an appropriate entry point to date.

As in other countries in the region, discussions and activities in this space in Yemen have been dominated by donors and UN agencies. NGOs have a role as implementing partners of WFP but have not been able to engage to their full capacity.¹⁴ In Yemen, going forward, the studies suggest that, of these UN agencies, it is UNICEF that is best placed to lead a transition to a social protection approach. This is in terms of institutional partnerships (UNICEF is partnering with the SWF to deliver cash and this is the flagship national cash transfer programme), coverage (the ECTP payments platform functions across the country, including in areas that WFP cannot access) and data interoperability (UNICEF is working with SWF's datasets, whereas WFP is registering households using WFP's defined vulnerability criteria). WFP will continue to have a vital role in delivering assistance in the short- to medium-term, but there are fewer aspects of its current approach that align with the design of a national safety net. The subsequent DFID BASIC study has however recognised that the timeframes for moving away from WFP funding will take longer than initially expected. In the short to medium term it will therefore be important to ensuring harmonisation of the ECTP and WFP programmes to improve effectiveness and responsiveness.

THERE ARE LIMITATIONS AS WELL AS BENEFITS TO LINKING; ADAPTATION OF DESIGN AND OPERATIONS IS IMPORTANT TO OVERCOME THESE

It has been necessary to make several operational adaptations to the SWF's implementation procedures for UNICEF's cash programming with the ECTP to be effective in the conflict setting. These included:

- Revising the targeting process so that it was not solely reliant on the SWF programme's existing targeting criteria and associated beneficiary lists.
- Revising enrolment processes to enable identification of beneficiaries without a national ID.
- Directly contracting one of the SWF programme's payment service providers, for disbursing humanitarian CVA to beneficiaries.
- Monitoring of the programme through third-party monitors where access was restricted.

Despite the potential for improving alignment of CVA and social protection in Yemen, DFID's study also highlights certain challenges, which must also be borne in mind:

- Despite the scale of international assistance, there is very little data on the effectiveness or limitations of the respective programmes being implemented, and the evidence base is insufficient to make critical strategic decisions about the 'best' direction of future aid.
- The ECTP beneficiary list of the SWF is quite outdated, however, the World Bank wishes to avoid the political risk of re-selecting recipients. Meanwhile, effectiveness is limited by the minimal value of the cash transfer, which does not meet basic needs due to depreciation against the cost of commodities (most of which are imported). The World Bank is reluctant to increase this because of concerns that this would not be sustainable by government in future. However, this means that the caseload of approximately 9 million people has not been amended or support increased to reflect the hugely increased needs.
- Given the humanitarian context it is necessary to agree on a transfer value that is in line with the SMEB.

¹³ EUD (2019); Goodman et al. (2019).

¹⁴ It is worth noting that in recent months, through the Cash Consortium Yemen (CCY) and the cash and markets working group (CMWG), NGOs have had an increasing role.

COORDINATION ACROSS ORGANISATIONS AND DISCIPLINES IS NEEDED; THIS REQUIRES INVESTMENT AND LEADERSHIP FROM DONORS

The importance of coordination to move forward with this vision is clearly highlighted in Yemen. Achieving a coherent approach to programming will require collaboration between development and humanitarian donors, implementing agencies and Yemeni authorities.

Donors are a key player in driving the necessary coordination both operationally and at policy level. A small group of international donors are currently financing all humanitarian delivery mechanisms, including those linked with and those outside the national system. In addition, the World Bank was heavily engaged in the development of both national safety net programmes and is hugely influential.¹⁵ Donors have formed a donor group spanning the humanitarian–development divide which, it is hoped, will promote closer collaboration to resolve outstanding issues, such as revisions to targeting or common recipient identifiers. In 2019, DFID commissioned a dedicated coordination role, with the aim of improving collective leadership among the key donors towards development of a common cash system in Yemen with opportunities for local ownership.¹⁶

Improving coordination between the main actor in the humanitarian cash system will be essential to move forward with this vision. This implies a certain rationalisation of systems, and agreement on which organisation is best placed to lead and support different aspects of system development. DFID's study highlights that the competing agendas of these agencies, each with a desire to maintain their organisational footprint and systems, may constrain efforts to improve coordination of humanitarian action and social protection. Although Yemen is one of the pilot countries for the UNCCS, DFID's study noted that, as of 2019, there had not been any tangible progress within the UN on this agenda. It recommends that this is an area which requires engagement and monitoring by international donors. This is a main rationale behind DFID's plans to establish a new donor social protection and cash working group¹⁷.

PROGRESS REQUIRES A LONG-TERM VISION AND LONG-TERM FINANCING ACROSS THE NEXUS

DFID's report concludes that achieving this vision requires humanitarian agencies and development partners to understand together the underlying dynamics, trends and processes, and to think more developmentally while continuing to provide the immediate assistance that is needed. Some of the actions recommended in both reports will not be achievable in the short-term, while the ongoing conflict means no real 'end point' can yet be determined. Assistance will need to be externally financed for the foreseeable future as there are no plans for funding from the Yemeni government treasury within a transitional agreement. To this end, the above-mentioned coordinator position financed by DFID is tasked with developing a realistic action plan for supporting a social protection system in the short-, medium- and longer-term.

¹⁵ Gentilini et al. (2018); Goodman et al. (2019).

¹⁶ DFID (2019).

¹⁷ Pers. comm. DFID Yemen

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The Cash Learning Partnership

Building linkages between humanitarian cash and voucher assistance (CVA) and social protection (SP) has become an increasingly prominent topic over the past five years and the Middle East and North Africa (MENA) region has been at the centre of this evolution. The objective of this resource set (the crib sheet and 6 regional case studies) is to ensure that CaLP trainers and course participants in MENA (and elsewhere) have access to the most significant and relevant examples from the region on linking SP and humanitarian cash and voucher assistance (CVA). The resources cover Iraq, Jordan, Lebanon, Palestine, Syria, Turkey and Yemen. The crib sheet summarises the main activities (programmes, assessments and analyses, events and policy and coordination initiatives) of interest, highlighting key lessons learned, and signposting to related documentation. The in-depth country case studies focus on national experiences of linking CVA and social protection in Lebanon, Iraq and Yemen.

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