

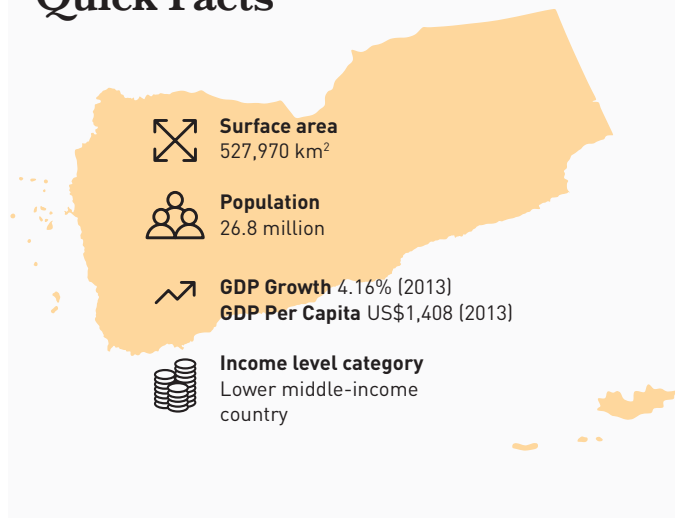


1. Country Context

The Republic of Yemen is a lower middle-income country with an HDI of 0.498 as of 2014 and an Economic Vulnerability Index of 34.5 as of 2015. It is part of the g7+ and has been suffering a civil war with no functioning government since early 2015. The state and security forces are separate, with the Houthis taking control of the northern regions and the Hadi government occupying the southern part of the country, aided by allies such as the United States and Saudi Arabia. The conflict has been exacerbated by the resurgence of al-Qaeda, which has established a stronghold in Yemen during the level-3 humanitarian crisis.

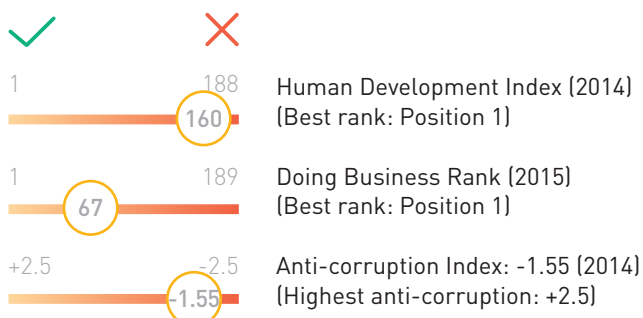
The ongoing crisis has severely disrupted political, economic and social activities within the country and threatened the well-being of all citizens. At least 82% of the population is in need of humanitarian assistance and over 2.5 million people were estimated to be internally displaced at the end of 2015. The conflict also led to destruction of infrastructure, economic blockade to exports and imports, and scarcity of essential commodities for the Yemeni people. Income per capita has dropped by 70% since the war. GDP has spiralled down since 2011 and the negative trend has continued into 2016.

Quick Facts



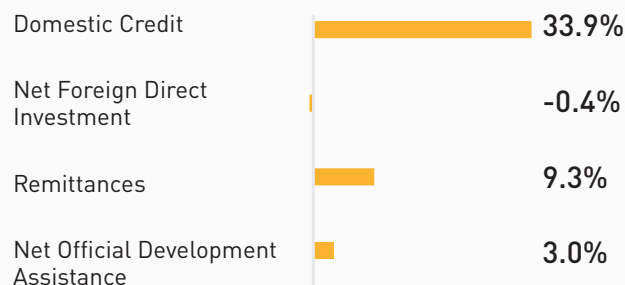
Key Development Indices:

ODA per Capita US\$44.5 (2014)



Inflows (% Gross Domestic Product)

LATEST YEAR AVAILABLE



Key Development Challenges

While the UN emergency appeal for Yemen still faces a wide funding gap, the country needs significant international assistance during and after the crisis. The Gulf States are expected to take a more active role in Yemen's post-war reconstruction, depending on outcome of the conflict. Long-term challenges include high unemployment, lack of clean water and sanitation, and food security. The country faced chronic poverty and under-development before the outbreak of conflict, so the future unity government will need to focus on restoring basic services and reconstruction. The March 2016 ceasefire on the Yemen-Saudi Arabia border is a positive sign towards conflict resolution, but violations of the deal disrupt progress on peace talks.

2. Efforts to Implement the Effectiveness Principles

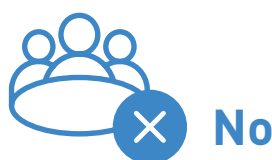
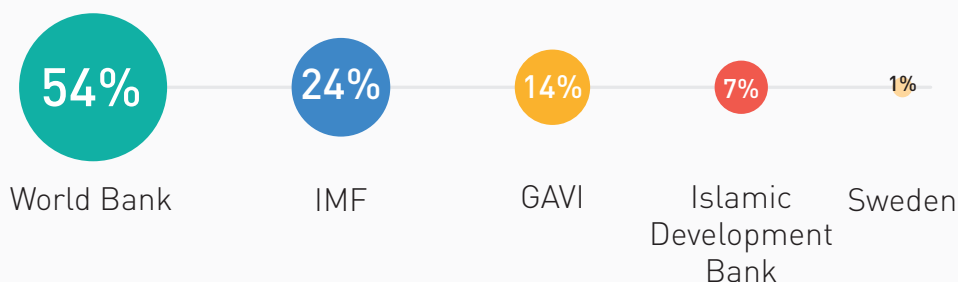
A. Policies and Tools for Partners' Alignment

As of mid-2016, the country has no existing policies or tools for partners' alignment (i.e., prospective, national and sector plans, country results

frameworks, SDG mainstreaming). As a result of the ongoing conflict, Yemen is taking a light approach in the second monitoring round, providing responses

to a limited number of indicators that are valuable resources for assessing the current situation and identifying needs and challenges for post-conflict recovery.

Major Development Partners of this Round (by Reported Disbursements)



Participation in 2014 Monitoring



Existence of a National Co-operation Policy

B. Governance and Management of Development Finance and Co-operation

Yemen's institutions, public services and economy are collapsing. The Ministry of Finance reported a sharp decline of revenues by 49% and a 26% decrease in public expenditures. The Ministry of Planning and International Co-operation (MoPIC) was the governing body coordinating development efforts with international development partners. During the period 2007-2011, MoPIC partnered with the World Bank and UNDESA in implementing capacity development activities to strengthen public policies and financing mechanisms

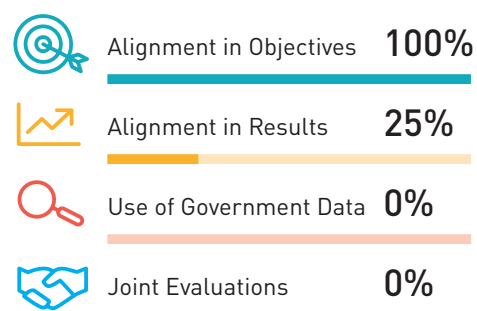
in order to achieve the MDGs. In 2013, the Government of Yemen pledged to better monitor information on official development finance and revitalized the Development Assistance Database (DAD) system, which tracks and reports international assistance. Thirty-four bilateral partners, members of the GCC and territorial and international organizations were registered on the DAD as of 2013. Unfortunately, due to the ongoing civil war, all institutional arrangements have been disrupted.

3. Country Ownership

Indicator 1: Partners' Alignment and Use of Country-Led Results Frameworks

Based on partners' self-reporting in the second monitoring round, objectives for all development co-operation projects were drawn from government's results frameworks such as national development plans, sector plans and planning tools and joint government-partner strategy. However, only about one quarter of the projects used outcome indicators that were based on existing government results frameworks, plans and strategies. Moreover, there has

been inadequate use of government monitoring systems and government-partner joint evaluations to track the progress of development projects. In order to facilitate effective development in the future post-conflict recovery, Yemen, in collaboration with development partners, needs to align development results and build integrated monitoring and evaluation mechanisms for joint assessment of development progress.



Indicator 6. Development Co-operation is on Budget (Subject to Parliamentary Scrutiny)

Based on data available, 0% of finance provided by development partners has been recorded in the government budget. Because of the ongoing conflict,

there has been a severe lack of recording of development finance on government budget.

Percentage on Budget



Indicators 9 and 10. Use of Country Systems

Based on data collected in the current monitoring round, the use of country public financial management and procurement procedures for development co-operation is weak and needs further collaboration between the government and development co-operation partners. Only 31% of development co-operation has used national budget execution,

financial reporting and auditing procedures; specifically, the IMF and Islamic Development Bank have been identified as major users of those country systems. However, partners have not used the national procurement system at all. The Country Policy and Institutional Assessment (CPIA) score deteriorated from 3.5 in 2014 to 3.0 in 2015, which

requires further government actions to strengthen country ownership. Untying of official development finance, on the other hand, improved slightly – from 68% in 2013 to 70% in 2014 – demonstrating a positive trend in strengthening country ownership of development co-operation.

	Budget (ideal: 100%)	Financial Reporting (ideal: 100%)	Auditing (ideal: 100%)	Procurement (ideal: 100%)	CPIA* (maximum: 6)	Untying (ideal: 100%)
INDICATOR 9B.	31%	31%	31%	0%		
INDICATORS 9A & 10.					3.0 ▼	70% ▲

* Country Policy and Institutional Assessment

4. Inclusive Partnerships for Development

Indicators 2 and 3. Fostering Inclusive Partnerships for Development

No data are available on these two indicators, due to the ongoing conflict in the country that limits the extent to which stakeholders could be reached for data collection. Yemen's investment environment was improving before the crisis and new mechanisms had

been established for access to credit and loans by small and medium-sized enterprises (SMEs). However, because of the crisis, the World Bank and other multilateral institutions' country offices were withdrawn from Yemen in early 2015. The ongoing armed conflict,

political instability, high unemployment and insufficient infrastructure and commodities are contributing factors to the lack of civil society and of private sector engagement in development.

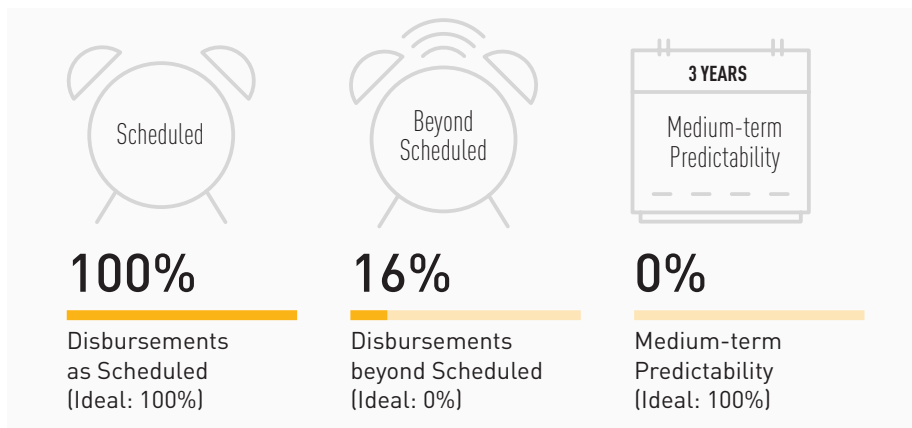
Indicator 8. Gender Empowerment

No data is available on this indicator.

5. Transparency and Accountability

Indicator 5. Development Co-operation is More Predictable

Based on responses from the government and partners, annual predictability of development co-operation funding is excellent, especially with regards to partners like the World Bank, IMF, GAVI and Sweden. Annual disbursements beyond scheduled are mainly attributed to World Bank finance. However, medium-term information on official development finance has not been made available to the government to enable effective planning of forward expenditures. In this aspect, partners and the government need to strengthen their collaboration to ensure that development co-operation is more predictable and national budget planning for development is more effective, transparent and accountable.



Indicator 7. Mutual Accountability

No data is available on this indicator.

The Global Partnership Monitoring

Realizing the 2030 Agenda for Sustainable Development requires the mobilization and effective use of all types of development resources. The Global Partnership provides a unique platform to advance the effectiveness of development efforts by all actors, to deliver results that are long-lasting and to contribute to the achievement of the SDGs. It supports and ensures accountability for the implementation of shared principles and differentiated commitments at the political level. Through its multi-stakeholder platform, the Global Partnership provides practical support and guidance and shares knowledge to boost development impact with a strong country focus to implement internationally agreed effectiveness principles at country level – country ownership, a focus on results, inclusive partnerships and transparency and mutual accountability. The Global Partnership tracks progress in the implementation of the Busan commitments for more effective development co-operation through its monitoring framework comprised of a set of 10 indicators. These indicators focus on strengthening developing country institutions, increasing the transparency and predictability of development co-operation, enhancing gender equality and supporting greater involvement of civil society, parliaments and private sector in development efforts. The monitoring framework is currently being refined to fully reflect the 2030 Agenda and will contribute to the review of targets for SDGs 5 and 17 and implementation of the Financing for Development agreements.

Disclaimer This document was prepared based on data collected from voluntary reporting to the Second Monitoring Round of the Global Partnership for Effective Development Co-operation and, for Country Context, other open source information available online. The information provided does not necessarily represent the views of UNDP the Government of the Republic of Yemen.

For ease of reference, the term 'country' is used to refer to developing countries and territories that reported to the Second Monitoring Round. Participation in this process and mention of any participant in this document is without prejudice to the status or international recognition of a given country or territory.