

Annex 1

Detailed analysis of international assistance

policies and implementation during the IPoA period in the Arab LDCs

The present annex presents development aid receipts by Mauritania, Somalia, the Sudan and Yemen in the past decade, and also details the policies and strategies used by each State's main funders. It also addresses the challenges to effectiveness in each case.

Mauritania

Over the course of IPoA, Mauritanian economy experienced an initial improvement followed by a decline in the latter half of the decade due to the fall in the price of iron ore, the country's main export commodity. The country's GDP per capita grew from \$1,036 in 2010 to \$1,260 in 2014, with the incidence of poverty dropping from 42 per cent in 2008 to 31 per cent in 2014, combined with an overall, though sluggish, improvement in social indicators (AfDB, 2016). The reduction in poverty has been a result of increase in productivity, prices and incomes in the irrigated agriculture and livestock sectors in rural areas. However, the end of the commodity 'super-cycle' in the second half of 2014 and the collapse in iron ore prices slowed growth (World Bank, 2020). The country has also encountered a number of exogenous shocks over the last decade, including the 2011 drought, the 2012 refugee crisis, the 2018 food crisis, and increasing threats from terrorism. Tax reforms have not sufficiently mobilised resources to counter the effect of falling commodity prices and shocks. By 2020, more than 600,000 people, or 15 per cent of the population, are at risk of food shortages

and require humanitarian assistance, with malnutrition among children being a major humanitarian concern (World Bank, 2020). The COVID-19 pandemic poses a major challenge to the country's health and monitoring systems.

The country's long-term Strategic Development Plan for the 2016-2030 period sets Mauritania the broad objectives of building resilience and promoting shared prosperity. The plan is built around: (a) promoting strong, inclusive and sustainable growth; (b) developing human capital and access to basic social services; and (c) strengthening governance in all its dimensions. The SCAPP will be implemented through three five-year action plans. It is important for donor operation over the coming decade to be aligned as closely as possible with the objectives of the SCAPP 2016-2030.

The country's development framework is managed through the government's four-year General Policy Statement. The 2015-2019 statement focused on three strategic objectives of strengthening the foundations of

the State and improving public governance; promoting the emergence of a competitive and shared growth-generating economy; and, human resource development and expansion of access to basic services. Reliance on the capital-intensive extractive industry as the main engine of growth implies limited employment generation opportunities and growth dividends not being equally shared across the society. Labour-intensive sectors such as agriculture and fishery suffer from low productivity and low resilience in the face of climate change and shocks. With 60 per cent of the country's population employed by the agricultural sector, the potential income and livelihood gains from further investment into the agricultural sector can be substantial (AfDB, 2016). This requires addressing issues related to access to land ownership (particularly for the poor and women), poor quality of existing infrastructure and irrigation systems, and climate shocks. Furthermore, the country's poor state of infrastructure (including energy, water, sanitation) further limit people's access to basic services and goods, particularly for those in rural and suburban areas.

Since 2009 Mauritania has made progress in strengthening justice and consolidating democracy, as evident in establishment of an Independent National Electoral Commission and promotion of human rights through its legal system. Despite this, the country's political and institutional structure requires further reforms to enhance the capacity of electoral bodies, promote the transparency and ownership of the decentralization process by national entities, the threat posed by the upsurge in religious extremism, and effectively manage and reduce the influence of various clans and ethnic groups on the country's political structure. Despite the country's effective protection of borders and approval of an appropriate legal mechanism (such as the 2010 Anti-terrorism Law), Mauritania still faces a number of security threats relating to cross-border terrorist activities, arms and drugs trafficking, and immigration. Since addressing

some of these issues requires regional efforts, Mauritania supported the creation of the Sahel G5 in 2014 to combine regional resources with the aim of having a more cohesive approach to tackling such security challenges.

The Mauritanian economy remains dominated by the extractive industries sector (particularly iron ore) which accounts for four-fifths of total exports, on average, and 30 per cent of budget revenues (AfDB, 2017). The environment for private economic activity has been improving but much remains to be done, particularly in the context of the multiple vulnerabilities that the country faces. These include climatic volatilities, ethnic tensions, political rivalries within the government, lack of access to public services in the remote regions of the country, and increase and deterioration in the state of the IDPs and refugees. Food insecurity has haunted Mauritania for decades. The country is able to produce less than 30 per cent of its food consumption needs. Apart from exposure to harsh and erratic climate, with concurrent droughts, floods and diseases such as locust outbreaks, the country's food and agricultural production are also hampered by inefficient agricultural systems, difficulties of access to inputs and trade given the country's large size and limited transport infrastructure, and lack of a cohesive public or private-sector led agenda concerning and food and agricultural sectors. As a result, more than a third of Mauritanian households suffer from food insecurity.

According to the IMF (March 2020), the country's growth in 2019 accelerated to close to 6 per cent, driven by buoyant activity in both extractive and non-extractive sectors and favourable terms of trade. As the country moves ahead with the programme of economic reforms, macroeconomic stability was maintained and debt sustainability was strengthened, with government reaching a lower debt-to-GDP ratio thanks to a budget surplus. However, the IMF has warned of the impact of the COVID-19 pandemic on commodity price volatility and a slowdown

in global growth. The IMF operations in the country are aimed at maximising the government's available fiscal space to increase spending on priority areas with the social sector (education, health, and social protection) as well as infrastructure, while maintaining prudent fiscal and borrowing policies to preserve debt sustainability. Components of institutional reforms are aimed at improving budget preparation and execution to efficiently expand social spending and public investment. The Fund's programmes also support continued improvements in tax and customs compliance and broadening of the tax base.

Mauritania receives aid through a number of trust funds. Given the relatively small size of the economy, it receives high amounts of aid. A joint Government-Donors Committee, comprised of the Government of Mauritania and donor representatives, manages the coordination of donor activities. The Arab Fund for Economic and Social Development (AFESD) and China are currently the country's leading donors, each contributing more than \$500 million, followed by the European Union, the Islamic Development Bank (IsDB), the World Bank, Spain, Saudi Arabia, and France. Key areas of donor interventions include infrastructure (absorbing over 50 per cent of aid), governance (12.9 per cent), vocational training and employment (6.8 per cent), water supply and sanitation (5.6 per cent), and agriculture (5.2 per cent). At the sectoral level, the energy sector attracts the largest share (23.9 per cent) of total aid, followed by transport (22.1 per cent). The AFESD activities focus on contributing to the WASH and water sectors, while contributing to an initiative for transparency in the fish industry and strengthening the national accounting system. The IsDB is a major contributor to the energy sector with about \$180 million, while the European Union is the second largest contributor to the transport sector with about \$170 million. Despite the significance of the agriculture sector in Mauritania, it attracts a

relatively small portion of overall aid to the country. AFESD, IFAD and AfDB are among the key donors giving support to this sector. The OPEC Fund has had eight operations in Mauritania over the last decade, resulting in ODA flows of over \$131 million. Around 95 per cent of OPEC Fund Public and Private Sector assistance has benefited the energy and mining sector, addressing Mauritania's electricity infrastructure and resources. Beyond this, the OPEC Fund has also donated emergency aid grants through WFP and the UNHCR. Capacity building within the public sector institutions is considered to be vital for ensuring more effective delivery of aid resources.

AfDB which is one of the major international development actors in the country has formulated its country strategy around improving people's living conditions and building resilience in the country, aligning its pillars along those defined by the government's economic frameworks as set out in SCAPP 2016-2030. Despite some economic growth achievements, the country continues to experience high levels of inequality, chronic food insecurity, very limited access to energy in rural and peri-urban areas, and poor governance. The two key AfDB pillars of intervention in the period under study have been promoting agricultural transformation and increase power supply, both also relevant to SDGs 2 and 7, respectively. Under the first pillar, the bank aims to facilitate transition from a purely traditional agriculture sector to a more modern and productive sector which can be competitive, ensure food security for the country and contribute to building national resilience. Through supporting agricultural value chains and production infrastructure, this aims to contribute to development of a diversified, inclusive, green and sustainable growth strategy with potentials for employment generation and poverty reduction. The Banks' activities in the area of energy aim to increase the population's access to electricity and ensure secure and low-cost power supply

Figure A.1 Key ODA donors to Mauritania

Donors	Millions of dollars									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	Cumulative (2010-2018)
Arab Fund	34.90	137.68	72.00	193.66	105.96	110.04	215.11	294.51	0.66	1 164.54
European Union	20.69	101.95	86.30	87.23	2.41	41.04	22.12	66.62	39.42	467.78
World Bank	25.50	23.10	5.00	126.00	26.30	72.00	44.05	68.00	74.50	464.45
France	62.80	93.28	63.04	68.13	23.63	20.28	14.72	23.62	30.94	400.44
Germany	17.76	20.91	44.66	21.67	22.55	16.95	14.00	20.88	35.37	214.76
Kuwait	39.27	39.86	35.71	31.69	-	19.95	-	32.97	3.00	202.44
IMF	33.69	34.86	33.82	16.78	-	-	-	22.96	46.89	189.00
Saudi Arabia	-	-	-	-	-	-	50.00	135.00	-	185.00
United States	11.10	9.82	28.70	27.34	23.11	20.88	15.48	13.12	16.51	166.05
Japan	14.58	15.56	8.01	35.07	22.30	13.75	22.72	8.45	11.93	152.38

required for country's economic development. In doing so, the Bank aligns its activities with the first two objectives of SCAPP 2016-2020.

The World Bank's operations in Mauritania focus on capacity building in individual operations and on long-term reform and modernization as weak local capacity negatively affects several projects and poses challenges to the IFC and private sector engagement activities. World Bank's activities in Mauritania are focused on three areas. The first is promotion of economic transition for diversified and resilient growth on the basis of capitalising on the country's vast non-extractive natural resource endowments (fisheries, agriculture and livestock) through increase production value in the fisheries sector, enhancing agriculture and livestock production in the face of climate change, and promoting the development of productive cities and adjacent territories in the context of decentralization. The second area of World Bank operations is building human capital for inclusive growth. To do so, the Bank supports the establishment of a nation-wide social safety net system to address extreme poverty and vulnerability to climate

shocks, increase access to education, improve employability and access to maternal and child health care to break inter-generational poverty, promoting growth, and boosting social inclusion. The Bank's third focus area is on strengthening economic governance and private sector-led growth aimed at moving away from a state-centred rentier economic model. In the context of low commodity prices and limited fiscal space, the Bank advocates improving economic governance through enhancing fiscal management, from upstream revenue mobilization to downstream public financial management, and creating a more level playing field for private sector development. The World Bank works closely with the United Nations System (UNICEF and WFP) in developing the safety net instruments and supporting the design of a mechanism to deploy responses to climate shocks, and with UNFPA in implementing a regional program for women's empowerment and demographics.

The European Union's assistance to Mauritania, through the European Development Fund, for the period 2014-2020 has been organised around three pillars of good security and

sustainable agriculture, which aims to promote the country's potential in agriculture and improve the governance of the sector; the rule of law aimed at enhancing the general governance, the credibility and the efficiency of its institutions, with a special focus on human rights; and finally, supporting the reform and coverage of the health sector. The European Union provides substantial support through the European Union Trust Fund, which focuses on projects relating to job creation, notably in the fisheries sector, resilience of urban-rural populations, and fight against radicalisation and terrorism. The European Union's humanitarian assistance to Mauritania amounts to about 118.5 million euros for the period 2007-2020 (EC, 2020b). In 2020, the European Union humanitarian assistance is addressing the food crisis in the country and providing assistance and social safety nets to refugees and vulnerable families to protect them from negative short-term coping strategies. In the health sector, the European Union focuses on addressing malnutrition among children under 5 years of age. The European Union also supports disaster risk reduction measures to build the resilience of communities susceptible to changing weather patterns through

development of early warning systems and the reinforcement of local response capacities.

The United States also has a range of humanitarian and development initiatives in Mauritania. These fall into four categories. In the area of vocational education and youth, USAID supports activities that provide job and life skills to vulnerable youth to assist them integrate better to the local job market. In the area of humanitarian assistance, USAID support initiatives to improve health, nutrition, and water, sanitation, and hygiene conditions for vulnerable households and refugees in the country. In the social sector, USAID focuses on the health sector through initiatives relating to family planning as well as conducting of Demographic and Health Survey (DHS) in support of the national health policy development, planning, and evaluation. And finally, in the area of governance, USAID provides support to the Mauritania electoral commission and supports the government to develop effective and sustainable programmes to improve security, reduce conflict, and serve at-risk communities.

Challenges to aid operations and effectiveness

A number of factors hinder donor operations in Mauritania, including economic and budget crisis due to drop in global commodity prices and demand. Despite developments in government's macroeconomic and fiscal policies, the economy continues to be vulnerable to shocks, and therefore needs to maintain a focus on a strategy of diversification away from natural resource dependence. Moreover, the government's intended structural transformation process and expansion of the private sector activities should entail sufficient social safety nets to protect those whose lives maybe vulnerable as a result of these changes.

The prevailing security situation in the Sahel Region is another major risk to donor

operations. Regional instabilities can spill over into Mauritania in the form of terrorism, criminal activity, inflows of refugees and internal displacement, creating a fragile environment for donors. Ethnic stratification and a young unemployed cohort are potential sources of grievances, particularly in the context of regressive and inequitable government spending on social sectors such as health may contribute to forms of discontentment. Weak governance and low capacity of local public works enterprises to contribute to the execution of donor-financed programmes may worsen access to services and reinforce social inequities.

The impact of climate change, drought and other natural disasters on livelihoods and

the agriculture sector poses yet another risk to donor operations. Mauritania remains vulnerable to recurrent droughts, floods, coastal erosion, and other climate-related risks. Desertification, rising temperatures and ocean salinity, the increasing scarcity of water and flash flooding, greater regularity and intensity of drought, and erosion of soil and arable land threaten the livelihoods of large segments of the Mauritanian society, with direct implications for long-term donor operations and programming.

Looking ahead, given Mauritania's wealth of natural resources, a more effective and transparent utilisation of revenues from these resources could provide the country

with solid sources of revenues. However, given the risks associated with natural resource dependency, it is vital for the country to diversify its economy along lines of comparative advantage such as fisheries and livestock which have the potential not only to address domestic food consumption needs, but also create jobs, enhance environmentally resilient production, promote private sector development and creation of value-added transformation and export diversification. Parallel increase in investment in human capital and expanding access to financial capital are also important elements of ensuring an inclusive process of development.

■ Somalia

Somalia is a country with high levels of aid dependency, with almost half of the country's GDP stemming from ODA. The country has suffered from persistent food insecurity, recurrent droughts and floods, and prolonged conflict related to al-Shabaab attacks and the resultant military operations, as well as the ongoing political transition towards federalism in the country.

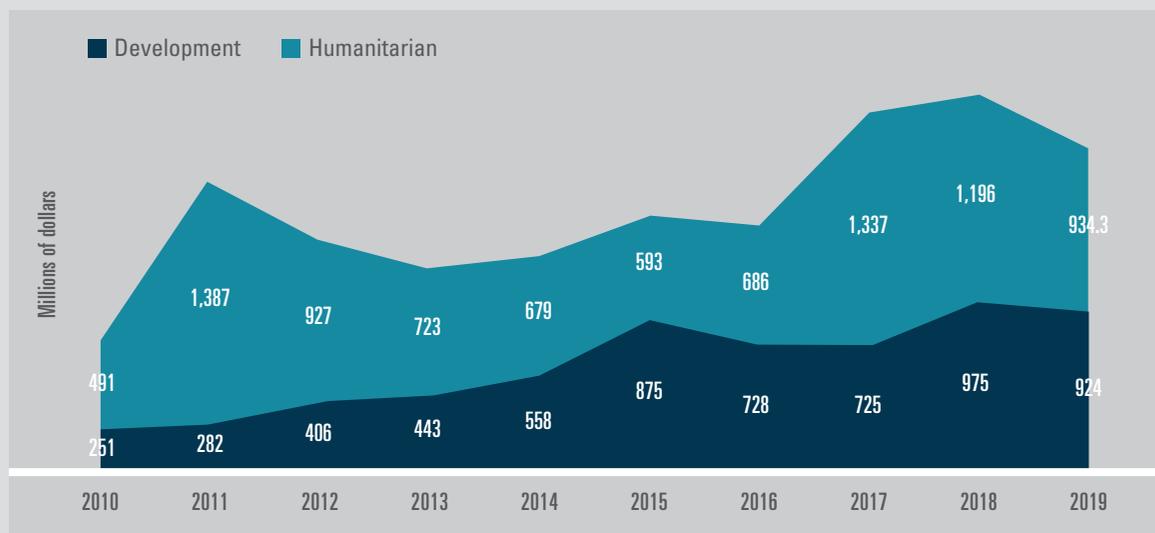
The aid flows to Somalia over the last decade have followed the broader patterns discussed above, with a substantial segment of aid allocated to humanitarian assistance, with substantial project-level disbursements in the areas of health, food security and education. Although, in the context of Somalia's political developments, there seems to have been a rhetorical shift by donors away from framing Somalia as a protracted humanitarian emergency to one of 'fragile state building,' that would in turn require further attention to issues of resilience-building, longer term development and state capacity building, in practice this has not been necessarily reflected in the actual aid allocation patterns. The signing of the Somali New Deal Compact in

2013 gave a momentum to a rise in ODA – with it reaching the humanitarian aid levels in some subsequent years, reflecting the increased donor confidence in the new structures and policies of the government of Somalia, as set out in the Compact.

In 2018, the European Union pledged 100 million euros in budget support as a state-building and resilience contract, just days after the World Bank had committed \$80 million in International Development Association (IDA) financing. Yet, aid flows to Somalia still remain much lower than many other post-conflict countries. By 2019, the World Bank, United Kingdom, European Union and Germany were the largest providers (50 per cent) of development aid, amounting to about \$500 million that year, with the United States providing almost half of Somalia's humanitarian aid (\$455 million in 2019) (FGS, 2020).

The country's National Development Plans (NDPs) set out the country's medium-term development and economic priorities. The last two NDPs that cover the periods 2016-19 and 2020-24 highlight Somalia's key pillars of development, including inclusive politics,

Figure A.2 ODA Trends in Somalia, 2010-19



security, economic growth, infrastructure, resilience, and social and human development. When put against the donors’ aid allocation patterns, few sectors/pillars have received donor resources over the last two NDP periods: food security (within the pillar of ‘resilience’) attracts by far the most amount of donor financing, followed by health (social and human development pillar).

Despite years of humanitarian spending by donors, still about 34 per cent of the Somali population (equivalent to 4.2 million) were in need of humanitarian assistance by 2019, with more than 800,000 Somalis living in refugee camps in the region, and 2.6 million having been internally displaced (OCH, 2019, UNHCR, 2019). In the absence of sufficient state capacity, humanitarian donors are engaged in provision of basic services such as long-term healthcare, nutrition and education, food assistance, livelihood support and social protection (ECDPM, 2019). Given donors’ broader state-building agenda in Somalia, this has at times raised questions about the independence, impartiality and neutrality of the humanitarian actors in the country – with critics arguing that the inherently political nature of the humanitarian aid has affected its effectiveness.

The European Union is one of the largest donors to Somalia, providing (together with the member States) about 35 per cent of humanitarian aid in Somalia, amounting to 51.2 million euros in 2020. The European Union humanitarian assistance is mainly disbursed through the European Commission’s Humanitarian Aid and Civil Protection department (ECHO). This assistance includes food aid, shelter, access to clean water and basic health services, and education. The European Union also channels funding through other donors such as the Food and Agriculture Organization (FAO) to help tackle specific humanitarian emergencies such as the locust outbreak or flooding incidents that threaten the livelihoods of farmers and local communities in the affected areas. FAO’s total humanitarian assistance in Somalia has amounted to \$796 million for the period 2011-2020. A share of the European Union’s humanitarian aid allocated to the World Health Organization (WHO) to support its global COVID-19 response is being channelled to support Somalia’s health authorities to scale up operational readiness for early detection and response to large-scale community transmission. A large part of the European Union humanitarian assistance is also provided in the form of cash transfers to support accessibility to basic commodities in the country. The European Union

Figure A.3 Key ODA donors to Somalia, 2010-2018

Donors	Millions of dollars									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	Cumulative (2010-2018)
United States	63.81	235.85	226.88	224.17	261.67	227.65	297.15	472.46	427.00	2 436.64
European Union	47.29	268.08	208.23	99.74	81.52	170.51	273.09	364.64	148.21	1 661.32
United Kingdom	44.33	105.30	112.02	103.81	101.25	42.66	112.37	317.88	74.11	1 013.76
Germany	13.40	34.60	11.52	25.80	37.68	66.64	134.30	227.98	206.05	757.96
Norway	28.02	84.67	33.44	136.58	62.20	61.78	48.71	62.12	107.86	625.39
Sweden	17.39	64.02	41.86	87.13	107.32	11.09	39.33	53.96	79.60	501.71
Denmark	15.04	103.16	30.15	15.49	25.07	71.34	6.81	32.36	10.10	309.52
Japan	29.07	51.97	55.49	58.36	32.58	26.46	21.55	21.49	10.17	307.13
United Nations	21.95	21.63	21.62	25.12	28.85	36.36	38.39	38.60	37.66	270.17
Canada	6.07	45.74	10.02	28.97	26.00	20.82	25.83	30.94	15.48	209.85

Source: OECD, DAC database.

acknowledges the need for more long-term development assistance to ensure that vulnerable communities do not slide back into crisis (European Union, 2018).

The European Union’s development assistance falls into three categories of state building, economic development, and education. The focus area of state-building, which attracts more than 100 million euros, aims at building democratic structures and strong administrations through ensuring adequate public security, supporting the Constitution process, enhancing Public Financial Management systems, and enhancing the role of civil society. The European Union is also supporting the African Union peace enabling Mission to Somalia (AMISOM). The European Union’s work in the area of capacity building within the Somali Security Sector focuses on capacity building within the Somali Security Sector, address issues of building up the Somali national army, combatting acts of piracy and enhancing Somalia’s maritime security capacities (EC, 2018).

In the category of economic development, the European Union programmes cover food security, private sector-led economic

development (livestock and infrastructure), and livelihoods, amounting to about 135 million euros by 2019. Furthermore, the European Union contributes to budget support to promote local reconciliation and peacebuilding as well as the creation of economic opportunities, support to SMEs with a special focus on empowering women and young people, and the revitalisation of the livestock and fisheries sectors. Given Somalia’s low estimated Gross Enrolment Rate (GER) for primary education, the European Union’s work in this sector (about 85 million euros) aims at boosting participation, particularly of young girls, in primary and secondary education, in teacher training and in the vocational sector. For the period 2015-2020, the cooperation of the European Union and the Member States amounts in areas of development aid, humanitarian aid and peacekeeping operations amounted to 3.5 billion euros.

The country’s infrastructure which has been heavily destroyed and halted during more than two decades of armed conflict has not attracted much attention from the donor community – partly in fear of repeated destruction. This is despite the fact that the 2017-19 NDP recognised the importance of infrastructure in attracting FDI and developing

a competitive and prosperous private sector led economy. In this context, donors such as the African Development Bank (AfDB) have been requested to cooperate with Government of Somali in areas of infrastructure planning and development, in response to which AfDB established the Multi-Partner Somali Infrastructure Fund (SIF). SIF aims to mobilise and channel resources to projects, including capacity development, in the energy, transport, water and sanitation, and ICT subsectors. The AfDB - supported infrastructure needs assessments in the energy, transport, water and sanitation, and ICT subsectors formed the foundation for NDP 2017-19 pillar 5 on physical infrastructure (AfDB, 2017). Given the fragility of the operational context and the 'massive institutional and human resource capacity deficit in Government departments', AfDB has aimed at simplifying its procedures (e.g. comprising fewer procurement items and bundling of procurement) and demonstrate more flexibility (e.g. implementable by third parties such as the United Nations or international NGOs) (AfDB, 2017). Beyond infrastructure, the AfDB also engages in institutional capacity building and skills development for improved governance and job creation.

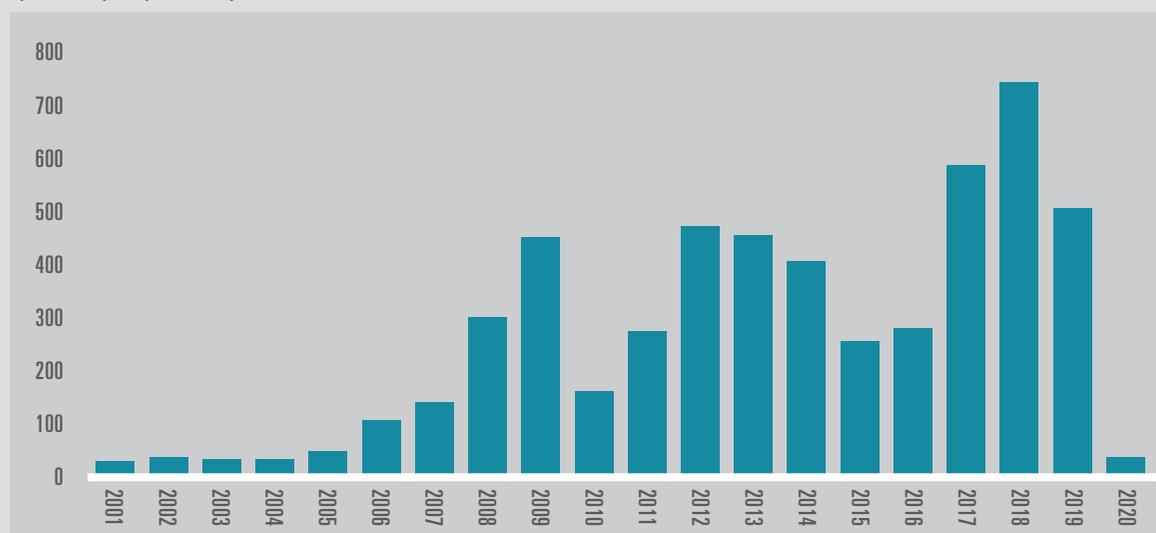
The United Kingdom Department for International Development (DfID) which is a major development partner in Somalia covers four key areas of assistance in its Somalia Operational Plan. These include: a) governance and peace-building; b) wealth and job creation; c) health care, particularly for women and children, and d) humanitarian assistance. The objective of these activities is to empower local communities, create jobs, and improve access to women's and children's health and reproductive care. As demonstrated in figure A4, humanitarian assistance and aid to social sectors (health) constitute the bulk of the DfID assistance to Somalia, with economic development attracting only 14 per cent of the United Kingdom's bilateral aid to the country (DfID, 2018). The United Kingdom focuses its humanitarian assistance on building resilience

through emergency aid, access to water and sanitation, nutrition interventions, and health services. Food assistance is increasingly provided through cash or electronic vouchers to enable the most vulnerable to buy the food items of their choice at local markets. Humanitarian aid has focused mainly on the most affected regions in south and central Somalia where needs remain vast and have increased further due to drought.

DfID's development assistance focuses on economic reform programmes aimed at domestic revenue mobilisation, creation of a more transparent and enabling environment for the private sector and support investments. Financing investments in infrastructure, including energy and roads, and enhancing the productivity and competitiveness of economic sectors such as livestock, agriculture and fisheries are among other DfID stated priorities, although the scale of resources dedicated to these are much smaller than other assistance categories. The United Kingdom programme for enhancing institutional capacity and stability covers programmes aimed at better management of public finances and national resources, improved security and increased access to justice for all citizens, including women and girls. According to DfID, the precarious setting for donor operations in Somalia and the lack of reliable data, it is difficult to demonstrate evidence of effectiveness areas such as governance, employment creation and humanitarian programmes.

The World Bank has identified a 'dual development trap' in Somalia, composed of a 'high-frequency fragility trap' as demonstrated in unstable politics and driven by the lack of resources for provision of services and public goods such as justice and security, that in turn undermines citizen/state relations and trust in institutions (World Bank, 2018). This implies that short-term projects and reform efforts are insufficient in the absence of adequate political or financial resources. This, according to the World Bank, is driven by a 'historical absence

Figure A.4 The United States foreign aid (obligations) to Somalia, millions of dollars, FY 2001-20 (partially reported years 2019-20)



of trust in formal institutions, exacerbated by conflict, and endemic corruption, underlining the central importance of sustained reforms in public finance accountability and transparency’. The second component of the trap is a ‘lower-frequency resilience trap’ in which ‘natural disasters, trade or geopolitical shocks, undo development gains and deepen exclusion’ (World Bank, 2018). This includes the pattern of droughts and floods that have had severe impact on rural livelihoods, impacting the most vulnerable, and generating high levels of forced displacement and unplanned urbanization in the absence of a reliable and targeted shock-absorptive safety net. Given the intensification of climatic events as well as the likely prolonged impacts of the COVID-19 pandemic, the existence of safety nets are important to manage the impacts of such events.

In the context of the ‘dual development trap’, the World Bank organises its Somalia operations along two lines. Institutional capacity building aims to strengthen ongoing governance programmes with a new focus on fiscal space and improving access to, and quality of key social services and resilience.

This incorporates elements of PFM, domestic revenue mobilisation, and enhancing service delivery systems. Restoring economic resilience aims to increase economic resilience as a basis for long-run poverty reduction and inclusive growth. Here attention is paid to improving the business environment, increased access to finance and renewable energy, and increase access to water for rural resilience and productivity.

For the World Bank, broadening the tax base, enhancing compliance, and reducing wasteful expenditures are expected to result in a more efficient utilisation of limited resources that are required for addressing social and developmental needs. Humanitarian aid is to be focused on reducing infant and maternal mortality, increase enrolment rates at all levels of education, and improve availability of clean water and sanitation. Building the resilience of the agriculture sector, through irrigation and better water management, land management and environmental protection, improved agricultural technology and extension services are considered important elements of the poverty reduction agenda in Somalia (World Bank, 2018a). The key risks

that may hamper efforts in these areas include continued security concerns, increase in oil prices that may hamper consumption, delays in implementing structural reforms, and political and policy uncertainty due to political contestation, mistrust among political leaders and fragmentation among different levels of government.

The USAID approach to Somalia for much of the IPoA lifetime, has been premised on the notion that better and more inclusive governance will bear tangible dividends in terms of state-building and long-term recovery of Somalia. The Agency's strategy highlights the need to explore possibilities for 'layering, sequencing and integrating humanitarian and development efforts using a resilience lens across the emergency, humanitarian and development portfolio' (USAID, 2019). On this basis, USAID highlights three key objectives for its programmes in the country; namely, supporting systems and processes that enable inclusive governance, improvement of service delivery, an inclusive economic growth. Yet, by 2019 around 87 per cent of USAID's funding to Somalia focused on humanitarian assistance, with only 12 per cent allocated to development related assistance (USAID, 2019a).

The key components of development assistance are food aid and nutrition assistance, and disaster response. Considerably smaller sums are also spent on the education sector to provide accelerated learning for out-of-school children and youth and quality education for Somali girls and young women (jointly with DfID). In relation to economic development, USAID funds initiatives that promote inclusive economic growth and resilience through activities that affect key industries, particularly agriculture, fisheries, livestock and renewable energy. The programme builds the capacity of the private sector to increase investments and jobs. Given that coastal resources are among the richest natural resources available to Somalia, USAID emphasises the importance of sustainable

natural resource management, including improved fisheries management, and the critical role it could play in long-term economic growth. USAID also manages smaller operations in the areas of sustainable energy consumption (away from coal) and expansion in the use of climate smart technologies in farming to protect against climatic changes and shocks. USAID also provides assistance in the area of democracy, stabilisation and governance through initiatives aimed at decreasing the influence of and support for violent extremist groups, strengthening the quality and reach of justice services, and supporting the capacity of election mechanisms (USAID, 2019a, 2020).

In addition, USAID has allocated substantial resources to AMISOM and Somali efforts to counter Al Shabaab, with the United States military personnel advise, assist, and accompany regional forces during counterterrorism operations. The United States support for AMISOM has totalled roughly \$2 billion over the past decade, and the United States has provided over half a billion dollars in security assistance for Somali forces. In the 2020 Financial Year budget, the United States has indicated cuts to aid expenditure in areas of governance, health, education, social service, and agriculture programmes (USAID, 2020). These changes are linked to the what USAID considers as key obstacles not only to its operations but also to Somalia's transition towards political and economic stability, including: continued security concerns, weakened leadership commitment to democratization at the central and state levels (including Somaliland and Puntland), tensions arising from institutionalization of federalism, lack of sustainable domestic resources allocated to reforms, and poor maintenance of security.

Among the Arab donors in Somalia, the Qatar Fund has backed several infrastructure projects, such as road building (the 100km Jawhar Mogadishu Road and the 22km Afgoye

Mogadishu Road), renovation of government buildings, and building of model villages with health, water, and educational facilities. The projects are aimed at improving livelihoods while creating employment opportunities, with an expected positive impact on the Somali economy. The Fund's microfinance projects for youth and women provide loans and access to capital, with the aim of creating 10,000 jobs (Qatar Fund, 2018). Qatar also provides assistance through the African Union Mission to Somalia to support the country's fight against terrorism, and has recently helped with in-kind support of medical equipment in response to the COVID-19 pandemic.

The 2020-24 NDP provides a comprehensive framework for addressing poverty by setting out a plan around 4 pillars of inclusive politics, improved security, and the rule of law, inclusive economic growth, and improved human development. Inclusive politics aims to establish a functioning federal system embedded in a ratified constitution and one with sufficient capacity to carry out state functions while pushing for the agenda of 'fiscal federalism'. The pillar of economic development aims to broaden and sustain

economic growth and provide employment opportunities by transforming traditional sectors (e.g., livestock and crop production) and adapting them to climate change, while inducing growth elsewhere in the private sector. Attention to human development is aimed at enhancing human capital and increasing resilience to shocks. The key macroeconomic objectives of this ninth NDP are to promote economic growth in an environment of low inflation, sustainable fiscal and current account balances, and healthy foreign exchange reserves. To achieve these, financial sector regulation and supervision, as well as the anti-money laundering and countering of financing of terrorism framework are seen as critical. Although the implementation of NDP9 is threatened by variables such as insecurity, lack of policy prioritisation, absence of full costing, limited monitoring limited data and incidents of corruption, it is nevertheless vital for donors and the aid architecture to revise its activities and programmes in line with the government's newly set out development plan and to ensure aligning aid policies to support the implementation of NDP9.

Challenges to aid operations and effectiveness

Given the multiplicity of donors and parallel coordination fora in Somalia, efficiency and effectiveness of aid in Somalia has been persistently undermined, while slowing down progress on addressing financial governance issues such as PFM, corruption and increasing domestic revenues. National capacity development has therefore been overshadowed for much of the past decade. Lack of stakeholder dialogue can be detrimental to donor activities and contain serious reputational risks. In 2009-10, the World Food Program (WFP) was a key partner in ensuring sufficient coverage of food assistance programmes in Somalia. However, their subsequent (unilateral) withdrawal

from southern and central Somalia, with no coordination with state authorities or other humanitarian actors, resulted in a sudden food aid vacuum. This highlighted the importance of including principal stakeholders in the planning processes, ensuring closer complementarity with state programmes, and a deeper understanding of domestic clan dynamics and the appropriateness of alternative response options in different livelihood zones – WFP has endeavoured to address some of these issue over the last decade.

In Somalia donors have been facing financial and reputational risks since the 2006 rise of the Council of Islamic Courts and the insurgent

militant group, Al Shabaab (Metcalf-Hough et al., 2015). This has meant adoption of a 'risk averse approach' with grave consequences for humanitarian action, including funding and access – as demonstrated in the delayed response to the 2011 famine in the country (Maxwell and Majid, 2016). Despite various improvements in the overall public management in the country, such underlying risks and threats continue to destabilise donor activities. In this context, identifying, assessing and mitigating fiduciary risk is a major challenge for donors, with the latter identifying mechanisms to deal with this issue: for example, DfID has put in place the practice of withholding payments where necessary and encouraging beneficiaries to report discrepancies in the delivery of cash or services. However, such efforts are sometimes undermined by the slow or patchy disclosure of instances of fraud and corruption by various development partners.

Domestic revenue mobilisation has been a challenge in Somalia given the prolonged nature of the country's political conflict and the ongoing issues related to corruption and the need for finalisation of constitutional discussions with the aim of establishing and defining revenue sharing agreements across the country. These have undermined the emergence of a coherent domestic revenue generation strategy that could reap the potential benefits of national investment in, for example, oil and gas, fisheries and the associated public and private investment strategies.

Somalia has also dealt with a huge share of humanitarian emergencies over the last decade, including the 2011 famine and pre-famine warnings in late 2016, both of which resulted in dramatic increases in humanitarian funding and operations. This put a lot of pressure on the humanitarian system to absorb relatively sudden and significant increases in resources and activities – a major challenge particularly in the context

of Somalia's weak national capacities for aid coordination. Despite efforts at improving the national banking and legal systems, the latter's overall weakness continues to complicate the humanitarian efforts as there is little support for local actors dealing with the crisis, with no clear registration process for humanitarian agencies or legal process in case of misconduct (ODI, 2017).

Furthermore, in large areas of southern and central Somalia humanitarian aid remains concentrated in urban and near-urban areas, with only some rural areas easily accessible. Remote management techniques that are increasingly used in such contexts in conflict and post-conflict affected settings have been criticised as raising serious ethical questions around the 'transfer of risk to local and national partners, which are often poorly resourced and supported to manage the risks they face' (HPG, 2018). It is further demonstrated that such practices may also compromise the quality of assistance and further increase the risk of diversion and corruption of funds.

Combined with the counter-terrorism regulatory environment, this has made the humanitarian sector more vulnerable to incidents of corruption and diversion (Maxwell and Majid, 2016). Both local actors as well as international agencies report on the need to make regular payments to a host of actors that 'facilitate' the process of aid disbursement and implementation – something that even though is a common occurrence in many conflict or post-conflict settings, is more of a sensitive case in Somalia in the context of the focus on anti-corruption measures and counter-terrorism regulations. Furthermore, the sustained influx of foreign aid to Somalia over a prolonged period has itself significantly increased the rents over which political elites negotiate. This further demonstrates that humanitarian aid and peacebuilding are not merely technical issues in conflict- or post-conflict settings such as Somalia, and that they can have an impact on the political stability,

political negotiation outcomes and security of the country. Furthermore, this unregulated, volatile and dangerous environment puts much pressure on the local and national NGOs and development partners who are seeking a share of the limited and volatile humanitarian aid. International and national counter-terrorism and anti-money laundering regulations create also an underlying risk and compliance environment that constrains and puts pressure on the activities of many bilateral donors and their implementing agencies.

Somalia continues to face security, political, and economic challenges. Terrorism continues to threaten peace and stability,

while addressing constitutional issues is required for a stable federal settlement and allocation of powers and resources across the country. The slow pace of economic reforms has left poverty levels high, and reduced the country's resilience in the face of prolonged droughts and other emergencies – including the impact of the COVID-19 pandemic – discussed further below. On the political front, a number of key issues continue to challenge the operation of donors: the continuing security concerns and the activities of Al-Shabaab group, ineffective law enforcement mechanisms, inter-clan tensions, and high levels of youth unemployment.

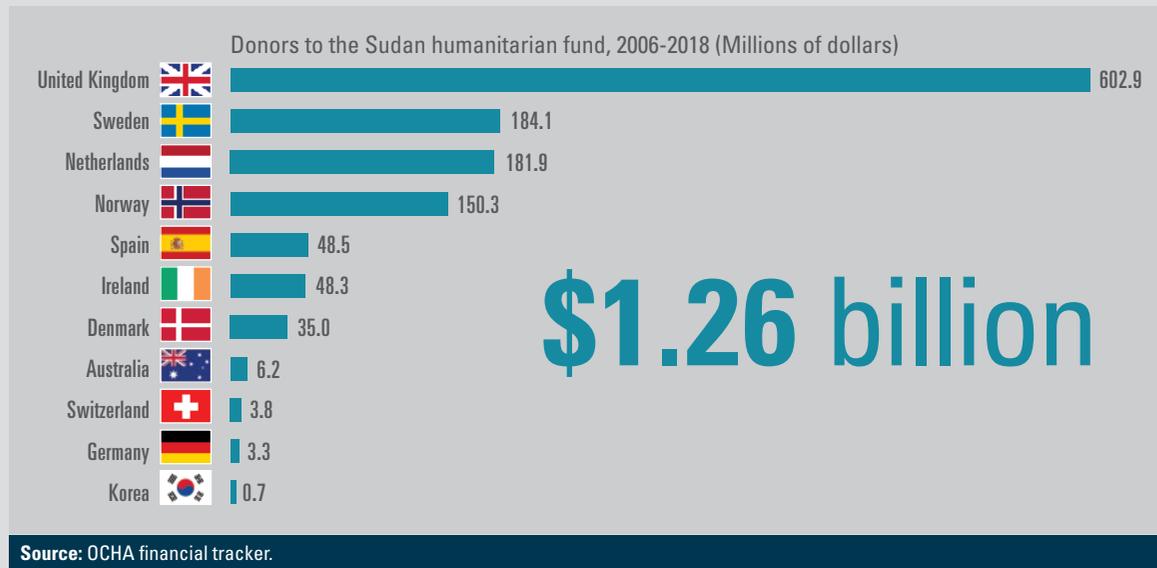
■ Sudan

The Sudan has dealt with multiple spouts of political instability over the last decade – stretching from the violence and instabilities arising from the separation of South Sudan, to the ongoing violence in Darfur. Agriculture, traditionally a major source of regional and domestic food production, has suffered over the last decade due to underinvestment in irrigation maintenance, disruption of cultivation by conflict and a poor transport network that hampers internal trade. In addition, as a result of the secession of the South, the Sudan has lost roughly 75 per cent of its productive oilfields, formerly its main source of export income and revenue generation. The sanctions imposed by the United States and the European Union as well as the conflict between South Sudan and the Sudan have made it challenging for the country to honour its financial obligations and maintain its debts at a sustainable level.

The 2019 uprisings in response to deepening economic crisis which resulted in the removal of the previous longstanding regime and formation of a transitional government. The transitional administration set out an ambitious agenda, including institutional reforms and the implementation of greater

civilian rule. However, protests, economic shocks, and food and medicinal shortages resulting from the COVID-19 pandemic have posed serious challenges for the transitional government and the Sudan's political transition in general. With international aid primarily focused on humanitarian rather than development aid for several years, the country faces severe hurdles to achieve economic stabilization. The country's large numbers of internally displaced people (IDPs) (1.8 million) and refugees, combined with underinvestment in social services like health care, education, water and sanitation have created one of the world's largest humanitarian crises, with more than 9 million people in need of humanitarian assistance (SHF, 2020). It was estimated that by late 2019, a growing number of people in areas outside the conflict zones of the Darfur states, South Kordofan and Blue Nile, such as the Red Sea, Gedaref, Kassala, and Gezira, as well as in urban centres, including Khartoum, were in need of humanitarian assistance. Average inflation levels of over 60 per cent in the prices of food, fuel, and other basic commodities have been a major impediment to livelihoods, exacerbating already-high levels of malnutrition (SHF, 2020).

Figure A.5 Key humanitarian donors to the Sudan



Flooding and high levels of stagnant water have exacerbated transmission of vector-borne diseases in particular. Together with the long-term underinvestment in basic health and WASH services and the inflated prices of medicines, this has had serious consequences for a large portion of the vulnerable population. According to a joint survey conducted by the Ministry of Health and the WHO, the availability of essential medicines in the Sudan in 2019 was at the lowest level since 2012, mainly due to the effects of the economic crisis in reducing medicine imports. The COVID-19 pandemic has added further pressure to the country's fragmented health system. The floods, together with high staple food prices, macroeconomic instability, and persistent insecurity have intensified emergency food assistance needs. Food imports to the country have been hampered as a result of currency depreciation, high inflation, and shortages of fuel and cash. The Sudan's fragile socioeconomic and political landscape is further pressurised by conflict and food insecurity in neighbouring South Sudan, which fuels an influx of South Sudanese refugees into the Sudan, placing further constraint on government and host community resources.

The Sudan Humanitarian Fund (SHF) is a multi-donor country-based pooled fund through which humanitarian aid is channelled to the Sudan. As demonstrated in the figure A5, for the period 2006-2018, the United Kingdom has been by far the largest bilateral humanitarian donor to the country. These figures change slightly for individual years: for example, in 2019 the United States is also among the top ten humanitarian donors to the country (SHF, 2020). The majority of this aid is allocated to WASH, health, food security and nutrition. The key objectives of the SHF is to respond to the basic needs of displaced populations, refugees, returnees and host communities, provide assistance to communities affected by natural or human-made disasters, and enhance the nutrition status and resilience of vulnerable communities.

According to the UN's newly released 2020 Global Humanitarian Overview (GHO), an estimated 9.3 million people in the Sudan were in need of humanitarian assistance as of December 2019, requiring about \$1.4 billion in humanitarian funding in 2020. These estimates do not account for the impact of the early 2020 onset of the COVID-19 pandemic. In the

Figure A.6 Key ODA donors to the Sudan

Donors	Millions of dollars									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	Cumulative (2010-2018)
United States	775.79	642.30	340.80	466.44	270.30	292.07	270.09	206.85	265.18	3 529.84
Arab Fund	105.76	483.09	246.54	342.61	0.88	-	198.56	171.42	-	1 548.85
European Union	193.42	410.18	12.87	176.58	92.69	88.19	234.76	82.40	111.54	1 402.63
Japan	98.06	112.02	149.65	60.19	50.19	40.71	55.18	17.84	30.82	614.67
Kuwait	137.26	-	89.29	176.06	47.37	134.64	-	-	-	584.61
United Kingdom	95.44	25.40	54.73	91.29	53.45	57.49	12.73	55.00	27.81	473.35
Global Fund	45.17	84.49	75.03	25.14	-	118.28	20.45	-	-	368.55
Norway	128.75	48.58	44.52	22.79	38.27	10.65	18.87	14.07	20.98	347.48
Germany	43.18	29.34	26.58	19.39	16.50	22.94	41.33	69.96	75.35	344.58
United Nations	63.56	37.14	23.93	27.69	61.85	21.53	33.30	49.70	16.98	335.69

Source: OECD DAC database.

first part of 2020, SHF was used to respond and contain the pandemic (\$11 million) and address food security issues arising from locust invasion (\$3.4 million) and the ongoing humanitarian operations (\$39.7 million). About 64 per cent of the funds are channelled through international NGOs and their local partners, and 13 per cent is disbursed directly to national NGOs (OCHA, 2020).

Development aid has fluctuated significantly since 2012, with humanitarian assistance gaining more prominence in the context of the country's ongoing political and socioeconomic crises. The majority of ODA flows are from bilateral donors, with the United States being the largest, followed by the multilaterals, and the international non-governmental organisations. Since 2015, donors from the Gulf region have also been involved in providing general budget support and direct transfers to the Central Bank of Sudan (CBoS). An estimated \$2.5 billion was deposited in the CBoS in 2016 and 2017 by Saudi Arabia, Kuwait, and Qatar (FAO, 2018).

USAID is one of the key donors to the Sudan, focusing on a range of humanitarian and development programmes. USAID's

humanitarian activities are focused on the areas of health, WASH, humanitarian coordination and nutrition and food security. Whereas the United Kingdom has been the key donor in health and WASH sectors, USAID has consistently been the largest donor in terms of food assistance to the Sudan. This is provided directly and indirectly through other development partners such as WFP and UNICEF which provide direct food aid and voucher programmes that enable people in need of food assistance to purchase the Sudan-grown food commodities. Since 2004, communities affected by the conflict in Darfur have comprised the majority of food aid beneficiaries. In response to the Covid-19 pandemic, the United States has channelled about \$4.5 million in supplemental COVID-19 funding to NGOs and United Nations partners working to mitigate the spread of the disease in the Sudan by bolstering preparedness and response capacity in the country (USAID, 2019b).

In relation to development assistance, USAID's activities are concentrated around two pillars of democracy, human rights and governance, as well as agriculture and food security. Under the first pillar, USAID supports capacity

Figure A.7 Total Aid (Development and Humanitarian) to the Sudan. 2005-2015 (in billions of dollars)

Type of aid	Amount in billions of dollars	Percentage of total amount of aid
Humanitarian aid	9.2	56
Loans	3.8	23
Development grants	3.4	21
Total	16.4	100

Source: Ministry of International Cooperation, Foreign Aid Report (2016).

building within the civil society to promote local and national dialogue and consensus on governance frameworks, and prevention of gender-based violence and promotion of women’s rights. USAID’s conflict mitigation programmes also work with youth and women’s groups to reduce vulnerabilities to conflict and build leadership skills. Under the second pillar, USAID programmes such as Famine Early Warning Systems Network (FEWS NET) aim to provide timely food security information for the Sudan and other countries that allows donors to monitor emerging crises and respond to needs early (USAID, 2019b).

As another major bilateral donor to the Sudan, the United Kingdom DfID’s assistance into two categories of humanitarianism and institution building. In terms of humanitarian activities, WASH, food aid and nutrition are key components of DfID operations, whereas institutional capacity building covers technical assistance in areas of subsidy reduction, economic development, PFM, and harmonisation of exchange rates. DfID’s Sudan Operational Plan following the secession of South Sudan led DfID to also focus on the Sudan’s transition by moving away from humanitarian aid towards development assistance and support of sustainable livelihoods, particularly in conflict-affected areas. DfID’s peace building efforts since then have been framed within the broader notion of improving access to services and supporting inclusive decision making in order to address the underlying causes of conflict. As such, more equitable and sustainable development through increased security,

reduction of corruption, economic diversification and employment generation are considered to be among key DfID objectives since then – although humanitarian aid continues to form the bulk of its operations. DfID does not provide any financial assistance directly to the Government of the Sudan but instead channels its assistance through the United Nations and other NGOs. In addition to the high operational costs and risks that its operations have been facing, the limited financial and technical capacity of local authorities, in areas such as water management and maintenance, hampers the effectiveness and sustainability of DfID operations (DfID, 2018a).

The European Union has also been involved in humanitarian and development operations in the Sudan. Since 2011, the European Union has allocated around 580 million euros in humanitarian funding to aid organisations in the country, focusing on food, shelter, emergency health care, access to clean water, education and protection assistance to respond to the most vulnerable communities’ (internally displaced and refugees’) needs in the face of political conflict and climatic shocks such as floods. The recent desert locust outbreak and the COVID-19 pandemic have resulted in further European Union funding aimed at food security and increased access to health services and assistance with epidemics control and prevention. The European Union’s development assistance since 2016 amounts to 242 million euros, disbursed through the European Union Emergency Trust Fund for Africa, focusing on peace promotion, supporting women

and youth's economic empowerment, and ensuring inclusive and sustainable growth for all. The European Union's initiatives aimed at strengthening long-term social protection and resilience building. The European Union has also provided an additional 88 million euros in development assistance to support political and economic reforms of the civilian-led government that came to office in early September 2019 (EC, 2020a).

The IMF has been working with the transitional government in the Sudan in order to seize the opportunity of political change to implement a broader spectrum of fiscal and economic policies aimed at reducing inflation, curbing energy subsidies, broadening the tax base, and reducing external imbalances through policies such as exchange rate reforms. The Fund states that critical structural reforms are needed (together with improved governance and macroeconomic policies) to support higher sustained growth and competitiveness. Together with strengthening governance systems and reducing corruption, these reforms could help the Sudan to attract higher levels of resources required to finance its future growth and development. The IMF has in particular emphasised the potential and need for strengthening the country's tax administration as a means of revenue mobilisation which can be crucial particularly in the context of the decline in donor support (IMF, 2020c, 2020d).

The strategies and operations of organisations such as the World Bank and the AfDB in the Sudan are focused on enhancing financial and economic governance, institutional capacity building and targeted operations in the key social sectors (health, education, water and sanitation), working with other bilateral partners. The World Bank is the key donor in the area of education, with a \$75 million multi-partnership trust fund. AfDB's strategy in the Sudan is planned around two pillars (AfDB, 2017). The first pillar is that of capacity building for improving social service delivery, through which the Bank aims at strengthening human and

institutional capacity, improving governance and macroeconomic environment, and supporting the country's progress towards accessing HIPC debt relief. This is done through removal of institutional capacity constraints and obstacles that impede the delivery of basic social services as well as targeted operations that directly deliver basic services to the vulnerable. The second pillar of sustainable livelihoods and job creation is aimed at building resilience and reduce fragility through developing value chains in agriculture to create jobs and sustainable livelihood opportunities. Here the Bank helps with enhancing innovation in agriculture and supporting agricultural entrepreneurship especially among the youth and women.

FAO has been a major player in the Sudan's donor cooperation landscape. The Sudan's food insecurity issues are particularly concerning given that almost one-third of the Sudan's GDP comes from agriculture, with more than one-third of the workforce engaged in agriculture and agro-processing industries. According to the recent Integrated Food Security Phase Classification, an estimated 9.6 million people face high levels of food insecurity during the period June-September 2020, incorporating the impact of the COVID-19 pandemic. The agriculture sector has been for long vulnerable to various forms of conflict stemming from disputes over ownership and use of natural resources, land tenure practices and mechanisation of farming, as well as armed conflicts in border areas with South Sudan. The FAO Sudan Country Programming Framework (CPF), co-owned by FAO and the Government of the Sudan, is the framework through which FAO assists the Federal and State Governments in their efforts to achieve their own national and state development objectives in areas of agriculture, food and nutrition security and national resource management. During 2011-2020, FAO has contributed a total of \$140.98 million in humanitarian assistance to the Sudan.

The WFP's Country Strategic Plan (CSP) 2019-2023 aims to 1) respond to new and protracted

emergencies, ensuring that humanitarian programmes are strategically linked to development and peacebuilding; 2) reduce malnutrition and its root causes; 3) strengthen the resilience of food-insecure households and food systems; 4) strengthen in-country systems and structures for the provision of humanitarian and development common services (WFP, 2020). With regards to capacity development specifically, WFP activities focus on policy development and strengthening of agricultural statistical systems; enhancing productivity, production and competitiveness; conservation and development of natural resources; and disaster risk management (DRM). In response to the Covid-19 pandemic and the pressures on food supply chains, prices and the consequent violence reported in different localities of Darfur region, FAO has upscaled its operations through implementation of take-home rations in lieu of on-site school meals, cash-based transfer values for general food assistance, and food assistance for assets and productive safety nets.

Arab donors have been among major bilateral donors to the Sudan particularly since 2015. However, given that the Gulf economies are among non-DAC donors, their contributions are often not included as part of the overall aid landscape. During 2000-2009, the United States and European Union were the Sudan's largest donors, providing 33.9 and 13.4 per cent of total ODA to the country, with total Arab aid during this period constituting only 2.3 per cent of the total ODA, amounting to only \$81.8 million in 2008. In contrast, since 2015, the Sudan has received over \$18.04 billion from various Gulf countries, according to the UN OCHA. This has been largely due to a political shift from 2014, when due to dire economic conditions and need for foreign support the Sudanese government cut ties with Iran and aligned itself with Saudi Arabia and the United Arab Emirates. In response to this, Saudi Arabia donated \$1 billion to the Sudan's central bank in 2015, in line with the Kingdom's strategy to cultivate more regional allies. Development aid to the Sudan from Saudi Arabia and the United Arab Emirates has increased dramatically

since 2015, from \$333.1 million and \$124 million during 2005-2014, to \$1.5 billion and \$1.6 billion, respectively, in 2015-2019. In exchange, the Sudan has joined the Saudi-led coalition in Yemen since 2018, sending 3,000 troops there – something that attracted local scrutiny, resulting in a reduction in troops deployment. In 2020, Saudi Arabia and the United Arab Emirates have also allocated large sums to addressing the COVID-19 pandemic in the Sudan. These are in the form of shelter and food aid to those affected by the pandemic and the country's recurring floods as well as assistance to the country's hospitals and the health sector (FAO, 2018; IPS, 2017; OCHA, 2020).

Qatar was the largest Arab donor to the Sudan during the period 2012-17; although Qatar's contributions were affected following the blockage imposed on the country in 2017 by Saudi Arabia, Egypt, the United Arab Emirates, and Bahrain (Qatar Fund, 2018). This in particular affected many Qatari NGOs who scaled down or entirely halted their operations in the Sudan due to increase in movement and transactional difficulties. In the Sudan, the Qatar Fund has focused on strengthening the health system through human capital development, training and education of the personnel. The Qatar Fund has also contributed to the humanitarian aid towards the Darfur crisis, concentrating on development and reconstruction of villages affected by the conflict, and increasing access to portable water. As a multilateral Arab donor, the Arab Fund (AFESD) is involved in a number of initiatives addressing provision of health treatment and diagnostics and the education sector. Over the last decades, the ODA from OPEC Fund for International Development to the Sudan has totalled over \$90 million, focusing on Public Sector assistance for agriculture and energy and a smaller amount dedicated to offering equity, loans and guarantees to private sector activities in areas of banking and non-banking, trade and the sugar industry. The Sudan's challenges in meeting its debt obligations in August 2013 resulted in the suspension of OPEC Fund cooperation with the

Sudan. Shortages in foreign currency further complicated and resulted in suspension of OPEC Fund guarantee programmes supporting international trade.

In June 2020, a High-Level Sudan Partnership Conference that took place in Beirut, reiterated the importance of supporting the political and economic transformation in the Sudan, with 50 countries and international organizations

pledging \$1.8 billion in aid, with the World Bank committing to an additional pre-arrears clearance grant, of up to \$400 million (EC, 2020a). The funds are aimed at enhancing macroeconomic stabilization and the Sudan Family Support Programme – providing vital assistance to millions of vulnerable people, enhancing the Sudan's COVID-19 response capacity and, generally, supplying humanitarian assistance and development cooperation.

Challenges to aid operations and effectiveness

Overall, persistence of insecurity, access restrictions, and bureaucratic impediments are among challenges facing donor agencies' ability to respond to humanitarian and recovery needs in the Sudan. The country's ongoing fragile peace and security situation continues to pose a challenge to the effectiveness and sustainability of donor operations. Government commitment to a programme of macroeconomic reforms in recent years has, however, acted as a positive signal to many donors – even though the pace and depth of this reform has been undermined by the ongoing political tensions in the country.

The Sudan remains a highly-indebted country. Lack of progress on debt relief and the continuous high debt ratios have caused debt distress, which together with negative terms-of-trade shocks, loss of oil revenue, and the widening fiscal deficit have weakened the Sudan's external position and rendered access to external financing challenging. The country's debt relief hinges on a number of factors including the Sudan's removal from the United States' State Sponsor of Terrorism list (SSTL), obtaining assurances of support from key creditors, continued macroeconomic reforms under the guise of the IMF programmes, and developing a comprehensive PRSP. The Sudan's designation on the SSTL implies risks and

resource transfer delays for donors, even when donors, such as AfDB acquire the needed OFAC25 Licenses from the United States Treasury. However, the easing of sanctions on the country since 2017 may help future efforts in the area of debt relief for the country (AfDB, 2017).

At the local level, specific programmes such as WASH and health-related donor assistance have faced operational challenges such as poor community participation (in the case of WASH) and lack of local health partners which limits health coverage in some areas of the country. Intermittent cash shortages have caused delays in some of the food aid programmes, which combined with inadequate or no formal banking system in remote areas has resulted in disruptions to donors' procurement activities, cash distribution to cash programming beneficiaries and other operational costs. In addition, fuel shortages, poor infrastructure and bureaucratic delays have hampered donors' access and operations. In the education sector, donors' objectives are to increase access to inclusive education for vulnerable children affected by new emergencies, protracted displacement situation, and strengthen capacity of education actors. Interruption of the annual school schedule caused by sociopolitical and economic crises have also resulted

in disruption of educational activities and distribution of educational supplies.

Given the large number of institutions, agencies and stakeholders involved in financing development in the Sudan, insufficient coordination between the various actors have resulted in considerable wastage of resources. This requires development of coordination mechanisms that help avoiding duplication and overlaps while recognising the defined roles and responsibilities of the various agencies. In 2015, the Sudanese government created a new Ministry of International Cooperation (MIC), tasked with the alignment of donor efforts with the country's development priorities. MIC could have a critical impact on donor coordination – however, its activities are often hampered by ongoing political instability, the dominance of donor agendas over local needs and priorities, and the sheer challenges involved in coordinating the multi-faceted activities of a very large number of bilateral and multilateral development partners.

The Sudan has faced major economic shocks in the aftermath of the COVID-19 pandemic. In the context of the economic recession of 2018-19, IMF has forecasted that the economy will contract by a further 7.2 per cent in the aftermath of the pandemic. The country faces serious food and medication shortages. The Sudan needs to import 2.2 million metric tons of wheat, equivalent to 75 of the country's required

amount (IMF, 2020d). However, access to such basic food products are limited by the disruptions to global commodity chains and their lower availability from exporting countries such as Russia. International donors have already started to assist with averting a major humanitarian crisis: The Ministry of Finance has signed an agreement with WFP Sudan to import 200,000 tons of wheat; over \$47 million and 80 million euros have been mobilized through United Nations agencies and the European Union, respectively, aimed at strengthening the health sector's capacity to tackle the pandemic (WFP, 2020). Furthermore, additional emphasis on humanitarian responses reinforced a path dependency whereby donors consider support of basic services as the means to socioeconomic development, without supporting structural transformation in key economic sectors such as banking, trade, and services. Attention to the latter is critical in promoting economic resilience and enhancing the country's ability and capacity to withstand shocks and maintain broad levels of economic stability. This is all the more important, given the difficulties that the Sudan faces in attracting economic investments due to its inclusion SSTL, which not only prevents external investment but also does not allow the Sudan to benefit from the World Bank-IMF Heavily Indebted Poor Country (HIPC) initiative. Such political realities have also hampered the country's access to additional assistance that could have been mobilised to assist the Sudan through the COVID-19 pandemic.

■ Yemen

Yemen has suffered from violent conflict since 2014, with severe impact on people's livelihoods and the country's economy and infrastructure. Already as the poorest Arab economy before the onset of the 2014 war, today Yemeni people face chronic food insecurity and have experienced

several shocks such as the world's largest cholera epidemic. According to the United Nations, more than 80 per cent of the 29 million population are in dire need of humanitarian assistance. The country relies heavily on food assistance from the WFP. With almost half of the

Figure A.8 Key ODA donors to Yemen

Donors	Millions of dollars									
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	Cumulative (2010-2018)
United States	103.58	112.35	191.99	251.50	152.05	215.79	330.63	620.93	627.17	2 605.98
World Bank	222.00	35.00	61.00	256.00	364.54	-	50.00	1,083.00	190.00	2 261.54
United Arab Emirates	43.29	53.83	31.73	10.00	-	1,234.85	20.00	22.91	606.81	2 023.43
Germany	44.31	123.31	78.84	96.79	116.92	116.32	127.49	259.58	277.22	1 240.79
Arab Fund	78.88	344.28	74.32	257.04	129.47	132.98	6.12	0.99	10.02	1 034.11
European Union	56.96	62.57	74.68	116.83	115.44	55.47	25.57	100.77	172.72	781.01
United Kingdom	31.06	54.65	48.98	61.78	11.30	215.00	98.53	143.56	50.79	715.63
Kuwait	43.59	-	32.14	138.03	136.49	-	-	-	251.31	601.55
Japan	44.22	4.74	25.68	43.34	27.06	23.84	36.21	50.64	42.19	297.93
Netherlands	26.50	6.20	36.30	23.91	36.11	26.23	26.32	51.34	36.32	296.23

Source: OECD DAC database.

population losing their incomes, almost 80 per cent of the population lives under the poverty line. Those who still have jobs, such as civil servants or workers in critical sectors such as health, water and education, have had severe delays and disruptions to their salary payments which has not only affected their livelihoods but also reduced the quality of public services. The intensification of poverty, food insecurity and disease are likely to leave long-lasting scars on Yemen's human capital development. The destruction and closure of schools and the food insecurity crisis has left at least 2 million children out of school (FAO, 2019).

Yemen suffers from a complicated set of mobility crises: while the country suffers high levels of displacement due to the conflict, Yemen is also a country of origin, transit, and destination for refugees, IDPs, returnees, and economic migrants to Gulf Cooperation Council (GCC) countries – with on average 100,000 refugees arriving in Yemen annually since the start of the war (World Bank, 2019). These add to the levels of humanitarian and social assistance required in the country. The country's health system is also under huge strain due to conflict, poverty, malnutrition and lack of access to drinking water. Only less than half of Yemen's health facilities are functional, and even these

face severe shortages of medicines, equipment and staff. The critical state of the health sector, combined with the acute need of safe drinking water and sanitation, has already led to two cholera outbreaks in 2016 and 2017. The decline in transport infrastructure, with a large segment of the road networks unfunctional, have a major impact on access to vital services and commodities while raising the price of food and other commodities due to increase transport cost. Yemen's economy lacks diversity and relies heavily on imports, including for around 90 per cent of its essential food commodities. The deterioration of the Yemeni riyal (as much as 300 per cent in 2018) has further pushed up the price of essential food commodities. In 2020, this has been further exacerbated by the COVID-19 pandemic-induced rise in food prices. According to the WFP, by mid-July 2020, nearly 40 per cent of Yemeni households remained without access to adequate, nutritious food on a regular basis (USAID, 2020a).

The ongoing war and the country's institutional disintegration has left little space for public resource mobilisation and medium- or long-term planning. Domestic revenue collection has been below 5 per cent of GDP for much of the last decade, resulting from general economic decline, depressed tax collection and reduction

in the performance of the customs system. Amidst the ongoing crisis, decisions such as the relocation of the Yemen Central Bank from Sana'a to Aden have added to financial sector uncertainties, increasing coordination challenges and resulting, for example, in no budgets being approved for the 2014-19 period. In the absence of functioning formal public service delivery, informal providers have emerged relying on rents from remittances, the oil sector and the country's war economy. These elements of a rentier economy are said to have exacerbated tribal, regional, and sectarian divisions, resulting in erosion of trust between and within communities and a loss of social capital (World Bank, 2019, 2019a). The conflict has impacted the water and sanitation infrastructure of the country, reducing availability of essential water supplies, forcing consumers to seek alternative private sector providers. This unmonitored and uncontrolled extraction of limited groundwater resources is likely to have more long-term consequences in terms of triggering further fragility and conflict over resources.

Humanitarian aid constitutes the bulk of donor operations in Yemen. The Yemen Humanitarian Fund (YHF) is the largest Country-Based Pooled Fund (CBPF) in the world, through which funding is available to humanitarian partners in the country. According to FAO (2019), in 2019, the number of Yemenis in need of humanitarian assistance or protection climbed to 24 million, equivalent to 80 per cent of the population. The humanitarian community has aimed to maintain a two-pronged approach to addressing immediate humanitarian needs while gradually increasing focus on longer term support with the aim of raising self-reliance and lift people out of vulnerability. With this in mind, the humanitarian actors have concentrated their assistance in four areas: 1) life-saving assistance to the most vulnerable Yemenis; 2) protection of people affected by crisis, including refugees and migrants; 3) building the capacity of national actors to plan for and respond to humanitarian emergencies; 4) address the underlying causes of vulnerability

to reduce the need for continued humanitarian assistance; and 5) increase the resilience of households suffering from recurrent shocks.

Since 2015, the European Union has allocated about 896 million euros to respond to the crisis in Yemen, comprised of 554 million euros in humanitarian aid and 318 million euros in development assistance. These cover assistance in areas of food, healthcare, and education as well as water, shelter, and hygiene kits to conflict-affected areas and displaced populations. Preparedness and response to epidemics has also been a key focus of European Union's work in the country. The European Union financing of treatment centres and prevention activities have aimed to address the cholera outbreaks. Among the IDPs, people with injuries and disabilities are assisted with comprehensive rehabilitation services. The damage to the education infrastructure, with 1 in 5 schools no longer in use, have pressurised the country's already fragile education landscape. Here, the European Union has assisted in rehabilitation of classrooms to get children back to school. The European Union's support to the United Nations Humanitarian Air Services (UNHAS), has also enabled reliable air and sea transportation to humanitarian aid workers (EC, 2020).

The United Kingdom has been one of the largest donors to Yemen since the early 2010s. DFID's overall strategy in Yemen is to help prevention and management of crises and address the drivers of conflict and poverty by addressing urgent humanitarian needs, delivering basic services, and supporting political and economic reform. In the humanitarian sector, while initially offering single-year assistance, DFID has gradually moved towards multi-year food, water and sanitation assistance to chronically vulnerable people in urgent need, including refugees and migrants, those affected by conflict, and those suffering from acute poverty, hunger and malnutrition (DfID, 2018b, 2014). It lends support to creation of foundations for a national service delivery and social protection system, with a particular focus on women and girls. DFID's support for political transition and

reform focuses on supporting the National Dialogue, constitution drafting process and elections, and strengthening local government to improve service delivery and encourage the role of the civil society. In terms of supporting economic reform and development, DFID supports the private sector by providing micro, small and medium-size enterprises with access to finance, invest to grow and create jobs across the economy. DFID also engages in PFM activities in collaboration with the IMF.

As one of the major donors to Yemen, the United States assistance falls into five major categories. Since 2015, the United States has provided over \$2.4 billion in emergency humanitarian aid for Yemen, mostly through USAID's Office of Food for Peace to support the WFP in the country – while limiting nearly all other bilateral programming. In the area of food security, USAID supports the FAO, WFP, and 11 INGO partners to bolster food security conditions in Yemen through provision of in-kind food aid, including United States-sourced commodities, and cash and vouchers for people to buy food in local markets. Strengthening household purchasing power and rehabilitation of food security-related livelihoods are also among other related activities (USAID, 2020a; 2020b). In the area of health, the United States partners with other organisations to offer nutrition and WASH programming, primary health care services through both mobile and static medical teams, provision of incentive payments to health care workers and medical supplies to health facilities to bolster health care service availability, while addressing the specific health care needs of migrants, refugees, and other vulnerable populations in Yemen. USAID's WASH interventions cover distribution of hygiene kits, rehabilitation of water systems damaged by conflict, and provision of water trucking services. In the area of nutrition, USAID focuses on children and pregnant and lactating women in particular, to help prevent, identify, and treat acute malnutrition, while providing nutrition support for health clinics and mobile health

teams, integrating health, nutrition, and WASH interventions to comprehensively assist affected populations. The United States is also involved in providing protection services to meet the needs of IDPs, refugees, and other populations countrywide, including through mental health and psychosocial support (MHPSS) activities and legal assistance to facilitate access to identity documentation and public assistance. The United States also supports the provision of multipurpose cash assistance (MPCA) to help conflict-affected households in Yemen meet their basic needs while supporting local markets (USAID, 2020b).

In recognition that despite its critical role, humanitarian assistance is not sufficient to prevent the collapse of key social and economic institutions and build the country's resilience to future shocks, the 2017-2020 USAID Programming Approach focuses on expanding its development assistance through local institutional capacity and conflict management. Over the past few years, USAID has managed an economic assistance portfolio of \$25-30 million, focusing on health, education, and the financial sector. In the health sector, USAID has provided polio surveillance and basic access to health care, with a focus on reproductive, maternal, and child health. This is complemented by WASH activities aimed at improving access to safe water and sanitation systems for vulnerable populations and increases their knowledge of hygiene practices. In the education sector, USAID funds programmes to expand access to education for the crisis-affected children. In the financial sector, USAID has worked with the CBY to ensure that it can continue paying public sector salaries and managing the treasury. By focusing on fish and farm productivity and market linkages USAID aims to support SMEs to increase their employment and income (USAID, 2020b).

The World Bank activities in Yemen aim at strengthening institutional governance and management of key resources, such as the

oil and gas sectors, improve the utilisation of land and water resources, enhancing the rule of law to benefit businesses and also to enhance the quality of human capital. The Bank has also been involved in substantial assistance, through United Nations agencies, in areas of crisis response relating to health and nutrition, aimed at providing support for basic services and maintaining functional institutions. The Bank's humanitarian assistance incorporates elements such as support to the private sector which are traditionally not seen as part of humanitarian assistance. This is based on the Bank-suggested premise that operations at a humanitarian-development nexus are most likely to have sustainable and effective outcomes for people's livelihoods. Therefore, the Bank's food assistance activities focus on increasing purchasing power, while the Bank's work in the water and sanitation sectors focuses on institutional capacity building through training. The Bank aims to operate at the. As such, the Bank frames its private sector development activities as a critical component of not only development assistance but also humanitarian aid as it helps with building resilience and sustainable development. The Bank's strategy for Yemen addresses two areas of a) continued support for humanitarian-development nexus basic service delivery and institutional preservation through supporting the delivery of basic services, income generation, and agriculture; and b) support to livelihoods, human capital, and basic economic recovery, prioritising protection of the livelihoods of vulnerable households and their ability to respond to crises (World Bank, 2019).

Since 2018, Saudi Arabia has been one of the major bilateral donors to Yemen – unlike other donors providing large sums of cash transfers directly to the government. In 2018, it provided a \$2 billion deposit to the Government of Yemen (GoY) to help stabilise currency and food prices through imports of essential food

commodities such as wheat, rice, sugar, milk, and cooking oil. Yemen has also allegedly received substantial off-budget financial support from Saudi Arabia (UNDP, 2016; Li, 2019; OECD, 2017). The enhancement of food imports was done through a new financial mechanism for food imports underwritten by the Saudi deposit. This injection of funds helped also stabilise the currency, however, concerns have been raised about the sustainability of such assistance especially as the Government of Yemen still struggles to draw on its key sources of foreign exchange, namely oil and gas exports, remittances and humanitarian funding, all of which have witnessed a decline. In addition to its major cash injection, the Saudi Development and Reconstruction Program for Yemen (SDRPY) also provided technical assistance in the form of a \$180 million fuel for electricity grant that paid for three diesel and fuel oil shipments to power 64 electricity stations located in 10 different governorates under GoY control. Saudi Arabia also gave CBY - Aden \$200 million in November 2018 to help restore the value of the currency after a major crash in October 2018. Since July 2019, Saudi Arabia has deposited over 300 million Saudi riyals per month for GoY military salaries in a GoY account held at the National Commercial Bank (NCB) in Riyadh, Saudi Arabia (WFP, 2020a; World Bank, 2019a).

The IsDB has also donated \$1 billion to Yemen, aimed at a range of humanitarian and economic projects, including education (basic, higher and vocational education and training) and the development of the agriculture, fisheries, health, transport, communication, water, and energy sectors in addition to supporting social security networks, public administration, banks and other services. In recent months, IsDB has also raised health expenditure (to be implemented by the WHO) to fight the impact of the COVID-19 pandemic. The Arab Fund (AFESD) has been one of the multilateral Arab donors in Yemen in recent years contributing over \$30 million. Their aid

has focused on rehabilitation of buildings and mosques damaged by the conflict, emergency food and health programmes. The OPEC Fund is another multilateral agency that has approved over \$100 million of assistance for Yemen over the last decade, of which about \$24 million has been disbursed. Broadly focusing on humanitarian, health, and education grants. The Fund's delivery of development assistance has been hampered by poor local coordination between actors and official government bodies. At the operational level, the prevailing insecurity and safety issues have made project monitoring challenging. As of July 2016, the Republic of Yemen is currently in arrears with the OPEC Fund, which has resulted in suspension of disbursements to the country.

In response to Yemen's ongoing health crisis, with two major outbreaks of cholera and other diseases, the Qatar Fund has partnered with UNICEF to initiate a quick response project that trained 250 medical personnel who in return treated over 15,000 patients (Qatar Fund, 2018). In collaboration with the Qatar Red Crescent Society (QRCS), the Fund has also engaged with rehabilitation and expansion of medical centres in conflict-affected parts of the country and support of the displaced Yemeni families and communities. Hygiene awareness camps have also been set up as part of this initiative. The Fund also contributes to UNICEF's programme of rehabilitation of water networks, distribution and drainage networks, and water supply stations.

Challenges to aid operations and effectiveness

Given the severity and structural nature of Yemen's conflict, traditional humanitarian aid alone will not be able to protect Yemenis against the medium- to long-term impacts of the prolonged conflict. The near collapse of the economy and key infrastructure, the dire humanitarian crisis, and failure of a political resolution to the conflict need a more comprehensive approach to the role of aid in Yemen's setting. The global oil price crash has reduced the country's revenues while the movement restrictions caused by the COVID-19 pandemic have significantly reduced Yemeni expatriates' earnings and the flow and level of remittances. Given the humanitarian nature of donor operations in Yemen and the country's lack of progress with political negotiations to bring an end to the conflict, aid sustainability and retaining long-term engagement of donors will be among key challenges facing Yemen.

Even though inevitable, given the country's uncertain political, economic and security situation, single-year and short planning cycles are inadequate in addressing

livelihoods that have been eroded over several years or for building community resilience to shocks. In this context, local capacity-building is of great importance to avoid continued and heavy dependence on the implementation capacity of local actors. As such, donors such as DfID have aimed to move towards multi-year programme frameworks that addresses developmental issues that have dire humanitarian consequences. This implies, for example, improving social protection provision by interlinking humanitarian and development strategies to increase investment in chronically vulnerable areas.

In the meantime, it is essential to continue supporting the key social sectors, such as health and education, while supporting a strategy that provides employment and livelihood to the Yemenis. For example, channelling more assistance through cash transfers rather than in-kind assistance are considered to be more beneficial to the recipients as it empowers them to determine their own priorities,

especially in the absence of an income source. In conjunction with programmes such as Micro Enterprise Promotion Services (SMEPS), cash transfers can contribute to short- and long-term job opportunities that partly offset state dysfunction and reduce economic insecurity. Further attention to the issue of prevention, through programmes such as emergency employment creation, is critical for stemming humanitarian needs and avoiding further deterioration of the humanitarian crisis.

Despite the large sums of humanitarian assistance directed to Yemen in recent years, according to the Humanitarian Exchange (2020), only half of the 24.1 million Yemenis in need of assistance are actually receiving it. Underfunding is one of the reasons for this: the Yemen Humanitarian Response Plan is currently running short by about \$1.5 billion. Furthermore, the length of time it takes to confirm aid eligibility and limited operational capacity also contribute to this delay – in some cases emergency aid taking three months to be delivered. Limited coordination among international agencies in delivering assistance, some donors' absence of ground presence, and inadequate engagement with local actors has also contributed to this. These realities raise serious questions about the capacity of the United Nations-coordinated humanitarian system to answer to actual needs. Even when resources are available, lack of cash in the banking sector could mean that they are unable to access those funds, putting projects at risk. In June 2020, combined with regular obstruction of aid flows, donor support to United Nations aid agencies declined dramatically, particularly from Kuwait, Qatar, Saudi Arabia, the United Arab Emirates, and the United States, which channelled over half of its aid to southern Yemen. As a result, by the end of August 2020, aid agencies had received only 24 per cent of the \$3.4 billion they had requested for the year, putting at risk the lives of millions of Yemenis.

The absence of a credible and strong national counterpart further undermines donor efforts. Multiplication of formal and informal public, regional, and local authorities can make coordination and operations more complex and unreliable. Security conditions and restrictions imposed by various conflict parties pose a serious threat to imports that constitute 90 per cent of the country's staple food and nearly all of its fuel and medicine needs. The inability of national institutions to conduct effective and inclusive political decision making and deliver on obligations adds to governance risks that cannot be addressed by individual donors but require concerted international efforts. The presence of non-state actors that lack a centralised chain of command or administrative structure through which negotiations concerning aid access can be pursued has frustrated many donor operations. In the absence of resolution of such risks, donors have regularly sought the temporary suspension of their essential and non-essential operations, further adding instability and fragmentation to the aid landscape. In 2019 and 2020 many aid agencies have spent vast resources and time to get country-wide approvals to provide assistance in accordance with humanitarian principles and without the authorities' interference.

Assistance in a conflict-affected setting requires donors' close attention to the root causes of the conflict, which in the case of Yemen require restoring public confidence in the ability of the government to provide security to all citizens, re-capacitating government systems to provide key public services throughout the country to facilitate livelihood, reduce poverty, address inequality, tackle the needs of IDPs, rehabilitate public infrastructure, encourage private sector activity to create jobs, and, critically, align state structures and levels of political, administrative, and fiscal decentralisation to create and further a national political consensus on the form and function of

government systems. Much of this is beyond the immediate mandate or capacities of donors to achieve. However, it is important to ensure that at least their operations are broadly aimed at addressing the above sources of grievance. In this context, it is important that security, humanitarian and development agendas mutually understand and reinforce each other during the pre-and post-peace phases – however challenging this might be in the context of low domestic institutional capacity.

Politicisation of the aid landscape is a major challenge to effectiveness of donor operations in Yemen is. With the United Nations and many donors involved in both provision of humanitarian aid as well as Yemen’s security and the political transition processes, it is inevitable that aid flows are intertwined with political negotiations and power rivalries at the local, regional and international levels. In addition, donor strategies

and United Nations and NGO plans often link living conditions with security. Such ‘stabilisation’ strategies’ are framed in ways that explicitly or implicitly aim to dampen armed groups’ recruitment efforts through improving the material conditions of the Yemenis (especially the youth). Many donors’ humanitarian assistance provision to chronically vulnerable people affected by conflict, refugees and migrants might question, by some, the principled nature of their humanitarian work. In March 2020, USAID suspended most aid for Yemenis living in the territory controlled by the Houthis. In addition to halting \$73 million in ongoing assistance programmes, the suspension blocks any additional USAID funding for the prevention and treatment of COVID-19 from reaching Yemenis in these areas. Although USAID has justified this move on humanitarian grounds, claiming that it will reduce the diversion of aid and pressure local authorities to halt interference with aid delivery, this decision could be perceived as going against the principles of humanitarian activities.