

# 6

## Conclusion

and

recommendations



**DO NO HARM**



**THE HUMANITARIAN-  
DEVELOPMENT-PEACE  
NEXUS MUST LEAD ALL  
INTERVENTIONS**



**AID PLANNING SHOULD  
BE IN LINE WITH THE  
PRINCIPLES OF AID  
EFFECTIVENESS**



**LONG-TERM  
SUSTAINABLE  
DEVELOPMENT MUST  
BE THE EXPLICIT TARGET  
OF ALL PROGRAMMES**



**PRIORITY MUST BE  
GIVEN TO HUMAN  
CAPACITY BUILDING**



**MITIGATING CLIMATE  
CHANGE MUST BE PART  
OF ALL ACTIVITIES**



**SECTORAL  
PROGRAMMES**

As has been made clear throughout this report, the last decade has been characterised by a worsening of crises and poverty in the four Arab LDCs. While Somalia and the Sudan have been at war for decades, Yemen entered a full-scale civil war after the Houthi coup in 2014, after decades of instability, while Mauritania is the only one of the four where instability has not led to a major conflict, but it is threatened not only by internal political instability, but also by the rise of militant armed actors and other crises in neighbouring states. There are a number of underlying fundamental structural issues which have all contributed to a greater or lesser extent to the current state of affairs; they have been exacerbated by emerging challenges during the decade, all of which need to be addressed.

Fundamental structural issues include internal ones such as weak governance, the reliance of these states on the export of raw materials, low educational standards, weak social and administrative infrastructure, rapid population growth, weak human and financial capacities, low investment, and low productivity. The Arab LDCs continue to be exposed to multiple crises from conflicts to climate shocks and health emergencies. The lack of resilience capacity in these economies transforms short-term shocks into protracted crises resulting in increased poverty, displacement and loss of livelihoods. This has undermined social capital and productive economic activity, setting in motion a process of de-development that has undermined these countries' current and future development potential.

Between them, internal and external factors have led to instability and war, worsening poverty and dependence, high indebtedness, major humanitarian crises, with both strong irregular and unsafe migration and inflows of refugees as well as large numbers of internally displaced persons. All these factors help explain why the Istanbul Programme of Action

has not succeeded in solving these problems. In conclusion, it is worth re-examining their causes and consequences in order to formulate recommendations.

**Climate change** is a major factor whose role has increased significantly in the past decade and is likely to continue to do so during the next. Although largely caused by the 'Northern' states, global warming has a major impact on poor states. The four Arab LDCs are in the Sahel region, an area where worsening desertification has reached crisis level during the last decade, manifested in worsening poverty but also in the rise of terrorist groups, a problem which remains the main incentive to bring these states to international attention. In the past, the international community have responded with a narrow military and security strategy. An approach that addresses the underlying development gap and deep grievances of the impoverished populations of these states would have been more effective. Perpetuation of the earlier strategy is likely to produce the same results as in the past, namely worsening socioeconomic conditions

for the majority and the shift from deep insecurity and fragility into full scale conflict.

This report has confirmed the seriousness of the impact of climate change on Arab LDCs. Several events have had a serious impact on the productive capacities of these economies, such as desertification in Yemen and Somalia, the devastating floods in the Sudan and Yemen, or the rising sea levels in Mauritania. All these shocks affected the main productive sectors in those countries which employ the majority of their populations, agriculture and fishing. Environmental disasters have affected not only economic activity but also contributed to spreading diseases, increasing food shortages, displacing thousands, and thus increasing poverty rates. Support for the agriculture sector is vital to reinforce domestic and regional food and agricultural value chains, ensuring access to affordable food. LDCs face a crisis not of food availability, but of access to food, due to supply chain disruptions. The Famine Early Warning Systems Network estimates that the pandemic will lead to a 25 per cent increase in the number of highly food insecure people in countries such as Somalia and the Sudan.

**Governance** issues bear a major responsibility for the downward trends of the last decade, through the actions of local powerful elites which have not been reined in by the international community. In brief, these countries have experienced many conflicts between elites at the expense of the living conditions, and indeed survival, of their national population as a whole. This is particularly clear in the case of Yemen, while in the Sudan, by the end of 2020 there is a real risk of the former elites regaining considerable power; therefore, action must be taken to bring about a happier more democratic future. The future of Somalia is still very uncertain, while Mauritania could go in any direction in the coming decade.

The opaque institutions of the Arab LDCs bear a great deal of responsibility for this situation. In particular, their legal systems, levels of chronic corruption, insecure property rights and the prevalence of government intervention in markets and other factors demonstrate a poor governance system leading to economic and social disparity. Weak governance is closely linked to the lack of growth, which directly contributes to inequity and increases the likelihood of internal conflicts while discouraging foreign investors and funding agencies.

**Economic weakness** is one of the outcomes of unsatisfactory governance. Some of its many features are summarised here. Both the Sudan and Yemen have suffered significant deterioration of GNI per capita since 2015 and their growth rates have been negative for a number of years. This contrasts with Mauritania's better performance as it achieved a national income of \$1455 per capita in 2018. Somalia remained the most vulnerable and least developed with an average income per capita below \$170 though neither of the latter two LDCs has achieved the 7 per cent growth rate target of the IPoA. Reliance on consumption and government expenditure as the main drivers of economic growth, and their dependence on the export of raw materials are among the reasons for these low performances.

Persistent dependence on the agricultural sector remains an important, and largely neglected, factor in their development. It employs about 50 per cent of the population and is the key driver of trade, transportation and several industries. This dependence creates major problems including sensitivity to climate shocks, inability to create sufficient added value and limited employment opportunities for all, including women and youth.

All four states have been unable to sustain long-term development planning and suffer

significantly reduced capacity for domestic resource mobilisation. They lack a long-term coherent domestic revenue generation strategy, which together with low institutional capacity, chronic budget deficits, weak tax revenues, reduced economic productivity, heavy external debt burdens, and low incomes, have hampered opportunities for sustainable state revenue. As a result, they are highly dependent on aid flows which are the main source of development investment and thus of potential reduction of extreme poverty rates. At the same time, international aid funds were mostly humanitarian, linked to crises and disasters, rather than used to finance development programs aimed at achieving the goals of the IPOA.

**The performance of the Arab LDCs in social policies** has also been poorer than elsewhere, whether in health care services, education or social infrastructure. Their weak social development is consistent with their economic fragility. Chronic budget deficits, foreign debt, armed conflict and the absence of good governance and institutional accountability result in insufficient public expenditure to provide social services to the majority of the people and create great disparities within the countries themselves. The COVID-19 pandemic has brought to light the impact of defective health policies. Its long term severe social and economic ramifications are likely to be far worse than its immediate health consequences. The pandemic has threatened livelihoods in Arab LDCs not only by straining their already weak health infrastructure and capabilities but, more importantly, by disrupting livelihoods and critical supply chains, and thus has hampered purchasing power and access to basic commodities, heightened food insecurity and displacement, and furthered political tensions. The pandemic is likely to attract more short-term humanitarian programmes to these countries in the coming years. At this stage, it is critical to ensure that donors pay closer

attention to linking short-term humanitarian responses with long-term developmental programmes that can create effective resilience to future shocks.

### **International development assistance**

policies of multilateral and bilateral funders have contributed to inequitable economic growth, and worsened inequality in living conditions and overall low performance of these countries. Politicisation of the aid landscape is a major challenge to aid effectiveness. Donors' state-building agendas or, in some cases, direct alignment with parties to the conflict undermine the independence, impartiality and neutrality of humanitarian interventions, resulting in low aid effectiveness and volatilities in aid flows. International and national counter-terrorism and anti-money laundering regulations also create a risk and compliance environment that constrains and puts pressure on the activities of bilateral donors and their implementing agencies. Furthermore, prolonged aid dependency has created 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, but have an impact on the political stability, political negotiation outcomes and security of the country.

The GCC states have become major financiers of development and humanitarian aid; unlike Northern states they are fairly open about the political motivations behind their contributions, regardless of both the impact on ordinary citizens and the fundamental principles of international humanitarian law. The financial clout of these peninsula states, combined with their political ambitions, need to be taken into consideration when planning for the next decade. Their contribution to development financing is essential but their conditionalities will have to be addressed.

With a long and slow recovery predicted post-COVID-19 crisis, all these states, whether GCC, Northern or Western, will prioritize their financial capacities on rebuilding their own economies, reducing their internal debt level which has exponentially increased due to measures taken to mitigate the pandemic. They will also concentrate on restoring their political stability which was challenged from different perspectives during the pandemic. Supporting development in LDCs with limited resources is likely to rank low in their order of priorities. The limited response to United Nations calls for financing as a response to COVID-19 is a sign of things to come.

Resolving conflicts is beyond the mandate of the donor community; however, it is critical for donors in conflict zones to be aware of the sources of grievance and tension, and to formulate their programmes and activities in ways to address such grievances and avoid fuelling further instability. In line with this, it is also 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.

The ambiguities of policies of the funding states can be seen in the mismatch between the IPoA areas of action and the reality of assistance provided in Arab LDCs over the past decade. The mismatch is particularly pronounced in relation to IPoA priority areas such as productive capacity (A), trade (C), commodities (D), mobilising financial resources (G) and good governance (H). Donors have rarely engaged in programmes that address the above areas and related sub-areas. This partly stems from the Arab LDCs' unstable political and economic contexts as well as donors' overwhelming engagement in short-term humanitarian assistance that has not left sufficient resources for the more long-term assistance

required for development of productive capacities and support to key economic sectors. Although donor focus on health, education, shelter and disaster response may broadly touch on IPoA priority areas of human and social development (E) and multiple crises and emerging challenges (F), once again the short-term humanitarian nature of such programmes, together with the lack of a comprehensive and well-coordinated aid framework, undermine the contribution of aid flows to long-term human and social development or resilience building in the Arab LDCs. Needless to say, there are exceptions in donor programmes, with some focusing on strengthening the humanitarian-development nexus; however, when considering the broad aid spectrum, the mismatch between the IPoA and donor areas of intervention is rather startling.

There is little doubt that the LDCs bear some responsibility, in particular their limited institutional capacity and reduced absorptive capacity which have undermined aid effectiveness, creating a barrier to efforts towards longer-term and more sustainable development. Given that the majority of aid is directly aimed at the most vulnerable populations, strengthening institutional capacity of Arab LDCs is often overlooked by donors. The issue is aggravated by the multiplicity of donors in conflict zones, which increases the burden of coordination on the already limited institutional capacity and resources of these countries. This challenge is present even in Mauritania, which is not directly subject to conflicts, and where institutional capacity, both at national and local levels remains an important structural challenge.

Access to external sources of financing, such as FDI and debt relief, has also been limited due to Arab LDCs' high risk and political instability, weak monetary and fiscal environment, and the ramifications of political factors such as, until recently, the

inclusion of the Sudan in the United States State Sponsors of Terrorism list previously and the challenges Somalia faces in fulfilling the HIPC debt relief conditions. In such a context, aid continues to be a critical source of financing for these economies.

The overriding picture that emerges is that in the Arab LDCs' fragile political and socioeconomic circumstances, the bulk of aid has been humanitarian, with far less resources allocated to the development and economic sectors. The subsequent lack of structural transformation has, in turn, undermined these economies' resilience and capacity to respond to shocks and crises.

Therefore, the Arab LDCs are caught in a cycle of humanitarian aid dependency with few external resources available to develop their infrastructure, key economic sectors and institutions that could enhance human capital, economic diversification, as well as viable and sustainable livelihood and employment opportunities. This humanitarian aid dependency in Arab LDCs is not in line with the structural transformations envisioned in the IPoA. Such structural transformation would require not only political and economic stability, but also the concentration of domestic and external resources within carefully planned long-term development frameworks.

## **A. Going forward: recommendations for the next 10 years**

The recommendations below, if implemented, would change the course towards better outcomes and ensure a positive shift towards improved conditions in the four Arab LDCs with respect to the populations' living conditions, social and economic development, and governance, bringing about democratic regimes working in the interests of the majority. They would also improve the likelihood of reducing, or even ending, militant armed actors in the region and beyond, and in this way ensure greater security and prosperity for all, including the neighbouring states. While such policies demand meaningful financial investment, it is investment which would have positive human results, and would be much cheaper than the current focus on expensive security and military strategies.

For the majority of the 90 million people within these states, it is imperative that the last decade's trends are reversed, as most of them live well below acceptable living standards, even when not officially poor. The challenges that need to be addressed affect everyone, regardless of their causes. Some, such as climate change, demand urgent action

internationally: given their responsibility in causing the problem, the wealthy Northern states should finance mitigating measures to reduce its impact on poor states. Others result from local tensions and abysmal governance in recent decades, though here too it is worth remembering that the autocratic and kleptocratic regimes which ruled them did so with, at least, tacit support from the international community.

The new concept of the humanitarian-development-peace nexus has significant potential to solve problems. However, some of its aspects need to be addressed by international institutions themselves, such as the issue of institutional competition between different United Nations institutions and international non-governmental organisations, each of which has been fiercely protective of its 'silo'. While the need for both humanitarian and development assistance is clear, the debate which has set humanitarian and development assistance as competitors has been counterproductive. The sometimes rigid institutional barriers set between humanitarian and development support has hindered what could be effective

cooperation, as well as prevented actors of both sectors from developing the most relevant programmes for the populations they intend to help. Despite the focus of international donors on humanitarian assistance in Yemen, SDRPY adopted a new working module inspired by the Humanitarian-Development-Peace Nexus to launch 193 developmental initiatives in Yemen in safe provinces to proactively address the root causes leading to humanitarian crisis and utilizing a beneficiary-oriented approach.

This is not to suggest that such a strategy is easy, or that humanitarian work should stop. The difficulties involved may be among the reasons why it has been ignored for so long. It requires funding agencies to operate within open conflict environments, negotiating projects and investments with hostile non-state actors, and dealing with rival authorities in conflict with one another. However, building (or rebuilding) economies and enabling people to achieve reasonable livelihoods is an essential first step towards the re-establishment of societies and nations based on civil relationships once peace is restored, whether in the medium or long-term. This involves direct investment in productive activities at all levels, whether small, medium or large scale, throughout the countries as well as redeveloping essential social services, namely health, education and social infrastructure. Dependence on cash or material handouts not only undermines people's physical and mental capacity at an individual level but also affects communities'

resilience, while simultaneously playing into the hands of warlords and conflict leaders.

The recommendations below have been drafted to cover the fullest possible options, while remaining brief and readable. They are divided into two sections: basic principles and sectoral support. As has been made clear throughout this report, the situation of the Arab LDCs in the past decade has mostly deteriorated. In the absence of immediate prospects for peace and effective governance, the main task for the coming decade is to halt the deterioration, help strengthen the resilience of the countries' populations and prepare the bases for future reconstruction. The principles must be implemented in all proposals for sectoral support. In light of all these challenges, the Fifth United Nations Conference for the Least Developed Countries in Doha 2022, will provide a new opportunity for a concerted effort to address the difficulties and bottlenecks that faced Arab LDCs during the last decade. Linking humanitarian operations with multi-year development assistance is critical in reviving livelihoods, sustainable employment, economic diversification, domestic revenue generation, and, ultimately, building long-term resilience to shocks. In the context of the Arab LDCs in particular, there is a need for aid operations to focus on resilience building and structural transformation over the next decade, not only to deal with the challenges posed by protracted conflicts and shocks such as the COVID-19 pandemic, but also to create a solid basis for stable and sustainable development.

## B. Basic principles

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The following basic principles must govern all action by funders, the United Nations, Bretton Woods institutions and LDC state authorities. Most of them have already been agreed in international conferences through the United

Nations institutions, though they have been less than ideally respected. In the coming decade, they should be treated as priorities and enforced by the supervision mechanisms of each concerned institutions.



**Do no harm.** This principle is now widely acknowledged throughout the United Nations system<sup>133</sup> and is used in daily decision making in the World Bank group, as well as humanitarian organisations. Although it has a number of definitions, as a basic principle, no action should be undertaken which does not fit into this concept, according to the specific circumstances.

**The humanitarian-development-peace nexus must lead all interventions** in the three countries which are suffering from major humanitarian crises as well as open conflict. The need for emergency humanitarian aid is unarguable. However, it is essential that this be provided within a long-term sustainable framework, leading directly and rapidly to development investments and thus contributing to peace. This approach enables donors and aid-recipient countries to address humanitarian needs, while not derailing development priorities. Progress in sustainable development has the potential of easing persistent humanitarian needs. As such, a community-led approach and engagement with local stakeholders have the potential of creating sustainable results. Ending conflict is a priority and essential to mitigate increasing humanitarian needs as well as its implications on national unity, capacities, infrastructure and governance. Prolonged aid dependency, even on humanitarian aid, can trigger further conflict and affect negotiations among political elites. Security, humanitarian and development agendas must reinforce one another during the pre-and post-peace phases.

**Aid planning should be in line with the principles of aid effectiveness.** For aid to be effective, actors engaged in the planning and allocation of aid programmes should commit to practising the aid effectiveness principles, namely recipient government ownership, donor alignment behind national priorities, harmonization among donors,

results-focused aid allocation, inclusive partnerships and mutual accountability. Transparency in aid planning, coordination, disbursement, reporting, and monitoring are crucial. Coordination and allocation should involve all relevant stakeholders, including donors, private sector actors, civil society organizations and national, regional or local public institutions. A country level assessment of the integration and implementation of the principles has the potential of providing concrete recommendations that address practical challenges.

**Long-term sustainable development must be the explicit target of all programmes.**

A long-term effective development strategy benefiting the majority of the population is essential to achieve lasting peace by providing people with the means to achieve a reasonable standard of living,

**Priority must be given to human capacity building** of the majority of the population and responding to their social and economic development needs and potential. Within this framework poverty reduction must be a priority. The guides produced in the Doha conference should focus on a clear road map to eradicate extreme poverty and address food insecurity and hunger in the Arab LDCs.

**Mitigating climate change must be part of all activities.** Nothing which worsens the impact of climate change should be supported.

## **Sectoral programmes**

### **A. Governance**

#### **1. Recommendations to the international community (including funders and United Nations organisations)**

- Support peace-making programmes to end conflicts in Somalia, the Sudan and



Yemen. Resolving conflict and supporting post-conflict reconstruction would help significantly to achieve development goals and meet the graduation criteria. There is an urgent need to build peaceful, fair and inclusive communities that provide equal access to justice and are based on respect for human dignity (including the right to development), and good governance at all levels through transparent, and accountable institutions;

- De-politicise the aid landscape: at times, donor alignment with parties to the conflict undermines the independence, impartiality and neutrality of their programmes, resulting in low aid effectiveness and volatilities in aid flows;
- Finance short-term emergency humanitarian aid within programmes rapidly transiting to development investments;
- Provide technical and financial support to strengthen representative civilian government. Aid programmes should be conditional on government commitment to implement fundamental reforms towards good governance;
- Building national statistical capacity to allow for meaningful policy formulation and monitoring;
- Support states in developing the most appropriate distribution between centralised and decentralised authorities, to ensure maximum authority at the level closest to intended beneficiaries;
- Support actions which contribute to eliminating corruption;
- Prevent illicit financial inflows from LDCs while taking care to avoid the underlying risks of ill-managed compliance environment that might constrain the activities of many bilateral donors and their implementing agencies;
- Support demobilisation, disarmament and reintegration programmes to enable former militaries to engage in civilian economic activities;

- Funders should fulfil their pledges promptly and provide reliable, long-term support where needed.

## 2. Recommendations to the Arab LDCs

- Develop representative internal government structures including accountable good governance practices;
- Strengthen administrative capacity centrally and locally, providing adequate funds at the local level;
- Focus policies on building long-term capacity;
- Take effective action against corruption and capital flight;
- Develop institutional absorptive capacity to better manage inflation and other financial problems.

## B. Social development

Social development, including social protection, is essential to rebuild these countries, create national economies and provide opportunities for the next generations of citizens.

### 1. Recommendations to international funders and international institutions

- Commit to ambitious long-term action plans that strengthen national capacities through comprehensive health and education programmes. This will empower fragile states to be better prepared in mitigating shocks such as the COVID-19 pandemic;
- Prioritize these sectors through strong financing, as they will reduce dependence for future generations;
- Deliver promptly on commitments.

### 2. Recommendations to Arab LDCs

- Ensure that high standard medical services, including medical services, education and housing, are available to the entire population, without any form of discrimination;
- Social development investments should reduce inequality by ensuring that minorities and the vulnerable receive adequate support;
- Develop education infrastructure and programmes which prepare all youth to

benefit from the successful economic sectors of the twenty-first century;

- Provide essential social infrastructure enabling the LDCs' populations to flourish, such as:
  - Domestic water (including sanitation) according to the specificity of the source and population density, ensuring human needs are prioritized;
  - Telecommunications, including internet access for all.

### C. Economic development

Economic development and improved living standards are the fundamentals for societies to flourish and avoid instability and conflict. Therefore, measures to reverse economic decline are essential to increase stability.

#### 1. Recommendations to funders and international institutions

- Deliver on aid commitments promptly;
- No investments worsening climate change should be made;
- Release hard currency capital in overseas capital as needed by each State;
- Cancel LDC debts. As the challenge of indebtedness in the Arab LDCs has deepened, urgent measures need to be taken to reach sustainable debt levels. If cancellation is unfeasible, the debts need to be restructured adding flexibility to address external shocks and natural hazards;
- Ensure access to other sources of finance, including blended finance and investment promotion:
  - Additional resources need to be allocated to the rehabilitation and expansion of infrastructure to facilitate supply chains, support trade and economic activity, attract investment and facilitate private sector development;
  - Funders should focus on productive investments, supporting national entities and investments improving social resilience and creating employment of nationals.
- Private sector FDI should prioritize investments which create 'decent work' jobs. In the case of extractive industries,

nationals of the LDCs should be trained and employed to fill positions at all levels. Investment in productive industrial enterprises adding value to local raw materials should be prioritised;

- Facilitate the transfer of remittances to LDCs and the employment of LDC nationals in their states;
- Improve terms of trade for LDC exports, thus eliminating some of the imbalances in their balance of payments;
- Resource mobilization will be among the greatest of challenges. Therefore, development partners and the United Nations and Bretton Woods institutions must link their aid to development programmes with economic and social returns;
- Support infrastructure needs that are in the public interest, such as:
  - Electricity at accessible prices, privileging renewable energy;
  - Roads, railways and air connections, minimising negative climate side-effects.

#### 2. Recommendations to Arab LDCs

- Support rural economies, giving particular attention to smallholder agriculture and livestock, and assist the development of processing industries in these sectors;
- Develop effective policies to confront climate change, particularly in rural areas to prevent unnecessary exodus to the cities and ensure better management of urbanization processes, in order to achieve sustainable development;
- Adopt policies aimed to diversifying the economy and increasing the private sector's participation in the processing of raw materials and manufacturing, emphasising job creation;
- Manage limited natural resources to maximise long-term sustainability and create maximum benefit for the population;
- Support locally determined development activities, enabling the highest level of decentralization within a long-term sustainability strategy;
- Institute financial and other incentives to encourage local productive investments and facilitate trade.