



Priorities for Reconstruction & Economic Recovery

Urgent Priorities

Introduction

- Importance of formulating clear plan with specific objectives and priorities
- Mobilizing local & external funding towards national priorities approved by the government
- Reinvigorating state institutions and develop their operational capacities to provide basic services, especially education, health, water, electricity, security and justice
- Re-normalization of economic, social and security conditions in areas under the control of the legitimate government as well as safe places that can be reached on other areas
- To begin the reconstruction and rehabilitation of infrastructure damaged by the war, including public and private facilities as well as housing
- Flexible and dynamic plan to accommodate any developments or shifts in the national arena.
- Methodology for preparing the Immediate Priority Plan and the steps on which it was based.
- Time range: The plan covers the short time period for the period 2019-2020..

Plan Pillars

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**An Overview
Of Economic,
Social And
Humanitarian
Developments**

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**Priorities for
reconstruction
and economic
recovery at
the macro
level**

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**Priorities for
Reconstructio
n and
Economic
Recovery at
the Sectoral
Level**

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**Funding
Needs**

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**Mechanisms of
implementation
, monitoring
and follow-up**

First Pillar: Economic, Social and Humanitarian Developments

- GDP contraction and low per capita income.
- Deteriorating of the budget deficit.
- Deterioration of the external reserves of the Central Bank.
- Central Bank moved to the temporary capital of Aden.
- Rapid deterioration in the purchasing power of the national currency (exchange rate).

Economic Developments

- Decline of poverty and unemployment rates.
- Food insecurity.
- Severe deterioration in basic social services.
- Aggravated the humanitarian crisis and increase humanitarian needs.

Social and Humanitarian Developments

Second Pillar : Priorities for Reconstruction and Economic Recovery at the Macro level

1. Reinvigorating the State Institutions and Restoring Security & Political Stability

- **Overall objective: To strengthen state authorities**

- **Policies and interventions**

- The presence of the executive, judicial and legislative institutions in the interim capital of Aden and its effective functioning.
- To restore the authority of law and order within governmental institutions through the application of the laws and regulations governing them.
- Activating the security services in securing the security of the society and protecting governmental facilities.
- Activating the performance of the legislative authority and monitoring the performance of the government
- Strengthening the role of accountability and transparency combating corruption and negative phenomena in administrative and financial work.

2. Responding to the Humanitarian Needs of the Conflict Affected Groups

- **Overall objective: To provide basic life-saving and livelihood-enhancing needs and to provide protection opportunities for poor and conflict-affected groups.**

- **Policies and interventions**

- Providing essential food, medicines and drinking water to poor and war-affected populations in areas of displacement or food-insecure areas.
- Support livelihood programs and create income-generating jobs for young people, women and those who have lost their jobs.
- Regularity of payment of salaries of State employees
- Linking Humanitarian interventions with long-term goals that help to strengthen early and rapid rehabilitation of communities and individuals.

3. Restoring the Provision of Basic Social Services

- **General Objective: To deliver basic services to the population at pre-war levels**

- **Policies and interventions**

- To begin rebuilding and rehabilitating the facilities such as basic services, especially electricity, water, environment, health and education.
- Providing oil derivatives for local consumption and removing bottlenecks in marketing them.
- Providing health care services in various medical centres.
- Provide clean water through the public network of water and alternative means / provide clean drinking water tanks in the areas of displacement.
- To gradually restore electricity and support alternative energy
- Strengthening local authority capacity to deliver services

Second Pillar : Priorities for Reconstruction and Economic Recovery at the Macro Level

4. Restoring Stability, Macro-economic Recovery & Creating Jobs

- Accelerate the absorption of resources available to externally funded projects
- Resumption of the refinery of Aden and the provision of oil derivatives for domestic consumption
- The resumption of production and export of oil and gas from the existing fields and the rehabilitation of oil and gas fields damaged by the conflict
- Reviewing the current year's spending priorities to focus on the priority of paying salaries and providing allocations for operational expenditures to strengthen the capacity of government institutions.
- Financing deficit from non-inflationary sources
- Activating public debt instruments (treasury bills, Islamic bonds) as a tool to regulate liquidity and finance the budget deficit

5. Reconstruction of war-damaged infrastructure

- **Overall Objective: Reconstruction of war-damaged infrastructure and improving operational efficiency**
- **Interventions and Policies:**
 - Completion of damage assessment and identification of needs in all areas affected by the war
 - Initiate the reconstruction and rehabilitation of public and private infrastructure , and facilities affected by the events. .
 - Expand the absorptive capacity of existing programs such as the Social Fund for Development and the Public Works Project.
 - To study the establishment of the Yemen reconstruction Authority, drawing on the best regional and international experiences.

6. Strengthening private sector resilience and its contribution to reconstruction

Objective: To support private sector recovery and enable it to contribute to reconstruction and economic development

Policies and Interventions:

Support the recovery of the private sector as the main engine of economic activity and the largest employer

Reconstruction of facilities damaged by the war, especially those associated with the private sector such as transport lines, ports, road networks and electricity.

- Building an effective partnership between the public and private sectors in infrastructure and reconstruction projects (PPP)
- Support small, medium and small enterprises and entrepreneurs.
- Improve business environment and develop legal, regulatory and administrative frameworks

Third Pillar: Reconstruction and Economic Recovery at the Sectoral Level

Infrastructure sectors

- Electricity and energy
- Roads and Transport
- Housing
- Telecommunications
- WASH

Productive sectors

- Agriculture and Fisheries (Food Security).
- Oil and gas sector.
- tourism sector.

Human Development Sectors

Education
Health
Social protection
Youth
Women's Empowerment

Good Governance Sectors

- Judiciary.
- Security and the rule of law.
- Legal Affairs.
- Rights and freedoms.
- Accountability, transparency and anti-corruption.
- Local Government and the Regional System.

Infrastructure Sectors - Objectives

Electricity and Energy:

Reconstruction, rehabilitation and maintenance of the electricity system and restoration of electricity supply at pre-war levels.

Roads and Transport Sector:

Building and rehabilitating damaged roads / bridges and providing recovery needs.

ICT Sector:

Strengthening the role of the ICT sector in the development process.

WASH & Environment

Rebuild war-damaged facilities and restore water and sanitation services at pre-war levels.

Infrastructure - Electricity and Energy Sectors

Priority policies and interventions :

- ☐ Restore electricity services to critical facilities in the health, water, and agriculture sectors, even if rudimentary;
- ☐ Strengthen capacity of public institutions on a municipal/regional level to provide critical electricity services;
- ☐ Reconstruct large-scale infrastructure, including transmission lines, power plants, and new utility scale renewable energy capacity (5 Power Plants, 14 Generating Units, 9 HV Substations, 30 MV Sub, 400 KM HV OHTL, 200 MV TL,
- ☐ Provision of Oil derivatives from diesel and Heavy Fuel for Power Plants in All regions and Governorates
- ☐ Mainstream solar applications (Household, Agriculture ,Public Services) with enhanced technical quality
- ☐ Expand access to privately supplied, distributed generation, especially solar;
- ☐ Completing the Construction of Marib 2 Gas Power Plants entering the Service to fill the shortage in producing Electricity.
- ☐ Improvement of Billing collection and Payments

Infrastructure – Roads & Transport

Policies, procedures and interventions :

- ☐ Maintain and rehabilitate at least 5,000–6,000 km of high-priority rural roads and bridges utilizing labour-intensive technologies that maximize job creation for rural youth.
- ☐ Promote community-based contracting in rural roads maintenance and use microenterprises to maximize employment opportunities for rural youth.
- ☐ Rehabilitate and maintain the physical infrastructure of the airports of Aden, Hodeidah, Taiz, and Sana'a, and the ports of Aden, Mocha, and Hodeidah.
- ☐ Apply the existing Law on Road Maintenance Funding to restore financial revenues from road user charges (RUCs), set at 5 percent of the pump price of fuel sold in Yemen, to meet the losses associated with the elimination of fuel subsidies during the conflict.
- ☐ Use capable, local contractors and enhance the capacity of national engineering and consulting firms to handle reconstruction operations in the road transport sector.
- ☐ Introduce capacity building and training programs, at the governorate and regional levels, for local contractors and local consulting firms to develop their technical skills in preparing bids, pricing, and contract and environmental management.
- ☐ Acquire, repair, replace, and upgrade aviation safety equipment, hardware, and software
- ☐ Conduct an institutional review of the aviation and maritime sectors to improve the operations and governance structures of airports and ports.

Infrastructure sectors – Housing Sector

Policies and interventions :

- ☐ Complete the Inventory & housing damage assessment with classify it according to the size of the damage.
- ☐ Preparing urban plans for areas affected by the war in major cities.
- ☐ To start the reconstruction of housing affected by the conflict according to a flexible methodology that takes into account the previous successful experiences in the reconstruction of housing in Yemen, especially the fund for the reconstruction of the death and skilled, Dhamar, Saada, Abyan, ...
- ☐ Providing services related to housing, including infrastructure services, providing clean water, lighting and the environment.
- ☐ Completion of low-income housing projects that have been halted as a result of the war in a number of cities.

Infrastructure Sectors - ICT sector

Policies, procedures and interventions :

- ☐ Provide 4G data communication service (G4)
- ☐ Development of network and Internet services.
- ☐ Public investment in the basic infrastructure of the state-owned fiber optic network.
- ☐ Compensation of mobile operators based on nationwide infrastructure damage assessment

Infrastructure - Water, Environment and Sanitation Sector

Policies, procedures and interventions :

- ☐ Reconstruct WASH infrastructure that has been destroyed. Rehabilitate partially damaged or non-operational assets, focusing on critical sanitation facilities that include sewage pressure trucks, sewage pumping stations, and wastewater treatment plants.
- ☐ Provision of the Operational Salaries
- ☐ Build up the capacity of local institutions through training and targeted technical assistance. More specifically, local authorities (LWSCs, NWRA, and so on) need to be equipped to supervise contracts with private companies and to monitor the use of wells in order to safeguard the fragile groundwater resources.
- ☐ Use of Renewably Energy Solutions
- ☐ Secure spare parts, equipment, and machinery so that partially functioning assets can become fully operational. The provision of these goods would also allow improved water quality testing and monitoring, which is essential to ongoing efforts to contain a cholera outbreak.

Human Development Sectors - General Objectives

Education:

- **Reconstruction of war-damaged educational facilities and provision of public education.**
- **Increasing the contribution of technical education and vocational training to meet the needs of the labor market**
- **Improving the quality of higher education to meet the needs of development and the labor market.**

Health :

- **Rebuilding war-damaged health facilities and restoring health services at pre-war levels.**

Social Protection:

- **Promoting social protection and employment opportunities for young people.**

Youth Sector:

- **Involve young men and women in development, reconstruction and peace-building.**

Women Sector:

- **Increase women's participation in public life at various economic, social and political levels.**

Human Development Sectors - General Education

Urgent Needs :

- ☐ Reconstruction of partially and fully damaged education facilities as well as the new schools due to the increasingly crowded number of students in classes
- ☐ Supporting the Ministry of Education in printing and distributing the textbook and teacher's guides
- ☐ Adopt a campaign on students return to their schools and expand support programs such as school food or conditional cash transfers
- ☐ Pay the salaries of the workers in the education sector on regular basis so that teachers can perform their teaching duties
- ☐ Provide learning facilities and alternative Education, particularly in areas most affected by the conflict and where formal schools are not functioning
- ☐ Provide remedial learning opportunities for children who have dropped out of the education system because of the conflict
- ☐ Improve the information management systems in the educational administration to assist the ministry to collect and manage educational data / monitor progress.

Human development sectors - Higher education, technical Education and Vocational training

Policies, procedures and interventions :

Higher Education:

- Reconstruction of HE institutions damaged by war
- Implementation of Higher Education quality system and Academic Accreditation
- Establishing & Equipping New faculties and University Hospitals
- Developing Academic Programs in Applied science, Administrative and Human Colleges

Technical Education and Vocational Training:

- Reconstruction and rehab. Of Technical Institutes damaged by war (10 new Institutes and 12 new community Colleges)
- Develop Vocational Training Programs for youth that meet the needs of the labour market
- Developing of Programs for vocational empowerment of unemployed women and those who drop out of general education
- Encouraging of Private Sector Investment the technical education and vocational training sector
- Building the capacity of teaching staff and administrative institutions.

Human Development Sector – Health

Priority policies and interventions :

- Pay the medical and administrative staff salaries on a regular basis and to provide adequate allocations for the ongoing health programs. .
- Rehabilitate the affected health facilities, starting with health facilities providing public health services
- Address one of the immediate challenges precipitating the acute shortage of health staff, by regularly paying salaries. and providing financial allocations for the current health programs
- Strengthen public health interventions, such as prevention and control of communicable diseases, immunization against childhood preventable diseases, and emergency reproductive and maternal and child health interventions
- Build the capacity of local institutions and health staff to cope with the ongoing challenges linked with health services provision
- Provide a basic package of services at all feasible levels—community level through mobile clinics, fixed PHC facilities, and integrated outreach services.

Human Development Sector – Social Protection

Policies and interventions :

- ☐ Regularity of cash transfers under both unconditional cash transfer programs (Social Welfare Fund) and cash-for-work program (Social Fund for Development).
- ☐ Expand coverage of both the UCT program (for the working poor) and the CFW program (for the unemployed poor) to preconflict levels of coverage (as a percentage of the total poor) to account for the expansion of poverty since 2014
- ☐ Expand technical and financial support of small and medium enterprises to generate and protect jobs.
- ☐ Support the Social Fund for Development and the Public Works Project and expand their absorptive capacity.
- ☐ Involve women and youth in the recovery and reconstruction of Yemen.

Human Development Sectors - Youth

Policies and interventions :

- ☐ Encourage Microfinance institutions to provide financing for small and small enterprises and entrepreneurship for young men and women.
- ☐ Implement labor-intensive projects to create employment opportunities for young People.
- ☐ Reinvigorating youth care fund to build youth capacities and develop their creative talents.
- ☐ Implementing programs to protect youth from extremism, terrorism and incitement towards sectarian intolerance.
- ☐ Sponsoring gifted, innovative and creative people.
- ☐ Involvement of young people in political life, reconstruction and peace-building. .

Human Development Sectors - Women

policies and interventions :

- ☐ Encourage the enrolment of girls in education, especially in rural areas and areas of displacement.
- ☐ Support Family Production Centres and assist them in obtaining employment opportunities.
- ☐ Supporting micro and small projects for Yemeni women and encouraging microfinance banks to provide loans for youth and women projects.
- ☐ Reducing gender-based violence.
- ☐ Supporting the participation of women in political work and increasing the representation of women in executive, judicial and diplomatic leadership positions according to the the outcomes of the national dialogue.
- ☐ Rehabilitation and care of displaced women and war victims who have lost their families. .

Productive Sectors – General Objectives

Agriculture and Fisheries (Food Security):

- **Support livelihood programs and value chains to alleviate the food insecurity crisis.**
- **Building the farmers and fishermen Assets.**

Oil Sector:

- **Recovery of the oil & gas sector and increase its contribution to GDP and budget support.**

Tourism sector:

- **Reinvigorate the role of the tourism sector in economic growth and reduce poverty and unemployment rates.**

Productive Sectors - Agriculture and Fisheries

Policies and Interventions:

- ☐ Reconstruction and rehabilitation of Damaged local institutions that produce inputs.
- ☐ Establish an early warning system to monitor, prevent or mitigate risks to food security and nutrition.
- ☐ Assist conflict-affected small-scale farmers, livestock producers, and fishermen to return to production through a farm and fisheries restoration support package focused on key inputs, income generation, and livelihood assistance
- ☐ Assisting fishermen in rebuilding assets (boats, fishing centers) for workers in fish-baiting shops.
- ☐ Supporting alternative energy systems for operate irrigation systems.
- ☐ Resumption of opening Export ports for agricultural and fishery goods
- ☐ Improved access to finance for farmers and small and medium-sized agricultural enterprises.
- ☐ Rehabilitate critical infrastructure, including irrigation systems, and grain and fodder storage

Production sectors - Oil

Policies and Interventions:

- ☐ **Resumption of production and export of oil & Gas . Rehabilitation and development of oil and gas fields.**
- ☐ **Protect oil and gas facilities to ensure the export of oil to international markets.**
- ☐ **Resumption of Aden refinery to produce oil derivatives which will reduce the need for hard currency to import oil derivatives.**
- ☐ **Encouraging the return of foreign companies operating in the field of exploration and exploration for oil and gas. This involves creating conditions for their work, especially security conditions.**

Productive Sectors - Tourism

Policies and Interventions:

:

- ☐ Reinvigorating the role of the Tourism Promotion Board and collecting the legal fees.
- ☐ Enhancing the performance of the ministry's activity from the interim capital of Aden.
- ☐ Encourage private sector investment

Good governance Sectors – General Objectives

Judiciary :

- Independence of the judiciary and the rule of law.

Security and Rule of Law:

- Restore security stability and fight terrorism.

Legal Affairs:

- Improving the quality of legal performance.

Human Rights and freedoms:

- To promote human dignity .To protect fundamental rights and freedoms.

Accountability, Transparency and Anti-Corruption:

- Reinvigorate integrity and anti-corruption systems and promote transparency and accountability.

(Local Government) & System of Regions:

- Arrangement to move to the regional system.

Good Governance - Judiciary

Policies and Interventions:

- ☐ To Enhance the entire judicial authority in areas under the control of the Legitimate Government.
- ☐ Complete the necessary infrastructure for the judiciary Authority.
- ☐ Promote the principle of judiciary independence and the rule of law to protect civil and personal rights, freedoms and human rights.
- ☐ Implementing strict and transparent criteria for the selection, transfer, promotion and retirement of members of the judiciary (courts, judges of the Judicial Council).
- ☐ Implementation of the judicial file system in courts & the system of criminal proceedings in public prosecution.

Good Governance - Security and the Rule of Law

Policies and Interventions:

- ☐ Implementation of a broad security plan to stabilize security in areas under the control of the legitimate government.
- ☐ Merging of all security Bodies under one security department at the Ministry of Interior. This involves raising the capabilities of the security and military services in fighting against terrorism and extremism
- ☐ Providing security protection to government institutions and international organizations operating in Yemen.

Good Governance – Human Rights and Freedoms

Policies, interventions and programs:

- ☐ Promote the principles of good governance, the rule of law and respect for human rights.
- ☐ Respect the United Nations Charter, the League of Arab States, the Universal Declaration of Human Rights, the international treaties and conventions signed by Yemen in a manner not contrary to the Constitution.
- ☐ Work on the release of prisoners, abductees and detainees in the prisons of the Houthis and any other prisons according to the Stockholm agreement.
- ☐ Activate the Human Rights Information Centre and establish a database on human rights situations.
- ☐ To submit periodic reports on the status of rights and freedoms to the Human Rights Council.
- ☐ Monitor and follow up on human rights violations, assaults on funds and aids, public and private institutions, places of worship, educational institutions and recruitment of children by the Houthis
- ☐ To ensure that education, public service and places of worship are not politicized.

Good Governance - Accountability, Transparency and Anti-Corruption

Policies, interventions and programs:

- ❑ Enhancing the Role of Central Organization for Control and Audit , and Supreme National Authority for Combating Corruption within the Legitimate Government Controlled Area**
- ❑ Preparation of national strategy for the control of tenders and Public Procurement.**
- ❑ Building a database and information system for procurement and tenders**
- ❑ Adopting transparency with regard to Signing treaties, conventions, deals and tenders.**

Good Governance - Local Government

Policies and Interventions:

- ☐ Raising awareness of the National Dialogue Outcomes particularly the establishment of the regional system.
- ☐ Preparation of Infrastructure and human needs as well as operational manuals for establishing regions.
- ☐ Preparing strategy for the formation of state institutions in accordance with the outputs of the national dialogue.
- ☐ Support local authority and local councils / strengthen their capacity to provide services and reconstruction.
- ☐ Strengthening administrative and financial decentralization / consolidating the principles and foundations of good governance

Fourth Pillar : Funding Needs and Projects



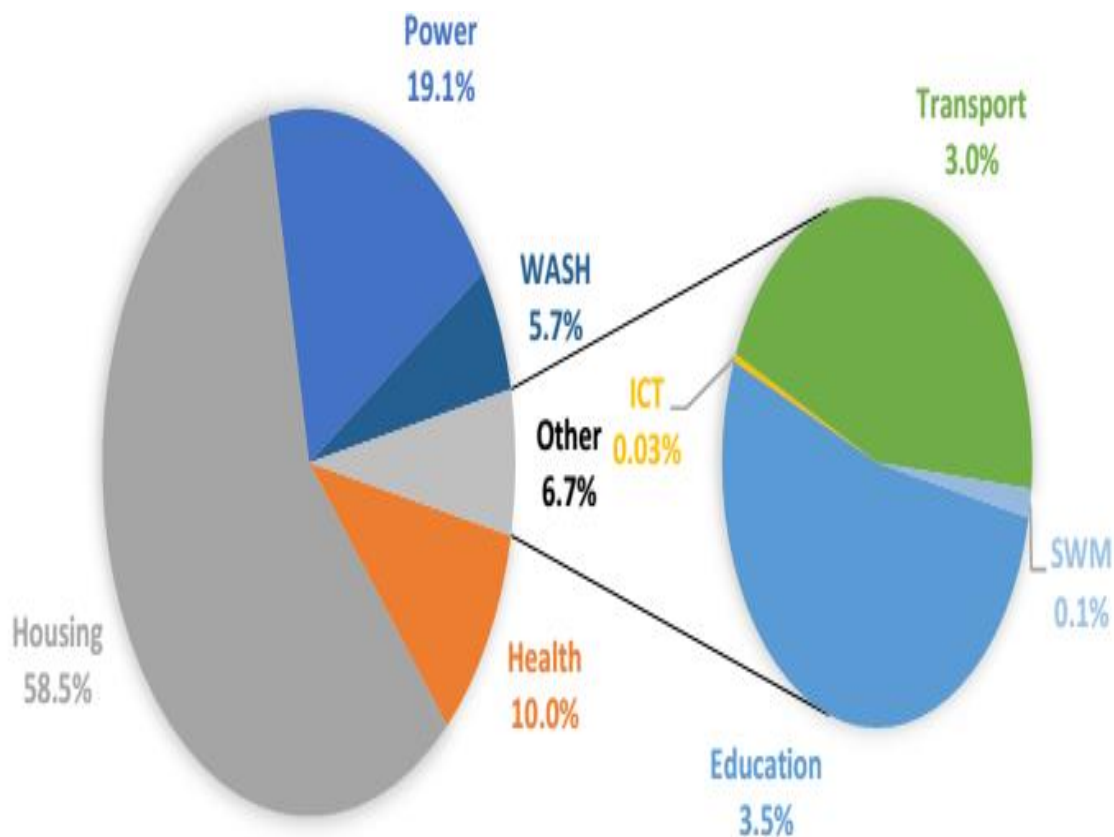
Projects with Funding

Projects with Financing Gap

Projects Financed by Previous Pledges

M	Sector	Proposed for 2019 (YR Thousands)		Total
		Local	external	
1	Electricity and Energy	80,045,168	17,200,000	97,245,168
	Reconstruction and Economic Recovery Program	30,500,000	4,000,000	34,500,000
2	Public works and Roads	372,184	12,400,000	12,772,184
3	Water and Environment	40,000	8,017,489	8,057,489
4	Agriculture and Irrigation	32,000	2,400,000	2,432,000
5	Fisheries	10,277,385	800000	11,077,385
6	Public Health and Population	62,000	4,000,000	4,062,000
7	Higher Education	9,887,232	3,200,000	13,087,232
8	Technical Education and Vocational Training	1,215,265	2,800,000	4,015,265
9	Transport	8,000	400,000	408,000
10	Social protection	3,190,000	85,600,000	88,790,000
11	Planning and international cooperation	88,000	0	88,000
12	Government Administration	42,000	0	42,000
13	Other Sectors (Media , Immigration department, Civil Defence, culture..)	29,402,328	0	29,402,328
	Total	165,161,562	140,817,489	305,979,051

Projects with Financing Gap



Sector	Short term (year 1)		Medium term (years 2–5)		Total (over 5 years)	
	Low	High	Low	High	Low	High
Education	80	98	321	393	402	491
Health	229	279	914	1,117	1,143	1,397
Housing	1,336	1,632	5,342	6,530	6,678	8,162
ICT	2	3	1	2	4	5
Power	436	533	1,743	2,130	2,179	2,663
Transport	102	125	239	292	341	417
SWM	3	3	10	13	13	16
WASH	130	159	520	636	650	795
Total	2,318	2,833	9,092	11,112	11,410	13,945

Governorate level						
Sector	Short term (year 1)		Medium term (years 2–5)		Total (over 5 years)	
	Low	High	Low	High	Low	High
Food security	733	896	1,173	1,433	1,906	2,329
Transport	502	614	1,172	1,432	1,674	2,046
WASH	202	247	810	990	1,012	1,237
Total	1,438	1,757	3,154	3,855	4,592	5,612

National level						
Sector	Short term (year 1)		Medium term (years 2–5)		Total (over 5 years)	
	Low	High	Low	High	Low	High
Social protection	767	938	3,069	3,751	3,837	4,689
Total	767	938	3,069	3,751	3,837	4,689

Grand total^a	4,290	5,244	14,556	17,791	18,847	23,035
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Fifth Pillar : Mechanisms of implementation, monitoring and follow-up – Implementation Mechanism

- 1. Utilising Existing Mechanism known for efficiency and Transparency Such as SFD, PWP and Rural Roads Project , SWF. We can also expand absorptive capacity.**
- 2. Activating the existing PMUs and enhancing their operational/institutional/human Capacity**
- 3. Establishing New Mega PMUs for Large Projects in Priority sectors such as Health, Education, Power, and Roads**
- 4. Opening Reconstruction Offices or Supervision Agencies for the Development Partner based on their Policies (coordination with MoPIC)**
- 5. Direct Implementation by the DP (coordination with MoPIC and Line Ministry)**
- 6. Implementation via government and local admins (Supervision of Supreme Committee of Tenders)**
- 7. Establishing an Executive Reconstruction Fund after reaching Peace Agreement according to the International Best Practices.**

Fifth Pillar : Mechanisms of implementation, monitoring and follow-up – Monitoring & Follow-up Mechanism

Responsibility of Ministries and Sectoral Authorities :

- Ministries and sectoral agencies, in their respective capacities, develop chronic implementation plans for priorities, policies and interventions.
- Identification of responsible executive bodies, time period, estimated cost and indicators of achievement.
- Providing Periodic reports on the level of progress of the plan implementation.

Responsibility of governorates and local councils :

- Local councils will assimilate and harmonize policies and interventions in the plan of priorities within their implementation plans.
- Providing Periodic reports on the plan implementation progress.
- The Ministry of Planning in coordination with the General Secretariat Cabinet will follow up the implementation of the executive plan at the level of ministries and governorates every six months. They will submit a report to the Council of Ministers accordingly.

Thank You Very Much