

Supporting CSOs in Yemen on financial sustainability and bank de-risking

As part of the [INSPIRES project](#), Flexible Response Funds (FRFs) are designed to provide USAID missions and partners with easily accessible and flexible support in the form of technical assistance and subgrants to local organizations that can help address urgent and emerging threats to civic space.

In **Yemen**, ICNL collaborated with local partner Civic Democratic Initiative Support Foundation (CDF) to provide tools and trainings to Yemeni civil society organizations to help them adapt and thrive to challenges during the COVID-19 pandemic, undertaking four key activities:

- Developing a toolkit to help Yemeni CSOs revised operations to work safely during the pandemic;
- Organizing a workshop with CSOs to identify potential new tools to cultivate funding;
- Holding a virtual training for Yemeni CSOs on issues of bank de-risking; and,
- Preparing comments on the Higher Council for Humanitarian Aid's policies and requirements.

Support was provided over the course of twelve months between January and December 2021.

In this summary brief, we share learnings and lessons from key informant interviews and document reviews for these activities.

Outputs and Outcomes. The FRF activities in Yemen were designed to produce several key outputs, including the production of a toolkit and trainings to support CSOs on several challenges that arose in their work during the pandemic.

Based on interviews with key informants who were involved in the program as well as a review of documentation from the FRF activities, the Yemen team and partners achieved several key outputs, as highlighted in Figure 1 (FRF outputs).

Figure 1. Yemen FRF Outputs



Evidence from key informant interviews as well as documentation from partners suggest that the FRF activities contributed to several key outcomes:

- **Strengthened capacity of civil society to operate effectively during the COVID-19 pandemic.** At the start of the pandemic, ICNL and CDF identified that CSOs in Yemen faced two related but unique challenges: (1) uncertainty regarding how to provide support to their constituents during the pandemic and (2) uncertainty regarding funding for their financial sustainability. INSPIRES activities sought to address both challenges by providing CSOs with a toolkit and support to help them adapt their operations and programs to both ensure their own ability to operate and respond to the new needs of the people that CSOs hoped to support in their work. Informants highlighted that the resources produced by ICNL and CDF led to concrete adaptations that helped CSOs see that

they had something to offer their networks as they sought to continue their work during the pandemic.

“The most impact was that NGOs know they have role, even if they think there is nothing for them to do in such crucial time like COVID. NGOs, especially those not working on humanitarian activities, think it is the time to distribute something, not to do awareness raising. People think they are facing death and question why you are coming to us with awareness raising. So the most important impact was to help people to rethink this role and how they can work to be flexible with people and their needs. People started to make campaigns, to do awareness raising, and to share materials from international organizations.”

- Key Informant Interview (May 2022)

- **Increased dialogue and understanding between civil society and banks in Yemen.** In addition to providing direct support on COVID-19 issues, ICNL and CDF supported civil society to better understand and respond to issues of bank de-risking. A critical component of this work was bringing together representatives from CSOs, banks, and the judicial system to facilitate dialogue of which most CSOs had not previously had the opportunity to engage. These engagements provided CSOs with concrete recommendations from banks and other institutions regarding how they can overcome challenges that they have with banks and the financial system in Yemen. CSOs are now able to implement these recommendations to improve their own operations.
- **Improved tools and resources that CSOs have to challenge banks.** In addition to increasing dialogue, the INSPIRES activities provided CSOs with new information and resources that they can use to push back on the banks when they do face financial challenges. This improved capacity stems from the improved understanding that CSOs have of the constraints that banks have as well as the entry points and opportunities that civil society can take to ensure that they are not being taken advantage of by banks in Yemen.

Helping and Challenging Factors. Key informants were asked about factors perceived to help or hinder this work. Understanding these factors can help support the implementation of future activities.

Helping factors include:

- **Experience and engagement with partners** – informants noted that ICNL and CDF were able to build on their past engagements together and co-design and co-implement a program that was right for Yemen.
- **Timing of the activities** – while COVID-19 also presented challenges in implementing activities, informants cited that CSOs were more motivated and engaged because of the challenges they were facing in responding to the pandemic.
- **Cross-country learning** – partners noted the value of drawing from experiences working on similar issues in Tunisia, Jordan and Lebanon in designing their work in Yemen.

Hindering factors include:

- **Virtual sessions and internet connectivity issues** – informants noted the challenges associated with not being able to meet in person with CSOs for trainings due to COVID-19 as well as the security situation in Yemen.
- **Missed opportunity for engaging international actors** – informants also cited that training and resources on financial sustainability would have benefited from more international and donor representatives.
- **Geographic restrictions** – finally, informants highlighted that there would have been additional value in being able to support activities in the northern part of the country rather than restricting the work to southern Yemen.

For more information about this FRF, please contact: info@inspiresconsortium.org.

“We had an open dialogue between the banks and CSOs. CSOs explained their challenges to the banks, and the banks tried to give advice to CSOs. It was eye opening for CSOs and banks to understand each other.”

- Key Informant Interview (May 2022)