

Yemen Resilience Monitor: Communities coping with Conflict



Empowered lives Resilient nations

Impact of the War on

Livelihood

Financial Access

March 2016

Methodology

Data was collected between August and September 2015 at the household level.



Covering a sample of 1,152 families across six governorates.

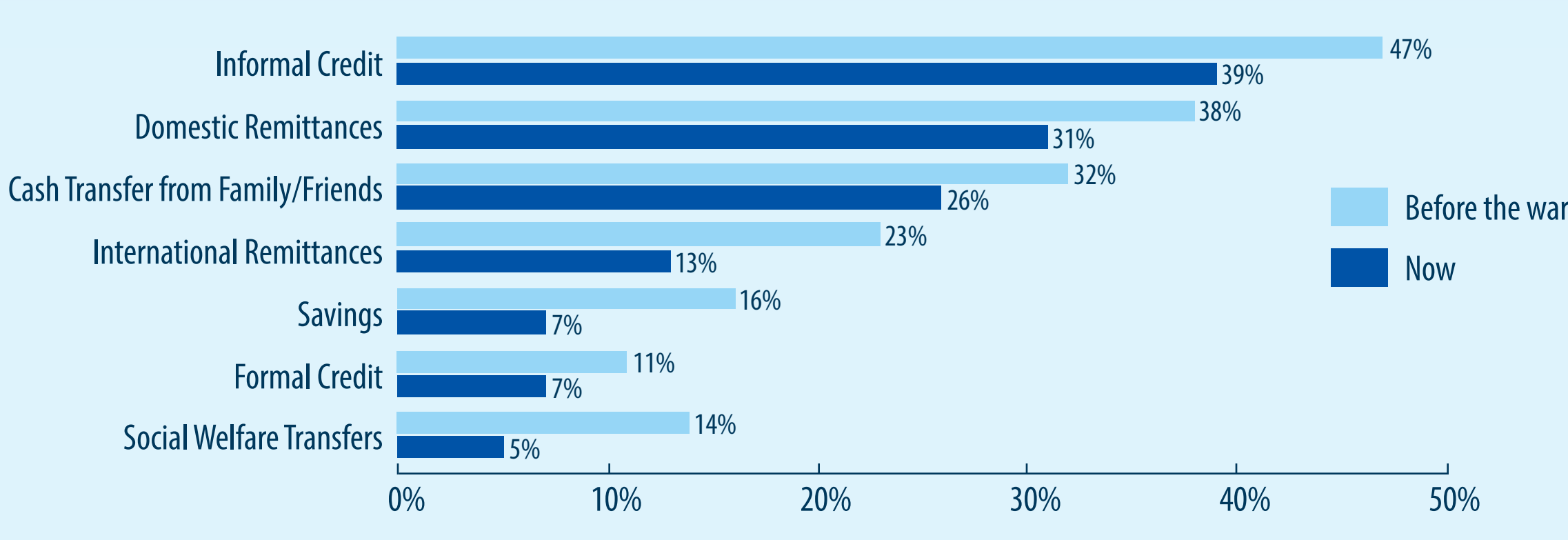
1152 families



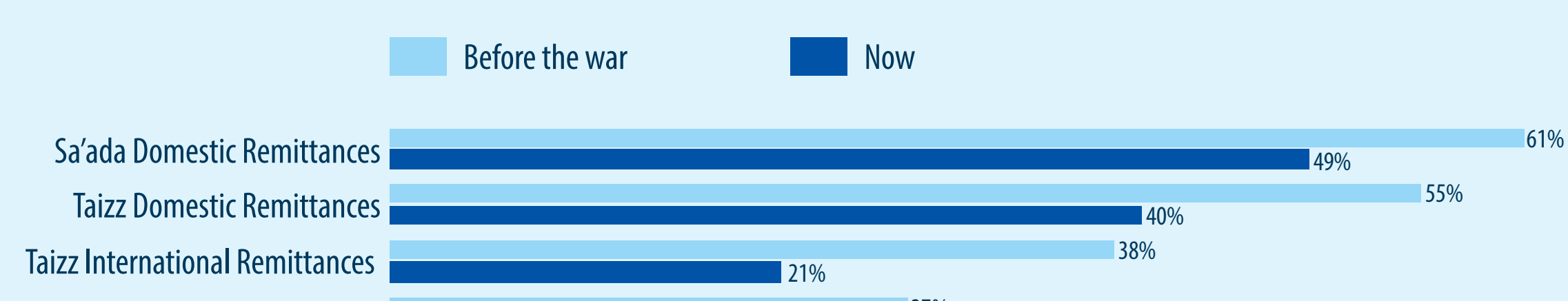
The Integrated Assessment examines baseline and preliminary impact of the crisis on local governance, mine action, security, justice and livelihoods to identify immediate early recovery needs to build **community-based resilience** to ongoing and future shocks.

Findings

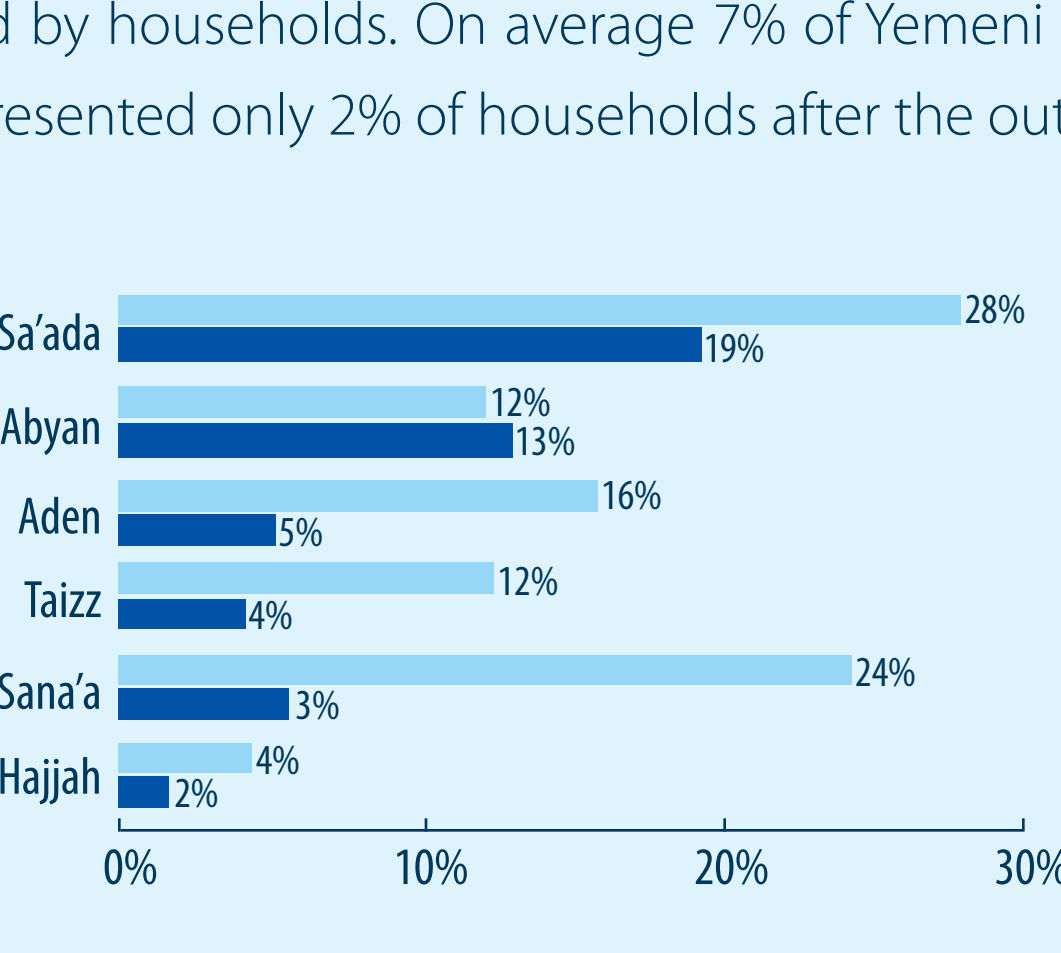
Households surveyed have reported a loss in their **access to financial assets**, which includes international and domestic remittances, savings, social welfare transfers, cash transfers from family and friends, credit (formal and informal), and pension. The first source of financial capital for families before the war was informal credit followed by domestic remittances.



Access to **international remittances** dropped by 10 points, followed by savings and social welfare transfers which plummeted by 9 points. After the war, only 13% of households still had access to international remittances, as compared with 23% before March 2015. Sa'ada and Taizz Governorates were most affected as these respectively reported a 24 and 17 point-drop. With regards to domestic remittances, a similar trend is observed.



Loss in savings has been particularly acute in the urban centers, in Sana'a (reduced by 21 points) and Aden (reduced by 11 points). This can highlight a potential coping strategy adopted by households. On average 7% of Yemeni families have access to savings. In Hajjah, this represented only 2% of households after the outbreak of the war (down from 4%).

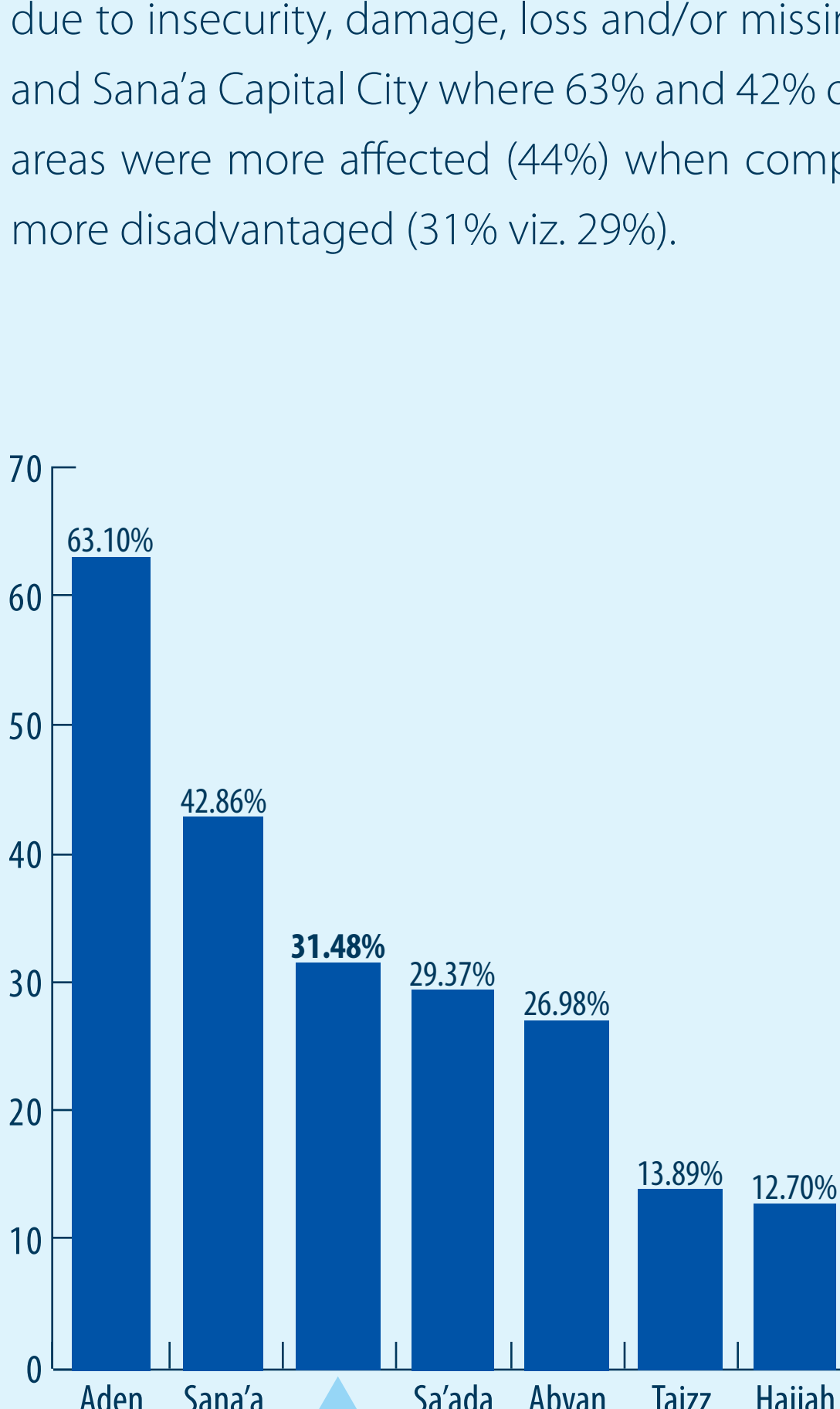


Saving Average

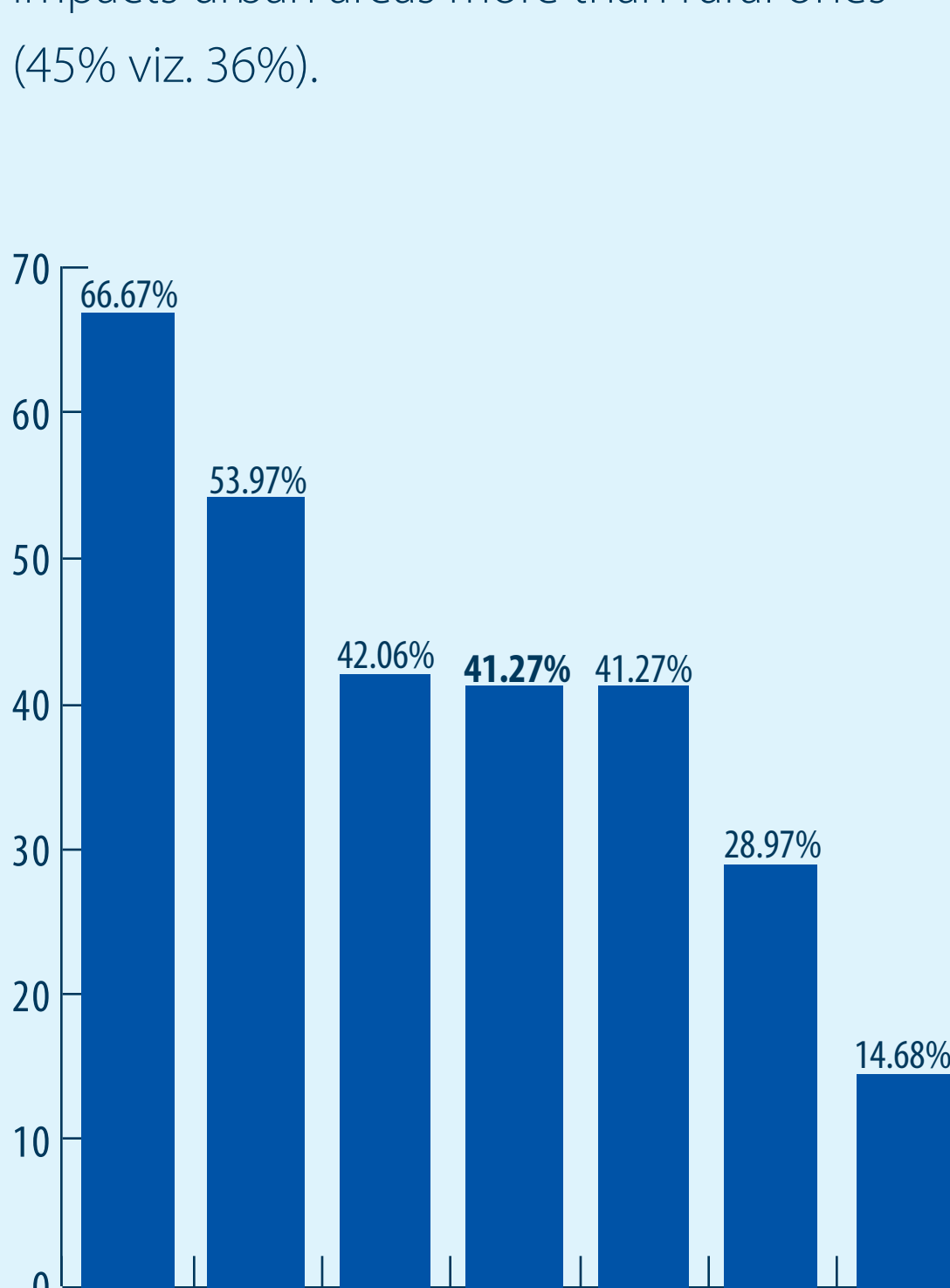
16% Before 7% Now

Social welfare transfers have also dramatically stopped, with the freeze of the largest national cash transfer providers (Social Welfare Fund, and Social Fund for Development). Cash transfers from family and friends are the highest in Sa'ada and Taizz. **Informal credit** remains the main source of financial capital for families who have witnessed a reduction in their access. Informal credit was and is least accessed in Abyan. Informal credit access dropped by 8 points from 47% to 39% six months after the war broke out in March 2015.

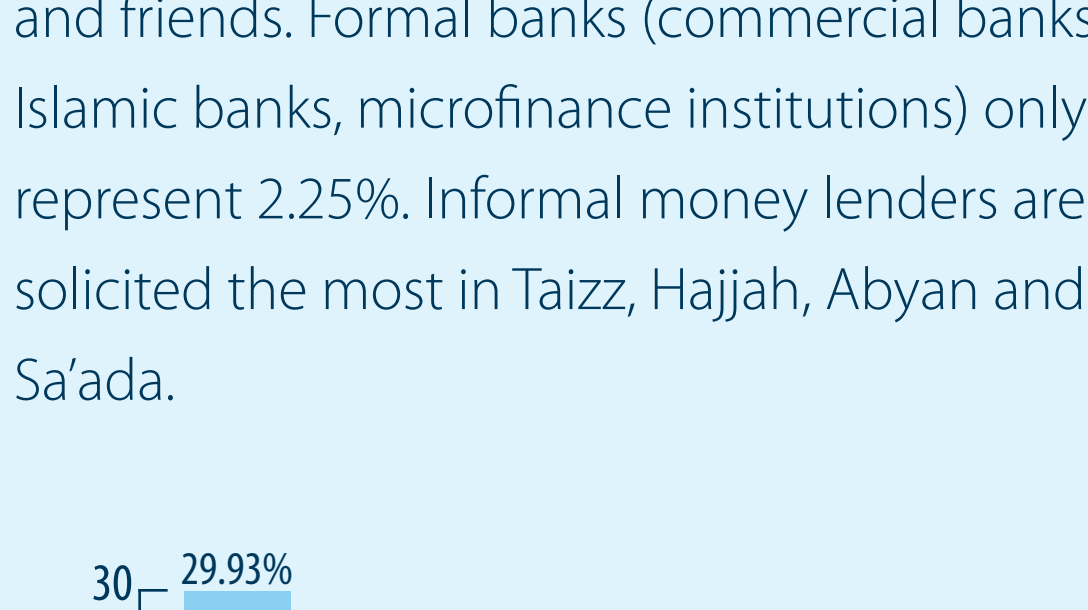
Nearly a third of households surveyed reported a **change/limitation of assets** in the past 90 days (June- September 2015). This for example includes incapacity to use productive assets due to insecurity, damage, loss and/or missing inputs. Asset limitations were highest in Aden and Sana'a Capital City where 63% and 42% of families experiencing a negative change. Urban areas were more affected (44%) when compared with rural ones (18%), and women slightly more disadvantaged (31% viz. 29%).



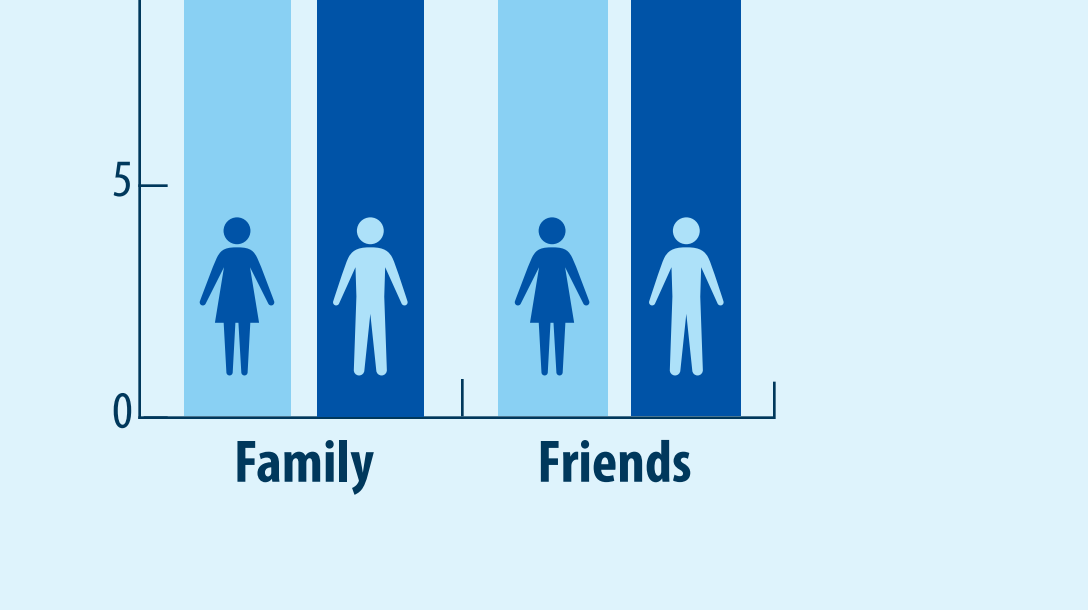
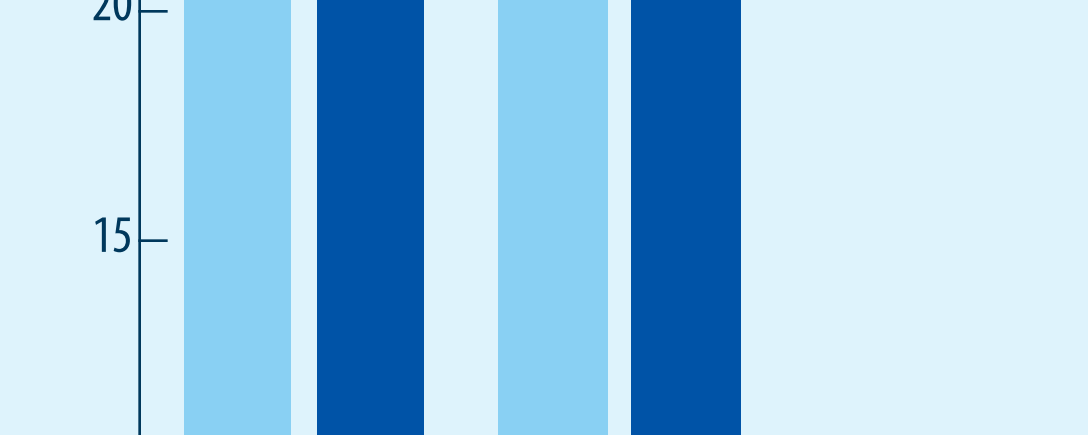
67% of Sana'a households experienced a **change in income-generating activities**, such as a loss of job or change of profession, between June and September 2015. This also impacts urban areas more than rural ones (45% viz. 36%).



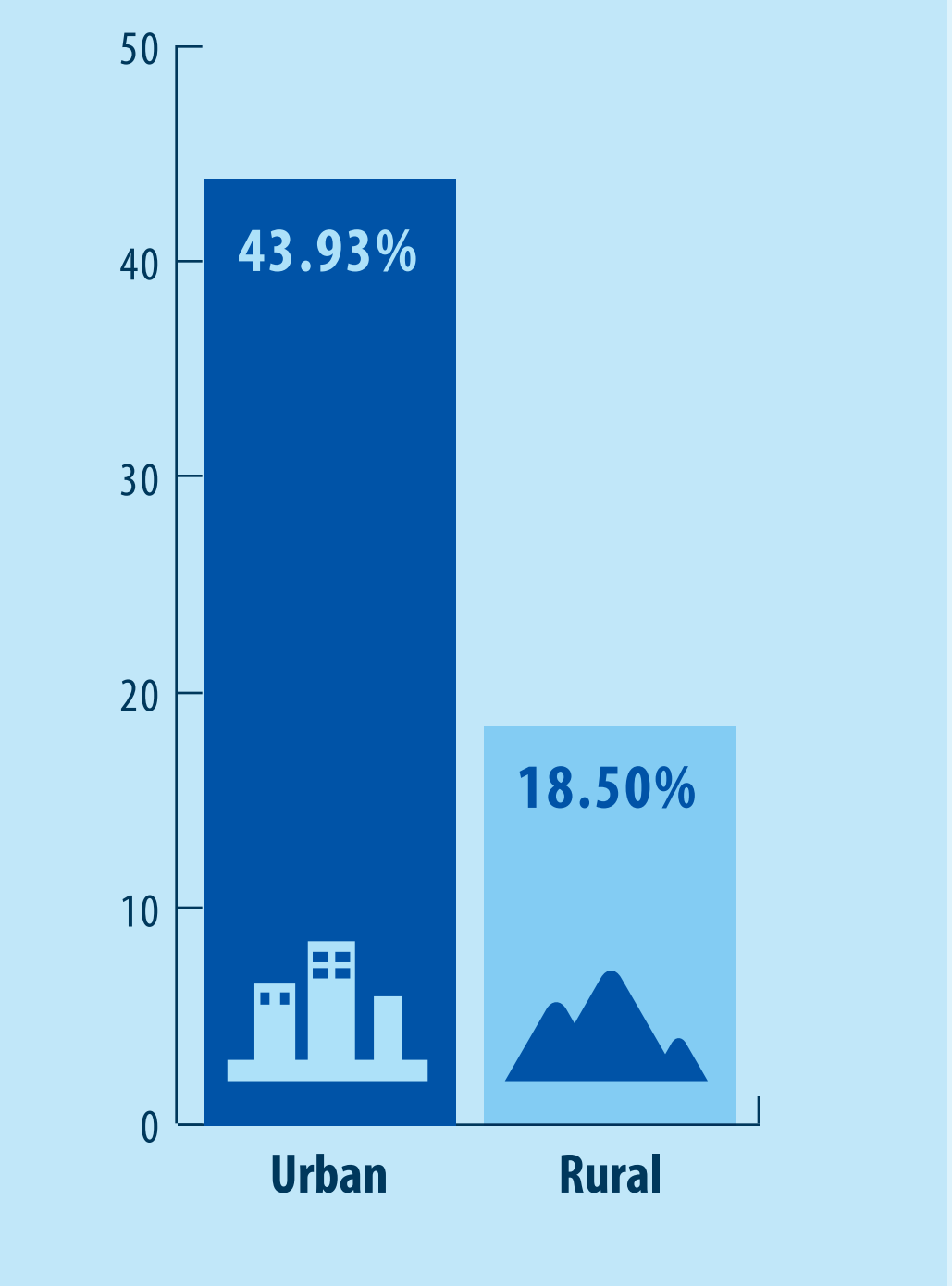
When asked about their **current source of credit**, families predominantly turn to family and friends. Formal banks (commercial banks, Islamic banks, microfinance institutions) only represent 2.25%. Informal money lenders are solicited the most in Taizz, Hajjah, Abyan and Sa'ada.



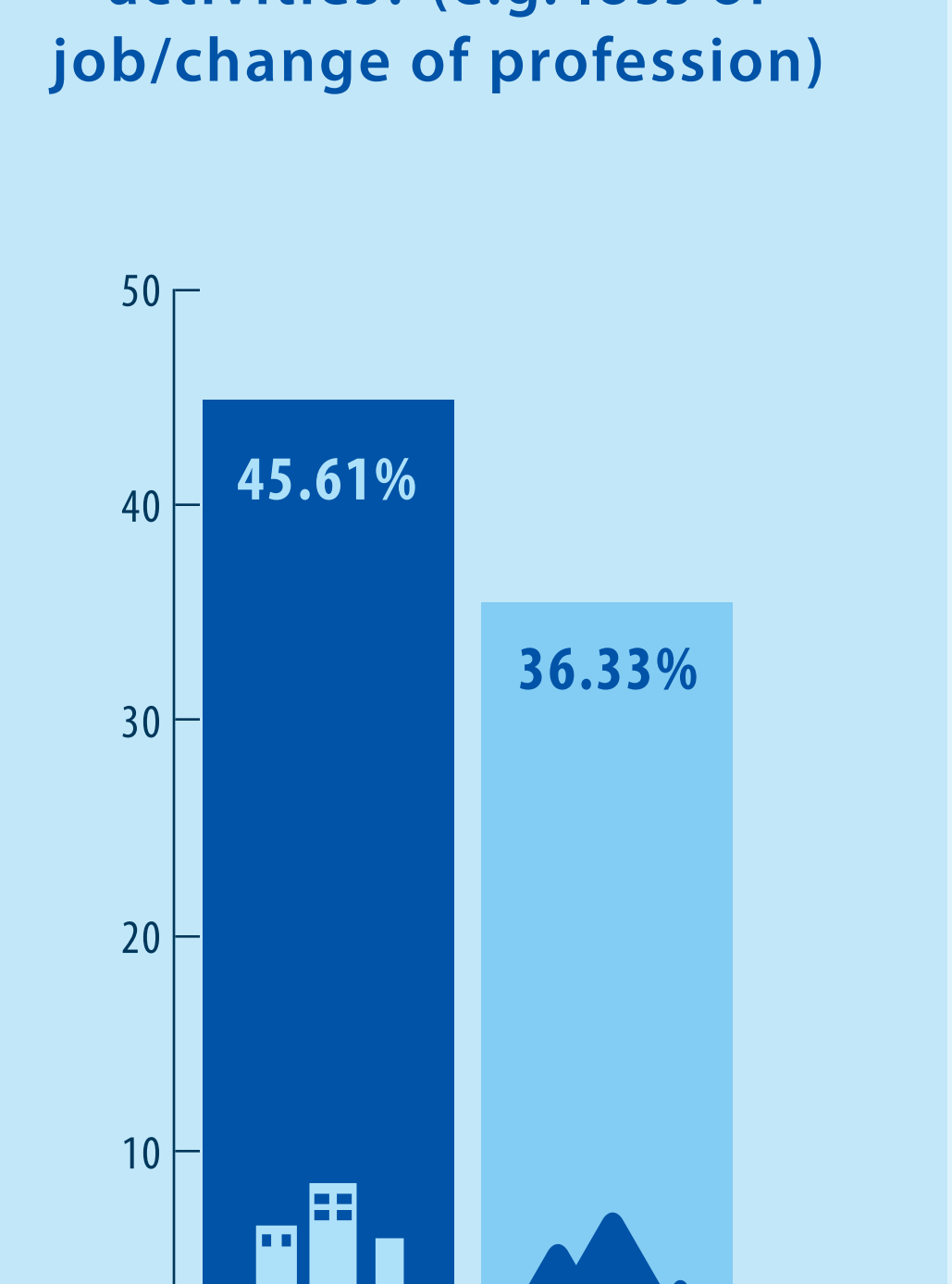
With regards to the **source of savings** for families, households keep cash at home and demonstrate a poor integration to the formal banking system. Cash at home is a source most used overwhelmingly used in Sa'ada (78%) and least in Abyan (22%). Focus group discussions may provide additional insights on the "other" source of savings.



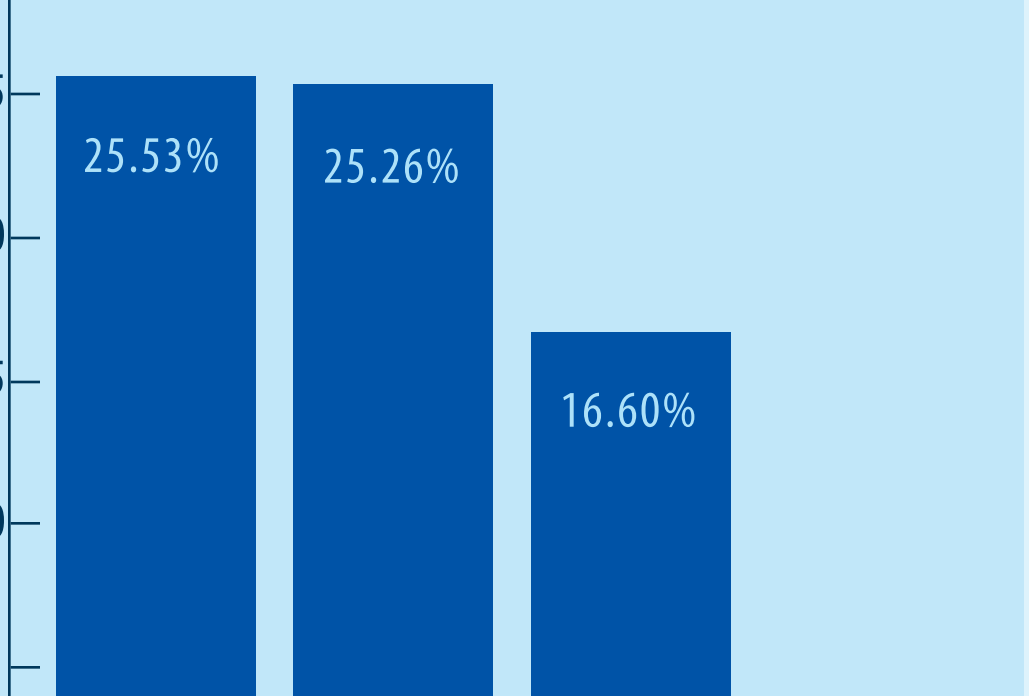
In the past 90 days has your household experienced a change/limitation of assets?



In the past 90 days has your household experienced a change in income-generating activities? (e.g. loss of job/change of profession)



Source of credit



Coming next:

- Coping Strategies
- Income Sources
- Local Governance
- Social Cohesion



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