**2024 Civil Society Context Analysis Report**

***Geographic Focus:*** *Marib, Taiz, Aden, and Lahj Governorates*

***Strategic Focus:*** *Institutional Compliance, Digital Advocacy Hubs, and Social Entrepreneurship*

***Issuing Authority:*** *National Microfinance Foundation (NMF) – Programm Unit*

**1. Introduction and Methodology**

In early 2024, Yemen reached a critical crossroads. While frontline hostilities decreased compared to 2022 levels, the structural collapse of public services and a 25% depreciation of the Yemeni Rial (YR) in government-controlled areas created a "silent crisis" for civil society. This analysis is based on:

* **A mapping of 85 local CSOs** across the four target governorates.
* **Key Informant Interviews (KIIs)** with 12 local council officials.
* **Review of 2024 UN OCHA data**, showing that **18.2 million people** (nearly 50% of the population) require humanitarian aid, with acute needs rising by 31% in Taiz and Marib.

**2. Detailed Problem Analysis: The "Triple Barrier"**

**2.1. The Institutional Barrier: The Compliance Gap**

The "localization" of aid remains a theoretical goal in Yemen due to an extreme compliance gap.

* **D-U-N-S and PADOR Deficiency:** NMF’s assessment found that **94% of local CSOs** do not possess a D-U-N-S number. Without this, CSOs are relegated to "implementing partner" roles for INGOs, losing 20-30% of project budgets to indirect administrative costs of the intermediary.
* **Financial SOPs:** 78% of CSOs in Lahj and Taiz operate without standardized procurement or anti-fraud policies that meet EU/UN audit requirements.
* **The Gender Gap:** Women-led CSOs (WCSOs) are the primary providers of PSS and GBV services, yet they receive less than **18% of direct funding**. WCSOs are disproportionately affected by the "Mahram" (male guardian) requirements, which restrict the movement of female staff in 60% of target districts.

**2.2. The Digital Barrier: Security and Advocacy Silence**

The 2024 Yemen Human Rights Report highlights severe restrictions on freedom of expression and "unchecked surveillance."

* **Surveillance Reality:** 70% of CSOs use unencrypted personal messaging for sensitive human rights monitoring. In Marib, the seizure of media equipment and detention of activists for filming without "permits" has created a culture of self-censorship.
* **Data Vulnerability:** CSOs lack centralized, secure databases. 65% of surveyed CSOs keep beneficiary records in physical logs or unencrypted Excel sheets, making them vulnerable to confiscation at checkpoints.
* **Lack of Evidence-Based Advocacy:** Because CSOs lack digital monitoring tools, their "advocacy" is often anecdotal. Local authorities in Aden and Taiz frequently ignore CSO recommendations citing a "lack of verifiable data."

**2.3. The Economic Barrier: The Aid-Dependency Trap**

Yemen's GDP has shrunk by 50% since 2015.

* **Unemployment:** Reaches over **80%** in conflict-affected zones.
* **The "Returnee" Phenomenon:** Thousands of families are moving from cities back to rural areas (Lahj and Marib) as they can no longer afford urban rents.
* **MFI Portfolio Risk:** NMF’s own portfolio-at-risk reached **40%** during peak conflict, though it has stabilized. The context shows that the traditional "grant-only" model is failing; there is an urgent need for **social entrepreneurship** to create jobs.

**3. Regional Vulnerability Profiles (2024)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Governorate** | **IDP Concentration** | **Specific Conflict/Access Risk** | **CSO Landscape** |
| **Marib** | Highest in Yemen; 74% intend to integrate locally. | **High:** Frontline clashes and security permits for all activities. | "Service-oriented" but lacks governance capacity. |
| **Taiz** | 20% of all countrywide civilian casualties occur here. | **Extreme:** Frontline fragmentation; high digital surveillance. | Active but fragmented into disconnected districts. |
| **Aden** | Hub for IDP returnees and economic migrants. | **Moderate:** Economic protests and currency collapse risks. | High competition for limited donor funds. |
| **Lahj** | Strategic "corridor" governorate; high rural poverty. | **Low-Moderate:** Tribal dynamics and landmine contamination. | High exclusion from international compliance identifiers. |

**4. Strategic Synergies and Interrelations**

The analysis confirms that these problems are not isolated. The **lack of institutional compliance** (No D-U-N-S) leads to **financial fragility**, which forces CSOs to take "high-risk" shortcuts in **digital security**, which ultimately leads to **political marginalization**.

The EMPOWER-YEMEN action addresses this by:

1. **Granting Identity:** Solving the D-U-N-S/Compliance issue first.
2. **Securing Voice:** Providing encrypted Advocacy Hubs to protect staff.
3. **Building Resilience:** Using the **NMF Social Hub** to transition from aid to social enterprise (The CAP Model).

**5. Evaluation Recommendations (from previous NMF Pilot)**

A 2024 evaluation of NMF’s "Entilaqa" pilot recommended:

* **Move beyond training:** CSOs don't just need workshops; they need the **fee for D-U-N-S registration** and **hardware (laptops/encrypted drives)**.
* **Standardize PSS:** Psychosocial support is currently "ad-hoc." CSOs need a standardized digital "Service Log" to track beneficiary progress.
* **Market Linkage:** "Grantee Marketplaces" are essential. Without involving the private sector, social enterprises will fail after 12 months.