

Yemen launches new development programme focused on jobs, livelihoods and essential services

June 8, 2026



Yemen is set to receive \$285 million in new development funding as part of a broader five-year strategy aimed at improving livelihoods, creating jobs and strengthening essential services in a country still grappling with the economic and social consequences of a decade of conflict.

The new programme marks the beginning of a coordinated development framework running through to 2030, with a strong focus on economic recovery, infrastructure rehabilitation and institution-building.

After ten years of conflict, Yemen faces one of the world's most challenging development environments. Real GDP per capita has fallen by nearly 60%, poverty affects more than three-quarters of the population, and key infrastructure systems remain under significant strain. Yet despite these challenges, sectors such as agriculture, fisheries and small-scale enterprise continue to provide opportunities for economic recovery and employment.

The newly approved programme centres on a simple objective: creating better livelihoods and more jobs while strengthening the systems and infrastructure needed to support long-term recovery.

Four projects to drive immediate impact

The first phase includes four major projects spanning healthcare, water security, urban infrastructure and governance reform.

The largest investment, worth \$153.6 million, will focus on water management and irrigation

infrastructure. Water scarcity remains one of Yemen's most pressing challenges, affecting agricultural productivity, food security and economic resilience. The programme will rehabilitate irrigation networks, restore water supply systems and introduce improved climate and water resource management capabilities.

A further \$94 million will support health, nutrition and water, sanitation and hygiene services, providing integrated support for vulnerable communities. The initiative is expected to reach more than six million people, with a particular focus on women and young children.

Urban infrastructure will also receive significant attention through a \$21 million investment designed to improve roads, water systems, flood management infrastructure and electricity services in selected cities. Approximately 1.75 million people are expected to benefit from improved access to essential urban services.

The fourth project, valued at \$20 million, focuses on strengthening public institutions and governance systems. The programme will support public financial management, statistical systems and institutional capacity, helping create a stronger foundation for future recovery efforts.

A project portfolio built around jobs

What distinguishes the new framework is its emphasis on economic opportunity alongside humanitarian and infrastructure objectives.

Agriculture, fisheries and emerging mariculture industries have been identified as priority sectors with the potential to create employment and generate income in both rural and coastal communities. Investments in water infrastructure and basic services are expected to support these sectors by improving productivity and reducing operational constraints.

Private sector development is also a central component of the programme. Strengthening local businesses, improving access to infrastructure and creating conditions for future investment are viewed as critical to generating sustainable employment opportunities.

For project professionals, the strategy reflects a growing recognition that infrastructure projects alone are not sufficient to drive recovery. Instead, projects are increasingly being designed to deliver interconnected outcomes that combine service delivery, economic development, institutional strengthening and job creation.

Women at the centre of recovery efforts

A key feature of the programme is its focus on increasing women's participation in economic and social life.

Across all four projects, efforts will be made to improve access to services, strengthen financial inclusion and connect women with livelihood opportunities. This reflects evidence from development programmes worldwide that increasing female participation in the workforce can significantly improve household resilience and economic outcomes.

Building local delivery capability

Another notable aspect of the programme is its emphasis on localisation.

Rather than relying exclusively on external delivery mechanisms, the initiative seeks to strengthen Yemeni institutions, businesses and implementation partners. The objective is to build local capacity capable of sustaining recovery efforts over the longer term while creating opportunities for domestic organisations to play a larger role in project delivery.

This approach is increasingly seen as essential in fragile environments, where long-term success depends not only on delivering projects but also on strengthening the systems responsible for maintaining them.

From emergency response to recovery

The programme signals a gradual shift from emergency-focused interventions towards longer-term development and economic recovery.

While humanitarian needs remain significant, the emphasis on infrastructure, governance, private sector growth and employment reflects a broader ambition to support a more resilient and self-sustaining future.

For Yemen, the challenge now moves from programme approval to implementation. Delivering projects at scale in a complex operating environment will require strong coordination, effective governance and sustained engagement across government, private sector and development partners.

If successful, the programme could help create the foundations for economic recovery while improving access to essential services for millions of Yemenis and supporting a new generation of jobs and livelihood opportunities across the country.