

INTERNAL AUDIT OF UNITED NATIONS HUMANITARIAN RESPONSE IN YEMEN

By selected United Nations entities

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INTRODUCTION

This report is a summary of observations from internal audits conducted by selected members of the United Nations Representatives of Internal Audit Services (UN-RIAS).

These audits were coordinated by the internal audit services of the World Food Programme (WFP), the United Nations Children's Fund (UNICEF), and the Office of the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Secretariat with respect to the operations of the Office for the Coordination of Humanitarian Affairs (OCHA).

The objective of the UN-RIAS coordinated audit was to provide assurance to key stakeholders that are funding, managing, implementing and/or overseeing United Nations country operations on the adequacy and effectiveness of inter-agency processes and common activities.

Following the audit, the Humanitarian Coordinator agreed to take various actions to improve efficiency and effectiveness of the United Nations humanitarian response in Yemen and these are shown in italics.

OVERALL CONCLUSION

Inter-agency governance and coordination mechanisms were established but needed to be (and were after the internal audit) streamlined to minimize duplication of roles between the traditional in-country coordination platforms such as the Humanitarian Country Team (HCT) and new platforms unique to Yemen such as the Emergency Cell. While risk management and internal controls were generally established, they could be more efficient and effective through optimizing the collective strength of the United Nations HCT with respect to Accountability to Affected People, managing partnership risk, and monitoring programme implementation. To better assess the impact of the United Nations humanitarian response in Yemen, the HCT also needed to facilitate an Inter-Agency Humanitarian Evaluation.

BACKGROUND, SCOPE AND METHODOLOGY

The humanitarian crisis in Yemen was declared an Inter-Agency Standing Committee (IASC) Level 3 emergency in July 2015. Since then the humanitarian operation in Yemen has grown to become one of the largest in the world. Total funding for the Humanitarian Response Plan (HRP) increased nearly three-fold from \$885.3 million in 2015 to \$2.5 billion in 2018, with further growth to \$3.5 billion in 2019.

This report summarizes internal audit results of agencies accounting for over 80 per cent of the funding received by United Nations system entities for Yemen.



The 2019 Yemen HRP was focused on reducing hunger, outbreaks of infectious diseases and the risk of displacement and violence against civilians. It also focused on protecting internally displaced persons and preserving the capacity of public sector

institutions to deliver life-saving basic services. The results of the Integrated Food Security Phase Classification of December 2018 showed that 53 per cent of the population – 15.9 million people – required humanitarian food assistance. Overall, an estimated 80 per cent of the population – 24 million people – required some form of humanitarian or protection assistance, including 14.3 million who were in acute need. The 2019 HRP targeted 21.4 million people for assistance. A significant increase from the 2018 HRP, which targeted assistance to 13.1 million people, 11.3 million of whom were in acute need, out of a total of 22.2 million people in need inside Yemen.

Up to 13 United Nations agencies, funds and programmes participated in the humanitarian response in Yemen during 2017, 2018 and 2019. Together, they received approximately \$2 billion in 2018 and \$2.7 billion in 2019. This report is a summary of observations from the internal audits of

four of these agencies, which accounted for over 80 per cent of the funding received by United Nations system entities.

The audits were conducted between March and December 2019 by the participating internal audit services¹ and covered the period from January 2017 to August 2019, or parts thereof, as determined by them.

The audit methodology included: (a) interviews of key personnel, (b) reviews of relevant documentation, (c) analytical reviews of data, and (d) observations made during field visits to Yemen.

The audits were conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

AUDIT RESULTS

Governance and inter-agency coordination

In line with the IASC guidance for humanitarian country teams (HCTs), the Yemen HCT was established to ensure that humanitarian action in Yemen is coordinated, principled, timely, effective and efficient and contributes to longer-term recovery. An Emergency Cell chaired by the Humanitarian Coordinator was also established to provide policy and strategic guidance for the emergency response. The Emergency Cell was an innovative approach to address specific challenges in Yemen and its decisions were presented for endorsement to the HCT, which still served as the formal decision-making authority for country-level humanitarian action. However, personnel interviewed during the audit indicated that the Emergency Cell had evolved into a de facto HCT, as its objectives were like those of the HCT, which was already considered too large and diverse at times. After the audit, the HCT endorsed a

functional overview of roles and responsibilities of humanitarian coordination bodies in Yemen, which clarified their activities and membership.

While the Yemen HCT and Inter-Cluster Coordination Mechanism were meeting regularly, clusters remained largely siloed.

The clusters coordinated their humanitarian actions through the Inter-Cluster Coordination Mechanism (ICCM). While the Yemen HCT and ICCM were meeting regularly, clusters remained largely siloed. At its retreat held in March 2019, the ICCM made recommendations to improve its functioning, including through the adoption of a revised planning approach that was recently approved by the IASC to encourage more inter-cluster collaboration. Sub-national

¹ The full audit reports can be found on the websites of the participating organizations as follows:

- WFP, Internal Audit of WFP Operations in Yemen - January 2020, Reference AR/20/03 dated 2 March 2020 (<https://www.wfp.org/audit-inspection-reports>)
- UNICEF, Internal Audit of the Yemen Country Office, Report no. 2019/14 dated October 2019 (https://www.unicef.org/auditandinvestigation/files/2019_oiai_yemen_country_office.pdf)
- UNHCR, Audit of the operations in Yemen for the Office of the United Nations High Commissioner for Refugees, Report no. 2019/102 dated 6 November 2019 (<https://oios.un.org/audit-reports>)
- OIOS, Audit of the operations of the Office for the Coordination of Humanitarian Affairs in Yemen, Report no. 2019/126 dated 17 December 2019 (<https://oios.un.org/audit-reports>)

structures were also established to complement the national coordination mechanisms.

The coordination structures at the field level consisted of staff of the United Nations system at varying grades, typically wearing two hats – their cluster role and their sectoral one. There was a perception of lack of objectivity when staff played both the cluster lead and sectoral roles, especially when there was no co-lead.

The roles of cluster coordinators were also inconsistent as not all clusters had terms of reference.

Following the audit, the Humanitarian Coordinator undertook to work with the HCT to clarify the terms of reference for sub-national coordinators, subject to available funding and periodic review of the geographical scope of sub-national coordination arrangements.

Needs assessment and strategic planning

The quality of data informing needs assessments and analyses was improving.

The quality of data informing needs assessments and analyses improved between 2017 and 2018 with increased ability to collect data at the district level, as opposed to the governorate-level. The Humanitarian Needs Overview (HNO), a key output of the needs-assessment and analysis processes, serves as the evidentiary basis for strategic response planning. In developing the HNO and HRP, cluster planning tools and assessments were supplemented with multi-cluster location assessments.

Based on the respective HNOs, the Yemen HRPs for 2017 to 2019 prioritized life-saving assistance and protection to address the most acute needs. They allocated resources to quasi-developmental activities, which were designed to support resilient livelihoods and strengthen infrastructure in priority districts. These activities, often conducted in partnership with the public sector in Yemen, included rehabilitating healthcare infrastructure, training medical personnel and paying incentives to public service employees. Such assistance was considered necessary in some cases to address the root causes of emergencies

within the crisis; for example, rehabilitating public water systems had the potential of reducing the risk of further cholera outbreaks.

One of the strategic objectives of the HRP, the preservation of the capacities of public sector institutions, required the collective efforts of all aid agencies. The United Nations agencies were interacting separately with the internationally recognized government in Aden and the de facto authority in Sana'a, but the respective authorities were wary and openly dismissive of each other while increasingly demanding that aid agencies use separate processes to interact with them.

The Humanitarian Coordinator commented that the United Nations Country Team (UNCT) would continue to target the Health, Nutrition, WASH (Water, Sanitation and Hygiene), Education and Social Protection sectors for system preservation activities in 2020-21 using funding from the World Bank and other donors. UNCT work would be guided by the United Nations' COVID-19 socio-economic framework, which was finalized in August 2020.

Implementation and monitoring

The organizations represented in the coordinated audit led different clusters, including: (a) Food Security and Agriculture Cluster (WFP, as co-lead with the Food and Agriculture Organization); (b) Protection Cluster (UNHCR); (c) Shelter/Non-Food Items/Camp Coordination and Camp Management

Cluster (UNHCR); (d) Nutrition Cluster (UNICEF); (e) Education Cluster (UNICEF); and (f) Water, Sanitation and Health Cluster (UNICEF). Across all clusters, access challenges remained one of the biggest threats to humanitarian programming in Yemen. While some of those challenges were related

to active warfare in parts of the country, the vast majority were related to administrative and bureaucratic hurdles.

The clusters delivered assistance, in varying degrees, through a combination of distribution of commodities/supplies and cash or voucher-based interventions. Such assistance was delivered either directly to beneficiaries or through implementing partners. In line with the Grand Bargain, there was an increase in the routine use of cash and vouchers alongside the more traditional modes of delivering assistance.

Adequate controls were generally in place to identify the appropriate beneficiaries for the cash assistance programmes, except in one instance where restrictions placed by a donor meant that there was no assurance that the most deserving people were being supported. Disbursements were at times delayed due to low awareness among beneficiaries of the payments, including when and where they would be made. In addition, there were some weaknesses in the assessment of the capacity and competence of implementing partners to deliver cash-based interventions and to validate the components of the minimum expenditure baskets used to set payment amounts for different cash assistance programmes. This situation was exacerbated by high inflation and significant exchange rate fluctuations.



Food distribution was partially suspended from June 2019 until an agreement was signed with the de facto authorities to implement biometric registration in August 2019. Completion of biometric registration was expected to minimize fraud and abuse and result in less reliance on commodity vouchers, which had insufficient security features. Some technical and privacy risks related to biometric registration remained unresolved at the time of audit.

Capacity and access constraints limited the ability of agencies to conduct performance monitoring visits.

Clusters monitored a limited set of HRP activities and targets every month and reported them in a monthly Humanitarian Dashboard. In addition, most agencies used a combination of their own field monitors and third-party monitoring (TPM) mechanisms to validate achievements reported by implementing partners in the field. While monitoring systems were generally improving, capacity and access constraints limited the ability of agencies to conduct performance monitoring visits. Also, there was a limited number of available TPM service providers who had access to hard-to-reach parts of the country, and this resulted in one provider getting most of the work from different United Nations agencies.

The Humanitarian Coordinator indicated that together with the Humanitarian Country Team, they would continue to respect and support agency-specific requirements for TPM, but would consider further strengthening the arrangements depending upon feasibility, added value, availability of suitable TPM companies and sustainability of quality assurance mechanisms.

Inter-agency humanitarian evaluation

The Humanitarian Programme Cycle reference module provides for two modalities to assess the inter-agency humanitarian response after the declaration of an L3 emergency. Operational peer reviews should be undertaken within three months of the declaration, while inter-agency humanitarian evaluations (IAHE) are expected within 12 months. In Yemen, no IAHE had been conducted since the L3 emergency was first declared in 2015, despite significant scale-up in the response that saw total funding for the HRP grow from \$885 million in 2015 to \$3.5 billion in 2019. The primary reason for the delay was concern over the security situation in Yemen.

The IAHE Steering Group (comprising evaluation directors of the United Nations, Red Cross and non-governmental organizations) has since approved the conduct of an IAHE in Yemen.

Accountability to affected populations

In line with the IASC “Commitments on Accountability to Affected People and Protection from Sexual Abuse” updated in November 2017, the Yemen HRP committed to: provide information to beneficiaries, involve the community in decision-making, educate staff on social norms, and develop programmes based on participatory assessments. These commitments were not consistently built into assistance programmes by different United Nations agencies. Some community feedback was gathered through implementing partners’ internal mechanisms, and agencies also used independent means to collect feedback from beneficiaries, such as through TPM, programme site visits, dedicated call centers and some targeted survey activities. However, it was not clear whether the feedback received from the affected communities was being used consistently and effectively to adjust programmes.

An inter-agency network for the prevention of sexual exploitation and abuse (PSEA Network) was established in 2017. Since its establishment, the network had been working on developing standard operating procedures for a community-based

complaints mechanism in line with IASC best practices, and with consideration of the national context. As of audit date, the mechanism had not yet been rolled out. This was identified as a possible reason for a very low incidence of PSEA complaints, even though anecdotal evidence suggested a higher incidence rate on the ground.

The Humanitarian Coordinator stated that the PSEA Network supports the work of the PSEA Steering Committee in Yemen, that is co-chaired by the Humanitarian Coordinator, UNICEF and UNHCR. The Committee serves as the senior-level body with primary accountability, decision-making, and oversight of PSEA activities in the country. The PSEA Network would continue to ensure that any complaint received in respective organizations or through the Network is logged, referred and followed up with the concerned organization for action and survivor assistance utilizing the existing gender-based violence services and referral pathways.

Partnership risk management

United Nations agencies could coordinate the management of implementing partners to share/minimize related risks.

Partners included non-governmental implementing partners and partners of the internationally recognized government and the de facto authority (governmental partners). Working with governmental partners was either a strategic choice to sustain public systems or a response to challenges faced by aid agencies in sourcing qualified non-governmental implementing partners to match the scale of the response. Some steps were taken based on lessons learned from performance evaluations, periodic monitoring (through internal teams, third-party monitoring teams or external audits) and periodic reporting activities to build the capacity of both governmental and non-governmental implementing partners. However, risk assessments of implementing partners were not always up to date to reflect the current operating context. In addition,

adverse findings from monitoring/audit reports, including those pointing towards potentially fraudulent activities, were not always addressed in a timely manner.

The agencies participating in this audit agreed to implement specific actions to strengthen partnership risk management as applicable. These included updating implementing partner risk assessments, completing their performance evaluations and following up on significant findings from monitoring activities.

The Humanitarian Coordinator undertook to continue to work with UNCT to more effectively manage and mitigate partner-related risks through strengthening the implementation of three core strategies including: (i) the comprehensive UNCT risk management strategy; (ii) the United Nations system-wide anti-corruption strategy; and (iii) the Harmonized Approach to Cash Transfers.

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