

**Corporate Social Responsibility Practices in Yemen**  
**Assessing the Role of Private Sector in The Humanitarian and  
Development Response In Yemen – March 2024**



**MINISTRY OF  
FOREIGN AFFAIRS  
OF DENMARK**  
*Danida*

**DRC**

 **TYF**  
Tamdeen Youth Foundation  
مؤسسة تمدين شباب



## Acknowledgements

This study, "Social Responsibility Practices in Yemen: An Assessment Through Desk and Field Research", would not have been possible without the invaluable support of many individuals and organizations.

### *Financial Support*

We are grateful to the Danish International Development Agency (DANIDA) for providing the funding that made this research a reality. Their commitment to research on critical issues is deeply appreciated.

### *Participants and Respondents*

Our deepest gratitude goes to all the respondents and participants who generously shared their time and insights. Their participation in surveys, Key Informant Interviews (KIIs), and discussions was essential. Their voices and experiences form the foundation of this study.

### *Institutional Support*

We extend our sincere appreciation to the Danish Refugee Council (DRC) for their ongoing support and guidance throughout the research process. We would like to thank Mr. Taha Al-Akahali, Mr. Ahmed Al-Ashwal, and Mr. Abdulrahman Al-Asali for their invaluable help.

We are also grateful to the Tamdeen Youth Foundation leadership team, especially Mr. Hussain Alsuhaily, Mr. Badar Aldeen Alfahd, Mr. Jameel Abdu Ali, Mr. Abdulrazaq Al-Farran, Dr. Tamam Alhitari, Dr. Ebrahim Almosllmy, Mr. Taha Alsrori, and Dr. Ali Alburahi, for their support and collaboration.

### *Technical Support - Voluntary*

We are thankful to Germany's umbrella organization VENRO for offering the opportunity for a dedicated training session on Participatory Data Collection Methods specifically Ms. Karoline Krähling.

Special thanks go to Mrs. Luara Rana, a MEAL, and Research Consultant, who provided training and guidance.

### *Research Team*

The dedication and expertise of Dr. Abdulkareem Qasim Alkhateeb were instrumental in data collection, analysis, and report writing. We are also indebted to Mr. Abdulqawi Hajeb, whose contributions included designing the methodological framework, data collection tools, inception report, literature review, validation, and revisions of the report. His leadership and oversight throughout the planning and execution of the project were essential to its success.

### *Additional Thanks*

Finally, our sincere thanks extend to everyone who played a role in this study, even if their contributions are not explicitly mentioned here.



MINISTRY OF  
FOREIGN AFFAIRS  
OF DENMARK  
Danida

DRC



## List of Abbreviations

CSR	Corporate Social Responsibility
DANIDA	Danish International Development Agency
DRC	Danish Refugee Council
TYF	Tamdeen Youth Foundation
MCRSC	Market and Consumer Studies and Research Center
ISO	International Organization for Standardization
WB	World Bank
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
MIF	Microfinance Investment Facility
CIPE	Center for International Private Enterprise
GCGF	Global Corporate Governance Forum
IFPRI	International Food Policy Research Institute
UNDP	United Nations Development Programme
IICY	The Global Initiative against COVID-19
PPEs	Personal Protective Equipment
SMPES	Small and Medium Enterprises Promotion Service
YFB	Yemeni Food Bank
YMB	Yemeni Medicine Bank
NGOs	non-governmental organizations
OCHA	Office for the Coordination of Humanitarian Affairs
HAS	Hayel Saeed Anam & Partners
FSO SAFER	Floating Storage and Offloading Safer
HDP	Human Development Program
PPP	Public-Private Partnerships

## Contents

Acknowledgements.....	1
List of Abbreviations.....	2
Contents .....	3
Executive Summary .....	6
Main Findings of The Study .....	8
Section One: Study Methodology .....	14
1.1. Background and context of the study:.....	14
1.2. Challenges:.....	14
1.3. Objectives Of the Study: .....	15
1.4. Study Methodology: .....	15
1.5. Analysis Methodology .....	19
1.6 Limitations of the Study .....	19
Section Two: The Theoretical Framework of Social Responsibility .....	20
2.1. Concepts Of Social Responsibility for The Private Sector .....	21
2.2. The Importance of Corporate Social Responsibility .....	24
For the institution: .....	24
For employees: .....	25
For society: .....	25
Importance to the state:.....	25
2.3. Dimensions of The Social Responsibility .....	26
2.4. Principles Of Social Responsibility for Business Organizations .....	26
2.5. Areas Of Social Responsibility Implementation .....	27
Section Three: The Context of Social Responsibility of the Private Sector in Yemen	30
3.1. Social Responsibility in The Yemeni Cultural and Social Context.....	31
Adapting Social Responsibility to Suit Local and National Circumstances .....	31
The Importance of Bridging the Relationship Between Philanthropy and Social Responsibility .....	31
Drawing from History: Social Responsibility as a Shared Path for Yemeni Society	32
Waqf: A Cornerstone of Social Responsibility in Yemen .....	33
3.2. Country Context: The Context of the Humanitarian Crisis in Yemen .....	38
3.3. Sectorial Context: An Overview of the Yemeni Private Sector .....	40
Effects Of War on the Private Sector .....	42

3.4. Social responsibility policies and mechanisms for the private sector in Yemen	45
Initiatives To Develop a Social Responsibility Policy Framework .....	45
Mechanisms For Implementing Social Responsibility Programs of The Private Sector	49
Section Four: Scope and focus of CSR Initiatives in Yemen.....	63
4.1. Experience In the Field of Corporate Social Responsibility .....	64
4.2. Scope And focus of CSR Initiatives.....	66
Target Groups .....	66
The Geographical Scope of Implementing Social Responsibility Initiatives.....	66
Focus of CSR Initiatives:.....	67
Impact And Resources .....	87
4.3. Internal Environment Analysis.....	89
Governance And Reporting of CSR Initiatives .....	89
Capabilities And Experiences .....	94
4.4. External Factors and Opportunities of CSR Initiatives in Yemen.....	96
External Factors/Challenges .....	96
Opportunities .....	98
4.5. Improving Private Sector Engagement .....	99
Funding Models.....	99
CSR Initiatives Integration in Response System.....	100
Establishing A Dedicated Corporate Social Responsibility (CSR) Center In Yemen	101
Partnership And Coordination Between the Private Sector and Local and International Actors	
.....	101
Partnership Between the Public Sector and The Private Sector. ....	102
Partnership With Civil Society .....	104
Partnership Between the Private Sector, International Organizations and Donors	105
Private Sector Coalitions and Networks .....	109
Section Five: Recommendations.....	112
1.Recommendations to Private Sector .....	112
2.Government Agencies .....	113
3.Non-Governmental Organizations (NGOs) and International Agencies.....	114
4.For international organizations and donors .....	115
5.Chambers of Commerce and Industry Associations: .....	116
6.For Educational Insinuations.....	116

7.Potential Areas for Future Research.....	116
List of References .....	119

## Executive Summary

This study aimed to evaluate the practices and impact of private sector Corporate Social Responsibility (CSR) initiatives in Yemen, contributing to a more localized response to the country's humanitarian and developmental challenges. It involved a comprehensive assessment of CSR initiatives and practices, identifying internal and external challenges and opportunities, and providing recommendations for enhancing private sector engagement in humanitarian and developmental responses in the country.

This study is part of a broader strategy to localize and improve response mechanisms in Yemen. It was funded by the Danish International Development Agency (DANIDA) and sponsored by the Danish Refugee Council (DRC) and Tamdeen Youth Foundation (TYF). Recognizing the vital role of the private sector in the response, this study seeks to strengthen private sector involvement in humanitarian and developmental efforts in Yemen.

The problem addressed by the study is the largely unclear effectiveness, impact, and coordination of private sector CSR initiatives. While companies have increasingly engaged in various CSR initiatives in Yemen since 2015 and earlier, the lack of comprehensive evaluation hinders their improvement and integration into the overall response and localization efforts. This study addresses this critical gap by assessing the current state of CSR in Yemen, identifying challenges and opportunities, and ultimately guiding proposals to enhance the role and impact of private sector participation in the humanitarian and developmental response.

The importance of this study lies in its being the first of its kind in Yemen, aiming to improve the effectiveness and impact of CSR initiatives in Yemen, ultimately enhancing the local response to the country's escalating humanitarian and developmental challenges.

The study followed a mixed-methods approach, incorporating both qualitative and quantitative research methods. This included a survey of 30 companies and businesses, interviews with key stakeholders, focus group discussions, case studies, and desk research.

The study consists of four sections, in addition to the introduction and methodology. The first section, the theoretical framework, addresses the concepts, principles, importance, dimensions, and areas of application of CSR. The second section examines the context of CSR in Yemen, including the Yemeni cultural and social context, the national context regarding the humanitarian crisis, and the sectoral context providing an overview of the Yemeni private sector.

The third section presents the policies and mechanisms of CSR in Yemen, showcasing initiatives aimed at developing a formal framework for CSR policies and mechanisms, as well as reviewing mechanisms for implementing CSR programs. The fourth section covers the areas of CSR implementation in Yemen, including economics, public policy influence and advocacy, security and justice, education,

environment, health and food, and livelihood improvement. The fifth section analyzes the challenges and opportunities facing CSR performance in Yemen, including challenges related to the nature and size of the Yemeni private sector, the predominance of small and medium-sized enterprises, and challenges related to weak knowledge and skills, in addition to corruption, weak corporate governance, and lack of accountability. This section also discusses partnerships and coordination between the private sector and other actors: the government, local civil society organizations, international organizations, and donors. Additionally, it highlights private sector initiatives for networking and coordinating CSR efforts, as well as the clusters and coalitions established by the private sector.



## Main Findings of The Study

1. **The concept of social responsibility in the Yemeni cultural and social context:** The study revealed multiple definitions of Corporate Social Responsibility (CSR) concepts and differing approaches and areas of application. It emphasized the importance of considering specific local and national circumstances, including economic, institutional, cultural, and other conditions. The study highlighted the need to bridge the gap between charitable work and CSR, as charitable acts are prevalent, and the concept of charity is the primary motivator for social responsibility in the Islamic cultural context and in Yemen. The findings demonstrated how the concept of ongoing charity (Sadaqah Jariyah) and the endowment system (Waqf) can be utilized as tools for social responsibility and sustainable development.
2. **Dominance of Small and Medium Enterprises and the Challenges of Social Responsibility:** Small and medium enterprises (SMEs) dominate the Yemeni private sector, constituting 97% of all businesses and employing over 600,000 workers. These companies are concentrated in the wholesale, retail, maintenance, and industrial sectors. Although social responsibility is typically associated with large corporations with sufficient financial and human resources, Yemeni SMEs face challenges in implementing social responsibility programs due to their limited resources and focus on short-term profits. This requires a more specialized approach when aiming to disseminate social responsibility practices among these institutions.
3. **Organizational and institutional framework for social responsibility in Yemen:** There is an absence of an institutional regulatory framework for CSR in Yemen. There are no specific policies or official government bodies dedicated to CSR in Yemen, making such initiatives merely individual efforts by businesses. The private sector, in partnership with relevant government agencies, has undertaken several initiatives to establish a framework for CSR policies and mechanisms, but these efforts have stalled due to the ongoing conflict and have not yielded practical results.
4. **Corporate Social Responsibility Practices:** Private sector companies in Yemen practice CSR through various mechanisms, including internal CSR frameworks, charitable and developmental associations affiliated with large family businesses, and non-governmental organizations (NGOs) established and funded by the private sector through donations. The majority of companies do not practice CSR systematically, lacking policies, guiding principles, or specific plans.
5. **Experience in implementing social responsibility initiatives:** Over two-thirds of companies have undertaken CSR initiatives since 2015, with the majority having limited experience in

implementing such initiatives, not exceeding ten years. Large companies lead in CSR initiatives, followed by small and then medium-sized enterprises.

#### 6. Scope and focus of private sector social responsibility initiatives:

- a) **Women as Primary Beneficiaries:** Women are the primary beneficiaries, followed by men in general, then youth, and people with disabilities. However, the results indicate a lack of private sector attention to certain groups affected by the war, such as internally displaced persons (IDPs) in areas where companies have headquarters and branches.
- b) **Philanthropic Contributions and Emergency Assistance:** A significant portion of CSR activities (35.3%) revolves around philanthropic contributions and emergency assistance. The distribution of food baskets emerges as the most prevalent initiative, underscoring a commitment to addressing immediate needs and providing essential sustenance in times of crisis. Additionally, companies are actively involved in providing healthcare and medical aid, shelter and housing assistance, water and sanitation, and in-kind donations to support various social causes. These efforts collectively demonstrate a strong focus on alleviating suffering and supporting vulnerable communities.
- c) **Development Projects:** Companies are investing in a range of development projects aimed at fostering long-term social and economic progress. Education initiatives and job creation projects share the spotlight, each accounting for 27.3% of development-related activities. This indicates a dual focus on enhancing human capital and creating employment opportunities. Furthermore, there's a notable emphasis on economic empowerment programs (22.7%), which seek to equip individuals and communities with the skills and resources needed to achieve financial independence. Environmental protection and infrastructure development also receive attention, albeit to a lesser extent.
- d) **Partnerships and Collaboration:** Collaboration emerges as a key theme in CSR endeavors. Monetary donations to charities and NGOs constitute the largest share (41.7%) of partnerships and collaborations, highlighting the importance of financial support in driving social impact. Companies are also actively engaging in collaborative initiatives with NGOs and UN agencies, recognizing the value of shared expertise and resources in tackling complex challenges. Joint implementation of CSR projects and contributions to government programs further underscore the collaborative nature of these initiatives.
- e) **Peacebuilding Efforts:** A noteworthy aspect of CSR is the dedication to peacebuilding initiatives. Fostering dialogue and social cohesion, supporting peace negotiations, and promoting peace, reconciliation, and conflict resolution are all equally prioritized, each

accounting for 30% of peacebuilding activities. These efforts reflect a comprehensive approach to peacebuilding, acknowledging the importance of communication, negotiation, and reconciliation in achieving lasting peace. Addressing the root causes of conflicts, while less frequent, remains a crucial component of these initiatives.

- f) **Environmental and Climate Initiatives:** A small number of businesses have programs and initiatives related to the environment and climate. These include environmental sustainability projects, promoting renewable energy, and contributing to climate change mitigation and adaptation efforts.
- g) More than half of the companies implement CSR initiatives in partnership with other stakeholders, primarily partnerships with local NGOs, followed by partnerships with international organizations, then with the local community. Partnerships with the government come last with a very low percentage.

The findings highlighted the private sector's role in sustaining the economy. In the realm of policy and advocacy, the private sector, represented by chambers of commerce and other formations, has presented several initiatives and political visions to neutralize the economy from the ongoing conflict and enhance the private sector's role in humanitarian response, development, and peacebuilding. The private sector has a limited role in supporting security and justice, while some large companies have contributed to supporting education, health, and food security. However, the sector's interest in the environment is very limited despite its importance in corporate social responsibility.

## 7. Impact and Resources:

### **Beneficiaries:**

- a) **Immediate Relief Focus:** The majority of beneficiaries reported were reached through philanthropic contributions and emergency assistance programs, particularly food distribution and job creation projects. This highlights a prioritization of addressing immediate needs and providing sustainable livelihoods. However, it is crucial to acknowledge that these figures only represent a partial picture, as beneficiary data is largely unavailable for many initiatives due to a lack of formal data collection and reporting practices.
- b) **Diverse Reach (Potentially Underestimated):** CSR initiatives spanned various sectors, impacting individuals in need of food, shelter, healthcare, education, economic empowerment, and environmental protection. The true reach of these initiatives is likely more extensive than reported, as the absence of official data for many programs, especially in partnerships and

collaboration, peacebuilding, and environmental projects, suggests an underestimation of the actual beneficiaries.

- c) **Limited Data Hinders Comprehensive Assessment:** The lack of official data on beneficiaries for numerous initiatives significantly limits the ability to fully assess the overall reach and impact of CSR efforts. This data gap highlights the need for improved data collection and reporting practices within companies to accurately gauge the effectiveness of their CSR programs.

#### Resources:

- a) **Significant Investment in Infrastructure:** The largest financial allocation was directed towards infrastructure development, indicating a focus on building sustainable foundations for communities. However, this investment represents only a fraction of the total resources allocated to CSR, as many programs lack documented budgets.
- b) **Emergency Assistance and Donations:** Reported financial figures were allocated to emergency assistance (food and shelter) and monetary donations to charities and NGOs. While these contributions are significant, they only represent a small portion of the overall resources dedicated to CSR initiatives. The lack of financial data for many programs prevents a comprehensive understanding of resource allocation.
- c) **Uneven Resource Distribution (Potentially Exacerbated):** The available data suggests that most of the funding is concentrated in a few areas, primarily those with quantifiable beneficiaries and budgets. This could indicate an uneven resource distribution, potentially neglecting initiatives that lack formal data collection and reporting.
- d) **Non-Monetary Contributions Underrepresented:** The data highlights the importance of in-kind donations and collaborative efforts. However, these contributions are not adequately captured in monetary figures, making it difficult to assess their true value and impact on CSR outcomes. The absence of standardized reporting mechanisms further complicates the assessment of these non-monetary contributions.

The analysis reveals a significant disparity between the observable impact of Corporate Social Responsibility (CSR) initiatives and the lack of comprehensive data to support it. While companies prioritize immediate relief and long-term development, the absence of robust reporting on beneficiaries and resources hinders a thorough evaluation of their efforts. To ensure transparency and accountability, companies need to adopt standardized data collection and reporting practices across all CSR initiatives. This would enable a more accurate assessment of their true impact, facilitate informed decision-making,

and ultimately contribute to more effective and meaningful contributions to society and the environment.

#### 8. Internal environment of CSR initiatives:

- a) **Governance and Reporting:** More than half of private sector institutions (53.33%) do not have dedicated policies, guidelines, or plans for CSR initiatives. Companies that report their social initiatives primarily use social media (Facebook, Twitter, etc.), followed by the company's annual report, then a dedicated section on the website. Rarely, some large companies dedicate a special report to CSR. Companies that do not disclose their social initiatives justify this by considering them charitable acts and donations for the sake of God, preferring not to disclose or publicize them.
- b) **Capacities:** The capacities of the majority of companies to implement social initiatives are of a medium or weak extent, while only 23.33% reported have these capacities and expertise to a high degree. The most needed skills and expertise to enhance the company's ability to implement CSR activities are project management and planning, followed by stakeholder engagement and cooperation (10%), then technical expertise (in areas such as health, education, development, environment), as well as monitoring and evaluation (6.67%), and finally, risk management and compliance skills and expertise.

#### 9. Challenges and opportunities:

- a) **Challenges:** The results showed that the most significant challenges facing companies in implementing CSR programs are the fragile security situation for the majority of companies, followed by weak trust and transparency, limited cooperation and resources, coordination complexities and multiple stakeholders, difficulty reaching remote communities, and the regulatory legal environment.
- b) **Opportunities:** There are three main opportunities available for engaging the private sector in responding to ongoing humanitarian and developmental challenges: job creation and economic development, followed by financial support, then expertise and technical assistance. Additional opportunities with lower degrees include innovation and technology, social impact investment, public-private partnerships, CSR initiatives, and finally humanitarian partnerships.

10. **Preferred Funding Models for CSR in Yemen:** The most preferred funding model for streamlining private sector CSR contributions in Yemen is through companies' own CSR initiative funds, indicating a desire for autonomy and control over their social impact investments. However, there is also strong support for collaborative approaches, community-based initiatives, and social

impact investment funds, highlighting the need for diverse and adaptable funding mechanisms to address varying needs and priorities.

11. **CSR Initiatives Integration in Response System:** Stakeholders in Yemen advocate for a multifaceted approach to enhance the integration of corporate social responsibility (CSR) initiatives with existing response mechanisms. This includes actively engaging with established coordination platforms, fostering collaboration among private sector actors and humanitarian organizations, conducting comprehensive needs assessments and resource mapping, investing in capacity building programs, and implementing robust impact measurement and reporting mechanisms. The vast majority of companies believe that establishing a dedicated center or network for CSR in Yemen would be beneficial in enhancing private sector participation in addressing the country's humanitarian and developmental challenges.

## Section One: Study Methodology

### 1.1. Background and context of the study:

The humanitarian and developmental crisis in Yemen necessitates collective action from all stakeholders, including the private sector. While private companies have engaged in Corporate Social Responsibility (CSR) initiatives since 2015 and earlier, the effectiveness and impact of these efforts remain largely unclear, hindering their potential contribution to a coordinated and locally driven response. This study addresses this critical gap, aligning with the "Localization and Optimization of Response Mechanisms in Yemen" initiative's strategy: to enhance existing resources and foster local ownership to improve the efficiency and effectiveness of the response.

This study falls within the broader framework of the Localization initiative and is funded by the Danish International Development Agency (DANIDA) and sponsored by the Danish Refugee Council (DRC) and the Tamdeen Youth Foundation (TYF). Recognizing the vital role of the private sector in the response, the localization initiative, through this study, seeks to strengthen the private sector's role and participation in the humanitarian and developmental response in Yemen.

### 1.2. Challenges:

Despite the ongoing humanitarian and developmental needs, several challenges hinder the optimal contribution of private sector Corporate Social Responsibility (CSR) initiatives in Yemen:

- **Limited data and understanding:** The scope, focus, and effectiveness of current initiatives remain poorly understood, lacking comprehensive data on targeted areas, beneficiary reach, and budget allocation.
- **Uncertain impact on communities:** It is often unclear whether initiatives effectively and efficiently address local needs and achieve positive outcomes, or if they inadvertently create unintended consequences.
- **Internal limitations within companies:** Weak governance structures, inadequate reporting mechanisms, and limited internal capacities can hinder the transparency and effectiveness of CSR efforts.
- **External factors hindering progress:** The impact of regulations, security concerns, and partnerships on CSR implementation requires analysis to identify and overcome existing obstacles.
- **Limited private sector engagement:** Strategies are needed to encourage greater participation, build capacity, foster knowledge exchange, and develop effective coordination models to unlock the full potential of the private sector.

### 1.3. Objectives Of the Study:

Main Objective:

To contribute to a more effective and locally led response to humanitarian and development needs in Yemen by strengthening the private sector's engagement and impact through a comprehensive assessment of their social responsibility initiatives and practices, identify internal and external challenges and opportunities, as well as provide recommendations for improving private sector's engagement in response.

Sub-objectives:

1. Assess current practices and Impact:
  - Assess the scope, focus, and achievements of private sector social responsibility initiatives.
  - Identify best practices and lessons learned for future initiatives.
2. Analyze Internal Environment:
  - Evaluate the governance structures, and reporting mechanisms within companies regarding social responsibility.
  - Assess the capacity and expertise of companies to implement effective initiatives.
3. Understand External Challenges and Opportunities:
  - Understand the most significant external factors that impact the implementation of social responsibility initiatives by the private sector.
  - Identify opportunities and challenges stemming from the Yemeni context.
4. Enhance Private Sector Engagement:
  - Recommend models to increase private sector participation in humanitarian and development efforts.
  - Explore model of coordinating and linking these initiatives.

By bridging the knowledge gap and providing strong recommendations, this study seeks to unleash the untapped potential of social responsibility in the private sector and pave the way for a more resilient and locally led response future to humanitarian and development challenges in Yemen.

### **1.4. Study Methodology:**

The study employed a multi-methodological approach, utilizing various techniques aligned with the standard indicators of CSR dimensions, areas, characteristics, and the local context. Both qualitative and quantitative research methods were employed, including focus group discussions, individual interviews with stakeholders, distribution of questionnaires, and case studies. The following details the methodology and tools used in data collection:



- Data Collection Methods:
  - **Desk Review:** A review of studies, research, reports, and an analysis of the content of public policy documents and legislation related to CSR, as well as practices and activities undertaken in recent years.
  - **Case Studies:** To assess the reality of CSR, seven case studies were selected from companies and associations affiliated with the private sector.
  - **Key Informant Interviews (KIIs):** Twenty-two semi-structured interviews were conducted with individuals identified from various stakeholder groups. These included stakeholders such as the Ministry of Industry and Trade, the General Federation of Chambers of Commerce, the Chamber of Commerce and Industry in Taiz Governorate, commercial companies, charitable and developmental associations affiliated with commercial companies, civil society organizations supported by the private sector, and experts.
  - **Survey:** A survey was conducted on a sample of private sector institutions to assess CSR through a questionnaire consisting of the following axes:

#### 1. Demographic Data of the Study Sample:

- Type of company activity, company size, geographical location of the company's headquarters.
- Experience in the field of Corporate Social Responsibility (CSR), including questions to determine the percentage of companies undertaking CSR initiatives and years of experience in implementing CSR initiatives.

#### 2. Scope and Focus of Corporate Social Responsibility Initiatives:

- Social and geographical scope: Target groups that have primarily benefited from CSR initiatives and the geographical scope of implementation.
- Areas of focus for CSR initiatives, including five areas: charitable projects and emergency aid, development projects, partnerships and cooperation, peacebuilding, environment, and climate.
- Impact and resources: Includes five questions related to measuring the number of beneficiaries, estimated budgets for CSR projects implemented by companies in the past three years, and partnerships established by businesses with other stakeholders (NGOs, government, international organizations, local communities, academic institutions).

#### 3. Analysis of the Internal Environment of Corporate Social Responsibility in Private Sector Companies and Institutions:

- This part focuses on assessing the internal capabilities of companies regarding CSR, including governance and reporting on policies, guidelines, and plans dedicated to CSR, as well as disclosure of CSR activities and reporting methods.
- It also assesses the extent to which the company possesses the necessary capacities and expertise to implement CSR initiatives and its urgent capacity-building needs in areas such as project management and planning, monitoring and evaluation, risk management, advocacy and media, and technical expertise in CSR implementation areas.

#### 4. Analysis of External Factors:

- This section focuses on identifying the challenges and opportunities facing the private sector in implementing CSR initiatives and its participation in the ongoing humanitarian and developmental response in Yemen.

#### 5. Enhancing Private Sector Participation:

- This section focuses on assessing the trends of private sector companies and institutions towards the best possible mechanisms to increase private sector participation and integrate it into the response system, including the most effective financing mechanisms to streamline CSR contributions in Yemen, and how to better link and coordinate private sector contributions with existing response mechanisms and programs in Yemen.

#### The Sample Size:

The survey covered 30 companies and business institutions distributed according to type of company, which are public services in corporates with 36.67%, followed by financial institutions/INOC [26.67%], industrial companies [16.67%], wholesale [10%], and others, which are private sector organizations working in humanitarian activities [10%], and export [3.33].

Company Activity	Number	Ratio
Public services	11	36.67
Financial institutions (banks)	8	26.67
Industrial	5	16.67
Wholesale	3	10
Import	2	6.67
Other	2	6.67
Export	1	3.33

*Table 1 Distribution of The Sample According Company Activity*

The survey included 12 companies [40 percent] which are small companies [with fewer than 50 employees], while medium companies [with 50-250 employees] are 7 companies [23.33 percent], and large companies [with more than 250 employees] are 11 companies. [37.67 percent].

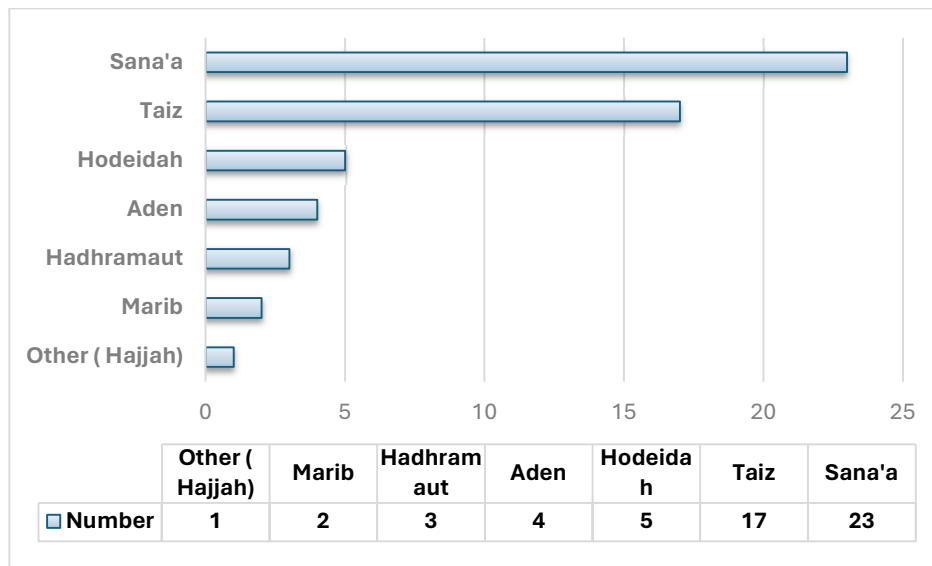
Company Size	Number	Ratio %
Small	12	40
Medium	7	23
Big	11	37

*Table 2 Sample Distribution According to Company Size*

### Location of HQs:

Figure 1 shows the distribution of company headquarters across various locations in Yemen:

- **Sana'a Dominance:** Sana'a is the most common location for company headquarters, accounting for nearly half of the total (46%).
- **Concentration in Major Cities:** The majority of companies (80%) are headquartered in the three largest cities: Sana'a, Taiz, and Aden.
- **Limited Presence Elsewhere:** The remaining locations have relatively few company headquarters, indicating a lower concentration of businesses in those areas.



*Figure 1 The geographical location of the companies' headquarters and branches*

It can be said that businesses with headquarters or branches in more than one governorate are often joint-stock companies and large companies in general, and to some extent, medium-sized companies. The geographical scope of a company's operations is related to its type. For example, most banks have their headquarters in the capital and have branches in all governorates, as do some industrial companies.

### **1.5. Analysis Methodology**

The research used the descriptive approach in describing the reality of social responsibility, and the comparative approach in evaluating experiences and practices, and extracting lessons learned that are appropriate to the Yemeni context. And the SWOT analysis model to identify opportunities, challenges, strengths and weaknesses.

### **1.6 Limitations of the Study**

This study provides valuable insights into CSR practices in Yemen, but it is not without limitations.

- **Limited Geographic Scope:** Due to resource constraints and the ongoing conflict, the study primarily focused on urban centers and larger businesses. This may not fully represent CSR practices in rural areas or among smaller enterprises.
- **Sample Size:** The sample size of 30 companies, while sufficient for an initial assessment, may not be fully representative of the entire private sector in Yemen. A larger sample size could provide more statistically robust findings.
- **Data Collection Challenges:** The ongoing conflict and security concerns presented challenges in data collection, potentially limiting access to certain areas or stakeholders.

This report was originally written in Arabic and subsequently translated into English. While every effort has been made to ensure the accuracy and fidelity of the translation, some nuances or cultural references specific to the original language may have been lost in translation.

Despite these limitations, this study provides a valuable baseline for future research on CSR in Yemen. By acknowledging these limitations, this research aims to pave the way for more comprehensive and nuanced investigations into the role of CSR in the country's development and recovery.

## Section Two: The Theoretical Framework of Social Responsibility

Concepts, Principles, Dimensions and Application Areas

## 2.1. Concepts Of Social Responsibility for The Private Sector

There are many opinions about defining the concept of social responsibility for companies and business institutions, but these opinions agree in terms of content, and they all focus on specific basics. The concept of corporate social responsibility is widely used to describe specific policies in the field of decision-making adopted by business owners. These are committed to ethical values and laws and are characterized by respect for human rights and the priorities of local communities, including environmental protection. Combined with responsibility to a range of stakeholders, particularly consumers, workers and their representatives, investors and shareholders, responsibility can be assessed to the extent that a growing set of criteria is met.

Social responsibility is linked to a broader concept, which is the concept of corporate citizenship, which indicates the existence of an effective role for private sector institutions by describing each of them as a “citizen” with rights and responsibilities. In addition to adopting internal business policies and practices within the framework of corporate social responsibility, we find that the concept of corporate citizenship is specifically directed at maximizing the private sector's contributions to social development. The concept of citizenship goes beyond focusing on compliance, responding to external scrutiny, or simply minimizing negative impacts, and thus involves the private sector more proactively in seriously searching for and pursuing ways to promote social development.<sup>1</sup>

The concept of social responsibility relates to two dimensions of any company's activity: the company's internal governance, and the extent of its commitment to applicable laws that guarantee the social rights of its employees and consumers of its products or services, on the one hand, and external governance, that is, the company's dealings with local communities outside the context of its commercial work. None of the definitions stipulates a legally binding concept, but rather is limited to the obligations that companies define for themselves and adhere to base on their experience and vision of their role.

The level of expansion in the definition of social responsibility for society represents the development that included the concept of social responsibility. In its broader sense, it defines society as [stakeholders and other parties], and for the various levels that keep ongoing and evolving interests with the organization.<sup>2</sup>

Below we review the most important and most common definitions:

---

<sup>1</sup> United Nations: Commission for Social Development, National and International Cooperation for Social Development [Report of the Secretary-General], 12 December 2002

<sup>2</sup> Sana Abdel Rahim Saeed, and Abdel Reda Nasser Al-Bawi, the strategic role of comprehensive social responsibility in achieving sustainable competitive advantage / a case study in the General Company for the Southern Fertilizer Industry, Journal of Management and Economics, Issue Eighty-Three 2010

- Drucker Knew [Drucker 1977] Social responsibility means “an organization’s commitment to the society in which it operates, and this commitment expands with the expansion of the segment of stakeholders in this society and the diversity of their views.” At the same time, Holmes presented a point of view that sees social responsibility as a moral, humanitarian and moral obligation that institutions bear towards the society in which they operate, by contributing to a wide range of social activities such as fighting poverty, improving health services, combating pollution, creating job opportunities, solving housing problems, and others.<sup>3</sup>
- The European Commission defined responsibility as "a concept through which companies decide to contribute voluntarily for a better society and a cleaner environment. In addition, social responsibility is the process through which companies manage their relationship with various stakeholders."<sup>4</sup>
- As defined by the ISO organization, social responsibility: “The company expresses its responsibility towards the impact of the decisions and activities it undertakes on the environment and society, which is reflected in moral behavior through: sustainable development, including health and well-being of society - considering what pressure groups expect - respecting laws with consideration international standards – making them part of the organization’s culture and relationships.<sup>5</sup>
- The World Bank defined the social responsibility of private sector enterprises as “the commitment of economic activity owners to contribute to sustainable development by working with their employees, the local community, and society as a whole to improve the standard of living of people in a way that serves trade and development at the same time.”
- The World Business Council for Sustainable Development also defined social responsibility as “the continuous commitment by business companies to act ethically, contribute to achieving economic development, and work to improve awareness of the living conditions of the workforce, their families, the local community, and society as a whole.”<sup>6</sup>

---

<sup>3</sup> Diafi Nawal, Corporate Social Responsibility and Human Resources, Master’s Thesis, Abu Bakr Belkaid University - Tlemcen, Algeria, 2010

<sup>4</sup> Iman Saadeh and Raja Al-Khalidi, the reality of social responsibility of Palestinian companies and ways to direct it towards supporting social development, Palestinian Economic Policy Research Institute [MAS] 2019

<sup>5</sup> Arab Democratic Center, Social Responsibility of Institutions and Companies between Theoretical Approaches and Applied Practices, Germany, Berlin, 2019

<sup>6</sup> Yahyawi Naima, Examples of Some International and Islamic Companies in Consolidating Social Responsibility, Money and Markets Magazine

- The concept of social responsibility was based in its formulation and crystallization on three main facts:<sup>7</sup>
  - 1) **Moral truth:** It is concerned with the social values that affect the internal activities of the organization. Therefore, the concept of social responsibility focuses on the relationship between the business organization and the values of the community with which the organization deals, especially in the organization's community.
  - 2) **Rational truth or legitimacy:** It is concerned with the legitimacy that society gives to the organization, through the rules of society that affect the strategic goals of the business organization and its efforts to adhere to social expectations, and among these rules [the laws of social outcomes, fines, social boycott, and social punishment]
  - 3) **Economic reality:** Social responsibility is described as one of the important means that achieve the self-benefit of businesses, because it contributes to gaining added value by helping the organization absorb the needs and contributions of different groups of stakeholders from inside and outside the organization, with the resulting preservation of social legitimacy and maximization of financial outcomes. Eventually, social responsibility also helps the organization keep a balanced relationship between the organization's work and the values of society under the conditions of continuous change to which this relationship is subjected.

---

<sup>7</sup> Sanaa Abdel Rahim Saeed, and Abdel Reda Nasser Al-Bawi, op. cit



## 2.2. The Importance of Corporate Social Responsibility

International experiences indicate that commitment to social responsibility achieves several advantages for the institution, workers, society, and the state, the most important of which are:<sup>8</sup>

### For the institution:

- 1) Improving the reputation of the organization and the status of the product is built based on efficiency in performance and success in providing services, the transparency with which the organization deals, its consideration of environmental considerations, and its interest in human investment. In a study by the World Economic Forum for more than 1000 global organizations, 60 percent confirmed that a good reputation can contribute to 40 percent of the organization's market share value. Therefore, organizations seek to benefit from the advantages of ethical excellence, if we consider that social responsibility is a voluntary initiative of the organization towards multiple parties with direct or indirect interest.
- 2) Improving financial performance: Studies confirm that organizations that have publicly committed to specific ethical rules have outperformed similar organizations in their financial performance.
- 3) Enhancing sales and customer loyalty: Although business organizations must meet consumers' purchasing criteria such as prices, quality of goods, availability, safety and suitability. Studies show an increased desire to buy or not to buy due to some other criteria, such as less impact on the environment, and not using genetically modified materials or components. The value of environmental purity and natural products has prompted consumers to pay special attention to production processes and the impact of these processes on the environment.
- 4) Increasing productivity and quality: Organizations' commitment to social responsibility towards the workforce and the operations they undertake often leads to increased productivity, reduced error rates, and enhanced effectiveness and efficiency by improving working conditions and increasing employee participation in decision-making.
- 5) Increased ability to attract and retain employees: Socially responsible organizations find it easier to recruit and retain highly qualified employees. This leads to reduced recruitment and training costs, and employees are often recruited from the community in which the organization operates. For this reason, the values related to the social responsibility of organizations will become consistent with the values of employees, which eliminates any conflict in terms of values and enhances the work environment.

---

<sup>8</sup> Arab Democratic Center, op. cit

- 6) Reducing labor costs: initiatives aimed at improving environmental performance. It leads to reducing costs, such as reducing gas emissions, or reducing the use of agricultural chemicals. It is also possible to reduce waste disposal costs through recycling them.

For employees:

The importance of social responsibility for employees is:<sup>9</sup>

- Giving employees greater confidence in their ability to give and perform well in their work
- Providing workers with high social performance skills and increasing their awareness of the necessity of protecting the surrounding natural environment
- Effective positive contribution to achieving the goals of the organization and society with the highest degree of satisfaction

For society:

- Increasing social solidarity among various segments of society while generating a high sense of belonging among individuals with special needs, such as the disabled, the under-qualified, minorities, women, and youth.
- Social stability is a result of providing a kind of social justice and the rule of equal opportunities, which is the essence of corporate social responsibility.
- Improving the quality of life in the community, whether in terms of infrastructure or culture.
- Improving the quality of services provided to the community

Importance to the state:<sup>10</sup>

- Commitment to social responsibility leads to maximizing the state's returns due to institutions' awareness of the importance of fair and correct contribution to bearing social costs. Contributing to technological development, eliminating unemployment and other areas.
- Reducing the burdens borne by the state to perform its health, educational, cultural and other social functions and services.
- Contributing to technological development, eliminating unemployment, and other areas that the modern state finds itself unable to carry out all its burdens, apart from private economic institutions assuming their role in this framework.

<sup>9</sup> Ghalab Fateh, Khateri, and Haiba, leading international and Arab experiences in the field of social responsibility for business organizations 2020

<sup>10</sup> Bin Masoud Nasr al-Din and Kanoush Mohammed, the reality of the importance and value of social responsibility in the economic institution, with an exploratory study on one of the national institutions" in the Third International Forum on Business Organizations and Social responsibility, Faculty of Economic Sciences, commercial and science Management, Bashar University, Algeria, February 14-15, 2012, p. 6

### 2.3. Dimensions of The Social Responsibility

Researcher Archie Carroll discussed the multifaceted nature of social responsibility and defined it with four dimensions:<sup>11</sup>

- 1- **Economic responsibility:** It means producing goods and services of value to society at a reasonable cost and of good quality, while achieving profit, preventing monopoly and respecting the rules of competition.
- 2- **Legal responsibility:** These are responsibilities usually set by governments with laws and regulations, which business organizations must respect and adhere to. Especially regarding the environment and human rights.
- 3- **Ethical responsibility:** A set of behaviors and activities that are not necessarily uniform within a legal framework, but that community members expect the institution to carry out
- 4- **Voluntary/charitable responsibility:** These are the benefits and advantages that the community wants to obtain from the organization, such as support provided to local community projects and charitable activities etc.

In this context, he developed a hierarchical matrix in which he showed the four dimensions and how each one affects the other

### 2.4. Principles Of Social Responsibility for Business Organizations

There is a set of basic principles that together constitute all social responsibility activity, which are:<sup>12</sup>

#### 1- Sustainability (Sustainability)

Sustainability is concerned with the effects that actions taking place in the present have on options available in the future. Sustainability requires that society develop resources and preserve the environment, by reproducing used resources again. This can be known as the carrying capacity of the ecosystem. Sustainability can be measured by the rate at which resources are consumed by the organization in relation to the rate at which these materials can be reproduced.

#### 2- Accountability (Accountability)

Accountability means that the organization recognizes the effects of its actions on the external environment as well as the internal environment of the organization, and therefore it is supposed to bear responsibility for these effects. This concept includes assessing these impacts and then drafting reports that explain them and making them available to all affected parties. The organization must recognize

---

<sup>11</sup> Diafi Nawal, op. cit

<sup>12</sup> Qadri Ibrahim, The Impact of Social Responsibility on Performance: An Applied Study on Syrian Joint Stock Companies, PhD thesis, University of Damascus, 2015.

that external stakeholders have the power to influence the way it operates. Briefly, accountability means disclosing data and providing the necessary information to stakeholders who request it at any time they need it to make decisions.

### **3- Transparency**

Transparency, as a principle, means how the external effects of an organization's actions can be found through its reports, and that the facts related to these effects are visible in these reports and available to all users of the information. Transparency is part of the organization's recognition of its responsibility for the external effects of its economic activities

### **4- Ethics behavior**

This principle means that an organization should always behave ethically, basing its conduct on the ethics of honesty, justice, and integrity, with regard to biodiversity, the environment, and commitment to addressing the interests of stakeholders. The organization should work to promote ethical behavior by establishing and defining its core values and principles, and by developing a code of conduct within the organization and in its interactions with others.

### **5- Respect for stakeholders' interests**

This principle is intended for an entity to respect and consider the interests of its stakeholders, including its owners, customers, and other individuals and groups that may have certain rights, claims or interests that should be considered.

### **6- Respect the rule of law**

The organization must agree to follow the rule of law in a mandatory manner.

### **7- Respect international standards of conduct, Respect for international norms of behavior**

This principle means that an enterprise should respect international standards of conduct while adhering to the principle of the rule of law, in situations that do not provide minimum protection for society or the environment.

### **8- Respect for human rights (Respect for human rights)**

This principle means that the enterprise should respect human rights and should recognize the importance and generality of human rights

## **2.5. Areas Of Social Responsibility Implementation**

Implementing social responsibility depends on the size, organization, sector of activity, culture, and commitment of its management. Institutions may resort to adopting one direction of responsibility and

focus on one of the three main axes [social, economic, environment], while other institutions integrate social practices into all aspects of their operations. The areas of social responsibility are:<sup>13</sup>

**1- Economic dimension:** It is based on the principles of competition and technological development, as it includes a large group of the most important elements of social responsibility that must be taken into consideration within the framework of respecting the rules of fair and free competition and benefiting from technological development, in a way that does not cause harm to society, the environment, and services of value to society. Producing goods and services of value to society at reasonable costs and superior quality

**2- The social dimension:** Institutions must contribute to achieving the well-being of the society in which they operate, improving and caring for the affairs of employees in a way that will reflect positively on increasing their productivity, developing their young abilities, and providing professional and job security, health care, and community care. The open administrative method followed by institutions is crucial, considering their social behavior has an impact that goes beyond the borders of the institution itself.

**3- Environmental dimension:** The institution must consider the environmental effects of its operations and products, eliminate any negative effects that may harm members of society such as toxic emissions and fires such as rice straw, achieve the greatest possible production efficiency from available resources, and work to reduce practices that may negatively affect society. The environmental dimension is the origin of the concept of sustainability, which is linked to social responsibility, and is related to preserving the material and biological resource base and ecosystems and enhancing their protection and rationalization.<sup>14</sup>

Through these main dimensions, social responsibility can be applied in the following areas:<sup>15</sup>

**1- Respect for the environment:** Pollution control, waste management, rational exploitation of raw materials, safety in the production process and safety in product characteristics.

**2- Enriching the climate and social dialogue:** Equal opportunities, working conditions, wage systems, vocational training.

---

<sup>13</sup> Arab Democratic Center

<sup>14</sup> Al-Orabi Hamza, and Bou Gadoum Marwa, Governance as a Mechanism for Activating the Social Responsibility of Small and Medium Enterprises and Achieving Sustainable Development, The Thirteenth International Conference on the Role of Social Responsibility for Small and Medium Enterprises in Supporting the Sustainable Development Strategy,

<sup>15</sup> Baba Abdel Qader, and Wahiba Moghadam, Social Responsibility is a Value-Creating Strategic Advantage - A Case Study of Sona Tarak Company

- 3- **Respect for human rights:** In the workplace, international labor rights laws, combating child labour.
- 4- **Commitment to management ethics:** Anti-bribery and money laundering.
- 5- Integration into society through local development and dialogue with stakeholders

## Section Three: The Context of Social Responsibility of the Private Sector in Yemen

### 3.1. Social Responsibility in The Yemeni Cultural and Social Context

#### Adapting Social Responsibility to Suit Local and National Circumstances

Discussions on corporate social responsibility (CSR) often take place in the context of developed countries or the behavior of companies based in these countries. However, it is important to consider local and national circumstances, including economic, institutional, cultural, and other conditions, when examining CSR. Based on these considerations and assessments, companies are expected to adopt the best possible practices in their activities, considering the specific conditions prevailing in their countries and/or the geographical region in which they operate.

In developing countries, CSR is often linked to community development projects or corporate social investment. For social investment to be relevant, it should be aligned with local and national development programs and lead to sustainable development projects that serve community goals and transfer skills to local communities.<sup>16</sup>

Existing and historical Arab experiences clearly indicate the social role of the private sector. Arab civilization has historically been dominated by societies rather than states, and the solidarity, cohesion, and civilizational and scientific progress achieved were more dependent on societies and individuals than on states. Arab and Islamic civilization was historically based on two complementary and independent institutions: the state (authority) and societies that organized education, care, and solidarity, while the authority coordinated security and defense affairs, sponsored societies, and assisted them. The experience of the institutional state based on development, welfare, and services in the Arab experience is very recent.<sup>17</sup>

#### The Importance of Bridging the Relationship Between Philanthropy and Social Responsibility

Researchers often emphasize that corporate social responsibility (CSR) differs from philanthropy, as the latter is individual, seasonal, random, and often does not achieve sustainable development. CSR, on the other hand, goes beyond donations to development and charitable projects. It is linked to governance and sustainable development, with multiple areas and principles that companies must adhere to, achieving both economic and social gains.

In Yemen and other Arab and Islamic countries, philanthropy is prevalent, governed by religious values and cultural norms rather than economic and utilitarian determinants based on ethical concepts.

---

<sup>16</sup> United Nations,

<sup>17</sup> Ahmed Al-Sayed Kurdi, The nature of social responsibility among companies in Arab countries, <https://www.csrna.net/>.



Numerous studies in recent decades have attempted to adapt CSR to the Arab and Islamic context, with discussions on the dimensions of CSR emphasizing the importance of integrating philanthropy into CSR. This is because CSR is more comprehensive, encompassing all private sector companies, including multinational and transnational corporations. Joint-stock companies should have a system and strategic plans for CSR, bringing together participants from diverse beliefs and personal values.

These studies aim to bridge the relationship between philanthropy and CSR, as the concept and values of charity are the primary motivators for social responsibility in Yemeni society. Islam calls for building society based on solidarity and social cohesion. Furthermore, philanthropy does not only mean providing immediate assistance. There are long-standing experiences in Yemen that emphasize solidarity, cohesion, and the sustainability of charitable work, known as "ongoing charity." This issue is linked to socioeconomic development.

Hence, it is important to present a brief overview of the historical experiences of the social role or the role of social institutions in Yemeni civilization, and the cultural and civilizational context of Arab and Islamic Yemen.

### **Drawing from History: Social Responsibility as a Shared Path for Yemeni Society**

Ancient Yemenis established deep-rooted customs and traditions for participating in works dedicated to the public good and set for them systems and rules that became an integral part of social behavior and a means of collectively bearing burdens and responsibilities. This tradition or cooperative thought stems from the need to face natural conditions and in the pursuit of securing livelihoods and a sense of security and safety.

This cooperative tradition is particularly evident in agriculture, which requires barriers, dams, and canals to collect rainwater and springs and distribute them equally and fairly among the beneficiaries' lands. It is also evident in the construction of public buildings and in the creation and maintenance of roads and crossings.

Collective work dedicated to the public good, as archaeological inscriptions and finds tell us, requires fair and equal contribution from those able to exert the effort required for the work, and material contribution in the form of food for the workers, and tools and animals for plowing, carving, transportation, and construction, as decided by the group chosen to manage the cooperation, and according to the contributors' material capabilities and social status.<sup>18</sup>

---

<sup>18</sup> Ahmed Qaed Barakat, Cooperation in Yemen, Yemeni Encyclopedia, Al-Afif Cultural Foundation, 2000

Change movements in modern Yemeni history have drawn inspiration from the cooperative spirit to motivate society to promote development and combat poverty. For example, one of the principles of the September 26 Revolution in Yemen in 1962 states, "Building a cooperative Yemeni Islamic society and eliminating disparities and privileges between classes."

The political discourse of the June 13, 1974, movement, led by the late President Ibrahim al-Hamdi, focused on fueling the spirit of community solidarity in fighting corruption and promoting development and stability. It relied on establishing cooperatives throughout the northern part of Yemen. Local communities carried out enormous development projects within a short period of no more than three years, projects that the state could not have accomplished over decades. All members of society participated in building roads, establishing water projects, and constructing schools through community efforts, by donating money and labor according to their abilities.

### **Waqf: A Cornerstone of Social Responsibility in Yemen**

The genius of Islamic charity is evident in the system of ongoing charity, which Islamic law defines as every charitable work carried out by a Muslim whose reward and reward continues even after his death. The Messenger of God, may God bless him and grant him peace, said: "When the son of Adam dies, his deeds are cut off from him, except for three: ongoing charity, knowledge that is benefited from, or a righteous child who prays for him." "Narrated by Muslim. Researchers agree that charitable endowment is the structural form of ongoing charity.

The endowment constitutes a distinctive form of the Islamic charitable model, as it reflects: "The Islamic concept of the rights, duties, and responsibilities associated with the collective orientation of society. The endowment is defined as withholding an asset or money from consumption and granting the benefit for repeated use in an aspect of righteousness and goodness. It is ongoing charity or worship." Continuous financial support. The Prophet, may God's prayers and peace be upon him, was the first to give an endowment in Islam, and then the Companions followed him in that. The charitable endowment developed through a cultural process that made it more comprehensive in all aspects of life.<sup>19</sup>

The charitable endowment constituted an advanced civilized model for good and public benefit, by building the civility of society, that is, its ability to self-management. Social solidarity is the field: "It is left to individuals, their efforts and their money, each according to his ability for the sake of their society." Waqf, which is similar to a trust or endowment in Western law,<sup>20</sup> has historically played a

<sup>19</sup> Naila Tabbara [Supervision], Islamic Social Responsibility for Citizenship and Coexistence, Dar Al-Farabi - Beirut

<sup>20</sup> Eirik Hovden, Waqf in Zaydī Yemen, Legal Theory, Codification, and Local Practice, 2009

crucial role in establishing and maintaining public infrastructure, particularly in urban areas. This includes not only mosques but also schools, hospitals, water supplies, and other public facilities. Waqf properties were typically administered as charitable foundations, with the income generated from the endowed assets used to fund the associated public services.

The proverb "If Ṣan‘ā’ was destroyed, the waqf could rebuild it, but if the waqf was destroyed, Ṣan‘ā’ could not revive it" illustrates the central role of waqf in Yemeni society, particularly in the maintenance and development of urban infrastructure. Waqf, as a form of Islamic endowment, has historically been a primary means of funding public services and institutions like mosques, schools, hospitals, and water supplies. The proverb highlights the waqf's crucial role in supporting the city's well-being and its ability to recover from potential destruction. It emphasizes that the waqf, as an institution, is more critical to the city's survival than the city is to the waqf's.<sup>21</sup>

### Types Of Endowment

Jurisprudence divides endowments into two types: general charitable endowments and family endowments:

- A general charitable endowment is something that is for the public interest, such as mosques, hospitals, schools, etc., or what is intended to be given in charity to specific people, such as the poor, the needy, the infirm, and others.
- Small projects of this type can benefit, for example, by allocating endowments to finance them or to lend to their owners for expansion. An endowment can also be allocated for training in these projects and qualifying those who wish to establish them.
- The second: As for the nuclear family endowment, it is the proceeds from it that were due to the donor during his lifetime and then to his descendants and relatives etc. and then for an uninterrupted charitable cause, according to the will of the donor. Small projects can benefit from this type, for example, by allocating endowments to those who continue in a specific craft or craft that is feared to disappear and which is linked to the family name. The donor tries to encourage this type of craft or specialization to ensure that it continues in the family and does not disappear.<sup>22</sup>

### Waqf System and Its Management in Yemen

The charitable endowment has four characteristics:<sup>23</sup>

- Waqf is usually done in writing

<sup>21</sup> Eirik Hovden, Waqf in Zaydī Yemen, Legal Theory, Codification, and Local Practice, 2009

<sup>22</sup> Hussein Al-Asraj, The Islamic Endowment as one of the Tools of Corporate Social Responsibility, 2012

<sup>23</sup> Hassan Majali, Waqf in Yemen, Yemeni Encyclopedia, Al-Afif Cultural Foundation, 2000

- Expanding the direction of endowments was aimed at achieving public interests.
- The donors were keen to fulfill administrative requirements such as honesty and competence in those entrusted with special guardianship over a specific endowment
- Ensuring the appointment of public overseers and private governors to supervise public and atomic [private] endowments.

The arguments for an endowment or endowment in Yemen usually include all issues related to the endowment, in terms of its type, management, money, distribution of its benefits, and the terms of the endowment taken together, in the form of texts that must be followed and respected. Endowments are considered a law that prohibits violating its provisions, if they are free of anything that undermines legitimate interests or violates a legitimate purpose. One of the well-known legal considerations in this regard is the will of the donor, which the legislator stipulates that it must be respected, and that what is expressed must be acted upon within the limits of Sharia and law.

As law professor Hassan Majali points out, the guardianship over the endowment in Yemen was for the donor himself, then for his descendants, then for the ruler [judge] only, and no other state authorities had any authority over him. Therefore, here was someone called [the endowment judge] and he had the authority to decide on all matters. Disputes related to endowments in their relationship with others. This type of judiciary [endowment judge, security judge, etc.] has recently been abolished and all cases have been assigned to specialized courts.

Majali added: The Yemeni judiciary has always established important principles and rules that are hardly comparable in the Islamic world. The endowment in Yemen played, and continues to play, an important role in building mosques and their annexes, schools and their annexes, such as student houses known as hijras and manzils [plural of status], as well as in constructing castles and walls to protect cities, building [paths] and maintaining water canals for drinking and irrigation after they were built, and so on.

The Yemenis have stressed the need to pay attention to the endowment, care for it, and choose appropriate methods and methods for managing it. Therefore, the endowments in Yemen would undertake the management of their endowments themselves as long as they were alive, and then assign it after them to a person from their descendants, or to an authority that may be official, such as the ruler, for example, or it may be unofficial, such as the imam of the mosque, for example, in the event that the appointed person from their descendants is not present. The imam of the mosque or the schoolteacher was also the one responsible for supervising its endowments and disposing of the proceeds according to the conditions of the donor. After that, the endowments continued to be supervised by jurists and judges and were commissioned by the endowment owners themselves. This situation continued until

the year 817 AH, then the affairs of endowments were transferred from the Sharia rulers to the Endowment Office to be supervised by the state.<sup>24</sup>

### **Endowment Sectors and Their Role in Sustainable Development**

The charitable endowment includes sectors that provide social services through permanent care facilities, such as: care for mosques, schools, and hospitals, as well as care for needy families and people in fragile situations: such as orphans, the infirm, the needy, and the homeless. Hence, the endowment system contributed - through automatic and voluntary social solidarity - proving social justice. The endowment system also contributed to civil peace and participation in community wealth, thus forming a type of sustainable development and investment for the benefit of future generations, based on the concept of “developmental accumulation.”<sup>25</sup>

Endowments have spread in Yemen, especially for mosques in various regions of Yemen. The city of Sana’a has the largest number of mosques, baths, endowment waterwheels, troughs, paths, endowments for sick animals, endowments for grazing animals, and endowments for purchasing cow stallions. Yemen was famous for its large endowments that were used to spend on various facilities. These endowments encouraged an increase in social solidarity, especially since their proceeds reached the homes of the poor, the needy, orphans, widows, wayfarers, and the homeless.

Endowments have been diversified and their purposes have been varied in Yemen, as in other Islamic countries, as the endowments have endowed agricultural lands that are distinguished by their important location, availability of water, abundance of resources, agricultural products, and large financial returns. Some of them also donated the fruit of some trees, such as palm trees, to some of the mosques and schools that they built, and it seems that after selling them, their price is used to spend on those schools and mosques and on students and teachers.

The endowment is a system that can be developed according to what the interests of society require, and with which public benefits are achieved. The endowment, in its context and content, is a framework that accommodates multiple aspects of public spending on the life of the individual and society and includes various models of charitable work that benefit all people.

Endowment institutions in Yemen played a developmental role in many fields, in building mosques and educational institutions by establishing schools and libraries and providing salaries to workers, ensuring the independence of education and the liberation of scholars and jurists, in the health field by

---

<sup>24</sup> Zikra Muhammad Al-Hatami, The Islamic Endowment in Yemen and its Economic Impacts, Arab Journal of Science and Research Publishing, Volume 7, Issue 4, 2023

<sup>25</sup> Islamic social responsibility for citizenship and coexistence, p. 39

establishing hospitals, and in the social field by qualifying the human element and participating in Alleviating the severity of social crises and in the economic field by financing various activities and providing projects of social interest.<sup>26</sup>

### Endowment As One of The Tools of Social Responsibility

A specialized study concluded that adopting the endowment as one of the tools of social responsibility will have a significant impact on the business sector as well as society in general, as follows:<sup>27</sup>

- Promoting sustainable development through sustainability achieved by endowments
- Achieving better practice of social responsibility, including small and medium-sized companies, by contributing to endowments.
- The possibility of many companies contributing to the work of one endowment and opening the way for participation in the endowment to develop its resources and achieve coordination between different companies in the field of social responsibility.
- The possibility of implementing national and strategic projects to solve chronic problems such as unemployment, literacy, and others.
- Reducing dependence on foreign grants, enhancing connectivity and partnership between the three forces, namely business, government, and civil society, and achieving different interests for the three parties.

The importance of the endowment lies in that it provides a model that enhances the sustainable development approach, through the following:<sup>28</sup>

The endowment is a guarantee for the survival of the money and the continuity of its use and benefit for a prolonged period. No one may dispose of the endowment in a way that makes it lose its character of permanence and survival, as the endowment institution takes care of the productive assets, maintains them, and reconstructs them, and generates revenues from them that cover current expenses. It achieves many goals in terms of direct and indirect economic development, as follows:

- An endowment extends the period of use of the money and extends its benefit to successive generations.
- The Endowment Foundation presents an image of the importance of thinking about the future of facilities and institutions and the necessity of their continuity. Most of the projects that are

<sup>26</sup> Dhikra Muhammad Al-Hatami, The Islamic Endowment in Yemen and its Economic Impacts, Arab Journal of Science and Research Publishing, Volume 7, Issue 4, 2023

<sup>27</sup> Hussein Elasraj, The Islamic Endowment as an Instrument of Corporate Social Responsibility, February 2012

<sup>28</sup> The memory of Muhammad Al-Hatami, op. cit

established with the assistance and support of endowments continue to carry out their mission without any interruption, unlike the institutions that are established without the presence of a supporting endowment, where they are subject to disruption after the death of the person responsible for them or his attention is diverted to other things, thus they are disrupted and wasted.

- The endowment contributes to strengthening the relationship between society and the state. The endowment is a source of strength for society in the institutions and civil activities it provides and relieves the state of the burden of performing services. The endowment institution is a civil institution that occupies a middle position between the authority and society.
- The endowment contributes to providing the basic needs of the poor, such as clothing, food, and shelter, and provides number of public services, such as education and health, thus relieving the burden on the state's general budget. The endowment contributes to ensuring the efficient distribution of available resources and to increasing the resources available to the poor.

### 3.2. Country Context: The Context of the Humanitarian Crisis in Yemen

With the entry into conflict to its ninth year, Yemen is still facing the largest humanitarian crisis in the world, as the conflict has led to the killing and wounding of tens of thousands of civilians, the internal displacement of millions of people, the destruction of infrastructure and the collapse of public institutions and services. The size of the Yemeni economy has shrunk by more than half. Since the commence of the conflict, more than 80 percent of Yemenis currently live below the poverty line, considering the loss of income, the devaluation of the Yemeni riyal, the loss of government revenues, trade restrictions on imports, the rise in prices of basic commodities, and the collapse of the currency. It is estimated that more than 40 percent of Yemeni families have lost their primary source of income. Reports also indicate that more than 23.4 million people, 71 percent of the total population, need humanitarian assistance in 2023, including 53 percent of children, and 17.4 million people suffer from food insecurity. Among them are 5.3 million people facing emergency conditions.<sup>29</sup>

Yemen is home to the fourth largest internally displaced persons crisis in the world. Where there are at least 4.5 million internally displaced people, more than one million internally displaced people live in approximately 1,600 sites for displaced people, most of which are informal settlements lacking basic services such as water, food and health care<sup>30</sup>.

Estimates indicate that 73% of the displaced are women and children, while about 30% of displaced families are currently headed by women, compared to 9% before the conflict escalated in 2015. As the

<sup>29</sup> Humanitarian Country Team, Humanitarian Needs Overview Document: Yemen, February 2024

<sup>30</sup> Humanitarian Response Plan, Yemen February 2024 AD

numbers of displacement among women and girls increase, the need for protection increases. Especially with the limited shelter options and the collapse of formal and informal protection mechanisms, these families rely on negative coping mechanisms, such as marriage of young girls, human trafficking, begging, child labor, and others.<sup>31</sup>

Conflict and economic collapse have led to a significant deterioration in the quality, quantity and accessibility of public services and basic infrastructure in Yemen. Basic services and institutions are seriously weakened. Only half of health facilities and two-thirds of schools are currently functioning, and water infrastructure is operating at less than 5%. Most roads are closed or damaged, unable to support the load required to maintain rapid transportation of basic goods to local markets. About 90% of the population lacks access to government-provided electricity.<sup>32</sup>

Despite a worsening humanitarian crisis, intense conflict, and a disastrous economic situation, humanitarian aid has declined, raising fears of famine. In fact, the donors failed at the Yemen pledging conference in 2017-20-21, committing only \$3.85 billion which is half of the needed to fund UN humanitarian assistance operations in the country for next year. Overstretched and underfunded, relief actors continue to provide life-saving assistance to Yemenis. Addressing urgent food security and social protection concerns by providing food assistance, shelter, health care and education<sup>33</sup>

The current crisis has greatly affected the national economy, creating high levels of inflation, lack of macroeconomic stability, the collapse of the Yemeni riyal, a significant contraction in the gross domestic product, and the government's inability to pay the salaries of its employees, in addition to the inability to repay loans and public debt services.

As a result, investments and development gains achieved in the past have receded and even disappeared, and the pace of economic activities has declined to a state close to stagnation, especially considering the severe shortage of fuel, food and other basic goods due to the blockade imposed on imports. As a result, there will be widespread destruction in the social and economic infrastructure and the resulting impact. The escalation of conflict over livelihood has serious consequences for the development process in the long term.

---

<sup>31</sup> UNFPA humanitarian response in Yemen, February 2024 AD

<sup>32</sup> Humanitarian Country Team, op. cit

<sup>33</sup> USAID, Sharing to Survive: Investigating the Role of Social Networks During the Humanitarian Crisis in Yemen, January 2022



### 3.3. Sectorial Context: An Overview of the Yemeni Private Sector

The structure of the Yemeni private sector is largely dominated by micro, small and medium enterprises - more than 97% of companies, with approximately 290,000 projects, have fewer than 25 employees, with a total workforce of more than 600,000 workers, including about 30,000 women.<sup>34</sup>

The structure of the industrial sector is characterized by the predominance of micro and small enterprises, which represent 89% of the number of industrial establishments, compared to about 9% for medium establishments and only about 2% for large establishments. However, large establishments contributed the largest portion of the industrial sector's output in 2014, with a rate of 62.2%, followed by small establishments with about 30.6%, then medium establishments with 7.2%. As for labor recruitment, large establishments absorbed about 36% of the total workers in the industrial sector in 2014, while small establishments absorbed about 44.5%, and medium establishments absorbed 19.5% of the total workers in the sector.<sup>35</sup>

Most small enterprises are mainly concentrated in the capital Amanat 27.25%, Taiz 12.57%, Hodeida 12.57%, Hadramout 8.46%, and Ibb 7.91%. As for smaller establishments, they are mainly concentrated in Amanat Al-Asimah, at a rate of 15.54%, in Taiz, at a rate of 14.19%, and in Dhamar, at a rate of 9.25%.

Most of the small and smaller enterprises in Yemen work primarily in the field of wholesale and retail trade and maintenance, followed by the industrial field, according to statistics for the year 2000. The work of small industrial establishments is concentrated in the field of cement, stones, ceramics and other non-metallic minerals, at a rate of 23.61%, and in the manufacture of food and beverage products, at a rate of 23.66%, while most of the smaller industrial establishments work in the manufacture of food and beverage products, at a rate of 49.4%, and in the field of manufacturing formed metals. by 14.3%.<sup>36</sup>

Social responsibility is associated with large companies, as they have large financial resources that enable them to allocate sufficient budget for social responsibility programs and follow them up, and they have experts to manage these programs. In addition to its economic and social weight, and its

<sup>34</sup> International Labor Organization, Small and Medium Enterprises Damage Assessment: Yemen [Sanaa City and its Suburbs], 2018

<sup>35</sup> General Federation of Yemeni Chambers of Commerce and Industry, performance indicators of the industrial sector in Yemen during the war, 2020

<sup>36</sup> Maher Othman and Abdel Basset Muhammad, Small and Small Enterprises: The Optimal Path to Confronting Poverty in Wartime, February 2021, GIZ and Pioneers Foundation

integration into economic and social plans through social responsibility programs, it makes it an influential partner in drawing up economic and social policies and plans.

On the other hand, the motivations for practicing social responsibility in small and medium-sized companies decrease, as is the case in Yemen, where small and medium-sized enterprises constitute the vast majority in the private sector, as we mentioned previously, due to several reasons, the most important of which are: the lack of financial resources that enable companies to allocate an annual budget at a certain percentage. From their profits to social responsibility programs, and the lack of experience and human competence in managing such programs, in addition to the fact that these companies do not care much about their reputation because they are already unknown and do not find a justification to improve their image through social responsibility programs, and we also find that the pressures exerted on them from By NGOs less compared to large companies. These differences in the motives and forms of practicing social responsibility between large companies and small and medium-sized companies necessitate dealing with more specificity when wanting to spread social responsibility practices in small enterprises, as the organizational and administrative characteristics of this type of company must be considered.<sup>37</sup>

Small and medium-sized companies are concerned with short- and medium-term profits, and do not care much about the strategic term in its various dimensions, so they do not practice social responsibility programs because the latter represents a cost in the short-term, and if they achieve profits, they will be in the coming years, and this is not encouraging for medium and small companies..

Officials in small and microfinance institutions, who were included in the interviews, indicate that these small projects barely cover their expenses and obligations to continue with a small minimum profit, and sometimes they do not achieve a profit and fail due to debts, as some of those who received support for their projects failed and did not stop paying their debts. Especially in the circumstances of the ongoing conflict in Yemen, the high costs of energy and transportation, in addition to the royalties and illegal taxes imposed by the de facto authorities, which further weaken the ability of small projects to withstand and continue.”

There are a limited number of studies that have shown small businesses behaving in a socially responsible manner. However, the social responsibility of the private sector is no less important for small companies as it is for large companies. According to one researcher, if many small and medium-sized companies were at the level of initiating investments within local communities, it would be easier

---

<sup>37</sup>Wahiba Moghadam, Social responsibility is a necessity in large companies and an option that must be supported in small and medium companies., August 11, 2016 <https://www.csr.sa.net/>

to transform social issues. and various environmental issues of priority concern. It will help reduce poverty levels, provide more job opportunities, and solve the problem of the unemployed. The social responsibility performance levels of SMEs can be improved if attention is paid to the problems of child labor and environmental health and safety.<sup>38</sup>

### **Effects Of War on the Private Sector**

The conflict that has been ongoing in Yemen since the end of a year has ended 2014 Domestic companies suffered huge losses. The results of a survey conducted by the World Bank in October 2018 showed that approximately 35% of Yemeni companies closed their doors, while more than 51% of the surviving companies suffered from a shrinkage in size and a decline in their business, and about 73% of the companies that stopped their activities indicated that Security obstacles, financial restrictions, increased cost of inputs, loss of demand, and loss of the consumer base are the main reasons for the contraction of many companies. As a result, unemployment - already high - has worsened further, the cost of doing business has increased, revenues and the customer base have shrunk, and private capital has migrated abroad. Commercial operations have also become more difficult, negatively impacting the prices of imported basic food commodities and medicines.<sup>39</sup>

According to the rapid survey of work carried out by the United Nations Development Program and the Small and Micro Enterprise Development Agency [2015], the percentage of business enterprises that have closed their doors has exceeded 26 percent since March 2015, and 35 percent of medium enterprises, 27 percent of small enterprises, and 24 percent of smaller enterprises were forced to close their doors, compared to 17 percent of large establishments. . According to the assessment of damages and needs in Yemen carried out by the International Labor Organization [2016], employment decreased in three governorates: Sana'a, Aden, and Hodeida by about 132,000 people [13 percent], during the period: March - December 2015, while there was a decrease in number of working women increased by about two-thirds from 2014.

The damage and needs assessment indicated that small, small and medium enterprises lost much of their customer base 75 percent of those establishments operate in the services sector, 73 percent of establishments operate in the trade sector, and 69 percent in the industry sector. Some large companies also reported a loss in their customer base of 60 percent, and the profits of small, small and medium enterprises declined by an average of 79 percent. Also, a third of the companies included in the survey

---

<sup>38</sup>Naima Ibrahim Al-Ghannam, the role of activating the social responsibility of small and medium enterprises in achieving sustainable development, <https://www.regionalcsr.com/>

<sup>39</sup>World Bank, Country Engagement Note on the Republic of Yemen for the biennium 2020-2021.

reported their inability to achieve profits, and the most affected among them were those projects operating in trade and services, at a rate of 44 percent and 43 percent, respectively.<sup>40</sup>

In a report by the Federation of Yemeni Chambers of Commerce and Industry, the magnitude of the cumulative contraction in the value of the current gross domestic product of the industrial sector in the year was estimated.2020 by 52 percent from its size in 2012, and the cumulative economic losses in the sector's output during the years 2015-2020 were estimated at approximately the equivalent of 35 billion dollars, of which 30.5 billion dollars are losses to the public sector, which is represented in the revenues of the extractive industries [oil and gas], and about 4.5 billion Losses of the private industrial sector.

The report of the Federation of Chambers of Commerce indicated a decline in the value of the industrial sector's gross domestic product during the period2015-2020 in a decline in employment rates for the workforce in the industrial sector, as the number of workers in the private industrial sector is estimated to decline from about 241 thousand workers in the year 2013 to less than 190 thousand workers in the year 2015, before returning to a limited increase to about 217 One thousand workers in 2020.<sup>41</sup>

According to a study conducted by the Sana'a Center for Strategic Studies, as of 2017, conflict-related losses led private sector companies to reduce working hours by half, while the percentage of worker layoffs reached55% of the total workforce, and more than a quarter of private sector companies operating in industry, trade, and services have stopped working. The shortage of foreign currencies and the liquidity crisis in the local currency have placed importers facing increasing fees and costs [Sana'a Centre, Post-Conflict Private Sector Engagement].

The war caused the emergence of a new reality in Yemen that affected the structure of the private sector and its roles, as new features of the economy in general and the private sector in particular emerged. Perhaps the most prominent manifestation of it is the emergence of an economy parallel to the official economy, which is the war economy, which is based on the black market, through the buying and selling of goods and products. Including oil derivatives, supplying the army with food and goods, and speculation in the national currency in exchange for foreign currencies. In contrast, the role of the organized and traditional private sector, represented by the long-established commercial houses and family companies that constitute...95 percent of the private sector companies in Yemen are in favor of a new class linked to the parties to the conflict.<sup>42</sup> The Yemeni economy relies heavily on monetary

---

<sup>40</sup> International Labor Organization, op. cit

<sup>41</sup> General Federation of Yemeni Chambers of Commerce and Industry, previous reference.

<sup>42</sup> Center for Studies and Economic Media, Private Sector War and Development Roles.2019

resources, and the banking sector plays a weak role in financial intermediation activities, as it only has 6% of adults have bank accounts. Moreover, the deterioration of the operating environment and supervision of the banking sector has contributed to the increase in informal service providers who practice intermediation activities and increase the proportion of transactions. One of the outcomes of the politicization process related to the conflict, and the separation of the Central Bank of Yemen, has created major obstacles to the operations of business sector establishments in all sectors across Yemen.

43

---

<sup>43</sup> World Bank, Country Engagement Note for the Republic of Yemen for Fiscal Years 2022 and 2023, April 2022

### 3.4. Social responsibility policies and mechanisms for the private sector in Yemen

#### **Initiatives To Develop a Social Responsibility Policy Framework**

In Yemen, there are no official policies and mechanisms for corporate social responsibility. Therefore, the private sector, in partnership with official government agencies, has implemented several initiatives to develop policies and mechanisms for social responsibility, but they have stopped due to the ongoing conflict. The following is a brief overview of the initiatives that aimed to develop specific formal policies and mechanisms to regulate social responsibility and improve the status of the private sector and strengthen its capabilities regarding social responsibility and governance.

Several Arab countries have witnessed the holding of many conferences and seminars concerned with the topic of social responsibility, with the participation of government and private institutions, and an elite group of senior specialists in the field of corporate social responsibility, and with the support of international organizations, led by the United Nations Development Programme.

In Bahrain, the Ministry of Industry and Commerce, through the Standards and Metrology Directorate, formed a technical committee to study the draft international standard for social responsibility ISO 26000. The standard includes a guideline for the principles of social responsibility and partnership within establishments of all kinds, including governmental and civil society organizations.

In Jordan, a project was launched to build the Jordanian Forum for Social Responsibility of Companies, with the aim of spreading the culture of corporate citizenship and best practices for social responsibility. In the United Arab Emirates, the Emirates Academy for Corporate Social Responsibility was established, in the first initiative of its kind in the Arab world, where the academy focuses on holding specialized educational and training courses and programs.

In Saudi Arabia, many models and programs of social responsibility implemented by Saudi companies have emerged, through departments and departments specializing in the fields of social responsibility work. In Egypt, the United Nations Development Program, in cooperation with the Global Compact Office and the Egyptian Center for Managers, established the Egyptian Center for Corporate Responsibility, so that this new entity would become a major national pillar for developing corporate social responsibility strategies within the framework of effective and successful models. The Egyptian Corporate Social Responsibility Index was also launched, making Egypt the first Arab and African country to implement this index and the second globally after India.<sup>44</sup>

---

<sup>44</sup> Ahmed Al-Sayed Kurdi, The nature of social responsibility among companies in Arab countries, <https://www.csrna.net/>

In Yemen, interest in the issue of social responsibility began late, as the first initiative was the holding of the first conference entitled “Corporate Social Responsibility is a Voluntary Work or a National Duty? At the end of October 2008, organized by the Center for Market and Consumer Studies and Research.” MCRSC” in coordination with the Yemeni Ministry of Trade and Industry. The conference aimed to create awareness and strengthen the concepts of the free economy and social responsibility of Yemeni companies, enhance the competitiveness of the private sector, create an optimal partnership with the local community, contribute to the prosperity of Yemeni companies and achieve returns, continuity and survival, and spread the culture of social marketing as a modern marketing concept.

At the conference, the Minister of Trade and Industry announced the existence of a plan to adopt a social responsibility award given annually to the best social projects to encourage companies to carry out community activities. He pointed out that Yemen's policy revolves around three main axes: reemploying the state and its economic and social role, reducing its economic activity and direct production, and reducing its role in providing some social services.

The Second Conference on Social Responsibility on June 24-25, 2009, entitled “Corporate Citizenship, Institutions and Social Responsibility.” The Third Conference on May 5-6, 2010, on Social Responsibility of Companies and Institutions. Entitled “Private Sector Companies and Institutions and Sustainable Development.” Then, an expanded meeting was held, which was adopted by the Ministry of Human Rights, the Federation of Chambers of Commerce and Industry, and the Ministry of Trade and Industry in Yemen, with the support of WB, GIZ, MIF on “Social Responsibility. Rights and Obligations” in 2012, in which the relevant government agencies and representatives of the private sector participated. The meeting came out with a set of recommendations, the most important of which are:

- Spreading a culture of social responsibility among businessmen to direct their investments in social development projects and enhance their voluntary efforts to serve sustainable development
- Establishing departments for social responsibility in private sector structures, as well as in relevant ministries and government agencies [Ministry of Human Rights, Ministry of Industry and Trade, Ministry of Oil and Minerals, Ministry of Social Affairs and Labor]
- Establishing a social responsibility council that includes relevant government agencies, the private sector, and civil society organizations.
- Establishing a social responsibility fund in the chambers of commerce and industry to support social responsibility projects and programs with contributions from the private sector.
- Preparing a code of honor for the private sector on social responsibility
- Accommodating young volunteers who wish to train in business companies.

- Preparing a national strategy for development and construction and determining the priorities of sustainable economic and social development programmes.
- Government agencies must include social responsibility in large investment contracts as one of its clauses
- Formation of the National Network for Social Responsibility and Empowerment” from government agencies [Ministry of Trade and Industry, Ministry of Oil and Mineral Resources, Ministry of Social Affairs and Labor, Ministry of Human Rights] and representatives of the private sector and other relevant groups. With the support of World Bank (WB), German Corporation for International Cooperation (GIZ) and Microfinance Investment Facility (MIF)

The participants in the meeting recommended converting the meeting’s recommendations into an implementation matrix, which the Ministry of Human Rights would send to the relevant authorities and follow up on its implementation. The Ministry of Human Rights formed a special unit for social responsibility, whose tasks include:

1. Issuing and updating the social responsibility guide
2. Involving all components of the private sector in a code of honor related to social responsibility
3. Coordinating the efforts of the government and the private sector and unifying plans and programs through establishing a Social Responsibility Coordination Council
4. Establishing qualification programs for the unit’s employees, in addition to receiving help from the experiences of others
5. Striving to create a spirit of competition among private sector institutions to implement development programs
6. Highlighting the distinguished role of companies and institutions that provide development projects

Conferences and other events on corporate governance were also held. The first was the “Institutional Governance: Reality and Future” conference on February 6-7, 2008, in Sana’a. Nearly 200 people from the private sector, local business organizations, and experts from the Center for International Private Enterprise participated in it (CIPE), the Global Governance Forum (GCGF) and the Dubai Governance Institute. The conference is the first of its kind in Yemen. With the aim of introducing governance, its importance, its relationship to economic growth, and the foundations for its implementation in Yemen. The participants recommended educating those in charge of institutions and companies about governance issues because of their vital role in the decision-making process to contribute to financial stability and economic growth, and applying governance principles in public and private sector institutions and family companies, in addition to paying attention to training board members and senior and middle executive leadership in Public and private institutions learn how to effectively apply



governance principles, and conduct research and studies to identify the extent of applying governance principles in companies and institutions on a regular basis and to clarify how to overcome the difficulties they face.

Family Business Conference in Yemen: Organized by the Yemeni Businessmen Club at the beginning of October 2010, in cooperation with the General Federation of Yemeni Chambers of Commerce and Industry, with regional and international participation represented by the participation of experts and specialists in family businesses from Saudi Arabia, Lebanon, Egypt, the United Arab Emirates and Germany.

Guide to corporate governance in Yemen: The Yemeni Businessmen Club and the Center for International Private Projects prepared a guide to corporate governance in Yemen, and it was announced in a special ceremony on March 29, 2010 in the presence of a large number of businessmen and representatives of the public sector and under the patronage of the Minister of Industry and Trade, who announced that the government, represented by the ministry, had adopted a special award for corporate governance. Yemeni companies are in addition to the Social Responsibility Award that they previously adopted, and a special decision was issued in which they included the formation of award committees and selection criteria.

The Second Governance Conference in Yemen: It was organized by the Yemeni Businessmen Club, on November 23, 2013, in Sana'a, with the participation of many companies, banks, private sector organizations, businessmen, and representatives of the government side. The conference papers focused on bank governance and the launch of the bank governance guide.

Preparing studies and research and measuring public opinion. For example, the Businessmen Club, along with the Yemeni Center for Public Opinion Measurement and the International Private Projects Center of the Washington Chamber of Commerce, implemented a field study on (corporate governance, practices and trends in Yemeni companies). It focused on number of main principles of governance, foremost of which are the form and powers of the Board of Directors, transparency, disclosure, and shareholders' rights. It announced its results in March 2009.

IDA's technical assistance and advisory services served as a guide for designing World Bank Group operations and enabled increased support to small and medium enterprises and the private sector in Yemen. IFC has also supported these efforts by initiating the Corporate Governance for Small and Medium Enterprises programme, which provides family businesses with corporate governance training.<sup>45</sup>

---

<sup>45</sup> World Bank, Country Engagement Note on the Republic of Yemen for the Fiscal Year 2020-2021

## **Mechanisms For Implementing Social Responsibility Programs of The Private Sector**

Private sector companies in Yemen practice social responsibility through several mechanisms depending on their nature and size. Below we review the policies and mechanisms of social responsibility programs in the private sector:

### **1- Social Responsibility Unit Within the Company:**

Joint stock companies and large companies in Yemen embrace the idea of social responsibility, such as telecommunications companies, the banking sector, companies operating in the field of oil and gas, and large industrial and commercial companies. These companies finance projects under the name of social responsibility. But these companies often do not practice social responsibility systematically, as there are no independent units or departments for social responsibility within their administrative structure. This is due to the weak financial capacity of companies in Yemen, as companies are unable to allocate sufficient financial and human resources for social responsibility, and therefore Joint stock companies finance or implement limited and simple social programs, through their employees, or those they seek assistance, such as providing emergency aid and charitable work, financing sports and cultural activities, seminars, and student parties. As the director of a large company said, his company carries out charitable work and provides humanitarian aid, such as food, medicine, and clothing, through the company's employees, while it does not implement development projects, because these projects, according to his opinion, are the state's mission, and because they require special management and experts to implement them.

It was conducted on the attitudes of public relations practitioners in Yemeni banks towards social responsibility programs.<sup>46</sup> Through the results of this study, we can learn about how to manage social responsibility programs, as the study indicated that the largest percentage of the study sample, which was 69 percent responded that the authority to make decisions related to the bank's implementation of social responsibility programs came in first place in favor of the Board of Directors, in second place belonged to the bank's general manager with a percentage of 60.6 percent, and in third place was the Marketing Department with a percentage of 33.3 percent, followed by the Public Relations Department with a percentage. 18.2 percent, and finally the bank's financial management came in at 6.1 percent. Regarding the evaluation of the size of the social responsibility programs implemented by the bank, less than half of the sample [45.5 percent] answered that it is very good, while it is good from the point of view 24.2 percent, and it is considered acceptable according to the evaluation of 21.2 percent, while

---

<sup>46</sup> Mutahar Ali Aqida, and Ibrahim Muhammad Al-Akwa, Attitudes of Public Relations Practitioners in Yemeni Banks in Social Responsibility Programs,

3.0 percent believe that the size of the social responsibility programs implemented by the bank is weak, and 6.1 percent answered that the size of the programs is very weak.

According to the study, most business owners believe that their participation in CSR activities is a kind of their contribution to humanitarian work; They distribute support through their companies, and for the purposes of aid distribution companies develop and protect databases of beneficiaries using informal networks of families, friends and neighbors. In general, support is provided by corporate staff with experience in humanitarian relief. Business owners also mentioned that corporate social responsibility activities predated the current conflict, and since the start of the current conflict, the level of social responsibility activities has decreased relatively.<sup>47</sup>

Some banks attach special importance in their social responsibility to developing small companies, including Al Amal Bank, which specializes in financing this type of company. And the Bank of Yemen and Kuwait, where the bank considers, within the framework of its responsibility, “Sustainable economic growth is strongly linked to the rate of project creation, which in turn depends on the entrepreneurial culture in a country and the ease with which small and medium-sized projects can be started and financed. Therefore, we are aware of the extent of social responsibility.” Which requires us to support and develop this sector. The Small and Medium Enterprises Services Sector was established at the Bank of Yemen and Kuwait to provide competitive services and reach the largest possible range of targeted enterprises effectively. In addition to providing integrated financial services, we seek to enable small and medium-sized enterprises to manage Business in a socially and environmentally responsible manner and enhance its competitiveness in local, regional and global markets by providing non-financial services in cooperation with local and international bodies seeking to develop this sector. The bank also established the clean energy sector.<sup>48</sup>

---

<sup>47</sup> Ali Al-Azki, International Relief Organizations and the Yemeni Private Sector: The Need to Improve Coordination in the Humanitarian Response, Sana’a Center for Strategic Studies, March 16, 2018

<sup>48</sup> <https://www.yk-bank.com>

### Case Study 1: Al Amal Microfinance Bank

Al-Amal Microfinance Bank launched the slogan “2024, “The Year of Sustainable Empowerment” to reflect the directions of its operational plan for the year 2024. In light of the continuing challenges facing the banking sector due to the political and economic conditions, Al-Amal Microfinance Bank announced, after holding its board of directors meeting in mid-January, the approval of its operational and financial plan for the year 2024, which will focus on social, economic and environmental empowerment issues that reflect the bank’s contributions in supporting the micro and small enterprise sector and focusing on youth and women through the package of financial and non-financial services it provides in partnership with the Al Amal Foundation for Training and Entrepreneurship.

After the bank was able, in late 2023, to overcome the challenges imposed by the law prohibiting usurious transactions on the banking and financial sector in general and Al Amal Bank in particular by modernizing its products and developing new financial products compatible with Islamic banking standards, the bank will focus during the year 2024 on expanding its market share in the sector. Microfinance by expanding lending operations and targeting segments of the market through innovative financing products, in addition to launching at the beginning of the year 2024 the second phase of the Youth Entrepreneurship and Financial Inclusion Project funded by the European Union, which will work within 4 years to provide financial and technical support to youth entrepreneurial projects, especially those which were damaged by the war and support the establishment of new youth projects for those with expertise, technical and professional specializations.

The bank works also to address climate risks in Yemen. By providing financing for sustainable projects that help mitigate climate change and build resilience to it, in addition to working to reduce climate risks by improving their own practices, such as investing in renewable energy sources and improving energy efficiency, projects, products and promoting friendly internal operations The environment will receive a major focus during the year 2024, in implementation of the principles and directions that were framed in the environmental policy guide that the bank launched in mid-2023 as the first environmental guide of its kind in the Yemeni banking sector.

At the level of institutional empowerment, the bank has approved several directions and projects that aim to improve and develop the work environment, enhance employees’ capabilities, and enhance technical capabilities that are compatible with the bank’s continued expansion of digital services and spread across branches, agents, and points of sale.

## **2- Non-Profit Organizations Affiliated with Family Companies:**

There is a distinguished group of organizations affiliated with large family companies, such as the Charitable Foundation of Hayel Saeed Anam & Partners Group of Companies, which is the most famous and oldest association in practicing social responsibility in Yemen, where it was founded in 1970, the Al-Khair Development Foundation affiliated with International Companies and its owner Alwan Al-Shaibani, and the Bazraa Charitable Foundation, And the Al-Kbous Group Charitable Foundation.

Through the interviews conducted for this study and review of the experiences of these associations, it became clear that these associations operate with good organizational and administrative independence and have specific strategies and plans, carried out by competent employees, and some of these institutions are affiliated with family companies. It emphasizes linking its social responsibility programs with the government's development plans and strategies in accordance with national priorities.

These associations, affiliated with family companies, are dedicated to performing the external social responsibility of the companies they follow, while some companies also have social responsibility units within their organizational structure, concerned with social responsibility towards employees and what is related to their economic activities towards the environment and society according to their activities, for example the National Cement Company. It is one of Hayel Saeed Anam's companies. It has a special unit for social responsibility programs, and the vision of this company can be referred to as a model. The company, as stated on its website, "bears and exercises its social responsibility, as it is based on its values and administrative philosophy emanating from the system of values and principles of the Hayel Saeed Anam group of companies." The company carefully emphasizes its awareness of the concept of social responsibility and its relationship to the nature of its activities and its difference from charitable work." "The social responsibility of the National Cement Company does not stem from being charitable works or promotional activities, but rather from being a response to societal and environmental issues that arise according to the nature of the company's work, as a pioneering company in the industry." And cement marketing. The National Cement Company has realized that it is not isolated from society and has become aware of the need to expand its activities to include more than productive activities, such as community and environmental concerns, and to the need to take into account the three pillars defined by the World Business Council for Sustainable Development, which are (economic growth). – Social progress – Environmental protection." It has a business strategy where the company has identified five pillars of social responsibility at the internal and external levels.

Case Study 2: The Charitable Foundation of Hael Saeed Anam and Partners.

It was established in 1971 as a voluntary charitable organization to help those in need throughout Yemen. It is one of the institutions of the Hayel Saeed Anam and Partners Group of Companies. The group's areas of activity are limited to social responsibility in community development, social care, education, public health, culture and scientific research, environment and occupational safety. Partnership with civil society, development partnership with the state, and social responsibility towards members. With the worsening humanitarian crisis, the economic collapse, the war's damage to infrastructure, and the collapse of public services, it established the "Humanitarian Development Program (HDP), an independent non-governmental organization that focuses on improving the quality of human life through comprehensive and well-planned projects in the areas of water, education, livelihoods, health interventions, and providing Shelter, reviving cultural heritage and protecting children and related activities that strengthen disadvantaged communities across Yemen with the flexibility to respond quickly to emergencies.<sup>49</sup>

Case Study 3: Bazraa Charitable and Developmental Foundation

A non-profit charitable organization we aim to:

- 1) To contribute to alleviating the burden of poverty and its effects on society and empowering it economically.
- 2) Contributing to strengthening programs and mechanisms for developing the outcomes of vocational, technical and academic education.
- 3) Contributing to delivering health services to deprived areas
- 4) Contributing to the development of infrastructure projects.

Scope of Work:

- Humanitarian Aid: The Foundation allocates 30% of the Foundation's total annual spending to community care programs, which comes in second place after health programs, and includes projects to support nutrition, distribute clothing to poor families and the needy, and a program to contribute to the eradication of hunger.
- Health Care: The Foundation allocates about 35% of the Foundation's total annual spending to the field of health care, and it ranks first among the most prominent health care programs and projects, the Health Disaster Response Program, and the Good Health Program.

<sup>49</sup> <https://www.hsayemen.com/>

Bazraa Foundation contributes to supporting government efforts when confronting epidemics and health disasters such as a cholera outbreak by supporting the equipping of 5 health centers with equipment, supplies, medical solutions, etc., as well as supporting government efforts in confronting Covid-19 by providing therapeutic health isolation centers equipped with all equipment with a capacity of 100 beds and four rooms. Intensive care, testing laboratories and all supplies, in addition to a project to provide occupational safety equipment for medical staff working in 12 health centers.

The Foundation follows several projects and programmes, including:

#### Bazraa Center for Child Health Promotion and Community Development

- The center provides a specialized service to enhance children's health through diagnosis and examinations for a nominal fee, as well as a cooperative pharmacy that provides medicines at lower prices than commercial pharmacies. It also provides awareness, family counseling and psychological support services, benefiting about 4,000 cases annually.
- Medical surgical camps project
- In various fields, most notably eye operations and cataract removal in remote areas, about 250 surgical operations annually.

#### A life project to help poor patients

The project provides support and assistance to poor patients to receive treatment, whether at home or abroad, through contributions and guarantees, from which approximately 2,500 patients benefit annually.

Educational programs and capacity building: During the year, the Foundation allocates a series of programs and projects in the field of educational care and capacity building, which is estimated at about 25% of the Foundation's total annual spending and comes in third place. Among the most prominent programs and projects in the field are:

- Badir Internal Scholarship Program
- The basic and secondary education development program includes a project to improve the school environment in some basic and secondary schools by providing alternative energy systems, laboratories, furniture, etc.
- Capacity Building Initiatives: contributes to supporting community initiatives aimed at developing the capabilities of civil society organizations.
- Transformation project and transition to a model educational system

The Foundation is working on implementing the transformation program and moving to a model education system in Bazraa School as the first model for a model government school in basic education as a pilot project that can be expanded and moved to other schools.

Infrastructure projects: The Foundation contributes to supporting the infrastructure of remote areas in water projects and building and maintaining mosques, which is estimated at about 10% of the Foundation's total annual spending.

#### *Case Study 4: Al-Khair Foundation for Social Development*

Al-Khair Foundation for Social Development is a Yemeni non-profit organization affiliated with the International Group of Companies, which started in 2008 and is concerned with supporting sustainable and comprehensive development interventions through the implementation of development programs targeting multiple segments of society, with a focus on youth of both sexes, and works primarily in the fields of education and capacity building. With the aim of raising the level of education and spreading the culture and importance of learning in deprived communities. The foundation implements interventions in improving livelihoods in rural tribal areas and takes part in tireless efforts with various partners in confronting the humanitarian crisis by working in the field of emergency humanitarian response.

The Foundation carries out its activities to achieve the following objectives:

- 1) Motivating young people to invest optimal time in strengthening their knowledge of various sciences
- 2) Supporting the national campaign to eradicate illiteracy by encouraging girls and mothers who have not had the opportunity to study regularly since childhood.
- 3) Establishing specialized centers and institutes to develop youth capabilities
- 4) Providing guidance and guidance services for young people in all administrative, technical, tourism and all activities
- 5) Cooperating with academic institutions and seeking to coordinate efforts in a way that serves and develops the capabilities of young people.
- 6) Providing in-kind and cash assistance to needy families.
- 7) Contributing to supporting and financing social development projects.

#### **Al-Khair Center for Training and Social Development**

Al-Khair Foundation Center for Social Development is one of the training centers accredited by the Ministry of Technical and Vocational Education. It was opened in 2014 AD. It is a pioneering center in the field of training in various specializations that aims to build capabilities for all segments of society, companies and institutions according to a precise and accurate training plan and provides services that are distinguished from the rest. Centers train recent graduates in various specializations through vocational apprenticeships.

Programs of Al-Khair Foundation for Social Development



Education: Within the framework of the eight Millennium Goals, Al-Khair Foundation has implemented many interventions aimed at supporting the educational process at all its stages, giving priority to the communities most in need, especially in rural areas, marginalized groups, and orphans, in a manner consistent with national and international efforts seeking to achieve the goals of sustainable development.

The program includes sub-interventions in supporting primary and secondary education, technical education, university education, cultural support, and economic empowerment.

Within the framework of supporting education in remote areas in 2022, the Foundation financed and implemented the construction of Al-Khair School in Al-Haija village in Al-Maslub District at a cost of (\$442,776).

Other example of initiatives:

- Funding work to study the mutual effects of Yemeni migration during the twentieth century, targeting the local culture and heritage sector
- Supporting the education of orphans, and the total number of beneficiaries reached 924 orphans, both male and female, during the period 2013 - 2020 in the city of Taiz.
- Supporting the education of the marginalized, and the total number of beneficiaries reached 596 students during the period 2013 - 2020 in the city of Taiz.
- Restoring and furnishing four schools and building classrooms during the period 2010 - 2020 AD in Sana'a and Taiz.
- Providing educational scholarships to 564 high school graduates from 2010 to 2020 in Yemen.
- Providing postgraduate scholarships (Master and PhD) locally and abroad, and the number of beneficiaries reached 21 male and female students during the period....
- Developing the skills of 578 male and female students between 2008 and 2020 in the city of Taiz.
- Supporting the Ministry of Education with 500,000 medical masks and automatic correction equipment and contributing to completing the testing process.
- Providing educational equipment and scholarships to 27 male and female students from Yemeni families in Malaysia in the year 2020 AD.
- Distribution of 480 school bags to 480 students in Taiz and Al-Jawf governorates in 2019.

Emergency response

Through the Emergency Response Program, the Foundation provided several interventions in water, environmental sanitation, and emergency food aid. The program includes sub-interventions in water and environmental sanitation and the provision of

emergency food aid, including building water tanks, distributing food baskets, and contributing to road projects.

Improving livelihoods. Al-Khair Foundation for Social Development contributes, through the Livelihood Enhancement Program, to implementing projects aimed at promoting economic and social development to contribute to alleviating the level of poverty and its effects, reducing vulnerability in affected communities, and improving access to basic services.. The program includes sub-interventions in the economic empowerment of rural women and youth, supporting health services, supporting social care, supporting community initiatives and emerging associations, and supporting infrastructure and reconstruction.. It includes financing and planting coffee seedlings, financing a drug supply project to support psychiatric patients, rehabilitating the Shahid Al-Ilm Hospital in Taiz.

As for the type of programs implemented by large family companies and their affiliated associations, they vary between strategic development programs with an empowering development vision, and relief programs. While a large portion of the programs implemented by telecommunications companies and banks in the field of social responsibility are dominated by charitable and honorary celebrations, graduation ceremonies, festivals, and support for student sports activities. It is implemented in a way that is far from the values and returns of social responsibility. For example, in the previously mentioned study on social responsibility programs implemented by banks. From the point of view of a sample of public relations employees at the Yemeni Bank, it is clear from the results that the majority of respondents consider social responsibility programs to be merely a waste of the bank's money, by a percentage of 76.8 percent, and 74.4 percent of the sample, believe that these programs do not achieve any benefit, and that they are merely courtesies to gain the approval of other parties. Nearly 68 percent of public relations practitioners in banks say that pressure is being exerted on the bank to implement social responsibility programs that have no effect. Link to the bank's work.<sup>50</sup>

#### International Awards for Yemeni Companies

The best employer in the Middle East / Hayel Saeed Anam Group of Companies

Hayel Saeed Anam & Co. Group received the title of Best Place to Work in the Middle East for the year 2023 from the Foundation top Employers is a high-level global body specialized in evaluating the work environment. This recognition comes as an affirmation of the group's approach to achieving the well-being and happiness of its employees

#### Oslo Prize for Action for Peace/Global Group

<sup>50</sup>Mutahar Ali Aqida, and Ibrahim Muhammad Al-Akwa, op. cit

The activities of the Al-Khair Development Foundation, affiliated with the International Company, attracted the attention of the outside world and won the admiration and support of prominent international development organizations, which made it nominated, through the Chairman of its Board of Trustees, for the Oslo Award for Business for Peace in 2013, with him being hosted by the Clinton Initiative Foundation for the participation of invitees. His contributions to educating the marginalized are appreciated. Including its role in social development, which ultimately leads to the establishment of security and social peace

Of course, companies' involvement in the charitable and relief aspect increased during the war, making the poor groups the main target. Education is a major focus area for private sector development charities, by providing several scholarships each year in university and higher education internally and externally, in addition to supporting the construction of schools and university colleges and providing equipment.

### 3- Establishing And Supporting Civil Society Organizations

The private sector's support for civil society organizations is considered an integral part of social responsibility. The private sector has established and supported a group of civil society organizations and blocs specialized in specific fields, such as health and nutrition, the most prominent of which are: the National Cancer Foundation, the Medicine Bank, the Food Bank, and others. These institutions are distinguished It targets fragile and vulnerable groups, and forms aggregated blocs financed by private sector companies of all types, large, medium and small. Ordinary citizens can donate to these institutions, each according to their ability, as a charitable act. Citizens donate to the Cancer Foundation, for example, through funds distributed widely in institutions and stores. Before the war, these boxes were seen being filled, but during the war period citizens donated less and these boxes disappeared from stores.

The private sector has established some institutions, such as the Food Bank and the Medicine Bank, as part of the humanitarian response, to provide emergency aid. However, these institutions have begun to expand their activities and have strategic plans to move to sustainable development projects. It appears that these civil organizations, which were established by the private sector as arms for practicing social responsibility, have faced harassment from De facto authorities, which forced the General Federation of Chambers of Commerce to issue a statement, as the General Federation of Yemeni Chambers of Commerce and Industry and the Chamber of Commerce and Industry in the capital secretariat confirmed that the Yemeni Food Bank (YFB), the Yemeni Medicine Bank (YMB), the National Prisoner Foundation, and the National Cancer Control Foundation are national institutions established by the Yemeni private sector, affiliated with it, and supervised by the leadership of the

Chamber and businessmen from all governorates. The General Union and the Chamber noted, in a press statement, that these institutions were established with the sponsorship and support of the Yemeni private sector to serve the Yemeni community and people and meet their urgent needs in the field of combating hunger, lack of medicine, and incurable diseases, following up on the issues of the indigent and relieving their distress. The statement of the Union and the Secretariat Chamber said that these institutions are carrying out major and pioneering national development work to serve the Yemeni community and reflect the social responsibility of companies, commercial, industrial and service institutions and businessmen with transparency, honesty and integrity in accordance with the latest quality systems and international regulations in this regard. The General Union and the Chamber stated that these institutions are not the product of the moment, but rather have solid roots in charitable, humanitarian and relief work and activity, and in these circumstances, they have proven their ability to intervene, participate, and engage in serious and effective activity in all governorates thanks to the private sector's support, care and confidence in them. The Union and the Chamber explained that these institutions hold official licenses from the competent authorities concerned with social and humanitarian work and are keen on full partnership with all government agencies and civil society organizations and continue to carry out their duty and role to achieve their goals in all circumstances. The General Federation of Yemeni Chambers of Commerce and Industry and the Chamber of Commerce and Industry in the capital secretariat appealed to the leadership of the state and all government agencies to support these institutions and provide the necessary support and moral assistance for them to carry out their humanitarian and development role as they should, and note that stopping them or any part of their activities will reflect a negative image of the management and coordination of work and humanitarian activity. In our country, the international community and its partner organizations for Yemen in humanitarian and relief work will also reduce the role and activity of the private sector leadership and its social responsibility in these critical and difficult circumstances, in which there is supposed to be a concerted effort and partnership to implement a series of national activities, programs and projects to guard against and prevent the entry of the Covid-19 virus into our country.

#### Case Study 5: Yemeni Medicine Company

The Yemeni Medicine Bank is a non-profit charitable organization specializing in health and pharmaceutical services in Yemen. It was established in the capital secretariat in 2018 AD. It aims to provide the necessary emergency and rapid health and pharmaceutical services to the poor and most vulnerable groups and ensure their access to these services in safety and dignity. The bank also contributes effectively to building... A qualified health and medicine system capable of carrying out its

assigned duties towards society, by stimulating the energies of goodness and solidarity and coordinating efforts between the government and private work sectors and humanitarian partners from international and local civil society organizations.

The Yemeni Medicine Bank works on six programs:

1. Pharmaceutical supply is one of the bank's active programs. It mobilizes pharmaceutical support from pharmaceutical companies and factories at home and abroad, as well as from health and international organizations interested in health issues and dispenses these medications to needy patients through a group of specialized projects by standards and controls.
2. medical services
3. Water, environmental sanitation and hygiene
4. nutrition
5. Awareness and education
6. building abilities

Case Study 6: Food Bank

With the worsening humanitarian crisis in Yemen, the private sector, represented by the Chamber of Industry and Commerce in the Capital Secretariat and the Federation of Chambers of Commerce, felt the responsibility placed on its shoulders. A group of businessmen and women, and academic, social and youth figures, established a non-profit development institution aimed at eliminating hunger under the name “Yemeni Food Bank”. It mimics the idea of food banks in countries around the world, develops and adapts it to suit Yemeni society, and applies it in a professional manner by adopting a management system. Implementing social responsibility for the private sector and coordinating with humanitarian partners.

The bank was established in 2017 and works to combat hunger by creating the factors and requirements for achieving sustainable food security, and organizing humanitarian work in a way that increases its efficiency and effectiveness through a system of numerous programs, projects, and activities. The bank consists of two sectors:

- Emergency Response Sector
- Strategic food security sector
- Studies, research and studies sector

The Bank focuses a large part of its efforts towards the strategic food security and livelihoods sector, by adopting programs and projects that rely on optimal investment of available resources, and creating sustainable solutions that ensure that local communities have access to sources of safe and sustainable food. The Strategic Food Security Program works to meet food needs and secure job opportunities by supporting agriculture, livestock and production projects to contribute to achieving sustainable food systems and to create added value by exploiting and developing available resources. The bank employs 250 volunteers, and the number of beneficiaries is 867,000. 19 projects have been implemented

Case Study 7: National Foundation to Fight Cancer

The National Cancer Control Foundation was established on 3/19/2003 and is a non-profit charitable civil society organization. It was co-founded by financiers, businessmen, doctors, and activists, and aims to combat Cancer targeting for those infected with it health-wise, socially and psychologically in Yemen.

It is the first organization working to combat cancer in Yemen, and it is the largest community framework for volunteer efforts aimed at combating cancer. The organization has obtained an international quality certificate, ISO Quality Certificate, as the first civil society organization to obtain such certificate in Yemen.

The Foundation is considered a tributary and complement to what the government, represented by the Ministry of Public Health and Population, through the National Center for Oncology. Since its establishment, the Foundation has been working to serve approximately (15,000) fifteen thousand cancer patients annually.<sup>51</sup>

Among the most important areas that the organization works on are:

- Early detection services for breast and cervical cancer
- Social care: includes food security, shelter, protection, education and rehabilitation, economic empowerment, psychological support, and prosthetic organs.
- Health services: include diagnosis, treatment, and providing medicine to patients
- Establishing specialized units and centers for cancer treatment, where the institution's branches are affiliated with centers or units for oncology treatment
- Awareness and information

The main center of the National Cancer Control Foundation is in San aa, and it has six branches in Saada, Ibb, Aden, Taiz, and Hodeida.

---

<sup>51</sup> Wikipedia

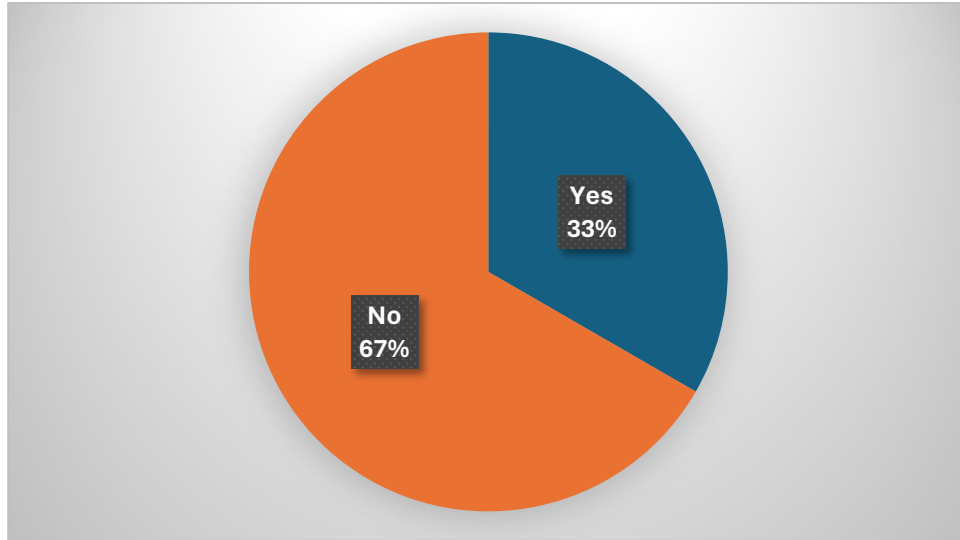
## Section Four: Scope and focus of CSR Initiatives in Yemen

These include economics, influencing public policy and advocacy, security and justice, education, environment, health and food, and improving livelihoods.



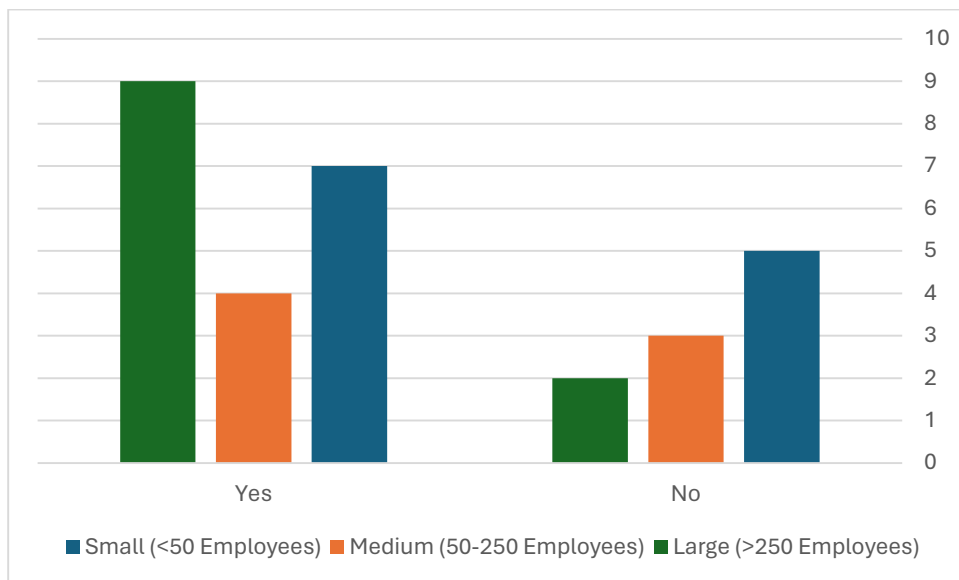
#### 4.1. Experience In the Field of Corporate Social Responsibility

The majority of the companies surveyed expressed that they had undertaken social responsibility initiatives in Yemen a year ago 2015 by 66.67 percent, compared to 33.33 percent of companies that answered that they did not undertake any initiatives related to social responsibility.



*Figure 2 Ratio of Companies Undertaking CSR Initiatives*

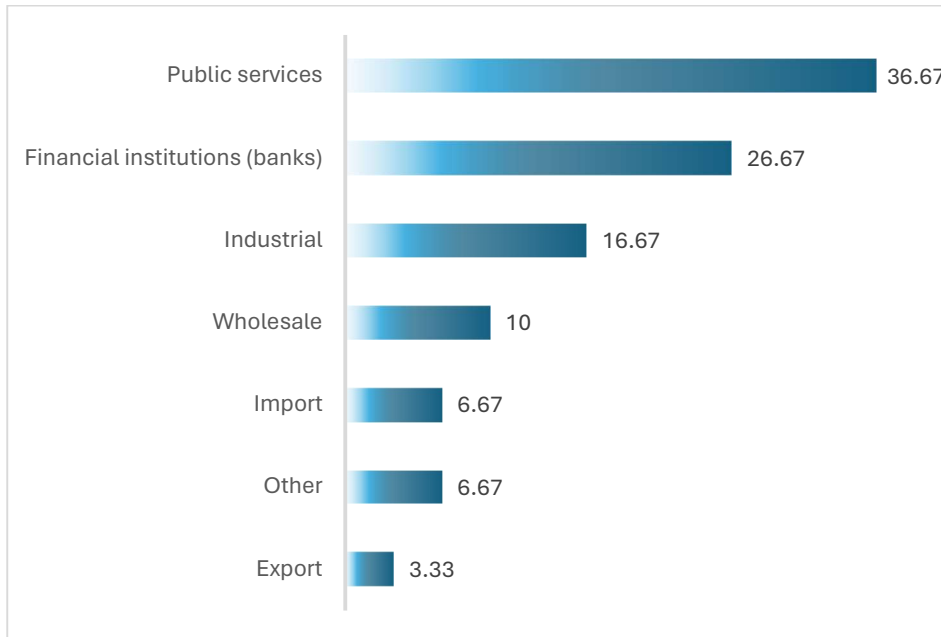
It is clear from Figure 3 that the largest percentage of companies that have undertaken social responsibility initiatives are large companies, with a percentage of up to 45.0 percent, followed by small businesses, at 35 percent, and medium enterprises, at 20 percent.



*Figure 3 Ratio of Companies Undertaking CSR Initiatives according to Company Size*

Figure “4” also shows that there is a difference between business institutions in social responsibility initiatives according to the type of activity of the institution, as public service companies come in first

place in establishing social responsibility initiatives, with a percentage of up to 40 percent, followed by financial institutions/banks with 25 percent, and in third place



**Figure 4 Ratio of Companies Undertaking CSR Initiatives According to the Company**

The results of the study reveal that most of the companies that have undertaken initiatives related to social responsibility, namely: 19 companies, with limited experience, including 7 companies, constituting 23.33 percent of the total sample, implemented initiatives in the field of social responsibility in a period ranging from 5 to 10 years, and the same number and percentage implemented initiatives in a period ranging from 1 to 4 years. years, while 10 percent of the sample had more than 15 years of experience presenting initiatives, and 6.67 percent specified the years of undertaking initiatives as 11-15 years.

The number of years	Number	Ratio
From 5 to 10 years	7	23
From 1 to 4 years	7	23
More than 15 years	3	10
From 11 to 15 years	2	7

**Table 3 Years of Experience in Corporate Social Responsibility Initiatives**

## 4.2. Scope And focus of CSR Initiatives

### Target Groups

Regarding the social groups or groups that have benefited from CSR initiatives, companies pointed to seven main groups, namely vulnerable groups and those affected by the ongoing conflict. All business organizations that undertake initiatives [19 business organizations] represent a percentage of 63.33 of the total number of sample members, targeting women in first place, then men and youth, and 9 organizations [30 percent] reported targeting people with special needs, while displaced people and children benefit from social responsibility initiatives carried out by 8 companies, and it is considered Marginalized people are among the groups targeted by 5 companies.

Target Groups	Number	The Ratio
Women	19	63
Men	16	53
Youths	15	50
People With Special Needs	9	30
Displaced People	8	27
Children	8	27
The Marginalized	5	17
Other	2	7

*Table 4 Target Groups*

### The Geographical Scope of Implementing Social Responsibility Initiatives

As for the geographical scope of implementing corporate social responsibility initiatives, the initiatives are implemented in areas where companies often have headquarters and branches. Of course, Taiz Governorate benefits from all the initiatives implemented by the companies operating in it, and more than half of the companies concerned [12 out of 19 companies] are implementing initiatives in Sanaa Governorate, followed by the Capital Municipality, according to the testimony of 8 companies, and about a third of the companies implemented initiatives in each of the Hodeida, Aden, and Ibb governorates. There are 4 companies in Hajjah, Dhamar, and Hadramout, and there are 3 companies in Marib, two companies registered initiatives for two companies in Al Mahwit and Hajjah, and one company in the rest of the Yemeni governorates.

Governorates In Which Implementation Took Place	Number	Ratio
Taiz	18	60
Sana'a	12	40

Capital Municipality	8	27
Hodeida	7	23
Aden	6	20
Ibb	6	20
Hajjah	4	13
Dhamar	4	13
Hadhramaut	4	13
Marib	3	10
Al Jawf	2	7
Al Mahwit	2	7
Al-Baida'a	1	3
Lahj	1	3
Al-Mahra	1	3
Sadah	1	3
Amran	1	3
Abyan	1	3
Al Dhali	1	3
Shabwa	1	3

*Table 5 Geographic Scope For Implementing CSR Initiatives*

### **Focus of CSR Initiatives:**

The role of the private sector in the humanitarian crisis

The Office for the Coordination of Humanitarian Affairs acknowledged in 2017: While humanitarian aid cannot fully compensate for the absence of public institutions, it also cannot replace commercial imports and the functioning of local markets to meet the most of Yemenis' survival needs. The report notes how the private sector has stopped Erosion of services After public sector electricity production fell to near zero in most parts of the country, businesses facilitated a rapid and widespread transition to solar energy for many households in many areas, providing access to generators, equipment, industrial spare parts and expertise to keep various Water networks and health care facilities in major Yemeni cities, especially Sana'a, Hodeida, and Taiz, and many private medical facilities remained open - often to provide their services to people unable to pay - in areas that witnessed the closure of public clinics, while Yemeni companies facilitated the flow of medical supplies to Pharmacies, public, private and humanitarian facilities across the country. In an August 2017 UNDP survey of 53 representatives of private sector organizations - small, medium

and large - in Yemen across all industrial sectors, it was reported that four out of five of these organizations help people affected by the conflict. These institutions also stated that the most important forms of assistance they provide include financial, food, and health services.

In another survey conducted by the Sanaa Center for Strategic Studies, in November 2017, all participants reported that they were contributing to alleviating the severity of the humanitarian crisis. These contributions ranged from cash distributions, to preparing and distributing food baskets, to supplying medical supplies to those infected with cholera. Despite limited market demand for their goods, all business owners said they retained the majority of their workforce – albeit through negative coping strategies, such as cutting salaries and benefits, as well as reducing working hours – as part of their overall efforts to mitigate the crisis.

### **1. Philanthropic Contributions & Emergency Assistant:**

She indicated 16 companies and institutions are adopting charitable projects and emergency aid, and the distribution of food baskets is at the forefront of charitable and emergency projects for business institutions, according to a statement by 13 institutions representing 43.33 percent of the institutions included in the survey, and 30 percent of companies provide in-kind donations to support social issues, then provide care. Health and medical aid, which is included in the aid provided by 7 institutions, at a rate of 23.33 percent. 6 institutions [20 percent] provide assistance in the field of shelter and housing, and the same number and percentage of companies provide assistance in the field of water and sanitation.

<b>Philanthropic Contributions &amp; Emergency Assistant</b>	<b>Number</b>	<b>Ratio</b>
Distribution Of Food Baskets	13	43
In-Kind Donations to Support Social Affairs	9	30
Providing Health Care and Medical Assistance	7	23
Distribution Of Shelter and Housing Aid	6	20
Providing Water and Sanitation Assistants	6	20

*Table 6 Corporate Contributions to Charitable Projects*

In the field of food, with the worsening humanitarian crisis in Yemen, the private sector, represented by the Chamber of Commerce and Industry in the capital secretariat, the Federation of Chambers of Commerce, and a group of businessmen and women, established the “Yemeni Food Bank” in 2017. The bank focuses a large part of its efforts towards the strategic food security sector and ways to Livelihood, by adopting programs and projects based on optimal investment of available resources, and creating sustainable solutions that ensure that local communities obtain sources of safe and sustainable food. The Strategic Food Security Program works to meet food needs and secure job opportunities by

supporting agriculture, livestock and production projects to contribute to achieving sustainable food systems and to create added value by exploiting and developing available resources.<sup>52</sup>

In addition to providing food, the private sector established community kitchens and bakeries in many affected areas, in addition to distributing food baskets.

The Hayel Saeed Anam & Partners Group of Companies, in partnership with the packaging manufacturer Tetra Pak, launched the School Milk Initiative in Yemen, which was announced in May 2023 at a joint workshop on food security hosted by the Hayel Saeed Anam & Partners Group and the International Food Policy Research Institute (IFPRI). IFPRI, titled “Rethinking responses to the food crisis: The power of partnership to build resilient food systems in Yemen.”

The initiative comes in coordination with the Yemeni Ministry of Education and the World Food Program to help address the food security and nutrition challenges facing youth in Yemen.

The pilot initiative, which began on November 20, 2023, will provide fortified milk to 10,000 children in Yemen once a day during school days, seeking to improve student nutrition and health while stimulating school enrollment. The pilot project will target an estimated 40 schools in Taiz Governorate. Within the framework of the initiative, Hayel Saeed Anam & Co. Group will produce sterilized Al Hana milk in its local facilities, fortified with micronutrients and vitamins based on local nutritional deficiency data, while Tetra Pak will supply packages. Tetra Brik Aseptic 125, ensuring that the product remains fresh for up to 12 months, thus maximizing the distribution period. As a result, the impact of transportation challenges common in Yemen due to damaged infrastructure will be reduced.

The Human Development Program of Hayel Saeed Anam & Co. Group will manage the distribution of milk to schools and coordinate with the relevant authorities, including the Ministry of Education and the United Nations Nutrition Cluster, which is managed by UNICEF and the World Food Programme. The program will also coordinate with schools on storage and food safety needs, engaging communities through awareness campaigns, and supervising project monitoring and evaluation.

Hayel Saeed Anam & Co. Group and Tetra Pak will work to ensure Yemeni children receive safe nutrition in addition to improving the food value chain in Yemen by increasing opportunities for smallholder farmers to develop their businesses, earn income and improve their livelihoods. This initiative will also improve the income and livelihoods of small-scale dairy farmers, including local producers in the supply chain, while alleviating malnutrition in vulnerable populations.

---

<sup>52</sup> <https://www.yemenfoodbank.org>

The second phase of this initiative will include creating affordable nutritious beverage, dairy and cereal formulas for school feeding programs across Yemen.<sup>53</sup>

### Health Care and Medical Assistance

The private sector has undertaken relief and development efforts, including providing aid through the distribution of food and medicine - whether directly or through civil society associations and institutions. It has also contributed to supporting dialysis hospitals and cancer treatment units, providing petroleum derivatives to some hospitals and the Water Corporation, and providing funding for many community campaigns such as hygiene and disease control. Such as cholera, dengue, and coronavirus. In the field of health and food, there are several institutions established with the support and care of the Yemeni private sector, to serve the community and meet its urgent needs, the most prominent of which are the Food Bank and the Yemeni Medicine Bank. YFB, National Cancer Foundation. These and other institutions, according to a statement by the Federation of Yemeni Chambers of Commerce and Industry and the Chamber of Commerce and Industry in the capital secretariat, belong to the private sector and are supervised by the leadership of the Chamber of Commerce and businessmen from all governorates.<sup>54</sup>

It is a national institution for Combating Cancer in Yemen, and it is the largest societal framework for voluntary efforts aimed at combating cancer. It is a charitable civil society institution, founded in March 2003, with the participation of financiers, businessmen, doctors, and activists. It aims to combat Cancer and caring for those infected with it health-wise, socially and psychologically in Yemen. Its headquarters are in Sana'a Capital, and it has six branches in, Saada, Ibb, Aden, Taiz, and Al-Hodeida. In addition to health services, treatment, and providing medicine to patients, the Foundation provides social care for cancer patients: including food security, shelter, protection, education and rehabilitation, economic empowerment, psychological support, and prosthetic organs.

The Cancer Control Foundation in Hadramout Governorate constitutes a distinctive experience in social responsibility, as it is supported by Hadhramaut merchants to form a window of hope for hundreds of patients who are unable to face cancer. The Foundation receives support from the private sector.

The private sector also provides health services through charitable development associations affiliated with some companies. For example, the health program at the charitable foundation of Hayel Saeed

---

<sup>53</sup> Hayel Saeed Anam & Co. Group and Tetra Pak launch a program to support safe feeding in schools <https://www.pnewswire.com/>

<sup>54</sup> <https://yemen-yba.com/>

Anam Group of Companies aided to 40,471 patients. This support is provided by supporting health facilities through medicines, medical equipment, and operational expenses, as the Foundation has established dozens of health centers in rural and urban areas in Yemen.

The Bazraa Charitable and Developmental Foundation provides several health services, including the Bazraa Center for Child Health Promotion and Community Development, where the center provides specialized services for child health through diagnosis and examinations for nominal fees, as well as a cooperative pharmacy that provides medicines at lower prices than commercial pharmacies, and also provides family awareness, guidance and support services. Psychological treatment, which benefits about 4,000 cases annually. The Bazraa Center holds surgical and medical camps in various fields. The Hayat Project to Help Poor Patients, affiliated with the Bazraa Foundation, also provides support and assistance to poor patients to receive treatment, whether at home or abroad, through contributions and guarantees, from which approximately 2,500 patients benefit annually.

The Bazraa Foundation contributes to supporting government efforts when confronting epidemics and health disasters that threaten society, such as the cholera outbreak, and supporting the equipping of 5 health centers with equipment, supplies, medical solutions, etc., as well as supporting government efforts in confronting Covid-19 by providing Corona therapeutic health isolation centers provided with all equipment with a capacity of 100 beds. And four intensive care rooms, examination laboratories and all supplies, in addition to a project to provide occupational safety equipment for medical staff working in 12 health centers, in addition to a project for training courses for poor families on the manufacture of detergents and sterilizers and supporting some community initiatives in the same context.

In Hodeida, businessmen made many efforts in Tehama, perhaps the most famous of which was supporting dialysis hospitals, distributing relief materials, and distributing funding sources of income to the families of the most in need.

In Taiz, the private sector provides assistance in various aspects, most notably, supporting the kidney department in Al-Thawra Hospital, supplying hospitals with water, and supporting the displaced, according to a statement by Amin Al-Haidari, CEO of the Humanitarian Relief Coalition in Taiz, “The private sector in Taiz provides 90% of humanitarian aid.

In the field of medicine, the private sector established the Yemeni Medicine Bank, in 2019, as a charitable institution. It aims to provide urgent and urgent health and medical services to the poor and most vulnerable groups. The bank also contributes to building a health and medicine system, by stimulating the energies of goodness and solidarity and coordinating efforts between the government and private work sectors and humanitarian work partners from international and local civil society



organizations. The bank's work includes several programs: pharmaceutical supply, medical services, water, environmental sanitation and hygiene, nutrition, awareness and capacity building.

## **2. Development Projects**

Regarding companies' contribution to development projects, companies indicated five areas, which can be ranked from highest to lowest according to the sample's answers.

- education initiatives, 8 companies, representing 26.67 percent of the total companies included in the evaluation, adopt development projects related to education.
- Also, the same number and percentage of companies are interested in job creation projects.
- Seven companies provide [23.33 percent] economic empowerment programs,
- Efforts to protect the environment as well as infrastructure development come in third place, as referred to both areas 16.67 percent of the total sample.

<b>Development Projects</b>	<b>Number</b>	<b>Ratio</b>
Education Initiatives	8	26.67
Job Creation Projects	8	26.67
Economic Empowerment Programs	7	23.33
Environmental Protection Efforts	5	16.67
Upgrading The Infrastructure	5	16.67

*Table 7 CSR Contribution to Development*

### **Education Initiatives**

Since the start of war, a limited number have benefited from private sector contributions to cover operating costs or teachers' salaries. However, education in general remains far from the priorities of the authorities, donors and the private sector at the present time.

Despite the bleak picture, in 2019, Hayel Saeed Anam Trading Group, launched the Humanitarian Development Program, which include education project that aims to provide free, equitable and comprehensive education to poor, outstanding children in the three most affected Yemeni governorates: Aden, Taiz and Marib. This contribute to achieve the fourth goal of the sustainable development goals "Ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all" is also in line with Minimum standards for education in emergencies INEE modern education that keeps pace with the changes of the times in order to raise a generation that uses critical thinking and creative thinking mechanisms, in addition to empowering the targeted students with the basic life and

leadership skills that make them good leaders for the future. This project supports prioritizing safe, equitable and quality public education for all children and youth affected by crises.

The IMAS humanitarian educational project is part of the efforts aimed at curbing the humanitarian catastrophe currently occurring in Yemen to create a generation capable of solving problems, building peace, and preventing conflicts. Through this program, three schools will be furnished with all the supplies and requirements for online teaching and learning, in addition to employing a qualified, highly skilled educational staff. The number of beneficiaries currently from this humanitarian educational project is 460 outstanding poor and displaced male and female students in three Yemeni governorates: Aden, Taiz, and Marib. The Human Development Program also plans HDP within two years (2025) to open ten schools in ten areas affected by the crisis, bringing the total number of beneficiaries to 2,000 male and female students affected by war and crises.

In addition to IMAS project, Hayel Saeed Anam Group contributed to the construction, restoration and rehabilitation of approximately 1,112 schools and technical institutes affected by the conflict. The group also contributes to providing thousands of Yemeni students with school supplies, including bags, school uniforms, and sanitary tools in all governorates of Yemen.<sup>55</sup>

Within the framework of this program from 2015, the Hayel Saeed Charitable Foundation rehabilitated 12 schools in Taiz affected by the conflict, in addition to providing educational opportunities, through summer training courses for high school students to [200] students, and vocational training in Taiz Governorate schools for [200] students in partnership with GIZ.<sup>56</sup>

Other companies also provided financial support for education projects, including Al-Habbari Group's donation 80 percent of the total cost of constructing the Department of Electronic Mechanics at Sana'a University.<sup>57</sup>

Al-Khair Foundation for Social Development, affiliated with International Companies, which was founded by businessman Alwan Al-Shaibani, implemented many interventions aimed at supporting the educational process at all its stages, giving priority to the communities most in need, especially in rural areas, marginalized groups, and orphans, in a manner consistent with national and international efforts seeking to achieve sustainable development goals. Al-Khair Foundation's education program includes interventions in supporting general education, supporting technical and university education, cultural support, and economic empowerment.

---

<sup>55</sup> Lifeline in Yemen: Private sector support for education during emergencies and crises <https://inec.org/>

<sup>56</sup> <https://www.hsayemen.com>

<sup>57</sup> Tariq Barakat and others, The role of the private sector in building peace in Yemen, Carbo 2019

Al-Khair Foundation for Social Development renovated and furnished four schools and built classrooms in Sanaa and Taiz. And building the Al-Khair School in the village of Al-Haija in Al-Maslub District at a cost of 2022 AD (\$442,776), financing the work of studying the mutual effects of Yemeni migration during the twentieth century, targeting the local culture and heritage sector, and supporting the education of orphans. The total beneficiaries reached 924 orphans, both male and female, during the period 2013 - 2020 in the city of Taiz and supporting the education of the marginalized. The total number of beneficiaries reached 596 students during the period 2013 - 2020 in the city of Taiz. The Foundation provided educational scholarships to 564 male and female high school graduates during the period 2010 - 2020, in addition to scholarships for postgraduate studies (Master's and Doctorate) locally and abroad, to 21 female and male students during the period.

And developing the skills of 578 male and female students between 2008 and 2020 in the city of Taiz. It supported the Ministry of Education with 500,000 medical masks and automatic correction equipment and contributed to completing the testing process.

The Foundation provided educational equipment and scholarships to 27 male and female students from Yemeni families in Malaysia in 2020 and distributed 480 school bags in the governorates of Taiz and Al-Jawf in 2019.

The Bazraa Charitable Foundation allocates a group of programs and projects in the field of educational care and capacity building, which is estimated at about 25% of the organization's total annual spending. It comes in third place, and among the most prominent programs and projects in the field: Badir Internal Scholarship Program, Basic and secondary education development programme, Capacity Building Initiatives Support Program, in supporting community initiatives aimed at developing the capabilities of civil society organizations., University Student Care Program and School Environment Improvement Project: The Foundation works to support improving the school environment in some basic and secondary education schools by providing alternative energy systems, Laboratories, laboratories, furniture, etc. The Transformation and Transition to a Model Education System Project: The Foundation is working on implementing the Transformation and Transition to a Model Education System program in Bazraa School as the first model for a model government school in basic education as a pilot project that can be expanded and moved to other schools.

### Job Creation Projects

The private sector continues - to some extent - to provide jobs and maintain people's livelihood that would contribute to renewed stability. Even as the war continued, the private sector provided alternative energy sources such as solar energy systems, as well as water pumping systems for solar-powered irrigation, which would have kept the door open for continued production. The private sector is also

responsible for providing electrical power systems to local communities, especially in urban areas. For its part, some companies in the industrial sector were keen to pay half the salaries of their qualified employees to retain them.<sup>58</sup>

### **Economic Empowerment and Livelihoods**

Al-Khair Foundation for Social Development, through the Livelihood Enhancement Program, contributed to implementing projects aimed at promoting economic and social development that contribute to alleviating the level of poverty and its effects among various poor population groups, reducing vulnerability in affected communities, and improving access to basic services. The program includes sub-interventions in the economic empowerment of rural women and youth, supporting health services, supporting social care, supporting community initiatives and emerging associations, and supporting infrastructure and reconstruction. Including financing and planting coffee seedlings in the districts of Bani Shaybah, East and West, Al-Shamaytain District, Taiz Governorate, and the number of beneficiaries reached 298, financing the drug supply project to support psychiatric patients, targeting 51 patients during the year 2020 AD in Sana'a, rehabilitating the Shahid Al-Alam Hospital in Taiz Governorate, contributing to its operation, and supporting salaries. workers during the period 2019 - 2020 AD and qualifying 76 rural women in the field of hairdressers in the period between 2017 - 2019 in the city of Taiz. Distributing dates and Eid sacrifices to poor families annually, and the number of beneficiaries reached 864 families during the period between 2010 - 2020. Providing incentive rewards to support education and health awareness in the Al-Shamaytain District in Taiz Governorate during the period between 2010 - 2020, supporting community initiatives and emerging associations, and the number of beneficiaries reached 57 community initiatives and associations. Emerging during the period 2010 - 2020 in various governorates of the Republic of Yemen.

With the growing threat of a global pandemic in 2020, the Global Initiative against COVID-19 was launched in Yemen in April 2020 as part of a partnership that brings together institutions and the United Nations to support communities and health workers by directing important medical supplies to the country, in cooperation with the Yemeni and international authorities. The initiative was led by Hayel Saeed Anam Group, along with the Yemeni Private Sector Caucus and the Federation of Yemeni Chambers of Commerce and Industry. In addition to the United Nations, Tetra Pak and Uni Lever.

In the framework of working with the United Nations and its agencies, initiative partners donated IICY provided funds to pay the salaries of frontline medical staff and provide the most critical medical

---

<sup>58</sup> Tariq Barakat and others, The role of the private sector in building peace in Yemen, Carbo 2019

equipment, including personal protective equipment, which was distributed to hospitals and laboratories across Yemen.<sup>59</sup>

Al-Kuraimi Islamic Microfinance Bank supported the response to the Corona epidemic in Yemen, in partnership with the United Nations Development Programme, the World Health Organization, and the Ministry of Public Health. Partners sought to strengthen health systems to respond to the outbreak, by supporting national efforts to contain the spread and lay the foundation for recovery and resilience against future shocks. BTC Al-Kuraimi pledged US\$600,000 to launch initiatives in Aden, Hodeida, Sana'a and Taiz, specifically prioritizing: Improving health care waste management, provision of personal protective equipment (PPEs), test sample transportation and tracking, and hazard pay for frontline health care workers.

### **3. Partnerships and Collaboration**

Financial Support and Collaboration with other respondents and stakeholders regarding the type of initiatives of social responsibility takes four forms:

- In first level, companies provided financial donations to charities and non-governmental organizations, according to respondent's 33.33 percent of the total number of companies included in the evaluation
- Followed by supported collaborative initiatives with non-governmental organizations and United Nations agencies 23.33 percent of the companies surveyed,
- And a few companies, 13.33 percent, contributed to government programs
- Finally, some companies whose percentage does not exceed 10 percent worked through the joint implementation of corporate social responsibility projects.

<b>Financial Support and Collaborations</b>	<b>Number</b>	<b>Ratio</b>
Donations to charities and non-governmental organizations	10	33.33
Collaborative initiatives with NGOs and UN agencies	7	23.33
Contributions to government programs	4	13.33
Joint implementation of corporate social responsibility projects	3	10

*Table 8 Funding Other Initiatives and Collaborations with Other Respondents*

### **4. Peacebuilding Efforts**

As for the contribution of companies and business institutions to peacebuilding, the results of the survey revealed that the contribution of companies to peacebuilding initiatives is very limited:

<sup>59</sup> <https://www.hsayemen.com>

- Only 13.33 percent of the total sample indicated contribution to promoting peace, reconciliation and conflict resolution.
- While 10 percent of companies reported that they have initiatives to promote dialogue and social cohesion, as well as to support peace negotiations, in addition to addressing the root causes of conflicts.

Efforts Peacebuilding	Number	Ratio
Promoting Peace, Reconciliation and Conflict Resolution	4	13.33
Promoting Dialogue and Social Cohesion	3	10
Support Peace Negotiations	3	10
Addressing The Root Causes of Conflicts	3	10

*Table 9 Contribution of Companies to Peacebuilding*

Mostly, the private sector seeks to adhere to a policy of neutrality to avoid the reactions of the conflicting parties. Despite this, the private sector can contribute positively to influencing political outcomes. For example, merchants through chambers of commerce enabled the flow of goods between conflicting party lines, which calmed and encouraged functional interactions and exchanges daily. Since the outbreak of war in 2015, the Federation of Chambers of Commerce has delivered several letters to the Office of the Special Envoy of the Secretary-General of the United Nations in Yemen, demanding respect for the neutrality of the private sector and the economy, in accordance with United Nations decisions.<sup>60</sup>

During the years 2015 and 2016, many consultative meetings were held that included representatives of the private sector, business organizations, civil society organizations, government institutions, international institutions and economic experts. During the years 2015 and 2016, the meetings focused on developing visions for ending the war and the requirements for a political solution.

The bodies representing the private sector, such as the “Development Leaders” and the “Reconstruction Project,” are seeking, backed by international support, to increase the influence of economic actors and consolidate the neutrality of the field of business and commercial activities. The private sector can cooperate with local authorities to secure, rehabilitate and finance medium and small enterprises.<sup>61</sup>

In the policy memorandum for the private sector bloc that was formed in 2019, it called on the private sector to be involved in formulating economic and development policies. He said that involving the private sector in formulating policies and legislation contributes to restoring trust between it and official

<sup>60</sup> Tariq Barakat and others, The role of the private sector in building peace in Yemen, Carbo 2019

<sup>61</sup> Tariq Barakat and others, The role of the private sector in building peace in Yemen, Carbo 2019

bodies after long years of lack of trust. The bloc also called for strengthening the role of the private sector in humanitarian and development work, and for it to be a major and influential partner in drawing up strategies, policies and programs for the recovery and reconstruction phase, so that previous negatives in performance are not repeated, by establishing investment and development funds that contribute to reconstruction and recovery with independent management in which it is represented. The private sector has an active and major role. The memorandum called for the establishment of a reconstruction fund to accelerate recovery and reconstruction, and part of its activities will be allocated to support the Yemeni private sector at all levels to play a pivotal role in this stage, and an investment fund in partnership with the private sector, donors and official bodies to support financing investments in infrastructure. And the Investment Guarantee Fund, which provides guarantees to the private sector and local and international investors to enter investments. The memorandum warned that continuing relief work in this exaggerated manner will produce a poor, dependent, weak society unable to work and produce. The negative impact of long-term relief work is disastrous for the nation and the citizen. It affects the ability of the private sector to supply the market and, in one way or another, supports its accelerating collapse.<sup>62</sup>

#### **Initiatives To Neutralize the Economy and Avoid Worsening the Humanitarian Situation.**

On March 31, 2016, the private sector, represented by the General Federation of Chambers of Commerce, the Chamber of Commerce in the Capital Secretariat, and the Economic Observatory for Studies and Consultations, launched the initiative (Neutralizing the Yemeni economy from war and conflicts). The initiative included the following points:

- Stop targeting public and private economic establishments and facilities in all governorates of the Republic immediately, lift the economic blockade imposed on Yemenis from abroad and between governorates, support the continuation of the economic wheel from all parties, stop using the economic aspect as a pressure card, and open the way for the flow of humanitarian aid and its distribution to those in need throughout the governorates.
- Immediate neutralization of the important economic sectors in Yemen, most notably the production and export of oil and gas, tax and customs revenues, and non-interference in monetary policy related to providing liquidity to the market, enhancing cash reserves and monitoring the exchange rate.
- It defines duties on the conflicting parties as a moral obligation before the Yemeni people, which are to spare the national economy from further stumbling and losses even in light of the continuation of wars and armed confrontations, and to ensure the continued flow of basic resources to society,

<sup>62</sup> Announcing the establishment of a private sector bloc in Yemen, Feb - 07 - 2019

to pay salaries to all employees, and to continue the activity of the private sector and to grant it the necessary facilities. The sector's vision for sustaining the economy and enhancing livelihoods.

The private sector, represented by the Yemeni Economic Forum (YEF), also developed a vision for the continuation of economic activity and reconstruction. The vision proposed a set of policies in cases of continuation of war or end of peace building. In the current situation, the private sector vision emphasized policies and priorities that limit the aggravation of the economic, social and humanitarian conditions. In this context, the vision proposed several policies, as follows:<sup>63</sup>

**1- Neutralizing the national economy and enhancing livelihoods:** Through, all parties to the conflict agree to an initiative to neutralize the economy, ensuring that infrastructure and economic facilities are spared from targeting, working to facilitate the flow of goods and services to and from Yemen, supporting rural development programs through cash for work and small projects, creating safe areas for the arrival of aid, and involving the private sector. In providing relief and humanitarian work by providing goods and entering large tenders with international organizations that undertake this aspect.

**2- Improving the humanitarian conditions, especially for the most affected groups, by providing relief food supplies, securing basic needs for goods and services, providing alternative means in the health field [such as mobile medical teams] for previously damaged facilities, strengthening cooperation and coordination between the parties concerned with addressing the situation. Humanitarian aid to reach the most vulnerable groups at the lowest costs, and to enhance coordination between local efforts and donor efforts in the field of humanitarian response.**

**3- Private sector supported during the war, through:** Working to secure the energy sources necessary to maintain production and transportation operations, working to ensure the stability of the value of the national currency, focusing on supporting labor-intensive projects, especially small and smaller projects, by providing financing sources, funding youth and women's initiatives, establishing business incubators, and assisting the private sector in managing risks. By preparing a strategy to confront crises, ensuring freedom of foreign trade and keeping all ports open to the private sector to ensure the flow of goods.

In the same context, representatives of the private sector and business organizations held a series of consultative meetings in several Yemeni governorates, to discuss the sector's vision on the continuity of economic activity and reconstruction. These meetings culminated in a consultative meeting in the capital secretariat, organized by the economic reforms team and the private sector issues advocacy

<sup>63</sup> Yemeni Business Club, vision of continuing economic activity and reconstruction,



team, in cooperation with the Chamber of Commerce and Industry in the capital secretariat, the Yemeni Business Club, and the Center for Studies and Economic Media. The discussion centered on the previously mentioned narrative.

A high-level meeting was held in March 2017 in Lebanon to discuss what could be done to improve the economy and humanitarian situation in Yemen. The meeting was organized by the Berghof Foundation in coordination with the Office of the United Nations Special Envoy to Yemen and with the support of the German Foreign Ministry. The meeting brought together economic and financial experts, including high-level representatives from the banking and commercial sectors, and experts from the International Monetary Fund and the World Bank participated in it.

This meeting was part of a series of meetings aimed at promoting a comprehensive and peaceful solution in Yemen, considering the needs and concerns of all stakeholders. Many meetings were held in November and December 2015, and in March, May, July, October and December 2016. The meetings focused on:

1. Elements of a political solution to end the war and implement Security Council Resolution (2216)
2. Restoring state functions.
3. Promoting inclusion and partnership, as key elements in the Yemeni peace process.
4. Mechanisms for including the southern issue in political dialogue and political transition processes.
5. Resuming political dialogue and the road map for the political transition process.
6. Political dialogue: principles, formulas and mechanisms
7. The importance of local governance to achieve sustainable peace.
8. Options to support a process that includes all components of Yemeni society and the peace and reconciliation process.
9. Credibility and confidence building to promote peace.<sup>64</sup>

It is clear from the previous data that charitable projects and emergency aid dominate other areas, and this is partly due to the humanitarian crisis resulting from the ongoing war in Yemen, where all local and international actors tended to provide emergency aid and interest in development projects, the environment, etc., declined greatly, but there is A more important factor is weak awareness of social responsibility and its areas in general.

The issue of social responsibility began to be discussed officially in Yemen within the framework of the economic reform program, within the framework of strengthening the role of the private sector in

---

<sup>64</sup> Berghof Foundation, The Yemeni Economy at the Crossroads – Report of a meeting during the period from 26-29 March 2017, Lebanon

economic and social development. The adoption of a market economy policy and the implementation of reform programs since mid-1995 has led to a noticeable growth in the importance of the role played by the private sector in the economy. However, this growth in the role of the private sector and the increase in its activities has not been matched, as those interested note that there are social responsibility activities except in a narrow and random scope. As most companies in Yemen are not aware of the concept of social responsibility in its broad sense, rather what they offer is limited to volunteer and charitable work.

The role of corporate social responsibility in Yemen, as economist Dr. Taha Al-Fussail sees it, is focused on volunteer, charitable work, individualism, and randomness. There is lack of information about its size, boundaries, trends, focus and scope of these initiatives. It concentrated mainly in certain seasons (the month of Ramadan and Eid al-Adha). There is lack also of an organized institutional framework based on specific mechanisms, goals and programmes. In addition, the dominance of religious motive as a governing factor and primary motivation, and the prevailing deep-rooted belief in the importance of concealing charity, zakat and donations in the pursuit of the great reward and great reward from the Creator, Glory be to Him, pushes the private sector to withhold His charitable volunteer work as much as possible.<sup>65</sup>

In a survey conducted by the Center for Consumer Studies and Research, it was revealed that 95% of companies operating in Yemen had no idea of social responsibility, and even consider charitable work and zakat a social responsibility. Some business owners hold the government accountable for the consequences of the lack of social responsibility, as they use paying taxes and zakat as an excuse.

The survey indicated that Hayel Saeed Anam Group came in first place in terms of carrying out social responsibility in an institutional manner, as there is a special department, even if it is not called social responsibility. The survey revealed the presence of Yemeni companies that play a social role, but many of them refuse to disclose it and consider it an impermissible charitable work.<sup>66</sup>

Some of the participants in the interviews conducted for this study indicated weak awareness of social responsibility, more so for owners of small and medium enterprises. In an interview with the official of the Entrepreneurship Unit in one of the institutions, he said, "The applicants for support from the owners of small enterprises, most of them are simple individuals, their level Their education is very limited. They do not have the slightest knowledge about social responsibility, and with their limited

---

<sup>65</sup> Abdul Salam Al-Dais, Report: The private sector in Yemen, an absent social role and confusion between social responsibility and charitable work, September 20, 2009, <https://www.saba.ye>

<sup>66</sup> Taher Hazam, 95 percent of Yemeni companies operating in Yemen ignore their social responsibility, June 24, 2009, Mareb Press

financial capabilities and existing conditions, thinking about educating them about their social responsibility is useless because the owners of these projects hardly succeed in paying off their debts. On the other hand, utilitarian motives related to improving the company's reputation and obtaining moral capital that would affect the increase of the company's finances, in addition to satisfying its customers and avoiding accountability and pressure from civil society and organizations concerned with protecting the environment and human rights, are the main motives for practicing social responsibility for large companies. Contribution, which is limited in Yemen, while one of the most important motivations for practicing social responsibility for small, medium, and family companies are the cultural standards, values, and personal ethics of the company owner or manager, who has great authority to make various decisions personally.

Moreover, as some researchers say, the Arab culture advocates traditional patriarchal values, which reduce economic performance, and which concentrate power in the hands of employers. Therefore, this culture works to suppress the development of movements and interactions between the various stakeholders, especially expenses, and de facto hinders opportunities. Social dialogue.<sup>67</sup>

In Yemen, charitable work as an approach to God is considered the most important motivation and decisive value in adopting social responsibility, and therefore the decision to exercise social responsibility is subject to the company owner or manager's understanding and appreciation of the areas of charity. Some people practice charitable work on a seasonal basis and in temporary, unsustainable charitable projects, which is the prevailing trend. Others support sustainable social projects, and there are companies that adopt social responsibility in its various implications.

Social responsibility practices are often partial and characterized by an informal nature, especially since the entire administrative process in small and medium-sized companies takes place informally. It is possible for these companies to practice some programs that fall within the framework of social responsibility, but they are called by other names. They often do not care about the process of monitoring and evaluating the impact of the social projects they implement.

The absence of a culture of social responsibility in the local community leads to the absence of societal accountability regarding the effects of companies' economic activities on the environment and human rights.

It is important to educate society and business owners about the importance of social responsibility and its benefits for the benefit of the private sector, society and government, in addition to building the

---

<sup>67</sup> Naima Ibrahim Al-Ghannam, the role of activating the social responsibility of small and medium enterprises in achieving sustainable development, <https://www.regionalcsr.com/>

capabilities of small and medium-sized companies regarding practicing social responsibility and providing them with technical support from civil society and donors. It is also important to develop the jurisprudential discourse regarding charitable work and integrate it into the concept and areas of social responsibility, sustainable development and governance.

## Security And Judiciary

Most private sector companies express that their interest lies in implementing the provisions of the law, as merchants realize that the failure of the state will affect them financially. However, several companies are involved in illegal activities, or encourage the privatization of security and justice through their support for local militias to protect their assets, as is the case with the Balhaf gas export port and others.

Most merchants doubt the effectiveness and impartiality of the judiciary, and the inability of the private sector intervention currently appears to contribute effectively to supporting security and the judiciary.<sup>68</sup> The private sector provided support to local police in some governorates, with one report stating that police departments at the local level received support from their communities, which helped them maintain their operations. The police also received support from local businessmen. The report stressed that this support stems not only from the desire of businessmen to protect their vacant properties from illegal seizure, but also from a desire to do good. Because they are able to make these contributions at a time when tax collection is weak. The report states, for example, that the business sector provided free services to several police departments in Taiz, including electricity from private companies and water transported in water tanks from private wells. Businessmen in Taiz also provided temporary buildings for police stations to work from in place of those that were destroyed during the war. The police chiefs explained that water, electricity and furniture are provided by businessmen and citizens who support the department. These models of arrangements between local police and both the private sector and community members are common.<sup>69</sup>

## 5. Environment And Climate Change

In evaluating corporate social responsibility in the field of environment and climate, only 7 companies out of 30 responded that they have programs and initiatives in this field, including 5 companies with a percentage of 16.67 that indicated environmental sustainability projects, and only 3 companies, representing 10 percent, have activities related to the promotion of renewable energy and also It has

---

<sup>68</sup> Tariq Barakat and others, The role of the private sector in building peace in Yemen, Carbo 2019

<sup>69</sup> Yemen Policy Center [2021] The role of Yemeni civil society in shaping the features of security reform, <https://www.yemenpolicy.org/>

contributions to efforts to mitigate and adapt to climate change. Finally, only two companies [6.67 percent] referred to waste management.

Environment And Climate Change	Number	Ratio
Environmental Sustainability Projects	5	16.67
Promoting Renewable Energy	3	10
Climate Change Mitigation and Adaptation Efforts	3	10
Waste Management	2	6.67

*Table 10 Corporate Initiatives in The Field of Environment*

Social responsibility towards the environment and human rights is usually associated with large companies, including industrial companies, whose economic activities cause environmental pollution. There are many reasons behind the limited role of the private sector's contributions to the environment. Some private sector actors argue that their main obstacle is the absence of any state policy framework. There are no national goals to establish environmental priorities and guidelines for making policies related to the environment, and therefore there is no coordinated approach to public. As for the private sector, there are only very specific controls in Yemen regarding the social responsibility that companies must bear, including the responsibility to provide preventive environmental guarantees. In addition to public awareness remaining low about future environmental challenges, many private sector players are also not committed to their responsibilities towards the environment.

The role of traders, especially in agriculture, is clear in terms of environmental pollution and overexploitation of natural resources. The idea of social responsibility among companies is not present at all among this. A vivid example of this is the issue of pesticides, especially given the consumption of khat by a high percentage of the population.<sup>70</sup>

The worst is yet to come, considering climate change and environmental degradation resulting from the war, as indicated by a new report issued by the United Nations Development Programme, clarifying the expected future of the climate in Yemen and how climate change could affect economic and human development in the long term. The report confirmed that Yemen is among the countries most vulnerable to climate change and is a country that has been facing a worsening water crisis for decades. He added that Yemen, like most low-income countries, has a very small contribution to the climate crisis.

The Yemen Climate Impact on Human Development Report [2023] predicts an increase in malnutrition and poverty in Yemen if climate action is not taken to build resilience. With climate change, by 2060, Yemen is expected to lose a cumulative \$93 billion in GDP and an additional 3.8 million people will

<sup>70</sup> Tariq Barakat and others, The role of the private sector in building peace in Yemen, Carbo 2019

suffer from malnutrition in Yemen. The report also predicted that climate change would cause more than 121,000 deaths in Yemen by 2060.<sup>71</sup>

According to a report issued by the World Bank, Yemen is highly vulnerable to the impacts of climate change, which exacerbates macroeconomic, disaster and food security vulnerabilities. Given the current multiple ongoing crises, Yemen's ability to deal with the impacts of climate change is very limited. The report expects the average annual temperature in Yemen to rise by 1.2 degrees Celsius to 3.3 degrees Celsius on average by 2060. It is expected that desertification, droughts, and water stress will increase annually by a rate ranging between 3% and 5%, and that these factors will affect agricultural production and food production.<sup>72</sup>

Considering this situation, it is necessary for the government, in coordination with community leaders, local civil society and the private sector, to develop a long-term plan and relevant policies to mitigate these future risks. There is an urgent need to address these concerns by introducing a regulatory framework that addresses environmental issues in addition to Include preventive measures and corporate social responsibility in all programs that work with the private sector.

In this context, on the sidelines of the Twenty-Eighth Conference of the Parties - COP 28, held on December 7, 2023, in Dubai, Hayel Saeed Anam & Partners Group, the Yemeni Environmental Protection Authority and the Climate Change Unit, affiliated with the Ministry of Water and Environment, announced the first partnership between the public and private sectors in Yemen. To address climate change issues and boost climate finance in the country, in line with the UN Sustainable Development Goals and the Paris Agreement. The partnership between Hayel Saeed Anam & Partners Group and the government bodies seeks to develop innovative projects and programs that enhance and support the goals of mitigating climate change and enhancing Yemen's ability to withstand climate change. The partnership will also support Hayel Saeed Anam & Co. Group's activity in Yemen to integrate policies and pursue new investments in technologies, by leveraging Multilateral Climate Fund resources such as Green Climate Funds, to enhance the Group's operational efficiency and help address the challenges of climate change.

According to the agreement:

- Hayel Saeed Anam & Co. Group will receive support for further integration and policy implementation in line with the UN Sustainable Development Goals and the 2015 Paris Agreement.

---

<sup>71</sup> UNDP: Forecasts showing the devastating effects of climate change on human development in Yemen, **December 3, 2023**, <https://www.undp.org/>

<sup>72</sup> World Bank, Country Engagement Document for the Republic of Yemen for the fiscal biennium, 2022 AD and 2023 AD, April 14, 2022, AD

- EPA and the Climate Coordination Unit will support Hayel Saeed Anam & Company's adoption of multilateral climate funds, which will provide direct access to climate finance allocations.
- A mechanism will be developed for Hayel Saeed Anam & Co. Group to co-finance projects to support resilience to climate change in line with actions identified by the Climate Funds.
- Capacities will be developed within both organizations to enable close cooperation and coordination on joint programmes, such as establishing low-emission infrastructure throughout Hayel Saeed Anam & Co.'s Yemeni operations and supply chain, which may serve as an example for the private sector in Yemen.
- Hayel Saeed Anam and Partners, HAS, group of companies, as the first company from the private sector to donate to support the United Nations appeal to prevent a major humanitarian, economic and environmental catastrophe in Yemen and the Red Sea region. On August 25, 2022, HSA Group announced a donation of US\$1.2 million to support an emergency operation to unload the oil on the tanker FSO SAFER and transfer it safely to another vessel.
- Where the ship FSO SAFER is filled with more than a million barrels of crude oil and has been anchored off the Red Sea coast of Yemen for more than 30 years. It has become in a dilapidated state and is on the verge of disintegrating or exploding at any time, with its oil cargo leaking into the Red Sea.
- In the field of water and environmental sanitation, the Hayel Saeed Anam Group Charitable Foundation aids ensure access to clean and safe water through the rehabilitation/construction of wells and the provision of water equipment. Due to the conflict, the Foundation supported the community by delivering a water trucking project in the governorates of Taiz, Sana'a, Aden, and Hodeida.

The Bazraa Foundation supports the infrastructure of remote areas in water projects and building, maintaining and improving mosques, which is estimated at about 10% of the Foundation's total annual spending and is one of the most prominent projects in this field. Al-Rasheed Water Project: The Foundation provides and sponsors a clean drinking water project for about 3,500 people in the desert of Hadramout Governorate in Doan District by providing 2 water wells and related accessories, such as pumps, tanks, and a water network extended to homes. It covers the entire project operating expenses so that it reaches 100 beneficiaries free of charge.

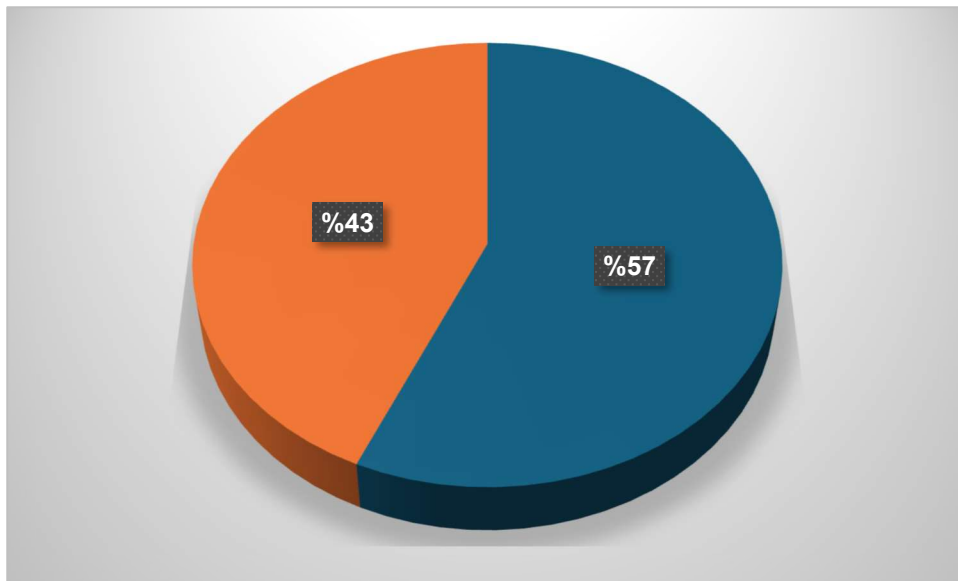
In an initiative considered the first at the private sector level in Yemen, Al-Amal Microfinance Bank launched in May 2023 the Al-Amal Bank Environmental Policy Guide. The guide aims to frame the bank's activities, its current interventions, and its future interventions to protect the environment and enhance awareness of environmentally responsible behavior, through compliance with environmental

requirements. Local and international practices and applying the environmental and social responsibility approach in all the bank's activities and financial products.<sup>73</sup>

### **Impact And Resources**

#### **Partnerships with other Stakeholders**

The survey results show that more than half of the respondent companies [56.67 per cent], implement social responsibility initiatives in partnership with other stakeholders [local and international NGOs, UN agencies, government institutions and local communities], as opposed to 43.33 percent of the total sample does not establish partnerships with stakeholders, and most of these companies do not originally have social responsibility initiatives.

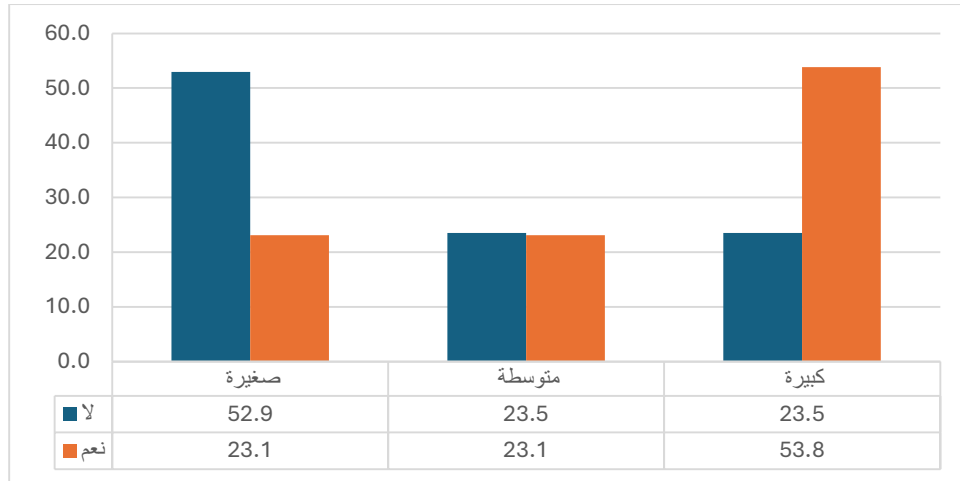


***Figure 5 Private Sector Partnerships With Other Stakeholders In Social Responsibility***

The data indicate some difference in establishing partnerships according to the size of the company, as most companies that establish partnerships with other stakeholders, at a rate of about 54 percent of the total number of sample members are from large companies, compared to about 23 percent for both medium and small companies.

<sup>73</sup> Environmental Policy Guide at Al Amal Bank, <https://alamalbank.com/>





**Figure 6 Partnerships by Company Size**

Partnerships with other stakeholders have taken five types, and they can be arranged according to the percentage of votes of business institutions participating in the survey as follows:

- 30 percent of businesses have established partnerships with NGOs
- While 26.67 percent of the sample indicated partnerships with international organizations
- In third level, 16.67 established partnerships with community initiatives.
- And 13.33 percent established Multi-Stakeholder Partnerships
- In fifth level, 10% established partnerships with academic institutions
- Finally, only 6.67 indicated they collaborated in partnership with government.

Types Of Partnerships	Number	Ratio
Private Sector-NGO Partnerships	9	30
Private Sector-International Organizations Partnerships	8	26.67
Private Sector-Community Partnerships	5	16.67
Multi-Stakeholder Partnerships	4	13.33
Private Sector Partnerships-Academy	3	10
Private Sector-Government Partnerships	2	6.67

**Table 11 Types of Partnerships Preferred for CSR Initiatives**

### 4.3. Internal Environment Analysis

#### Governance And Reporting of CSR Initiatives

##### Governance

In a report by the Social Accountability Network in the Arab World, the report team said: Through our research, we found limited evidence that the private sector in Yemen is trying to adopt a trend towards governance. Companies are only family projects and employees are relatives or belong to the same tribe, and therefore policies and management procedures tend to be informal. The report confirmed that governance within companies is used as a means of adhering to values and social responsibility within the company, but it is still without a clear structure and is limited.<sup>74</sup>

To find out this reality, the Yemeni Center for Public Opinion Measurement, the Yemeni Businessmen Club, and the International Private Projects Center of the Washington Chamber of Commerce implemented (CIPE) A field study on (corporate governance, practices and trends in Yemeni companies). It focused on several main principles of governance, foremost of which are the form and powers of the Board of Directors, transparency, disclosure, and shareholders' rights. Its results were announced in March 2009. The survey included 200 large and medium-sized companies and economic institutions in five Yemeni governorates. The study showed that 60.5 percent of companies refrain from publishing and disclosing their profits, and 57.5 percent refrain from disclosing their major shareholders. On the other hand, 67 percent disclose their strategies and goals. Telecommunications companies disclose their strategies and goals 100 percent. The study showed that only 14.3 percent of family companies have offices within them that organize and manage family business and affairs related to the company's business.<sup>75</sup>

The absence of governance in the private sector has not only led to a weak ability to attract private investment, but also to low competitiveness of the private sector. Yemen ranks low in the investor protection index because of companies not adhering to the principles and rules of governance, which is considered the most important factor in enhancing and developing the competitiveness of the private sector.

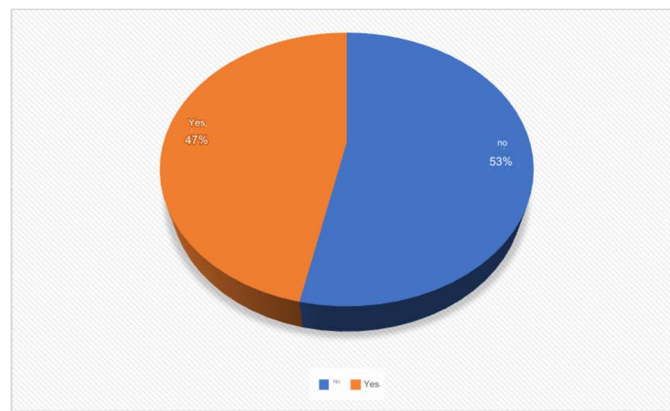
Corporate governance is the laws, rules and standards that define the relationship between the company's management on the one hand, and the shareholders, stakeholders or parties associated with the company. The term corporate governance refers to: discipline, transparency, accountability, and

<sup>74</sup> A preliminary assessment of social accountability in the Arab world, the final report of the Community Accountability Network in the Arab World, and CARE International. A preliminary assessment of social accountability in the Arab world, final report of the Social Accountability Network in the Arab World and CARE International - Egypt, May 2013, p. 136).

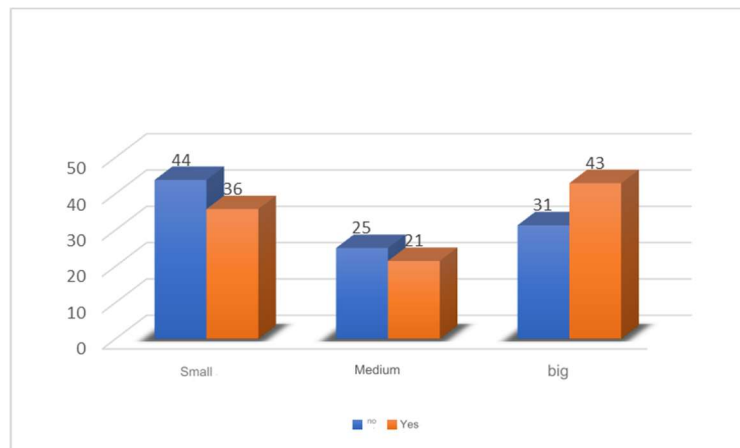
<sup>75</sup> <https://www.yemeneconomist.com>

responsibility. Governance is a means of increasing an organization's ability to act in a socially responsible manner. The social responsibility of an economic institution is part of the institution's commitment to applying corporate governance. As stated in the principles of corporate governance, boards of directors are expected to deal fairly with the interests of other stakeholders, including the interests of employees, creditors, customers, suppliers and local communities. Observance of environmental and social standards is considered relevant. In this regard. <sup>76</sup>

It is clear from Figure 7 that more than half of the companies and institutions participated in the sector's social responsibility self-assessment survey private [53.33 percent], does not have policies, guidelines and plans dedicated to social responsibility initiatives, in contrast 46.67 percent confirmed that they have policies and plans to guide them in implementing social responsibility programs and projects.

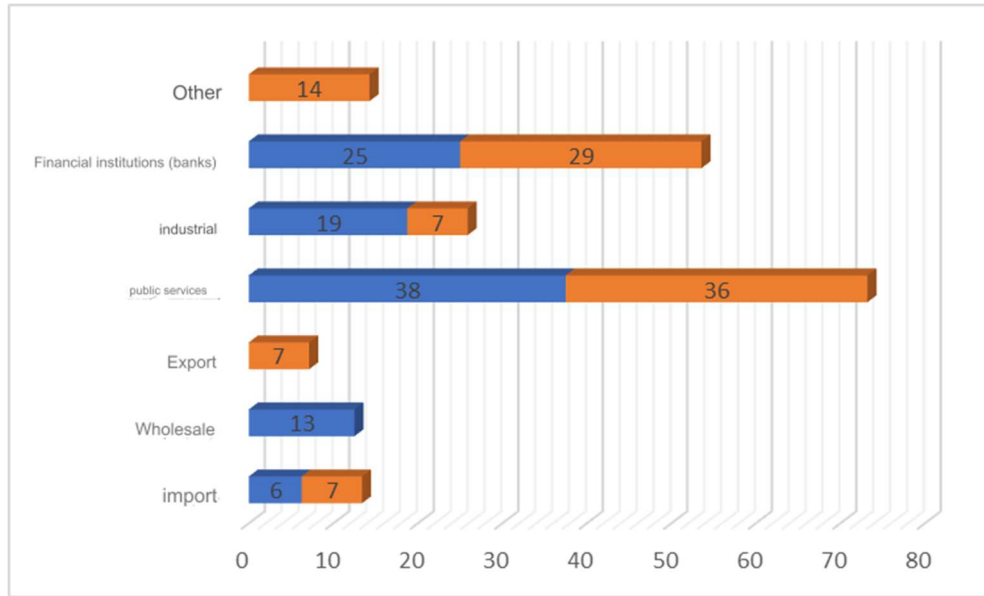


**Figure 7 Dedicated Policy, Guidelines And Plans For CSR Initiatives**



**Figure 8 Dedicated Policy, Guidelines and Plans for CSR Initiatives Depending on Company Size**

<sup>76</sup> Al-Orabi Hamza and Bouqdoum Marwa, Governance as a Mechanism for Activating the Social Responsibility of Small and Medium Enterprises and Achieving Sustainable Development,



**Figure 9 Policy, Guidelines and Plans for CSR Initiatives by Company Sector of Activity**

According to companies and institutions' description of the main components of their plans and strategies for social responsibility, a group of components were mentioned, the most important of which are the following:

- Preparing a special budget, identifying community needs, then implementing and evaluating the initiative
- Focusing on the priority of needs, especially in some areas such as education
- Identify a group of beneficiaries and allocate a budget and spend on them
- Plans to support marginalized people and youth
- It has specialized management, an evaluation plan, and a clear business strategy based on studying and evaluating the needs of the community and determining the budget for projects.
- A plan that includes the objectives, how to implement them, activities and outputs
- Our organization works to finance humanitarian projects in partnership with local entities, supporting community committees formed by the Tamdeen Youth Organization.

#### Reporting:

It became clear through media follow-ups and review of documents, in addition to interviews and a focus group discussion conducted with those included in the research from official bodies and business organizations, that large companies that practice social responsibility often do not disclose their social performance. When visiting the websites of a sample of large, joint-stock companies, to view their social activities, it was found that the companies included in the sample have windows dedicated to social responsibility, in which they publish news about their activities, but they do not disclose the existence of specific annual plans and budgets or performance evaluation reports. Even civil society

organizations and blocs formed by the private sector and funded by multiple partners do not adequately disclose their plans or publish performance reports.

Some of the business owners interviewed indicate that their companies conduct evaluations of their projects related to social responsibility and have regular annual plans and programs. While the director of a large company said that the existing political conditions do not allow the disclosure of data related to the charitable work carried out by the companies, due to the interventions of the de facto authorities and the blackmail they practice.

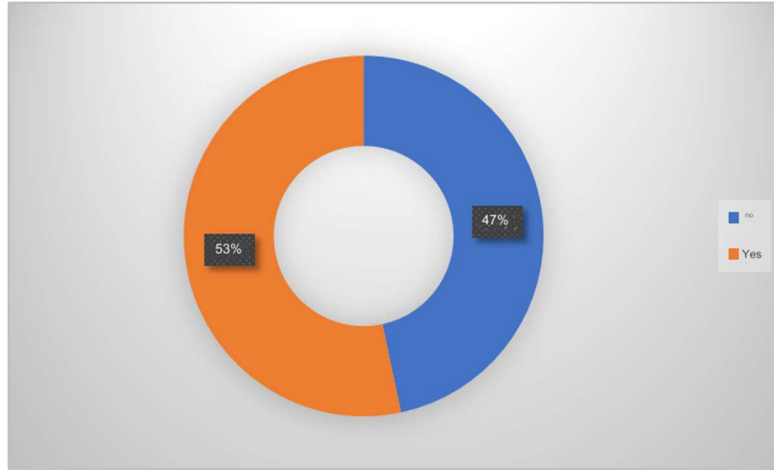
A study conducted in 2011 found that there is an awareness among industrial companies in the private sector in the Republic of Yemen of the concept of social responsibility and that they care about its various fields (workers, consumers, society, environment) in a good way. The study showed that the field of consumers ranked first in the degree of interest by the majority of companies, then concern for workers, then the environment, and finally the field of society, where there is a general agreement between companies in the order of importance of the previous fields, except for the field of the environment, where companies differed in the degree of their interest in this. the field.

It also turned out that the companies - the study sample - do not understand the concept of accounting for social responsibility adequately, and do not have qualified professional accountants to apply it, and the accounting system applied by those companies is unable to measure and disclose social responsibility, in addition to the absence of laws and legislation that obligate companies. By disclosing their social performance, the study added, this indicates that there are no elements for applying social responsibility accounting in the industrial companies under study at the present time.<sup>77</sup>

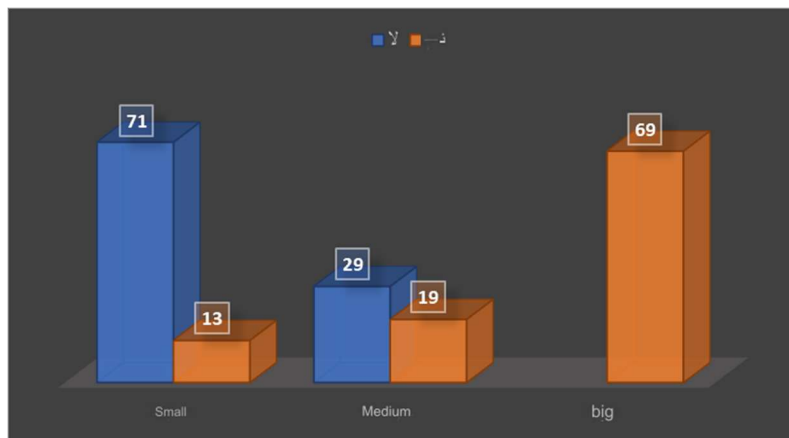
The following figure indicates that more than half of the companies by 53.33 percent report publicly on their activities related to social responsibility that they implement, compared to 46.67 percent that do not publicly disclose their activities.

---

<sup>77</sup> Samah Mohsen Ali Saeed, The Possibility of Applying Accounting for Social Responsibility in Private Sector Industrial Companies in the Republic of Yemen, Master's Thesis, University of Aden, 2011



*Figure 10 Does Your Company Publicly Report Its Social Responsibility Activities?*



*Figure 11 Does your company publicly report its social responsibility activities?*

### Methods Of Reporting on Initiative Activities

The following table shows reporting methods, and indicates that the companies and business institutions that disclose their relevant activities, among them: 33.33 percent use social media [Facebook, Tween, etc.], and 20 percent have a website with a section dedicated to their activities in the field of social responsibility, while 30 percent of business organizations include their social initiatives in the company's annual report, and the company reported Only one, representing 3.33 percent of the responding institutions, produces a report on social responsibility

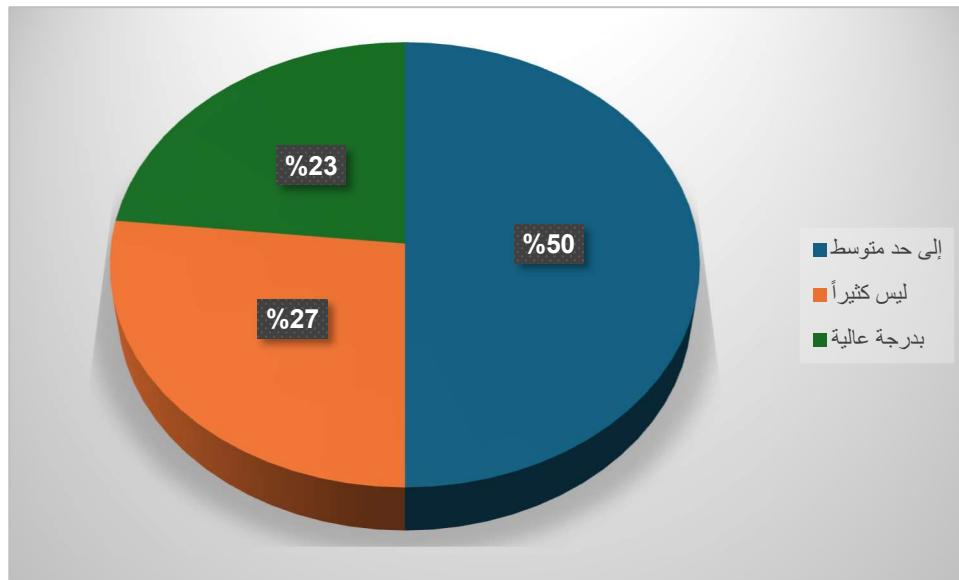
Methods Of Reporting on Initiative Activities	Number	Ratio
Social media (Facebook, Twitter, Etc.)	10	33.33
The Company's Annual Report	9	30
Dedicated Section on The Website	6	20
Corporate Social Responsibility Report	1	3.33

*Table 12 Reporting Methods*

It is clear from the answer of business institutions that do not report on the social responsibility activities that they carry out, that the main reason is that they are acts of charity and charity for the sake of God, which it is preferable not to disclose, or as some companies say, because they are humanitarian activities subject to the standards of the prevailing culture that make advertising This is an undesirable matter. The director of one of the companies said that companies do not disclose the budget and amounts they spend on social projects, for fear of interference from the de facto authorities.

### **Capabilities And Experiences**

With regard to assessing the extent to which the company possesses the internal capabilities and expertise necessary to effectively implement corporate social responsibility initiatives, more than three-quarters of the business institutions included in the study reported that they possess the capabilities and expertise to a moderate or not very extent, with a percentage of 50 percent and 26.67 percent, respectively, while 23.33 percent have these capabilities and experiences to a high degree.



***Figure 12 Company Capacity to implement CSR Initiatives***

As for the skills and experiences most needed to enhance the company's ability to implement its activities related to social responsibility, the need to enhance the company's ability to manage and plan projects comes in first place according to the vote. 20 percent of the total sample, followed by stakeholder engagement and cooperation, at 10 percent, then the need to enhance technical expertise [in areas such as health, education, development, environment], as well as monitoring and evaluation, at 6.67 percent, and finally the need for skills and expertise. In risk management and compliance.

CSR's Capacity Building Needs	Number	Ratio
Project Management and Planning	6	20.00
Stakeholder Engagement and Collaboration	3	10.00

Technical Expertise (E.G. Health, Education, Development, Environment)	2	6.67
Monitoring And Evaluation	2	6.67
Risk Management and Compliance	1	3.33

*Table 13 Training Needs to Implement CSRs*



#### 4.4. External Factors and Opportunities of CSR Initiatives in Yemen

##### External Factors/Challenges

There are several factors that limit the role of the private sector, most notably corruption and the state's dependence on a rentier economy, as Yemen's economy relies heavily on oil. On average, 85 percent of export revenues and 65 percent of public finance revenues came from oil exports and oil trade. Local since 2000. In addition to the state's dependence on foreign aid and loans, and the subsequent rentier practices that marginalize the private sector, this is because the business sector in the rentier state is less independent and organized, its negotiating power is weak, and its influence is limited in local policymaking and in the provision of services. Because this sector constitutes the largest opposition force and has the greatest influence when the rulers rely on tax income contributions from trade, industry, agriculture and other productive activities. However, the role of merchants completely disappears when businessmen turn from taxpayers into guests of the rentier state, which makes the private sector It depends on the state, government spending, and the contracts and projects that the government provides.<sup>78</sup>

The private sector is exposed to blackmail, royalties, and illegal levies by those in power, in exchange for protection and condoning tax evasion. In 2010, the salaries and wages tax amounted to about 64% of tax revenues, compared to 33% for the profits tax from public, mixed and private sector companies and institutions. For the same year, revenues collected from units of the state's administrative apparatus and the public, mixed and cooperative sectors amounted to about 66%, while that percentage collected from the sector amounted to about 64% of the tax revenues. Private tax is only 32%, which indicates the extent of tax evasion in commercial and industrial activities. (The political transition in Yemen and its repercussions, pp. 70-71)

The second half of the eighties of the last century witnessed the growing connection of the private sector with political power, especially with the tendency of tribal sheikhs and officials in power to engage in business. This category formed a new class of businessmen linked to tribal sheikhs and senior state officials. Economic rent has contributed to this close connection between the authorities and businessmen, as well as to the concentration of wealth in that group. It became clear the phenomenon of the merchant official is normal in Yemen. At the same time, the dependence of private sector activities on government spending pushed it to preserve mutual interests and adopt its share of rents as the primary driver of its investments and economic activities. Consequently, the private sector

<sup>78</sup> Abdul Karim Qasim Al-Khatib, Local Practices of Community Accountability in Yemen, Resonate Yemen Foundation, 2019

participates directly or indirectly in corruption and corruption, and despite the bitter complaints and resentment expressed by some businessmen, they are often subject to blackmail by authority and centers of influence.<sup>79</sup>

The dependence of the private sector on the state's economy is considered the most important challenge, as it reveals the nature of the defect in the aspect of relations regulating the role of the private sector in the economic process, and the absence of social responsibility and accountability in these relations. The state in Yemen depends on a rentier economy, and therefore the business sector in the rentier state is less independent and organized, its negotiating power is weak, and its influence is limited in local policymaking and in the provision of services.

The self-evaluation survey, as Table 14 shows, resulted in a set of internal and external challenges facing the private sector's performance with regard to social responsibility. The following is the ranking of the challenges according to the vote of the institutions participating in the evaluation:

- The security situation is fragile, from this point of view 60 percent of companies have one of the biggest challenges
- The vote on weak trust and transparency was 43.33 percent, as well as limited cooperation of 40 percent.
- And about 33 percent of the sample indicated both limited resources and the complexities of coordination, in addition to the multiplicity of stakeholders, according to the opinion of 30 percent.
- Then comes the difficulty of reaching remote and affected communities as a challenge for approximately 27 percent of private sector institutions.
- The regulated legal environment is one of the challenges facing the private sector, as the vote on it reached a high percentage of 23.33 percent.
- There are challenges related to the cultural and social context and other challenges [such as language and communication with foreign partners].

Challenges Of CSR Initiatives in Yemen	Number	Ratio
The Fragile Security Situation	18	60.00
Trust And Transparency	13	43.33
Limited And Collaborative	12	40.00
Limited Resources	10	33.33
Coordination Complexities	10	33.33
Multiple Stakeholders	9	30.00

<sup>79</sup> The political transition in Yemen and its repercussions, p. 77

Difficulty Reaching Remote and Affected Communities	8	26.67
Regulated Legal Environment	7	23.33
Limited Capacity and Experience	5	16.67
Cultural And Social Context	3	10.00
Language And Communication	2	6.67
The Division in Politics Between North and South and Lack of Funding	2	6.67

**Table 14 Challenges Facing Implementing Corporate Social Responsibility Initiatives**

### **Opportunities**

As for the opportunities available to involve the private sector in responding to the ongoing humanitarian and development challenges in Yemen, three opportunities received the vote of the majority of participating institutions, namely: job creation and economic development, with a percentage of approximately 83 percent, followed by financial support at approximately 67 percent, then expertise and technical assistance at 53 percent.

After that come opportunities for innovation, technology, and social impact investing, according to Ray 30 percent for each, and the approval rate for both public-private partnerships and corporate social responsibility initiatives was approximately 27 percent of the total sample. While humanitarian partnerships received approval from about 23 percent.

<b>Opportunities Of CSR Initiatives in Response in Yemen</b>	<b>Number</b>	<b>Ratio</b>
Job Creation and Economic Development	25	83.33
Financial Support	20	66.67
Expertise And Technical Assistance	16	53.33
Innovation And Technology	9	30.00
Social Investment	9	30.00
Partnerships Between the Public and Private Sectors (PPP)	8	26.67

**Table 15 Opportunities to Engage the Private Sector in Humanitarian Response and Development**

#### 4.5. Improving Private Sector Engagement

This part of the study focuses on the best mechanisms to increase the participation of the private sector, integrate it, and link it to the response system, and addresses mechanisms for financing, coordination, and participation.

##### Funding Models

The data reveals a diverse range of funding models perceived by respondents as effective in streamlining private sector social responsibility (CSR) contributions in Yemen.

- **Internal Funding Highly Favored:** The most popular model is "Through Own Corporate Social Responsibility Initiative Funds," chosen by 63.33% of respondents. This suggests a strong preference for companies to maintain direct control and autonomy over their CSR initiatives, aligning them closely with their business objectives and values.
- **Collaborative Approaches Valued:** A significant portion of respondents (33.33%) identified "Funds, Alliances, and Business Networks" and "International Organizations and Donor Agencies" as effective models. This indicates a recognition of the importance of collaborative efforts and partnerships in pooling resources, expertise, and networks to achieve greater impact.
- **Community-Based and Impact-Driven Models Gaining Traction:** A considerable number of respondents (30.00%) highlighted "Donation to Community Initiatives Funds" and "Social Impact Investment Funds" as effective models. This reflects a growing trend towards community-based and impact-driven approaches that prioritize local needs, ownership, and measurable social outcomes.
- **Diverse Range of Effective Models:** The data showcases a broad spectrum of funding models perceived as effective, including donations to NGOs, Zakat (Islamic alms), public-private partnerships, government coordination mechanisms, and district local councils. This diversity suggests that there is no one-size-fits-all solution, and different models may be suitable for different contexts and objectives.

Funding Models to Streamline CSR Contributions in Yemen	Number	Ratio
Through Own Corporate Social Responsibility Initiative Funds	19	63.33
Through Funds, Alliances and Business Networks	10	33.33
Through International Organizations and Donor Agencies	10	33.33
Through Donation to Community Initiatives Funds	9	30.00
Through Social Impact Investment Funds	9	30.00
Through Donations to NGOs established by the private sector	8	26.67
Through Zakat	8	26.67

Through Public-Private Partnerships (PPPs)	8	26.67
Through Government Coordination Mechanisms	8	26.67
Through Donation to local Non-Governmental Organizations (NGOs)	5	16.67
Through District Local Council	5	16.67

**Table 16 The most effective financing mechanisms to streamline CSR contributions in Yemen**

The data reveals a diverse range of funding models perceived by respondents as effective in streamlining private sector social responsibility (CSR) contributions in Yemen.

### **CSR Initiatives Integration in Response System**

Respondents advocate for greater integration and collaboration between private sector social responsibility (CSR) initiatives and existing humanitarian and development response mechanisms. The most popular recommendations include actively engaging with established coordination platforms (30%), collaborating with humanitarian clusters (30%), and fostering stronger partnerships within the private sector (26.67%).

To ensure these initiatives are effective and aligned with local needs, a majority of respondents highlight the importance of conducting needs assessments (63.33%) and resource mapping exercises (46.67%). Furthermore, there is a significant demand for improved information sharing (20%), capacity building (43.33%), and impact measurement (33.33%) to enhance the transparency, accountability, and overall effectiveness of CSR programs in Yemen.

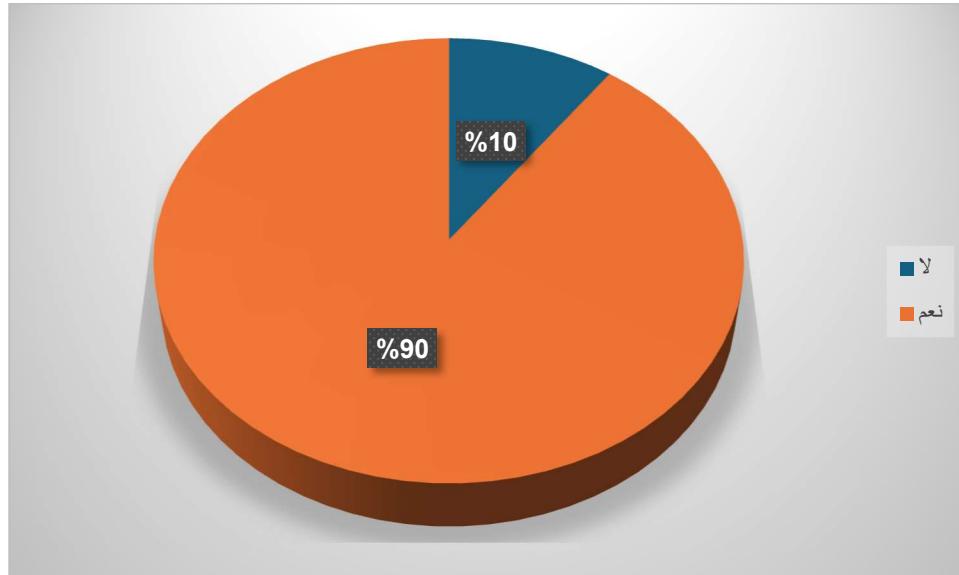
<b>CSR Initiatives Integration in Response System</b>	<b>Number</b>	<b>Ratio</b>
Engagement with Coordination Platforms such as UNOCHA, MoPIC, MoSAL, SCMCHA	9	30
Collaboration with Humanitarian Clusters and Working Groups	9	30
Create more Partnerships and Collaboration with private sector	8	26.67
Establishing Information Sharing and Networking:	6	20
Adapt Social responsibility Initiative to Context and Alignment with Response Priorities	4	13.33
Conduct needs assessments to identify areas social responsibility initiatives	19	63.33
Conduct resource mapping exercises to identify available resources,	14	46.67
Link to Capacity Building programs for enhancing social responsibility	13	43.33
Link Private Sector Impact Measurement and Reporting	10	33.33

**Table 17 Private Sector Engagement in Response Coordination**

The data underscores a strong desire for more integrated and coordinated approaches to CSR in Yemen. It highlights the need for improved communication, collaboration, and information sharing between

private sector actors, humanitarian organizations, and government agencies. There is a clear demand for evidence-based decision-making, capacity building, and robust impact measurement to ensure that CSR initiatives are effective, efficient, and aligned with national priorities.

### **Establishing A Dedicated Corporate Social Responsibility (CSR) Center In Yemen**



*Figure 13 Establishing A Dedicated Corporate Social Responsibility (CSR) Center in Yemen*

### **Partnership And Coordination Between the Private Sector and Local and International Actors**

The report of the Secretary-General of the United Nations to the Economic Commission spoke about the social responsibility of the private sector, noting that social responsibility in developing countries is linked to community development projects or corporate social investment, and therefore investments should be consistent with local and national development programs and lead to the emergence of sustainable development projects. In this regard, the role of partnership and ownership should be made clear so that partnership projects are not driven by corporate objectives.

The report of the Secretary-General of the United Nations added that the urgent need to resolve issues and problems related to economic and social development in developing countries requires focusing ongoing discussions on the role of both the public sector and the private sector on establishing effective partnerships between these two sectors. This is particularly true in the field of social protection, where it has been There is an ongoing debate regarding the role of the private sector, particularly in financing social protection and providing social services, and major social problems that require concerted efforts and that may benefit from public-private partnerships and include, but are not limited to, reducing high

levels of illiteracy, enhancing employment and training activities, Preventing crime, violence, and drug trafficking, and combating epidemics.<sup>80</sup>

As it stands, humanitarian responses in Yemen involve large numbers of national and international actors repeatedly working in the same geographical areas and towards the same broad goals. However, despite some efforts, coordination and collaboration between them is often limited at best, as is coordination between groups or subgroups. Failure to coordinate led to gaps in coverage, duplication and inefficiency in emergency response.

### **Partnership Between the Public Sector and The Private Sector.**

The government started a year ago 2008 by drafting a law for partnership between the public and private sectors, and at the Riyadh Donors Conference in September, the government confirmed its commitment to completing the preparation of the partnership law and submitting it to the House of Representatives for approval. For this purpose, a joint committee of government agencies and the private sector was formed to draft the law. When the committee completed its work, it sent the draft law to the House of Representatives, which discussed it on October 20, 2014. It was rejected by the representatives, and the justifications for its rejection were sent to the Ministry of Planning on November 11, 2014.

At the same time, the private sector and the Yemeni government signed a memorandum of understanding in Washington to begin dialogue mechanisms between the two sides, at the conclusion of the conference “Involving the private sector in achieving economic growth and sustainable development” on November 18, 2014, which was organized by the United Nations Development Program Office in coordination with the Center for International Enterprise. Especially in the American capital. The memorandum specified the main purpose, which is to support both the government and the private sector in determining a clear path to involve the private sector in economic growth and sustainable development in accordance with the outcomes of the National Dialogue Conference that ended on January 25, 2014, and in accordance with the requirements of the Peace and Partnership Agreement signed by the majority of political parties and components on January 21, September 2014. The memorandum obligates the private sector to implement initiatives related to sector governance and its commitment to social responsibility, especially in the field of environment and work, which are: The private sector must declare its commitment to the social responsibilities entrusted to it, especially in the field of preserving the environment and employing local workers, especially youth and women, and

---

<sup>80</sup> United Nations, Report of the Secretary-General on National and International Cooperation for Social Development, December 2002

contributing to their rehabilitation. As well as supporting the government and its support in enhancing security, which is a necessary condition for investment and extending the rule of law. B- The private sector must urgently complete its representative institutional structure and work to reform its organizational, administrative and technical structures and raise them to the high level that enables it to engage in an equal and effective partnership with the government. The memorandum obligated the Council of Ministers to ask the private sector to nominate its representatives in the Economic and Social Council, at a rate of no less than 50% of the Council's members. And regarding the reform matrix. The memorandum of understanding stipulated that the joint reform matrix would be completed and finalized by the beginning of the first quarter of 2015.<sup>81</sup> At that time, the war broke out that continues to this day, which led to the collapse of state institutions and the division of the country between multiple political and military parties. Of course, circumstances did not allow for the further development of a formal framework for partnership between the government and the private sector. The private sector now must deal with de facto authorities, where it is subject to extortion and the payment of royalties and illegal levies. In some areas, the private sector's efforts and initiatives in the humanitarian aspect face pressure and interference from de facto authorities. However, the private sector contributes to supporting official institutions in local authorities and establishing partnerships with them in providing services and humanitarian aid.

Following the signing of the memorandum of understanding between the government and the private sector, the two sides organized joint consultative events. The private sector and the organizations that represent it organized consultative meetings, which they opened with a consultative meeting on December 29, 2014, in the city of Aden to discuss (the matrix of economic and institutional reforms from the point of view of the private sector), which was prepared by the economic reforms team. The team then continued to conduct consultative meetings with businessmen and organizations that represent the private sector in all governorates of the Republic to enrich the vision and then advocate for its implementation with the government and executive bodies at the national and local levels. These meetings culminated in a consultative meeting in the capital secretariat, organized by the economic reforms team and the private sector issues advocacy team, in cooperation with the Chamber of Commerce and Industry in the capital secretariat, the Yemeni Business Club, and the Center for Studies and Economic Media. The private sector's vision for economic and institutional reforms included urgent measures to reduce the negative effects of lifting support for oil derivatives, reforming the system of laws and procedures that hinder economic growth and market movement, and the government decisions

---

<sup>81</sup> Abdul Karim Qasim Al-Khatib, previous reference



required to stimulate economic growth and overcome the effects of financial reforms. Representatives of the private sector stressed in the consultative meetings the need to establish controls for partnership between the government and the private sector so that partnership contracts include mandatory transparency and commitment to the principles of good governance by all parties.

Private sector initiatives to strengthen the partnership with the government have continued. For example, in September 2018, the Aden Chamber of Commerce and Industry issued a circular regarding a draft new memorandum of understanding between the government and the private sector. The circular addressed to the private sector, the media, experts, academics and civil society organizations aims to involve a wide sector of stakeholders and beneficiaries in discussing the draft memorandum of understanding. The President of the Chamber called on the relevant authorities to share their observations.<sup>82</sup> Companies face the problem of lack of fairness and lack of equality in arriving at decision-making systems. One study dealt with small contractors in Yemen and found that less than one company out of 6 companies consider that they cannot influence policy formulation. More than 63 percent of the companies included in the study considered that the greatest source of influence on the government when formulating laws and policies is social and tribal views and affiliations, followed by influential and respected figures (such as heads of large companies or well-known managers) at a rate of about 51 percent. According to a survey of 947 private Yemeni companies in five governorates, more than 82 percent of companies agreed to consider corruption one of the most prominent obstacles to the growth of their business.<sup>83</sup>

### **Partnership With Civil Society**

An international report indicates that partnerships between civil society organizations and the private sector in Yemen take the form of temporary and ad hoc programs based mostly on personal contacts and not on business policies or practices. Although civil society organizations do not market their programs to the private sector, large companies are increasingly supporting Activities of civil society organizations, especially training programs for youth and women. However, the civil society organizations sector did not increase the possibility of supporting companies due to a lack of awareness of the opportunities or insufficient ability to provide high-quality training programs.<sup>84</sup>

However, since the outbreak of the current conflict, the relationship between the private sector and civil society organizations has been strengthened by confronting the humanitarian crisis, as the private sector

---

<sup>82</sup> The previous reference

<sup>83</sup> Edward Al-Dahdah, Challenges and Prospects of Governance in Yemen, op. cit., p. 7

<sup>84</sup> USAID, 2013 Civil Society Organizations Sustainability Report for the Middle East and North Africa, p. 60.

established and supported several non-profit civil institutions, and there are other institutions that were created with the support of the private sector before the war.

Many companies and business owners made their contributions to humanitarian relief through civil society organizations. The private sector has also supported civil society in other ways. There are merchants participating in various civil programs. Cooperation between the private sector and civil society organizations in general was characterized by the private sector providing grants and financial aid to civil society. But with the growing role of civil society players as service providers, coupled with the phenomenon of dealing with informal actors in the private sector, a conflict of interest may emerge. The mutual mistrust resulting from the current political climate has widened the gap between both civil society organizations and the private sector. Some report that the barriers between civil society organizations and the private sector are also related to the modest capabilities and capabilities of civil society organizations and non-governmental organizations.<sup>85</sup>

For their part, those in charge of civil society organizations believe that the war has created opportunities for both civil society and the private sector to cooperate, as both parties have become aware of the need to take the initiative to bridge the gap resulting from the collapse of the state. Some organizations established by the private sector, such as the Yemeni Food Bank and the National Prisoner Foundation, are testimony to how the private sector can carry out its social responsibility. In Aden, Hadramout, and Lahj, civil society organizations work with the private sector to implement projects in the areas of creating livelihoods, hospitalization, and rebuilding state institutions such as universities, technical institutes, and schools. However, civil society organizations believe that the private sector is still reluctant to work with civil society organizations, as companies in the private sector do not want to get involved in politics. Hence, most private sector contributions are limited to individual donations or partnerships related to emergency-related assistance.

### **Partnership Between the Private Sector, International Organizations and Donors**

The private sector has a crucial role in facilitating distribution, warehousing and logistics for humanitarian actors, as well as facilitating cash transfers from donors to beneficiaries. According to Yemeni business owners and staff at international humanitarian agencies, humanitarian actors rely on the private sector to provide supply chain services such as transportation, warehousing, customs clearance and transshipment services. Business owners who were included in a questionnaire conducted by the Sana'a Center for Strategic Studies reported that they provide United Nations agencies,

---

<sup>85</sup> Tariq Barakat, Ali Al-Jorbani, and Laurent Bonnefoy, *The Role of the Private Sector in Peacebuilding*, Carbo 2019

international and local organizations with various goods and services, such as cars, generators, spare parts, maintenance, food baskets, blankets, and distribution services.

According to a study conducted by the Sana'a Center for Strategic Studies, business owners identified numerous difficulties in dealing with international humanitarian actors, especially about contacting United Nations agencies and international organizations. This difficulty relates primarily to the tender process and its follow-up. Common complaints were the ambiguity of contact points with international organizations, as well as the standards and requirements of international organizations. The study added that consultations with the private sector regarding the targeted local communities are absent most of the time.<sup>86</sup>

Business owners also mentioned that some international organizations limit their contact with pre-selected suppliers, and rarely offer new companies the opportunity to apply for tenders. Hence, transparency in the process of selecting vendors by international organizations was pointed out as an area that requires some improvement, to ensure stronger cooperation and coordination between international organizations and the private sector. The business owners included in the study also indicated that the policies for purchasing services and goods followed by United Nations agencies and international organizations sometimes require or encourage direct purchase from outside Yemen. Business owners generally agreed on the need for a coordination mechanism between the private sector and humanitarian actors, to help encourage local purchasing and harness opportunities to establish mutually beneficial relationships.

### **Private Sector's Vision for Response Coordination**

The economic reforms team presented proposals to improve the effectiveness of the role of donors and international organizations in Yemen, including.<sup>87</sup>

- Adopting direct intervention mechanisms through the financier securing purchases and contracting with the implementing agency directly and according to his financial and administrative procedures for the projects and priorities approved by the local authorities, which are requested from the donor. This mechanism is distinguished by its conformity with the donor's procedures and does not require a long commitment.
- Direct transfer of financial resources to reliable mechanisms and projects such as the Social Fund for Development and the Public Works Project, which have good implementation mechanisms and

<sup>86</sup> Ali Al-Azki, International Relief Organizations and the Yemeni Private Sector, op. cit

<sup>87</sup> Economic Team, Yemen Reconstruction and Rehabilitation Priorities [2018], Yemeni Economic Forum, <http://www.yemenief.org>

appropriate financial and administrative systems that are compatible with donor procedures, and have a high capacity for monitoring, evaluation and reporting.

- Increasing the involvement of the local component, by awarding implementation contracts to local partners, which contributes to building local capabilities on the one hand and increasing the benefit of local entities from financing processes and ensuring that they are not limited to their partners and experts.
- Directing aid through government channels as much as possible to ensure that development priorities in Yemen are consistent with donors' development orientations.

The private sector's vision included the establishment of a national body to coordinate humanitarian support in Yemen, in which all actors in humanitarian work are represented, including the government, the private sector, civil society and international organizations. Its mission is to coordinate support according to priorities and needs and monitor and follow up on the organizations and entities that provide support, in a way that contributes to restoring citizens' confidence in the response providers.

Hayel Saeed Anam & Partners Group of Companies is considered the most active company in Yemen that establishes partnership relations with international organizations and enjoys high trust by international actors. Within the framework of its work to support various development and humanitarian initiatives, Hayel Saeed Anam & Partners Group cooperates with United Nations agencies and humanitarian organizations, such as the... World Food and World Health Organization, to support public health, nutrition and food security programs in Yemen. When the Global Initiative against COVID-19 was launched in Yemen in April 2020, within the framework of a partnership that brings together institutions and the United Nations in order to support communities and health workers by directing important medical supplies to the country, in cooperation with the Yemeni and international authorities. Hayel Saeed Anam & Partners Group - Yemen Region, led the IICY initiative in order to help United Nations agencies and the Yemeni authorities respond effectively to the Corona pandemic (Covid-19) and mobilized efforts and gathered partners for this goal. The list of founding members of the IICY initiative included Hael Saeed Anam and Partners Group - Yemen Region, Tetra Pak, Unilever, the United Nations, the Yemeni Private Sector Bloc, and the Federation of Yemeni Chambers of Commerce and Industry.

Initiative partners IICY together collectively ensures concerted efforts aimed at strengthening the role of international organizations and the Yemeni authorities in confronting the threat of the Coronavirus (Covid-19). The initiative aims to employ the expertise, resources and knowledge of partners to support the communities they serve and assist the Yemeni and international authorities.

In another example, Al-Kuraimi Islamic Microfinance Bank supported the response to the Corona epidemic in Yemen, in partnership with the United Nations Development Programme, the World Health Organization, and the Ministry of Public Health. Al-Kuraimi Bank pledged US\$600,000 to launch initiatives in Aden, Hodeida, Sanaa and Taiz.<sup>88</sup>

On the other hand, international actors help companies to continue operating, retain current employees, and sometimes create new job opportunities. A report issued by the World Bank stated that the Bank continues to support the continuation of the work of private companies in Yemen and enhance their resilience. To support the private sector in Yemen, the International Finance Corporation has an investment portfolio, worth approximately \$52 million, in two manufacturing projects: a cement factory and a water bottling company. IFC is also supporting several microfinance institutions, including a local institution in becoming a licensed bank. The International Finance Corporation is also preparing a risk-sharing facility to enhance lending to small and medium enterprises that use solar energy. The report added that the International Finance Corporation supported these efforts by starting a corporate governance program for small and medium enterprises, which provides family businesses with training on corporate governance, through Yemeni Institute of Directors. Since 2017, the International Finance Corporation has been working with other development partners, and increasing private sector participation will be key to supporting livelihoods and basic economic recovery, considering the new engagement memorandum with Yemen.

The World Bank acknowledges that the private sector in Yemen shows an ability to withstand, despite the sector suffering from the current epilepsy. The memorandum added that it is necessary to preserve and support the capabilities and achievements of the private sector in Yemen, so that it will be the pillar of recovery in the country.<sup>89</sup>

In another report, the World Bank's current investment portfolio includes investment facilities worth \$75 million was provided to Hayel Saeed Anam Group to support the production of foodstuffs necessary for local consumption. The Bank also provided long-term financial resources to support the Yemeni Arab Cement Company. This project includes establishing and operating modern cement factories, as well as creating local job opportunities. The World Bank report said: The International Finance Corporation's investment operations [worth \$2.9 million] with Yemeni banks, microfinance institutions, and financial technology focus on supporting access to financing and enhancing the

---

<sup>88</sup> United Nations Development Programme, Al-Kuraimi Islamic Microfinance Bank participates in supporting the response to the Corona epidemic in Yemen

<sup>89</sup> World Bank, Country Engagement Note on the Republic of Yemen for the Fiscal Year 2020-2021

performance of the Yemeni financial sector, by raising standards, building lending capabilities, and encouraging the economy. Digital, and current investment operations include supporting financial institutions such as Al-Kuraimi Bank, the Bank of Yemen and Kuwait, and Al-Tadhamon Bank for Small and Microfinance.<sup>90</sup>

Through the \$400 million Yemen Emergency Response Project, the World Bank and the United Nations Development Program are working to support national microfinance institutions to continue providing financial services to more than 57,000 small and microenterprises. The project also supported 16,700 small businesses. And vulnerable families across Yemen need access to finance, capacity building and market inclusion. This has helped improve their income, continue providing local goods and services in their communities, and create additional employment opportunities.<sup>91</sup>

### **Private Sector Coalitions and Networks**

With the worsening humanitarian crisis in Yemen, the private sector, with the support of international partners, established and developed a number of networks and coalitions to coordinate and integrate relief and development efforts of companies and business organizations, including special blocs to organize advocacy and advocacy efforts, working to unify the voice of the private sector and develop the sector's frameworks and proposals for policies and mechanisms in The field of humanitarian and development work.

### **Economic Reforms Team**

The Economic Reforms Team was formed as a voluntary initiative by leaders of the private sector and civil society organizations in addition to economic experts after attending a workshop entitled "Strengthening the Voice of the Private Sector" held at the Dead Sea in Amman and organized by the Center for International Private Enterprise in March 2012. The team was established to enable the private sector contributes uniformly and effectively to decision-making and participates in developing strategies to promote economic reforms and stimulate economic growth in Yemen.

The team's vision is to create a real and tangible partnership between the private sector, civil society, and the government to quickly implement urgent economic reforms in Yemen. By working more broadly with the Yemeni business community, civil society organizations and economic experts, to provide economic visions and solutions as partners, supporters and advocates for the government's efforts to improve economic policies in Yemen.

---

<sup>90</sup> World Bank, Country Engagement Note on the Republic of Yemen for the Fiscal Year, 2022-2023

<sup>91</sup> UNDP, The Power of Partnership: Scaling Up for Recovery and Resilience in Yemen, 30 March 2020

The team prepared and developed number of policy studies and developed private sector perceptions to address the humanitarian crisis, the continuation of the economy, and the private sector's vision of reconstruction and peacebuilding priorities. The team also represented the private sector in many local and international meetings and events.<sup>92</sup>

### Private Sector Cluster

Private sector representatives held a meeting in November 2018 to discuss the role of the private sector in supporting humanitarian and recovery efforts in the country. The meeting brought together representatives of unions, chambers of commerce and industry, associations representing every sector, and Yemeni business organizations at home and abroad. The Micro and Small Enterprise Promotion Authority organized the meeting with funding from the World Bank's Business Revival Project. In particular, the workshop resulted in participants identifying two main pillars aimed at increasing the sector's participation in humanitarian and reconstruction efforts in partnership with the government and donor agencies. The first pillar: Establishing an alliance to represent the private sector: It aims to unify the visions and viewpoints of the private sector on issues that affect the sector's performance and its active participation, and to partner with government agencies in matters that go beyond tax collection, such as planning for decision-making and providing services. The intention of this gathering is to be a single, unified voice for the Yemeni private sector to integrate the efforts of all sectors in order to support recovery, and to act as a platform to coordinate these entities for effective cooperation with the government and donors.

On January 28, 2019, the Yemeni private sector announced the establishment of a private sector cluster that includes various components of the private sector, coordinated by the Small and Micro Enterprises Promotion Services (SMEPS). SMEPS and supported by the World Bank in Amman. The leadership of the economic reforms team, representatives of chambers of commerce and industry, and number of commercial entities, associations and initiatives participated in the bloc. But this bloc did not carry out any activity, news of it ceased, and it no longer exists. In an interview conducted with one of the leaders of the private sector, he said that this bloc and other coalitions that arose in the name of the private sector ended and were not dealt with because they wanted to work outside the scope of the Yemeni Chambers of Commerce and Industry. He pointed out that international organizations and donors supported the establishment of such coalitions, as immediate projects, and do not continue to pursue them.

---

<sup>92</sup> About the Yemen Economic Forum, <http://www.yemenief.org/>

### Private Sector Council for Humanitarian Aid

On October 10, 2019, a network was announced in the Yemeni capital, Sana'a, to deal with the humanitarian situation in Yemen, under the name of the Private Sector Council to Support Humanitarian Work, and it has four other branches in the governorates: Aden, Hadhramaut, Marib, and Hodeida. It is a network that operates; To be a representative of the private sector in the humanitarian aspect and interventions regarding combating natural or man-made disasters; So that the efforts of the private sector are united and have a positive impact. The network's objectives are: coordinating the efforts of the private sector in the areas of humanitarian response And in The recovery phase, coordination with international organizations working in the humanitarian and development aspects, and coordination with the global network to connect businesses at the international level. The network [Private Sector Council for Humanitarian Aid] was established with the support and support of the United Nations Development Programme (UNDP), (OCHA), the General Federation of Yemeni Chambers of Commerce and Industry, the Yemen Microfinance Network, and the Business Club Yemeni, And the Yemeni Banks Association. At the event of announcing the Private Sector Council, Mr. Estin, coordinator of the early recovery team at the United Nations Development Programme, stressed that the private sector has a major role in many vital projects with regard to social responsibility, but this role has not been focused on as required, noting that it has the right Advocating for him and those supported by the private sector. . Announcing the program's support for the Private Sector Council to support humanitarian action and support it locally and globally, pointing out that he will be a member of the Global Initiative to Connect Business and within its network around the world.

Businessman Hassan Muhammad Al-Kabous, head of the Chamber of Commerce and Industry in the capital secretariat, was elected president of the council, and Amin Ahmed Qasim and Anwar Jarallah were vice-presidents. The goals of the network were determined, but there was no news of the Council or this network, and it was no longer mentioned after its announcement.



## Section Five: Recommendations

### 1. Recommendations to Private Sector

- 1.1 **Develop a Social Responsibility Charter:** The private sector, represented by the General Federation of Chambers of Commerce, Governorate Chambers, and other private sector entities, should develop a special charter for social responsibility. This charter should include fundamental principles such as respect for human rights, environmental protection, continuous improvement of operational conditions and work environment, adherence to fair competition rules, and enhancement of corporate governance and transparency. This charter will serve as a local framework aligned with the Global Charter for Social Responsibility.
- 1.2 **Adopt a Framework of CSR Policies and Guidelines:** Business organizations of all sizes should adopt a framework of policies, directions, and guidelines regarding their social responsibility commitments. Encourage all relevant parties, including employees, to adhere to these guidelines. Small businesses should be encouraged to adopt environmentally friendly behaviors and use resource-conserving tools.
- 1.3 **Establish Specialized Departments for CSR:** Large and contributing business organizations should establish specialized departments or units within their organizational structure. These units would be responsible for planning and implementing the organization's social responsibility programs and coordinating with relevant authorities. Companies should seek assistance from specialists experienced in planning and implementing CSR programs. Companies should invest in training and capacity building for employees, focusing on areas like project management, stakeholder engagement, and monitoring and evaluation to enhance the effectiveness of CSR activities.
- 1.4 **Create Corporate Social Responsibility Funds:** Develop social responsibility funds within industrial and commercial chambers in the governorates with contributions from the private sector. Groups of companies in similar fields, such as telecommunications companies and banks, should establish joint social responsibility funds. Develop a model that includes non-profit civil institutions and funds established and supported by the private sector, such as the Cancer Foundation, the Medicine Bank, and the Food Bank. All citizens should be able to contribute to and donate to this model.
- 1.5 **Integrating Private Sector Engagement in Established Response Systems:** Revise the previous efforts by the private sector to establish a coordination platform for CSR and build upon those foundations to create a more robust and effective mechanism. Assess the reasons behind the

previous platform's lack of success and address those challenges through improved governance, increased stakeholder engagement, and clearer roles and responsibilities.

- 1.6 Increase Private Sector Focus on Social Responsibility:** Private sector institutions should increase their focus on social responsibility, especially in the fields of community and the environment, as current practices are still below the required level for achieving comprehensive social development. Investments should be directed towards locally led initiatives that provide job opportunities, thereby reducing poverty and unemployment within an integrated plan or program that becomes part of their strategies.
- 1.7 Adopt Integrated and localized CSR Approaches:** Adopt social responsibility deeply into core business strategies, moving beyond viewing it as an optional add-on. Ensure that CSR initiatives are tailored to the Yemeni context, aligning with cultural practices like **Sadaqah Jariyah** (ongoing charity) and **Waqf** (endowments) to create sustainable social impact. Additionally, foster strong collaborations with local NGOs, community organizations, and international bodies to leverage their expertise, resources, and networks for maximizing the effectiveness of CSR programs.

## 2. Government Agencies

- 2.1 Clear Guidelines and Directives:** Provide detailed guidance on social responsibility and partnerships for all types of organizations, including government, private, and non-governmental entities. These guidelines should facilitate the effective implementation of CSR strategies, ensuring alignment with national priorities and international standards.
- 2.2 Establish a Regulatory Framework for CSR:** Establish legislation and policies that promote transparency and disclosure in CSR activities. This includes mandating CSR reporting, incorporating social responsibility requirements in large investment contracts, and establishing mechanisms to measure and evaluate the social performance of organizations. The legislation should also support and incentivize CSR initiatives without stifling the autonomy and innovation of organizations.
- 2.3 Prepare a National Development and Construction Strategy:** Preparing a national strategy for development and construction, determining the priorities of sustainable economic and social development programs, and identifying programs in which the private sector can contribute.
- 2.4 Facilitate and Encourage CSR Performance by Companies:** Provide systems, information, and studies to facilitate various institutions in choosing the most important social responsibility programs. Take incentive measures and provide facilities such as establishing an annual social responsibility award, tax exemptions, and giving priority in tenders to companies active in this field. Additionally, highlight the issue of social responsibility and increase public awareness

through the media and by holding conferences and scientific seminars that underscore the benefits of social responsibility programs in improving the status and image of institutions and the benefits these programs achieve for society and development.

**2.5 Establish a Partnership Framework:** Develop a framework document for the partnership between the government and the private sector and form an institutional framework—a higher partnership council—entrusted with managing the partnership process. This council should include relevant government agencies, representatives of the private sector, chambers of commerce, and other private sector entities. It should enjoy financial and administrative independence and a legal personality. Establish the "National Network for Social Responsibility and Empowerment" from government agencies [Ministry of Trade and Industry, Ministry of Oil and Mineral Resources, Ministry of Social Affairs and Labor, Ministry of Human Rights] and representatives of the private sector and other relevant groups.

**2.6 Establish a Network Linking Private Sector, Civil Society, and Local Authorities:** There is a need for the private sector, civil society organizations, and local authorities to coordinate their efforts by creating an institutional network. Such a network would enhance local governance and provide an opportunity for the private sector to participate in formulating local policies and practices that serve community interests.

### 3. Non-Governmental Organizations (NGOs) and International Agencies

**3.1 Facilitate CSR Implementations:** Offer expertise and infrastructure support to help companies, especially SMEs, plan and implement CSR initiatives. This could include providing templates for action plans, impact assessments, and reporting.

**3.2 Promote Collaborative Projects:** Encourage and facilitate joint CSR initiatives between companies and NGOs to tackle larger and more complex social issues. These collaborations could extend to peacebuilding efforts and addressing the needs of marginalized groups.

**3.3 Support Data Collection and Reporting:** Assist companies in establishing robust mechanisms for data collection and impact reporting. This will help in quantifying the reach and effectiveness of CSR initiatives, which is crucial for their sustainability and expansion.

**3.4 Activate Social Responsibility Through Awareness and Education:** Civil society organizations, especially relevant organizations such as organizations concerned with environmental protection and consumer protection, must work to activate social responsibility through awareness and education, and contribute to building the capabilities of business institutions, by conducting specialized studies and research in the field and providing advice and training. In addition to

enhancing accountability and accountability regarding companies' commitments to their responsibility towards the environment and society.

#### 4. For international organizations and donors

- 4.2 Establish Platforms for Coordination and Exchange of Experiences:** International humanitarian agencies must establish platforms and mechanisms for coordination, consultation, and exchange of experiences between the private sector, donors, and international organizations in the relief field to coordinate the humanitarian response.
- 4.3 Encourage Use of Yemeni Private Sector for Humanitarian Response:** International humanitarian actors must rely as much as possible on the Yemeni private sector to purchase services, import, and distribute humanitarian response materials. International bodies are supposed to encourage the sustainability of the local market, which remains the only mechanism capable of meeting the needs of the population of Yemen. In humanitarian aid, priority should be given, as much as possible, to financial transfers, rather than in-kind aid, which disrupts local market mechanisms. Priority is also given to purchasing orders from local factories and local suppliers to contribute to local employment. This could also consolidate the supportive foundation for local governance through private sector payments of taxes and zakat to local authorities.
- 4.4 Support Building the Capacity of Local Business Institutions:** Support building the capacity of local business institutions to implement programs and create job opportunities. Stakeholders must work to ensure that local companies have the tools and skills to benefit from international interventions. This should include facilitating the transfer of knowledge, especially knowledge related to the use of technology and training.
- 4.5 Adopt Environmental Safeguards and Integrate Social Responsibility:** Adopts environmental safeguards and integrates social responsibility into the concerns of any cooperation with the private sector. There is a low awareness among the private sector of its responsibilities towards the environment or the effects of climate change. It is important for donors and international non-governmental organizations - in coordination with the private sector - to adopt environmental safeguards and social responsibility into their programs. This may include rules and clauses in agreements with the private sector that require adherence to certain standards, in addition to holding workshops and other activities that would raise awareness and bring about a fundamental change in the concept of the private sector, its role and responsibilities.

## 5. Chambers of Commerce and Industry Associations:

**5.1 Advocacy and Policy Support:** Lobby for policies that promote CSR and help neutralize the economy from conflict impacts. Act as a mediator between the business community and government to advocate for supportive CSR legislation.

**5.2 Resource Centers for CSR:** Establish centers or platforms that offer resources, advice, and support for companies wishing to undertake CSR initiatives. These centers could also serve as networking hubs to facilitate partnerships and knowledge sharing.

## 6. For Educational Insinuations

**6.1 Incorporate CSR into Curricula:** Introduce courses and modules on CSR, focusing on its importance and application in the Yemeni context. This education should aim to cultivate a future workforce that values and understands the role of CSR in business and society.

**6.2 Conduct CSR Research:** Encourage academic research on CSR practices, challenges, and impacts specific to Yemen. This research could support policymaking and enhance the overall understanding and implementation of CSR strategies.

## 7. Potential Areas for Future Research

- **Longitudinal Studies on CSR Impact:** Conduct long-term studies to track the evolution of CSR practices in Yemen and assess their sustained impact on various social, economic, and environmental indicators. This would provide valuable insights into the effectiveness of different CSR approaches over time and in changing contexts.
- **Sector-Specific CSR Analysis:** Investigate CSR practices within specific sectors of the Yemeni economy, such as agriculture, manufacturing, or services. This would allow for a more nuanced understanding of the unique challenges and opportunities for CSR within each sector and tailor recommendations accordingly.
- **CSR and Conflict Sensitivity:** Explore the relationship between CSR and conflict sensitivity in Yemen. Examine how businesses can adapt their CSR initiatives to mitigate conflict risks, promote peacebuilding, and contribute to social cohesion in conflict-affected areas.
- **CSR and Gender:** Analyze the role of CSR in promoting gender equality and women's empowerment in Yemen. Investigate how businesses can integrate gender considerations into their CSR programs and contribute to closing gender gaps in various sectors.
- **CSR and Environmental Sustainability:** Assess the environmental impact of CSR initiatives in Yemen, particularly in relation to climate change mitigation and adaptation. Explore how businesses can adopt sustainable practices and contribute to environmental conservation efforts.

- **CSR and Supply Chain Management:** Investigate how CSR principles can be integrated into supply chain management practices in Yemen. This could involve assessing the social and environmental impact of suppliers and promoting responsible sourcing practices.
- **CSR and Community Engagement:** Examine the effectiveness of different community engagement strategies in CSR initiatives. Identify best practices for involving local communities in the design, implementation, and evaluation of CSR projects.
- **CSR and Measurement:** Develop and refine methodologies for measuring the social, economic, and environmental impact of CSR initiatives in Yemen. This would enable more accurate assessment of CSR performance and inform decision-making for businesses and policymakers.
- **CSR and Technology:** Explore the potential of technology to enhance the reach and impact of CSR initiatives in Yemen. This could involve using digital platforms for communication, data collection, and project management.
- **CSR and Government Collaboration:** Investigate the potential for greater collaboration between the government and the private sector in promoting and implementing CSR initiatives. This could involve developing joint programs, sharing resources, and aligning CSR goals with national development priorities.
- **CSR and Small and Medium Enterprises (SMEs):** Examine the specific challenges and opportunities for SMEs to engage in CSR activities in Yemen. Develop tailored strategies and support mechanisms to encourage CSR adoption among smaller businesses.
- **CSR and the Informal Sector:** Explore the potential for CSR engagement within the informal sector in Yemen, which plays a significant role in the economy. Identify innovative approaches to promote responsible business practices within this sector.
- **CSR and Youth:** Investigate how CSR initiatives can engage and empower young people in Yemen. This could involve creating youth-led CSR projects, providing training and mentorship opportunities, and promoting youth entrepreneurship.
- **CSR and Cultural Heritage:** Explore how businesses can contribute to the preservation and promotion of Yemen's rich cultural heritage through their CSR programs. This could involve supporting cultural institutions, restoring historical sites, and promoting traditional crafts.

**List of Figures:**

Figure 1 The geographical location of the companies' headquarters and branches .....	18
Figure 2 Ratio of Companies Undertaking CSR Initiatives.....	64
Figure 3 Ratio of Companies Undertaking CSR Initiatives according to Company Size .....	64
Figure 4 Ratio of Companies Undertaking CSR Initiatives According to the Company .....	65
Figure 5 Private Sector Partnerships With Other Stakeholders In Social Responsibility.....	87
Figure 6 Partnerships by Company Size.....	88
Figure 7 Dedicated Policy, Guidelines And Plans For CSR Initiatives .....	90
Figure 8 Dedicated Policy, Guidelines and Plans for CSR Initiatives Depending on Company Size..	90
Figure 9 Policy, Guidelines and Plans for CSR Initiatives by Company Sector of Activity .....	91
Figure 10 Does Your Company Publicly Report Its Social Responsibility Activities? .....	93
Figure 11 Does your company publicly report its social responsibility activities? .....	93
Figure 12 Company Capacity to implement CSR Initiatives.....	94
Figure 13 Establishing A Dedicated Corporate Social Responsibility (CSR) Center in Yemen.....	101

**List of Tables:**

Table 1 Distribution of The Sample According Company Activity.....	17
Table 2 Sample Distribution According to Company Size .....	18
Table 3 Years of Experience in Corporate Social Responsibility Initiatives .....	65
Table 4 Target Groups.....	66
Table 5 Geographic Scope For Implementing CSR Initiatives.....	67
Table 6 Corporate Contributions to Charitable Projects .....	68
Table 7 CSR Contribution to Development .....	72
Table 8 Funding Other Initiatives and Collaborations with Other Respondents .....	76
Table 9 Contribution of Companies to Peacebuilding .....	77
Table 10 Corporate Initiatives in The Field of Environment.....	84
Table 11 Types of Partnerships Preferred for CSR Initiatives.....	88
Table 12 Reporting Methods.....	93
Table 13 Training Needs to Implement CSRs.....	95
Table 14 Challenges Facing Implementing Corporate Social Responsibility Initiatives.....	98
Table 15 Opportunities to Engage the Private Sector in Humanitarian Response and Development ..	98
Table 16 The most effective financing mechanisms to streamline CSR contributions in Yemen .....	100
Table 17 Private Sector Engagement in Response Coordination.....	100

## List of References

- General Federation of Yemeni Chambers of Commerce and Industry, performance indicators of the industrial sector in Yemen during the war, 2020
- Ahmed Al-Sayed Kurdi, The nature of social responsibility among companies in Arab countries <https://www.csr.sa.net/>.
- Ahmed Qaed Barakat, Cooperation in Yemen, Yemeni Encyclopedia, Al-Afif Cultural Foundation, 2000
- Edward Al-Dahdah, Challenges and Prospects of Governance in Yemen, op. cit., p. 7
- UNFPA humanitarian response in Yemen, February 2021
- Announcing the establishment of a private sector bloc in Yemen, <http://yemenief.org/> Feb - 07 - 2019
- United Nations: Commission for Social Development, National and International Cooperation for Social Development [Report of the Secretary-General], 12 December 2002
- Iman Saadeh and Raja Al-Khalidi, the reality of social responsibility of Palestinian companies and ways to direct it towards supporting social development, Palestinian Economic Policy Research Institute [MAS] 2019
- Baba Abdel Qader, and Wahiba Moghadam, Social Responsibility is a Value-Creating Strategic Advantage - A Case Study of Sona Tarak Company
- UNDP: Forecasts showing the devastating effects of climate change on human development in Yemen, December 3, 2023, <https://www.undp.org/>
- United Nations Development Programme, Al-Kuraimi Islamic Microfinance Bank participates in supporting the response to the Corona epidemic in Yemen, <https://www.undp.org/>
- UNDP, The Power of Partnership: Expanding Recovery and Resilience in Yemen, 30 March 2020, <https://www.undp.org/>
- Bin Masoud Nasr al-Din and Kanoush Muhammad, "The reality of the importance and value of social responsibility in the economic institution, with an exploratory study on one of the national institutions," at the Third International Forum on Business Organizations and Social Responsibility, Faculty of Economic, Commercial and Management Sciences, Bechar University, Algeria, February 14-15. 2012,
- World Bank, Country Engagement Note for the Republic of Yemen for Fiscal Years 2022 and 2023, April 2022



- World Bank, Country Engagement Note on the Republic of Yemen for the Fiscal Biennial 2020-2021,” April 2019
- Hassan Majali, Waqf in Yemen, Yemeni Encyclopedia, Al-Afif Cultural Foundation, 2000
- Hussein Al-Asraj, The Islamic Endowment as one of the Tools of Corporate Social Responsibility, 2012
- Humanitarian response plan. Yemen2021, March 2021
- **Environmental Policy Guide at Al Amal Bank**,<https://alamalbank.com/>
- Zikra Muhammad Al-Hatami, The Islamic Endowment in Yemen and its Economic Impacts, Arab Journal of Science and Research Publishing, Volume 7, Issue 4, 2023
- Samah Mohsen Ali Saeed, The Possibility of Applying Accounting for Social Responsibility in Private Sector Industrial Companies in the Republic of Yemen, Master’s Thesis, University of Aden, 2011
- Sana Abdel Rahim Saeed, and Abdel Reda Nasser Al-Bawi, the strategic role of comprehensive social responsibility in achieving sustainable competitive advantage / a case study in the General Company for the Southern Fertilizer Industry, Journal of Management and Economics, Issue Eighty-Three 2010
- Lifeline in Yemen: Private sector support for education during emergencies and crises<https://inee.org/>
- Diafi Nawal, Corporate Social Responsibility and Human Resources, Master’s Thesis, Abu Bakr Belqaid University - Tlemcen, Algeria, 2010
- Tariq Barakat and others, The role of the private sector in building peace in Yemen, Carbo 2019
- Taher Hazam, 95 percent of Yemeni companies operating in Yemen ignore their social responsibility, June 24, 2009, Mareb Press
- Abdul Salam Al-Dais, Report: The private sector in Yemen...an absent social role and confusion between social responsibility and charitable work, September 20, 2009,<https://www.saba.ye>
- Abdul Karim Qasim Al-Khatib, Bee Practices for Community Accountability in Yemen, Resonate Yemen Foundation, 2019
- Al-Orabi Hamza and Bouqdoum Marwa, Governance as a Mechanism for Activating the Social Responsibility of Small and Medium Enterprises and Achieving Sustainable Development,
- Ali Al-Azki, International Relief Organizations and the Yemeni Private Sector: The Need for Improved Coordination in the Humanitarian Response to the Crisis, Policy Paper, March 16, 2018

- Ghalab Fateh, Khateri, and Haiba, leading international and Arab experiences in the field of social responsibility for business organizations 2020
- Economic Team, Yemen Reconstruction and Rehabilitation Priorities [2018], Yemeni Economic Forum, <http://www.yemenief.org>
- Humanitarian Country Team, Humanitarian Needs Overview Document: Yemen, February 2021
- Qadri Ibrahim, The Impact of Social Responsibility on Performance: An Applied Study on Syrian Joint Stock Companies, PhD thesis, University of Damascus, 2015.
- Maher Othman and Abdel Basset Muhammad, Small and Small Enterprises: The Optimal Path to Confronting Poverty in Wartime, February 2021, GIZ and Pioneers Foundation
- Hayel Saeed Anam & Co. Group and Tetra Pak launch a program to support safe feeding in schools <https://www.prnewswire.com/>
- Arab Democratic Center, Social Responsibility of Institutions and Companies between Theoretical Approaches and Applied Practices, Germany, Berlin, 2019
- Arab Democratic Center, Social Responsibility of Institutions and Companies between Theoretical Approaches and Applied Practices, Germany, Berlin, 201
- Yemen Policy Center [2021] The role of Yemeni civil society in shaping the features of security reform, <https://www.yemenpolicy.org/>
- Mutahar Ali Aqida, and Ibrahim Muhammad Al-Akwa, Attitudes of Public Relations Practitioners in Yemeni Banks in Social Responsibility Programs,
- International Labor Organization, Small and Medium Enterprises Damage Assessment: Yemen [Sanaa City and its Suburbs], 2018 PPP
- Berghof Foundation, The Yemeni economy is at a crossroads - how to improve economic performance and avoid worsening the humanitarian situation. Report of a meeting during the period from 26-29 March 2017, Lebanon
- Yemeni Business Club, vision of continuing economic activity and reconstruction,
- Naila Tabbara [Supervision], Islamic Social Responsibility for Citizenship and Living Together, a guide, Dar Al-Farabi - Beirut
- Naima Ibrahim Al-Ghannam, The role of activating the social responsibility of small and medium enterprises in achieving sustainable development, <https://www.regionalcsr.com/>
- USAID, 2013 Civil Society Organizations Sustainability Report for the Middle East and North Africa Region

- USAID, Sharing to Survive: Investigating the Role of Social Networks During the Humanitarian Crisis in Yemen, January 2022
- Wahiba Moghadam, Social responsibility is a necessity in large companies and an option that must be supported in small and medium companies, August 11, 2016 <https://www.csrna.net/>
- Yahyawi Naima, Examples of Some International and Islamic Companies in Consolidating Social Responsibility, Money and Markets Magazine

#### Websites

- <https://www.hsayemen.com>
- <https://www.yemeneconomist.com>
- <https://www.yemenfoodbank.org>
- <https://www.yk-bank.com>
- <https://yemen-yba.com/>
- <http://www.yemenief.org/>

## Corporate Social Responsibility Practices in Yemen

### Assessing the Role of Private Sector in The Humanitarian and Development

### Response in Yemen

March 2024

Prepared by:

Dr. Abdulkareem Qasim Alkhateeb

Abdulqawi Hajeb

#### **Tamdeen Youth Foundation**

Sana'a, Yemen

Email: [info@tamdeen-ye.org](mailto:info@tamdeen-ye.org)

Website: [www.tamdeen-ye.org](http://www.tamdeen-ye.org)

Date of Publication: May 2024, (1<sup>st</sup> edition)

Disclaimer: The views and opinions expressed in this report are those of the authors and do not necessarily reflect the official policy or position of the Danish International Development Agency (DANIDA), the Danish Refugee Council (DRC), or the Tamdeen Youth Foundation (TYF).

#### **Sponsored by:**

