

# Yemen Financial Market Infrastructure & Inclusion Project

A transformative \$20 million initiative to rebuild Yemen's payment infrastructure and expand financial inclusion amid ongoing fragmentation



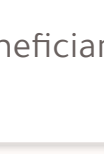
## Million \$20

Total Funding



## 2025-2030

Project Duration



## UNDP

Implementation



## Nationwide

Beneficiaries

### Strategic Context

Yemen's ongoing conflict, now in its **tenth year**, has created a severe economic crisis with GDP per capita contracting by **58% between 2015-2024**. The country has fragmented into two distinct economic zones with competing monetary authorities, .exchange rates, and policies

The Houthi blockade on oil exports and deteriorating economic conditions led to a **1.5% contraction in 2024**. The Yemeni Riyal depreciated from 1,540 YER/USD (end 2023) to **2,560 YER/USD by May 2025**, driving inflation and straining household purchasing .power

This project represents a critical intervention to modernize payment infrastructure, reduce transaction costs, and expand financial access to underserved populations across both economic .zones

### Project Development Objective (PDO)

Approved by World Bank - May 22, 2025

To develop a **payment infrastructure** that supports the **efficiency of payment transactions** in Yemen and **.increases financial inclusion**

## Project Components

### Fast Payment Systems (FPS)

\$7.5M



Development of real-time payment infrastructure

#### :Key Objectives

Enable instant P2P, P2M, and B2B transactions 

Reduce transaction costs and settlement times 

Increase digital payment adoption across Yemen 


### Real-Time Gross Settlement (RTGS)

\$5.4M



Upgrading CBY-Aden core banking systems

#### :Key Objectives

Modernize central bank payment infrastructure 

Enhance interbank settlement efficiency 

Strengthen monetary policy transmission 

### Access & Usage Support

\$2.36M



Expanding financial inclusion initiatives

#### :Key Objectives

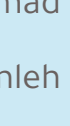
Increase access to digital financial services 

Support microfinance and MSME financing 

Promote financial literacy and capability 


### Project Management


\$4.74M




Ensuring effective implementation and oversight

#### :Key Objectives

Coordinate with UNDP and stakeholders 

Monitor and evaluate project outcomes 

Ensure fiduciary and safeguards compliance 

## Expected Outcomes & Impact

### 40%

#### Reduction in Transaction Costs

Through modern payment infrastructure

### +2M

#### New Digital Payment Users

Expanding financial inclusion nationwide

### 24/7

#### Real-Time Payments

Instant settlement across all channels

## Implementation & Governance

### Implementing Agency

United Nations Development Programme (UNDP)

**Country Representative:** Zena Ali Ahmad

**Deputy Representative:** Nadia Alawamleh

### World Bank Team

**Country Director:** Stephane Guimbert

**Task Team Leaders:** Rinku Chandra, Ghada Waheed  
Ismail, Omar Al-Aqel

## Risk Assessment

Systematic Operations Risk-Rating Tool (SORT)

#### Macroeconomic

Substantial

#### Political & Governance

High

#### Environmental & Social

Moderate

#### Institutional Capacity

High

### Overall Risk: HIGH

Due to ongoing conflict, institutional fragmentation, and challenging operating environment

## Expected Disbursement Schedule

World Bank Fiscal Years (US\$ Millions)

2030 2029 2028 2027 2026 2025

\$2.00 \$2.00 \$6.00 \$5.00 \$4.75 \$0.06

**\$19.81 \$17.81 \$15.81 \$9.81 \$4.81 \$0.06**