

**INTERIM STRATEGIC PLAN FOR ASSISTANCE  
TO THE REPUBLIC OF YEMEN**

**April 2003-April 2006**

*“America is engaged in a global struggle against the forces of terror. Yet even as we fight to defeat terror, we must also fight for the values that make life worth living: for education, and health, and economic opportunity.”*

- President George Bush announcing the Millennium Challenge Account and the United States' new policy on assistance for sustainable development in March 2002.

**United States Agency for International Development**

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## ACRONYMS

ADS	(USAID) Automated Directives System
ADRA	Adventist Development and Relief Agency
ANE	Bureau for Asia and the Near East
ARI	Acute Respiratory Infection
CONT	USAID Controller
CTO	Cognizant Technical Officer
DCHA	Bureau for Democracy, Conflict and Humanitarian Assistance
DMCHS	Yemen 1997 Demographic, Maternal and Child Health Survey
DG	Democracy and Governance
EFA	Education for All (Fast Track Initiative)
ESF	Economic Support Fund
EXO	USAID Executive Office
FY	Fiscal Year
GDP	Gross Domestic Product
IDA	International Development Association
IR	Intermediate Result
MCA	Millenium Challenge Account
MCC	Millenium Challenge Corporation
MEPI	Middle East Partnership Initiative
MPP	Mission Performance Plan
NGO	Non Governmental Organization
OE	Operating and Expense
OYB	Operating Year Budget
PMP	Performance Monitoring Plan
PRSP	(Republic of Yemen) Poverty Reduction Strategy Paper
RCO	USAID Regional Contracts Officer
RLA	USAID Regional Legal Advisor
ROYG	Republic of Yemen Government
RSO	USAID Regional Security Officer
SO	Strategic Objective
SFYP	Yemen Second Five Year Plan, 2001-2005
TFR	Total Fertility Rate
UNAIDS	United Nations Program on HIV/AIDS
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
US	United States (of America)
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USDH	United States Direct Hire (employee)
USG	United States Government
US-PSC	United States Personal Services Contract(or)
WHO	World Health Organization

## **1.0 Executive Summary**

Following a twenty-five year bilateral assistance program, USAID/Yemen closed in 1995 when the Yemen government failed to support the coalition forces during the 1990 Gulf War. After USAID/Yemen was closed USAID designated Yemen as a "non-presence country" and maintained limited activities at approximately \$2-4 million per year in basic health and education and Fulbright scholars. After the September 11, 2001 al-Qa'ida attack on the USA, Yemen has become a strong partner in the international war against terrorism. However, Yemen's internal stability is threatened by a combination of forces that challenge the government's ability to move towards democracy. These forces include extreme poverty, fundamental religious beliefs that have been translated into political activism and internal and international terrorism, and alienation for the central government by relatively independent leaders in remote areas. To achieve its development goals, the Republic of Yemen is seeking to improve the quality of life of its citizens, increase democratic options and reduce the context of dissatisfaction that has generated armed opposition and made terrorism an option.

In December 2002 USAID approved the reopening of a USAID Office to reinforce USG national security objectives in Yemen. OYB targets were set at \$10 million ESF in FY 2002 and \$15 million ESF in FY2003. The Office of the USAID Representative to Yemen is scheduled to open in the Spring of 2003. There is a pressing need to launch a USAID program to provide highly visible, high impact results, primarily in five remote governorates where al-Qa'ida terrorists have sought refuge. Because the USAID program in Yemen must be quickly reestablished to support US foreign policy goals, there is not sufficient time to develop a Standard Strategic Plan (ADS 201.3.4.3) with its required detailed analysis and longer term planning perspective. Therefore, this Interim Strategic Plan was developed with a three-year time frame (April 2003-April 2006). A USAID/ Washington review is proposed for March 2005 to determine if the Interim Strategy should be extended through another phase of interim assistance or if a Standard Strategic Plan should be developed.

This Interim Strategic Plan proposes a USAID program in Yemen focused in the five remote, and very poor, rural governorates most at-risk of generating political instability and providing refuge for terrorists. The program will include local level activities in health, education and increased opportunities for employment and income generation with a primary focus on the agricultural sector. Cross-cutting themes include improved services and opportunities for women and girls, community participation and good quality data for planning and management. Relatively limited USAID-ESF funds focused on health and education will be buttressed by MEPI and USDA [416-b and PL 480] funds for economic growth and agriculture activities. During the Interim Strategy period the USAID program in Yemen will also make selected investments at the national level, with the public and private sector, in partnership with other donors, to identify opportunities for improved policy and expanded options for longer-term sustainable development.

## **2.0 Assistance Environment**

### **2.1 Introduction**

In March 2002 President Bush announced one of the most significant policy initiatives in the United States' approach to economic development, with a proposal for \$5 billion in new US funding in a new Millennium Challenge Account. In this approach to development greater contributions from developed nations will be directly linked to greater responsibility from developing countries. Under this policy, increased assistance will be directed to countries that have a demonstrated commitment to ruling justly, investing in their people (health care and education), and encouraging economic freedom.

To emphasize the role of development assistance in US foreign policy USAID produced "Foreign Aid in the National Interest: Promoting Freedom, Security, and Opportunity" in January 2003. Key development assistance activities include democratic governance, economic growth and education. In that document Mr. Natsios predicted that "*Foreign assistance will be a will be a key instrument of foreign policy in the coming decades.*"

Ambassador Wendy Chamberlin Assistant Administrator, USAID Bureau for Asia and the Near East, reinforced the Natsios findings before the Subcommittee on Middle East and Central Asia Committee on International Relations, in the U.S. House of Representatives in March 2003. She also cited similar findings in the 2002 Arab Development Report produced by the United Nations Development Program (UNDP) and the United States National Security Strategy, and observed that "Recent events have clearly demonstrated the enormous risks posed to our nation by the existence of nations with weak institutions, high poverty, and limited opportunity."

These policies provide the framework for the proposed USAID Interim Strategy in the Republic of Yemen, an emerging democracy in Middle East, which has been a haven for international and regional terrorists. USAID will support the American Embassy in Yemen to assist the Republic of Yemen Government (ROYG) to eliminate terrorism by supporting basic needs in health, education, food security and economic growth and by improving the context for long-term sustainable development. In commenting on the role of USAID, Ambassador Edmund Hull succinctly states, "There is no security without development and no development without security."

### **2.2. Country Background**

North Yemen became independent of the Ottoman Empire in 1918. The British, who had set up a protectorate area around the southern port of Aden in the 19th century, withdrew in 1967 from what became South Yemen. Three years later, the southern government adopted a Marxist orientation. The massive exodus of hundreds of thousands of Yemenis from the south to the north contributed to two decades of hostility between the states. The two countries were formally unified as the Republic of Yemen in 1990. A southern

secessionist movement in 1994 was quickly subdued. In 2000, Saudi Arabia and Yemen agreed to a delimitation of their border. [*source: World Factbook, CIA, 2002*]

Yemen lies between Oman and Saudi Arabia and is bordered by the Arabian Sea, the Gulf of Aden, and the Red Sea. The straight linking the Red Sea and the Gulf of Aden (the Bab al-Mandeb) is one of the world's most active shipping lanes. With a land area of 203,800 square miles Yemen is slightly larger than twice the size of Wyoming and is roughly 600 miles long by 335 miles wide. It is hot and humid along the west coast, temperate in the western mountains which are affected by season monsoon rains, and includes an extraordinarily hot, dry, harsh desert in the east. The narrow coastal plain is backed by flat-topped hills and rugged mountains and the elevation ranges from zero feet above sea level to mountains more than 10,000 feet high. [*source: World Factbook, CIA, 2002*]

### **2.2.a Political Institutions and Governance**

Since unification in May 1990 Yemen has made impressive progress in establishing and advancing democracy and democratic principles despite facing many difficult challenges,. This emerging democracy has established a basic legal and constitutional framework, developed foundations for its governmental and political institutions, and encouraged involvement of civil society through multiparty elections. Further progress is needed in strengthening the legal and political institutional framework to ensure that a sustainable democracy will flourish and expand.

The important link between development and democratic governance provides strong rationale for strengthening governing institutions, devolution of authority and management of resources, and expanding opportunities for civil society to participate in decisions that affect their lives. Yemen has made advances in all of these areas during the past decade including establishment of constitutional government based on the rule of law, a parliamentary system with multiparty elections, and laws to strengthen non-governmental organizations and decentralize resource allocation decisions and local management of social services and development programs.

### **2.2.b Conflict (see Annex 2: Conflict Vulnerabilty Analysis)**

“Yemeni history is rich in Islamic and tribal practices of mediation, negotiation and conflict resolution. Tribal conflicts are not always peacefully resolved, but Yemeni tribal society has mechanisms for containing and minimizing the impact of violence. The methods are time-honoured and all include parties to the conflict agreeing on a respected arbiter.” [*Marta Colburn, The Republic of Yemen, 2002*]. Other forms of conflict include kidnappings of outsiders for ransom (often wells, schools, roads, health care) in which the victim is generally well treated; conflict between the tribal groups and the central government which appears to currently be in a period of cautious truce and accommodation; and commercial disputes which are most often resolved outside of a marginally responsive judicial system. More serious is the recent emergence of international terrorism in Yemen and related events: al-Qa’ida bombing of the USS Cole

(October 12, 2000), the termination of al-Qa'ida's chief in Yemen and several associates (November 2, 2002), explosion in an al-Qa'ida safe-house (August 9, 2002), attack on the M/V Limburg (October 6, 2002), al-Qa'ida missile attack on a Yemen-Hunt Oil helicopter (November 3, 2002), murder of three American NGO health workers in Jibla Hospital (December 30, 2002), and killing by Yemeni police of four Yemeni protestors against the 2003 Gulf War (March 21, 2003). [*see Annex 2: Conflict Vulnerability Analysis*]

### **2.2.c. Economy (see Annex 4: Economic and Agricultural Perspectives)**

Yemen is one of the poorest countries in the world, not only in its \$320 per capita GDP (which has declined from \$701 in 1990), but also in almost every measure of quality of life. The first half of the 1990s presented several severe economic difficulties for Yemen stemming from the unification of two very different economic and political systems, the Gulf War, repatriation of 800,000 Yemeni living in the Gulf, suspension of much of its external assistance, and civil conflict in 1994. In the latter half of the 1990s, the Yemen government demonstrated its strong commitment to stabilization and reform through price and market liberalization, fiscal prudence, liberalization of the exchange and trade system, increased private investment and strengthening good governance. These efforts have resulted in lower inflation, reduced budget and balance of payments deficits, a cut in foreign debt and an increase in foreign exchange reserves.

These recent improvements are only the beginning of the efforts required to address the many economic challenges facing Yemen. The economy is heavily dependent upon oil exports and remittances from Yemeni working abroad, neither of which have great potential for growth. Over 90 percent of export revenue is derived from oil and oil products, which is likely to start declining in about five years due to limited reserves. There are some good prospects for producing and exporting natural gas. Remittances are about 75 percent of pre-Gulf War levels and are expected to grow only moderately.

Approximately 18 percent of the labor force are unemployed and this number is expected to increase significantly with an annual growth of 4.3 percent of new entrants into the labor supply. High unemployment is a result of low productivity due to lack of appropriate skills and lack of opportunity. Three-fourths of the population, and 58 percent of the work force, are located in rural areas. However, the urban population is growing at almost double the national rate reflecting the high internal migration. This trend will likely continue due to lack of rural employment opportunities, inadequate delivery of social services to rural areas, and agricultural water depletion.

### **2.2.d Natural Resources and Environment (see Annex 3: Environmental Analysis)**

Annually, Yemen consumes 700 million cubic meters of water more than its renewable water resources (2.8 billion pumped and 2.1 billion renewed), resulting in a major depletion of water. Irrigated farms take 93 percent of all water consumed nationwide using highly inefficient irrigation methods to produce a limited proportion of its food requirements. Yemen is a food deficit country with about 75 percent of its principal staple, wheat, being imported. In addition to water depletion, overgrazing, deforestation

and improper farming practices are resulting in significant erosion, desertification, and soil salinization.

### **2.2.e Gender (see Annex 1: Gender Analysis)**

“Gender relations in Yemen are shaped by diverse religious, cultural social and political traditions. Degrees of sex segregation, mobility and educational options vary widely for women in Yemen depending not only on their region of origin, but also on their social and economic status. And there are major differences between the situation of rural and urban women with regard to educational opportunities, access to healthcare, the gender division of labour, fertility levels and gender relations. Factors that disadvantage women include: belief in the moral, intellectual and emotional weakness of women, status inequalities emanation from differing gender responsibility, the fact that women’s value is measured largely in terms of their agricultural and domestic contributions with an emphasis on their fertility, particularly in producing male offspring, family honour is closely linked to female modesty and controlled sexuality, inequalities of gender and status are intertwined in the practices of female seclusion, veiling and sex segregation.”  
*[quoted from Marta Colburn, Gender and Development in Yemen, Oxfam, November 2002]*

### **2.2.f Population**

At 3.5 percent per year, Yemen has one of the highest population growth rates in the world. Since unification in 1990, the population has increased from 12.2 million to its current level of 18.7 million, and it is projected to reach 49.4 million by 2031. With nearly half of the population under 15 years of age, this population explosion will continue for years to have a major impact on poverty and economic development through increased demand for basic infrastructure, food, and social services, especially health care and education.

### **2.2.g Poverty**

The 2000 UNDP Global Human Development Report ranks Yemen 148 among 174 countries in its Human Development Index. The poverty rate has increased dramatically from 19 percent in 1992 to 25 percent in 1998 with more than a third of all Yemeni households classified as impoverished (inadequate nutrition and lack of social services), mostly in the rural areas. The roots of poverty are deep in Yemen and its structural determinants include rapid population growth, scarcity of water and arable land, insufficient social services and infrastructure, inefficient governance and gender inequalities. A ROYG safety net for the poor has been broadened by expanding the Social Welfare Fund and through recent initiatives supported by donors, such as the Public Works Project and the Social Fund for Development.

### **2.2.h Health**

There have been some significant improvements in selected health statistics in Yemen during the past decade. Life expectancy has increased from 46.3 years to 59.8 years, the

fertility rate has declined from 7.8 live births to 6.5, and infant and (under five) child mortality rates have declined 15 percent and 31 percent respectively. Much of this improvement can be attributed to a successful child immunization program, with coverage increasing to 72 percent of children under one year of age. However, many large and serious challenges remain.

The contraceptive prevalence rate is low at less than 20 percent, because of lack of services and because women do not control fertility decisions. Despite improvements in infant and child mortality, they remain very high at 66 and 119 per 1,000 respectively. One-third of all under-five deaths occurs because of vaccine-preventable diseases. Among children, diarrheal diseases and acute respiratory infections are the major causes of mortality. Maternal mortality is extremely high at 14 per 1,000 births. Child malnutrition is widespread with 46 percent of children moderately or severely underweight. There is a high prevalence of communicable diseases, including malaria and tuberculosis.

The coverage of primary health care reaches only 42 percent of the population, and only 24 percent of the population in rural areas. Services, facilities, training, equipment, supplies of medicines and contraceptives are all deficient leading to a relatively low level of primary health care services

### **2.2.i Education**

Although school enrollment has increased dramatically during the past decade, only 50 percent of children aged 6 to 14 enrolled in school and only 17 percent of the population over 10 has completed primary school. Fifty percent of the adult population is illiterate and 65 percent of adult women. Major issues that require attention include access to education, quality of instruction, and educational equality – especially opportunities for girls to attend school. At present, girls comprise only one-third of primary school enrollment. It is well known that educating girls is highly correlated to lower fertility rates and improved health care of children. The types of issues facing both health care and education are very similar – access, quality and equality (low female participation, lack of female professionals, geographic variations, etc.).

## **2.3 United States Government Foreign Policy Interests**

### **2.3.a Millennium Challenge Account (MCA)**

On March 14, 2002 President Bush announced that the United States will increase its core assistance to developing countries by 50% over the next 3 years, resulting in a \$5 billion annual increase over current levels by FY 2006. This increased assistance will go to a new Millennium Challenge Account (MCA), managed by a new Millennium Challenge Corporation (MCC) that will fund initiatives to improve the economies and standards of living in qualified developing countries. The goal of the MCA is to reward sound policy decisions that support economic growth and reduce poverty. The MCA

recognizes that economic development assistance can be successful only if it is linked to sound policies in developing countries. Therefore the funds in the Millennium Challenge Account will be distributed to developing countries that demonstrate a strong commitment to:

- Good governance. Rooting out corruption, upholding human rights, and adherence to the rule of law are essential conditions for successful development.
- The health and education of their people. Investment in education, health care, and immunization provide for healthy and educated citizens who become agents of development.
- Sound economic policies that foster enterprise and entrepreneurship. More open markets, sustainable budget policies, and strong support for individual entrepreneurship to unleash the enterprise and creativity for lasting growth and prosperity

To ensure that Millennium Challenge Account funds promote growth and reduce poverty in developing nations, the proposed MCA identifies the following guiding principles for the distribution of funds:

- potential for economic growth and poverty reduction. All countries selected will have demonstrated commitment to sound policies in the areas listed above
- Funds will be distributed in the form of grants
- Where appropriate, programs funded by this account will be coordinated with ongoing programs and leverage other funding streams, both from within the recipient country and from other private, bilateral and multilateral donors
- Qualifying countries will be encouraged to actively engage with us in formulating uses for MCA funding through a participatory process involving local and federal elected officials, civil society, and development partners.
- The development priorities, investment needs, and growth potential of selected countries will determine how funds are allotted.
- Where possible, the Millennium Challenge Account will seek to broaden development partnerships by including new partners, such as private sector firms, national and local governments, U.S. and local universities, foundations, and international and local NGOs
- Building capacity for quality data development and continuous country and project performance monitoring will be important components of the MCA and will be incorporated into its implementation.

- Only poor countries will be eligible – only countries eligible to borrow from the International Development Association (IDA) and which have per capita incomes below \$1,435 will be considered – these limits will gradually be raised as MCA funding expands
- The MCA should focus on development objectives
- MCA should complement, not replace current assistance

Status: Legislation is currently being developed to create the Millennium Challenge Corporation (MCC) and to fund the Millennium Challenge Account with a first tranche of (\$1.3 billion) against the President's goal of \$5 billion in new funds for MCA by 2006.

USAID: The proposed MCA program calls for USAID to be a key partner of the MCA and the implementing agency for many MCA programs. USAID programs will work in partnership with the MCA to provide technical assistance and other funding for those countries that are "near qualifiers," so that they can make the policy changes necessary to qualify for the MCA.

Yemen: Currently Yemen is included among countries ranked as "Mid-Range Performers" with good policies that need to be implemented to improve the performance criteria for funding under the proposed MCA. USAID will work closely with the ROYG and other donors to improve Yemen's accessibility to MCA funds when the MCC has been created and funded.

### **2.3.b Embassy/Sana'a Mission Performance Plan (MPP)**

The USG's foreign policy interests in Yemen are to expand the USG and ROYG partnership against terrorism, to neutralize al-Qa'ida's ability to threaten US interests both inside and from Yemen, and to enhance regional security by building a close partnership between the US and Yemeni military. To achieve these goals, USG economic development assistance is needed to reinforce diplomatic, military, law enforcement, counterterrorism and intelligence cooperation. USG economic development resources are especially needed in remote governorates where terrorists have received support and safe-haven from local tribal leaders who often do not recognize the authority of the ROYG. Furthermore, these remote areas are very poor and their health and education status is among the worst in the Middle East. Embassy/Sana'a expects the USAID program to gain support from tribal leaders for the ROYG decentralization, development, democracy and counterterrorism objectives by quickly creating jobs, increasing income, and improving health, education, and community empowerment.

### **2.3.c Middle East Partnership Initiative “MEPI” (see Annex 6: Current USG Development Assistance in Yemen)**

In a speech at the Heritage Foundation on December 12, 2003, Secretary of State, Colin Powell, announced the Middle East Partnership Initiative (MEPI), “an innovative set of programs and a framework for future cooperation... a bridge between the United States and the Middle East, between our governments and our peoples, ... a concrete demonstration of our commitment to human dignity in the Middle East.”

The MEPI program supports a very focused approach to development whose goal is increased employment and family income through economic growth, facilitated by open economies within open political systems where individual rights are protected, civic institutions are valued and the citizens (especially females) have the education and freedom to participate and benefit.

### **2.3.d USAID Strategic Plan**

The mission statement of the US Agency for International Development (“USAID Strategic Plan, revised 2000”) states that

“USAID contributes to U.S. National interests by supporting the people of developing and transitional countries in their efforts to achieve enduring economic and social progress and to participate more fully in resolving the problems of their countries and the world.”

The USAID mission is achieved through programs at the country level based on a framework of Agency goals and objectives.

Broad-based economic growth and agricultural development through expanded and strengthened private markets; enhanced agricultural development and increased food security; and expanded access to economic opportunity for the rural and urban poor.

Democracy and good governance through strengthened rule of law and respect for human rights; credible and competitive political processes; politically active civil society and more transparent and accountable government institutions.

Human capacity built through education and training through expanded access to basic education, especially for women and girls; and increased contribution by host-country institutions of higher education to sustainable development.

World population stabilized and human health protected by reduction in unintended and mistimed pregnancies; improvements in infant and child health and nutrition; reductions in infant and child mortality; reduction in deaths, nutrition insecurity, and adverse health outcomes to women resulting from pregnancy and childbirth; reduction in the transmission and impact of HIV/AIDS; and the reduction in the threat of infectious diseases.

The world's environment protected for long-term sustainability by reducing the threat of global climate change; conservation of bio-diversity; sustainable management of urbanization pollution management; use of environmentally sound energy services; and increased sustainable management of natural resources.

Lives saved, suffering associated with natural or man-made disasters reduced and conditions necessary for political and/or economic development reestablished by meeting urgent needs in times of crisis; and by reestablishing personal security and the basic institutions needed to meet critical intermediate needs and protect human rights.

Achievement of USAID's goals and objectives in the most efficient and effective manner through more accurate program performance and financial information; the alignment of staff skills with Agency goals and core values; well planned and managed acquisition and assistance instruments; better information management and technology instruments; and strengthened collaboration with Agency partners and stakeholders.

These USAID program goals and objectives are supported within a context of cross-cutting themes that include:

- gender equality
- an institutional environment that is favorable to development
- a civil society environment that includes state accountability and citizen participation
- balance in managing the interrelated objectives of crisis management and sustainable development
- information technology which is defined as combinations of hardware, software and the means of communication that enable the exchange, processing and management of information and knowledge

## **2.4 Republic of Yemen Government (ROYG) Development Priorities**

An important accomplishment during the ROYG's First Five-Year Plan for Economic and Social Development (1996-2000) was the development of multiple strategies and policy planning for the development of Yemen. These integrated planning documents are a positive indicator of ROYG's commitment to economic development because they squarely identify both problem areas and propose solutions. The strategies include four key papers that guide ROYG's planning for development and its relationships with donors: "Yemen's Strategic Vision, 2025," "The Second Five-Year Plan for Economic and Social Development," the "Poverty Reduction Strategy Paper (2003-2005)," and "Law No.(4) of 2000 Concerning the Local Authority, August 2000." The priority framework expressed in these four documents are elaborated in sectoral strategies, for example, the "Strategy and Workplan for Reproductive Health and Family Planning 2001-2005," May 2001.

#### **2.4.a Yemen's Strategic Vision, 2025**

The ROYG long-term strategy, “Yemen's Strategic Vision 2025,” identified “major challenges, such as high population growth, poor human development indicators, depleting water resources, large expansion of *Qat* cultivation and the crop's social and economic impact, weakness of the public administration.” The Strategic Vision calls for “the transformation of Yemen to the rank of countries with middle human development with a diversified economic and social, scientific, cultural and political progress,” for building a modern (democratic) state and for the maintenance of Yemen as a unified country.

#### **2.4.b The Second Five-Year Plan for Economic and Social Development 2001-2005**

“The Second Five-Year Plan for Economic and Social Development 2001-2005” describes Yemen as one of the world's least developed countries with a GNP of \$347/capita in 1999. Concerns addressed include high fertility and population growth, unemployment, limited participation by women, exploitation, depletion and pollution of natural resources, especially water, limited access to quality health services, low education levels and illiteracy, the negative impact of *Qat* on society, declining oil revenues, poor infrastructure, weak government institutions, inefficient and over-size public administration, and corruption. ROYG priorities include developing human resources, poverty reduction, diversifying the economic base, expanding the role of the private sector, promoting exports, improving public administration, conserving the environment, developing national scientific and technological capacity, attracting capital investment, increasing decentralization by increasing the authority of local authorities and expanding community participation.

#### **2.4.c The Poverty Reduction Strategy Paper 2003-2005**

“The Poverty Reduction Strategy Paper 2003-2005” (PRSP) reports that 17.6% of Yemeni's cannot afford to buy sufficient food and 41.8% cannot afford to purchase the basic necessities that include food, clothes, education, health, shelter and transportation. ROYG links poverty in Yemen to high fertility, illiteracy, limited education, limited opportunities for women and girls, living in rural areas, underemployment, low productivity, poor health, lack of access to water, roads, and electricity. The PRSP Goal is to reduce poverty to 35.9% by 2005 by increasing economic growth, increasing jobs, education, health, water production for domestic use, sanitation, electricity coverage and access to paved roads, increasing access to the social welfare fund, treating, training and increasing job opportunities for the handicapped and assisting orphans and abandoned children.

#### **2.4.d Law No. 4 Concerning the Local Authority, August 2000**

Law No. 4 Concerning the Local Authority, August 2000 combined with the election of Local Councils in January 2001, demonstrates the resolve of the ROYG to decentralize

authority for development planning, revenue collection, resource allocation and management decisions to the governorate and district level. The ROYG commitment to decentralization advances democratization by expanding opportunities for more community and non-governmental involvement in development planning, budgeting and management decisions.

## **2.5 Donor Relationships (see Annex 8: Other Key Donors)**

There are many (13+) donors operating in Yemen, and several have maintained long term commitments (e.g. the Japanese Tuberculosis program dates back 25 years.). Key donors include The Arab Fund, European Union, Germany, The Islamic Development Bank, Japan, the Netherlands, Saudi Arabia, UNFPA, UNICEF, and the World Bank. The World Bank reports that development agencies commit about \$300 million per year to Yemen. The lead donor is by far the World Bank with \$759.3 million of active IDA credits and a recently approved Country Assistance strategy for 2003-2005 with a \$410 million “base-case” lending level.

Donors tend to focus their support in health and education and target their funding to selected governorates and districts. Very few doors have programs in any of the five remote governorates targeted by USAID. There is limited donor support for economic development or agriculture and the World Bank is virtually the only donor committed to identifying opportunities to expand trade and exports and opportunities to increase employment.

Several donors, notably the Dutch and Germans, have technical experts and advisors imbedded in key ROYG Ministries and the Office of the President. USAID will seek to develop the relationships with government counterparts that will lead to requests for USAID policy advisors. However, since USAID has effectively been away from Yemen since 1995, and other donors are currently filling this need, requests from the ROYG for USAID advisors in ROYG Ministries should not be expected in the short term. In the interim, USAID will work closely with other donors to share information, benefit from their “lessons-learned,” and coordinate activities in order to maximize international development assistance resources that are actually scarce relative to the needs in Yemen.

## **3.0 Country Strategy Framework**

### **3.1 Parameters for Program Assistance**

When the USAID Administrator authorized the creation of a USAID program in Yemen in December 2002, the ANE Bureau committed to accelerate the establishment of a USAID Representatives Office and the expansion of a small non-presence country program. The conventional process to develop and approve a strategy was compressed.

The concept for the USAID program was developed through discussions among the the USAID ANE Bureau and the USAID Pillar Bureaus, the Department of State, the US Department of Agriculture in Yemen, Embassy/Sana’a, and through consultations with

the ROYG, other donors, the private sector, and NGOs and international PVOs in Yemen. To meet the accelerated schedule, the ANE Bureau dispensed with the formal Concept Paper and Parameters Cable for a USAID Program in Yemen. However, ANE Parameters for the USAID program in Yemen were based on instructions from ANE Senior Staff, the Department of State's Yemen Desk and Middle East Partnership Initiative (MEPI) guidelines, the NSDD-38 Cable, ESF and OE budget planning levels, Congressional Budget Justification, Embassy/Sana'a Mission Performance Plan and the requirements of ongoing development activities in Yemen. These parameters for the USAID Program in Yemen include:

- An Interim Strategy within a 3 year time frame
- Selected activities to lay the foundation for longer-term sustainable development
- Support for the Embassy Mission Performance Plan (MPP) near-term foreign policy objectives
- Office of the USAID Representative to open in Spring 2003 and be located within the US Embassy
- Relationship to the Middle East Partnership Initiative (MEPI)
- ESF planning levels at \$10 mm FY'03, \$15 mm FY'04, and \$40 mm FY'05
- OE planning levels at \$654,000 FY'03, \$550,000 FY'04 and \$550,000 FY'05
- Limited staff of one USDH, three US-PSCs and seven FSN-PSCs in FY 03
- Limited staff increases by FY 2005 if the program budget level increases significantly to the request level of \$40 million
- Provide assistance and advice to the Embassy on ongoing (MEPI and USDA) development activities
- Support from USAID/Cairo (EXO, RCO, RLA, RSO, CONT)

### **3.2 Planning Time Frame**

ADS 201.3.4.3 authorizes the approval of an "Interim Strategic Plan" when "conditions preclude detailed analysis and longer-term planning, as determined by the responsible Bureau. Interim Strategic Plans may also be use in an "Transition Environment" and in "countries experiencing high uncertainty because of drastic political, military and/or economic events." Because Yemen meets all three of these conditions, approval has been requested from the ANE Bureau for an Interim Strategic Plan for the USAID Program in Yemen during the three year period from April 2003 – April 2006.

Interim Strategy Time Frame: The USAID Interim Strategy in Yemen includes three years, April 2003 to April 2006 and is based on new funding in FY 2003, FY 2004, FY 2005 and funds remaining from FY 2001 and FY 2002 obligated under the prior USAID Planning Framework for Yemen. The time frame for the Interim Strategy reflects the uncertainty related to the achievement of the USG foreign policy objectives related to the international war on terrorism in Yemen which is directly supported in the near term by the USAID program.

The ADS requires that an Interim Strategic Plan (ISP) must be reviewed within two years of approval to determine whether to extend the program through another phase of interim assistance or to develop a Standard Strategic Plan (SSP). That review will be scheduled in the Spring of 2005.

USAID Program Time Frame: The USAID program in Yemen will be based on both short-term and longer-term perspectives. The primary program focus will be on short-term, highly visible, high-impact activities supporting the US foreign policy objectives in the war on terrorism outlined the Embassy MPP. The USAID program will also include longer-term activities designed to identify the issues, develop the relationships and lay the foundations for longer-term sustainable development. These parallel program time frames will be reflected within the Intermediate Results of the Results Framework for the USAID program in Yemen.

### **3.3 Activity Focus**

This Interim Strategy is primarily designed to support the achievement of the Embassy's MPP goals which focus on reducing terrorism in Yemen and eliminating Yemen as a haven for regional and international terrorists. USAID will support this effort by developing support for the ROYG and the US anti-terrorism objectives among the people and their traditional leaders in five remote and high-risk governorates. USAID's ESF-funded program will concentrate on highly visible physical resources and activities that immediately impact on the lives of the average Yemeni in rural areas: improved health, education and economic opportunities, particularly those related to agriculture. In Marib governorate, the USAID program will also undertake a more comprehensive and broad-based economic development pilot program that may include micro-finance, support to small and medium enterprises other than agricultural, and explore the potential of economic development activities related to cultural tourism, along with innovative public/private/community partnerships. To complement these short-term activities, the USAID strategy will also seek to lay the groundwork for a longer-term sustainable development program in each of the three program sectors.

The USAID ESF-funded program will be complemented by activities funded through the Department of State's new Islamic Partnership and Outreach Program which will replace the current Middle East Partnership Initiative (MEPI). The US Department of Agriculture's Food for Education, 416(b) and PL480 programs will also provide local currency resources to support the Embassy's MPP goals – many of which will complement the USAID strategy. USAID Washington expects to provide central funds to support the Yemen "Education for All/Fast Track Initiative." Finally, to continue the USG commitment to human capital development in Yemen, USAID will transfer ESF funds each year to the Department of State to support Yemeni students in two-year Masters degree programs.

Democracy and Governance: The USAID program in Yemen will not include a Democracy and Governance Strategic Objective because the Embassy POLITICAL and ECONOMIC Sections have been assigned this responsibility, largely in association with

the USAID Washington DCHA Pillar Bureau using MEPI funds (Table 1). However, within all of the three USAID sectors (health, education and economic growth) the USAID program will support enhanced participation of communities in planning and budgeting, and the enhanced capacity of ROYG at all levels to respond to the ROYG decentralization objectives.

MCA: The USAID program in Yemen will work with ROYG and other donors, to support the development of ROYG eligibility to receive access to additional development assistance from the US Millenium Challenge Corporation through the Millenium Challenge Account's \$5 million supplemental economic development assistance fund if it is approved by Congress.

**Table 1: Embassy/Yemen's Goals for Democracy and Human Rights**

Performance Goal: "Yemen's democratic system is stable and representative, with adherence to the rule of law and respect for human rights institutionalized"

1. "Support improvements in democratic representation." Activities include National Democratic Institute (NDI) training programs for local councils; strengthening Yemen's Supreme Commission for Elections and Referenda (SCER) through support from the International Foundation for Electoral Systems (IFES); NDI training to improve the abilities of political parties to wage responsible campaigns for the April 2003 parliamentary elections; NDI training to build the skills of women Members of Parliament (MPs) and local council members; NDI support for domestic and international election monitoring to ensure citizen confidence in the process and alleviate violence; and support for women's NGOs and women leaders in political parties, through training and liaison, partly funded by Democracy Small Grants program.

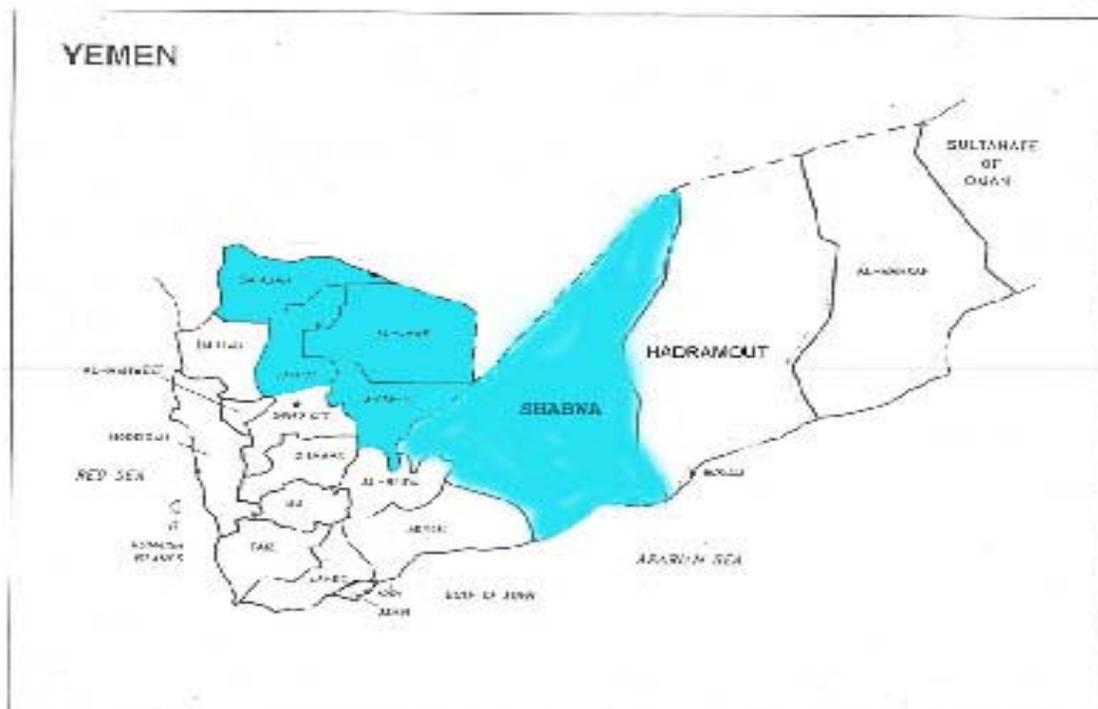
2. "Encourage Respect for Civil and Human Rights." Activities include publication of the Human Rights Report and related public diplomacy events; support for human rights NGOs through the Democracy Small Grants program; encouraging ROYG institutions to support human rights and aid the work of NGOs; raising human rights concerns at appropriate levels of the ROYG; liaison with and support for Minister of State for Human Rights and the Supreme Committee on Human Rights to encourage more energetic activities to promote human rights and educate the public; and work with other embassies (particularly European countries) and UNDP to coordinate human rights efforts in Yemen.

3. "Support the development and enhancement of Yemeni civil society." Activities include advocate increased levels of press freedom and increased professionalism among journalists; send Yemeni journalists, jurists and NGO activists to U.S. on International Visitors Programs; support development and increased capacity of NGOs through the Democracy Small Grants program; support decentralization, particularly within political parties, to devolve responsibility and power; focus on judicial reform to create transparent, independent judiciary implementing the rule of law.

Environment: The USAID program in Yemen will not include an Environment Strategic Objective because the United Nations Development Program is heavily engaged in environmental issues (see Annex 8- Other Key Donors). However, attention to environmental issues will be a cross-cutting theme within the three Strategic Objectives included in the Interim Strategy.

### **3.4 Geographic Focus**

USAID's focus will be on five target governorates identified in close consultation with the Embassy (Al Jawf, Amran, Marib, Saada, and Shabwa). These governorates are the prime areas where terrorists are produced or have found refuge with support from traditional tribes that do not completely recognize the authority of the ROYG. The Embassy's goal is to use development resources to foster effective Yemeni government presence and cooperation from the tribes in these areas.



The five target governorates (Table 2) are predominantly rural and their economy is based on agriculture. Like other areas in Yemen, they have a large percentage of households so poor that they cannot meet their basic food needs, have high fertility and mortality, with limited access to sanitation and water, low school enrollment rates, and low levels of literacy, especially among females.

### **3.5 Population/Gender Focus**

USAID's primary focus will be the rural poor in the target governorates. Special attention will be given to the needs of women and girls.

**Table 2: Indicators for the Five USAID Target Governorates**

Category	Al Jawf	Amran	Marib	Saada	Shabwa	Yemen
Population	477,000	997,000	233,000	614,000	469,000	18,863,000
Area (sq.miles)	15,252	Na	6,730	4,775	15,055	203,800
Rural population, (as % of total)	87	87	88	87	88	73.7
Real GDP per capita, PPP\$	545	802	770	802	698	465
2000 HDR Index	0.412	N/A	0.497	0.439	0.481	0.489
Food Poverty, % HH*	31.4	19.1	21.8	23.3	25.2	27.1
Unemployed	14.7	8.8	24.2	8.4	30.4	11.9
% Labor in Agriculture	72	68.1	56.4	73.1	33.7	54.1
Life expectancy in years	67.1	Na	64.6	62.2	64.3	61.1
Fertility rate	6.2	Na	4.5	4.4	5.1	5.8
Infant Mortality per 1000	55.8	Na	63.5	75.4	64.9	67.4
%Access to sanitation	9	22	30	26	35	35.2
%Access to safe water	4	20	33	18	53	36
Gross Basic education enrolment rate, Female	17.4	31.5	42	20	31.7	42.6
Combined basic and secondary enrolment rate, Total	22.4	52.5	49.2	42.3	48.2	54.4
Combined basic and secondary enrolment rate, Female	16.1	27.8	37.2	17.4	26.6	19.3
Adult Literacy %, Total, 15+	28.2	43.8	45.3	34.6	45.4	47.3
Adult Literacy %, Female, 15+	11.8	16.1	19.2	9.5	17.5	25.9

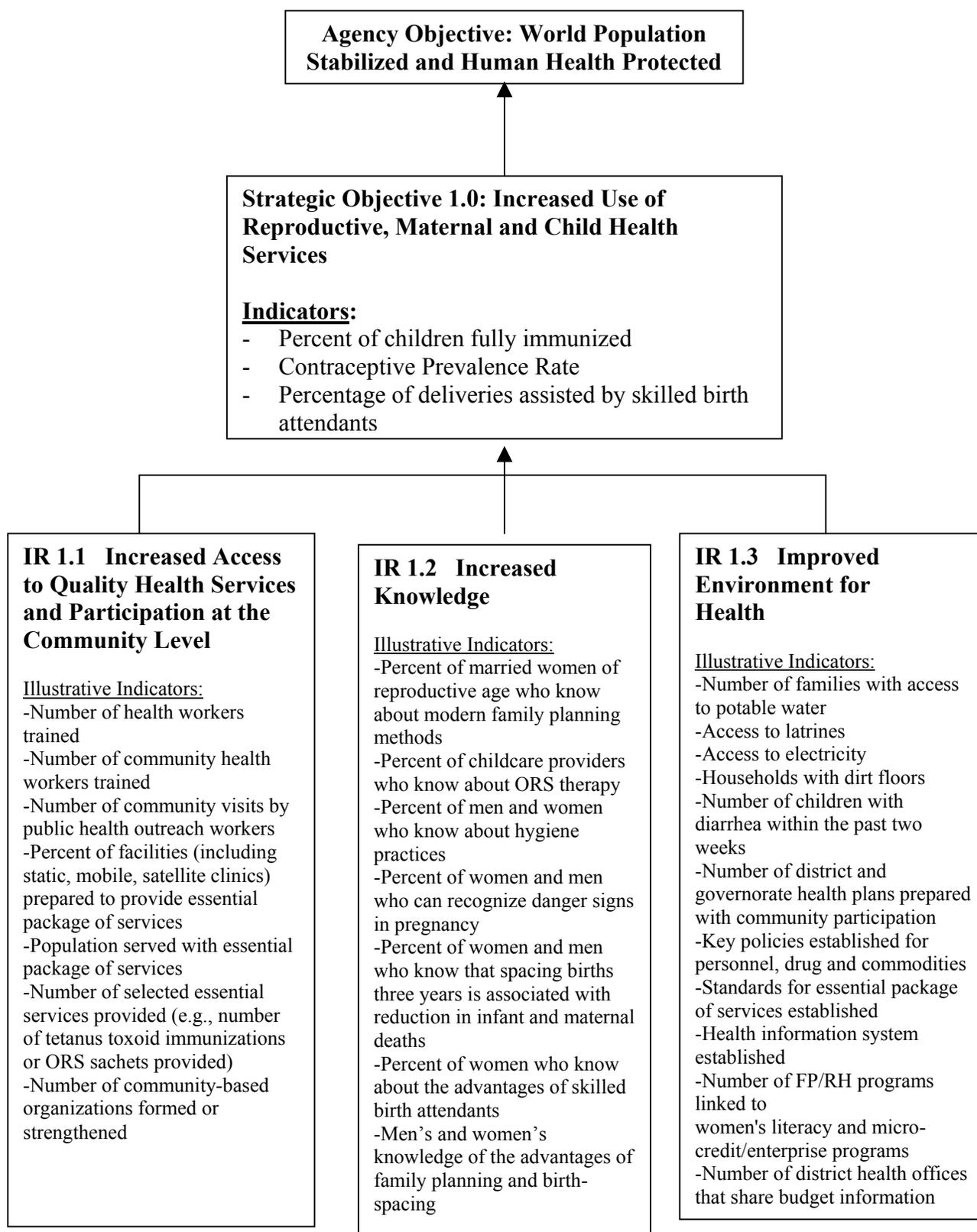
*Source: ROYG Second Five-Year Plan for Economic and Social Development, 2001-2005; United Nations Human Development Report for Yemen, 2000*

#### **4.0 Results Framework**

The Yemen Results Framework presents an assistance approach responding to the most basic human issues in the targeted, remote rural governorates - reproductive, maternal and child health; limited education and literacy; and poverty in a predominantly agricultural economy. As USAID implements three strategic objectives, activities will be shaped with respect to four cross-cutting priorities:

- expanded opportunities for girls and women to redress gender discrimination and energize the potential of the entire society
- a focus on youth and young married couples in a population with more than half of the people under age fifteen, unemployed and uneducated
- expanded community-based participation in the development planning and the allocation of resources
- a commitment to the collection and use of data to inform decision making.

The primary focus of the USAID ESF-funded program in Yemen will seek to produce visible results in the five target, sensitive, governorates within a limited timeframe. However, the Results Framework also indicates the intention of USAID to develop relationships and lay the groundwork for longer-term sustainable development.



## 4.1 SO 1.0: Increased Use of Reproductive, Maternal and Child Health Services

### 4.1.a Context

Although the Republic of Yemen has made progress during the past decade, health indicators remain highly unfavorable.

**Table 3: Yemen Health Indicators by Residence and Sex**

Indicator	Urban Male	Urban Female	Rural Male	Rural Female
Total Fertility Rate women age 15-49	-	5.01	-	7.03
Total wanted fertility rate women 15-49	-	3.4	-	5.1
Currently-married women who want no more children	-	55.3%	-	47.3%
Currently-married women who know a source of a modern contraceptive method	-	81.2%	-	43.0%
Currently-married women who currently use a modern contraceptive method	-	21.2%	-	6.1%
Currently-married women with unmet need for family planning	-	33.3%	-	40.3%
Women who give birth with no antenatal care	-	38.5%	-	72.7%
Tetanus-toxoid injections during pregnancy	-	34.8%	-	13.0%
Any micro-nutrients during pregnancy (e.g. folic acid, vitamins, iron tablets)	-	41.4%	-	19.3%
Delivery at home	-	69.1%	-	88.6%
Birth assistance by doctor, nurse-midwife	-	46.9%	-	14.3%
Birth assistance by traditional birth attendant	-	14.4%	-	23.1%
Birth assistance by relative or other	-	35.2%	-	57.2%
Women with births in past five years who know about ORS to treat diarrhea	-	94.6%	-	69.1%
Percent of all women circumcised	-	25.8%	-	21.5%

Source: Yemen Demographic, Maternal and Child Health Survey 1997

**Population:** At the current growth rate of 3.3% per year, the population of 18.6 million will double by 2023. This very high population growth is a key concern of the ROYG and a critical factor in development planning.

**Fertility:** Yemeni women's total fertility rate (TFR) at 5 urban and 7 rural, is among the highest in the world. On average, a woman in Yemen has two more children than she desires and women say that they need and want the ability to control the level and spacing of their fertility. However, only 21% of urban women and 6% of rural women use contraception. Primary reasons include: belief that Islam prohibits, limited knowledge of methods, fear of side effects, husbands oppose, and the husband often desires more children than his wife (DMCHS 1997). While the immediate focus of family planning services are women, it is also important to systematically involve husbands in discussions of health care because they are the principal decision-makers and enablers for health care behavior in the family. Improved education for women will enable them negotiate better opportunities for themselves, including use of health and family planning services.

Maternal Mortality: With estimates ranging up to 1,400 maternal deaths per 100,000 live births, maternal mortality in Yemen is among the highest in the world – far outstripping Jordan (41), Tunisia (69) and the USA (12). The high maternal mortality in Yemen is related to high fertility, lack of information, limited antenatal care, poor nutrition, and limited assistance in delivery by qualified personnel.

HIV/AIDS: HIV/AIDS rates are very low. UNAIDS [*UNAIDS Epidemiological Factsheet of HIV/AIDS and Sexually Transmitted Infections, Yemen, 2002 Update*] reports 9,900 adults living with HIV/AIDS at the end of 2001, producing an adult prevalence rate of 0.1%. Data are limited, but ROYG is concerned about apparently increasing numbers of HIV/AIDS and other sexually transmitted infections, and includes these issues in its health strategy. The Government of the Netherlands and UNDP are assisting the Ministry Of Health and Population respond to HIV/AIDS in Yemen.

Morbidity: Details on the burden of disease in Yemen are limited. The ROYG Poverty Reduction Strategy Plan simply lists diarrhea, malnutrition, complications of pregnancy, severe respiratory diseases, malaria shistosomiasis, liver disease and TB as the most widespread and serious diseases in Yemen. Malaria is endemic on the coast.

Infant Mortality: The infant mortality rate is 75 deaths per 1000 live births (63 in urban and 79 in rural areas) and almost half of all infant deaths occur in the neonatal period (34 per 1000). The high levels of infant mortality in Yemen (89.5%) are related to very high fertility, illiteracy, early age of mother at first birth, high parity, short birth intervals and limited breastfeeding (less than half (47%) of newborns were breastfed within an hour of birth and less than a quarter (23%) were exclusively breastfed for four months).

Female Circumcision: On average, approximately one-fifth (23 %) of ever-married Yemeni women have been circumcised. The primary determinant is geographic location: 69% of ever-married women along the coast have been circumcised compared to 15% in the mountain areas and 5% living in plateaus and desert regions. The majority of girls are circumcised when they are 7-10 days old by traditional birth attendants (68%) or relatives (19%) in the home. Bleeding, pain, shock, infection, tetanus and septicemia are common complications, but most mothers (89%) reported no complication following the circumcision of their daughters. Reasons for continuing this practice include cleanliness (46%), tradition (47%), religion (33%), preservation of virginity (6%) and improved prospects for marriage (3%).

Child Survival: Despite substantial improvements in infant and child mortality in Yemen, current mortality levels are still among the highest in the Middle East. The mortality rate among children under five years of age is 105 per 1000 (80 in urban and 112 in rural areas). High child mortality is related to poor access to health care, low levels of children age 12-23 months who are fully immunized (56% urban, 20% rural); low levels of treatment in health facilities for children with ARI (43% urban and 29% rural); high levels of diarrhea.

Youth: The Yemeni population is very young; about half (49%) the population is under 15 years, a pattern that is typical of countries with high fertility. Early marriage is an important cultural factor: the median age of first marriage for girls is 17.6 years in urban areas and 15.9 years in rural areas, and weddings at much younger ages still occurs in some areas. DHS data indicate that there has been a gradual decrease in age at first birth and a greater tendency towards early childbearing in Yemen. Almost 40 percent of women age 19 had started childbearing. Twelve percent of Yemeni women age 15-19 had given birth to at least one child. Very few young women receive messages about family planning ; only 30 percent of 15-19 year old women had recalled receiving family planning messages through the media in 1997 and that number is only slightly higher among women ages 20-24 (34%). Discussions about family planning is not very common among young women ages 15-19; only 15 percent discussed family planning at a health facility and about half of them (46%) never discussed family planning with their husbands.

Environment: Health is impacted by the household environment which is most often worse in the rural areas of Yemen where the majority of the population live. Crowding, poor sanitation, and access to water are important issues. Limited information and low levels of education are contributing factors.

**Table 4: Yemen Environmental Health Indicators by Residence and Sex**

Indicator	Urban	Rural
Dwellings with mud floors	11 %	51 %
Crowding: persons per sleeping room	4.2 %	3.5 %
Households with farm animals in living area	25 %	75 %
Households supplied with electricity	90 %	27 %
Dwellings with access to piped water	69 %	27 %
Access to water within 15 minutes	86 %	41 %
Dwellings without any toilet facilities (toilet “in the nature”)	3.5 %	43 %
Households using iodized salt in cooking	70 %	29 %
Households throwing garbage in the street	26 %	79 %
Households with any radio	73 %	57 %

*Source: Yemen Demographic, Maternal and Child Health Survey 1997*

Access and cost: Poverty and availability to services are also key determinants of health. Yemen is one of the poorest countries in the world with GDP/capita estimated at \$361. Although health expenditures are relatively high (5.6% of GDP; \$20 per person annually) more than half (57%) of those costs are paid by families in cash in private sector, and most (60%) is spent on drugs. Health services coverage is still limited, reaching only 50% of the total population and 25% in rural areas and most health facilities suffer from shortages in equipment, funding and medical and technical staff.

ROYG health goals: The health areas identified in the SFYP include: expanded reproductive health, immunization programs, family planning and child health services. The ROYG has expressed concern about the impact of high population growth on development and has committed itself to Reproductive Health “as a cornerstone in the field of public health.”

Health Sector Reform: The MOPH has adopted a health sector reform strategy that centers on decentralization, reinforcing the Ministry of Health and Population’s role as policy maker and regulator while decreasing its role in direct service provision, and strengthening its role in coordinating donor assistance. The corollaries of these key elements require a focus on the district, encouragement of community co-management, increased private sector involvement with appropriate regulation, and a sector wide approach to donor funding and programming.

#### **4.1.b Gender and Health**

*[Source: this section is based on, and reproduces verbatim, sections from Gender and Development in Yemen written by Marta Colburn in 2001]*

Gender inequalities are evident in the behavior of new parents and socialized in children for a young age. There is clear evidence that both mothers and fathers express a preference for male children...and a son confers higher status in the mother, more lavish attention at the infant’s birth and more power and influence as he matures. The child mortality rate in Yemen in 1997 [DMCHS 1997] for female children (36.4) is 3.5 percentage points higher than among male children (32.9) suggesting that boys receive preferential treatment and access to food, health care, and attention. Male children are taken to health care facilities nearly twice as often as female children. The nutritional status of family members is also affected by issues of gender and hierarchy in the family. Just as younger children are given preferential care in the family, in many homes women eat after men which can impact their nutritional status – one study found that 25% of Yemeni women suffer from malnutrition and it is estimated that 36% of Yemeni women are anemic. Women are also at a higher risk of environmental hazards and suffer from limited public health information and regulation, for example about the risks of cooking in smoke-filled, poorly ventilated kitchens and the sale of bottled gas that is not scented to facilitate the detection of leaks. And finally, in a country with maternal mortality among the highest in the world, extremely high fertility is, in itself, a risk to women’s health and life, often influenced by the husband’s desires and social pressures for early and repeated production of offspring.

A critical gender interest in the implementation of SO 3.0 will be to expand the understanding and engagement of men in the health of women and children and to increase support by men for joint decision-making with their wives about the optimum number and timing of children, nutrition and health-seeking behavior in the family. Other gender-related issues that will inform activity design include the gender gap in health care personnel, a critical issue because prevailing attitudes of modesty and sex segregation make it difficult for women to visit male practitioners. USAID will also

seek to increase public and environmental health information directed towards women, and improve access to services through medical facilities and by community-outreach activities.

#### **4.1.c Development Response**

The USAID response to health in Yemen, within the boundaries of the Interim Strategic Plan 2003-2006, is framed in Strategic Objective 1.0: “Increased Use of Reproductive, Maternal and Child Health Services.” Indicators at the SO level include: Percent of children fully immunized, Contraceptive Prevalence Rate, and Percentage of deliveries assisted by skilled birth attendants. These indicators reflect the most critical health needs that include reproductive health, maternal health and child survival.

These SO 1 results are based on activities described in three Intermediate results:

- IR 1.1: Increased Access to Quality Health Services and Participation at the Community Level
- IR 1.2: Increased Knowledge
- IR 1.3: Improved Environment for Health

*[Note on the Environment: Specific USAID ESF-funded health activities cannot be specified in a strategy document. When the scope of these activities is being developed, the Office of the USAID Representative to Yemen will seek the guidance and participation of the USAID ANE Bureau Environmental Team. Illustrative issues include: impact of construction of health facilities, and improvements in sanitary disposal, solid waste, and potable water]*

#### **IR 1.1 Increased Access to Quality Health Services and Participation at the Community Level**

In Yemen increased access to quality services in rural areas depends on the availability of services in accessible, well-equipped, quality public health facilities with well-trained personnel. The USAID program will include short-term, and in-service training for health workers and administrators (especially women) in an essential package of services and standards, quality assurance, and management in selected health facilities. USAID will also support some construction, repair and equipping of selected public health facilities, however, the majority of construction, renovation and equipment will be funded by USDA 416(b) resources. Although resources are limited and there is a need to demonstrate results in short-order USAID, some longer-term training of doctors, nurses, midwives and health support personnel in more than selected hospitals will not be excluded. However, the most feasible program approach, given limited resources, and the need to produce results, will be a health outreach program to rural communities, using the limited numbers of health professionals, through mobile clinics, satellite clinics, home visits with community-based distribution of family planning, immunization, and maternal care. Community participation will be essential - community health workers will be trained and women’s groups and community-based associations and health committees will be organized.

Illustrative Indicators: number of health workers trained; number of community health workers trained, number of community visits by public health outreach workers; percent of facilities (including static, mobile, satellite clinics) prepared to provide essential package of services; population served with essential package of services; number of selected essential services provided, e.g., number of tetanus toxoid immunizations or ORS sachets provided.

### **IR 1.2 Increased Knowledge**

Increased access to healthcare, whether in fixed facilities or through community outreach programs, is important, but in most cases Yemeni families living in remote areas will not have access to health care when they need it. Therefore access to information to avoid illness or to treat illness at home become critical. This is especially true for youth with half the population younger than age 15, early marriage and immediate childbearing, and fertility often higher than desired.

Illustrative activities in the USAID health program to increase knowledge include: organize parents' and women's health circles and community-based organizations; provide and discuss information about family planning, maternal, child and environmental health; promote dialogue among the community and government health officials on health services regarding the allocation and use of health resources; increased male participation; interpersonal, group, and mass media behavior change approaches; reproductive, maternal and child health outreach to young married couples.

Illustrative Indicators: percent of married women of reproductive age who know about modern family planning methods; percent of childcare providers who know about ORS therapy; number of community-based organizations formed or strengthened; percent of men and women who know about hygiene practices; percent of women and men who can recognize danger signs in pregnancy; percent of women and men who know that spacing births three years is associated with reduction in infant and maternal deaths; percent of women who know about the advantages of skilled birth attendants; men's and women's knowledge of the advantages of family planning and birth-spacing.

### **IR 1.3 Improved Environment for Health**

There are two components to the health environment: (1) the physical environment of dirty water, dirt floors, poor sanitation and hygiene; and (2) the policy/program environment.

Physical environment: USAID will support activities to improve the physical environment in selected village-based construction projects to build, rehabilitate and improve access to sanitary disposal, solid waste, potable water, and hard floors. USAID expects to coordinate with USDA programs, and other donors, to increase and paved roads and access to utilities to improve the residential environment.

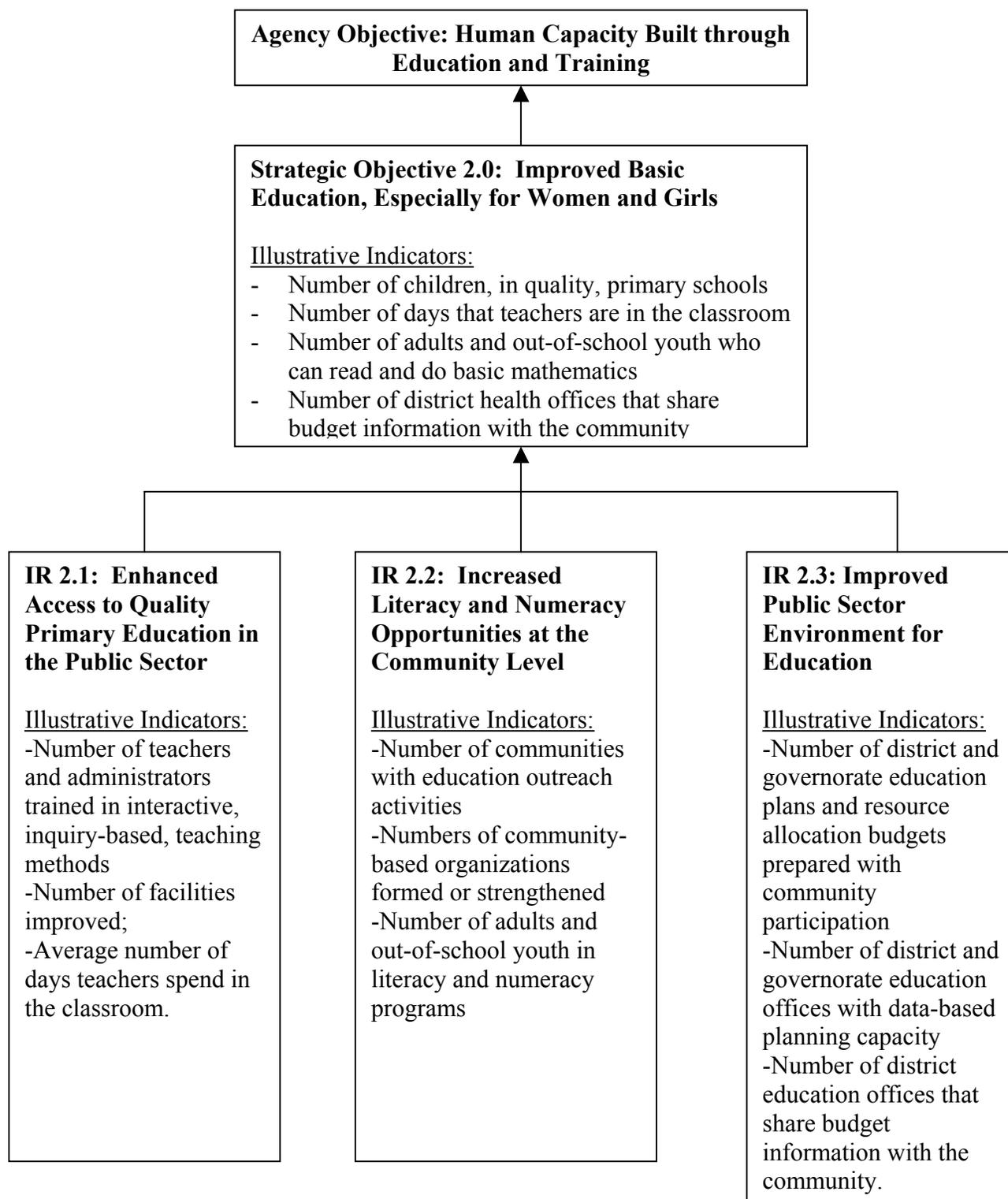
Policy environment: The USAID program will work with community organizations and ROYG as needed to establish essential standards and policies for health personnel (payment, deployment, cadres, mandate, etc.); policies for drugs and commodities; develop health information systems; develop and implement district and governorate health plans with community participation; technical assistance to the Ministry of Health (Office of Reproductive Health) and to district and governorate health offices in management and data-based planning and decision-making; and IT applications to support program objectives; and technical assistance to ROYG at all levels to collect and use health data for planning and management.

Illustrative Indicators:

- number of district and governorate health plans prepared with community participation; key policies established for personnel, drug and commodities; standards for essential package of services established;
- health information system established; number of FP/RH programs linked to women's literacy and micro-credit/enterprise programs; number of district health offices that share budget information with the community.
- number of families with access to potable water; access to latrines; number of children with diarrhea within the past two weeks.

**4.1.d Relationship to Other Strategic Objectives**

Health and Economic Growth: There are strong and positive relationships among improved health, increased education, reduced population growth and economic development. The demographic dividend of fertility decline has fueled the growth in Asian economies, primarily by reducing population dependency ratios and providing the opportunity for increased productivity. To ensure economic growth fertility decline must be linked to investments in human capital, encouraging job creation, and promoting openness to the global economy. The WHO's Commission on Macroeconomics and Health indicates that health is not only a priority goal in its own right, but also a central input into economic development and poverty alleviation. At the household level, at least three mechanisms are operative in the relationship between improved health and economic development: reduced production losses from morbidity and mortality; greater levels of enrollment of children in school with the ability to acquire knowledge and skills; and increased availability of resources that otherwise would have been spent on treating illness. Hence, health is one of the keys to economic success: countries with healthy populations are more likely to prosper. Formal analysis suggests that if two countries are compared, identical in every respect except that one has a 5-year advantage in life expectancy, the healthier country will experience growth that is 0.5 per cent faster than its counterpart. [*Source: analytical documents prepared by ABT Associates, Bethesda, Maryland*]



## **4.2 SO 2.0: Improved Basic Education, Especially for Women and Girls**

### **4.2.a Context:**

*(Source: the majority of the information in this section is quoted verbatim and/or paraphrased from the (draft) “Republic of Yemen Education for All by 2015 – Fast Track Initiative Country Proposal prepared by the Government of Yemen, Ministry of Education,”)*

Limited levels of education and literacy are a human capital constraint to economic development in Yemen. In the rural areas where three-fourths of Yemeni’s live, 68% of men and 94% of women have had no formal education at all or have failed to complete primary school. Most (91%) of ever-married rural women are illiterate and most do not compensate by getting information from either radio or television. (Table 5).

**Table 5: Education Indicators by Residence and Sex**

<b>Indicator</b>	<b>Urban Male</b>	<b>Urban Female</b>	<b>Rural Male</b>	<b>Rural Female</b>
Population without any education	21.2%	41.1%	36.7%	76.2%
Incomplete primary school	28.9%	28.8%	31.0%	17.6%
Ever-married women who are illiterate	-	63.7%	-	91.0%
Ever-married women who listen to radio at least once a week	-	44.3%	-	26.8%
Ever-married women who watch TV at least once a week	-	73.5%	-	20.2%

*Source: Yemen Demographic, Maternal and Child Health Survey 1997*

**Access:** Education attainment in Yemen is among the lowest in the world. Although an estimated 2.6 million children are in primary school, about half (approximately 2.5 million) of the primary-school age children (age group between 6 and 11 years old) are not in school. Gender disparity is pronounced. In 2001 the Primary Education Net Enrollment Rate (NER) was 61.3% among boys compared to 41.1 % among girls. According to the 1999 National Poverty Survey, only 45% of rural primary age children (age group between 6 and 11) were currently enrolled in formal schooling, while 71% of urban children were enrolled. Rural female students are the most disadvantaged (30% enrolled), compared to the urban female students (71% enrolled). Finally, the retention rate for female students is only 33 percent compared to 68 percent for male students.

**Quality:** To some extent the poor quality of primary education reflects the low qualification of teachers, especially in rural areas. The 2000/01 Education Survey estimates that only 40 percent of teaching staff hold secondary school certificates or better, the balance (60% of teachers) have completed only basic education, with one or two years of additional training. The primary school curriculum and textbooks have been updated recently but the majority of grade 4-6 students have difficulty relating what they have learned in the classroom to what they observe in their environment; explaining and interpreting the meaning of phenomena due to the lack experimentation in school; in mental calculations to resolve problems; and reading and interpreting tables and graphs; and most students have limited reading and writing skills. Although

in-service teacher training is being expanded, primary education still faces serious difficulties, including inadequate school buildings, shortage of teaching and learning materials, and weak community involvement and regional shortages of teachers, especially in rural areas.

Factors contributing to poor the poor quality and access of primary education:

- high population growth rate
- a widely dispersed population in small communities, notably in rural areas, that increases distance to schools, often over difficult terrain
- difficulties with deployment of teachers, especially in rural areas where some classes have as many as 70-80 students
- limited in-service teacher training
- the cost of providing textbooks and shortage of instructional materials
- incomplete schools (schools that do not offer grades 1 to 6)
- poverty and ROYG community participation and school activity fees (150Y per year) -in the 1999 National Poverty Monitoring Survey, households cited “difficulty in paying school expenses” as a main reason for either never sending children to school or withdrawing them early.

Determinants of Girls Education: The low enrollment and participation of girls in basic education is the result of many factors:

- Co-educational schools create a conflict for parents in terms of their desires to protect the reputation and chastity of their daughters, and to protect them from ‘rough’ classmates, even at lower primary levels.
- Schools are not easily accessible to girls – too far distant from home – and certainly beyond easy walking distance for a young child.
- Unsuitable conditions at school – not girl friendly – overcrowded, no girls’ latrines, lack of water, no boundary walls, etc. As girls become older, such problems are a major cause of dropout among girls age 9 years and older.
- Lack of female teachers, especially in rural areas. Only about 20 percent of all teachers in basic education schools are females, representing 1 for every 35 girls enrolled, compared to 1 male teacher for every 18 boys enrolled. In rural Yemen only 8% of the teachers are women.
- Few, if any, employment opportunities for girls after the completion of basic education.
- Early marriage for girls – often as young as 12 or 13 years.
- Parents do not perceive the benefits of girls’ education. This is partly reinforced by the high rate of illiteracy among adult women (77 percent in 1998).
- Poverty and families with many children, so in households with scarce resources, boys receive the priority for education.
- Girls have to do other jobs – housekeeping, care of younger siblings, carrying water, agricultural tasks, animal husbandry, etc. – so that even if they can go to school, they will often be too tired to benefit fully.

ROYG Policy: The ROYG Poverty Reduction Strategy Paper (PRSP) states that progress in Yemen's social and economic development depends on increasing production and productivity, facing the challenges of globalization and competition, and keeping pace with developments in science, research, and technology. Education and training are crucial for growth in all sectors and to improve living standards of the population. Hence, education is a key driver for economic and social development, and sustainable human development. Basic education is considered essential for rural development and the agricultural sector, and is fundamental to increase industrial productivity. The teaching of girls is an important factor to improve maternal and infant health and nutrition, as well as to reduce fertility, and to bring about social change in women's position in society.

Thus, the education strategy in Yemen focuses on four basic principles: (i) improve the quality of education; (ii) improve the management of the sector and the orientation towards decentralization; (iii) give priority to basic education; and (iv) focus on girls' education, with the aim of increasing the overall enrollment rate.

The General Education Law indicates that education is a basic human right for all citizens and emphasizes the State's responsibility to provide basic education of good quality for all Yemeni children in the age group 6 to 14 years. In the Basic Education Development Strategy (BEDS), the ROYG gives priority to grades 1 to 6.

In its 2003 Fast Track Initiative Proposal, the ROYG states that education is fundamental to its development strategy, in particular to poverty reduction. High priority is given expanding primary education through increased school construction, improved quality of the learning environment, increasing female participation and reducing regional disparities. The key elements of the ROYG education strategy include:

- increased community and local government participation in decision making about education programs, budgets, school construction and location
- increasing primary education enrollment, especially girls' enrollment in rural areas
- improved cost-effectiveness of school construction and placing small schools closer to girls' homes
- obtaining the community's commitment to enrolling girls as a prerequisite for school construction
- constructing schools with sanitary facilities and boundary walls
- improved quality of primary education through the introduction of new curricula to promote interactive learning with enhanced textbooks and teaching skills and in-service training
- improved management capacity, supervision and expanded capacity at the Governorate level to implement school construction programs
- improved budgeting and expenditure management

#### **4.2.b Gender and Education**

*[Source: the majority of this section is based on, and reproduces verbatim, sections from Gender and Development in Yemen written by Marta Colburn in 2001]*

In the draft “*Republic of Yemen Education for All by 2015 – Fast Track Initiative Country Proposal prepared by the Government of Yemen, Ministry of Education,*” the ROYG provides the following information about the education sector in Yemen: “...about half (approximately 2.5 million) of the primary-school age children (age group between 6 and 11 years old) are not in school. Gender disparity is pronounced. In 2001 the Primary Education Net Enrollment Rate (NER) was 61.3% among boys compared to 41.1 % among girls. Rural female students are the most disadvantaged (30% enrolled), compared to the urban female students (71% enrolled), and, according to the 1999 Poverty Monitoring Survey, the youth literacy rate for rural females is only 27 percent compared to 82% for urban females. These discrepancies are significant because 70% of the population is rural.”

The data in Gender and Development in Yemen, reinforce the ROYG statistics about gender inequity in education and provide insight about the underlying factors, for example, only 56% of schools have toilet facilities with even a smaller percentage having separate facilities for girls; only 20.6% of primary teachers in 1994-1995 were female which is important because research has shown that there is a direct relationship between an increase in female teachers and improved enrolment and retention of female students; and overcrowded co-educational classrooms (upwards of 100 students in a classroom in rural areas) deter girls enrolment and retention as families feel uncomfortable with the close physical proximity of male and female students. However, although inadequate physical infrastructure and the limited numbers of female teachers and administrators constrain girls education, other social and economic factors are equally significant.

A 1995 RYOG study sound that a majority of parents interviewed felt that education was less important for girls than for boys. Other studies cited in *Gender and Development in Yemen* study reported that family members felt education makes a girls undesirable in marriage. Other factors influencing girls education are: early marriage, school expenses (transportation, uniforms, school fees, books), girls household responsibilities (child care, carrying wood, water, fodder, herding animals), distance to school, curriculum with stereotyped and narrow gender roles and curriculum that is not relevant to girls’ life and expectations.

#### **4.2.c Development Response**

The USAID response to the education in Yemen, within the boundaries of the Interim Strategic Plan 2003-2006, is framed in Strategic Objective 2.0: “Improved Basic Education, Especially for Women and Girls” Illustrative Indicators at the SO level include: Number of children, in quality, primary schools, Number of days that teachers are in the classroom, Number of adults and out-of-school youth who can read and do

basic mathematics, Number of district health offices that share budget information with the community

These SO results are based on activities described in three Intermediate Results:

- IR 1.1: Enhanced Access to Quality Primary Education in the Public Sector
- IR 1.2: Increased Literacy and Numeracy at the Community Level
- IR 1.3: Improved Public Sector Environment for Education

USAID Education Focus: With nearly half (48.8% in 2000) of the population less than age 15, USAID's primary focus of the education sector in Yemen is on basic education which accounts for 84% of those enrolled in school. Only 11% of students are in secondary school, just 4.6% attend university and fewer than 1.1% of students are in technical, vocational or teacher training programs. [*Source: ROYG Second Five-Year Plan for Economic and Social Development*]

Despite progress over the past decade and a firm commitment to basic education by the ROYG, there are several million children out of school and the problem is increasing due to the high rate of population growth. The education gap is worse in rural areas, and girls are especially deprived. There are limited opportunities for vocational or technical training. The collection and use of data for education planning, especially at the local level, needs to be strengthened. There is a shortage of classrooms and schools need to be planned and built and equipped in the correct locations and configurations to increase access. Classroom interaction is essentially teacher-centered and concerned more with rote learning and memorization than with the development of the child's cognitive abilities and analytical skills. Education must become more relevant to the life experiences and needs of the students. The quality of classroom teaching must be improved through enhanced formal pre-service education in the Teacher Training Institutes, in-service training and refresher courses in the use of new materials and techniques. School management needs to be improved, and the involvement of parents and communities needs to be increased.

*[Note on the Environment: Specific USAID ESF-funded agriculture and economic development activities cannot be specified in a strategy document. When the scope of these activities is being developed, the Office of the USAID Representative to Yemen will seek the guidance and participation of the USAID ANE Bureau Environmental Team. Illustrative issues include: impact of construction of school facilities, and improvements in latrines and potable water for schools]*

### **IR 2.1 Enhanced Access to Quality Primary Education in the Public Sector**

Illustrative Activities: The USAID program will construct, renovate and equip a limited number of elementary schools in partnership with community organizations with special attention to physical constraints to girls' participation (e.g. separate latrines). However, the majority of construction, rehabilitation and equipment will be supported by the USDA 416(b) local currency program. To improve the quality of education, USAID will also train teachers (especially female teachers) and administrators with an emphasis on interactive, inquiry-based, teaching methods. USAID will also explore opportunities to provide nutrition and other incentives to increase enrolment and retain children in school through other USDA programs (e.g. Food for Education).

Illustrative Indicators: number of teachers and administrators trained in interactive, inquiry-based, teaching methods; number of facilities improved; average number of days teachers spend in the classroom.

### **IR 2.2 Increased Literacy and Numeracy<sup>1</sup> Opportunities at the Community Level**

With large numbers of children out of school (especially girls) and virtually all rural women uneducated and illiterate (Table 5), USAID education activities must reach out and provide life-experience-relevant, essential literacy and numeracy opportunities in rural communities.

Illustrative Activities: increase education outreach to adults (especially women) and out-of-school youth in rural communities; radio/video distance-learning activities; organize parents' and women's education circles, community-based organizations and teacher/parent committees.

Illustrative Indicators: number of communities with education outreach activities; numbers of community-based organizations formed or strengthened; number of adults and out-of-school youth in literacy and mathematics programs.

### **IR 2.3 Improved Public Sector Environment for Education**

Illustrative Activities: develop and implement district and governorate education plans with community participation; fund education planning and program grants; promote new teaching approaches such as interactive and inquiry-based, learning; improve policies and regulations; include life-skills in the curriculum; develop policies and activities for out-of-school youth; provide technical assistance to the Ministry of Education and to district and governorate education offices to implement the ROYG decentralization objects and the ROYG Basic Education Strategy; provide technical assistance to ROYG at all levels to collect, use and share education data for planning and management; explore IT applications to support program objectives.

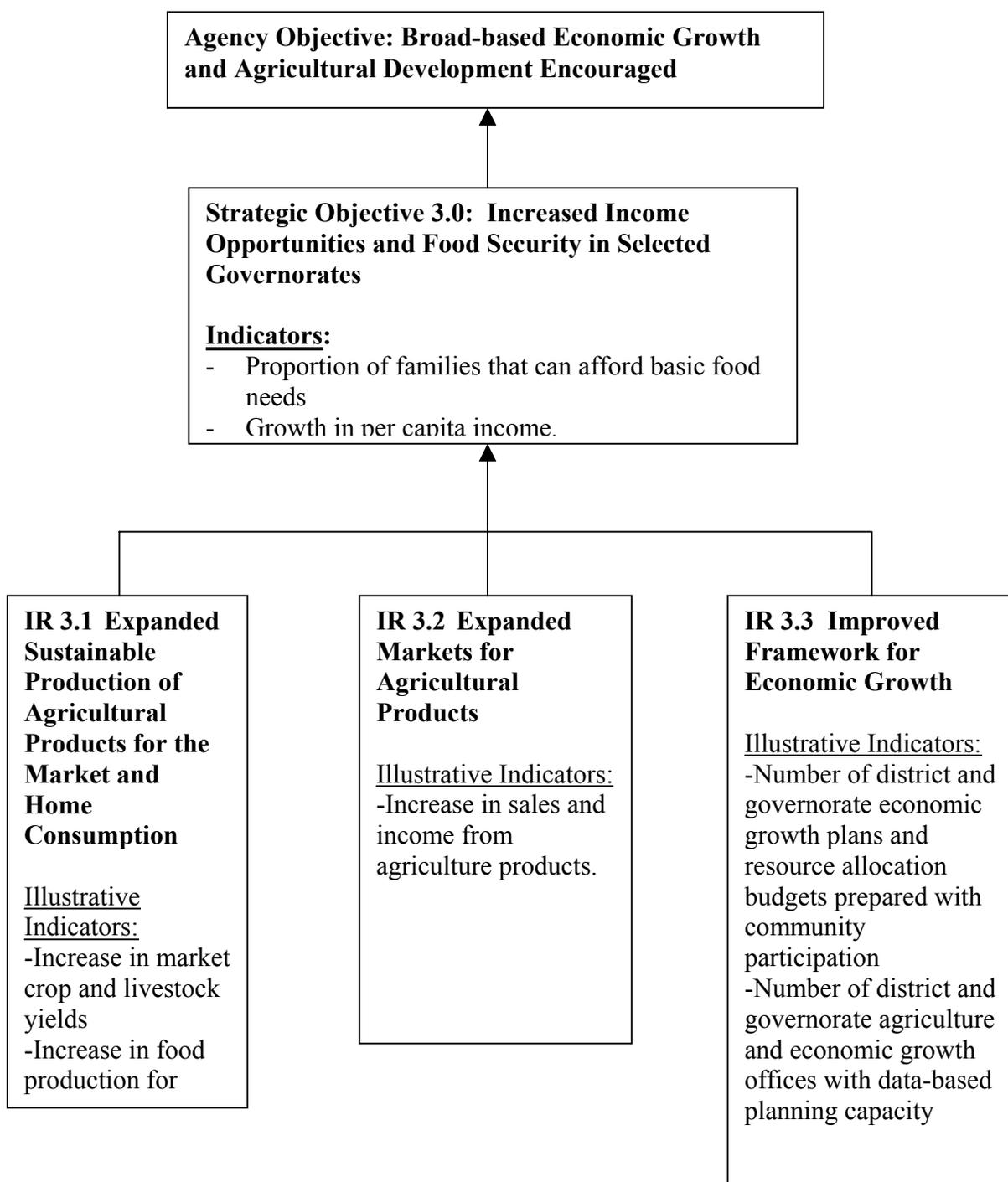
Illustrative Indicators: number of district and governorate education plans and resource allocation budgets prepared with community participation; number of district and governorate education offices with data-based planning capacity; number of district education offices that share budget information with the community.

#### **4.2.d Relationship to Other Strategic Objectives**

Education, literacy and numeracy activities will be linked to life skills/ issues such as reproductive health , child health and economic growth and improved food security .

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<sup>1</sup> *Numeracy is the intelligent, practical use of mathematics in context' and 'being numerate, at the very least, is about having the competence and disposition to use mathematics to meet the general demands of life at home, in paid work, and for participation in community and civic life*



### **4.3 Strategic Objective SO 3.0 Increased Income Opportunities and Food Security**

#### **4.3.a Context:**

*[Sources: the majority of this section is based on verbatim quotes from source documents referenced in Annex 6 “Economic and Agricultural Perspectives”]*

Yemen is one of the twenty Least Developed Countries in the world, with a per capita GNP at \$347. According to a 1998 household study conducted by the World Bank, 18% of the Yemeni population live in absolute poverty, which is defined as unable to meet basic food needs. In addition, 42% of the population are incapable of meeting their food and non-food requirements, including food, clothing, shelter, health, education and transport. Poverty in Yemen is largely rural, whereas, 77% of the total population is rural, 83% of the poor and 87% of those who suffer from absolute poverty reside in the countryside.

Exports: In 2000 Yemen exported US\$4.1 billion of merchandise products (oil and non-oil) making Yemen the 90<sup>th</sup> largest exporter among 231 countries in the world and one of the largest exporters among the low-income countries. However, oil exports represented more than 95% of total merchandise exports in 2000. Non-oil exports (less than 10% of the total) were dominated by fish, coffee, fruits and vegetables (accounting for more than half of non-oil exports). In Yemen, only 3.5% of firms are engaged in export activities compared to Morocco where 56% of firms are exporters. Reforms in foreign exchange and trade liberalization has contributed to improved competitiveness in Yemen exports

Imports: In 2000 Yemen spent US \$2.324 billion on imports. The largest share of imports was in the category “Food and Animals” (US\$687.2 million) of which more than half was in cereals and their products, followed by US\$ 107.9 million for sugar and honey. The category “Machinery and Transport Equipment” held second place in total imports at US\$484.3 million.

Value Added: In an US\$8.1 billion (GDP) economy Yemen oil produces 33.7% of value-added to GDP and 75% of ROYG revenues – a difficult situation because oil reserves are being depleted at 3-5% per year while population continues to increase at 3.3% per year. Agriculture is a low-productivity sector, adding only 15% of value-added to GDP but employing 61 % of the labor force. Government is a large employer and government services produce 11% of GDP value-added. Transportation and communications add another 10% to GDP.

Agriculture: Yemen is predominantly rural (75%) and the agricultural sector plays an important role in the Yemeni economy, not because of its contribution to GDP – though small and declining ( 24% of GDP in 1990 - 15% in 2000) – but because it provides employment to more than half (61%) of the labor force, livelihood to more than three-

quarters of the population, and contributes about a third of total non-oil merchandise exports. Agriculture is also important because it utilizes between 90 and 93% of total water resources in Yemen. The continuing discrepancy between the low contribution of agriculture to GDP and the percentage of those employed in the sector results in low incomes and poor standard of living for agricultural workers and their families.

The agriculture sector has been very vulnerable to shortfalls in rainfall and it is characterized by low and uncertain crop yields due to drought, insufficient and erratic rainfall, declining soil productivity due to soil erosion and poor crop management practices, and crop losses due to damage by insects and diseases, and malnutrition among livestock due to inadequate supplies of feed. Cultivable land in Yemen is estimated at about 1.67 million ha, which is 3% of the total area. Terraced land, a heritage from ancient times in Yemen, have fallen into disrepair. Investments in terrace improvement have been hampered by insecure land tenure, limited government support, low farm income, and limited market potential for agricultural products. Exports in coffee, fruits and vegetables represent the best opportunity for future agricultural trade and fish will remain an important agricultural export. By a significant margin, the largest single buyer of Yemen's agricultural export is Saudi Arabia.

Livestock: The national livestock population is estimated at 3.2 million goats, 3 million sheep, 1.1 million cattle, 0.17 million camels. Livestock numbers have declined in the 1980's and early 1990's due to drought, shortages of food and break down in animal health services. In spite of this decline, livestock is considered as the main source for farmers' income and provides reasonable opportunities for many rural people to work. Yemeni farmers practice an integrated crop animal system in which they produce cereal summer crops to feed their animals and use the cow manure to improve the soil fertility of their land.

Potential for growth in key sectors: The World Bank believes that "rapid employment-generating economic growth (in Yemen) will only be possible if agriculture, fishing, tourism and manufacturing lead the way. (However) Rising domestic security concerns, excessive and arbitrary regulations in infrastructure and services, weak legal and judicial systems, and difficulties in securing land titles hamper output expansion in most of these sectors"... (furthermore)... "reliance on domestic demand limits the prospects for faster and sustained GDP growth. The impact of policy reforms (flexibility of the exchange rate and trade liberalization) made a significant impact on the competitiveness and good performance of exports. Such gains need to be preserved and enhanced by deeper liberalization and improvement in trade-related infrastructure and services." Growth potential exists in:

- Agriculture: Given the substantial yield gap and huge post-harvest losses, the value added of most crops can grow faster than the ROYG SFYP target of 6.7% per year if productivity is increased, the cultivated area is expanded, *Qat* plantation is controlled, and irrigation and extension services are improved.

- Fisheries: Yemen has considerable potential in the volume and value-added to fisheries exports and ROYG considers fisheries (including mari-culture) among the most promising sectors for job creation, income generation and export potential. However, the real potential is unknown because of the absence of good scientific research and lack of reliable statistics.
- Oil & Gas: Oil exports produce 75% of Yemen's revenues today but reserves are decreasing at 3-5% percent per year and will be exhausted at current production levels in 18 years. There are an estimated 12-15 million reserves of natural gas but the identification of export markets has been difficult – a World Bank Natural Gas Export Project is planned to begin in 2005.
- Tourism: The ROYG considers the tourism as one of the leading and promising sectors for its ability to provide jobs, reduce poverty, and generate foreign currency given Yemen's potential in cultural, historical, environmental, coastal and island, mountain and desert sites. However, the contribution of tourism to GDP and economic growth in Yemen has been minimal, constraints are significant and in the best scenario, tourism could increase from US\$135 million in 2000 (1.7% GDP) to US\$215 million in 2005 (2.1% GDP)
- Government Services: The services sector is dominated by government services (administration ) representing 45% of total services and 25% of GDP during 1990-2000 and about half of GDP growth. During 2001-2005 government services are expected to increase at an annual rate of 4.7%.

Food Self-Sufficiency: Import dependence for cereals is currently at 80% of domestic consumption, and for all foods at 50%. Overall, local production covers a third of the need of the national economy of food. Cheap, imported cereals and government subsidies have always been available, depressing incentives for producers to increase cereal production. Several conditions constrain the hope of self sufficiency in food: water for household and agricultural use is diminishing from an already low base, qat production occupies an overly large percentage of prime crop land (increased by a factor of 10 from 1970 levels), and the agricultural terraces are in a state of disrepair and need sustained maintenance.

Trade: Yemen is considered by the World Bank to be among the most open and trade liberalized countries in the MENA region. Nonetheless, most of Yemen's current non-oil exports remain primary, low value-added products which also makes economic growth more vulnerable to volatility in price and demand.

Government Policy: The ROYG would like to improve human capacity particularly among women, enhance living standards, lower population growth rates, diversify the economy away from dependence on oil revenue, and raise per capita income.

Structural Adjustment: US\$550 million in financing was extended to Yemen from 1995-2001 by the World Bank, the IMF and bilateral donors to support a ROYG economic reform process that resulted in: The ROYG Poverty Reduction Strategy Paper (PRSP), a unified and liberalized the exchange regime, reduced subsidies on fuels and wheat, a social safety net to mitigate the impact of price liberalization, a restructured banking sector, simplified and liberalized trade, a reduced external debt burden, and improve monetary policy and control. In an October 2002 meeting in Paris, donors pledged a US\$2.3bn economic support package to support the Yemen poverty reduction and growth facility (PRGF) for economic development. Key elements in phase two include: strengthening governance, civil service reform, decentralization, judicial reform, fiscal revenue and expenditure reform including tax system reform to broaden the tax base and enhance revenue collection and reductions in non-productive spending including diesel oil subsidies which cost 3% of GDP. The IMF has asked ROYG to demonstrate progress in civil service reform and improved tax administration before the new PRGF is implemented, now expected in mid-2003.

#### **4.3.b Gender and Economic Participation**

*[Source: this section is based on, and reproduces verbatim, sections from Gender and Development in Yemen written by Marta Colburn in 2001]*

Although women's reproductive and domestic roles are considered their primary responsibilities, Yemeni women are active participants in the economy, both in the formal and the informal sector. Outside of the home women's economic participation is shaped by gender-specific social and cultural constraints. Limited education, malnutrition and the impact of high fertility and limited access to quality healthcare are also significant constraints to women's abilities to participate effectively in economic life. Women business owners usually have fewer channels to access traditional protection (via arms or tribal structures) than men and limited options in addressing marketplace challenges. Restricted access to capital in the formal credit sector is a limiting factor and increased access to credit through formal and social mechanisms could be an important contribution of development assistance. Apart from credit through financial institutions, group savings schemes are gaining popularity among both men and women. However, these credit programs have been limited and donors' support should expand options beyond traditional "women's activities" such as sewing and knitting with little potential for profit or expansion; and attention must be paid to marketing and expanded access to markets.

Rural: The vast majority of rural women traditionally are economically active in crop production, animal husbandry, post-harvest food processing and production of crafts for sale such as basketry and pottery. Within the rural economy women have considerable influence based on their management of animal production and custody of family savings (grain, cows, savings). A large proportion of agricultural work in Yemen is done by female farmers, however, the gender division of labor has female farmers performing the most labor-intensive tasks with low technology tools. Male farmers are responsible for the production of cash crops on irrigated land, particularly the cultivation

and sale of *qat*. Female farmers generally carry the primary responsibility for animal husbandry (except for oxen, horses, camels and donkeys) and for produce for domestic consumption. Key gender issues specifically related to agricultural production include land ownership, social norms that disadvantage females in marketing produce, access to credit, and lack of infrastructure such as access to water, electricity and public transportation.

Urban: In cities women traditionally revolved around income-generating activities in their own homes, or in gender-segregated settings [i.e. all female workshops]. In many regions of the country women perform fee-based services for other women (sewing, making incense, healing arts, making bread, etc). Over the past four decades the formal sector has emerged, with the government being the largest employer including growing numbers of women and the percentage women employed in wage labor increased to 21% in 1998. In the private sector the non-enforcement of labor laws results in gender-based discrepancies in wages and benefits.

#### **4.2.c Development Response**

The USAID response to economic growth in Yemen, within the boundaries of the Interim Strategic Plan 2003-2006, is framed in Strategic Objective 3.0: “Increased Income Opportunities and Food Security.” Indicators at the SO level include: Proportion of families that can afford basic food needs, and Growth in per capita income.

These SO results are based on activities described in three Intermediate Results:

- IR 1.1: Expanded Sustainable Production of Agricultural Products for the Market and Home Consumption
- IR 1.2: Expanded Markets for Agricultural Products
- IR 1.3: Improved Framework for Economic Growth

USAID Interim Strategy in Yemen: Due to relatively limited resources during the first two years of the Interim Strategy, the USAID program in Yemen will focus the USAID-ESF resources on health and education. An economic growth and household food security pilot activity will be developed in Marib Governorate. Although the primary concentration will be on the agriculture sector, other economic opportunities will also be explored (e.g. other SMEs, economic development based on cultural and historic resources, etc.). Parallel funding from the MEPI program will be sought to expand the economic growth options in Marib and perhaps, if resources permit, to selected activities in other of the target governorates. USAID will allocate a limited amount of ESF funds for technical assistance to the ROYG to investigate opportunities for expanded exports and trade and to support the ROYG Central Statistical Office to improve data for development planning. More extended economic development activities at the local level, such as increased access to finance, increased access to utilities for food processing, and national level policy activities will be included in the Results Framework, because they will complement and strengthen the USAID ESF-

funded portfolio. However, most of these expanded activities will require complementary sources of funds (e.g. MEPI, USDA).

USAID will also encourage USDA and ROYG to program new USDA PI-480 Title I Program local currency resources for Agricultural development activities that will provide synergy to the USAID ESF-funded program. For example, USDA PL 480 funded activities could include: irrigation projects, food processing, agricultural extension and rural access roads (see Annex 6 Current USG Development Assistance in Yemen)

*[Note on the Environment: Specific USAID ESF-funded agriculture and economic development activities cannot be specified in a strategy document. When the scope of these activities is being developed, the Office of the USAID Representative to Yemen will seek the guidance and participation of the USAID ANE Bureau Environmental Team. Illustrative issues include: introduction of species, fertilizer, erosion, water use, irrigation techniques, etc.]*

### **IR 3.1 Expanded Sustainable Production of Agricultural Products for the Market and Home Consumption**

Illustrative Activities: improve crop and livestock specification and improve growing techniques (USDA); reduce wastage; improve access to, and use of, water and other inputs (e.g. seeds, feed); support community-based producers associations; study incentives to shift to higher value products and to reduce agriculture and water resources devoted to Qat production; expand access to electricity (USDA, MEPI); assist businesses that support the agriculture sector; terrace and soil reclamation/conservation (USDA); technical support to women food producers for consumption in the home through community-based outreach.

Illustrative Indicators: increase in market crop and livestock yields; increase in food production for home consumption

### **IR 3.2 Expanded Markets for Agricultural Products**

Illustrative Activities: improved access to infrastructure (e.g. electricity, roads) for agricultural related businesses (USDA); improve product quality, processing and packaging; support private sector marketing co-ops; expanded access to credit (MEPI); market research and development; marketing and advertising; expanding regional and international partnerships (MEPI)

Illustrative Indicators: increase in sales and income from agriculture products.

### **IR 3.3 Improved Framework for Economic Growth**

Illustrative Activities: Assist Yemeni higher education and research institutions to

support the private sector in agriculture and other businesses (USDA); establish business information centers; technical assistance to the Ministry of Agriculture and other Ministries and to district and governorate agriculture and economic development offices; improved policies, laws and regulations to stimulate economic opportunities; targeted research to identify opportunities to expand exports and increase investment in new businesses; technical assistance to assist the ROYG increase trade opportunities (MEPI); technical assistance to ROYG at all national, governorate and district levels to collect and use agriculture and other commercial data for planning; IT applications to support program objectives; A pilot broad-based integrated economic development activity in Marib Governorate that expands economic growth and income generation activities beyond the agriculture sector to include other SMEs', finance, partnerships with the commercial private sector, job related training; improved legal, regulatory and institutional environment for economic growth and income opportunities related to cultural and historical advantages.

Illustrative Indicators: number of district and governorate economic growth plans and resource allocation budgets prepared with community participation; number of district and governorate agriculture and economic growth offices with data-based planning capacity

#### **4.3.e Relationship to other Strategic Objectives**

Agriculture is an important source of employment and food security within Yemen. An economic growth strategy based in agriculture should consider a number of elements. First, most poor people who live in Yemen live in the countryside and rely on agriculture for survival. Second, considering the low level of water resources, activities which enhance rain-fed agriculture and water conservation are of prime importance. Third, investments in rural activities will likely have a positive effect on poverty alleviation and employment generation and absorption. Finally, production for subsistence and trade should be emphasized, and opportunities for women should be expanded.

#### **4.4 Relationship to U.S. Foreign Policy Interests**

The proposed program in the Interim Strategic Plan for Assistance to the Republic of Yemen, April 2003-April 2006, directly supports the Embassy's Mission Performance Plan (see section 2.3.b) through its targeted high-impact, short-term, highly visible activities in remote governorates. The Interim Strategic Plan also directly supports the goals of the Department of State's Middle East Partnership Initiative (see section 2.3.c and Annex 6) through its focus on increased economic opportunities for families, by women's and girls' empowerment through improved reproductive and maternal health, by increased access to education and literacy for females, and by promoting a context for longer-term sustainable development in partnership with the public and private sectors.

#### **4.5 Relationship to Previous USAID Strategy**

The Interim Strategic Plan for Assistance to the Republic of Yemen, April 2003-April 2006, is an expansion of the three-year “Planning Framework for Assistance to the Republic of Yemen, 2001-2003,” approved in August 2001. That planning framework anticipated a planning level of \$4 million ESF funding per year, with \$2.0 million per year for a scholarship program managed by STATE/Education and Cultural Affairs, and \$2.0 million per year for activities reproductive and maternal health and basic education. The program was to be managed by Yemeni nationals working at the US Embassy and implemented by international NGOs with oversight from the US Embassy and from USAID/Washington.

The principal objectives of USAID’s “non-presence program” in Yemen were:

1. Increased access to and use of expanded maternal and reproductive health care services to underserved communities in three districts.
2. Increased enrollment of girls in primary schools with quality education in three districts.
3. Strengthened community-based capacity for planning, implementing and managing development activities.

#### **Program Approach, Geographic Focus and Gender Dimensions**

The ANE Bureau approved an integrated, community-based and demand-driven approach to address poverty and social service delivery and to support the ROYG decentralization policy and focus on health, population, education and gender objectives. The program was limited in scale was approved to focus 5 to 8 communities in each of three rural districts. The Planning Framework did note that expansion to additional districts could be approved if added resources were to become available.

The program targeted women and girls in the areas of education and maternal and reproductive health because they are the most disadvantaged and improvement of their condition would have the greatest impact on reducing poverty and improving the quality of life for all Yemenis.

#### **Program Activities and Expected Results**

The Planning Framework for Yemen included three objectives:

1. Increased Access to and Utilization of Maternal and Reproductive Health Services in Underserved Communities

- Recruitment and training of community midwives from local communities
- Strengthening of community health centers
- Increased access to maternal and reproductive health outreach services
- Support establishment of community women’s organizations addressing women’s health issues

## 2. Increased Enrollment of Girls in Primary Schools with Quality Education

- Improve quality of educational systems by developing the capacity and competency of teachers and school administrators, as well as improving their access to updated learning materials
- Innovation in education through the establishment of a community school system.
- Increase primary school enrollment, particularly enrollment of girls, through incentives.

and a third objective that is actually a cross-cutting approach that relates to both education and health

## 3. Objective: Strengthened community-based capacity for planning, implementing and managing development activities.

- Increased community participation in health and education decision making.
- Increased community satisfaction with the quality of provision of health and education services.

### **4.6 Relationship to ROYG Goals and Objectives**

The Interim Strategic Plan for Assistance to the Republic of Yemen, April 2003-April 2006, directly supports the ROYG development priorities included in the the Strategic Vision, 2005 (see 2.4.a), the Second Five Year Plan for Economic and Social Development 2001-2005 (see 2.4.b), Poverty Reduction Strategy Paper (see 2.4.c), the (Draft) National Strategy for Development of Basic Education in the Yemen, October 2002, and the Strategy and Workplan for Reproductive Health & Family Planning, 2001-2005, May 2001.

### **4.7 Relationship to Other USG Development Activities in Yemen**

USAID activities will be complemented by other USG development programs in Yemen (Table 6). USAID will be called on by the Embassy and Washington to provide advice but the Office of the USAID Representative to Yemen will have no direct approval or management responsibility for these other USG activities.

**Table 6: Relationship of USAID Program to Other USG Development Activities**

<b>Development Program</b>	<b>Role of the Office of the USAID Representative in Yemen</b>
USAID/DCHA/DG Consortium for Elections and Political Process Strengthening (CEPPS) program	Participate on the Embassy/Sana'a DG Coordinating Committee
Department of State Middle East Partnership Initiative (MEPI)	Advise on the Women's Literacy program; propose candidates for the Young Ambassadors Study of the United States, the U.S. Middle East University Linkages, and the Middle East Executive Training programs
Department of Agriculture 416(b) and PL480 monetized food programs  Department of Agriculture Food for Education programs	Advise on activities and coordinate with the USDA Representative on program implementation
Department of State Fulbright Fellows program	Propose candidates
Department of Agriculture Cochran Fellowship Program	Propose candidates
Department of State International Visitors Program	Propose candidates
USAID/ANE Bureau ADRA/Yemen Basic Health and Education program	Assume responsibility and CTO function

## **5.0 Program Implementation**

### **5.1 Office of the USAID Representative (see Annex 9 Functional Statement)**

The Office of the USAID Representative to Yemen is the principal advisor to the Embassy for the planning, formulation, implementation, management and evaluation of U.S. bilateral economic assistance within Yemen. Embassy/Sana'a FY 2005 MPP further defines the role of USAID as "the lead agency for U.S. development assistance."

The Office of the USAID Representative maintains close relationships with Yemeni Ministries and agencies related to USAID's technical programs, such as the Ministries of Planning and Development, Education, Health, Agriculture, and Local Administration. The Office of the USAID Representative also initiates/maintains dialogue with donors and other organizations to ensure that USAID's development programs are formulated and implemented in a collaborative way.

USAID will coordinate closely with sections of the Embassy/Sana'a responsible for development activities (POL/ECON/PAO) and may be called on to advise and assist the Embassy and USDA to design and implement Department of Agriculture (USDA) local currency programs. USAID will administer its activities, and will provide assistance

and advice to other sections of the Embassy, within delegated authorities, in compliance with USAID ADS procedures and other pertinent directives and statutory requirements, Agency guidelines, policies and development priorities. USAID will respond to requests from the Embassy for development advice and assistance in a non-formal, collegial manner as part of the Embassy team. In those instances required by USAID regulations or statute, a Memorandum of Understanding, or a more formal agreement and/or delegation of authority, will be prepared.

## **5.2 Staff**

FY 2003: The Office of the USAID Representative/Yemen will include the USAID Representative, an Office Manager, and a Chauffeur and four program teams. (see Table 7). Essential support services (EXO, Legal, Controller and Contracting) will be provided by USAID/Cairo. (See ANNEX 9, Functional Statement - Office of the USAID Representative to Yemen ). The Embassy will assist USAID in Yemen with HR services, GSO, housing, motorpool, and IT under a negotiated ICASS and an MOU for direct reimbursement

USAID Representative: As the local representative of the United States Agency for International Development, an independent USG agency, the USAID Representative to Yemen reports in-country directly to the American Ambassador and serves as a member of the Embassy Country Team. When the USAID Representative is away from post, the Chief of Mission is designated as the USAID Representative (Acting).

The four USAID program teams include:

- Health - an FSN Health Program Advisor and an FSN Health Program Specialist for Maternal, Child and Reproductive Health
- Education - an FSN Education Program Specialist and a USPSC Education Advisor
- Economic Development - an FSN Economic Development Specialist and a USPSC Economic Development Advisor
- Project Implementation - an FSN Program Implementation Specialist and a USPSC Program Implementation Advisor

FY 2004: The addition of seven new staff to the Embassy will place a strain on the motorpool. Two USAID vehicles are required but due to budget limitations USAID will only be able to purchase one fully armored vehicle in FY 2003 and hire one FSN driver. In 2004 the Office of the USAID Representative to Yemen will purchase a second fully armored vehicle and will hire a second FSN driver.

**Table 7: Proposed Staffing by Fiscal Year and Funding Source**

<b>Position</b>	<b>Funding</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
USDH USAID/Representative	OE	X	X	X
USDH USAID/Program Officer	OE	-	-	X
FSN Office Manager	OE	X	X	X
FSN Financial Analyst	OE	-	-	X
FSN Driver No.1	OE	X	X	X
FSN Driver No.2	OE	-	X	X
FSN Health Advisor	ESF	X	X	X
FSN Health Specialist	ESF	X	X	X
FSN Education Specialist	ESF	X	X	X
FSN Economic Development Specialist	ESF	X	X	X
FSN Program Implementation Specialist	ESF	X	X	X
US-PSC Education Advisor	ESF	X	X	X
US-PSC Program Implementation Advisor	ESF	X	X	X
US-PSC Economic Development Advisor	ESF	X	X	X
US-PSC Health Advisor	ESF	-	-	X
<b>Total</b>		<b>11</b>	<b>12</b>	<b>15</b>

FY 2005: If the FY 2005 OYB in Yemen does increase to the \$40 million request level in the Embassy/Sana'a MPP, the Office of the USAID Representative will need additional staff; an FSN Financial Analyst, a USDH Program Officer, and a USPSC Health Advisor. USAID should also begin planning for a full USAID Mission in FY 2005 or FY 2006 if, by the end of FY 2004, it appears that future USAID funding levels will remain at or above \$40 million.

### **5.3 Location**

The Office of the USAID Representative in Yemen will be located in the American Embassy in Sana'a, the capital of Yemen.

### **5.4 Implementation Mechanisms (USAID ESF-Funded Activities)**

The implementation goal of USAID in Yemen will be to keep the number of management units as small as possible, while providing sufficient flexibility to meet program needs. Ideally there would be a lead contractor or cooperating agency for each of the three strategic objectives, each associated with a set of sub-contractors or sub-grantees. This leanness within the primary USAID ESF-funded activities will be necessary because USAID in Yemen can also expect to be called on to manage a number of MEPI awards. Furthermore, a bilateral program relationship with ROYG ministries, institutions and/or parastatals is possible.

“Buy-In or Tailor-Made” Agreements: The basic choice is whether to “Buy-In” to existing, pre-competed agreements in USAID (or other USG mechanisms such as the GS MOBIS or FAST 8(a) IQCs) or to develop “Tailor-Made” bilateral agreements. “Buy-Ins” can be done quickly but may not offer the exact mix of skills and services needed, while “Tailor-Made” agreements permit the exact specification of support required but can take a minimum of six months to prepare, compete and award.

Obligate Within the Fiscal Year or Carry-Over Funds: The USAID program in Yemen has \$2.183 million of FY 2002 ESF funds that have not yet been programmed and which will expire at the end of FY 2003 (September 30, 2003). Another \$10 million of FY 2003 ESF funds must either be obligated by September 30, 2003 or “Carried Over” into FY 2004 and obligated by September 30, 2004 or turned back to the Treasury.

Obligation Plan: The Office of the USAID Representative to Yemen will be established in April 2003. Immediately USAID will need to complete the Interim Strategy, send the USAID/Representative to post, set up the office with all furniture and equipment including communications and internet links to Washington, set up the USAID/Representative’s residence, and hire six new staff [FSN Driver, FSN Office Manager, FSN Education Specialist, FSN Economic Development Specialist, US-PSC Education Advisor, and US-PSC Economic Development Advisor].

Given the timing requirements for competed bilateral agreements, the lack of Economic Development and Education technical staff in the Office of the USAID Representative to Yemen, and the management requirements to establish the Office, the \$1.183 million unprogrammed “carry-over” FY 2002 funds and the \$10 million in FY 2003 funds could only be obligated by the end of FY 2003 through a “buy-in.”

FY 2002 Funds: A buy-in will be required for the unprogrammed \$2.183 in “carry-over” FY 2002 funds.

FY 2003 Funds: The Office of the USAID Representative to Yemen, with in consultation with Embassy/Sana’a and USAID ANE Bureau will investigate options among “buy-in” agreements. If suitable “buy-in” agreements are not discovered, the FY 2003 funds will be “carried-over” and obligated during FY 2004.

## **5.5 Budget**

The budget for the Office of the USAID Representative to Yemen has two parts – the operating budget and the program budget.

### **5.5.a Operating Budget**

The operating budget is funded with OE funds allocated by the USAID ANE Bureau and with ESF funds according to a formula approved by the Office’s Controller in USAID/Cairo (Table 8)

**Table 8: Illustrative Operations Budget by Fiscal Year and Funding Source**

Source Year	Year Obligated	O E		ES F		Total
		\$	%	\$	%	
FY 2002	FY 2003	\$654,787	44.3%	\$823,337	55.7%	\$1,478,124
FY 2003	FY 2004	\$599,012	33.9%	\$1,165,609	66.1%	\$1,764,621
FY 2004	FY 2005	\$843,826	34.4%	\$1,605,963	65.6%	\$2,449,789
	<b>Total</b>	\$2,097,625	36.8%	\$3,594,909	63.2%	\$5,692,534

**5.5.b Program Budget**

The Program Budget is divided into two components – activities in the five targeted governorates, and activities at the national level to provide policy support for the short-term program and to build the foundation for a longer-term, sustainable development program. (Table 9). Table 9 also includes other USG funding sources (see Annex 6: Current USG Development Assistance in Yemen) that USAID believes will complement the USAID ESF-funded activities. The assumption is that the basic USAID program will focus on health and education at the local level, while resources to expand the economic development program, education and agriculture programs will be provided in parallel by MEPI, USDA, and USAID Washington.

**Table 9: Resources Supporting Yemen Development Program: FY 2002-04**

	Health	Education	Agriculture	Economic	Operations	TOTAL
<b>Local</b>						
AID- ESF	\$10.400	\$8.000	\$2.000	\$2.492	\$3.596	<b>\$26.490</b>
MEPI		\$3.000		\$4.000		<b>\$7.000</b>
416	\$8.000	\$4.500		\$0.500		<b>\$13.000</b>
PL480			\$10.000	\$3.000		<b>\$13.000</b>
EFA		\$1.000				<b>\$1.000</b>
<b>Sub-total</b>	<b>\$18.400</b>	<b>\$16.500</b>	<b>\$12.000</b>	<b>\$10.036</b>	<b>\$3.554</b>	<b>\$60.490</b>
<b>National</b>						
AID-ESF	\$1.000	\$1.000		\$1.500		<b>\$3.500</b>
MEPI		\$2.000		\$6.000		<b>\$8.000</b>
416						<b>\$0.000</b>
PL480			\$5.000			<b>\$5.000</b>
EFA		\$1.000				<b>\$1.000</b>
<b>Sub-total</b>	<b>\$1.000</b>	<b>\$4.000</b>	<b>\$5.000</b>	<b>\$7.500</b>	<b>\$0.000</b>	<b>\$17.500</b>
<b>TOTAL</b>	<b>\$19.400</b>	<b>\$20.500</b>	<b>\$17.000</b>	<b>\$17.536</b>	<b>\$3.554</b>	<b>\$77.990</b>

## **5.6 Monitoring and Evaluation**

Preliminary Performance Management Plan (PMP): USAID (ADS 201.3.7.6) requires that an operating unit proposing a new strategic objective must also present a preliminary Performance Management Plan (PMP) with performance indicators including baseline data and final targets. However, there are several reasons why it would be difficult to meet this requirement in this Interim Strategy. Due to the urgent requirement to begin a USAID program in Yemen to meet USG foreign policy objectives USAID approved the Yemen program in December 2002 and plans to open an office by May 2003. As a result there has not been sufficient time to complete in-depth analyses of the program sectors. Furthermore, the USAID program in the short term will target remote, rural governorates where data for development planning are limited as they also are, in fact, at the national level. And finally, USAID's specific activities in health, basic education and economic development in the five target governorates have not been completely determined. To meet the preliminary PMP requirements, the cooperating agencies selected to implement the USAID program will be required to prepare a workplan within the first four months after they are selected which will identify specific activities with targets and indicators, and a monitoring and reporting plan with baseline data.

Complete Performance Management Plan: Within the first year after the Interim Strategy has been approved, the Office of the USAID Representative in Yemen will prepare a complete Performance Monitoring Plan (PMP) for each Strategic Objective.

Interim Evaluation: In addition to on-going performance monitoring, USAID will conduct an assessment after year two (March 2005) to measure overall program progress, assess staffing needs, plans for expansion, physical plant, effectiveness of the development approach followed, and whether the Interim Strategy should be extended through another phase of interim assistance or if a new five-year Standard Strategic Plan should be developed.

Annual Portfolio Review: The Office of the USAID Representative in Yemen will conduct an annual Portfolio Review – “a systematic analysis of the progress of each strategic objective to determine whether USAID supported activities are leading to the results outlined in the approved Results Framework.” (ADS 203.3.7)

## **5.7 Reporting**

The Office of the USAID Representative will provide reports according to the requirements of the ADS, for example, the Annual Report and the Congressional Budget Justification submission.

### **5.5 Risks and Implications**

<b>Risks</b>	<b>Implications</b>
Anti-American sentiment increases causing political figures to distance themselves from USG activities	The USAID program would be required to redirect away from policy, capacity building and forging private/public partnerships at the local level and focus on technical training and community-based and facilities-based service delivery
Tribal conflict increases in some of the five target governorates	Program geographic focus would need to be redirected to more accessible areas
Regional events lead to evacuation of non-Yemeni staff	A USAID goal is to develop strong FSN advisors and Yemeni implementing partners who could carry on core activities
Recruitment and arrival of US-PSC education and economic development staff are delayed due to concerns about security and/or restrictions on under-age dependents	The program would focus on activities that can be carried out by the health team and the program coordination team that is now in place. USAID will also recruit strong Yemeni FSNs in education and economic development as soon as possible.
Program budget increases significantly with limits on OE funds and USDH staff	Initial activities and geographic areas will be limited as the Office is being configured and staff are recruited. However, the USAID program will be designed to be able to expand into new geographic areas and activities as funds increase. If the OYB should increase from \$10-15 million to \$40 million + and remain at that level, USAID will need to consider expanding the Office of the USAID Representative to a USAID Mission.
Program budget remains at the FY 03-04 level of \$10-\$15 million and parallel funding from MEPI, USDA, and USAID Pillar Bureaus does not materialize	The USAID program would be limited to focused health and education activities, with small-scale agriculture and food security assistance activities, in a limited number of selected districts and/or governorates, and primarily based on an integrated community outreach model

## ANNEX 1

### Women in the Republic of Yemen: a Country Gender Profile

*[Source: Gunewardena, Nandini, World Bank, 1998; for further information contact Shaha Riza, MENA Gender Coordinator & Monica Fong, PRMGE]*

#### Country Context

Gender concerns in the Republic of Yemen reflect the general development challenges facing the country: widespread poverty and inadequate public policies and institutions. These factors in turn need to be understood in terms of the historical and political background: unification in 1990 of the more conservative and Islamic North Yemen<sup>1</sup> with the more secular and Marxist South Yemen<sup>2</sup>, and the resulting political instability, including the civil war in 1994. Yemen's social indicators are the worst in the MENA region, and world-wide (e.g. life expectancy, adult literacy rate, fertility rate and maternal mortality rates). These low indicators signify that the population as a whole suffers from lack of access to essential health and education services. They are in fact even lower in rural areas, where the majority of the poor live. Limitations of the overall public health system, particularly in terms of access and quality affects women in particular, especially those in rural areas who live outside the catchment area of health facilities. In recent years, the gap between the educational attainment of the poor and the non-poor has narrowed, but persists between males and females. About 19 percent of the population was estimated<sup>3</sup> in 1992 to be poor, while poverty is concentrated in rural areas (81 percent of all poor and 83 percent of the absolute poor)<sup>4</sup>. Poverty is conflated by a natural resource base that is being increasingly depleted. The rural population, mostly dependent on agriculture, faces few prospects for increasing production given the scarcity of arable land and water resources, as well as deforestation. Much of the country is barren rock or scrub, and the cultivable area is only 1.3% of the total national territory. Government subsidies act as a disincentive to domestic production, resulting in a reliance on imported wheat for about 40% of total caloric intake and 45% of total protein intake. Given that about one fifth of the population live below the poverty line, nutritional deficiencies are widespread, particularly protein-energy malnutrition among young children.

#### Social Norms and Women's Roles

- Traditional Yemeni practices such as the strict segregation of men and women, separation of male and female spheres of authority into the public and domestic spheres,

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<sup>1</sup> Yemen Arab Republic (YAR)

The People's Democratic Republic of Yemen (PDRY).

<sup>3</sup> Poverty Assessment 1992, The World Bank.

<sup>4</sup> Republic of Yemen: Poverty Assessment, 1996, The World Bank.

embodied in veiling and seclusion of women have eased to varying degrees over time, depending on social class, and region of origin. They have, in general, become more relaxed in South Yemen than the North.

- *Veiling* for example, is more an urban phenomenon, and is not common in most villages of North Yemen's countryside, by *akhdam* women nor East African Yemeni women<sup>5</sup>. In many parts of the rural South too, women went unveiled, although mobility restrictions and sex segregation practices were still operational.
- *Seclusion and sex segregation* practices, however, continue to the extent that women have limited mobility, and they are expected to associate primarily if not exclusively with other women, and rarely with unrelated men. Nonetheless, in rural areas women have greater mobility within the confines of the village.
- *The notion of honor (Ird)*, which lies at the heart of seclusion and segregation practices still plays a central role in structuring gender relations. Females are forbidden to have any contact with unrelated men from the onset of puberty, while female virginity before marriage and sexual fidelity afterward was strictly enforced as a matter of protecting the family honor. This often means avenging the loss of honor through extreme measures of physical violence and death, if a woman were to violate sexual conventions.
- Yemeni women have secondary status to men in law and social life,<sup>6</sup> despite some regional and class variations. For example, men have the unilateral right to divorce, although a woman could initiate a divorce if she were able to prove violations of her rights as a wife. She is however, entitled to only 3 months maintenance after a divorce. Nonetheless, *shari'a* laws offer a measure of relief with the provision that the father of a divorced woman has the legal duty to support her until she marries again, or otherwise until her children reach the age (over 15) when they can be legally returned to their father.
- While women's sphere of influence was considered the home, women are able to influence decision-making and exercise some power over events beyond the household through their networks with other women, especially in facilitating marriage alliances.
- Women gain increasing power through the life cycle, acquiring more authority as they become mothers-in-law or senior wives. A woman's status is unfortunately tied to her ability to produce male heirs; the failure to do so being sufficient grounds for divorce.
- Rural women who play a major role in agriculture, hold custody of three major assets: grain, cattle and jewelry, giving them a measure of economic power in a system legally and politically dominated by males.

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<sup>5</sup> See Makhlof, Carla 1979, *Changing Veils: Women and Modernization in North Yemen*. Austin: University of Texas Press.

<sup>6</sup> Virtually all Yemenis are Sunni Muslims while there is a small Jewish population in the North as well.

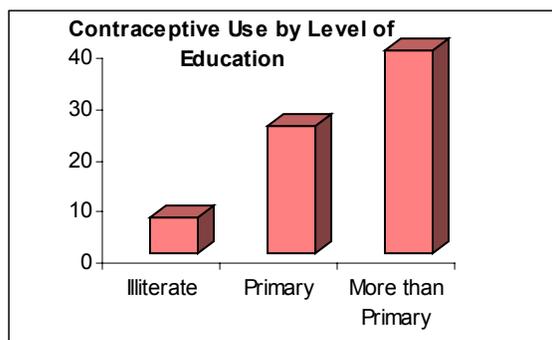
## Women's Legal Rights

- According to the constitution of the Republic of Yemen men and women are considered equal before the law, and guaranteed equal opportunities in the political, economic, social and cultural spheres. Yet, Shari'a laws which govern family and personal status, accord men and women different rights in marriage, divorce, custody, and inheritance.
- Despite the secular and quite egalitarian legal codes adopted by the former Democratic Republic of Yemen, a new family law was enacted after unification, which reproduced the family law of the northern governorates with just a few changes<sup>7</sup>. While many of these laws are not unfavorable toward women<sup>8</sup>, lax enforcement and the persistence of social and tribal customs and norms acts as a countervailing force.
- A new labor law passed in 1995 reinforces the penal codes and treats men and women equally. This legislation also provides 60 days maternity leave and shorter work-days for breast-feeding mothers.

## Social Indicators: Health

◆ *Demographic issues.* Yemen's population growth rate is 3.7% per annum, up from 2.7% in the previous three decades, and the current population of 15.2 million is estimated to reach 25 million in 15 years at current rates of growth (*Source: Population Sector Study, The World Bank, August 1997*).

- *Life expectancy* was estimated in 1995 to be only about 53 years for women and 52 years for men<sup>9</sup>, an improvement from 49.5 in 1978. Male-female differences in life expectancy at birth in Yemen have been determined to be the lowest in the world, and relatively lower than other countries in the region.<sup>10</sup>



◆ *The Total Fertility Rate* was estimated at 7.7 in 1994, one of the highest fertility rates in the world<sup>11</sup>. Child bearing begins early, with the age-specific fertility rate at 141 per 1,000 women aged 15 to 19 years, also the highest in the region<sup>12</sup>.

<sup>7</sup> See Joshi, A., J. Baptist and A. Amin, 1997 Gender Issues, Analysis and Strategy, The World Bank.

<sup>8</sup> E.g. the current laws: a) permit a man to have up to four wives provided he can treat each one equitably; b) require the presence of two muslim men or one man and two women as witnesses to the marriage; c) prohibit compulsion to marry; d) allow men to divorce unilaterally (but requires a woman to petition for divorce if they can prove delinquency by her husband); e) grant custody rights of children to women provide she can prove her eligibility; f) set the minimum age of marriage at 15 years for both men and women.

<sup>9</sup> Source: World Development Report (WDR) 1995; and United Nations 1995.

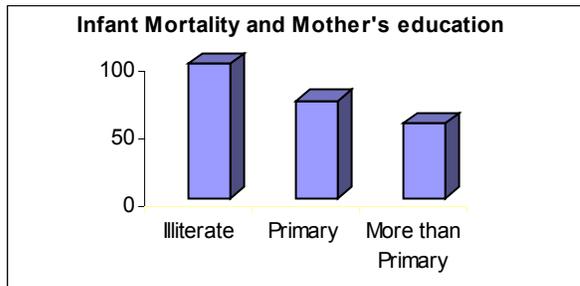
<sup>10</sup> e.g. 3 years difference in Egypt, and 4 years in Jordan; See United Nations 1995; A Population Perspective on Development: The Middle East and North Africa 1994; and HDD and IEC database for North African Countries, The World Bank.

<sup>11</sup> 1994 census report, cited in The World Bank and UNICEF 1998 Draft Situation Analysis of Women and Children, p. 42.

<sup>12</sup> E.G. Algeria 17, Egypt 56, Iran 80, Iraq 61, Jordan 43, Lebanon 43, Morocco 38 and Tunisia 32, Source: WDI 1998.

• *The Contraceptive Prevalence Rate* is 11.3%. It is, however, nearly six times higher in urban areas (28%) than in rural areas (4.7%). Difficulties in accessing family planning services, especially in rural areas accounts for much of this problem.<sup>13</sup> (Source: 1997 Yemen Population sector Study)

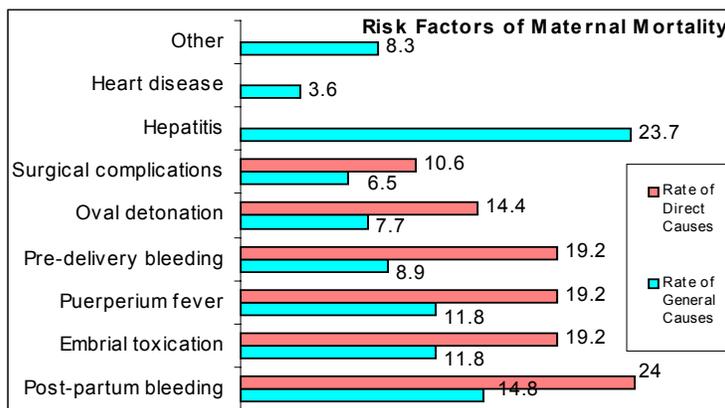
♦ *Infant and child mortality* in Yemen has been undergoing a steady decrease over the past two decades. By 1996, the IMR was estimated to have dropped to 98 per one thousand<sup>14</sup> -- a steep decline from 184 in the 1970's, but significantly higher than the average IMR for low-income countries (69).



As shown on the graph to the left, high IMR is correlated with low educational attainment and maternal illiteracy.

Fertility and mortality declines have been higher in the urban than rural areas. Mortality estimates<sup>15</sup> for the urban population show an IMR decrease from 123 per 1,000 live births in 1979 to 68 by 1995. In rural areas IMR had dropped from 112 in 1977 to 95 by 1995.

• *Low Birth Weight.* Available evidence suggests that the rate of low birth weight (below 2500 grams) in Yemen is extremely high, estimated at around 19% of births for the period 1990-94 by UNICEF<sup>16</sup>, the highest in the MENA region<sup>17</sup>. Low-birth-weight is associated with high neonatal mortality and IMR, and has been significantly correlated with Qat chewing. In 1996, an estimated 130,720 Yemeni babies were born with low-birth-weights, a significant mortality risk. This situation also reflects the health consequences of chronic malnourishment in girls in their early years and throughout the life-cycle, close birth spacing and pregnancies at very early ages and older ages, as noted above.



♦ *MMR.* The Maternal mortality ratio in Yemen is one of the highest in the world, estimated at 1,471 per 100,000 live births in 1995, reflecting the cumulative impact of a range of factors, including difficulties in accessing health care, delivery complications in

<sup>13</sup> According to the 1997 Yemen Population sector Study, 79% of current contraceptive users could access a family planning facility within an hour, whereas for rural areas, it took an hour or more for about 76% of the population.

<sup>14</sup> Source: World Development Indicators 1998.

<sup>15</sup> These estimates have been made using the General Pattern of the UN model life tables for developing countries. See The World Bank, 1997, Yemen Population Sector Study, Annex II, p. 9.

<sup>16</sup> UNICEF 1997, State of the World's Children report.

<sup>17</sup> E.g. Algeria 9%, Egypt 12%, Jordan 7%, Morocco 9%, Syria 8%, and Tunisia 10 (WDI 1998)

unassisted deliveries, high parity and low birth spacing.

- Three out of every four pregnancies in Yemen are considered as high risk, based on a risk level assessment using a combination of risk indicators (age, parity and birth-spacing), e.g. mother is less than 20 years of age or over 35, parity is greater than five and/or birth interval is less than two years)<sup>18</sup>.
- Anemia, inadequate pre- and post-natal care and delivery complications (hemorrhage, ruptured uterus, pelvic inflammatory diseases and infections) also contribute to high risk pregnancies and the high Maternal Mortality Rates<sup>19</sup>. (*Source: N. Abdalla, London University 1993*).
- *Poor Access to Maternal Care.* Poor quality obstetric care and low access to health services in comparison to other countries in the region are associated with maternal morbidity and about 60,000 infant deaths per year<sup>20</sup>. About 80% of rural women and 43% of urban women do not receive prenatal care at all. A full 85% of births are not attended by trained medical personnel, 83% occur at home, and 8% of births are not attended by any one at all, delivered by a woman alone<sup>21</sup>. These problems are related to the fact that only one fifth of health centers offer maternal and child health services, and the shortage of female medical personnel which discourages women from seeking care.
- *Maternal morbidity* reflects the consequences of poverty, heavy work loads, poor domestic environments, inadequate dietary intake, exposure to endemic diseases and high fertility. Two 1987 studies<sup>22</sup> in the northern governorates showed a high percentage of Yemeni women were too thin (average weight 47 kgs.) and short to be healthy, with 11 to 25% of women showing a body mass index of less than 18.
- ♦ *Malnutrition.* Although child malnutrition is widely prevalent, affecting both boys and girls, recent UNICEF data shows a higher incidence of for girls than boys<sup>23</sup>, a serious concern given the life-cycle consequences for girls, particularly in their reproductive years (no specific figures were available).
- ♦ *Under Five Mortality.* The mortality rate for children under five years was 130 per 1,000 (WDR 1998). Half of the deaths among children under five are the result of diarrheal illnesses and acute respiratory infections. The child mortality rate was higher for girls at 47 per 1,000 as compared to 41 for boys<sup>24</sup>

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<sup>18</sup> See *ibid*, Annex 6, p. 10.

<sup>19</sup> UNICEF, 1992

<sup>20</sup> E.g. antenatal care utilization has been estimated to be only 26% in Yemen as compared to 38% in Egypt and 80% in Jordan; while assisted delivery is estimated at 16% in Yemen, as compared to 46% in Egypt and 87% in Jordan (YDMCHS 5 years preceding 1991).

<sup>21</sup> The World Bank and UNICEF 1998 Situation Analysis of Women and Children draft, pp. 37.

<sup>22</sup> UNICEF, Sana'a, 1992.

<sup>23</sup> United Nations 1995.

<sup>24</sup> Source: Population Sector Study, August 1997, The World Bank; YDCHS 1991.

Differential care of male and female children during the early years (i.e. breast feeding and weaning patterns, food allocation and treatment during illness) may account for this female disadvantage.<sup>25</sup>

- A 1996 study found that almost half (45%) of Yemeni children were below average height-for-age ("stunted"), 38% underweight, and 16% below average weight-for height ("wasted")<sup>26</sup>. In terms of severity, more than one in four children were found to be severely stunted, and more than one in ten severely underweight. A comparison with data from 1992 suggests that child malnutrition in Yemen has actually worsened since then, and considered to be among the highest in the world<sup>27</sup>. This situation is related not to food insecurity, but rather to mother's lack of nutrition knowledge.
- *Micro-nutrient deficiencies* are also common among Yemeni children, including iron, salt and vitamin A deficiencies. A 1992 study found almost three fourths (73.5%) of children with iron deficiency anemia and 78% of girls and 60% boys were found with symptoms of iodine deficiency (goitre) by a 1991 survey<sup>28</sup>.
- *Malnutrition among Women.* Over one third (36%) of Yemeni women were found to be anemic in a 1996 study<sup>29</sup> and are considered to have lower nutritional status than men, attributed to nutritional depletion from high fertility rates, frequent pregnancies and the use of Qat. An emerging concern is Osteomalacia among Yemeni women, caused by low dietary intake of calcium and vitamin D, as well as little exposure to the sun, resulting in bone deformations and possible fatalities during childbirth without medical intervention, according to a 1992 report<sup>30</sup>. Women's heavy workloads, including carrying heavy loads of firewood and water are suspected of exacerbating symptoms of Osteomalacia (e.g. muscle weakness and bone pain).
- *Affects of Qat.* Some sources cite Qat as a probable contributor to: the high prevalence of malnutrition among children under five years old<sup>31</sup>, to diminished breast feeding success, and to low birth weights, given that it causes loss of appetite and a reduction in nutrient intake. The chewing of qat in the prenatal period, has been shown to result in a 20% higher likelihood<sup>32</sup> of maternal nutrition depletion and low birth weight. The secretion of active ingredients in qat through breast milk is hypothesized to interfere with the appetite of breast feeding infants just as it does with adult appetite<sup>33</sup>.

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<sup>25</sup> While gender disaggregated data on differential care patterns for boys and girls are not available for Yemen, a small survey in the northern governorate indicated that intra-household food distribution is not always equitable (Myntti 1979).

<sup>26</sup> The World Bank and UNICEF 1998 Situation Analysis of Women and Children draft, pp. 22

<sup>27</sup> Source: A Strategy for Increasing Women's Participation in National Development, The World Bank, 1992, p. 21.

<sup>28</sup> The World Bank and UNICEF 1998 Situation Analysis of Women and Children draft, pp. 26.

<sup>29</sup> The World Bank and UNICEF 1998 Situation Analysis of Women and Children draft, pp. 36.

<sup>30</sup> A Strategy for Increasing Women's participation in National Development, The World Bank, 1992, Report no. 8883-YEM.

<sup>31</sup> See Chekhir, Hafdeh (undated), "Nutritional Status of the Arab Child" (Results from PAPchild Survey), Population Research unit, Social Affairs Department, League of Arab States.

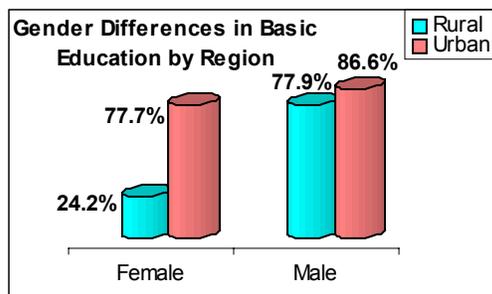
<sup>32</sup> Studies of Yemeni women who chewed qat during pregnancy, show the incidence of low birth-weight of their infants to be one fifth higher than that of women who did not chew during pregnancy. See Abdul Ghani, N. et al., 1987, "The Influence of Khat-Chewing on Birth-Weight in full-Term Infants", Society of Science and Medicine, Vol. 24 (7): 625-627.

<sup>33</sup> Kristiansson, Bengt 1987, Position Paper on khat and its Effects during Pregnancy and Lactation.

◆ *Other health concerns.* Increases in sexually transmitted diseases, infertility, uterine cervical cancer, poor adolescent health, female genital mutilation<sup>34</sup> and iodine deficiency among pregnant women are additional reproductive health concerns.

### Social Indicators: Education

◆ *Literacy* among females was 26% in 1990, significantly lower than for males (53%)<sup>35</sup>. Adult women are more likely to be illiterate than adult men by a factor of four times on average, whether poor or non-poor.<sup>36</sup>



◆ *School enrollment.* Although Yemen has increased its school enrollment rates for girls in the last two decades, they are still low both in absolute terms and relative to that of boys. In 1994, only about one in three (37.4%) girls aged 6-15 years were enrolled in school, compared to 70.7% of boys. The intake rate of girls is very low: only about half the girls of eligible age enter first grade, indicative of low

demand for girls' education. This pattern is even worse in rural areas, where the proportion of six year-old females in school is only 14%<sup>37</sup>.

• *Rural-Urban Differences.* The difference in male-female enrollment at the basic education level is much greater in rural areas. In urban areas, the female enrollment rate is nearly 80% compared to nearly 90% for males, whereas in rural areas it is 24.2% for girls and nearly 80% for boys, as shown above (UNDP 1995).

• The demand for girls' education has grown considerably in urban areas. Yet in rural areas, lower demand and less access to quality schools means lower enrollment of girls.

• *The transition rate from basic to secondary* is higher for girls than for boys: 78% for girls as compared to 62% for boys. This suggests that the families of girls who stay in school perceive the greater benefits of continued schooling. Unfortunately, only a small fraction of girls go on to secondary schools.

• *Secondary school enrollment*, while lower for girls, is low overall for both boys and girls. In 1994 the secondary school enrollment rate for girls was only 8% compared to 32% for boys, as against the basic enrollment rates of 103% for boys and 41% for girls. The transition rate from secondary to higher education is about 71% for males and 56% for females. Female participation in higher education is 15%.<sup>38</sup>

<sup>34</sup> While FGM is still being practiced in some areas of Yemen, it is not as prevalent as in Sudan, Somalia and Djibouti. Very little information is currently available about FGM in Yemen (WHO 1996 & J. Smith 1995).

<sup>35</sup> Source: World Education Report, UNESCO 1993.

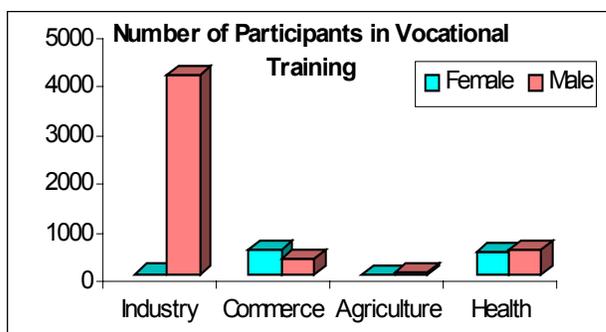
<sup>36</sup> Source: Household Budget Survey 1992, in Poverty Assessment 1996, p. ii.

<sup>37</sup> UNICEF & World Bank, Draft Report on the Situation of Women and Children in Yemen, 1998

<sup>38</sup> Source: Poverty Assessment, World Bank 1996, p.37.

• *Higher Education.* The female participation in higher education was about 18% in 1990, a significant increase from 5.4% in 1985.<sup>39</sup> By 1990, women constituted about 40% of enrollments in medicine, 25% of the science and education students, 10% of commerce, economics and engineering students and about 47% of literature students.

◆ *Barriers to Girls' Education* include lack and high cost of suitable school transportation, high teacher absenteeism, few qualified female teachers, gender bias in curricula and teacher training, and parental under-investment in girls' education. The latter is partly related to the inability of school systems to satisfy parental concerns about separate girls' schools, availability of female teachers, incompatibility of school hours with girls' housework responsibilities, and long distances to schools. Insufficient school facilities, e.g. few places for girls in school, only 2% of girls-only schools, lack of



essential infrastructure, i.e. classrooms, boundary walls, sanitary facilities (44% of schools have no toilet), also deter girls' schooling.

• Girls' responsibility for household chores, sibling care, fetching water and fuel-wood detract from their school attendance, reflected in higher drop-out rates for girls than boys starting from grade 1 (*UNDP 1995*).

• Early marriage and childbearing (average at age 16 in rural areas), and parental perceptions that educating girls is irrelevant or inappropriate also contribute to low girls educational attainment.

◆ *Vocational Training.* Although there has been a slight increase in recent years in girls' participation in technical and professional education, their overall participation rates in vocational training is low (and much lower than that by males), and limited to commerce and health sectors, as shown here. The demand for female vocational training is in specializations which are considered culturally appropriate (e.g. food processing, garment making etc.)<sup>40</sup>

## Women in the Economy<sup>41</sup>

◆ *Labor force participation.* Female LFPR has risen from a low of 14 in 1993 to 29 in 1996, much lower than the average (40) for developing countries (*Source: WDI 1998*). Yet, in comparison to male LFPRs which more than doubled between 1990 and 1994,

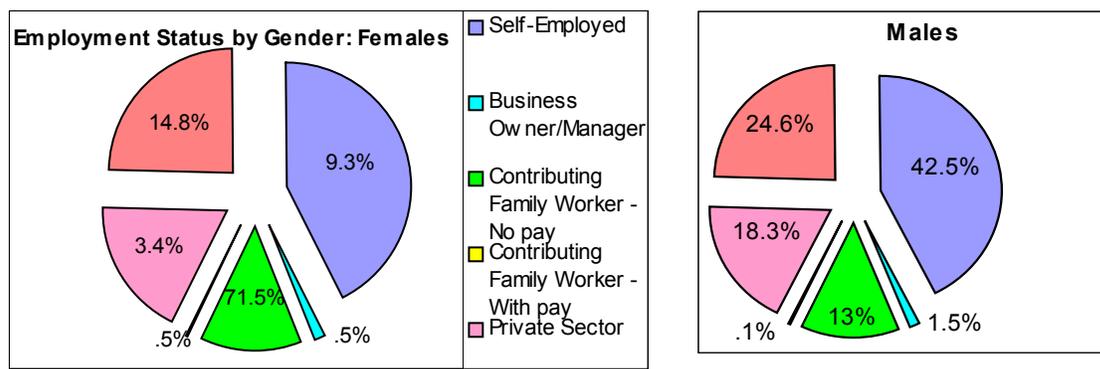
<sup>39</sup> Ibid, A Strategy for Increasing Women's participation in National Development, The World Bank, 1992, Report no. 8883-YEM, p. 46; Status of Women in Yemen, 1996, Republic of Yemen Women National Committee, Sana'a, p. 48.

<sup>40</sup> Source: SAR Vocational Training Project, November 1995.

<sup>41</sup> Source: World Development Report 1996, The World Bank; and World's Women: Trends and Statistics 1995, The United Nations.

female labor force increased by less than 5% during that time<sup>42</sup>. However, these numbers are deceptive since they fail to capture women's unreported work in productive and reproductive activities.

- Women adjust their labor force participation over the life-cycle more than men, exiting the labor force during their early reproductive years and re-entering in subsequent years (*Source: Joshi et al 1997*). Poor women in particular, enter the labor force at an earlier age, and their labor force participation rate declines in the early child-bearing years, steadily increasing as they grow older (*Source: Poverty Assessment 1996*).



◆ *Employment Status.* As shown in the graph above, women in the formal labor force are primarily (71.5%) contributing family workers who receive no formal remuneration, while 69% were unpaid family workers, and less than 10% are self-employed.

◆ *Sectors of work.* Women are concentrated in the agriculture sector, where about 88% of the economically active female population worked in 1994, while 6% worked in the industrial sector and 7% in services. Nearly 15% of women are in the public sector, and about 3% are in the private sector, as shown in the graph above (*Source: Joshi et al 1997*). Sectorally, the service and agriculture sectors employed about 49% and 45% respectively of the female labor force, while the industrial sector employed about 6% females.

- About 15% of women worked in the informal sector, according to census data from the former Yemen Arab Republic (YAR), and 13% of professional and technical jobs, and about 2% of administrative and managerial jobs were occupied by females (*Source. MENA Regional Gender Action Plan, 1996, The World Bank*).

<sup>42</sup> Male LFPR grew from 35% in 1990 to 72% in 1994. Source: World Bank 1995.

## Women in Public Life

- ◆ In general, women have little participation in public decision-making except indirectly through their male relatives who elect or work through traditional and local government leaders. Governors, *Mudir Al Nahiyah* (District Directors), and the *Shaykh* (traditional leaders of sub-districts), *Aqui*, *Amin* and *Adil* (local authorities at village and hamlet levels) are all male.
- In most rural areas, women have little participation in public positions of authority, generally considered the domain of tribal chiefs and older males. A woman's ability to influence or participate in community decisions depend on her economic power, personal ties with family members, and the degree to which her priorities are in line with those of male leaders or considered legitimate by them.
- ◆ Women's participation in the political system is also marginal compared to that of men, and very few women are part of the judicial system, ministries, tribal councils, municipal councils, legislative or consultative assemblies. In 1993 when the Supreme Election Committee was formed, there was only one woman serving on this body as compared to 17 men.
- About 11% of local (municipal) seats were held by women in 1990-94, only 1% of parliamentary seats were occupied by women in 1995, while there were no ministerial posts filled by women during this time. More women occupy diplomatic posts than other government positions of authority: in 1996, Yemen could boast of modest but improving achievements in this regard, such as 26 women diplomats, 2 women at the level of minister plenipotentiary, and about 16 other career diplomat positions<sup>43</sup>

## Women's Roles in the Agriculture

- ◆ *Importance of Agriculture.* Yemen's agricultural sector provides about 18% of gross domestic product, gives employment to about 70% of the economically active population, and provides about one third of the nation's staple food supply. The principal crops are: cereals, especially sorghum and millet; legumes (notably lentils and chickpeas); a wide variety of vegetables and fruits; cotton and coffee. In recent years, the most profitable crops have been *qat*, grapes, potatoes and onions. Extensive, albeit poor, pasture and widespread fodder production support livestock herds: predominantly sheep and goats.
- ◆ *Women's roles.* Typically women work in subsistence farming, while men work more on cash crops. The main producing unit is the extended household<sup>44</sup>, which allows

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<sup>43</sup> E.g. advisors and first secretaries, second secretaries and diplomatic attaches -- see Republic of Yemen, Women's National Committee, *The Status of Women in Yemen*, Sana'a, August 1996, p.3.

<sup>44</sup> In rural areas, the extended patrilocal household is still common, and involves a pattern where, as they marry, men bring in their wives to their parental household. This pattern helps avoid land fragmentation. Women, on the other hand, marry out and join their husband's households, although they retain the right to return to their parental home.

women to pool their work. In better-off households, women do less home production and spend more time preparing meals and housekeeping.

- In farming households, men and women have separate production tasks, although women have been known to take on male tasks such as ploughing during the period of large-scale male labor out-migration to neighboring countries. Women are primarily responsible for the daily care of livestock (feeding and milking cows, sheep and goats); for planting, weeding and harvesting cereal and vegetable crops; for post-harvest processing (sorting, drying and storing grain and other products), and the preparation and processing of products for daily consumption (e.g. clarified butter and yohurt), as well as for sale.

- Men, on the other hand, usually do land preparation, ploughing, threshing and maintaining irrigation ditches, are responsible for cultivating cash crops (e.g. qat and coffee), and manage most transactions in the exchange or sale of the harvest. Men also assume responsibility for tending camels and donkeys.

- In North Yemen women used to participate in marketing activities, especially in local markets, e.g. in the sale of vegetables, cooking fuel (animal fodder, firewood, and charcoal), small animals (mostly poultry), pottery, baskets (made by themselves from local fibers) and prepared foods (tea, bread, *ghee* etc.)

- ◆ *Access to Inputs.* Women in general have little access to farm inputs (seeds, fertilizer), and find it difficult to access credit since they do not have ownership rights over land, and thus lack collateral. Although women inherit land and often purchase land with their own funds, most married women have full rights of disposition only if they are widowed or divorced. Moreover, it is customary to register land in the names of male kin or husbands, thus providing women no source of collateral for obtaining rural credit<sup>45</sup>.

- ◆ *Access to water.* Yemen is faced with increasingly acute water scarcity and depletion. It is one of the most water-short countries in the world, both for household consumption as well as for agriculture and irrigation. Failure to meet potable water requirements would intensify health and environmental problems for the population in general; but they are of special concern for rural women and girls who are primarily responsible for conveying water, and spend several hours each day conveying water.

- ◆ *Energy.* Despite the fact that Yemen is rich in natural gas reserves, over 90% of household energy consumption needs are still being met from fuel-wood. The residue from harvesting cereal crops as well as animal dung is used by women as cooking fuel. Women's collection of fodder for animals and fuel-wood can take up to seven hours per day (*Source: Joshi et al, 1997, The World Bank*).

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<sup>45</sup> Source: Yemeni Women's National Committee 1996, Status of Women report, Sana'a, pp. 37-38..

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## Annex 2

### Conflict Vulnerability Analysis

This section is intended to meet the requirements of the USAID General Notice of June 21 1999 (addressed in ADS section 201.3.8.3 Conflict Vulnerability Analysis, effective date 01/31/2003). This requires, as par of a new country-level strategic plan, Operating units in the field must (1) prepare and appropriate conflict vulnerability analysis that addresses the potential for conflict; (2) summarizes the findings of such analysis in the Strategic Plan; and (3) specifically indicate when and how these findings affect the proposed strategic plan.

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## **Introduction**

*(The paper is derived from, summarizes, and extensively quotes verbatim from: "Yemen: Coping with Terrorism and Violence in a Fragile State. International Crisis Group", January 8, 2003. ICG Middle East Report Number 8.)*

In Yemen's recent history, there has been violence on a large scale, such as the 1994 civil war, and sporadic, isolated incidences, including the murder of 3 US missionaries in December 2002. The current level of violence and instability is related to a number of internal and external forces.<sup>1</sup>

## **Sources of Conflict**

We have identified 4 sources of conflict: economic, political, cultural and external. All have specific historic foundations and are interrelated.

### **Economic Sources of Conflict**

Economics alone, even when indicators are nearly uniformly negative, as they are in Yemen, do not in themselves represent a destabilizing threat. In Yemen, however, with its history of tribalism and Islamist terrorism, any threat to the welfare of the average citizen of Yemen will have effects on the ability of the government to maintain stability within its borders.

Yemen is a largely rural country, even though agriculture accounted for only 15.5% of the 2001 GDP<sup>2</sup>. Industry, including the production of oil, accounts for the largest share of the economy at 42%<sup>3</sup>. Yemen, one of the poorest countries in the Arab world, reported strong growth in the mid-1990s with the onset of oil production, but has been harmed by periodic declines in oil prices. Yemen has embarked on an IMF-supported structural adjustment program designed to modernize and streamline the economy, which has led to substantial foreign debt relief and restructuring. Aided by higher oil prices in 1999-2000, Yemen worked to maintain tight control over spending and implement additional components of the IMF program. A high population growth rate and internal political dissension complicate the government's task.<sup>4</sup>

Economic indicators have not been good for Yemen's economy, including:

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<sup>1</sup> In addition to the ICG report, general background information was collected from a number of sources, including the CIA, at <http://www.cia.gov/cia/publications/factbook/index.html>

<sup>2</sup> World Bank Republic of Yemen at a glance (2003):  
[http://www.worldbank.org/data/countrydata/aag/yem\\_aag.pdf](http://www.worldbank.org/data/countrydata/aag/yem_aag.pdf)

<sup>3</sup> Countries of the World and Their Leaders Yearbook 2003. Daiva Marija Ziedonis, Editor. USA: Gale Publishers.

<sup>4</sup> US Central Intelligence Agency, 2003. <http://www.cia.gov/cia/publications/factbook/index.html>

- A forecasted drop in the oil price in 2004 to US\$19.6/barrel, which, with oil output also dipping slightly by 0.1%, will reduce Yemen's oil revenue by 23%<sup>5</sup>. (The local value of food exports is also expected to decline.)
- The lingering impacts of the Yemeni backing of Iraq in the 1990-91 Gulf war, which included a reduction in US aid, which dropped from \$20.5 to \$2.9 million per year, but also a the loss of over 1 million jobs among Yemen's migrant workers throughout the Arabian Peninsula (700,000 special Yemen work permits were rescinded in Saudi Arabia alone). This last figure was perhaps the most damaging since remittances are an important source of household income throughout the developing world.
- The Gulf War's economic impact was also felt in a reduction in the exchange rate, from 10 riyals per dollar in 1990 to 170 in November 2002, increased crime and unemployment.
- An increase in the cost of all imported goods, due to the drastic loss of value of the riyal, and a reduction in the per capita income, which was less than US\$300 in 2000, and 31.5% of the population lived below the poverty line.

### **Political Sources of Conflict**

Two fundamental events impinge on political conflict in Yemen: 1) the 1994 Civil war and 2) the increasing violence and visibility of Islamist terrorist, and their foreign counterparts, within Yemen.

The Republic of Yemen was established 22 May 1990, with the merger of the Yemen Arab Republic [YAR, Yemen (Sanaa) or North Yemen] and the Marxist-dominated People's Democratic Republic of Yemen [PDRY, Yemen (Aden) or South Yemen]. Previously North Yemen had become independent on November 1918 (from the Ottoman Empire) and South Yemen had become independent on 30 November 1967 (from the UK).

In November 1989, the leaders of the YAR (Ali Abdallah Salih) and the PDRY (Ali Salim Al-Bidh) agreed on a draft unity constitution originally drawn up in 1981. The Republic of Yemen (ROY) was declared on May 22, 1990. Ali Abdallah Salih became President, and Ali Salim Al-Bidh became Vice President.

A unity constitution was agreed upon in May 1990 and ratified by the populace in May 1991. It affirmed Yemen's commitment to free elections, a multiparty political system, the right to own private property, equality under the law, and respect of basic human rights. Parliamentary elections were held on April 27, 1993. International groups assisted in the organization of the elections and observed actual balloting. Negotiations between northern and southern leaders resulted in the signing of the document of pledge and accord in Amman, Jordan on February 20, 1994. Despite this, clashes intensified until civil war broke out in early May 1994.

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<sup>5</sup> Economist Intelligence Unit: Yemen Country Report (Copyright 2003)

Almost all of the actual fighting in the 1994 civil war occurred in the southern part of the country despite air and missile attacks against cities and major installations in the north. Southerners sought support from neighboring states and received billions of dollars of equipment and financial assistance. The United States strongly supported Yemeni unity, but repeatedly called for a cease-fire and a return to the negotiating table. Various attempts, including by a UN special envoy, were unsuccessful to effect a cease-fire.

Southern leaders declared secession and the establishment of the Democratic Republic of Yemen (DRY) on May 21, 1994, but the DRY was not recognized by the international community. An armed opposition was announced from Saudi Arabia, but no significant incidents within Yemen materialized. In the aftermath of the civil war, YSP leaders within Yemen reorganized the party and elected a new politburo in July 1994. However, the party remained disheartened and without its former influence. Islaah held a party convention in September 1994. The GPC did the same in June 1995.

In 1994, amendments to the unity constitution eliminated the presidential council. President Ali Abdallah Salih was elected by Parliament on October 1, 1994 to a 5-year term. The constitution provides that henceforth the President will be elected by popular vote from at least two candidates selected by the legislature. Yemen held its first direct presidential elections in September 1999, electing President Ali Abdallah Salih to a 5-year term in what were generally considered free and fair elections<sup>6</sup>.

In addition to the civil war, other political factors should be considered:

- The Islah party, formed in 1990 of various Islamist forces within the government, has been accused of links to extremist elements within Yemen, although Islah is also often seen as a mediator between the government and fundamentalist religious group within Yemen.
- Islamist influence grew after unification in 1990, which coincided with the return of the “Arab Afghans” to Yemen, and a number of influential leaders, including Abd al-Majid al-Zindani, an associated of Osama bin Laden and, after returning to Yemen from Afghanistan, founded the Islah party.
- The Islah party has also been considered a home for the Yemenis who returned home from the Afghan war, are considered the main reason for the growing influence of Islamism in Yemen.
- Local support of Islamic schools, the history of which dates long before the advent of al-Qaeda, which provided some basic schooling in Islamic Orthodoxy, but also provided training for the *mujahidin* who fought in Afghanistan and against local “infidels”.
- Offshoots of the Islah party include the Yemeni Islamic Jihad Movement and the Aden-Abyan Islamic Army, which allegedly have organizational and institutional relations with al-Qaeda.
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<sup>6</sup> US State Department, [www.state.gov](http://www.state.gov).

- Recent Islamist activity within Yemen, including the attack on the USS Cole and the attack on British Council members, have been supported by outside groups with the assistance of local Islamist groups, including the Aden-Abyan Islamic Army.
- A number of widely known acts of terror have recently occurred within Yemen, such as the bombing of the *USS Cole*, after a failed attempts at the *USS Sullivans*, the destruction of the French Oil Tanker *Limburgh*, the killing of 3 British Council Members and on a separate occasion 3 American Missionaries.
- As others have noted that while there is little doubt concerning the presence of al-Qaeda operatives in Yemen or the links between Yemeni and foreign militant Islamist organizations, the radicalization of Yemen's Islamists and the violence that continue to plague the country stem from a complex reality in which governmental policies and tribal conflict play no small part.

### **Cultural Sources of Conflict**

Tribes form a core ethnic identifier for many, if not most, of Yemen's population. These identities are important because conflict is often based on tribal affiliation, particularly between tribes and with the government. A number of relevant features of tribal politics are important.

### **Tribalism**

*[Source: Notes on tribes summarizes and includes extensive verbatim quotes from "Yemen, the Tribe and State" by Dr. Elham M. Manea and from Yemen: a Lonely Planet Survival Kit. 1996. Pertti Hamalainen. Hawthorn, Australia]*

Social life in Yemen is based on nuclear families, which are integrated into domestic households, typically with more than one nuclear family per household. These households come together into larger units denoted as sub-tribes. Tribes, the highest order genealogical unit, can be defined as a large collection of related households. (In the anthropological literature, a tribe of this type is referred to a segmentary lineage.) Although tribal affiliation is not residential in nature (i.e. a person retains his or her tribal affiliation regardless of where he or she lives) there are traditional geographic boundaries associated with individual tribes.

Tribal affiliation governs a number of important social relations. Principal among these are marriage and land markets. It is preferred that members marry within their natal tribe. Likewise, land sales must occur between members of a tribe, to avoid alienation of the resource base from the tribe. Tribes are distinguishable by their dress and customs, which vary to some degree and are recognizable. Every tribe elects a shiek, who adjudicates in tribal disputes and applies the sharia where necessary. As a rule, the shiek always rules at the lowest level within which the disputants are related. For example, if

disputants are from the same household, he will not involve anyone outside the household in his decision-making. The sheik is also responsible for tribal foreign policy, including creating an army and managing external disputes.

Tribes also may come together to form federations of tribes. There are 3 federations in northern Yemen today: Hashids, Bakils, and Zaraniqs. Similarly, there are 7 tribes in the Sanaa basin, 2 of which belong to the Hashid tribe, and the remaining 5 to the Bakils tribe. These tribes are so influential, that a government cannot be formed without balancing tribal representation. Generally, tribes are more influential in the north than the south.

Tribal conflict is usually managed through a process of mediation, regulated by tribal law (*urf*). Tribes often have ongoing disputes, violent disputes (*thar*) that may last for generations. Local reports suggest that hundreds of people are injured or killed every year in tribal disputes, and the situation does not seem to be improving. In addition, it appears that recently tribal affiliations have moved from the countryside to the city, as sheiks establish second residences in the city and continue intertribal antagonisms there. In 2001, for instance, 3 separate intertribal incidents occurred in Sanaa which originated in other governorates. The number of non-combatants, i.e. women and children, killed in tribal conflict has been on the rise. Historically, norms of combat have avoided fighting in public places to avoid just such deaths. It is not known why these deaths are on the rise.

Tribal conflict, which can last from days to generations, have a myriad of causes. However, nearly half of those documented by International Crisis Group were disputes over land or water. This is because nearly half the Yemeni population is employed in agriculture (although it accounts for about 16% of GDP). Water scarcity is a particularly important problem due to reductions in ground water levels and rapid urbanization. Estimates put the groundwater pumping to be 4 times greater than replenishment. Water users rarely use courts to resolve disputes, partly due to a lack of relevant national legislation and the longevity of the disputes.

Tribes may often act in domains where the central government is particularly weak, as in the judiciary. Judges are poorly paid, their courtrooms poorly equipped and corruption is a common problem. Tribal actions act in place of the weak judiciary. Economic issues are also important. Tribes may complain that other tribes receive more government benefits than they do. Likewise, tribes in the oil-producing governorates of Marib, Shabwa and Hadramawt, complain that the government does not return sufficient oil revenues back to them, even though they produce 60% of the national income.

It is commonly believed that the government pits tribes against each other to further their own political agenda. At the same time, many tribal members have entered government service, and they tend to serve the needs of their own tribes, thus fueling existing tribal resentments. North-South divisions are exacerbated by a perception that Northern areas –

where tribes are more present and powerful – are represented by a larger and more cohesive power block than non-tribal south.

Other important issues exist.

- Inter-tribal rivalry, resulting in a number of deaths, has risen over the past few months. It appears, however, that the current spate of violence is a result of historical feuds and is unrelated to the government's crackdown on extremists.
- Tribal conflict increases during elections. The degree of election related violence has increased in the recent past.
- Other Arab Peninsular states have outlawed tribal feuds. In such cases, individuals are convicted of murder and executed while the tribe as a whole is fined. This has occurred in Yemen as well, although it is by no means a common practice.

The link between the State and Tribes has changed over the years. Prior to the establishment of Yemen Arab Republic (North Yemen) in 1962 tribes generally complied with the Mutawakiliat Kingdom (1911-1962). They did so because they were forced to through physical intimidation (generally kidnapping) and through a divide and rule strategy, i.e. the Kingdom would play one tribe off against another. Not surprisingly strategies similar to these are used by the current government of Yemen, although perhaps to a lesser degree.

In 1962, the establishment of the YAR in the North followed a civil war between those aligned with the Republican side, supported by Egypt, and the Royalists, supported by Saudi Arabia. Tribes used that conflict as a way to increase their own wealth and power, receiving assistance from Egypt or Saudi Arabia. This alliance solidified the power of the tribes who, having large sums of money and weapons, emerged as an economically independent social forces, powerful enough to actively influence the political system. Although the government later tried to infiltrate the tribes and incorporate them into the political system in the north, it was the tribes who successfully integrated themselves into the political system. Tribes were (and are) heavily represented in the bureaucracy, its army, legislative and executive bodies and the political system as a whole.

*(No governorates in the south are part of USAID strategy.)* In the South the role of tribes is much less than in the North. Tribalism in the south was severely condemned by the Marxist regime in place after 1967, the year of South Yemen independence from Britain. Therefore, most political strife was between socialist elites in the country rather than between tribes.

After unification, the roles of the tribes was strengthened. During the brief pre-civil war period (1990-1994) the role of the tribes was somewhat diminished. However, after the start of the civil strife, tribes went into a self preservation mode, due in part to the chaotic atmosphere in the country. In the south this meant a resurgence of tribes subdued prior to 1990, and the north a resurgence of existing power. Conferences were held that

attempted to unify the tribes who by this time recognized that the government was in fact, pitting tribe against tribe. The slogans of these conferences “Yemen is the Tribes and the Tribes are Yemen” reflected the tribal identity of Yemen according to Tribal leaders, and most probably most tribal members.

The situation today reflects a disjuncture between various definitions of the Yemen nation. Tribal members consider themselves Yemeni. However this is not to be confused with membership in the nation-state of Yemen. Ultimately, most people would say that the political elites in Sanaa only nominally represent most members of tribes.

Historically, an absence of a central control has been associated with a rise in the importance and power of tribes. In addition, the presence of fertile land in the North has been a fundamental reason for the importance of tribes in the north and their lack of importance in the South. The tribe-state relationship in Yemen can be characterized in two ways: 1) tribal perception is distinct from the nation-state (i.e. people identify themselves as members of a tribe, not a state; and 2) there is a continuing alienation of average tribal members from their leaders, many of whom are establishing themselves as political elites in the major cities.

The dilemma facing the Yemeni political establishment, and USAID, is not nation-building. There is already a Yemeni nation (i.e. a group of people who identify themselves as Yemenis). What is lacking is a public identification with the state. So what’s needed is not nation but state-building – the creation of public legitimacy in areas traditionally managed by the state. If tribes are part of this process, the conflict associated with tribal violence and conflict will be reduced.

### **Kidnappings**

Kidnappings are a significant risk factor for foreigners living in Yemen. Since 1990, 200 foreigners have been kidnapped in Yemen, all but 3 of whom have been released unharmed. Generally the kidnappings have been used for specific purposes, such as influencing government policies, to extract development funds etc. Often these are tribally based activities. One incident, which occurred in Abyan in 1998, was motivated by Islamic radicals, and is thus linked to the growth of militant groups and their violent activities in Yemen. In this case, foreigners were kidnapped to confront foreigners rather than to extract concessions from the government. This case highlights the potential for political motivations for kidnappings and the probable blurring of lines between traditional kidnapping as a tool for extracting concessions and as a means to make violent political statements.

### **External Sources of Conflict**

The government of Yemen responds to pressures from within the country and from outside. Sometimes they effectively balance the two forces, but often decisions are made that anger one side or the other. In particular, countervailing forces are the government’s

alliance with the US in its war on terrorism and the Islamist element within its borders. The balancing act necessary to appease both sides will become more complicated, particularly if there is an invasion of Iraq by US or multinational forces. The government seems worried to avoid the problems it encountered in its decision to side with Iraq in the Gulf War, which appeased local militants, but they paid a heavy price in economic and political terms.

Three important external conditions shape conflict conditions within Yemen: the influence of Saudi Arabia, the Afghan war and the Israeli-Palestinian conflict, and the US war on terrorism.

Relations with Saudi Arabia are not always smooth. The countries share a long border, there has been internal meddling by outside forces (in both directions), and some economic problems due to the Saudi's dominance in OPEC and world markets. Recently, relations have thawed, although border disputes, particularly in areas where tribal groups cross international boundaries, continue to be a source of conflict.

The presence of Yemen's religiously conservative populations makes the conflict situation vulnerable to outside (especially pan-Arab) influences. Top among issues of relevance are the Afghan war, the role of former combatants, and the Israeli-Palestinian conflict. Social movements protesting, for instance, the bombing of Afghanistan in 2001, have a marked influence on the government, which has a tenuous at best control over its population. Likewise, the plight of the Palestinians, particularly vis a vis US cooperation with Israel, creates tensions for the Yemeni government but also for US government personnel working in Yemen.

The attack on the *USS Cole*, and later the September 11<sup>th</sup> attack, have put President Salih's government in a tenuous position. This is due to the now recognized role that some Yemenis played in attacks and the pressure the US was putting on local government to be either, paraphrasing President Bush's remarks, with us or against. A delicate balance was achieved by Salih's government, which includes:

- Cooperation with and taking steps against al Qaeda;
- Keeping US presence low key;
- Blaming US presence on Islamist within the country;
- Criticizing US policies toward Iraq and the Israeli-Palestinian conflict.

Some within the USG fear the Salih will use the war on terror to further his own, unrelated goals. Significant cooperation between the US and Yemen has been achieved: signified by the CIA-controlled drone used to fire a Hellfire missile at a car carrying *al Qaeda* suspects in Yemen. Salih's government was strongly criticized for its involvement – giving permission for it to occur – and vows of revenge were voiced by Islamic Militants.

**Summary Table: Sources of Conflict**

	<b>Economic</b>	<b>Political</b>	<b>Cultural</b>	<b>External</b>
<b>Probability of Occurrence</b>	High	Medium	High	Very High
<b>Pervasiveness of Threat</b>	High	Low	High	High
<b>Potential Impact on Yemen</b>	Low	High	Medium	Medium
<b>Potential Impact on USAID Programs</b>	Low	High	Low	High

**Economic summary**

Labor unrest and similar conflict are very likely to occur and they are pervasive. However, their impacts will tend to be low on both Yemen and USAID programs.

**Political Summary**

In the near term, it is possible that there will be some Islamist and opposition party activity and perhaps residual violence from the 1994 civil war that could impact on the USAID program if they impact the ROYG. However, these are expected to be isolated incidents and relatively infrequent, although most likely reported worldwide.

**Cultural Summary**

Inter-tribal warfare and kidnapping are part of Yemeni society and therefore fairly likely to occur. However, because tribal warfare tends to be isolated between the tribes—and unlikely to affect USAID directly—this is of low concern to USAID. Likewise, Yemen as a whole will be mostly unaffected by a continuation of tribal warfare. What is of more concern is the increasing link between government and tribes and the potentially destabilizing effect of tribal warfare may have.

**External Summary**

The effects of external sources of conflict are perhaps the least predictable. The residual impact of the US victory in the war with Iraq are expected to have a direct effect on Yemen, although it is unclear what this effect will be. It is possible that outcomes will be conflict-free (e.g. a national strike, or flag-burning in front of the US Embassy), but they

could include significant acts of violence, including Islamist activities directed at Americans.

The continued threat from al Qu'ida and related Islamic fundamentalism factions in Yemen is a more serious concern. Should these activities escalate they could significantly on USAID's ability to implement its program in support of the Embassy MPP.

### **Conflict Triggers**

Yemen is not a simple place to categorize, likewise its conflict situation is complex in origin and is in flux. There are significant sources of conflict:

- international terrorist groups operating within Yemeni borders
- tribal warfare and the government's role in these conflicts
- disaffection with government and development resource allocation
- diminishing economic prospects and widespread poverty
- kidnappings of foreigners
- a religiously conservative, and often vocal, populace
- a deteriorating resource base, particularly in the availability of water.

Alternatively, progress has been made in a number of areas:

- democratic reforms are continuing, creating the most open political system in the Arabian peninsula; and
- international relations with the US and Saudi Arabia are on the mend, following the serious rift after the first Gulf War.

### **Conflict Scenarios**

Although conditions in Yemen are tenuous, they are relatively stable. There will always be internal conflicts within Yemen, of varying degrees of importance. Kidnappings, general (and violent) strikes, and tribal warfare will probably always be part of Yemeni political and social culture. Some occurrences though will require greater reflection on the part of USAID-Yemen staff.

Public demonstrations against the US Embassy and US interests in Yemen are likely to continue due to the perceived "occupation" of Iraq until coalition forces are withdrawn. The ROYG's response will so much to set the tone and influence indicate the acceptable level of tolerance.

The likelihood of conflict over natural resources increases with the declining viability of those resources. Water is a particularly problematic resource, both because it's abundance is declining and Yemen is a naturally dry country. The nature of conflict over water will likely be intertribal and perhaps will be directed against the ROYG. This may not have much impact on the country as a whole, and will likely have most effect on

places where water shortages are most acute. USAID and its implementing partners will need to exercise caution and sensitivity when USAID health and agriculture activities impact on local water resources.

Another conflict scenario could include the attempt by a powerful tribal group, or Islamic fundamentalist organization to instigate some sort of independence movement, either as part of criticism of the national government or to consolidate power within their own region. This would be particularly damaging if conservative fundamentalists (particularly non-Yemeni) were somehow involved as combatants or organizers.

### **Conflict Prevention in the Context of USAID**

The primary objective of the Office of the USAID Representative to Yemen is to provide development activities that will contribute to the reduction of terrorist violence both within and outside Yemen. This is achieved through the provision of basic development benefits, such as better health care, increases in economic activity, increased education, increased household income, improved nutrition, increased community participation and a reduction in levels of poverty. To this end, the five governorates where USAID will be most active were selected because they are the most likely harbor Islamist activity and conflict. Clearly some development activities serve this goal better than others. Problems that are both solvable and significant offer the best chance for development success, and will be priorities. For instance, reproductive health, infant mortality and morbidity are serious problems. However, solutions are known to exist that are available and relatively inexpensive. Improvements in health care will reflect well on the US government, and are expected to engender positive feelings toward the US. Frankly, committed Islamists and terrorists may not be swayed by such a program. But their neighbors and relatives may be sufficiently influenced by the benefits of USAID assistance to limit Islamist and terrorist's capacity to operate freely.

### **USAID Response to a Crisis**

Avoiding conflict is of critical concern, but under limited operational control by USAID staff. However, pointing out the flashpoints, and sources of conflict allows Agency staff to alleviate, where possible, sources of conflict. In general, these causes are additive, so when more than one condition is present conflict is more likely.

Understanding of the conflict causation is necessary to take steps to avoid it. Recent literature, summarized in the Conflict Assessment Framework, points out 4 "clusters" of causation of conflict:

1. root causes
  - This refers to the motivating factors that compel violence. This might be considered the backdrop from which violence occurs but not a condition by itself. Ethnic identity, religious affiliation, access to land or water are common examples of a root cause.
2. factors that facilitate the mobilization or expansion of violence,
  - This refers to the means for violence to occur in a given location. For instance, revenue from diamond mining in southern Africa plays a significant role in the level and continuity of conflict, and the weaponry available to combatants.
3. causes found at the level of social and political institutions,
  - This refers to the institutional environment within which all social interaction occurs. For example, conflict is much more likely in failed states or in regions of relative lawlessness, e.g. blighted urban areas, or remote locations.
4. regional or international causes.
  - This refers to the fact that borders can be extremely porous. This suggests that ideas or event outside the country can influence the incidence of conflict. The Israeli-Palestinian issue is often cited as a reason for Islamist terrorism. In addition, human migration across national borders can cause internal conflict, particularly when migrants compete with locals for employment opportunities.

#### Yemeni Causes

1. Root Causes
  - Tribal affiliation, as distinct from the State
  - Fundamentalist Islam and its political implications
  - Large numbers of rural poor
  - Land degradation, especially among the terraced land area
  - Water shortages, increases in the ratio of off-take and replenishment, and an increase in the overall cost of water.
2. Facilitating Factors
  - The relative lawlessness of the outlying regions, a function of tribalism
  - Remnants of the civil war, particularly the presence of weapons and cash, in the hands of tribal leaders
3. Social and Political Institutions
  - The weakness of the Yemeni central government
  - Corruption of police and military personnel
  - Lack of government services throughout the country, but particularly in the south

4. Regional and/or International Causes

- The destabilizing role of Saudi Arabia
- Islamist rebels moving in and out of Yemen
- The US War on Terror

**Conceptual Conflict Mitigation Matrix**

	<b>Religious</b>	<b>Ethnic / Tribal</b>	<b>Economic</b>	<b>Institutional</b>
<b>SO 1: Health</b>	Be aware of religious and positions preferences in family planning and other health activities	Assure parity in quality/quantity of development resources among Tribes; include husbands and fathers in planning activities targeting females	Consider linkage of health education and employment; Develop education and literacy activities in relationship with life experiences and needs	Involve tribal officials where possible
<b>SO 2: Education</b>	Be careful not to offend religious values in curricula	Parity (as above)	Education for teens, to include boys and girls	Training to include sheiks, or tribal members
<b>SO 3: Economic Growth</b>		Do not assume national income is the same as tribal benefit	Try to assure equitable growth	Promote partnerships between the community and the ROYG at the district, governorate and national levels

[Note: this matrix was adapted from Conflict Assessment Framework, Sharon Morris, USAID/DCHA/ Office of Conflict Management and Mitigation]

## **Annex 3**

### **ENVIRONMENT ANALYSIS**

#### **[FAA 118/119 Report for the USAID Interim Strategy for Assistance to the Republic of Yemen]**

##### **Executive Summary**

Yemen has a unique and interesting biological and cultural heritage. Recent political events, including a joining of North and South Yemen and a subsequent civil war and reunification, have overshadowed important environmental problems. In addition, oil revenues, Yemen's main source of income, are set to decline in the near term, implying an increased reliance on non-oil sources of revenue for Yemen.

Increases in non-oil revenue are likely to come from the agriculture sector, increasing reliance on the natural environment for sustainable development. Projects in the agriculture and natural resource management sectors will need to address a set of fundamental environmental problems, including, declining water resources, land degradation, waste management, and habitat degradation (including biodiversity).

Yemen has a number of endemic species, some of which are threatened. A biodiversity assessment of vegetation, terrestrial fauna, mammals, birds (including seabirds, waterbirds, raptors, migrating and wintering) are included here. Major threats to biodiversity is also presented as well as threats to fauna and freshwater biodiversity.

Since Yemen is located at the conjunction of African, Asian and Palearctic ecological zones, the diversity of plants and animals is greater than in any other parts of the Arabian Peninsula. Indeed, the wide variety of environments within the country has resulted in some of the greatest biological diversity in the Middle East. Due to the range of environmental zones and relative isolation of the country, a number of endemic species are found. The valuable biological resources have an obvious scientific significance, but there are also major economic implications for sustainable productivity in the country. The genetic diversity of indigenous crops, most notably sorghum, and medicinal plants is of critical importance for pest management and the control of viral disease in the agriculture sector. Similarly, protection of critical habitats is necessary for sustainable fisheries and for reforestation of much of the country.

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## Introduction

*[Source: passages were summarized and extensively quoted verbatim from World Bank (2000) “The Republic of Yemen Comprehensive Development Review: Environment” Rural Development, Water and Environment Department, Middle East and North Africa Region, <http://worldbank.org> . A very similar discussion of environment can be found in Yemen: Human Development Report 1998. Ministry of Planning and Development, Republic of Yemen.]*

The Republic of Yemen lies in the south-western part of the Arabian Peninsula between latitude 12 o 40' and 19 o 00' North, and 42 o 30' to 53 o 05' East longitude. The country covers an area of some 555,000 sq km excluding Rub-Al-Khali, with about 2000 km of coastline along the Red Sea and the Gulf of Aden. Its altitudinal range extends from sea level up to 3760m at Jabel Al- Nabi Shauib, the highest point in the Arabian Peninsula. Yemen is bordered by Saudi Arabia to the north, the Arabian Sea and the Gulf of Aden to the south, Oman in the east, and the Red Sea in the west. Lying in the South-west of the country is the Bab-Al-Mandab Strait which is divided by Mayoon Island into two parts that also controls the pass way to the strait. Socotra Island in the Arabian Sea is the largest Yemeni Island (3650 km<sup>2</sup>) and lies some 510 km from the mainland coast. Besides Socotra more than 112 Yemeni islands are scattered in the Red Sea, the largest of which are: Kamaran, Great Hunish, Little Hunish, Zakar, Al-Zobair, Al-Tair, and other smaller islands<sup>1</sup>.

Yemen's climate is in the Sahel Belt and shares many features with African countries of the same latitude. However, rarely has famine been a part of Yemen history, partly due to the relatively large amount of arable land in Yemen. There are four distinct climatic regions in Yemen: the Tihama and Southern Coast, the Western Mountains, the Central Highlands, and the Outskirts of ar-Rubi' al-Khali. Variability in rainfall and altitude distinguish these regions. The Tihama and Southern Coast region is arid and hot. Monsoon rains come between July and September. The Western Mountains, rain is more plentiful and produces significant biological diversity, particularly in the southern and western slopes of the mountains (near the Province of Ibb). At higher elevations (above 1500 meters), crop cultivation is common. The Central Highlands (north) are arid and the summers are dry, although at higher elevations, sorghum and various vegetables are grown. The Outskirts of ar-Rubi' al-Khali (east and north) is generally arid, with various shrubs and grasses survive<sup>2</sup>.

The 2001 population of Yemen was approximately 18 million, 98% of whom are of Arab descent. Islam is the predominant religion. The majority of males are educated (79.4%) while fewer than half of the women are (33.9%). Unlike other people of the Arabian Peninsula who have historically been nomads or semi-nomads, Yemenis are almost

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<sup>1</sup> Socotra Islands will not be covered in this assessment since it is not part of the Mission's coverage area.

<sup>2</sup> Yemen, a Lonely Planet Survivor Kit. 3<sup>rd</sup> ed.. 1996 Pertti Mämäläilan. Australia:Lonely Planet Publishers.

entirely sedentary and live in small villages and towns scattered throughout the highlands and coastal regions.

Yemenis are divided into two principal Islamic religious groups: the Zaidi sect of the Shi'a, found in the north and northwest, and the Shafa'i school of Sunni Muslims, found in the south and southeast. Yemenis are mainly of Semitic origin, although African strains are present among inhabitants of the coastal region. Arabic is the official language, although English is increasingly understood in major cities. In the Mahra area (the extreme east), several non-Arabic languages are spoken. When the former states of north and south Yemen were established, most resident minority groups departed.

### **The Economy and Society of Yemen**

Yemen, one of the poorest countries in the Arab world, reported strong growth in the mid-1990s with the onset of oil production, but has been harmed by periodic declines in oil prices. Yemen has embarked on an IMF-supported structural adjustment program designed to modernize and streamline the economy, which has led to substantial foreign debt relief and restructuring. Aided by higher oil prices in 1999-2000, Yemen worked to maintain tight control over spending and implement additional components of the IMF program. A high population growth rate and internal political dissension complicate the government's task.

Remittances from Yemenis working abroad and foreign aid paid for perennial trade deficits. Substantial Yemeni communities exist in many countries of the world, including Yemen's immediate neighbors on the Arabian Peninsula, Indonesia, India, East Africa, the United Kingdom, and the United States. Beginning in the mid-1950s, the Soviet Union and China provided large-scale assistance to the YAR. This aid included funding of substantial construction projects, scholarships, and considerable military assistance. North Yemen became independent of the Ottoman Empire in 1918. The British, who had set up a protectorate area around the southern port of Aden in the 19th century, withdrew in 1967 from what became South Yemen. Three years later, the southern government adopted a Marxist orientation. The massive exodus of hundreds of thousands of Yemenis from the south to the north contributed to two decades of hostility between the states. The two countries were formally unified as the Republic of Yemen in 1990. A southern secessionist movement in 1994 was quickly subdued. In 2000, Saudi Arabia and Yemen agreed to a delimitation of their border.

At unification Yemen was struggling economically. In the north, disruptions of civil war (1962-70) and frequent periods of drought had dealt severe blows to a previously prosperous agricultural sector. Coffee production, formerly the north's main export and principal form of foreign exchange, declined as the cultivation of qat increased. Low domestic industrial output and a lack of raw materials made the YAR dependent on a wide variety of imports.

In the south, pre-independence economic activity was overwhelmingly concentrated in the port city of Aden. The seaborne transit trade which the port relied upon collapsed with the closure of the Suez Canal and Britain's withdrawal from Aden in 1967. Only extensive Soviet aid, remittances from south Yemenis working abroad, and revenues from the Aden refinery (built in the 1950s) kept the PDRY's centrally planned Marxist economy afloat. With the dissolution of the Soviet Union and a cessation of Soviet aid, the south's economy basically collapsed.

Since unification, the government has worked to integrate two relatively disparate economic systems. However, severe shocks, including the return in 1990 of approximately 850,000 Yemenis from the Gulf states, a subsequent major reduction of aid flows, and internal political disputes culminating in the 1994 civil war hampered economic growth.

Since the conclusion of the war, the government entered into agreement with the International Monetary Fund (IMF) to institute an extremely successful structural adjustment program. Phase one of the IMF program included major financial and monetary reforms, including floating the currency, reducing the budget deficit, and cutting subsidies. Phase two will address structural issues such as civil service reform. The World Bank also is active in Yemen, providing an \$80-million loan in 1996. Yemen has received debt relief from the Paris Club. Some military equipment is still purchased from former East bloc states and China, but on a cash basis.

Following a minor discovery in 1982 in the south, an American company found an oil basin near Marib in 1984. A total of 170,000 barrels per day were produced there in 1995. A small oil refinery began operations near Marib in 1986. A Soviet discovery in the southern governorate of Shabwa has proven only marginally successful even when taken over by a different group. A Western consortium began exporting oil from Masila in the Hadramaut in 1993, and production there reached 420,000 barrels per day in 1999. More than a dozen other companies have been unsuccessful in finding commercial quantities of oil. There are new finds in the Jannah (formerly known as the Joint Oil Exploration Area) and east Shabwah blocks. Yemen's oil exports in 1995 earned about \$1 billion.

Marib oil contains associated natural gas. Proven reserves of 10-13 trillion cubic feet could sustain a liquid natural gas (LNG) export project. A long-term prospect for the petroleum industry in Yemen is a proposed liquefied natural gas project (Yemen LNG), which plans to process and export Yemen's 17 trillion cubic feet of proven associated and natural gas reserves. In September 1995, the Yemeni Government signed an agreement that designated Total of France to be the lead company for an LNG project, and, in January 1997, agreed to include Hunt Oil, Exxon, and Yukong of South Korea as partners in the project (YEPC). The project envisions a \$3.5 billion investment over 25 years, producing approximately 3.1 million tons of LNG annually. A Bechtel-Technip joint venture also conducted a preliminary engineering study for LNG production/development.

## **Environment in Yemen**

The Republic of Yemen is located on the southern coast of the Arabian Peninsula. Its land boundaries are with Saudi Arabia in the north and Oman in the east. The coastline extends to more than 2,000 km. The country is characterized by five major land systems: (1) a hot and humid coastal Tihama plain, 30-60 km wide, along the Red Sea and the Gulf of Aden, (2) the Yemen Highlands, a volcanic region with elevations between 1,000 and 3,600 m. parallel to the Red Sea coast, and with temperate climate and monsoon rains, (3) the dissected region of the Yemen High Plateaux and the Hadramawt- Mahra Uplands, with altitudes up to 1,000 m, (4) the AI-Rub AI-Khali desert interior, with a hot and dry climate, and (5) the islands, including Socotra in the Arabian Sea and more than 112 islands in the Red Sea. Yemen's coastal and marine eco-system which include extensive mangroves, coral reefs, and seagrass areas, are of major economic importance for fisheries and tourism. Yemen covers a total land area of 55.5 million hectares. About 3 percent of the land can be used for agriculture, or about 1.6 million hectares, but only about 1.2 million hectares are actually cultivated. The main crops are cereals (0.7 million ha.), followed by fruits & vegetables (0.14 m ha.). Fodder and qat areas are smaller but significant at about 90,000 ha each. Mainly rangelands and some forest area cover 40 percent of the land area. Other land, mostly desert, constitutes the remaining 57 percent of the total land area. Renewable fresh water is very scarce. Fresh water available to the country of 2,100 million cubic meters (cu. m.) per year, and with a population of about 16 million (1997), the availability per capita is only 130 cu. m. per year. This compares with an average annual availability of 7,500 cu. m. for World and 1,250 cu. m for MENA. The resource is mainly ground water and its over exploitation is one of Yemen's major environmental problem. Fisheries resources are also important and the combined surface and deep water fish catch is about 80,000 metric tons per year. Oil and gas resources are also significant contributing about 85% to Yemen's export revenues . Environmental problem in Yemen are caused by three fundamental factors: (1) population growth, (2) poverty and (3) institutional weaknesses. These factors are discussed below.

## **Key Environmental Issues**

Yemen's natural resources are the basis of the national economy. The depletion or degradation of these resources represents not only a loss of the country's national capital but undermines the sustainability of its economy. Although Yemen is experiencing numerous environmental problems, GOY's NEAP focuses on those issues that are of national importance and that pose immediate threats to health and sustainable economic and social development. The main issues are discussed below.

### ***A. Water Depletion, Pollution, and Supply***

Yemen is facing a water crisis, in terms of depletion of water resources, water pollution, and water supply. Although complete data on the nature and magnitude of the water crisis are limited, the basic trends are reason enough for concern. For instance, according to Yemen Government sources, Yemen's per capita share of water resources is 137 m<sup>3</sup>, compared to 1250 m<sup>3</sup> in the Middle East and North Africa Region, and a world average of 7500 m<sup>3</sup>. Likewise, water resources imbalance, reached a deficit of 900 m<sup>3</sup> in 2000. Furthermore, irrigation consumes 90% of water, and it is used at 40% efficiency.<sup>3</sup>

Failure to meet the country's potable water needs will intensify health and environmental problems. The synopsis of main problems and specific concerns with regard to Yemen's water resources. as given in Table 1 is presented in more detail below.

Table 1: Main Environmental Problems and Specific Concerns in Water Resources

MAIN PROBLEM	SPECIFIC CONCERN
WATER DEPLETION, POLLUTION, PLUS	<ol style="list-style-type: none"> <li>1. OVER-EXTRACTION OF SUPPLY GROUNDWATER</li> <li>2. LACK OF WATER ALLOCATION AND CONSERVATION SYSTEMS</li> <li>3. WATER POLLUTION INADEQUATE WATER SUPPLY SERVICES</li> </ol>

#### **1. Over extraction of groundwater**

Ground water is being mined in many areas. Countrywide, it is estimated that current withdrawals of water for all purposes are over 130 percent of renewable resources. In 1994, water use was estimated at about 2,800 million cubic meters per year; the annual recharge is only 2,100 million cubic meters. Since unification of the country, uncontrolled drilling has spread to the south, which resulted in lower water tables. The most obvious impact of this trend is the increased cost of drilling deeper wells and increased pumping costs in existing wells. In Sanaa the ground water level is dropping by more than 4 meters per year. This is clearly unsustainable and a threat to future prosperity of the country.

Critical aquifers are expected to reach the end of their useful life within twenty years. The depletion and degradation of Yemen's ground-water resources represents a disinvestment of the country's natural resource base. In the short-term, depletion adds to disposable incomes, contributes to rural employment, and postpones the need for more expensive alternatives such as desalinization. In the longer-term, however, these trends are unsustainable.

<sup>3</sup> Summary of the Second Five-Year Plan for Economic and Social Development 2001-2005" (n.d.) Republic of Yemen Ministry of Planning and Development.

## **2. Lack of water allocation and conservation systems**

National policy and regulatory process for water allocation, conservation, and drilling is weak. Surface water is regulated by customary practice, modified by the impact of Government projects.

Ground water, with few exceptions, is currently unregulated although state ownership of land and equipment gave the previous government of the south de facto control. Even where there are regulations, they are rarely enforced.

Qat, which requires large amounts of water to produce, is another constraint to water conservation. Qat production occupies some 25 percent of the irrigated area, provides employment for some 500,000 people, and generates important incomes. Although the official policy towards qat is to restrict cultivation to low potential areas and to levy a sales tax, these measures are not adequately enforced. Due to its profitability and widespread domestic consumption, nothing has been done to restrict production, whereas tax revenues are estimated to be less than ten percent of dues.

In Yemen, land rights are privately held and controlled and the owner of the land believes to have unlimited rights over tubewell water on his land. This has led to the construction of numerous tubewells, resulting in over-irrigation, wasteful energy use, and depletion of ground water. Moreover, the sensitive nature of water rights has posed substantial constraints on water conservation and the regulation of the drilling of new wells.

Numerous management activities in both the north and south have aimed to ensure efficient, equitable, and sustainable use of water resources. Nonetheless, an ineffective institutional framework has undermined these actions. Most agencies have followed their own objectives to expand irrigated areas, meet potable water standards, and satisfy industrial needs. Individuals also have pursued their own self interest without regard to the surrounding community. Further, the responsibilities for planning, management, regulation, and development are fragmented among several agencies and the private sector. To compound these problems, the government has been unable to secure sufficient technical and enforcement capacity, particularly at the local level, to address the complexities of water resource management which requires management responses tailored to each hydrological system. Not only does this require a greatly improved understanding of specific aquifers and patterns of recharge, but it also calls for measures that discriminate between different areas that are inherently difficult to administer.

## **3. Water Pollution**

Water quality is deteriorating. Shallow aquifers, especially in urban areas, are becoming polluted and coastal aquifers are subject to saline intrusion. The capacity to plan and implement appropriate responses to water resources problems is undermined by insufficient data. Data on water quality and saltwater intrusion are particularly weak.

there are no national water quality standards, although WHO guidelines are generally applied to urban water supply monitoring for a restricted range of constituents.

Ground-water contamination is pervasive and poses a serious health threat for those dependent on water from private tankers and neighborhood wells in urban areas. Water resources are contaminated primarily by industrial and residential waste, seepage of wastewater, and low pressure, back siphonage, and cross connections. Consequently, many wells, especially those drawing water from shallow aquifers, are contaminated with viruses and bacteria, leaving large segments of the population vulnerable to waterborne diseases. In addition, ground water used in public water supplies is not filtered. In the poor neighborhoods, inadequate environmental conditions have led to outbreaks of diseases such as cholera, bacterial dysentery, infectious hepatitis, salmonellosis, and typhoid. It is estimated that about 70 percent of infant mortality (or 107 deaths per 1,000 life-births) is due to waterborne diseases.

Surface water is fully exploited and essentially distributed in the upstream parts of watersheds, and only limited flows reach the sea. The immediate impacts include: decline in water quality from diminished dilution of pollutants, seasonal or continuous shortfall in supply of downstream users, and increases in salinity in estuaries and other coastal areas.

#### **4. Inadequate water supply services**

Although water requirements for domestic and industrial purposes are estimated at less than 10 percent of total water consumption, competition among these water users is increasing due to population growth and increasing urbanization. In a situation where connections to the water network remain unchanged, water availability per capita is decreasing and the percent of the population that has access to piped water supply is decreasing as well. The problem in urban basins is compounded by growing water demand for agriculture and unclear water rights.

Currently, only 50 percent of the estimated 3.5 million urban population have access to public water supply systems. However, supplies are not always available, especially in the north. Sana'a, Taiz, and Mukalla are already running out of water for their existing populations and there are periodic shortages. The National Water and Sanitation Authority (NWASA) is officially responsible for the provision of water supply and sanitation services in urban centers with populations over 10,000 people. This agency, however, has not been able to fulfill its mandate. NWASA provides piped water to serve about 33 percent of the population of Sana'a, 39 percent of the population of Taiz, 25 percent of the population of Ibb, and 78 percent of the population of Dhamar. Pricing policies and incentives have not been used to increase the efficiency of urban services. In urban water supply, prices do not reflect the resource constraint; the prices charged do not even cover the cost for operating and maintaining the system, water is thus provided at a subsidy. Urban residents with no access to public drinking water 5 Comprehensive Development Review – Environment (often the urban poor) must obtain water from

private networks, private mater tank trucks, or their own wells. Bottled mater is available too. The cost of all non-public supplied mater is high.

Currently, about 40 percent of the estimated 11 million rural population receives piped supply. Here, expansion of public water supply is even more difficult given the high capital cost of new systems due to scattered or remote locations of settlements. At the same time, much of this population is concentrated in the highlands and alternative mater supply from seawater desalination is not an economically feasible option.

### ***B. Land Degradation***

Yemen covers a total land area of 55.5 million hectares. About 3 percent of the land can be used for agriculture, or about 1.6 million hectares. Rangelands together with forest and woodlands comprise almost 40 percent of the land area. The land is grazed by about 3.5 million sheep, 3.2 million goats, and 1.1 million cattle. Other land, mostly desert with limited use potential, constitutes almost 60 percent of the total land area.

Approximately 3,000 years ago, Yemeni farmers started clearing the hillsides and steep mountain slopes to increase the area of arable land. Terraces were constructed to conserve soil and water, to improve water use efficiency, and to increase crop production. The hillside terraces in Yemen constitute a national heritage and a monument to environmental sustainability and food security in years past. The terrace systems have developed in response to rainfall patterns and rainfall uncertainties aid provide optimal soil and water management in dry, mountainous terrain. The farming systems schemes so designed were sustained until recently. Similarly, range management occurred in well-balanced operations. During the last 30 years, social and economic changes have resulted in changing farming and grazing practices and in rapidly expanding urban areas. This in turn, lead to widespread soil erosion and sand encroachment, deforestation, agricultural and range land deterioration, and loss of farm land due to urban encroachment. An overview of these land degradation concerns is presented in the Table below.

Table: Main Environmental Problems and Specific Concerns in Land Resources

MAIN PROBLEM	SPECIFIC CONCERN
LAND DEGRADATION	1. SOIL EROSION 2. DEFORESTATION 3. AGRICULTURAL AND RANGE LAND DETERIORATION 4. LOSS OF FARM LAND DUE TO URBAN ENCROACHMENT

#### **1. Erosion**

Although soil erosion occurs naturally and has been a major problem in Yemen since the dawn of civilization, the rate of erosion is increasing as a result of the removal of vegetation and unsustainable land-use and farming practices, particularly the development of large-scale irrigation schemes and deterioration of terraces due to

inadequate maintenance. Sedimentation also is affecting reservoirs and diversion channels downstream. The areas most seriously affected by soil erosion are Anas, Bani Matter, Wadi Serbah, Hamman Ali, Wadi Afk, Raymah, Wadi Shiras, Wesab, and Wadi Bani.

The erosion of arable land undermines agricultural production and therefore leads to substantial economic losses. Although there are no quantitative data on the magnitude of soil erosion and the possible increase in erosion as a result of unsustainable land use practices, terrace erosion has emerged as a priority resource management issue in Yemen. Without the proper maintenance of the terraces, and related farming systems and water management practices, productive land reverts to a barren landscape of upper catchments with no soils and a gravel-strewn wadi-beds with no water flow. The collapse of the terrace system also forces rural population off the land and into the cities, which are already suffering from overcrowding.

Generally, efforts aimed at halting erosion are sporadic, inconsistent and have been undertaken by various actors with little or no coordination. There is limited awareness among development addition to the random physical expansion of urban areas, damage to lands occurs as a result of indiscriminate construction of roads and other infrastructure and disposal of waste.

Another aspect of uncontrolled urban growth is the occupation of hazard-prone areas by Yemen's urban population, particularly the urban poor. In several cities (e.g., Sana'a, Aden), unauthorized settlements are spreading rapidly on wadi beds and unstable slopes where periodic floods and landslides are often caused by urban infrastructure and result in the loss of lives and extensive damage to buildings and infrastructure. Flooding causes widespread property damage, traffic disruption, and erosion which often leaves underground water, sewerage, power and telephone lines exposed. Apart from the loss of valuable land, those most affected are the households living below the poverty threshold. Based on a survey of 5,134 households and small businesses in one area in Taiz, the annual direct loss from floods is about YR 29.24 million (or US \$2.7 million, using the official exchange rate) mostly in property damage and missing stock from households and shops. In the city of Sana'a and peri-urban areas, low-income groups also occupy abandoned quarries and land adjacent to municipal landfills.

Inadequate regulation is a key factor accounting for the occupation of hazard-prone areas. In some cases, there are no clear rules governing the settlement of urban areas or guiding urban expansion away from areas poorly suited to urban development. In some southern governorates hazard-prone areas were actually designated for residential development. In other situations, excessive regulation artificially reduced the supply of land and raised the price by requiring large lot sizes or excessive amount of land for traffic or recreation. By reducing the amount of land in the formal land market, excessive land restrictions have increased costs and thus constrained access by low-income populations to safe lands in suitable locations.

### ***C. Waste Management***

Table: Main Environmental Problems and Specific Concerns in Waste Management

MAIN PROBLEM	SPECIFIC CONCERN
WASTE MANAGEMENT	<ul style="list-style-type: none"> <li>• WASTE WATER MANAGEMENT</li> <li>• SOIID WASTE MANAGEMENT</li> <li>• HAZARDOUS WASTE MANAGEMENT</li> <li>• PESTICIDE. MANAGEMENT</li> </ul>

In principle, several options are available to better organize waste management - through a department of municipal government, local or regional sanitary district, or a private operating company or companies under contract to the government. To the extent possible, the institutions need to be empowered to generate revenues adequate to cover costs. Permitting and inspection of installations and enforcing standards should be Government functions but could be delegated to local authorities. Actual implementation tasks can best be carried out by the private sector under contract to or licensed by the Government.

#### **1. Waste water management**

Access to sewerage services is provided only to a limited percentage of the urban population. NWASA's waste water collection system only serves about 8 percent of Sana'a, 25 percent of Taiz, 25 percent of Hodeidah, 15 percent of Ibb, and 15 percent Dhamar. The infrastructure which was build in the seventies is no longer capable of handling the demand. Most residences and businesses dispose of wastewater in on-site septic tanks, leaching pits, or through clandestine connections to sewerage systems. Over 90 percent of the urban population depend on individual septic tanks, some of which are emptied by trucks owned by the municipality or private companies. In wet years, shallow groundwater rises and waste water and storm drainage flows in the open.

The most common type of wastewater treatment in Yemen is stabilization ponds, found in Taiz, Hodeidah, Dhamar, and Aden. Stabilization ponds are under construction in Rada' and are planned for ten secondary towns. In Sana'a, sewage has been receiving partial treatment in temporary stabilization Comprehensive Development Review - Environment 10 ponds since 1988, but no acceptable site for a long-term stabilization pond has yet been identified. In 1991, a new site was chosen to construct an extended aeration treatment plant. The only other activated sludge extended aeration treatment plant is in Ibb. Although the major cities have wastewater treatment facilities, a portion of the wastewater collected by trucks is disposed of untreated in nearby wadis, which eventually seep into aquifers or the sea.

Some wastewater is reused in irrigation on an ad hoc basis and without quality controls. In Sana'a, 2.5 times more sewage is discharged into groundwater recharge areas and into

freshwater aquifers than into the sewerage system. Private providers of municipal disposal of wastewater are not subject to insufficient regulation.

One of the most visible and serious impacts of inadequate waste water disposal is on historic inner-city buildings where dampness is rising to unprecedented levels. Yemen is one of the oldest civilizations in the world. Its architectural resources are perhaps the most spectacular and best known aspect of the country's heritage and tourism potential. The deterioration and loss of these resources in Yemen's cities, such as Sana'a and Shibam, is due in large part to insufficient maintenance of both buildings and infrastructure. In Shibam, for example, inadequate drainage systems and leaking water pipes have brought increasing amounts of sewage, and other pollutants straight into the ground around some of the highest mud buildings in the world. This has produced structural problems as evidenced by large cracks appearing on the buildings and eventual collapse. Islamic monuments such as the city wall of Shibam and the mosque at Bor are not receiving the care and maintenance that their antiquity demands.

Although the conservation of cultural properties is not viewed as a priority problem in light of other pressing pollution and resource management issues, the destruction of Yemen's cultural patrimony is irreversible. When important historic sites are degraded or destroyed, their value and the information they contain is lost forever. For many, the destruction of Yemen's cultural resources represents a loss of national identity and spiritual values. In some cases, the integrity of internationally significant resources is threatened.

## **2. Solid waste management**

Inadequate municipal solid waste management is a serious problem in the cities as well as in small towns and villages.

Waste collection is especially poor in the low-income neighborhoods, where most of the waste is dumped into wadis, streets, and open dumps. In many cases, accumulated refuse and the stagnant water resulting from the clogging of drainage systems, serve as breeding grounds for rats and insects, contributing to both disease and nuisance. the influx of migrants to the cities has compounded the problem.

Municipal solid waste disposal is a major concern, in particular in Sana'a. The capacity of the existing landfill has long been exceeded; waste presently reaches an elevation of five to ten meters above design level. Spontaneous combustion results in constant fires, widespread smoke, and odors. Moreover, the top of the landfill is dangerously close to high voltage power lines. The fence also has been destroyed allowing access to the landfill by scavengers and animals. The critical conditions of the landfill provoked residents living nearby to block access of disposal trucks to the field. Refuse is now disposed of on public land that had been previously zoned for recreational use.

The regulatory framework leaves many gaps. For example, there are no provisions for national or local regulation of solid waste collection and disposal. In some cases, municipalities have established informal arrangements to enforce appropriate refuse disposal. In the case of the municipality of Taiz, for example, NWASA can interrupt water supply to those residents that do not comply with minimum 11 Comprehensive Development Review – Environment requirements for safe disposal. The effectiveness of this mechanism, however, is limited to the extent that NWASA only supplies water for domestic purposes and to a very small portion of the urban population.

### **3. Hazardous waste management**

Although there are no definitive data, the total volume of hazardous waste produced in Yemen is estimated to be approximately 36,000 tons per year. Although this is a relatively small amount when compared to the amounts produced in industrialized countries, local impacts are considerable, particularly on ground water.

The types of hazardous wastes in Yemen include hospital waste, waste oil, industrial waste, pesticides, photographic waste, and pharmaceutical waste. The main sources of hazardous waste are textiles, food processing, cement, plastics, chemicals and petrochemicals, paper and printing industries, and tanneries. Among these, the cement industry, energy sector (refinery and power plants), textile industry, and the plastic industry are producing 85 percent of the hazardous wastes, most of which is oil or oily sludge. Due to expanding oil, chemical, pharmaceutical, plastic, and paint industries, the amounts of hazardous waste is expected to increase in the near future.

Some industries incinerate their solid hazardous waste in open pits. Other hazardous waste is dumped on open dump sites, or on private and municipal landfills, where supervision is inadequate. It is difficult to monitor dumping and ensure that disposal workers are protected or to control the hazards that toxic waste poses to the environment, in particular to fresh water.

Liquid hazardous waste is disposed of into the sewerage system or, as is the case in some industries, disposed of with the wastewater which is discharged into the surroundings without any treatment. There is no regular separation of medical, toxic, and domestic waste. Often, chemical from laboratories, blood banks, and x-ray departments as well as used oil and oily sludge are discharged directly into sewerage systems or disposed locally in the soil.

Hazardous waste is a growing environmental threat due to inadequate disposal of industrial discharges and the lack of separate collection and disposal arrangements in municipal waste management. The responsibility for managing hazardous and toxic waste is not clearly delineated and falls under eight ministries. The resulting duplication and inconsistencies lead to chaotic waste management.

#### 4. Pesticide Management

A special hazardous waste issue is the existing stock of outdated pesticides (about 300 tons) requiring safe disposal. Obsolete pesticide stocks are stored at the Desert Locust Center in Hodeidah and at Lahej in the south. These stocks consists of chlorinated hydrocarbon insecticides used in locust control, which are no longer approved for application, and so can not simply be used up. They can pose serious environmental problem and require immediate appropriate disposal.

#### D. Habitat Degradation

Located at the cross-roads of the African, Asian, and Palearctic ecological zones, and with a wide range of terrestrial, coastal, and marine landforms, Yemen is characterized by a rich variety of natural habitats, species and genetic diversity, including many endemic species. These resources are of major economic importance because of their potential for tourism, and the wildlife and fisheries they support. Also, numerous plants are used in traditional medicine, in local industries, and for grazing and fuelwood. However, in recent decennia human activity has transformed the landscape and overexploited available biological resources, which resulted in the deterioration of many habitats, in major reduction in plant and animal species.

Table: Main Environmental Problems and Specific Concerns in Habitat Degradation

MAIN PROBLEM	SPECIFIC CONCERN
HABITAT DEGRADATION	<ul style="list-style-type: none"> <li>• DEGRADATION OF NATURAL HABITATS (FORESTS, WETLANDS, COASTAL HABITATS)</li> <li>• LOSS OF BIODIVERSITY (EXTINCTION OF ENDEMIC, RARE AND ENDANGERED SPECIES)</li> <li>• LACK OF MANAGEMENT OF ECOTOURISM</li> </ul>

#### 1. Degradation of Natural Habitats

Many factors contribute to the degradation of critical habitats such as forests, wetlands, and coastal areas. Among these are inadequate management of municipal and industrial waste, haphazard urban land development, tourism, fuel wood collection, overgrazing, overfishing, and intensive agriculture. For example, the conversion of traditional agricultural systems to large-scale farming with greater dependency on fossil fuels, fertilizer, and pesticides is proceeding rapidly in the Tihama lowlands. Although this activity is largely isolated from the coast by the band of saline soil and halophytic shrubs, runoff and contamination by pesticides and sediments from soil loss in the upper watersheds have a negative effect on wadi's downstream. Similarly, the large-scale extraction of ground water by tubewells and the diversion of wadi runoff with barrages to support agriculture reduce the fresh water flows downstream. The effects of these

activities are likely to be reduction in nutrient input from flooding and changes in groundwater salinity that affect salt sensitive plant communities.

In the coastal areas the principal threats are as follows:

- urban development – critical habitats such as mangroves are being threatened by the disposal of raw sewage and untreated industrial;
- over-exploitation of coastal resources - continued fishing activity during the spawning season despite recommendations made by fishery experts; development of industrial scale fisheries has a potential for disrupting ecosystems upon which fish, shrimps, and another marine fauna depend.
- pollution from oil spills - oil spills occur frequently in the Gulf of Aden (ten spills were recorded in 1985); and
- physical destruction – bottom-trawling in shallow coastal waters destroys the egg deposits of the cuttlefish and damages seagrass vegetation which provides an important habitat for shrimp, extensive wood cutting destroys mangrove vegetation.

Effective management of natural habitats is hampered by (1) ineffective regulatory and economic policies, (2) a rudimentary information base - there is a lack of comprehensive surveys on the fauna and flora of Yemen, and (3) a lack of awareness regarding the importance of biological resources at the individual, communal, and national levels. Most important, however, are institutional weaknesses. The three main institutions that deal most directly with the county's habitat resources are the Environmental Protection Council (EPC), Ministry of Agriculture and Water Resources (MAWR), and Sana'a University. In addition, the Marine Science and Resources Research Center in Aden conducts research and training in various coastal and marine issues. All of these institutions, however, are unable to carry out or coordinate conservation initiatives without technical assistance and/or external funding. Shortcomings in the country's institutional capacity to address conservation problems are: a shortage of trained personnel, lack of coordination between ministries, and lack of enforcement capacity.

Effective management of coastal resources requires an understanding of the functioning of the marine and coastal system and their inter-relationships. Based on an analysis of available data on Yemen's coastal resources, however, many gaps can be identified. For example, little is known about changes in water quality and the composition and abundance of marine flora and fauna as a result of human activities. With respect to fisheries, data is needed on spatial and seasonal changes in the composition and size of the catches in relation to changes in the physical environment and the number and types of fishing units operating in the Red Sea and Gulf of Aden areas.

There is a need for coastal zone management (CZM). Coastal zone management is important to guide human development activities in the coastal zone, but is in particular vital to minimize or eliminate pressure imposed on the coastal ecosystems as a result of activities, such as urban development, port and industrial activities, fisheries, tourism, and road building. CZM should be based on information gathering and mapping of

current and potential critical habitats, reflecting the impact of environmental degradation on various coastal and marine living organisms and their habitats. The Yemeni coastal zone, because of its diverse habitats, has great significance in the life cycles of many marine animals such as sea turtles, sea cucumber, cuttlefish, shrimp, and larval and juvenile stages of many fishes. The marine and coastal habitats of Yemen are comprised of:

- sandy shores, important as nesting grounds for sea turtles
- rocky coasts
- saline mud flats, "Shabka"
- mangrove swamps, important as detritus producers for shrimp,
- palm groves, with doum palm (*Hyphaene thebaica*) and Phoenix *dactylifera*,
- coral reefs, important as feeding grounds for many fish and Hawksbill turtles (*Eretmochelys imbricata*), and
- seagrass beds, important nutrition for marine mammals, Dugongs (*Dugong dugon*), and green
- turtles (*Chelonia mydas*).

## **2. Loss of Biodiversity**

The "Biological Diversity Assessment of Yemen prepared by the International Council for Bird

Preservation summarized the main concerns in the conservation of biodiversity in Yemen as follows:

- Lack of adequate legislation to protect flora and fauna
- Lack of Institutional Capacities at EPC, MAWR, and Sana'a University
- Criteria for defining critical habitats or biotypes are missing
- Critical or endangered species of international or national interest occur, but insufficient information is currently available
- Genetic diversity is a major feature of a variety of species in Yemen, in particular for sorghum species.

Threats exist to an estimated 200 to 300 endemic bird species known in Yemen, including three globally threatened, an unknown number of endemic coral reef fish species, and wildlife such as ibex and gazelles. Threat occur as a result of indiscriminate hunting of birds and mammals. Collection of shells, corals, and coral reef fishes likewise leads to reduction in their number. There is a clear need for establishing protected areas.

Even with is a lack of precise information on the number of fauna and flora species present in Yemen, or on rare, threatened endemic species and their habitats, or inadequate legislation, proposals exist for the development of a network of protected areas. Specifically, the following high-priority sites have been identified: Socotra Island, Jebel Bura, Hugaria (Qubayta and Jebel Iraf), Mahra (Hawf), and the Tihama Mangroves.

### 3. Lack of Management of Eco-Tourism

There is considerable potential benefit for Yemeni nationals to develop eco-tourism in Yemen. However, as a national undertaking this sector is yet to be developed. Some international initiatives taken do not necessarily benefit local interest. National plans to organize the sector are needed as well as a modest unit in the Ministry of Tourism to guide sustained eco-tourism and to ensure that tourist developments are environmentally acceptable. Eco-tourism possibilities should be explored in conjunction with protected area establishment.

To focus initial NEAP activities on the most urgent national issues, the eleven problem areas were further narrowed down to four main problems. Consensus was reached that the four main environmental problems presented in Table 5 below constitute the current national priority issues.

Table: Main Environmental Problems and Specific Concerns in Yemen

MAIN PROBLEM	
WATER DEPLETION, POLLUTION AND SUPPLY	<ul style="list-style-type: none"> <li>• OVER-EXTRACTION OF SUPPLY GROUNDWATER</li> <li>• LACK OF WATER ALLOCATION AND CONSERVATION SYSTEMS</li> <li>• WATER POLLUTION INADEQUATE WATER SUPPLY SERVICES</li> </ul>
LAND DEGRADATION	<ul style="list-style-type: none"> <li>• SOIL EROSION</li> <li>• DEFORESTATION</li> <li>• AGRICULTURAL AND RANGE LAND DETERIORATION</li> <li>• LOSS OF FARM LAND DUE TO URBAN ENCROACHMENT</li> </ul>
WASTE MANAGEMENT	<ul style="list-style-type: none"> <li>• WASTE WATER MANAGEMENT</li> <li>• SOIID WASTE MANAGEMENT</li> <li>• HAZARDOUS WASTE MANAGEMENT</li> <li>• PESTICIDE. MANAGEMENT</li> </ul>
HABITAT DEGRADATION	<ul style="list-style-type: none"> <li>• DEGRADATION OF NATURAL HABITATS (FORESTS, WETLANDS, COASTAL HABITATS)</li> <li>• LOSS OF BIODIVERSITY (EXTINCTION OF ENDEMIC, RATE AND ENDANGERED SPECIES)</li> <li>• LACK OF MANAGEMENT OF ECOTOURISM</li> </ul>

## **BIODIVERSITY IN YEMEN**

*[Source: This section is based in part on, and quotes verbatim and summarizes, material gathered from “The Integration of Biodiversity into National Environmental Assessment Procedures: National Case Studies, Yemen” 2001. Produced for the Biodiversity Planning Support Programme UNDP/UNEP/GEF. In addition, these passages summarize and extensively quote verbatim from, “Biological Diversity of The Republic of Yemen.” 1992. By Daniel Varisco, James Ross, Anthony Milroy and edited by Michael Rands. International Council for Bird Preservation, supported by USAID, and US Fish and Wildlife Service]*

Since Yemen is located at the conjunction of African, Asian and Palearctic ecological zones, the diversity of plants and animals is greater than in any other parts of the Arabian Peninsula. Indeed, the wide variety of environments within the country has resulted in some of the greatest biological diversity in the Middle East. Due to the range of environmental zones and relative isolation of the country, a number of endemic species are found. The valuable biological resources have an obvious scientific significance, but there are also major economic implications for sustainable productivity in the country. The genetic diversity of indigenous crops, most notably sorghum, and medicinal plants is of critical importance for pest management and the control of viral disease in the agriculture sector. Similarly, protection of critical habitats is necessary for sustainable fisheries and for reforestation of much of the country.

### **Vegetation**

The flora of Yemen is especially rich, with an estimated 1,700 plant species in a wide variety of ecological habitats. About one-third of these belong to the Saharo-Arabian plant geographic region. The remaining two-thirds are of African orientation. There is a high degree of similarity of both plant and animal species with East Africa, although the areas have been isolated for at least 18,000 years. The variations in elevation and rainfall in the western escarpment have led to significant genetic variation. Much of the original forest cover has been denuded (as of 1991), especially in the last two decades, for fuelwood. The rangeland remains an important part of the agricultural ecosystem, although this has deteriorated with the collapse of numerous terrace systems. A wide range of plants have been used in traditional medicine and in local industries in Yemen's history. Some of these species (e.g. certain *Aloe*, *Juniperis*, and *Acacia*) are rare and important. There is a variety of marine plant communities, the most important economically being the mangrove forest on which the shrimp stock depends.

Species diversity is a result of considerable climatic changes in former periods, which enabled different species to survive in the different ecological habitats. Over 3000 plant species are possibly found in the mainland, and about 10% of them are endemic. One checklist comprised 467 plant species belonging to 244 genera from 71 families. Socotra Island is unique in its flora and like many oceanic islands, has a high level of endemism.

The latest study reported that Socotra contains approximately 850 plant species, 254 (about 30%) of which are endemic. Out of the eighteen plant genera endemic to the Arabian Peninsula, ten genera are restricted to the Socotra archipelago. The majority of endemic taxa in Yemen are associated with mountainous areas which provide a rich variety of ecological niches and offer a degree of environmental stability during periods of climatic changes. Endemism is generally very high among the succulent plants. The largest numbers of endemic species are found within the *Asclepediaceae* taking into account the *Stapeliad* genera (*Carraluma*, *Duvalia*, *Huernia*, and *Rhytidocaulon*). *Euphorbiaceae* and *Aloeceae* also have high percentage of endemism as they include the succulent *Euphorbia* and *Aloe* species respectively. Socotra Island contains about 30% of endemic species. Precise data on the status and number of rare and endangered plants are not available. Some eight species (seven of these from Socotra) are included in the IUCN Red Data Book as being endangered or rare, and an additional 19 species are considered to be endangered or rare at the national level in Yemen. The medicinal flora in Yemen is not yet well documented, as research on this subject is still limited. However, medicinal and aromatic plants are of great interest and use to Yemenis. There are accumulated experiences in using these plants as traditional remedies to cure diseases in different areas of the country while others are used as cosmetics, condiments, coloring matters and flavoring agents. A list of 224 medicinal and aromatic plants species along with their scientific names, families, vernacular names, distribution, active substances, medicinal use has been compiled. A similar study concentrated on the use of medicinal plants endemic to Yemen. Other uses include 19 species of common trees and shrubs used for fuel wood, seven species used as timber for construction, another 19 species for dune stabilization and a great number of plants (weeds, trees, shrubs, grasses and some succulents) are used by grazing ungulates.

### **Terrestrial Fauna**

The fauna of Yemen is also quite diverse, in large part because of the range of plant communities and habitats. New species are regularly being described as scientific research on the fauna continues. The long history of human settlement and transformation of the landscape into a terrace cultivation ecosystem have led to major reduction in the larger vertebrates, particularly mammals. The ibex and three species of gazelle, were once plentiful here, but are severely threatened today. Indications are that there has been a major decline in the number of most species of large mammal during the past three decades because of increased access to remote areas of the countryside and the use of rifles and automatic weapons. From a scientific point of view, certain species are of particular interest because of the long genetic isolation from African components (e.g. local race of baboon populations). Among the more important declining, rare and/or threatened and endemic vertebrate species in Yemen are: Leopard, Caracal, Queen of Sheba Gazelle, Ibex (possibly extinct), Ruppell's Sand Fox, Striped Hyaena, African Small-spotted Genet, Dugong, Green and Hawksbill Turtles, Bald Ibis, Arabian Bustard, Philby's Rock Partridge, Arabian Red-legged Partridge, Arabian Woodpecker, Arabian Accentor, Arabiamn Wheatear, Yemen Thrush, Yemen Warbler, Arabian Golden

Sparrow, Arabian Waxbill, Arabian Serin, Yemen Serin, Golden-winged Grosbeak, and Yemen Linnnet.

Yemen has a rich and diverse terrestrial fauna primarily due to two factors: the wide range of habitats in the country that vary from the highest mountains, to the plains, dry sand-deserts, marshes, coastal habitats and volcanic ocean islands; and the country's position at the juncture of three major biogeographic regions, the Palearctic, Afrotropical and Oriental regions.

### **Mammals**

Yemen has a population of 71 recorded land mammal species represented by eight orders including the bats . About one third of the mammals are relatively large-sized species some of which are rare in other parts of Arabia. Five species of gazelle have been recorded in Yemen (Al-Jumaily, 1998) the most common being the "Idmi" or Arabian Mountain Gazelle ( *Gazella gazella* ) which is typically found in Acacia and Savanna-like habitats, but close to barren rocky hills with wadis and depressions that support a scarce vegetation of mainly *Acacia tortoils* , *Leptadenia pyrotechnica* and *Panicum turgidum* . The remaining four species are rare, and are believed to be almost extinct in the country. The Rhim or the Goitered Gazelle ( *Gazella subguturosa* ) is the typical desert gazelle being larger and stouter than the other four species. It is possible that Rhim may still occur in the most remote areas close to the hot desert area of Al-Rub, Al-Kahli near the border with Oman. The Dorcas Gazelle ( *Gazella saudiya* ), the smaller and lighter species with relatively longer horns, formerly inhabited the plains of the interior but has not been reported in recent times, and is believed to be almost certainly extinct in the country. The Queen of Sheba's Gazelle ( *Gazella arabica bilkisi* ) is known only from Yemen. Four specimens collected in the past few years were believed to be held in a private collection in the State of Qatar (Stauart and Stauart, 1997). Two specimens from Ma'bar were currently held in the Field Museum of Natural History, Chicago.

The Ibex ( *Capra ibex nubiana* ) still occurs in the eastern part of Yemen, inhabiting the difficult rocky slopes in mountainous areas which have served to protect the animals from hunters in vehicles. The Arabian Oryx ( *Oryx leucoryx* ) is almost certainly extinct in the wild, and there is no evidence that it exists within the accessible terrain in the deserts of north-eastern part of Yemen. The Baboon ( *Papio hamadryas* ) is still found in hilly terrain, preferring rocky slopes usually in the vicinity of permanent water. There has been a serious decline in the Baboon population with the occupation of nearly all water sources and fertile wadis by man .

The Arabian Red Fox ( *Vulpes vulpes arabicus* ) and the Striped Hyaena ( *Hyaena hyaena* ) are probably the most abundant mammals in Yemen and inhabit adequately vegetated areas throughout different parts of the country. Although the Striped Hyaena is primarily known as a scavenger feeding on carcasses of dead animals, people in many parts of the country have complained about Hyaenas attacking their domestic animals and raiding watermelon crops in the field. Two other species of foxes found in Yemen are

Sand Fox ( *Vulpus ruppelli* ) a paler and smaller species with larger ears that inhabits the desert, and Blanford's Fox ( *Vulpes cana* ), similar to the Sand Fox in general appearance but inhabits rocky slopes. Its occurrence in Yemen is not certain. The Arabian Wolf ( *Canis lupus arabs* ) is found in many areas, especially in the eastern part of the country. The Jackal ( *Canis aureus* ) can be found near human settlements.

The Family Felidae has the largest number of members and is represented by 5 genera and 6 species, all of which are considered endangered or extinct. Among the most notable are the Arabian Leopard ( *Panthera pardus nimr* ), a very rare, if not an extinct mammal in Yemen which was known to inhabit the rocky slopes of mountainous and hilly terrain. Recent reports indicate that a leopard was captured near the area of Wadeah, and was sent to the United Arab Emirates for a captive breeding program. The Cheetah ( *Acinonyx jubatus* ) has not been observed in the wild in many years. The last individual was seen by Ducker in March 1963 in Wadi Mitan. However, there is some evidence that cheetah may still survive in remote areas of the southern part of the country. A stuffed skin of cheetah was seen hanging on a building in Ataq in 1985, and was said to have been killed in the area.

### **Birds**

Yemen has a very rich bird fauna with more than 363 species thus far recorded representing 18 orders, 61 families and 177 genera. The main reasons for this richness are: 1) Presence of a wide array of habitats (mountains, Tihama plains, wetlands and marshes, coastal areas, Gulf of Aden and Red Sea, and agricultural landscapes of many varieties) largely the result of the broad range of elevations and climate; 2) Geographic isolation by the sea and deserts, resulting in 13 endemic or near-endemic species; 3) Yemen's position at the transition zone of three biogeographic regions: Afrotropical, Oriental and Palaearctic, resulting in a mixture of species from all three; and 4) The country's strategic position at the foot of the Arabian Peninsula, thus acting as an important stop-over in the path of flyways for migrant birds, notably birds of prey and waders.

### **Globally Threatened Species**

- Bald Ibis ( *Geronticus eremite* ): Yemen is probably a vital wintering area for a small population of this species and may possibly even be their breeding ground. The retention of grazing marshes, especially in the Taiz area is critically important.
- White-eyed Gull ( *Larus leucophthalmus* ): Occurs throughout the year on the coast and may well breed on Yemen's off-shore islands. The main threats are oil pollution and destruction of nesting colonies through man's activities.

### **Species Endemic to Southwest Arabia**

Yemen holds significant, and in most cases the major populations of 13 species unique to south-west Arabia. For a small country to be so richly endowed with endemic birds adds greatly to its international significance. With the exception of the Arabian Golden Sparrow ( *Passer euchlorus* ), all endemic species occur in the highlands. The Arabian Accentor ( *Prunella fagani* ) is known only from the highlands of Yemen mainland. The demise of the terracing systems could adversely affect several of the endemics as the resultant soil erosion will cause loss of trees. Acacias in the highlands, even isolated trees or clumps, are important for the Arabian Woodpecker ( *Dendrocopos dorae* ), Yemen Thrush ( *Turdus menachensis* ), Yemen Warbler ( *Parisoma buryi* ), Arabian Serin, ( *Serinus rothschildi* ), Golden-winged Grosbeak ( *Rhynchostruthus socotranus* ), and Yemen Linnet ( *Carduelis yemenensis* ).

### **Seabirds**

The biological richness of the Red Sea and offshore islands of Yemen combine to make an ideal feeding and breeding area for seabirds, notably Red-billed Tropicbird ( *Phaethon aethereus* ), Masked Booby ( *Sula dactylatra* ), Brown Booby ( *Sula leucogaster* ), Sooty Gull ( *Larus hemprichii* ) and possibly White-cheeked Tern ( *Sterna repressa* ). The globally threatened White-eyed Gull ( *Larus leucophthalmus* ) may also breed there. All these species plus many others feed in the relatively shallow inshore waters along the coast of Yemen. Oil pollution, disturbance from military activities, port developments and planned tourist facilities may all have an adverse effect on the seabirds.

### **Waterbirds**

Freshwater habitats are rare in Yemen. Concentrations of ducks and grebes occur in just two areas (both recently created sewage lagoons) but rarely exceed 1000 birds. These, together with the new dam at Ma'rib, may result in a notable increase in the numbers of waterbirds in winter; they have already led to some species breeding for the first time in Yemen.

For wading birds, coastal areas are important, particularly where wadis reach the sea. While comprehensive counts have not been undertaken it would appear that the biologically rich mudflats are particularly important for the following species: Carb Plover ( *Dromas ardeola* ), Greater Sand Plover ( *Charadrius leschenaultii* ), Lesser Sand Plover ( *Charadrius mongolus* ), Sanderling ( *Calidris alba* ), Little Stint ( *Calidris minuta* ), Curlew Sandpiper ( *Calidris ferruginea* ), Bar-tailed Godwit ( *Limosa lapponica* ), Grey Plover ( *Pluvialis squatarola* ), and Redshank ( *Tringa totanus* ). Storks, herons and egrets also occur on passage in small to moderate numbers but no important concentrations have been discovered. White Storks ( *Ciconia ciconia* ) winter in small numbers at freshwater sites and breeding species include Abdim's Stork ( *Ciconia abdimii* ) (on Tihama rooftops), Reef Heron ( *Egretta gularis* ) (coast), Cattle Egret ( *Bubulcus ibis* ) (trees on Tihama and foothills), Green-backed Heron ( *Butorides*

*striatus*) (mangroves), and Pink-backed Pelican (*Pelicanus rufescens*) (mangroves); though none have been censused. Despite the close proximity of many breeding colonies to villages and human activities, there is no evidence of interference or persecution. The highest conservation priority concerning waterbirds is of course the Bald Ibis, mentioned under 'Globally Threatened Species'.

### **Raptors**

Raptors frequently suffer more than other species in terms of both indirect (e.g. pesticide pollution) and direct persecution. However neither is common in Yemen. As a consequence there appears to be a healthy raptor population with some 17 resident species and a further 15 occurring regularly on passage or in winter. The limited information suggests that the country is in the path of an important flyway, at least in autumn, for migrant Steppe Eagles (*Aquila rapax*), Buzzards (*Botu spp.*) and Black Kites (*Milvus migrans*) passing from their Palearctic breeding grounds to their main wintering area in East Africa. Clearly there is an international responsibility to ensure that these birds are unmolested.

### **Migrant and Wintering Birds**

Over 220 species have been recorded on migration in Yemen; mention has been made already of the waders, white storks and raptors. A number of passerines or near-passerines also occur on migration and/or in winter in what appear to be significant numbers. These are Golden Oriole (*Oriolus oriolus*), Bee-eaters (*Merops spp.*), Short-toed Lark (*Calandrella brachydactyla*), Swift (*Apus spp.*), Swallow (*Hirundo rustica*), Tawny Pipit (*Anthus campestris*), Yellow Wagtail (*Motacilla flava*), White Wagtail (*Motacilla alba*), White throated Robin (*Irania gutturalis*), Black Redstart (*Phoenicurus ochrurus*), Redstart (*Phoenicurus phoenicurus*), Stonechat (*Saxicola torquata*), Isabelline Wheater (*Oenanthe isabellina*), Pied Wheater (*Oenanthe pleschanka*), Olivaceous Warbler (*Hypolais pallida*), Menetries' Warbler (*Sylvia mystacea*), Desert Lesser Whitethroat (*Sylvia curruca minuta*), Chiffchaff (*Phylloscopus collybita*), Isabelline Shrike (*Lanius isabellinus*), and Great Gray Shrike (*Lanius excubitor*).

### **The Arabian Bustard (*Ardeotis arabs*)**

Within the Arabian Peninsula, Yemen is probably now the only country with a self-sustaining population of Arabian Bustards. This may in fact be partly supplemented by migrants crossing the Red Sea. The species may be threatened from hunting on the Tihama, the only place where this bird occurs in the country.

Rangeland Resources

### **Crop Genetic Diversity**

One of the unique aspects of Yemen's biological and indigenous agricultural species is the range of genetic diversity. This is especially evident in the documented diversity for the main subsistence (and prime cash crop for fodder) crop of sorghum (*dhura*). The USAID-sponsored National Sorghum and Millet Crop Improvement Program of the late 1970s collected 4,500 native sorghum varieties, of which 50 were tested at 18 locations over a two year period in Yemen. The technical conclusion of these tests and analysis was that locally adapted types from Yemen were more productive than available hybrid sorghum types developed for conditions outside of Yemen (University of Arizona, quoted in Variso et al.1992.). Given the importance of sorghum historically in Yemen and its continued production on the bulk of rainfed and a substantial portion of irrigated land. Preservation of this diversity is important both for Yemen and potentially for other regions where this crop is still of significance.

Although research is still in a preliminary stage, it is clear that in the range of environmental zones of the country there is great diversity of species and ongoing discoveries of new variants unique to Yemen, including two types of aloe (*Adenium abesum*). .

### **Major Threats to Biodiversity**

#### **Threats to Vegetation**

The country's vegetation is being drastically reduced by rapid degradation of the environment, a direct result of desertification and droughts, among the oldest global environmental phenomena. These phenomena have increased drastically in Yemen and threaten about 90% of the land and can be attributed to the following:

- Cultivation and poor agricultural practices;
- Wood cutting for firewood, timber and charcoal;
- Over grazing;
- Soil Salinization;
- Wind erosion and Sand dune encroachment; and
- Construction expansion in cities and villages.

#### **Threats to Terrestrial Fauna**

Threats to terrestrial fauna in Yemen are common to many countries in the regions and are mainly:

- Destruction, degradation and loss of habitats;
- Over-hunting and proliferation of firearms; and
- Road construction opening up avenues into the hinterland.

**Threats to Freshwater Biodiversity**

Threats to freshwater biodiversity in ranking order of importance include:

- Overuse and depletion of water;
- Degradation of wetland ecosystems;
- Improper application of pesticides;
- Use of chemical fertilizers;
- Contamination of ecosystems with sewage; and
- Contamination by industrial waste.

## Annex 4

### Economic and Agricultural Perspectives

#### Introduction

The Republic of Yemen is located on the southern coast of the Arabian Peninsula. It borders Saudi Arabia to the north and Oman to the east. To the west is the Red Sea, and the south, the Gulf of Aden. Yemen's 2000 population, was 18 million, 75% of whom live in rural areas. From a macroeconomic perspective, Yemen shows a varied picture. Economic growth in Yemen was significant during the 1990s, in spite of severe drought, civil war, and the War in Iraq with its economic impacts. Since 1998, both aggregate GDP and exports have increased significantly, although real GDP growth declined from 5.1% in 2000 to 3.3% in 2002. The value of the Riyal has declined by more than 18% in the past 3 years, and consumer prices are rising rapidly. Oil is Yemen's main export, accounting for but its reserves are in decline and production in 2010 is projected to be between one-third and one-fourth of 2000 production (*Economist Intelligence Unit Country Report, Yemen 2003*).

#### GDP Value Added by Sector:

[*Source: The notes on value-added by sector summarize and/or quote verbatim from a recent World Bank analysis of sources, constraints and potentials in the major sectors of the economy in Economic Growth in the Republic of Yemen, World Bank 2002*]

In an US\$8.1 billion (GDP) economy Yemen oil produces 33.7% of value-added to GDP and 75% of ROYG revenues – a risky situation because oil is fast running out at 3-5% per year while population continues to increase at 3.3% per year. Agriculture is a low-productivity sector, adding only 15% of value-added to GDP but employing 61 % of the labor force. Government is a large employer and government services produce 11% of GDP value-added. Transportation and communications add another 10% to GDP.

**Table N.N-n: GDP Value Added 1990-2000**

SECTOR	Share of GDP (%)		
	1990	1995	2000
<b>Agriculture</b>			
Farming, Livestock, & Farming ( <i>excl. qat</i> )	15.1	12.3	10.0
Qat	8.5	5.4	4.2
Fisheries	0.6	1.7	1.1
<b>Sub-Total Agriculture value-added</b>	<b>24.2</b>	<b>19.4</b>	<b>15.3</b>
<b>Industrial</b>			
Mining & quarrying	0.2	0.3	0.1

Oil and gas	13.4	13.5	33.7
Manufacturing ex. Refining	7.3	12.6	4.9
Oil refining	2.0	1.7	2.6
Water, gas, electricity	1.2	0.6	0.7
Construction & building	2.7	3.5	4.2
<b>Sub-Total Industrial value-added</b>	<b>26.8</b>	<b>32.2</b>	<b>46.2</b>
<b>Services</b>			
Trade, hotels, restaurants & maintenance	10.0	12.0	8.6
Wholesale & retail trade	8.3	9.7	7.2
Hotels & restaurants	0.7	1.0	0.7
Maintenance & repairs	0.9	1.2	0.8
Transportation, communications & storage	15.5	12.6	10.3
Finance, insurance & real estate	9.8	9.6	7.8
Finance & insurance	3.7	3.7	2.9
Real estate & business services	6.1	5.9	4.9
Personal & social services	1.1	1.2	0.8
Government services	16.9	12.9	10.8
NGOs	0.1	0.1	0.1
<b>Sub-Total Services value-added</b>	<b>47.9</b>	<b>48.3</b>	<b>38.5</b>
<b>TOTAL value –added</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Source: ROYG Central Statistical Organization reported in Economic Growth in the Republic of Yemen, World Bank 2002*

### **Potential for growth in key sectors**

*[Source: The following notes summarize and/or quote verbatim from a recent World Bank analysis of sources, constraints and potentials in the major sectors of the economy Economic Growth in the Republic of Yemen, World Bank 2002]*

The World Bank believes that “rapid employment-generating economic growth (in Yemen) will only be possible if agriculture, fishing, tourism and manufacturing lead the way. (However) Rising domestic security concerns, excessive and arbitrary regulations in infrastructure and services, weak legal and judicial systems, and difficulties in securing land titles hamper output expansion in most of these sectors”...(furthermore)...”reliance on domestic demand limits the prospects for faster and sustained GDP growth. The impact of policy reforms (flexibility of the exchange rate and trade liberalization) made a significant impact on the competitiveness and good performance of exports. Such gains need to be preserved and enhanced by deeper liberalization and improvement in trade-related infrastructure and services.”

Agriculture: After oil and fish, coffee is Yemen’s third largest export and it totaled US\$34.3 million in 1999. However, Yemen is only the world’s 41<sup>st</sup> largest coffee exporter despite the fact that it produces “Mocha,” a world famous variety (suggesting

the potential for specialty brand promotion and marketing). Fruit and vegetables are among Yemen's fastest growing exports, increasing from US 100,000 in 1994 to US\$ 12.3 million in 1999, most of which (99.2%) goes to Saudi Arabia. Currently fruits and vegetables comprise 0.5% of all exports and 9% of non-oil exports. Major constraints include water shortages, vulnerability to fluctuations in rainfall, prevalence of traditional cultivation techniques and rapid expansion of *Qat* plantation, the main cash crop. Nevertheless, given the substantial yield gap and huge post-harvest losses, the value added of most crops can grow faster than the ROYG SFYP target of 6.7% per year if productivity is increased, the cultivated area is expanded, *Qat* plantation is controlled, and irrigation and extension services are improved.

Fisheries: Bounded by the Red Sea and Gulf of Aden, Yemen has considerable fisheries potential (and estimated 135,000 tons were produced in 2000). Fish is the second largest export (2.1% of total exports and 35% of non-oil exports) generating US\$49 million in 1999. Yemen's exports fish to Saudi Arabia, Hong Kong and Thailand; but export to the USA, EU and Japan are limited because Yemen does not meet their sanitary standards. Fish exports are extremely low value-added with a ratio of processed/total exports = .004% compared to 26% in Morocco. The ROYG considers fisheries (including mari-culture) among the most promising sectors for job creation, income generation and export potential. However, the real potential is unknown because of the absence of good scientific research and lack of reliable statistics.

Oil & Gas: Oil exports produce 75% of Yemen's revenues today. However, the World Bank estimates that current recoverable oil reserves will decrease at an annual average of 3-5% and will be exhausted at current production levels in 18 years - just about the time the population will have reached 40 million at current growth rates. There are an estimated 12-15 million reserves of natural gas but the identification of export markets has been difficult – a World Bank Natural Gas Export Project is planned to begin in 2005.

Tourism: The ROYG considers the tourism as one of the leading and promising sectors for its ability to provide jobs, reduce poverty, and generate foreign currency given Yemen's potential in cultural, historical, environmental, coastal and island, mountain and desert sites. However, the contribution of tourism to GDP and economic growth in Yemen has been insignificant, accounting for only 0.5% of GDP in the 1990s. Constraints include poor and expensive transportation, difficult operating environment (requirements to associate with local partners with no financial resources, difficulties getting access to land, connections to utilities, demands by local officials and tribesmen, requests for free services and special favors, difficulties with customs and tax officials, requests for protection money, and a weak judicial system), limited and weak promotion, insecurity and the challenges of preserving cultural heritage. If these conditions are improved, and if the international political and economic situation is stable, and if Yemen's economy grows at 5.6% on average between 2000-2005, World Bank models project that tourism receipts could increase from US\$135 million in 2000 to US\$215 million in 2005 increasing its contribution to GDP from 1.7% to 2.1%

Transportation & Communications: Transportation and communications share in GDP has been declining and their contribution to GDP growth has been negative. The number of registered vehicle is increasing (885,000 in 2000) but only 9% of roads are paved. The trucking sector is controlled by a private cartel which fixes prices and prevents entry thus raising transportation costs. More important, even in areas with available road networks, overland security is often limited by security concerns. Shipping had been increasing with the improvement of port infrastructure but the attack on the oil-tanker Limberg in October 2002 has increased insurance premiums and depressed shipping. Air passenger traffic has declined caused partly by the decline in tourist arrivals, but air cargo has increased. The communications and postal services sub-sector is shared by the public and private sectors and has introduced fiber-optic connections between major cities, digital telephone exchanges, mobile telephone and internet services.

Government Services: The services sector is dominated by government services (administration ) representing 45% of total services and 25% of GDP during 1990-2000 and about half of GDP growth. During 2001-2005 government services are expected to increase at a n annual rate of 4.7%.

### **Exports:**

*[Source: The notes on exports summarize and/or quote verbatim from a recent World Bank analysis of sources, constraints and potentials in the major sectors of the economy in Economic Growth in the Republic of Yemen, World Bank 2002]*

In 2000 Yemen exported US\$4.1 billion of merchandise products (oil and non-oil) making Yemen the 90<sup>th</sup> largest exporter among 231 countries in the world and one of the largest exporters among the low-income countries. However, oil exports represented more that 95% of total merchandise exports in 2000. Non-oil exports (less than 10% of the total) were dominated by fish, coffee, fruits and vegetables (accounting for more than half of non-oil exports). Yemen's five major markets for all exports (i.e. oil) in 1999 were: Thailand (27%), China (24%), the Republic of Korea (13%), India(11%) and Singapore ( 8%). In 1998 Saudi Arabia (26%) was the primary destination for non-oil exports, followed by the United States (8%), India (7%), Ethiopia (6%) China (6%). In Yemen, only 3.5% of firms are engaged in export activities compared to Morocco where 56% of firms are exporters. Reforms in foreign exchange and trade liberalization has contributed to improved competitiveness in Yemen exports. All foreign exchange restrictions were lifted and the exchange rate was floated in 1996. Trade liberalization polices also played an important role in improved competitiveness. A comprehensive reform of the tariff and trade system was initiated in 1996. Tariff s were reduced and non-tariff barriers, such as import bans, were reduced or eliminated. Currently Yemen is one of the most trade-liberalized countries in the MENA region. It should be noted that improvement s in international competitiveness boosted commodity exports which are more price competitive than quality competitive ( i.e. "coffee is coffee") but not manufacturing exports which are more quality competitive.

### **Imports:**

*[Source: The notes on imports summarize and/or quote verbatim from a recent World Bank analysis of sources, constraints and potentials in the major sectors of the economy in Economic Growth in the Republic of Yemen, World Bank 2002]*

In 2000 Yemen spent US \$2.324 billion on imports. The largest share of imports was in the category “Food and Animals” (US\$687.2 million) of which more than half was in cereals and their products, followed by US\$ 107.9 million for sugar and honey. The category “Machinery and Transport Equipment” held second place in total imports at US\$484.3 million.

*The following sections of this Annex comprise extensive direct quotes and summaries of:*

- *World Bank, Economic Growth in the Republic of Yemen; Sources, Constraints, and Potentials. A World Bank Country Study. (2002), Washington DC.*
- *World Bank, Republic of Yemen Comprehensive Development Review: Agriculture, Livestock, and Fisheries. World Bank, Rural Development, Water and Environment Group (MNSRE) Middle East and North Africa Region (2000). Washington DC.*
- *Republic of Yemen Government Documents, including Poverty Reduction Strategy Paper (PRSP) 2003-2005, (Sanaa 2002), Yemen’s Strategic Vision 2025 (Sanaa 2002), Summary of the Second Five-Year Plan for Economic and Social Development 2002-2005. Republic of Yemen Ministry and Planning and Development (Sanaa 2001).*

### **Agriculture**

The agricultural sector plays an important role in the Yemeni economy, not because of its contribution to GDP – though small and declining ( 24% of GDP in 1990 - 15% in 2000) – but because it provides employment to more than half (61%) of the labor force, livelihood to more than three-quarters of the population, and contributes about a third of total non-oil merchandise exports. The importance of the sector also stems from the fact that it utilizes between 90 and 93% of total water resources in Yemen. The continuing discrepancy between the low contribution of agriculture to GDP and the percentage of those employed in the sector results in low incomes and poor standard of living for agricultural workers and their families. Although the percentage of the population in employed in agriculture has declined from 70% in 1970 to the present 61%, the sector has absorbed a large increase in the workforce – absolute numbers working in agriculture have gone up from 1.2 million in 1970 to 1.6 million in 1996.

The agriculture sector has been very vulnerable to shortfalls in rainfall. Annual declines and recoveries in the performance of the agriculture sector in the 1990s tracks very closely the prior year’s rainfall. It is characterized by low and uncertain crop yields due to drought, insufficient and erratic rainfall, declining soil productivity due to soil erosion and poor crop management practices, and crop losses due to damage by insects and diseases, and malnutrition resulting from inadequate supply of feed. The main agricultural products are fruit (mango, grape, citrus, banana, papaya and date.),

vegetables (tomatoes, potatoes, watermelon, sweet melon, onion and cucumber.), Qat, and Cereals (maize, wheat, sorghum and barley)<sup>1</sup>.

Cultivable land in Yemen is estimated at about 1.67 million ha, which is 3% of the total area. Cultivated land has expanded from 121,000 hectares in 1990 to 128,000 hectares in 1999, an increase of 14% of land for cereals crops, vegetables, fruit, cash crops and animal food. Annual crops are grown on 870,000 ha and permanent crops on 410,000 ha. Cereal production occupies 60% of the cultivated land (see Table). Terraced land, a heritage from ancient times in Yemen, have fallen into disrepair. Investments in terrace improvement have been hampered by insecure land tenure, limited government support, low farm income, and limited market potential for agricultural products. Exports in coffee, fruits and vegetables represent the best opportunity for future agricultural trade and fish will remain an important agricultural export. By a significant margin, the largest single buyer of Yemen's agricultural export is Saudi Arabia.

**Table A ? - ?: Agricultural Land in Yemen By Major Crops**

	Area (hectares)	Ratio of Total Cultivated Land (%)
<b>Total Cultivable Land</b>	1,668,858	-
<b>Cultivated Area</b>	1,132,910	100
<b>Total Cereals</b>	675,394	60
<b>Wheat</b>	86,112	8
<b>Other Cereals</b>	589,480	52
<b>Vegetables</b>	62,498	6
<b>Cash Crops (without Qat)</b>	93,086	8
<b>Fruit</b>	88,104	8
<b>Fodder Grass</b>	114,197	10
<b>Qat</b>	99,631	9

Livestock: The national livestock population is estimated at 3.2 million goats, 3 million sheep, 1.1 million cattle, 0.17 million camels. Livestock numbers have declined in the 1980's and early 1990's due to drought, shortages of food and break down in animal health services. In spite of this decline, livestock is considered as the main source for farmers' income and provides reasonable opportunities for many rural people to work. Yemeni farmers practice an integrated crop animal system in which they produce cereal summer crops to feed their animals and use the cow manure to improve the soil fertility of their land.

<sup>1</sup> Food and Agriculture Organization: Yemen. (2003). Found at [www.fao.org/ag](http://www.fao.org/ag)

## **Poverty**

Poverty, largely a rural problem, affects one out of every five people with half of those in absolute poverty and unable to meet basic food needs. Not surprisingly, Yemen is categorized as one of the twenty Least Developed Countries in the world, with a per capita GNP at \$347.

According to a 1998 household study conducted by the World Bank, 18% of the Yemeni population live in absolute poverty, which is defined as unable to meet basic food needs. In addition, 42% of the population are incapable of meeting their food and non-food requirements, including food, clothing, shelter, health, education and transport. Poverty in Yemen is largely rural, whereas, 77% of the total population is rural, 83% of the poor and 87% of those who suffer from absolute poverty reside in the countryside. The percentage of rural dwellers who are poor amounts to 45%, as compared to 31% for the urban population. The same 1998 survey showed that spending on food absorbs 54% of income in the urban areas and 67% in the rural areas – illustrating the generally low rural incomes and low level of spending on non-food items.

Republic of Yemen has reported that poor households are larger (by one child per family on average), more likely to be rural, and have half their children under 5 malnourished. In addition to slowing population growth, the Ministry of Planning's development strategy includes increasing opportunities for the rural poor, upgrading infrastructure, particularly roads, to bring market access and other services to rural people, and to support the role of the private sector in economic activity.<sup>2</sup>

Women are more likely to be employed in agriculture than men, and more adversely affected by declines in agricultural employment. The agriculture sector absorbs a significant number of underemployed in Yemen's work force and is thus a key sector for employment and stability concerns.

## **Food Self-Sufficiency**

Import dependence for cereals is currently at 80% of domestic consumption, and for all foods at 50%. Overall, local production covers a third of the need of the national economy of food. Cheap, imported cereals have always been available, depressing incentives for producers to increase cereal production. A significant problem exists in government policy on grain subsidies. For two decades the Government pursued a cheap cereals policy based on imports of commercial or donor grain for distribution at subsidized prices. Domestic cereal prices have reflected these low prices with consequently disincentive to domestic production. The main consequence of this price disincentive on cereals producers was a decline in production. The area farmed in cereals

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<sup>2</sup> Summary of the Second Five-Year Plan for Economic and Social Development 2002-2005. Republic of Yemen Ministry and Planning and Development (Sanaa 2001).

has diminished from over one million ha in 1970 to 704,000 ha in 1996. This has had an equity impact, as the systems affected are the predominant farming systems of the poor.

Several conditions constrain the hope of self sufficiency in food: water for household and agricultural use is diminishing from an already low base, qat production occupies an overly large percentage of prime crop land (increased by a factor of 10 from 1970 levels), and the agricultural terraces are in a state of disrepair and need sustained maintenance.

### **Trade**

Given Yemen's small internal market, exports have to be the major source of job and economic growth. The GoY recognizes the importance of the external sector in its development plans and has made good progress in reforming the trade regime. Yemen is now classified among the most open and trade liberalized countries in the MENA region. Nonetheless, most of Yemen's current non-oil exports remain primary, low value-added products which also makes economic growth more vulnerable to volatility in price and demand. Yemen has the major advantage of location. It is in close proximity to potential markets: many high-income neighboring countries, other Arab countries and the underserved economies in the Horn of Africa. For the last group of countries Yemen had significant comparative advantage in several products.

A recent World Bank study has found that Yemen's export performance has been relatively good in the post civil war period. While dominated by oil exports, with more than 90% of total merchandise exports, coffee and fish are the main agricultural exports, with the bulk of the coffee exports going to Saudi Arabia. Most 1999 exports from Yemen go to east Asian countries, including Thailand, China, Republic of Korea, India and Singapore. (The bulk of 1991 exports went to Europe and US, presumably another effect of the Iraq war.) Non-oil exports in 1998 went primarily to Saudi Arabia (26%) and the US (8%), with other countries accounting for less than 8% each. Commodity share in trade has changed in the recent past with most. Research has shown that Yemen has a large comparative advantage in oil and oil byproducts. In the agriculture sector comparative advantage is highest in live animals, fish, coffee, and hides and skins.

### **Value of Markets**

Most marketing is done by private individuals and firms, with some agricultural cooperatives and associations also involved in marketing. Some important issues in marketing are worth mentioning:

- Vegetables and fruits are marketed without grading or selection, which reduces the value of these crops;
- Market information systems are weak and have limited the development of sound rural and agricultural policy;
- Post-harvest losses are very high, ranging from 30 to 56%;
- Oversight and regulation is needed, including laws for retail and wholesale markets.

### **Water availability**

Rainfall is the major source of all water in country. During the last decades, Yemen has been facing the pressing problem of providing water demands for a rapidly growing population. The agriculture sector is by far the major consumer of water (90% of use) and will continue will to be so in the future. During the last 20 years, groundwater resources in Yemen have been subject to severe exploitation to meet a continuously increasing water demand for irrigation and domestic use. Thousands of new bore holes were drilled and many existing dug wells were deepened when they became dry due to over extraction. This rapid and uncontrolled ground water development did not run parallel with a proper ground water management. Ground water resources have not been adequately quantified (Bamatraf, 1994 cited in FAO).

The rates of decline of the groundwater levels is alarmingly high in many zones, especially in the Yemen Highlands, where decline of between 2 and 6 m/year is commonly observed. In coastal zones this leads to the incidence of salt-water intrusion. Spring-fed irrigation has reduced significantly as groundwater tables have dropped. The quantity of desalinated water was estimated at 10 million m<sup>3</sup>/year in 1989, contributing to the water supply of Aden. Except for the reservoir behind the Ma'rib dam with a capacity of 400 million m<sup>3</sup>, which provides water irrigation for an area of 10 000 hectare, there are no large bodies of surface water in the country (Bamatraf, 1994 cited in FAO).

### **Government Policy**

In general, the ROYG would like to improve human capacity particularly among women, enhance living standards, lower population growth rates, diversify the economy away from dependence on oil revenue, and raise per capita income. The ROYG has an ambitious goal of a 9% annual average economic growth rate while simultaneously creating job opportunities. This depends on increasing foreign direct investment, improving productivity in the non-oil sector, and identifying sectors where Yemen has a comparative advantage. For agriculture, improvements in irrigation use and use of low-water crop varieties and species, and some consolidation in land holdings, are important for agricultural growth. In addition, a reasoned reduction in Qat production is also important.

The natural resource base of Yemen is stretched to its limit, particularly water. Therefore increases will have to come from productivity increases from existing resources. In agriculture, this means work the rainfed farming systems. The keys to productivity increases are use of the existing cheap rural labor, improved agricultural technology, improvements in farmers' institutional capacity (including work with growers' associations), better distribution of capital, and improvements in marketing systems and structures. Also of importance is addressing the crop yield gap.<sup>3</sup> For many crops the

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<sup>3</sup> Yield gap is the difference between agricultural potential and actual yields.

current yields are well below technical potential and actual farmers yield in comparable countries. Of critical importance, therefore, is government services to the agriculture sector. Currently, very little extension service and agricultural research are found in Yemen. This is also true for rural credit, and irrigation management.

### **Structural Adjustment and the IMF**

*[source: quoted verbatim from the IMF CG Statement, October 16, 2002]*

US\$550 million in financing was extended to Yemen from 1995-2001 by the World Bank, the IMF and bilateral donors to support a ROYG economic reform process that resulted in:

- The ROYG Poverty Reduction Strategy Paper (PRSP)
- A unified and liberalized the exchange regime
- Reduced subsidies on fuels and wheat
- A social safety net to mitigate the impact of price liberalization
- A restructured the banking sector
- Simplified and liberalized trade
- A reduced the external debt burden
- Improve monetary policy and control

A review of the program supported by the IMF Poverty Reduction and Growth Facility (PRGF) and the Extended Arrangement (EFF) was conducted in October 2001. Following discussions in July 2002, the IMF Executive Board endorsed the PRSP and agreed that it provided sound basis for IMF concessional support. The IMF then suggested that an acceleration and broadening of structural reforms were needed to remove obstacles to growth, free resources for poverty alleviation, and ensure continued macroeconomic stability as oil resources decline in the coming years. Key elements in phase two include:

- strengthening governance
- civil service reform
- decentralization
- judicial reform
- fiscal revenue and expenditure reform including tax system reform to broaden the tax base and enhance revenue collection
- reductions in non-productive spending including diesel oil subsidies which cost 3% of GDP

In an October 2002 meeting in Paris, donors pledged a US\$2.3bn economic support package to support the Yemen poverty reduction and growth facility (PRGF) for economic development. The IMF has asked ROYG to demonstrate progress in civil service reform and improved tax administration before the new PRGF is implemented, now expected in mid-2003. *[this paragraph summarizes and quotes the Economist Intelligence Unit, Country Report, Yemen, "Outlook for 2003-2004: Policy Trends," February 6, 2003]*

## ANNEX 5

### **A Brief History of USG Assistance in Yemen**

#### **1959 to 1996**

American involvement in Yemen began in 1959, when a US legation opened in Taiz. Substantial support, however, did not begin until after the 1962 revolution. Between 1959 and 1967, USAID and its predecessor organization, the International Cooperation Agency, provided \$42.7 million in road, water and food assistance. Infrastructure projects and programs that focused on rural access to public services were complemented by training opportunities that helped to support Yemeni students in the study of agriculture, engineering, education, and business administration.

The severing of diplomatic ties between 1967 and 1972 ended US assistance to Yemen before activities were resumed in 1974. The USAID office in Sana'a was gained status as a mission in 1975. Total allotment of USAID assistance amounted to \$58.7 million by the end of the 1970s and went to agricultural activities, health and nutrition studies, and infrastructure development, particularly in rural areas.

During the 1980's, USAID allotted \$282 million to Yemen, including \$60 million of food commodities in the Food for Peace Program. Almost all economic assistance was provided on a grant basis, and the development strategy at that time centered on improvements in agriculture, education and training, health, and water resources.

Yemen's refusal to join the coalition of countries against Iraq during the Gulf War in 1991 marked the beginning of a decline in assistance, which, combined with budgetary constraints, eventually led to the mission's closing in 1996. The agricultural and newly developed private sector investment portfolios<sup>1</sup> were terminated at that time. By September 1996, the USAID mission to Yemen was officially closed and all pertinent projects, contracts, and cooperative agreements were to be ended on or before that date. The three exceptions were the health programs the Options for Family Care (OFC) and the Accelerated Cooperation for Child Survival (ACCS) and the education and training initiative, Development Training III (DT III).

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<sup>1</sup> Included in these projects was the Support to Women's Associations in Yemen (SWAY)—implemented by World Education between mid-1991 and mid-1995. Activities took place in the northern governorates of Taiz and Ibb. SWAY's broad goals were to increase women's participation in—and the benefits they receive from—development. The original, broad mandate and slim staffing made the program try to be too many things to too many people, but it did manage to provide training opportunities and technical support to Yemeni Women's Associations. The training promoted project planning, financial management, and leadership skills in a participatory fashion. Innovative income-generating approaches and practical experience in setting-up income-generating projects were at the center of the training.

### **USAID Activity after 1996**

After the mission closed, a small Activity Management Office (AMO), staffed by two Yemeni professionals managed USAID activities under the supervision of the Embassy's Economic Officer. USAID/Egypt provided programmatic guidance. The following is a summary of the most recent USAID activities in Yemen:

### **Population and Health**

At the time of the closing of the mission, USAID/Yemen's sole special objective was revised to encourage the promotion of "improved quality and use of integrated maternal and child health/ family planning services in three governorates." Focus was placed on integrated approaches to maternal/child health and family planning to improve health delivery and introduce family planning into Yemen's traditional culture. Activities were funded through the Accelerated Cooperation for Child Survival (ACCS) and Options for Family Care (OFC) programs.

**The Options for Family Care (OFC)** (Project No. 279-0090) was completed in *September 2000* and implemented primarily by John Snow International. The OFC had several components including the training and placement of community midwives, outreach and managerial training at OFC-supported health centers, rehabilitation of health care facilities, and improved capacity of healthcare providers to incorporate sustainable participation of communities. Assistance began in *1991* and was concentrated in the governorates of Hodeidah, Hajjah, Hadramaut, and Lahj.

At the time of the mission closeout, included in OFC were:

- The **PRIME** project, which supported curricula revisions and other technical assistance to midwifery training. JSI was the implementing agency. The final round of midwifery trainees completed their training in April of 1999. Technical support for the additional six months was made available through the World Learning task.
- **Demographic Health Survey (DHS)**, in which MACRO International conducted health surveys in collaboration with the Central Statistical Organization. The results provided government agencies and international donors with data about maternal and child health conditions nationwide. The first survey was conducted in 1991-92, the second in 1997.
- **US Bureau of the Census (BUCEN)**, which provided technical assistance to the Central Statistics Organization in data collection, analysis, and dissemination.
- **The Family Planning Service Expansion and Technical Support (SEATS)** program (October 1992 to October 1994), engaged the national and provincial governments in planning and implementing family planning programs, breaking with the traditional donor programs that focused on small areas without

significant involvement from the national government. Excepting a portion of the JSI contract, the ACCS had largely completed its activities at the time of the mission closeout.

The **Accelerated Cooperation for Child Survival (ACCS)** project reinforced activities of OFC. Implemented between September 1986 and September 1997, the project was a follow-on to the Tihama Primary Health Care project (1980-1989) that helped to establish 65 primary healthcare units in the Hodeidah governorate. The purpose of the ACCS was to continue extending basic health care services to women and children in the governorates of Hajja, Hodeidah, Marib, and Saadah.

Overall, contract performance for the OFC project as measured by performance indicators was favorable. The program met fifteen of the seventeen targets, and the program final report advised that the Health Center Improvement model adopted by the program would be replicable in other contexts. The ACCS demonstrated similar success. It was noted that maternal and child health care is hampered by a number of constraints, including lack of resources, and weak administrative and management capacities at central, governorate, and district levels. In addition the projects also found few trained, qualified staff (especially female health care providers) and a shortage of essential drugs, equipment and facilities.

At the time of the mission close out, additional assistance in the health sector was *funded from OFC*, provided through a \$21,000 grant to WHO to support a technical secretariat for the health sector donors subgroup. The funding was part of the **Technical Services and Feasibility Studies (TSFS)** project set up to work as a flexible mechanism, allowing USAID/Yemen to respond to priority project development and support requirements, including project development studies, economic analysis, and policy studies. Previous to the WHO grant, resources were also provided for technical assistance, limited commodity support studies, and short-term training for both the public and private sector efforts.

The **Child Survival XI** project, which began October 1, 1995, was recently extended to 2003. Through support from USAID/Washington Child Survival Grants Program, the Adventist Development and Relief Agency (ADRA) has undertaken a community-based child survival project in the rural districts of Hais, Khokha, and Jabal Ras in the Hodeidah governorate. Program focus rests on empowering communities as key stakeholders in health services delivery, lowering infant and child morbidity rates, and improving nutritional status of children in the target area. Community ownership has been fostered through the identification of problems and promotion of solutions through community entities, such as women's groups and health facility committees. The program has also incorporated women's literacy and small business development components into its health interventions. ADRA has received high praise for its focus on sustainability and its efforts to promote partnerships between government entities and

communities. In the 1999 final evaluation of the first phase of Child Survival XI, the program measured substantial success in reaching its targets and transforming the state of rural health service delivery in its impact areas.

## **Education and Training**

**Development Training III (DTIII)** (Project No. 279-0080) was a project run by Global Training for Development (GTD) between September 1998 and September 2000. Previous to this, the first phase of the project supported long-term academic study for Yemeni participants and was being implemented by Partners for International Education and Training (PIET). Subsequently, World Learning was contracted to take over these responsibilities and create a training plan to support technical and management improvements in the health and education sectors primarily for the benefit of the Central Statistical Organization (CSO), the National Institute for Administrative Science (NIAS), and selected NGOs. Through this program technical and financial support was also provided to the women trainees of the OFC project.

***Educational Development Support Project (EDSP)** (Project No. 279-0074) began August 1, 1987 with a planned completion date of September 30, 1997. However, due to the phase out of USAID/Yemen after the Gulf Crisis the completion date was moved to December 31, 1993. Total project expenditures were \$4,553,022.*

*USAID concentrated its efforts until end of 1993 on: (a) completing a substantive set of camera ready curriculum text and teacher's guides for grades one and two in reading, math, and science, and, completion of text materials -- including initial classroom field testing, for grade three in reading, math, and science; (b) continuing training for a critical mass of curriculum research and curriculum development specialists; and (c) training seminars for teachers, principals, MOE administrators, and other practitioners to guide, support and train others in continual field testing, research and improvement of curriculum and teacher training materials. USAID worked closely with the comprehensive World Bank assisted Basic Education project officials to assure an orderly integration of the two programs by the December 1993 completion date of the USAID financed EDS project.*

## **Democracy and Governance**

Through the Consortium for Elections and Political Processes (CEPPS), USAID/G/DG has used Economic Support Funds (ESF) to help finance a legislative strengthening program implemented by the National Democratic Institute for International Affairs (NDI). Support was also given to the Supreme Elections Committee (SEC), implemented by the International Foundation for Election Systems (IFES). Prior to the closeout of the mission, elections assistance was provided through the technical services of IFES and elections observers through the International Republican Institute (IRI). NDI was also previously involved with the development of non-governmental organizations.

USAID's Global Bureau Democracy and Governance (G/DG) office obligated over \$130,000 for Yemen as part of a regional Women's Legal Rights program. The activity in Yemen, which has not yet started, will focus on the rights of women in detention. A second regional Global project focusing on the rule of law will provide not more than \$200,000 for activities in Yemen. Both activities are managed out of the G/DG office.

*[Source: USAID, Planning Framework for Assistance to the Republic of Yemen, Date ?]*

## **ANNEX 6**

### **Current USG Development Assistance in Yemen**

#### **1.0 Introduction**

Although USAID/Yemen closed in 1996, USG assistance continued with funding from USAID Washington for democracy and governance (CEPPS) and health and basic education activities (ADRA); from the State Department (Fulbright, International Visitors Program, Middle East Partnership Initiative); and from the US Department of Agriculture (416(b), Food for Education and Cochrane Fellowships).

#### **2.0 CEPPS (Elections, Political Parties, Local Councils)**

Through a competitive application process, USAID's Center for Democracy and Governance awarded a five-year global cooperative agreement to the Consortium for Elections and Political Process Strengthening (CEPPS). The effective date of this Agreement is 03/02/2001 and the estimated completion date of this Agreement is 03/02/2006. This consortium is comprised of the International Foundation for Election Systems, the International Republican Institute and the National Democratic Institute. Sub-grantees include the Carter Center and the Asia Foundation. This cooperative agreement is the successor to the Democracy Center's existing grant with the same partners and is known by the same acronym: CEPPS.

The new CEPPS cooperative agreement is designed to respond to immediate and long-term Mission and Bureau needs related to assessments, strategy formulations, activity design, and program implementation. For those of you familiar with the previous CEPPS agreement, the scope of the new award broadens the range of possible activities. Specifically, activities initiated under this award may promote any of the following objectives:

- Credible Electoral Administration
- Impartial Electoral Framework
- An Informed and Active Citizenry
- Effective Oversight of Electoral Process
- Representative and Competitive Multiparty System
- Effective Transfer of Political Power
- Effective Governance by Elected Leaders and Bodies
- Increased Participation of Women and Historically Disenfranchised Groups

Like other Global Bureau assistance and acquisition instruments, the CEPPS award was created to initiate short and long-term activities without requiring a time-consuming competitive application process. In addition, this cooperative agreement is a leader/associate award, allowing missions two options for how to "buy into" this agreement.

International Foundation for Election Systems (IFES) Yemen: In anticipation of the 2003 parliamentary and local elections in Yemen, IFES was awarded \$700,000 ESF, through CEPPS II. The program began in April 2002 and ends in April 2003. The project assists the Yemeni Supreme Election Committee (SEC) in meeting its urgent needs in developing a voter registration system, improving its training capacity, and expanding its stakeholder outreach.

IFES Program Objectives: The activities implemented under this program description should contribute to the following objectives:

- A timely, efficient and transparent voter registration effort for the 2003 legislative elections – including voter cards and communication help centers.
- Increased training capacity for credible and impartial voter registration and elections administration by the General Secretariat of the SEC.
- Increased confidence in the run-up to the 2003 legislative elections, including increased voter registration and voting.

The proposed activity will be conducted in close collaboration with the newly formed SEC, as well as with national and international organizations sharing IFES' commitment to the support of Yemen's democratic transition. This project builds on IFES' past and current USAID-supported Yemen programming, since 1997.

National Democratic Institute (NDI): Yemen: NDI I was awarded \$325,000 in ESF, through CEPPS II, to conduct a program geared toward providing second-tier political leaders in Yemen with the knowledge and skills necessary to generate momentum for further democratic reform in advance of the elections. The program began in June 2002 and will end in February 2003. NDI works with the three main political parties to strengthen the party branches through skills training and local leadership development and to enhance women party members' ability to play a more active. NDI would also assist members of the local councils, including the 36 women councilors, to acquire proper understanding of the Local Administration Law. Out of roughly 120 women who ran as candidates in the local elections, 36 won seats. The recently elected local councilors lack the skills necessary to be effective representatives. Despite their small number, given their distribution regionally and within the parties, women local council members can serve as a core group for raising awareness of women's role in a democracy and for promoting women candidacies in 2003.

NDI Program Objectives: To provide second-tier political leaders in Yemen with the knowledge and skills necessary to generate momentum for further democratic reform in advance of the 2003 elections, the program has the following objectives:

- Yemeni political parties build the internal capacity and capabilities of their local branches to better represent the concerns and interests of the people in the upcoming 2003 elections;
- Women party members develop the political skills necessary to enhance their ability to play a more active, integrated and numerically representative role in the political parties; and
- Members of pilot local councils, including the 36 women councilors, acquire proper understanding of the Local Administration Law.

### Pending CEPPS II Activities

*[Source: Program Description to Support Activities Under DCHA/DG's Cooperative Agreement with the Consortium for Elections and Political Process Strengthening (CEPPS), prepared by April Hahn, DCHA/DG]*

#### I. Summary:

The success of Yemen's democracy will directly influence political development throughout the Middle East. This success relies in part on a commitment by the U.S. to support Yemen in its current moves toward democratization. USAID and the Department of State would like to build upon the extensive history of CEPPS/NDI in Yemen and solicit a CEPPS II proposal to support Yemen's nascent democratic institutions on the local and national levels. The CEPPS activity will aim to achieve the following two objectives: 1) to improve the capacity of Local Councils to govern more effectively and 2) to enhance the prospects for meaningful, participatory democratic elections and encourage public confidence in the process for the parliamentary elections scheduled for April 27, 2003.

#### II. Background:

The process of democratization in Yemen coincided with the 1990 unification process between the Arab Republic North and the Democratic Peoples Republic of the South, with all its inherent complexities and unresolved dissonance. The country's history of partition and reunification paves an intricate, complex path to political liberalization. The process demands building a transparent, representative and effective centralized state that can provide unity, stability and solve the significant political and economic needs of the country. Simultaneously, the process demands fostering a system of checks and balances and other forms of political competition and pluralism.

Yemen unification originated as a result of a political decision and not as an outcome of public demand, which has particular consequences for the country's democratic development. The unification has led to the emergence of numerous parties, which were previously underground and had not developed substantial intra- and inter-party dialogue. Dissonance among the different political parties remains high. The unification also established a national government that struggles with, though has made strides toward, superceding the predominance of tribalism in political life and strengthening the still nascent political and economic infrastructure. Against this backdrop, the prominent and

yet ill-defined role of military, the tribalism and violence of the north and the rumblings of discontent in the south of Yemen linger unresolved.

The combination of these factors would pose serious challenges to any emergent democracy. Nevertheless, Yemen has undergone tremendous political and economic changes with far-reaching consequences, in the last decade and has had impressive successes in establishing a more open and transparent political system. Yemen held its first multi-party election in 1993, which inaugurated a decade of democratic reform. The election results confirmed that the Yemen's political divide was along geographical rather than ideological lines; yet, the combined process of unification and democratization continued to move forward. The government of Yemen successfully conducted two successive national multi-party elections -- for parliament 1997 and for a president in 1999. Moreover, within this time period, several political parties have established themselves and the press has operated fairly freely.

Yemen has continued to deepen its progress in the establishment and evolution of democratic institutions at the local and national level. In January 2000, as part of a program of democratization and decentralization, the Yemeni parliament passed the Local Authority Law that created the country's first-ever locally elected municipal councils. This system was officially established through local elections in February 2001. The establishment of the local councils invites the potential to improve Yemen's political system, particularly in the areas of checks and balances, transparency, and political pluralism. However, the effectiveness of these reforms may be hindered by the paucity of the country's historical experience with democratic norms and practices. In order for local governments to manage their own development and respond effectively to citizens' needs, as is intended by the reforms, newly elected officials will need to enhance their knowledge of their official responsibilities and gain a basic understanding of the local authority law. Yemeni citizens will also need to be informed on the functions of the local councils.

Continued evolution the national level also offers the prospect of deeper success in Yemen's democratic experiment. The pending April 2003 parliamentary elections constitute the country's third parliamentary election since the 1990 unification and could represent an important indicator of the extent to which democratic reforms in Yemen can endure. It is noteworthy that the recent voter registration process serves as a reminder that success of this election is possible, but not guaranteed. The recent registration program successfully surpassed efforts to enfranchise eligible Yemeni voters of the 2001 process. Yet, the process has been endangered by fervent inter-party contention, continued and blatant political coercion by local level sheiks in direct challenge to local election authorities and violence -- with over 400 incidents and seven deaths. These crisis areas, if not addressed, may jeopardize the environment on election-day and the perception of legitimacy in the post-election period.

Yemen's decade of democratic evolution has already made some improvements in the lives of the Yemenis and holds considerable promise for the future. The horizon is rife

with challenges– violence, a weak government, divisive political party relations and public political skepticism that is juxtaposed with citizens’ raised expectations regarding their right to a political voice. Yemen’s nascent institutions need support, as do the officials upon which their fate is determined. These institutions and its composing officials have the sizeable task of building of a common sense of loyalty to the state and civil society, rather than exclusively to the tribe or the family. Improving the integrity, and capacity of Yemen’s local and national democratic processes, as well as citizen trust in these processes, are vital tasks, particularly at a time when it is critical that international community support the legitimacy of democratic norms and a peaceful transfer of power in Yemen.

### III. Program Objectives:

#### Objective 1: Improve the capacity of the Local Councils to govern more effectively:

Despite the obstacles facing them, the new local councils can contribute to Yemen’s development towards a more effective and representative political system. Locally elected officials can constitute a direct link to their constituencies, more so than the central Yemen government. If given the proper guidance and support, these councils have the potential to serve as a bridge between the government and the tribal traditions, which are especially predominant in the more remote regions of the country.

- *Sub-objective 1a: Develop a group of local council members with knowledge of the local authority law and training techniques this issue*

#### Illustrative activities:

- Assess local councilor needs and other stakeholders, such as the Yemen Ministry of Local Administration (MOLA), interest in the conduct of the local councils
  - Develop a curriculum and conduct training for council members on the local administration law which governs their positions in coordination with the MOLA and local NGOs, where possible, for all governorate level councils, all District Directors and General Secretaries, and over a third of all district level councils.
  - Train local officials to discuss roles and responsibilities in public fora
- *Sub-objective 1b: improve coordination and communication between local council members the Ministry of Local Administration (MOLA) and other government ministry offices.*

#### Illustrative activities:

- Train local council and the MOLA on their distinct roles and their areas of collaboration and interaction.
- Convene joint meetings to design processes and procedures for communication between the local councils and the MOLA

- Select one or two issues to monitor the implementation of these procedures.

Objective 2: *Enhance the prospects for meaningful, participatory democratic elections and encourage public confidence in the process for the parliamentary elections scheduled for April 27, 2003*

Support for an international and domestic monitoring effort and political parties will address the challenges facing Yemen's election by providing knowledge to officials and citizens regarding a fair and peaceful pre-election environment. Activities will raise the stakes for parties in committing to a peaceful and fair electoral process. The activities will also serve as confirmation of the international community's continued interest in and support for an open and fair political process in Yemen.

- *Sub-objective 2.a: Improve the integrity of and voter confidence in the April 2003 parliamentary elections through domestic and international election monitoring*

Illustrative activities:

- Deploy a pre-election mission of election experts and political leaders to examine the legal framework for the election and its implementation, the political environment, and the level of public confidence in the election, etc
  - Coordinate monitoring activities and enhance cooperation between international and domestic monitors, including linking both types of monitors on site and standardizing reporting forms and procedures
  - Hold pre-election workshops for domestic monitors with international monitors on subjects such as strategic planning, media training, poll watching training, post-election monitoring, etc.
  - Provide specific technical assistance to lead organizations in domestic monitoring to improve their capacity to coordinate national observation efforts
  - Deploy election-day teams to various polling sites in Sana'a and the Yemeni interior to monitor the opening of the polls, the balloting and the counting processes, etc.
  - Monitor post-election developments such as the final tabulation of the results and the handling post-election complaints.
  - Issue a final report on the electoral process.
- *Sub-objective: 2.b. Encourage constructive dialogue among political parties and promote fair, peaceful and effective campaign and monitoring practices;*

Illustrative activities:

Training and technical assistance through forums, workshops or consultations on:

- Basic knowledge of the electoral laws and administration
- Mitigating the risk of electoral conflict, such as intimidation of voters and election officials, as well as inter- and intra-party violence throughout the election process.
- Parties' creation and adherence to codes of conduct regarding election behavior

- Strategic planning and development poll watching.
- Strategic planning sessions on how to maintain structure and cohesion during and following the election
- Reporting practices in the media
- Effective coordination between the parties and the election body

#### IV. Monitoring and Evaluation

##### Objective 1: *Improve the capacity of Local Councils to govern more effectively:*

- *Sub-objective 1a: Develop a group of local council members with knowledge of the local authority law and training techniques this issue*

##### Illustrative Indicators

- Local council members are able to discuss their basic responsibilities, including mode of interaction with citizens in the locality and the MOLA.
- Local council members demonstrate ability to train others on the functions of the local council. Members, for example, hold townhall meetings to describe their roles and functions.
- *Sub-objective 1b: Improve coordination and commination between local council members the Ministry of Local Administration (MOLA) and other government ministry*

##### Illustrative Indicators

- Local council members and MOLA design and implement strategy for coordination and information sharing.
- Local council members and the MOLA are able to describe their exact functions and areas of interaction.
- Local council members inform the MOLA about issues in their community
- Members of the local councils and the MOLA convene joint meetings

##### Objective 2: *Enhance the prospects for meaningful, participatory democratic elections and encourage public confidence in the process for the parliamentary elections scheduled for April 27, 2003*

- *Sub-objective 2.a: Improve the integrity and voter confidence in the April 2003 parliamentary elections through domestic and international election monitoring*

##### Illustrative Indicators

- Election-day team uses guidance from pre-election reports to target election day monitoring
- Monitoring capacity of political parties and civil society is demonstrated through the appropriate and effective execution of their duties before, on and after

- election-day. Skills are recorded and internalized for use and refinement for the next election.
  - Strengths and weaknesses in the electoral process identified and documented by the monitors are disseminated
- *Sub-objective: 2.b. Encourage constructive dialogue among political parties and promote fair, peaceful and effective campaign and monitoring practices*

#### Illustrative Indicators

- Political party representatives implement peaceful, effective campaign strategies
- Political party representatives design, discuss and implement effective poll watching strategies.
- Political parties develop and implement strategies to play active, responsible and non-violent roles in promoting and participating in a free and fair electoral competition.

#### V. Budget

The budget for this program will be \$975,000 in ESF.

#### VI. Program Duration:

The duration of this activity will be from March 2003 - March 2005.

*[end : April Hahn's Program Description]*

### **Role of the Office of the USAID Representative to Yemen in CEPPS Activities**

CEPPS activities in Yemen are managed by the USAID/Washington DCHA Office of Democracy and Governance and are implemented in Yemen by NDI and IFES, with supervision by the Embassy/Sana'a POL/ECON section. The Office of the USAID Representative in Yemen will advise the Embassy on CEPPS Activities and will participate on the Embassy Democracy and Governance Coordinating Committee. However, the Office of the USAID Representative to Yemen is not expected to have a direct management role in these activities.

### **3.0 Middle East Partnership Initiative (MEPI) Bilateral and Regional Activities**

In a speech at the Heritage Foundation on December 12, 2003, Secretary of State, Colin Powell, announced the Middle East Partnership Initiative (MEPI),

“an innovative set of programs and a framework for future cooperation...a bridge between the United States and the Middle East, between our governments and our peoples, ... a concrete demonstration of our commitment to human dignity in the Middle East.”

The MEPI program supports a very focused approach to development whose goal is increased employment and family income through economic growth, facilitated by open economies within open political systems where individual rights are protected, civic institutions are valued and the citizens (especially females) have the education and freedom to participate and benefit.

The goals and objectives of the Middle East Partnership Initiative include: economic, political and education reform supported by cross-cutting initiatives to increase digital readiness and opportunities for women.

In the area of economic reform the USG seeks to:

- Enhance MEPI partner countries' global competitiveness by increasing access to world markets and expanding liberal, free-market policies and open trade relationships. MEPI seeks to assist Yemen achieve progress on WTO accession bids
- Encourage mobilization of foreign direct and domestic investment by strengthening commercial, legal, and banking systems, increasing transparency and reducing corruption within government and corporate entities and improving the reliability of dispute resolution mechanisms
- Facilitate revenue and employment growth of micro-enterprises and small and medium enterprises (SMEs) by increasing SME access to all forms of capital, increasing SME capacity in business plan development and marketing, expanding the number and customer-reach of micro-enterprises, and expanding the managerial and business skill sets of entrepreneurs

In the area of Political Reform the USG seeks to:

- Strengthen democratic processes by increasing the number and improve skills of candidates for public office; increase strength and influence of political parties, advocacy groups, and independent trade unions; increasing public awareness and acceptance of civic rights and responsibilities; improve administration of elections; increasing parliamentarians' and other office holders' capacity in effective leadership and representation
- Promote the rule of law and accountable, effective government institutions by supporting organizations that encourage governmental accountability, transparency, and respect for human rights; supporting reform of judicial systems and improve administration of justice; expanding the frequency, reach and precedence of governmental and judicial decisions that uphold laws protecting basic human rights, the rights of women, and minorities

- Strengthen the role of media in society by fostering conditions allowing accurate media coverage of electoral campaigns; reducing *de jure* and *de facto* censorship and enhance protections for investigative journalists; expanding the role of the media as an advocate for reform; increase professionalization of media organizations and journalists, and support adherence to journalistic standards

In the area of education reform the USG seeks to:

- Expand access and enhance quality of basic formal education, particularly for girls by increasing the number of schools that adopt pedagogies and materials centered on participatory learning, critical thinking, and preparation for the global marketplace; increasing literacy and numeracy skills especially among K-12 students and their families; increasing English language skills/proficiency; increasing the frequency and duration of early childhood education; increasing parental, community and local government involvement in managing educational resources
- Expand access and enhance quality of higher education by increasing university graduate rates of students from economically disadvantaged and rural communities for productive employment; improving the quality of faculty instruction, independent student research, and materials available at Arab universities; enhancing universities' administrative and managerial capacity; expanding partnerships between U.S. and Arab universities and their economic and civil society partners; increase private sector employment of Arab university graduates

To enhance the MEPI cross-cutting “Digital Readiness” objective, USG seeks to:

- Support policies and legislation fostering competition, private investment and universal service in telecommunications and e-commerce
- Increase deployment of information and communication technologies to support entry and sustained participation in the marketplace
- Expand number of classrooms utilizing multi-media, broadcast and Internet-based educational programming
- Establish regulatory and technical regimes that protect open access to the Internet, freedom of speech, and free flow of information

In response to the MEPI cross-cutting objective of “Increased Opportunities for Women” USG seeks to:

- Increase number of successful female business owners and entrepreneurs

- Support efforts aimed at reducing the school drop-out rates of adolescent girls and increasing the number of girl-friendly schools
- Increase the number and raise proficiency of women office holders
- Support the founding, growth and networking of women's advocacy groups
- Support indigenous efforts to eliminate legal, regulatory and other obstacles to the advancement of women

#### Embassy/Sana'a Response

A January 21, 2003 Embassy/Sana'a cable (12958), "SANAA RESPONSE TO NEXT STEPS ON U.S. - MIDDLE EAST PARTNERSHIP INITIATIVE (MEPI), the Embassy/Sana'a observed that

"As the least developed country in the NEA region, Yemen is likely to show rapid, tangible results from well-conceived MEPI-funded programming."

The Embassy continued that

"A central theme of the Post's MPP is "no security without development, and no development without security."

The Embassy has made MEPI "an important component" of the MPP and believes that strategically targeted MEPI-funded programming will play a significant role in ensuring continued and enhanced economic development, political reform and security, which are vital to Yemen's stability, which, in turn, is an essential ingredient in the global war on terror. The Embassy will therefore seek MEPI resources to achieve "rapid tangible results and maximum impact in key sectors and regions of Yemen against the existing support network for Islamist extremism."

#### FY 2003 MEPI awards Benefiting Yemen

##### Bilateral

Four bilateral awards benefiting Yemen are planned in FY 2003:

- Increasing Literacy and Life Skills for Women of Childbearing Age in Selected Governorates (Marib, Shabwah, Al Jawf, Sana'a, (Khawlan District), Sada'a and Amran. - \$1,000,000 (implementation will be through an NGO present in Yemen - to be selected in a limited competitive process)
- Internet Access in twenty-four high schools throughout Yemen with training for teachers – (\$1,400,000)
- Yemeni Parliamentary Elections Monitoring - \$400,000 (CEPPS-NDI)

- Tribal Areas Local Council Pilot Program - \$575,000 (CEPPS –NDI)

### Regional

Yemen has also been designated as an eligible participant in several MEPI Regional programs funded in FY 2003:

- Young Ambassadors Study of the United States - \$600,000 (State/ECA)
- U.S. Middle East University Linkages Program - \$1,000,000 (ALO)
- Middle East Executive Training - \$725, 400 (USDOC ITA)

### Management

- The Women’s Literacy Program will be implemented by the Yemen Ministry of Education with supervision by the Embassy Public Affairs Office and support from the USAID Education Team;
- The High School Internet activity will be managed by the Embassy Public Affairs Office
- The CEPPS program will be managed USAID/W DCHA Bureau, Center for DG, in association with the Embassy/Sana’a DG Coordinating Committee led by Embassy/Sana’a POL/ECON (see CEPPS discussion above).
- The Young Ambassadors Study of the United States will be managed by State/ECA; U.S. Middle East University Linkages Program will be managed by ALO Middle East Executive Training.

### **Role of the Office of the USAID Representative to Yemen in MEPI Activities**

Ambassador Hull intends that the Office of the USAID Representative in Yemen will become engaged in MEPI framework activities:

“The imminent return of USAID to Embassy Sanaa will help to ensure that post has the capacity to manage MEPI funds and implement expanded programming effectively.” (SANAA 12958, 1-21-03)

The Office of the USAID Representative in Yemen will partner with Embassy/Sana’a sections (POP/ECON/PAO) to plan, implement and monitor MEPI-funded activities and will participate on the Embassy/Sana’a Democracy Working Committee. MEPI funds will also be sought to complement USAID’s ESF-funded activities in education and economic growth in the five target governorates and/or to fund policy reform activities in education and economic development. MEPI proposals may also be developed to support women’s empowerment such as expanded participation in economic activities and income generation and to support ROYG decentralization and community participation components of the USAID ESF-funded programs.

#### **4.0 Food AID Programs**

##### **4.1 416(b) FoodAID Program**

In 1999, the United States Department of Agriculture’s (USDA) 416 (b) Food Aid Program started in Yemen, and has provided the vast majority of USG financial assistance to the poverty – stricken nascent democratic government of Yemen. As Yemen is one of the least developed countries in the world with nearly 40% of the country’s population living in absolute poverty and where the food deficit is persistent, the 416 (b) program is extremely relevant with the two primary objectives of 416 (b) directly addressing Yemen’s urgent economic and social conditions and needs:

Objective 1: To increase the availability of commodities in the Yemeni market in order to provide a level that more closely approximates actual food needs.

Yemen has a shortage of hard currency due to low levels of industrial and agricultural exports, the loss of revenues from Yemenis working abroad and significant reduction in bilateral aid that are much need to finance the implementation of the country’s Poverty Reduction Strategy and enable Yemen to afford to import the level of wheat, flour, and other commodities necessary to meet the basic needs of its growing population.

Objective 2: To sell the donated program commodities through private sector channels and to utilize the funds to finance small to medium-size social related development projects with the underlying objectives of alleviating poverty, promoting economic and agricultural development, improving health and education services and creating employment through labor intensive infrastructure projects.

These development projects are assisting Yemen at a time when they are at a critical crossroad on its path of democratization and economic reform. Since 1994, ROYG has successfully floated and stabilized its currency, privatized industry, implemented legislation to favor private investment and reduced government spending. Unfortunately, however, as one of the world’s poorest and least developed countries, Yemen has not been able to shield its people from the hardships caused by reductions in government expenditures. This is hindering economic growth and development.

#### **History of 416 (b) proceeds:**

<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>Total</b>
\$15.2 million	\$30.2 million	\$22.2 million	\$18.5 million (approximate)	\$86.1 million
95,000 MT of commodities	170,000 MT of commodities	107,500 MT of commodities	88,000 MT of commodities.	460,500 MT of commodities

Such basic services as maintaining infrastructure, agricultural extension, health care, education and providing a safety net for the poor have been curtailed. The growth rate is

3.5, which is one of the world's highest. Illiteracy rate is 47%. Health services cover only 40% of the population. The funds derived from the donated program commodities are being utilized to address these deficiencies.

The USDA Commodity Credit Corporation signed an agreement with the ROYG Ministry of Planning and Development to provide Yemen with American wheat flour which is sold by MoPD in cooperation with the ROYG Ministry of Supply and Trade. The resulting local currency funds activities agreed to by a steering committee that includes the MoPD and the American Embassy. Approximately 10 percent of the monetized proceeds will be used for the administration of the Program. The remaining 90 percent are used to implement community development projects where the need is the greatest. Activities are implemented by the Social Fund for Development (SFD) and the Public Works Program (PWP), which are quasi-independent development authorities established by the ROYG. To date, more than 150 separate activities have been funded by the 416(b) Program and they include:

- 1) Labor intensive projects such as:
  - Building and equipping schools, including for girls;
  - Equipping a major regional hospital;
  - Building and equipping small health care and family planning facilities;
  - Building and equipping medium-sized female vocational training centers and training centers for the disabled; and,
  - Building small sewage, drainage, flood protection, sanitation, irrigation, and water schemes.
- 2) Social and economic development program including microenterprise credit for depressed communities, training social and technical service personnel, and cultural heritage programs.
- 3) Agricultural development efforts, such as providing extension services and projects to improve land use.

#### **4.2 PL-480 Title 1 Food for Progress**

Although the USDA 416 (b) Program will be phased out after the 2002 fiscal year, the Government of Yemen is eagerly seeking to continue the receipt of food aid through the PL-480 Food for Progress Program (Title 1 Grant). Yemen has been approved for FY 2003 commodities with an estimated market value that is estimated will generate an equivalent of \$20 million in local currency.

The USDA PI-480 Title I Program is currently being negotiated with the ROYG and the following illustrative activities, to be implemented over three years, are being considered:

Irrigation Projects: Improve agricultural production and farmer incomes by installing

efficient and sustainable water retention, channeling and irrigation systems to irrigate crops, using the most appropriate system for the local terrain and available water source.

Food Processing: Increase agricultural sector incomes and expand agribusiness enterprises by financing private sector food processing, storage, marketing and handling projects for high-value products that can be marketed regionally and in Europe, such as fish, coffee, honey, fruits and vegetables.

Agricultural Extension: Strengthen agricultural extension services provided by the ROYG to fisheries, farmers, herders and agricultural enterprises through services, training and technology transfer from private firms, universities, and research centers.

Rural Access Roads: To reduce the isolation of the rural population and to improve market access by farmers, construct rural access roads designed to withstand erosion and that can be maintained with local support.

### **4.3 Food for Education Program**

One hundred and fifty thousand people will directly benefit from the Global Food for Education (GFE), a one-year program to be implemented in Yemen by the Adventist Development and Relief Agency (ADRA) through the use of commodities supplied by the United States Department of Agriculture (USDA) acting through the Commodity Credit Corporation (CCC).

In an agreement signed with ADRA International in early August, CCC will supply 5,000 metric tons of soybean oil and wheat flour to expand female students' access to primary education in Yemen. Commodities will be packaged into take-home rations for distribution to 30,000 female students attending grades one through nine in the Taiz governorate. The take-home rations will provide support to families while their daughters are attending school. Worth more than \$2.1 million, the commodities are expected to arrive in Yemen by the end of 2002.

In the Taiz governorate, females comprise only 39% of the school enrollment. In collaboration with the Ministry of Education and the World Food Programme (WFP), ADRA Yemen will select beneficiaries in areas with the greatest need in the Taiz governorate. Selection criteria will include areas that lack food security and have limited access to markets and school districts that have the greatest disparity between enrollment rates of males and females.

“The take-home rations will contribute immediately to the household income as well as give status to the girl who is enhancing the family’s well-being in a very substantive way,” states Amy Willsey, bureau chief for planning at ADRA International. “In the long-term, this program will significantly impact the community as girls are allowed to continue their education beyond the age of 12 or 13 when traditionally they have assumed the adult roles of marriage and a workload.”

During the Interim Strategy period, the Office of the USAID Representative in Yemen will explore options to expand The Food for Education Program resources to complement the USAID education portfolio in the target governorates.

#### **4.4 PL480 Title II Food for Peace**

The Office of the USAID Representative in Yemen is exploring options to submit a proposal to the USAID DCHA Bureau Office of Food For Peace for PL480 Title 2 resources (Food for Work and Cash for Work) to complement USAID ESF-funded program activities in the five target governorates.

#### **4.5 Management**

The 416(b) FoodAID Program implementing agency is the ROYG Ministry of Planning and Development (MoPD). The MoPD steers a committee, which coordinates with other ministries and agencies for the importation and utilization of funds. In close coordination with the American Embassy, the Steering Committee allocates funding to various organizations and ministries for utilization on pre-defined projects (see above). The following entities have and are continuing to successful implementation these projects:

- Ministry of Planning & Development and Ministry of Finance, as a monitoring agencies and members of the aid steering committee;
- Public Works Project;
- Social Fund for Development;
- Ministry of Education;
- Ministry of Health;
- General Corporation for Roads and Bridges; and,
- Office of the Mayor of Sanaa.

The PL-480 Title 1 Food for Progress Program will be administered in the same fashion as that of the current 416 (b) program and will be used to finance similar projects as listed above. In fact, Yemen's 416(b) contract with USDA forms the basis of Yemen's current proposal and negotiations with USDA for PL480 Title 1 Food for Progress resources.

The PL-480 Title 2 - Food for Cash and Food for Work Programs would be administered in the same fashion as that of the current 416 (b) program and would be used to complement economic development(agriculture), health and basic education projects..

The Food for Education Program implementing agency is the ROYG Ministry of Planning and Development (MoPD) which chairs a steering committee that includes the that coordinates with other ministries and agencies for the importation and utilization of funds.

#### **4.6 Role of the Office of the USAID Representative in Yemen**

The Office of the USAID Representative in Yemen will assist the Embassy and USDA and DCHA/FFP as requested to identify activities and to support the implementation of

Food-Aid Programs in Yemen. The USAID objective will be to seek synergy among Food Aid-funded activities and USAID ESF-funded activities in the five target governorates and at the national and policy levels to assure that these USAID and USDA programs achieve maximum impact.

### **5.0 Fulbright Program**

The Fulbright Program was established in 1946 under legislation introduced by former Senator J. William Fulbright of Arkansas to "increase mutual understanding between the people of the United States and the people of other countries..." The Fulbright Program provides grants for graduate students, scholars, professionals, teachers and administrators from both the United States and other countries. Approximately 234,000 "Fulbrighters," 88,000 from the United States and 146,000 from other countries, have participated in the Program since its inception more than fifty years ago. The Fulbright Program awards approximately 4,500 new grants annually.

Fulbright Alumni include Nobel and Pulitzer Prize winners, governors and senators, ambassadors and artists, prime ministers and heads of state, professors and scientists, Supreme Court Justices, and CEOs.

Fulbright in Yemen: Since 1967, over 900 have studied in the United States or other countries on Fulbright Scholarships. They have attended universities across the United States including American University, University of Arizona, Columbia University, George Washington University, Georgetown University, Indiana University, Johns Hopkins University, Massachusetts Institute of Technology, Michigan State University, and many more. Among the graduates of the Yemeni Fulbright Program and Prime Minister Abdulaziz Abdulghani, who received an MA from the University of Colorado, Yemen Times publisher and founder Abdulaziz Al-Saqqaf, Yemen Ambassador to Saudi Arabia Khaled Al-Akwaa, and top officials at Sanaa University and Government Ministries. Yemeni Fulbright Scholars have studied in a wide range of fields including accounting, city planning, economics, education, engineering, hydrology, international relations, literature, mathematics, physics, and public administration.

### **Role of the Office of the USAID Representative in Yemen**

Under current funding levels for Yemen, up to 30 students can be funded per year under the Fulbright Program to undertake a two-year Master's degree program at an average cost per student of \$80,000. This program is funded through an ESF allocation to USAID which USAID transfers to the Department of State where it is administered by STATE/ECA. Approximately \$2 million per year from the USAID/Yemen ESF-funded OYB is currently provided for Yemeni Fulbright Scholars – as ESF funding levels in Yemen increase the annual allocation for Fulbright two-year masters degree programs is also expected to increase. The Office of the USAID Representative to Yemen will endorse the increased level of Fulbright funding as the USAID annual budget increases and will propose Fulbright candidates for degrees related to USAID program areas.

## **6.0 Cochran Fellowship Program**

Since 1984, the US Congress has made funds available for training agriculturalists from middle income and emerging market countries. Training opportunities are for senior and mid-level specialists and administrators concerned with agricultural trade, agribusiness development, management, policy and marketing from the public and private sectors. All training occur in the United States. The Cochran Fellowship Program is part of the United States Department of Agriculture's Foreign Agricultural Service, International Cooperation and Development, Food Industries Division (USDA/FAS/ICD/FID).

Participants From Yemen: The Yemen Cochran Fellowship Program (CFP) started in 2001 by providing a total of 19 training opportunities of 2-3 weeks each. Fourteen of the trainees completed their training program before the terrorist attacks of September 11, 2001. The other five trainees conducted their training in 2002 along with an additional nine trainees from the 2002 program. The number of participants for 2003 has yet to be determined but the Embassy is advocating that at least 15 openings be allocated for Yemen.

Program Objectives: Program objectives are to provide high quality training resulting in knowledge and skills that will:

1. Assist Yemen to develop agricultural systems to meet the food needs of the domestic populations; and,
2. Strengthen and enhance trade linkages between eligible countries and agricultural interests in the United States.

Program Design: Each training program reflects a philosophy that training should provide participants with sound technical knowledge and the opportunity to test and practice new skills and knowledge in practical situations. Therefore, most programs offer a mixture of technical instruction, practical field observations, and "hands-on" experience. Programs are specifically designed in accordance with the training objectives discussed during interviews with candidates and the recommendations of USDA/FAS.

## **Role of the Office of the USAID Representative in Yemen**

The Office of the USAID Representative in Yemen expects to propose candidates for the Cochran Fellows program.

## **7.0 International Visitors Program**

The International Visitor Program operates under authority of the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act). The emphasis of the program is to increase mutual understanding through communication at the personal and professional levels.

The International Visitor Program brings participants to the United States from all over the world each year to meet and confer with their professional counterparts and to experience the U.S. firsthand. The visitors, who are current or potential leaders in government, politics, the media, education, and other fields, are selected by American Officials overseas. More than 200 current and former Heads of State, 1,500 cabinet-level ministers, and many other distinguished world leaders in government and the private sector have participated in the International Visitor Program.

The Department of State directs the program in cooperation with a wide range of non-profit organizations operating under cooperative agreements with the Department of State. The program also relies on the commitment and skills of over 98 community-based organizations across the country. They represent a wide range of institutions and expertise from universities to World Affairs Councils to all-volunteer. These organizations are known collectively as "Councils for International Visitors (CIVs)" associated under the umbrella organization of the [National Council for International Visitors](#) located in Washington, D.C.

IVP in Yemen: During FY 2003, 14 IVPs have been approved. The Embassy/PAO hoping to have 20 IVPs in FY 2004.

### **Role of the Office of the USAID Representative in Yemen**

The Office of the USAID Representative to Yemen will participate on the Embassy IVP Nomination Committee, chaired by the DCM, that also includes the PAO, POL, and ECON sections, which decides which IVPs are the most suitable in relation to the MPP.

### **8.0 ADRA International : Yemen Basic Health and Education Program**

In September 2002 the USAID ANE Bureau signed a three-year \$10 million Life-of-Project (LOP) cooperative agreement with the Adventist Development and Relief Agency International (ADRA) for the Yemen Basic Health and Education Program (ADRA/YBHE program). The goal is to improve basic health and education in Sa'ada and al-Jawf, two isolated and very tribal governorates where access to health and education services is limited. The primary focus is to improve access for women and girls and to improve the capacity of communities to organize around development issues.

Reproductive and Maternal Health (RH/MH): This activity supports ROYG decentralization objectives in the health sector and is linked to local health clinics and district hospitals. ADRA will strengthen the capacity of communities, health facility councils and district health councils to plan and manage health services to increase relevance, access and acceptability. ADRA will also seek to inform national Ministry of Health policies with experience at the local level. ADRA will also strengthen the basic package of RH/MH preventative and curative services and emergency obstetric care in

selected local clinics and district hospitals, train community midwives and test the efficacy of one mobile clinic.

Girls Education: This activity strengthen capacity throughout the education system to achieve ROYG Basic Education Strategy goals especially to increase girls enrollment and retention rates, women’s literacy, community participation and decentralization. This activity will develop the capacity of communities to co-manage schools and find locally acceptable solutions increase access to education, especially for girls. While the focus is at the community and district levels, ADRA will also seek to inform national Ministry of Education policies with experience with local experience. Other activities include developing networks of Parents Committees, training female teachers and completing physical renovations to schools that will increase girl’s access to education (e.g. separate girls bathrooms).

Community Empowerment: To support the ROYG decentralization policies in Law 4, ADRA will increase the capacity of Parents Committees, Women’s Development Groups, community health facility (clinics) councils, and district health councils, and their ROYG partners to achieve goals in the health and education sectors. ADRA will then assist these community-based sectoral committees to join together and create Integrated Community Development Organizations as registered NGOs that can also engage in broader local development activities.

Status: The ADRA/YBHE program signed MOUs with the ROYG Ministries of Education and Health in January 2003; was fully staffed in January 2003; selected initial districts in Sa’ada, and began baseline surveys in January 2003. As of March 1, 2003 \$2 million of the \$10 million LOP has been obligated and an additional \$3 million obligation is planned in FY 2003.

### **Role of the Office of the USAID Representative in Yemen**

Responsibility for the ADRA/YBHE Program will be transferred from USAID/ANE to the field when the Office of the USAID Representative to Yemen opens in the Spring of 2003.

## ANNEX 7

### Lessons Learned from Selected USAID Programs<sup>1</sup> in Yemen 1988-1999

#### Areas of Intervention

- **There is demand for change and support of family planning in Yemen.** This is evident by the attitude changes documented by the SEATS project implemented by JSI under the ACCS program.
- **The present cultural and political context should not be ignored.** The development of women's associations in the SWAY project did not do enough to consider and revise the practicality of the project given the post-Gulf War political situation of Yemen. It also failed to properly address constraints placed on women's abilities to make independent choices and fully and freely participate in activities outside the home.
- **Isolated rural areas pose problems for communication and implementation of complicated programs.** The SWAY project found great distances between the capital and rural impact areas hindered communication and thwarted plans to move its grants programs to microcredit schemes. Generally, the program did not have the time or resources available for such an undertaking.
- **Consideration should be given to the capacity of the Government of Yemen to participate effectively in development activities.** Expectations for agreements and assistance should be realistic and should distinguish between the government's willingness to contribute and its ability to contribute. In particular, JSI noted that failure to take into account the discrepancies of the Ministry of Public Health's absorptive and functional capacities adversely affected project implementation and sustainability. However, task forces seem to be effective mechanisms for fostering realistic expectations for those involved.
- **Rural healthcare facilities are chronically understaffed, overcrowded, and poorly supplied.** Subsequent programmatic implications require strategies that do not rely too heavily on existing infrastructures to work as implementing extensions of program activities without substantial support. Both the Child Survival XI and the PRIME programs encountered difficulties with weak local infrastructures that had insufficient capacities to assist in their program activities. The Child Survival XI project found that health centers in rural areas, almost without exception were nonfunctional and noted that the government administration has demonstrated little political will to remedy the situation.

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<sup>1</sup> Selected projects include: SEATS, REACH, PRIME, Development Training III (DTIII), Child Survival XI, and Support for the Women's Associations of Yemen (SWAY).

## **Design**

- **Procurement processes deserve careful attention.** Inefficiency of procurement processes was heightened by SWAY staff's lack of familiarity with USAID procedures and the differing interpretations offered by changing USAID staff. Additionally, sub-grant programs should be administered using clear application and approval guidelines.
- **Develop programs that coordinate with the government on all levels.** It should not be assumed that cooperation on one level of government translates to practical cooperation on all levels of government. In the midwife training, the program (PRIME) ran into problems when it tried to develop a curriculum based on poorly enforced (or entirely absent) national medical standards for midwifery service delivery. The result was a lack of on-the-job supervision and a disconnect between what training participants learned and what they were able to practice at the local level. In another examples, the Tihma project<sup>2</sup> entirely collapsed when donors withdrew support without first getting commitment from the local leadership to continue the program. On the other hand, the experience of JSI shows that good governorate level management that was willing to follow through with program activities made a crucial difference in the success of family planning interventions. The JSI program also found that results were more favorable when the program was integrated into existing government structures.
- **Poor educational levels are omnipresent in the working environment of Yemen.** The Child Survival XI project found that poor educational levels of workers in health facilities contributed to difficulties in record keeping. In addition, Child Survival XI, SWAY, and PRIME all found that lower educational levels among women required longer than estimated training times in a variety of settings. These experiences underscore the need to include capacity building and skills training in program strategies, as well as sufficient time for learning to take place.
- **Development projects in Yemen need to recognize the challenges of slowly building results.** The degree of poverty, depravation, and culturally accepted female oppression in Yemen requires an understanding of slow change and results measured through the process of development—not merely the products of development. This is true for program design and reporting, as well as in dealing with program expectations of the Yemeni people. In the PRIME program, mistakes such as emphasis on short and numerous trainings instead of well-supported quality learning experiences allowed potential impacts of the program to suffer.
- **USAID experience has shown that local governorate resources are highly centralized.** This was found to be true in both the SWAY and PRIME projects.

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<sup>2</sup> The Tihama Primary Health Care Project (1980-1989) helped establish 65 primary healthcare units in Yemen's Hodeidah Governorate. USAID's follow up to this project was the Accelerated Cooperation for Child Survival (ACCS) (1986-1997).

Future projects should be aware of this fact when designing interventions and should concentrate on local networks and relationships.

- **In Yemen, national health policies, to a great extent, determine the financial and managerial potential at the district level. However, responsibilities or mandates and functions of the Ministry of Public Health authorities are not clear and/or are very weak at the district level.** The result is limited local control over many elements of health care service delivery and distinct disconnect between national policy and local implementation capacity. In the experience of the Child Survival XI project, these challenges were addressed with on-the-job training for local volunteers, focused skills training for local management in the selected impact areas, and involvement of the local community in cost-effective basic intervention activities. The local community involvement was, in turn, enhanced by pairing health activities with literacy and loan programs that strengthened local ownership in the success of the program. As a result, community development has occurred through direct assistance to local health committees and women's groups more so than from direct assistance to the district or governorate level health offices.
- **Appropriate organizations and beneficiaries should be carefully identified for income-generating projects.** Emphasis on finding worthy candidates for capacity-building activities in the SWAY project did not always recognize the importance of matching beneficiaries and project activities. Many Yemeni organizations and individuals were good candidates for capacity building training but were not good candidates for involvement in income-generating projects. Income generating activities should target those with a financial stake in the activity, and the role of the implementing agencies in program oversight should be made clear at the beginning.

### **Implementation**

- **Government partners need to be engaged in order to create mechanisms that promote sustainability.** Ownership at all levels of government, as well as a specific plan of action for follow-up to programs, is important in the Yemeni context. The absence of ownership and planning was evident in the PRIME midwifery-training program. Understaffed healthcare facilities and lack of administrator ownership in the program made it unclear whether training participants would receive sufficient supervision and follow-up instruction after their courses. JSI found that using national counterparts within government ministries and incorporating follow-up training into the program design were ways to help increase sustainability and local ownership in dealing with sensitive issues like family planning.
- **Opportunities for community involvement need to be more fully explored.** The cultural context of Yemen, in particular the role of women in the society, underscores the need to develop community investment in interventions, especially those that seek to promote women. Opportunities to include communities in projects, like in

providing accommodations for midwifery training participants or conducting family planning in residential settings, were overlooked in past programs.

- **Despite social constraints to women’s participation in decision-making processes, women’s groups are good vehicles for spreading messages in their communities.** The Child Survival XI project found that women’s groups were an effective way of spreading health messages in their communities. An important element in this strategy must include mobilizing women’s groups to educate other segments of society.
- **When at all possible Yemeni human capacity should be sought out and developed.** Despite constraints, Yemen does have a limited, but qualified workforce and some infrastructure that can be utilized in development programs. The PRIME program made mistakes in not employing and expanding national and regional midwifery training capacity. In some programs, the expatriate leadership was not always immediately familiar with underlying political or cultural situations and could not always address them in a timely or appropriate fashion—a problem diminished by using local staff. The SWAY program also noted that it could have been more effective if it would have invested in a fulltime in-country training advisor to support the field. Lack of design foresight can also call for the use of expensive and infrequent consultant visits to identify potential program weaknesses. Addressing these types of capacity gaps with local personnel, particularly in management and supervisory roles, can build sustainability and make programs more responsive, as were the findings of the Agricultural Education Development project and the JSI REACH program.
- **At the same time, programs should be realistic about their expectations of women’s participation.** The SWAY program demonstrated that it is difficult to find women to fill critical staffing needs, specifically in the training and income-generation sectors. Generally, program design needs to consider these capacity gaps and the lack of support (which can sometimes border on hostility) for programs that address gender issues. Micro-political forces in these types of interventions need to be addressed. In the case of SWAY, there was a disconnect between how the women’s associations traditionally functioned in some areas and how they were being promoted in the program. The resistance to grassroots capacity building in favor of centralization in the Women’s Union structure was an unforeseen obstacle in the program design. To address these types of problems, several programs found that participatory approaches, residential group training, community involvement, and national or international study tours positively affected women’s openness and innovation.
- **Participatory techniques are lacking in most classrooms in Yemen.** The Child Survival and PRIME projects both had experience with this when trying to

incorporate participatory classrooms into their projects. Appropriate training needs to be given to teachers to foster participatory teaching techniques and adequate time should be allotted for trainees to become accustomed to this new type of learning environment.

- Documentation of decision-making processes is useful for helping local stakeholders to measure change and envision the future. **This was noted in JSI's SEATS program.**

*[Source: USAID, Planning Framework for Assistance to the Republic of Yemen, Date ?]*

## ANNEX 8

### Other Key Donors in Yemen

#### **10.1 The Arab Fund for Economic and Social Development**

The Arab Fund for Economic and Social Development is an Arab regional financial organization with an independent juridical status, established in 1968 but operational only since 1974. The Arab Fund finances projects through lending operations and technical assistance to contribute to the Arab countries' development program. The AFESD membership comprises all 22 members of the League of Arab States, and its beneficiaries have so far included all Arab countries with the exception of Kuwait, Saudi Arabia, Qatar and the United Arab Emirates (UAE), i.e., from wealthier to poorer states. Its mandate is limited to the financing of projects of Arab states only.

Its paid-up capital is almost US\$3 billion, and total loan commitments are roughly US\$10 billion. The largest shareholders are Saudi Arabia, Kuwait, and the UAE.

In 1993, Iraq, Sudan and Somalia were suspended. Palestine and Jordan are active members and are eligible for loans.

The Arab Fund extends project loans to governments and to public and private organizations and institutions on soft terms, giving preference to projects that are of vital importance to the Arab world and to joint projects involving Arab cooperation. It encourages the investment of public and private capital in a way designed to promote the development and growth of the Arab economy.

Loans: These are long term with a grace period calculated on implementation period usually 4 to 7 years, an interest rate of 3% for the poorest countries up to a maximum of 4 1/2% for the others, with a maximum reimbursement period of between 22 to 30 years. Loans are mostly for infrastructure projects. The Fund's loan commitments for project financing during 1997 were about US\$808 million. Seventeen Arab states benefited from these loans, which helped finance projects. Its activities during 1997 focused on sustained support for energy projects, which received 33% of total loans; this was followed by agriculture and agro-industry at 22.7%; transportation and telecommunications at 15.5%; water and sewerage at 10.8%, industry, 10.9%; and others, 7.1%. For the period of 1974-97, the Arab Fund's share of co-financing amounted to 31% of total loans committed to Arab, regional, and international institutions.

Grants: Mostly used for technical assistance programs such as feasibility studies, economic/social/cultural projects, institutional support and training programs, provision of computer programs, preservation of Arab heritage, and emergency relief; in 1997, technical assistance grants amounted to nearly US\$16 million with the focus being on enhancing institutional support and training which received 42.3% of total grants.

The project cycle is similar to that of the World Bank: feasibility study, appraisal, detailed study, visit/finalize and initial agreement, final report, signing (usually in host country). It however is simpler and much quicker, usually taking an average six months. International Competitive Bidding (ICB) rules apply. The recipient country proposes and the Fund approves firms. If the project is complex, a pre-selection process is followed. The Fund, however, occasionally uses outside technical support, rarely takes up more than a minority position of the financing (maximum 40%) and depends on outside contracting for appraisals.

Interestingly, the Arab Fund will be launching in the near future a private sector window similar to the IFC, but which will remain within its current structure. The Board has approved the earmarking of US\$500 million to start the activities of the new department that will be staffed with three directors. The Fund will hold equity in private sector projects, companies, encourage loan syndication and provide guarantees. This will be done directly with the private sector and will be on a non-objection basis by the host government, which will not be required to give any form of approval nor guarantee. Though not yet operational, this financial vehicle would appear to hold interesting prospects for equity funding

Its structure has been streamlined and it no longer has the traditional country/desk division. Projects are reviewed by the Technical Department, which oversees the various phases of a project. The Arab Fund is considered the Arab institution with the lowest overhead costs and as having an efficient coordination secretariat.

The Arab Fund in fact assists and houses the Coordination Group of Arab National and Regional Institutions, which exchanges views and discusses policies and operations with the purpose of making Arab aid more effective. The Fund also enters into co-financing agreements with the World Bank and the African Development Bank. Interestingly, the Fund meets twice a year with the other Arab and Islamic Funds, including the OPEC Fund, to decide what projects to finance or to jointly finance, thus avoiding duplication and encouraging the rationalization of Arab resources.

Arab Fund Support to Yemen: Yemen received the first loan in 02.07.1974 for a multi-sector project in Mukkala. The last loan was given to Yemen 10.12.2002 for transportation lines between Marib-Sanaa and the improvement of the electrical distribution network. Yemen Received overall 66 loans of whom two were cancelled. The value of the 64 loans Yemen has received since 1974 is K.D. 329.3 million.

<b>Sector</b>	<b>K.D mln</b>	<b>\$ USA</b>
<b>Infrastructure</b>	<b>234.2</b>	<b>70.3</b>
Transportation/Roads	101.9	30.6
Communication	8.9	2.7

Electricity	92.2	27.7
Water and Sanitation	61.4	18.4
<b>Production</b>	<b>40</b>	<b>12.0</b>
Agriculture, Irrigation and Rural Development	40	12.0
<b>Other sectors</b>	<b>25.1</b>	<b>7.5</b>
Social Development	21	6.3
Public Health and Population Issues	1.1	.3
Others	3	.9
<b>Total</b>	<b>329.3</b>	<b>98.9</b>

Note: "K.D." is Kuwaiti Dinar, exchange rate on April 3, 2003 :KD 3.33 = US\$1.00

Future Cooperation between Government of Yemen and the Arab Fund: At the Paris Donor Summit, October 2002, the Arab Fund pledged \$600 million to Yemen to implement the second phase of the five-year PRSP. Future Projects include:

- Water treatment plant and sewage system in Sanaa
- Wadi Hadramout Development Project- Second Phase
- Seyhout-Nashtout Highway]
- Extension of Sanaa International Airport
- Social Fund for Development (Second phase)
- Rehabilitation of the Grand Mosque in Sanaa
- Support Yemen to develop a comprehensive Strategy
- Support the Ministry of Planning

## **10.2 European Union (2002-2004 E61-E70 million)**

The EC National Indicative Programme 2002-2004 (61-70 million Euro) for the Republic of Yemen (source: EC, "Memorandum on the National Indicative Programme 2002 - 2004) focuses on four priority areas:

Development of economic institutions: supports the process of Yemen's accession to the World Trade Organization (WTO) and private sector development aiming at enhancing and advancing private sector investment opportunities

Food security measures focuses on food supply infrastructure, institutional capacity building and technical assistance.

Poverty reduction: a grant to the Social Fund for Development; improvement of basic health services and development of family planning services.

Strengthening pluralism and civil society: promotion of democracy and human rights.

The EC has several activities at the national and local (governorate/district) levels that will inform USAID's assistance health, education and economic development activities at

the national level and local levels. EC does not focus its attention on the five target governorates identified by USAID: Sa'ada, Al-Jawf, Amran, Marib and Shebwa.

National:

- Technical assistance on WTO accession agreement
- Support to Health Sector Reform
- Food security program support – agricultural statistics and marketing information systems
- Measles control program

Local:

- Information, Education and Communication (IEC) for Population and Family Planning, in Sana'a, Aden, Hajja, Hodeida, Taiz, Hadramout
- Improved health for low-income women of reproductive age and their families (with Marie Stopes International) in Aden, Taiz, Hadramout, Sana'a
- District health plans
- Education/Health infrastructures in Tiaz, Lahej governorates
- Rehabilitation Center for the handicapped and disabled in Aden
- Rehabilitation and reconstruction of maternal and child health care and water services in Dhala governorate
- Rural water and sanitation relief in Socotra governorate

**10.3 Federal Republic of Germany (E 37.8 in 2002)**

Yemen is a priority partner country for the Federal Republic of Germany (Germany) with the majority (50%) of German programming in water and sanitation. The balance of German assistance is distributed among basic education, health, economic reform and development of the market system. To complement project activities at the local level, Germany funds technical assistance and advisors in selected ROYG Ministries. In the past German development assistance focused in Abyan and Ibb governorates. More recently Germany is planning to begin activities in the remote sensitive areas where USAID plans to work: Marib (Health, basic education), Al Jawf (health), Amran (health). Decentralization and capacity building for local councils and communities will be a cross-cutting theme for German development assistance. German technical cooperation assistance is provided through the German Bank for Reconstruction (KFW) and technical assistance is provided through the German Agency for Technical Cooperation (GTZ).

Water, Sanitation and Solid Waste Management:

- KFW: finance for water supply and sanitation systems in selected provincial towns,
- GTZ: strengthening key institutions in the sector and the water reform process

Health and Family Planning:

- KFW: finance to increase maternal and child health and family planning services in the target districts in Aden, Sana'a, Hajja, Ibb, Al Mahwit, and Abyan; support for family planning social marketing (selling contraceptives and renovating health

- centers) in selected districts in Hajja, Ibb, Al Mahwit, and Abyan
- GTZ: a long term advisor in the Ministry of Public Health and Family Planning on health sector reform.

Human Development and Institutional Capacity Building:

- KFW: Construction and rehabilitation of primary schools in Ibb and Abyan governorates
- GTZ: assistance to the Ministry of Education on the implementation of the Basic Education Strategy; advisory support in the vocational training sector; small enterprise promotion project; establishment of a national information system under Office of the President; promotion of self help in rural areas.

Institutional Capacity Building and Good Governance:

- GTZ: technical assistance to the Office of the President for the orientation and monitoring of economic policy; advisor to the ministry of Planning and Development; support the Central Organization for Control and Auditing to ensure control on state revenues and expenditures.

**10.4 France (\$2 million/year)**

The government of France and the ROYG Ministry of Planning and Development signed an accord in 1999 with regard to French assistance in food security and rural development. Irrigation projects including the construction of dams and reservoirs. Construction projects will primarily be completed by the Yemen Public Works Project. The French also support the Center for Genetic Resources in the University of Sana'a School of Agriculture, primarily to improve coffee production and marketing. Other small grants fund cultural and education exchanges and cultural activities such as the establishment of an institute for traditional Yemeni music and "multimedia technology" (e.g. an antenna in Aden and a multimedia center in Sana'a's Ministry of Culture).

Currently, a French NGO, *Group Franco-Yemenite*, is seeking to have the French government include Yemen as "Priority Solidarity Zone country" within one to two years. If Yemen is added to the list of countries labeled "Priority Solidarity Zone", Yemen might receive up to \$30 million per year.

**10.5 The International Committee of the Red Cross "ICRC:" (2001: S.FR 1,673,577; 2002 S.Fr 2,419,470)**

In Yemen, the ICRC carries out activities for detainees, focusing on their treatment and conditions of detention, with special emphasis on security detainees and vulnerable groups such as women and the mentally ill. A second priority is to spread knowledge of international humanitarian law (IHL) and the fundamental principles of the ICRC and Red Crescent Movement, in cooperation with the Yemeni Red Crescent Society, and to support the integration of IHL into national legislation and its introduction into school and university curricula and the training of the armed and police forces. Further important

activities are conducted to assist physically disabled people and restore links between separated family members. The ICRC has been working in Yemen since the outbreak of the civil war in 1962. Today, Yemen is not considered a conflict area.

With a staff of five expatriates and sixteen Yemeni nationals, ICRC activities include:

- (1) Confidential reporting of treatment of prisoners in Yemen, as well as Yemeni detainees held in Guantanamo Bay, Cuba
- (2) Support to female prisoners in Mahweet, Dhamar and Hodaidah Governorates
- (3) Support to prisoners in Sanaa, Ibb and Taiz Governorates
- (4) Seminars for police, security and army members
- (5) Reestablish links for refugees from the Horn of Africa and their families back home

## **10.6 Islamic Development Bank**

The Islamic Development Bank was established in 1973 and it was formally opened on October 20, 1975.

The purpose of the Bank is to foster the economic development and social progress of member countries and Muslim communities individually in accordance with the principles of Shari'ah i.e., Islamic Law. The functions of the Bank are to participate in equity capital and grant loans for productive projects and financial assistance to member countries for economic and social development. The Bank is also required to establish and operate special funds for specific purposes including a fund for assistance to Muslim communities in non-member countries, and to setting up trust funds.

The Bank is authorized to accept deposits and to mobilize financial resources through Shari'ah compatible modes. It is also charged with the responsibility of: assisting in the promotion of foreign trade (especially in capital goods) among member countries; providing technical assistance to member countries; and, providing training facilities for personnel engaged in development activities in Muslim countries to conform to the Shari'ah.

The present membership of the Bank consists of 53 countries. Prospective member country should be a member of the Organization of the Islamic Conference, pay its contribution to the capital of the Bank and be willing to accept terms and conditions as may be decided upon by the IDB Board of Governors.

IsDB's authorized capital is US\$8 billion of which US\$ 3 billion is paid-in.

The Bank's principal office is in Jeddah in the Kingdom of Saudi Arabia. Two regional offices were opened in 1994: Rabat (Morocco) and Kuala Lumpur (Malaysia). In July 1996 a regional office was opened in Almaty, Kazakhstan, to serve as a link between IDB member countries and Center Asian Republics.

The IsDB has been implementing the " Strategic Agenda for the Medium-Term Priorities and Main Operational Aspects" , which attempts to emphasize intra-member country cooperation, enhancement of human resources, promotion of science and technology,

reduction of poverty and preservation of the environment. The Agenda has placed special emphasis recently on the promotion of the private sector and SMEs. All IsDB-financed projects evolve through the project cycle of identification, preparation, appraisal, implementation and post-evaluation. Bank financing is expected to gradually move from individual project to a country-specific approach in the near future.

The IsDB and 44 Islamic banks have established close cooperation links which have brought about the creation of the following institutions: Islamic Banks' Portfolio (at the IsDB); Unit Investment Fund (at the IsDB); Islamic Trade Company (in Bahrain); Research Coordination of Islamic Banks (in Egypt); The International Islamic Lease Financing Company (in Kuwait). IsDB support to the private sector is extended through investment in the equity of private companies and Islamic banks. To date, the IsDB has equity in 14 banks and in 78 companies.

The IsDB engages in three main activities: Project Financing; Trade Financing; and, Procurement and Registration.

Islamic Development Bank in Yemen: IsDB activities in Yemen include: Road construction - \$6.5 million; Capacity building in the Ministry of Planning & Development - \$223,000; Illiteracy eradication & adult education - \$ 2.214 million; Construction university engineering department buildings - \$17.71 million; Irrigatin projects - \$ 9.2 million; TA on harbor construction - \$92,000; Community Development through the Social Fund for Development - \$6.0 million; two-year M.Sc. degrees; and an equity share in the Marib Poultry Company.

### **10.7 Italy (\$3 million per year)**

Italian development aid has a long history dating back over 75 years ago, when Italian physicians and nurses came to Yemen to treat members of the Royal Family.

The main locations in Yemen are Socrota Island, Taiz, Aden, and the Tehama (the Costal Strip at the Red Sea).

Currently the Italian aid program channels its funding mainly through the UNDP. A minor part goes straight to Italian NGOs.

The focus of Italian development aid is in sectors of health, education and culture.

In summary, the overall development support to Yemen does not exceed \$3 million per year (2002). The projects are small and focused. The Italian Embassy is hoping to double its funds for development over the next year. Within the next five years, their aim is to provide Yemen with development assistance worth \$10 million.

Movimondo is currently the only Italian NGO active in Yemen.

The Italians favor the Coastal Area Development Strategy, of the World Bank. Future priority areas for the Italians are Aden, Mukalla, Hadhramout, Socrota and Taiz.

Socrotra Island: This is an integrated, project. Its main focus is education, combating malaria, a mobile clinic, training in self-sufficiency skills in the production of agricultural products such as fruits, vegetables and potatoes, and the rehabilitation of the of hospital in Hadibu. (\$ 2 million)

Food for Education: Vegetable oil, tomato concentrate and spaghetti were sold through the MPD to the Yemen Economic Cooperation (YECO), which is a para-statal organization to Yemeni wholesalers. The commodities had a street value of \$2 million. The money was used to build girl schools in and around Sanaa.

Health and Medicine: Twice a year, an Italian cardio-surgeon visits the al-Thawra Hospital to perform surgery on children and to train Yemeni surgeons in advanced procedures. Cases that cannot be handled in Yemen are sent to Florence and Pisa in Italy for sophisticated treatment.

An orthopedic surgery team is expected to arrive in May this year to perform and train Yemeni doctors in various facilities and cities, such as Sanaa, Taiz and Aden. The main focus of this team is to operate children who became victims to landmines and to train rural physicians in landmine affected areas in first aid. This form of assistant is expected to be repeated every 6 months.

The Italian government is also planning to build and equip the orthopedic department of the Hael Saeed Hospital in Taiz. It will also provide for a fulltime surgeon from Italy to be present.

A conference on diabetes was held in Aden on February this year for 150 Yemeni doctors.

Culture and Heritage: Two Italian archeologists are currently providing technical assistance to the National Museum in Sanaa. Their focus is mainly on training local experts in preservation techniques and cataloguing.

In the Tehama near the city of Bajil two archeologists are overseeing the reconstruction of two Sabaeen temples. This is an ongoing project since the 80s. (\$ 400.000)

Agriculture: There are no agricultural projects that are supported by the Italian government in Yemen with the exception of some small and very limited agricultural activities on Socrota Island.

### **10.8 Japan (2003 - \$11 million)**

The Government of Japan signed an agreement with the ROYG on March 30, 2003 grants totaling US \$11 million. A grant of \$8.3 million will be used to support solid waste management projects in a number of governorates and other unspecified development activities. The balance will be used to fund debt relief. Other activities supported by prior GOJ funding include

- Trash collection and disposal in Sana'a municipality
- A studio in the Ministry of Education to produce videos for remote education
- Infectious disease programs within the Ministry of Health and Family Planning (TB and perhaps malaria) in Aden, Taiz, Hodeida, and Sana'a
- Support to the Ministry of Health and Family Planning for hospital renovations in Sa'ada, Amran, Hajja, Mohara governorates
- Ministry of Education renovations to thirty schools in Taiz and Ibb
- Grants to the Ministry of Agriculture to purchase agricultural and construction machinery in Hodeidah
- TA to the Ministry of Fisheries on fish farming and exports, and to promote the purchase of Japanese outboard engines and other high-tech products in Yemen's coastal areas.

### **10.9 Kingdom of the Netherlands – “RNE” ( 2002: E50 million)**

*[Note: the information below was current as of January 2003, however, in April 2003 the Government of the Netherlands decided to reduce its assistance to Yemen from E50 million to E26 million – and at the time the USAID Interim Strategy for Yemen was written the Dutch had not prioritized funding at the decreased level, but it is likely that they will continue their core activities in health and education]*

Yemen and the Netherlands have maintained a bilateral development relationship since 1978. In the 2002 E50.0 million budget, 36% (E18 million) of Dutch assistance is allocated to education; health, water, economic support, cross-cutting themes and macro are each budgeted at about 12% (E6 million) and 1% (E500,000) is available for cultural development. The Dutch fund activities at the local level primarily in Hodeidah, Dhamar, Hadramout, Shabwah, Aden, and Hajja. RNE local activities take place in one of the five USAID target governorates – Shabwah where the Dutch have supported integrated development (local councils, girls education, health) since 1992

#### Education

- TA to the Ministry of Education for implementation of the ROYG Basic Education Strategy (which was developed with assistance from RNE)
- Child Development Project in which residents identify and plan for their most pressing needs (a UNICEF activity).
- National Education Program in which UNICEF works with the Ministry of Education on curriculum review and teacher training.
- Building and equipping urban schools
- Promoting and funding local initiatives in rural infrastructure, including education, through the SFD
- Elaborating a strategy with Ministry of Education for non-formal and literacy education
- Mainstreaming art education

- TA to the Ministry of Education to define organizational requirements (staffing, management systems, and rational use of human and financial resources) at the central and local levels

### Health

- TA to the Ministry of Health and Family Planning on the implementation of Health Sector Reform
- Training of Community Midwives through a contribution to UNFPA.
- Support to the Essential Drugs Program to increase the availability and affordability of essential drugs of good standard and their rational prescription and use and the establishment of the Drug Fund and efforts to recover costs
- Community participation in planning of health services and in financial management of the funds through Community Health Councils.
- Technical Support to the National HIV/Aids program
- Support to health services in Hodeidah, Dhamar, Shabwah and Aden, focused on reproductive health and the position of women
- A pilot project to develop a district health plan in Dhamar

### Water

- Support for the Rural Water Supply Project aimed at construction of rural water supply systems and sanitation facilities in the Dhamar and Hodeidah.
- Support to the General Authority for Rural Electricity & Water (GAREW) in restructuring, decentralization and contributing in developing policies and strategies and the establishment of a new branch for GAREW in Hodeidah.
- Support for the World Bank Rural Water Supply and Sanitation Project to assist the Yemen Government to formulate and implement a rural water supply and sanitation policy.
- The Netherlands-Yemeni Support Program to the Urban Water Supply and Sanitation Sub-sector, a comprehensive support program to assist the GOY in the ongoing decentralization and privatization process of the urban water supply and sanitation sub-sector with the ultimate goal to increase and sustain access to safe water and sanitation for the urban- and semi-urban population notably in the poorer districts.

### Economic

- TA to assist the Ministry of Agriculture and Irrigation (MAI) plan for improvement of the performance of the agricultural sector – includes restructuring the Ministry and to meet its new mandate and ROYG decentralization policy. More emphasis will be placed on livestock, rain-fed agriculture, irrigation efficiency improvement, watershed management, desertification and quality assurance & control.
- Support to ROYG to foster an enabling environment for the private sector, including strong and efficient institutions, a clear legal framework with an independent and unbiased jurisdiction, an efficient banking sector and close

- coordination between all stakeholders (ministries, authorities, companies, chambers of commerce).
- TA to the Rural Women General Directorate of the MAI to mainstream gender within the MAI and at the governorate level
  - Support rural development through the Public Works Project in Shabwah, Dhamar, Hodeidah, Aden and Hajja
  - Support to Small Enterprise Development Fund
  - A study of the economic sector, opportunities and needs to produce a five-year framework for RNE development support in the economic sector
  - A detailed economic opportunity study in the governorate of Shabwah.
  - TA to the Ministry of Trade and Infrastructure and to the Ministry of Planning and Development to building capacity needed for Yemen's accession to the WTO
  - Assistance to the ROYG for restructuring and staffing of the Cooperative and Agriculture Credit Bank
  - Continuing assistance to Shabwah governorate to improve its capacity through restructuring and human resources development.
  - TA to the Small Enterprises Development Fund as it expands access to credit for small and medium enterprises.
  - Training program in economic and trade representation for the Yemeni Diplomatic Corps.

#### Governance

- Support to NGOs in Human Rights, Judicial/Legal Reform and Anti-Corruption
- TA to the Minister of State for Human Rights
- Support for the World Bank-led Civil Service Modernization Program to improve the quality of the performance of the civil service through reorganization, staff reduction and improved salary structures
- Introduction of a Civil Service Fund to equip civil servants who are laid off in the restructuring process to find new jobs in the public and private sectors
- Strengthening the Yemen National Court of Audit through a partnership with the Netherlands Court of Audit
- Building institutional and organizational capacity in Health, Education, Water and Sanitation, Agriculture, Women and Development
- TA to the Ministry of Local Administration to build capacity at the governorate and district levels to implement ROYG decentralization policy

#### Environment

- Support to the Environmental Protection Authority (EPA) within the Ministry for Tourism and Environment to mainstream environment in the water, agriculture, health and education sectors
- Training of smaller environmental NGOs
- Support for biodiversity on the island of Socotra.in close co-operation with the UNDP and ROYG EPA

- Removal of 30 tons of out of date pesticides from Wadi Surdud

#### Culture

- TA to ROYG to develop an urban cultural heritage policy for Yemen and an urban conservation planning framework and to improve the role of urban cultural heritage in urban planning and management
- Restoration of the Amiriya Madrasa Mosque in Rada
- National Museum support project - construction of the buildings, on training staff and management, donor co-ordination, stimulating twinning with other (international) museums, fundraising, and on planning and preparing for the new permanent exhibition
- Restoration of the Seyun museum in Hadramaut and the restoration of the mosque alongside the museum
- Feasibility study for a regional museum in Marib
- Master plan for the excavation of the Mahram Bilquis Temples
- Strengthen the capacity of the Ministry of Culture.

#### Gender

- Support to the Local Women's Fund to build capacity to mainstreaming gender issues into general development policy and to empowering women

### **10.10 Kingdom of Saudi Arabia – The Saudi Fund for Development**

#### **1975-1987**

The *Yemeni –Saudi Coordination Council* provided the first loan for the Sanaa Power plant 22 February 1975

During the period 1975-1987, 14 additional loans worth **1 billion Saudi Rials** for road construction, electricity and water projects were provided.

#### **1987-2000**

Saudi -Yemeni relations worsened when North- and South Yemen were heading towards unification in the late 80s. Bi-lateral relations between both countries reached its nadir during the second gulf-war. As a result of Yemen's pro-Iraqi position, the *Yemeni –Saudi Coordination Council* suspended all activities for 12 years until 1999.

President Saleh's visit to Saudi Arabia in July 2000 marked again a major improvement in Saudi-Yemeni relations. During his visit a border demarcation agreement was signed and the *Yemeni –Saudi Coordination Council* resumed its work.

#### **2000-2003**

Since 2000 the Yemeni Ministry of Planning and Development played a major role in improving the relationship between Saudi Arabia and Yemen by working closely with the *Yemeni –Saudi Coordination Council*. This resulted in the following:

- Complete restructuring of Yemen’s outstanding debt (**925 million Saudi Rials** for the period 1975-1987). A forty-year repayment plan was developed
- A loan of **300 million dollars** from the *Saudi Fund for Development* was granted to Yemen on the 12<sup>th</sup> meeting (11-13 December 2000) of the *Yemeni –Saudi Coordination Council* in Medina, Saudi Arabia for various development projects.
- Also a **Memorandum of Understanding (MOU)** was signed in February 2001 between the Yemeni Ministry of Finance, the Saudi Ministry of Finance and the *Saudi Fund for Development*.
- As a result of the MOU, \$300 million for electricity, education, vocational training and road construction were released. **So far** the Yemeni Ministry of Planning and Development and the *Saudi Fund for Development* signed various agreements for the following projects.
  - Sana'a Power plant Expansion Project, \$25 million, 11/9/2001
  - Aden Power Plant Expansion Project, \$25 million, 11/9/2001
  - Marib Power Plant Expansion Project, \$25 million, 12/11/2001
  - Vocational Training Centers, \$50 million, 15/5/2002
  - Engineering Services for Road Constructions, \$ 6 million, 15/5/2002

#### **10.11 UNFPA (US \$14 million - \$9.6 UNFPA & \$4.6 donors - 2002-2006)**

The United Nations Population Fund (UNFPA) supports ROYG ministry of Public Health and Population to achieve its population, reproductive health and development goals. At the national level, the UNFPA program focuses on the integration of population, gender and reproductive health dimensions into the development planning process at all levels. At the local level UNFPA has designed a reproductive health pilot program with three outputs in 17 selected districts in a total of 8 governorates: Lahj, Taiz, Amran (Amran and Al-Sawdah districts), Hadramout, Al-Baidah, Sa’adah (Sakein and Haidan districts), Al-Dhala, Al-Mahwit. (source: the following paragraphs reproduce UNFPA report DP/FPA/YEM/3 December 4, 2001).

The first output – increased availability of quality reproductive health services – would seek to be achieved by helping to operationalize the national reproductive health strategy by defining the basic reproductive health services to be integrated into the primary health-care system; establishing clear mechanisms for enhancing public-private partnerships; harmonizing reproductive health and family planning curricula; revising and monitoring the implementation of new job descriptions of nurses, midwives and doctors; and building capacities for management, including providing support for supervision of reproductive health programmes within the health sector at large, building on the ongoing efforts of district health teams. A long-term logistics security system would be put in place to ensure reproductive health commodity supply at all levels, including at the community level, and to enhance contraceptive choice and community-based distribution systems. To increase availability of services, the programme would continue UNFPA’s efforts to help build a core of skilled female birth attendants, to intensify outreach of home delivery services, enhance the referral system, and to ensure greater availability of essential obstetric services. Community participation will be

ensured in the planning, implementation and evaluation of master plans and mechanisms to support safe delivery in the target areas. increased capacity at decentralized levels to plan implement and monitor, equipment for district hospitals, national policies and standards

The second output would be increased awareness about reproductive health and family planning issues among women, men and youth in target areas. The programme would strengthen the capacity of service providers and community health workers and peers to provide information and counselling, particularly to young women and men, on reproductive health, violence against women, and STI and HIV/AIDS prevention. Interventions would also target local policy makers and religious and community leaders to empower them with advocacy skills to raise awareness about how to reduce maternal mortality, early pregnancies and dangerous misconceptions about good reproductive health practices. To maximize the impact of its messages, the programme would focus on multiple delivery channels, partnering with local media, schools, youth organizations and NGOs dedicated exclusively to gender issues. Emphasis would also be given to efforts to educate men in order to increase their understanding of the role they must play in improving reproductive health, including halting the spread of HIV/AIDS.

The third output – reducing sociocultural practices that inhibit the improvement of reproductive health and of the status of girls and women – would require advocacy initiatives to help create an enabling environment in the selected areas. Issues to be addressed include early marriage and pregnancy, FGC, violence against women, girls' education, and joint spousal decision-making on family planning. Activities would be guided by participatory sociocultural research, and efforts would be made to work with local policy makers and community leaders to raise awareness of the benefits of girls' education and of the harmful effect of such practices as early marriage, FGC and violence against women. Emphasis would be given to working with imams, to inviting women's groups to discuss their reproductive health needs and to improve their communication and negotiating skills, and to innovative activities linking women's income, literacy and girls' retention in school with reproductive health.

#### **10.12 UNICEF (\$3 million/yr UNICEF & \$6-9 million other donors = \$9-12 million/year)**

UNICEF supports national programs in EPI and polio vaccination, girls education, the 2005 census, health center construction, TA to ROYG Ministry of Health on Basic Education for the Education-for-All/Fast Track Initiative (EFA/FTI); water programs in 30 districts within nine governorates; an area-based participatory program for education that fits the ROYG decentralization strategy and includes community participation to identify needs and problems with a focus on constraints to girls' education. In reproductive health, UNICEF supports emergency obstetric care and equips district hospitals for emergencies and surgical intervention in selected governorates. UNICEF

does not work in the USAID target governorates of Sa'ada, Al Jawf, Shebwa or Marib, but does have limited activities in Amran.

### **10.13 World Bank (\$410 million 2003-2005)**

The World Bank currently has twenty-one (21) active credit facilities in Yemen totaling USA \$759.3 million of which USA \$250.1 has been disbursed (Table A10-1).

**Table A10-1: World Bank Operations in Yemen as of March 15, 2003**

<b>Project</b>	<b>Date</b>	<b>IDA (\$ mm)</b>	<b>Disbursed</b>	<b>Description</b>
Education Sector	3-23-95	33.0	20.1	High school science & math; access of girls to high school; establish community college system
Vocational Training	8-07-96	24.3	17.3	Engage private sector; quality and relevance; relevance of adult education & training for women
Social Dev. Fund	9-24-97	30.0	29.3	Community development in poor communities; small & micro enterprises to reduce poverty
Southern Governorates Agric. Privatization	6-29-98	20.7	8.2	Increase income of very poor; social & economic development in rural communities
Seeds & Agricultural Services	9-2-98	12.5	10.5	Improve productivity - rain fed & irrigated crops;
Sana'a Emergency Power	1-14-99	54.0	28.7	Develop & reform the power sector; rehabilitated and new generation units; project management; TA for planning & institutional reform
Public Works II	3-3-99	50.0	43.1	Community infrastructure – small-scale civil works; TA and consultants for project preparation
Sana'a Water Supply & Sanitation	6-30-99	25.0	21.1	Emergency sewer & water; increased potable water; increase private sector participation
Legal & Judicial Reform	1-24-00	2.5	1.5	Pilot project for judicial training; assess/enhance the judiciary effectiveness; economic legislation
Port Cities Development	1-23-03	23.4	0	Infrastructure & management
Civil Service Modernization	11-29-00	30.0	2.5	Personnel & financial management systems; restructure individual ministries; reduce number of unqualified civil servants
Child Development	12-19-00	28.9	7.5	Assist ROYG area-based program to improve health and nutrition of children under five and education status of girls in primary schools in under-served districts
Social Development Fund II	1-9-01	75.0	39.9	Capacity building, micro-finance and community development for poor communities
Basic Education Expansion	1-16-01	56.0	6.8	Support ROYG "Education for All" to increase enrollment of rural children, especially girls, in primary school
Irrigation Improvement	1-18-01	21.3	2.2	Improved spate irrigation in Tuban & Zabid; demonstration program to increase agricultural productivity and rural incomes
Rural Water Supply & Sanitation	10-23-01	20.0	1.2	Expand rural water supply & sanitation to poor rural dwellers in 10 governorates
Taiz Municipal Development & Flood Protection	2-26-02	45.2	5.2	Civil works to control floods; TA to increase local capacity for decentralization; resettlement and new housing
Rural Access Improvement	3-18-02	45.0	3.8	Improve livelihood & reduce isolation of rural population; develop standards and build roads; increase participatory process in planning;

				decentralization for rural access improvements; finance Al Ahmat-An Naqbah road
Health Reform Support	7-22-02	27.5	0.3	Strengthen service delivery for poor women & children; public health; health education; malaria; health sector management and financial systems
Higher Education Learning & Innovation	11-14-02	5.0	0.2	Prepare higher education reform strategy & pilot initial phases; improve university budgets & allocation of resources and efficient expenditures
Urban Water Supply & Sanitation	11-24-02	130.0	1.5	Increase urban water supply; reduced water use; regional water corporations with private sector to provide affordable sewerage facilities to enable wastewater use in agriculture
<b>TOTAL</b>		<b>759.3</b>	<b>250.1</b>	

Source: Yemen Economic Update, The World Bank Group, Sana'a Office, Spring 2003

In September 2002 the World Bank approved a three-year (FY 2003-2005) Yemen Country Assistance Strategy (CAS) with a “base case” lending level of \$410 million by the International Development Agency (IDA). Key issues were security against terrorism, poverty, health education and limited access to water and sanitation, especially in rural areas. The CAS outlines four target areas for lending: improved public sector governance, promotion of an attractive investment environment to generate job opportunities, developing a sound system to build and protect human capital with emphasis on girls’ education and health, and ensuring environmental sustainability, with special focus on water management. Credits will be complemented by analytical and advisory assistance by the World Bank to support the reform program in the four World Bank target areas and to address Yemen’s constraints in accessing knowledge and linking it to decision making. CAS 2-2005 action areas include: civil service reform, judicial reform, decentralization, anti-corruption, government partnership with civil society, improving the rights of women, investment law, education for girls, health and economic opportunities for women, promotion of small and medium enterprises, essential roads, water and electricity. (Source: “World Bank’s Business Plan for Yemen to Focus on Fighting Poverty,” Document MENA/069/2002).

#### Planned Activities

- Health Sector Reform Support Project : strengthened health service delivery in 8 district hospitals and in 16 health centers in 8 districts in four governorates; improved management systems and procedures at the governorate and district level; provision of a integrated package of Integrated Management of Childhood Illnesses (IMCI) with expanded reproductive health, family planning and essential obstetric care; upgraded skills of service providers; rehabilitation of 8 district hospitals and health centers in 16 districts; and medical supplies, drugs equipment and support for operating costs. Improved public health programs in malaria and health education; improved human resources in financial management and the development of a Health Management Information System implemented by the Department of Information and Biostatistics.
- Port Cities Development Project
- Second Rural Access Project: improved rural roads
- Power Restructuring and Expansion Project

- District and Community Development Project: capacity building to prepare local authorities to access a fund for highest priority local projects
- Second Basic Education Expansion Project
- Girls Secondary Education Project
- Groundwater and Soil Conservation Project
- Second Vocational Training Project

#### **10.14 World Bank/WTO; Integrated Framework (\$10.5 million IF Trust Fund - 2002 )**

In response to the complexity of LDCs' trade-related problems, the Integrated Framework (IF) was inaugurated in October 1997 by six multilateral institutions (IMF, ITC, UNCTAD, UNDP, World Bank and the WTO), which, with their distinct competence, could complement each other to deliver greater development dividends to LDCs in the multilateral trading system. The Heads of Agency met in July 2000 to review the IF process and recommended several initiatives to enhance its effectiveness. As a result the IF was revamped.

The most important feature of the revamped IF is to assist LDCs in mainstreaming trade priority areas of action into their national plans for economic development and the Poverty Reduction Strategy Papers (PRSPs). The IF is built on the principles of country ownership and partnership. Other key elements for the revamped IF are: (i) improved governance structure with the establishment of the Integrated Framework Steering Committee (IFSC) and the expanded IF Working Group (IFWG) for better coordination amongst donors, beneficiary LDCs and the agencies; (ii) the establishment of the IF Trust Fund, which finances mainstreaming work, led by the World Bank; and, (iii) improved coordination of trade-related technical assistance amongst bilateral and multilateral donors within a coherent policy framework.

The revamped IF has initially been implemented on a pilot basis in Cambodia, Madagascar and Mauritania. In light of the lessons learned from the three initial pilots, the pilot scheme is now being extended to the second wave of 11 LDCs including Yemen. The criteria for assessing the pilot candidates are as follows: (i) demonstration of strong commitment by the government to integrate trade into its national development strategy and its PRSP; (ii) the preparatory stage of the PRSP; (iii) the preparatory stage of upcoming meetings of the World Bank Consultative Group or UNDP Round Table; and (iv) conducive operational country environment (e.g. level of infrastructure, resource base of the World Bank/IMF and UNDP country offices, donor response, and the pace of domestic reform).

The implementation of the Integrated Framework comprises three broad stages. First, preparatory activities, which would typically include: an official request from the country to participate in the IF process; a technical review of the request; the establishment of the National IF steering committee; and, to the extent possible, the identification of a Lead donor. Second, once the request has been approved, the process moves on to its diagnostic phase, resulting in the elaboration of a Diagnostic Trade Integration Study (DTIS). Finally, follow-up activities start with the translation of the diagnostic phase's findings into the elaboration and validation of an action plan, which serves as basis for

trade-related technical assistance delivery. Based on the findings of the DTIS, an Action Matrix is developed in consultation with all stakeholders. The Action Matrix, which spells out a set of policy recommendations and priority technical assistance needs, has to be validated during a National Validation Workshop. Following the validation of the Action Matrix, the trade policy priorities are incorporated into the country's Poverty Reduction Strategy Paper, and the priority technical assistance needs are fed into donors' financing fora, notably through donor programmatic meetings.

The IF has received support from both the trade and development communities, including at the Third UN Conference on LDCs (LDC-III) and the G-8 Summit in 2001. At the Doha Ministerial Conference held in November 2001, WTO Ministers endorsed the IF as a vital model for LDCs' trade development (paragraph 43 of the Doha Ministerial Declaration). At an informal joint meeting held between the IF core agencies and bilateral donors in January 2002 at the OECD, it was suggested that the IF model be extended to the implementation of the Doha Development Agenda, which would require a coordinated and coherent response from the WTO, bilateral and multilateral partners. Most recently, the Heads of the six IF agencies and their representatives issued a joint communiqué underscoring the commitment of agencies to the IF model. The support for the IF is also reflected in the form of increased contributions to the IF Trust Fund, which amounted to US\$ 10.5 million in June 2002. [The above section is quoted for the IF website –“[www.integratedframework.org](http://www.integratedframework.org).”

Yemen is an Integrated Framework participant. The Ministry of Trade and Industry has the lead for ROYG, a National Steering Committee has been formed, the Dutch are the lead donor, a draft Diagnostic Trade Integration Study has been completed and sent to Yemen, but no national IF workshop has been organized to review and validate the DTIS. The World Bank reports that the Islamic Development Bank has expressed interest in supporting IF implementation in Yemen.

#### Summary of Diagnostic Trade Integration Study for Yemen

*(Source: This summary quotes extensively from the “Draft Diagnostic Trade Integration Study, Integrated Framework Program for Trade-Related Technical Assistance, March 19, 2003)*

Yemen has begun the process of WTO accession, and is expected to submit its Memorandum on the Foreign Trade Regime (MFTR) soon. Donor support for the formal accession process appears sufficient, and Yemen's trade regime is relatively open. Assuming then that no new initiatives are needed to bring Yemen in line with WTO rules, the report argues that Yemen's real problems are in reducing uncertainty and risk to investors, both foreign and domestic.

The authors conclude that “Yemen's formal trade and regulatory regime is not the main obstacle to international trade and investment. The priority is to establish investor confidence in institutional arrangements for developing and administering policy...*The highest priority is the development of institutions underpinning the protection and utilization of property rights.*”

The report includes a technical assistance matrix that includes a wide range of activities from supporting macroeconomic reform to work in the specific sectors of fisheries, transport, telecommunications, labor services, and agriculture. Some donors are identified against activities. Specific needs for additional donor support will be developed during the National Validation Workshop that will be scheduled as tensions ease in the region following the end of the war in Iraq.

### Summary Donor Assistance Matrix

Action	Donor
Develop sound payment and banking system	Netherlands
Judicial reform	Netherlands
Legislative reform under WTO accession	EU, WTO, World Bank
Training and workshops on WTO accession for private sector	World Bank, EU
Continue strengthening commercial courts	World Bank
Strengthen capacity for land titling and cadastral surveys	Netherlands
Continue support for civil service reform	World Bank
Build capacity in governorates to support decentralization	World Bank
Build capacity in Yemen Customs Authority	DFID, UNCTAD
Assess impact of regulation of road freight	World Bank
Clarify roles and responsibilities in development of Aden Free Trade Zone	EU
Study advantages of industrial zones	World Bank
Explore ways of strengthening the role of local agencies such as cooperatives in management and marketing	FAO
Develop rural access roads	World Bank
Restructuring the Ministry of Agriculture	Netherlands
Support for rural women's department in the Ministry of Agriculture	Netherlands

## ANNEX 9

### **Functional Statement Office of the USAID Representative/ Yemen**

The Office of the USAID Representative to Yemen is responsible for the planning, formulation, implementation, management and evaluation of U.S. bilateral economic assistance within Yemen. The USAID Representative will coordinate closely with sections of the US Embassy/Sanaa with responsibility for development projects and activities such as the Foreign Agricultural Service (FAS) of the US Department of Agriculture (USDA). The Office of the USAID Representative/Yemen programs are administered within delegated authorities, and in accordance with policies and standards established by the Administrator. The Office of the USAID Representative/Yemen will include a management team and four program teams. Essential support services (EXO, legal, controller and contracting) will be provided by USAID/Cairo.

#### **1. Office of the USAID Representative-Management Functions**

The overall management team in the Office of the USAID Representative includes the USAID Representative, an Office Manager, and a Chauffeur. Until the staffing level in Office of the USAID Representative in Yemen expands, the USAID Representative will oversee both the management team and the four program teams.

#### **1.a USAID Representative**

Staffing - an FEOC USDH FSO

Function - The USAID Representative plays a lead role in re-establishing USAID's presence in Yemen after a 6 year absence, including the oversight of program and administrative start-up activities. S/he has full responsibility for ensuring adherence to USG regulations related to personnel, security, procurement, program and financial management. The USAID Representative coordinates program strategy development and implementation with the Embassy, as well as with other major donors, and representatives of the Government of Yemen. The USAID Representative also represents the USG in regional and multilateral forums on issues of program coordination and regional cooperation.

Within the framework of USAID/W policies and funding levels, the USAID Representative administers, directs and manages the USAID Office in Yemen; advises on the nature and extent of the U.S. foreign assistance program in Yemen; advises on macro-economic analysis and legal aspects of the bilateral assistance to Yemen; coordinates efforts with the U.S. Ambassador and other members of the Country Team; and, represents USAID in field relations with the Government of Yemen, private organizations, other U.S. Government organizations, other bilateral donors and with multilateral organizations.

In carrying out strategic planning and program management (including contract management, commodity procurement, training, personnel management and financial management), the Office of the USAID Representative complies with USAID ADS procedures and other pertinent directives and adheres to Agency guidelines, policies and current priorities for development action. The Office of the USAID Representative maintains close relationships with Yemeni Ministries and agencies related to USAID's technical programs, such as the Ministries of Planning and Development, Education, Health, Agriculture, and Local Administration. The Office of the USAID Representative also initiates/maintains dialogue with donors and other organizations to ensure that USAID's development programs are formulated and implemented in a collaborative way.

As the local Representative of the United States Agency for International Development, an independent USG agency, the USAID Representative to Yemen reports in-country directly to the American Ambassador and serves as a member of the Embassy Country Team. When the USAID Representative is away from post, the Chief of Mission is designated as the USAID Representative (Acting).

### **1.b Office Manager**

Staffing - an FSN Office Manager

Function – the Office Manager will serve as the focal point for administrative management activities and, in consultation with the Executive Officer in Cairo, will be responsible of all administrative support functions needed for program operations. The Office Manager will directly supervise the Office of the USAID Representative's one chauffer, in close consultation with the US Mission motor pool.

In close consultation with, and under guidance from, the USAID Representative, the Executive Officer in Cairo, and the Embassy/Sana'a ADMIN Office, the Office of the USAID Representative/Yemen Office Manager is responsible for the administrative management functions of the Office of the USAID Representative. Those responsibilities will include personnel management, travel, security, procurement, information resource management, communications and records management.

The Office Manager will assist the USAID Representative in developing, executing and monitoring the operating expense (OE) budget in coordination with the Regional Mission Controller (based in Cairo) to ensure adequate support for Office operations.

In consultation with the USAID Representative and the Executive Officer, the Regional Contracting Officer, and the Controller based in Cairo, the Office Manager is responsible for maintaining liaison with the Embassy's Administrative Office and for monitoring the quality and quantity of services provided as agreed upon between the agencies under the International Cooperative Administrative Support Services (ICASS) Charter and Memorandum of Understanding (MOU). The liaison activities include, but are not limited to: property management leasing, warehousing, vehicle management, shipping,

customs clearance, transportation and office and residential maintenance. The Office Manager will serve as a resource on the ICASS working group; ensuring that the USAID Representative takes an active role in ICASS council affairs; that annual ICASS budgets are properly reviewed and signed, if acceptable; and that assistance is provided in conducting administrative systems evaluations and in establishing policies and procedures to ensure maximum conformity with uniform standards and procedures.

### **1.c Chauffeur**

Staffing - an FSN Chauffer

Function – the USAID Chauffeur will be a professional driver with experience in providing safe transportation to Office of the USAID Representative/Yemen staff and official visitors. The Chauffeur will have experience in driving heavily laden armored vehicles in all terrain. The Chauffeur will be responsible for the maintenance of the USAID vehicle in close coordination with the Embassy motor pool, and will be charged with maintaining vehicle use, service and maintenance records in coordination with Embassy motor pool under the supervision of the Office of the USAID Representative/Yemen Office Manager.

## **2. Program Teams**

The four program teams design and implements all aspects of USAID’s program in Yemen in consultation with the USAID Representative and USAID/Washington. The four program teams include: Health, Education, Economic Development and Project Implementation.

### **2.a Health Team**

Staffing - an FSN Health Program Advisor and an FSN Health Program Specialist for Maternal, Child and Reproductive Health

Function - the Health Team will work with all aspects of the health program, including the planning, implementation, coordination, and monitoring and evaluation of health activities.

### **2.b Education Team**

Staffing - an FSN Education Program Specialist and a USPSC Education Advisor

Function - the Education Team will work with all aspects of programming related to improving provision and quality of basic education including planning, implementation, coordination, and monitoring and evaluation of education activities.

### **2.c Economic Development Team**

Staffing - an FSN Economic Development Specialist and a USPSC Economic Development Advisor

Function - the Economic Development Team will work with all aspects related to poverty alleviation, such as private-sector promotion, micro-finance, sector feasibility studies, technical assistance and extension services (farm and off-farm) to private producers and market intermediaries including the planning, implementation, coordination, and monitoring and evaluation of economic development activities, with a focus on the agricultural sector.

### **2.d Project Implementation Team**

Staffing - an FSN Program Implementation Specialist and a USPSC Program Implementation Advisor

Function - the Project Implementation Team will support the USAID Representative to ensure that effective coordination and collaboration takes place under all USG economic development assistance programs in Yemen. The Project Implementation Team will also oversee monitoring and evaluation of previous assistance projects to Yemen. The Project Implementation Team will advise and assist the Embassy and the US Department of Agriculture (USDA) representative on development activities funded by USDA food aid assistance programs. The Project Implementation Team will also serve as the Office of the USAID Representative/Yemen's primary contact with USAID/Washington and sections of the Embassy for activities funded by Pillar-Bureau resources.

## **ANNEX 10**

### **PERSONS CONSULTED**

#### **American Embassy Sana'a**

Ambassador Edmund Hull  
Mr. Alan Misenheimer, DCM  
Mr. Garret Harries, Development Program Coordinator  
Ms. Fawzia Youssef, Health and Population Specialist  
Dr. Ahmed Attieg, M.D., Senior Health Advisor  
Mr. Shaif Hamdany, Development Program Specialist  
Mr. Mohammed Sharaf-Aldin, Agricultural Specialist, ATO Sana'a  
Mr. Russel Jones, Admin Officer  
Ms. Anise Puckett, Assistant PAO  
Ms. Diane Stuart, IMO, Information Program Center  
Ms. Mary Oliver, GSO  
Mr. Jonathan Cullen, Assistant Regional Security Officer  
Mr. John Balian, PAO  
Ms. Nicole Schmidt, POL/ECON  
Ms. Catherine Westley, POP/ECON

#### **Department of State**

Mr. Mike Miller, Yemen Desk Officer, Department of State

#### **U.S. Department of Commerce**

Mr. Stuart Kerr, Senior Counsel, Commercial Law Development Program

#### **US Agency for International Development**

Ambassador Wendy Chamberlin, AA/ANE  
Mr. Tom Oliver, ANE/MEA  
Ms. Kay Freeman, ANE/MEA  
Dr. Vernita Fort, USAID/AFR  
Ms. Christine Wegman, ANE/SPO  
Mr. James Carlson, ANE/SPO  
Mr. Steve Morin, ANE/MEA  
Ms. Susan Thomas, EXO/NEP  
Mr. Ross Hicks, EXO/NEP  
Mr. Brent Schaeffer, USAIDS/Cairo, EXO  
MS. Cynthia Judge, USAIDS/Cairo, RCO  
Mr. Homi Jamshed, USAIDS/Cairo, CONT

Mr. Roger Rowe, SEC/PSP  
Mr. Gary Cook, ANE/TS/PHN  
Ms. Ricki Gold, ANE/TS  
Mr. John Wilson, ANE/TS  
Dr. Douglas Heisler, ANE/TS  
Ms. Naomi Blumberg, Global Health  
Mr. Dennis Lauer, IRM  
Mr. Abdullah Ahmed, FM/EMP  
Mr. Rudy Vigil, DCHA/FFP  
Mr. Abdel Moustafa, ANE/MEA  
Dr. Ralph Cummings, EGAT/AG  
Mr. Tom Olson, EGAT/AG  
Mr. John Swanson, EGAT/AG  
Mr. Del McCluskey, ANE/SPO  
Mr. Gaylord Costen, SEC/PSP  
Ms. Elyssa Tran, ANE/SPO  
Dr. Lily Kak, ANE/TS  
Dr. Andrew Clements, ANE/TS  
Mr. Ship Waskins, ANE/SPO  
Dr. Maureen Norton, Global Health  
Ms. Mary Ellen Stanton, Global Health  
Dr. Tham V. Truong, ANE/TS  
Mr. Robert Aten, ANE/TS  
Mr. David Soroko, EGAT/AG  
Ms. April Hahn, DCHA/DG  
Mr. Stephen Tournas, EGAT/EIT/IT  
Dr. Fajita Eyango, ANE/TS  
Dr. John Swallow, ANE/TS  
Dr. Jennifer Tikka, CDIE  
Dr. Patrick Collins, EGAT/ED  
Dr. Lubov Fajfer, EGAT/ED  
Mr. John Hatch, EGAT/ED  
Ms. Nakoko Nakayama, Global Health  
Mr. Jacob Adetunji, Global Health  
Mr. Michael Williams, GC  
Ms. Eileen Hsieh, GC  
Mr. Skip Kissinger, G/GAD/EM

**Republic of Yemen Government (ROYG)**

Mr. Abdul Rahman Tarmoum, Vice Minister of Planning and Development  
Mr. Mohamed Gharama Al-Raei, Deputy Minister for Health Planning & Development,  
Ministry of Public Health & Population  
Dr. Naseeb Mulagam, Director of Health Services  
Dr. Nayef Nassr, Director of Health Planning & Statistics

Mr. Abdulkarim Al-Arhabi, Minister of Social Affairs and Labor, and Managing  
Director, Social Fund for Development  
Ms. Lamis Al-Iryani, Head of Planning & Monitoring Unit, Social Fund for Development

Mr. Abdullah A. Al-Dailami, Head of Infrastructure Unit, Social Fund for Development  
Ms. Afrah Al-Ahmadi, Head of a Training & NGOs Unit, Social Fund for Development  
Mr. Amat Al-Sharqi, Head of Unit, Social Fund for Development  
Mr. Abdulla Al-Shawoosh Head of Unit, Social Fund for Development  
Mr. Abdulla Ali Al-Nassi, Governor of Marib.  
Dr. Abdo Rabo Muftah, Director of Mareb Health Office  
Dr. Mohamed Al-Awlaqui, Director of President Hospital  
Mr. Mohamed Ayash, Director of Medghil Health Center  
Professor Dr. Fadhel Ali Abu-Ghanim, Minister of Education  
Mr. Mohamed Al-khateeb, General Director of Minister's Office, Ministry of Education  
Dr. Najiba Abdul Ghani, General Director of Reproductive Health and Family Planning  
Directorate, Ministry of Public Health and Populatin

Mr. Saeed Abdo Ahmed, Project Manager, Public Works Project  
Ms. Nasra Salem Da'ar, Investment Planner Public Works Project  
Mr. Abdualsalaam M. Qassim, Area (1) Manger, Public Works Project  
Dr. Amin Mohamed Mohie Al-Din, Chairman, Central Statistical Organization  
Mr. Hussein Ogle, Coordinator for Technical Assistance, Central Statistical Organization  
Mr. Ahmed Salem Al-Jabali, Minister of Agriculture  
Eng. Farouk Kassem, Director, Planning of Agriculture Projects Department, Ministry of  
Agriculture

### **Donors**

Dr. Robert Hindle, World Bank Representative/Yemen  
Rainer Schierhorst, Head of Office, European Commission/Yemen  
James Rawley, UN Resident Representative/Yemen  
Mr. Ghulam M. Isaczai, Assistant UNDP Resident Representative/Yemen  
Ms. Annie Vestjens, First Secretary for Public Health, Royal Netherlands  
Embassy/Yemen  
Dr. Mohamed Aideroos Al-Sakaff, Senior Program Officer, Royal Netherlands  
Embassy/Yemen  
Ms. Bettina Maas, UNFPA Representative /Yemen  
Mr. Leonard De Vos, UNICEF Representative/Yemen  
Mr. Wamatake Makoto, First Secretary, Embassy of Japan/Yemen  
Dr. Helmut Grosskreutz, Director, German Development Cooperation (GTZ)/Yemen  
Dr. Ernst Tenambergen, Health Sector Advisor, GTZ/Yemen  
Dr. Hashim Gamal A-Shami, Food and Agriculture Organization of the United  
Nations/Yemen  
Dr. Ousmane Digana, Senior Operations Officer, Human Development Sector, World  
Bank/Yemen

Dr. T.J. Hopkins, Consultant, United Nations Development Program/Yemen  
Mr. John MacGregor, Yemen Country Coordinator, World Bank, Washington

### **Yemen NGOs**

Ms. Rashida Ali Al-Hamdani, Chairperson of the Women National Committee  
Ms. Sharon Beatty, ADRA, Chief of Party  
Mr. Eivind Nilsen, ADRA, Country Director  
Mr. Rodolfo Monsalve, ADRA, Senior Grants Administrator  
Mr. Randy Purviance, ADRA, Program Management Bureau Chief  
Mr. Imad Madanat, ADRA Finance Director  
Mr. Tawfiq Radman, ADRA Liaison and PR Officer  
Mr. Jonathan Puddifoot, CARE Yemen Representative  
Dr. Robin Madrid, National Democratic Institute (NDI) Country Director  
Mr. Aziz al-Haddi, Country Director, AMIDEAST/Yemen  
Ms. Sabrina Faber, Assistant Country Director, AMIDEAST/Yemen  
Mr. Enrique Saltos, Project Manager, International Foundation for Election Systems  
(IFES)  
Mr. Lazhar A. Aloui, Program Officer for ME & North Africa, IFES  
Mr. El Obaid Ahmed Al-Obaid, McGill University, IFES Consultant

### **Yemen Private Sector**

Mr. Nabil Hayel Saeed, Managing Director, National Trading Company, Ltd.  
Mr. Alwan Shaibani, Chairman, Universal Group of Companies  
Mr. Abdu Alsalam Alhamady, General Manger, Bilquis Mareb Hotel  
Mr. Abdo AlAshwal, Senior Travel Consultant, Universal Group of Companies  
Mr. Mohammed A.H. Saif, Deputy General Manager, National Trading Company, Ltd.

## **Annex 11**

### **Documents Reviewed**

#### **World Bank**

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