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AGENCY FOR
INTERNATIONAL
DEVELOPMENT

ANNUAL BUDGET SUBMISSION
FY 1979

USAID YEMEN

BEST AVAILABLE

DEPARTMENT
OF
STATE

JUNE 1977

EMBASSY OF THE
UNITED STATES OF AMERICA
Sana

May 25, 1977

Mr. Joseph C. Wheeler
AA/NE Bureau
Agency for International Development
Washington, D.C. 20523

Dear Mr. Wheeler:

The DCM and I have been actively involved with the formulation of the USAID FY 1979 Annual Budget Submission (ABS). I support the proposed FY 79 program which I believe is well conceived and responsive to the developmental needs of the Yemen Arab Republic in the overall context of AID foreign assistance.

I am, however, deeply concerned with the support requirements of Americans associated with implementation of these programs. It is my position that the number of Americans requiring direct support should be held to a minimum. The Mission Director, Mr. Ruiz, and I have discussed at length the personnel considerations and ramifications of this proposed program and I have agreed to the personnel levels set forth in the ABS and the Mission Operating Budget as being those required to implement the USAID program. In this regard, I am pleased to report that Mr. Ruiz has already made some reductions in staff reflecting my concern with support problems but not affecting the program's overall effectiveness.

Nonetheless, while I endorse the proposed program and have accepted the projected personnel requirements, I urge that AID, in its efforts to achieve the objectives outlined in the ABS, be constantly alert to any and all possibilities for reduction both in support requirements and U.S. personnel levels.

Sincerely yours,

Thomas J. Scotes

Thomas J. Scotes
Ambassador

UNITED STATES A.I.D. MISSION TO THE YEMEN ARAB REPUBLIC
c/o AMERICAN EMBASSY, SANA YEMEN
الوكالة الامريكيـــة للتنميه الدولية
السفاره الامريكيه ، صنعاء ، يمن

May 25, 1977

Mr. Joseph C. Wheeler
Assistant Administrator
Bureau for Near East
6724-NS, C&RSC #3
Agency for International
Development
Washington, D.C. 20523

Dear Joe:

USAID/Yemen's FY 79 ABS was sent this date. I believe it represents an excellent move in the direction of better conforming our program content both to the rapidly changing socio-economic conditions of the Yemen and to the new emphasis in use of development assistance funds as set forth in our present foreign aid legislation.

I would like to take this opportunity to stress that the program is designed to minimize the number of in-country US personnel, TCNs and host country nationals. As a matter of fact, we have reduced our local employees by a considerable number due to project turnover to the YARG. On the US and TCN personnel side, those for whom there will be no future requirements will not be replaced upon completion of their present assignments/contracts. The Ambassador has expressed strong reservations about our ability to provide adequate support, and I must admit that all along this has been one of my major concerns. On the other hand, however, if we are to make our maximum possible contribution in what we perceive to be the Yemen's most critical developmental problem areas we will need the types and numbers of personnel indicated in our presentation.

The Strategy Statement spells out three areas in which there are now extant severe problems which we need to keep working at (housing, health care, and local support staff) and one (support of rural operations) where potential difficulties must be met head-on in advance before we can embark on a concentrated effort that focusses mainly on rural Yemen.

Yemen is an extreme hardship post and nothing we can do will transform it to qualify as one of AID's more desirable assignments. But there are a number of fundamental shortcomings such as cited above which I believe are amenable to improvement. Recently I sent to you a proposal designed to

ameliorate some of the housing difficulties. I hope we can count on your personal attention and support to assure prompt and sympathetic resolution of this and other key support problems so that our people can proceed with the task of assisting Yemeni development with the realization and satisfaction that they and their families are receiving the fullest possible backing and consideration from AID/W.

Hoping to hear from you soon.

Warmest personal regards,

Aldemo Ruiz
Director

FY 1979 ANNUAL BUDGET SUBMISSION

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FY 1979 ABS STRATEGY STATEMENT

INTRODUCTION

The development needs of the Yemen Arab Republic (YAR) and the role the U.S. can best play in Yemen's development have changed sharply in the last few years. Like most RLDCs, Yemen presents two faces to the development planner--a country still in the hold of traditional structures and outlook and a country in the midst of dynamic socio-economic change. Compared to most RLDCs, however, in Yemen these characteristics are of a significantly different order of magnitude, and some are even of a different nature.

Two of the most significant factors affecting Yemen are (1) its emergence from total isolation from the outside world only eighteen years ago (eight of which were taken up in a civil war, thus precluding any effective developmental effort), and (2) its proximity to, and symbiotic relationship with, wealthy Arab oil-producing states.

Yemen's recent emergence has meant an extremely low level of development and a government that is only now beginning to get started on the road to social and economic progress, while the new symbiosis has brought unbridled outmigration and financial stimulus with which the country remains ill-prepared to cope. This juxtaposition of a fledgling national government and its embryonic institutional and physical infrastructure with the dynamics of Arab oil wealth has given rise to a unique set of development problems and countervailing tensions over the last few years.

The relationship with neighboring Arab states, in particular, raises complex questions relative to the planning and implementation of development programs. Yemen currently provides the bulk of the unskilled labor for the development efforts of Saudi Arabia and the other oil-rich states in the region. This large outmigration of workers and their remittances flowing back to Yemen comprise the key element which must be considered in assessing Yemen's near-term development prospects and designing a responsive assistance program. Outmigration of Yemeni labor (estimated at 50-75% of the total male labor force and higher) has proceeded to the point that Yemen's own development efforts are jeopardized. In only a few short years Yemen has become an RLDC to which the traditional labor surplus model does not apply.

Remittances from Yemeni workers abroad provide a major, but uncontrolled, stimulant to the economy. The bulk of this money is going into expenditures for personal consumption, land speculation and housing construction which, when coupled with the low productivity of the local economy, has contributed to an annual inflation rate in excess of 30%. Rents and wages are leading the inflationary surge, and together have changed the character of agricultural and industrial development for Yemen, while demand for imported consumer goods has reached the point that imports are now outpacing exports by a factor of more than 30 to 1. Add massive inflows of Arab budget support, and substantial capital assistance flows not only from Arab sources but also from an array of western and eastern bloc donors, and one's snapshot of an economy in intense flux is complete. The major challenge facing the Yemen Arab Republic Government (YARG) and aid donors is how to guide this inflow

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of remittances and assistance funds into productive investment and developmental avenues given Yemen's extremely limited institutional capacity and central government authority.

THE YEMEN ECONOMY

Yemen's economy is characterized by a paucity of natural resources, a limited transportation and communications network, an agricultural system of largely subsistence production almost entirely dependent on erratic rainfall, a shortage of manpower (trained and otherwise), an ineffective tax system, and a fragmented socio-political structure yielding limited central government presence and control. Thus, despite Yemen's abundant financial resources from remittances and assistance, it remains an extremely underdeveloped country. Approximately 70-80% of the YAR's population of 6.2 million is employed in agriculture. While per capita income has recently ballooned to $265 per year, most of the increase is the result of remittances rather than real developmental progress.

As yet, the YARG has not been capable of capturing any significant portion of the rapidly growing remittance flow which, it is estimated, will exceed $1 billion in FY 77. Thus far, only through customs duties has the government been able, indirectly, to tap remittances with the modest collection of taxes on imports amounting to 70% of all taxes collected in 1976. Although the YARG is trying to extend the tax system--income, real estate and excise taxes--in the near future the bulk of tax revenue will continue to come from customs, even though the ports through which most imports must move remain nightmarishly congested.

The structure of customs duties also bears upon the future of the agricultural sector. In an attempt to ease inflationary pressures no customs duties are imposed on foodstuffs, which accounted for 45% of recorded imports in FY 1976. The result is that imported foods are competitive with, and often cheaper than, locally produced foods due to the high production costs (especially labor) and low productivity of Yemeni agriculture. This, of course, encourages imports and further discourages local production. (This growing disequilibrium and domination of the economy by imports could be a source of major future problems if the bonds of symbiosis were ever to be cut since the YARG feels little present compulsion to concentrate on building Yemen's self reliance.)

In fact, although in planning documents the YARG indicates its intent to place heavy emphasis on increased agricultural production and on attaining agricultural self-sufficiency, both of which would mean reversing the strong current trend toward ever increasing reliance on imported foods of all types, the economic incentives required to generate and sustain efforts to increase food production do not generally exist. To move Yemeni agriculture to the point of price competitiveness in a wider range of products would, therefore, require significant increases in the efficiency of agricultural production per unit of labor and a general reduction of both production and marketing costs. Without such developments the outmigration of rural labor and the increasing substitution of imported for domestically produced foodstuffs are

likely to continue unabated. In the short term, policy measures to reverse these unfavorable trends do not seem likely.

THE YARG PERSPECTIVE ON DEVELOPMENT

The YARG is committed to economic development in the growth, but not in the equity, sense at the fastest possible speed and in ways not particularly regardful of its absorptive or institutional capacities. After centuries of isolation and anti-development leadership, the YARG is now playing catch-up ball and is trying to do most everything at once.

In Agriculture, self-sufficiency is the goal, but as yet the government's lack of skilled human resources and the paucity of policy tools prevent it from initiating significant projects. Instead, for the present the YARG reacts to, and supports with varying degrees of enthusiasm, the projects of foreign donor agencies.

In Health, principally an eastern bloc and WHO technical assistance sector with facilities constructed and equipped by Arab donors, the YARG is committed, at least in its planning, to setting up a rational scheme for curative and preventive medical facilities with a logical distribution, level of sophistication, chain of command, and with appropriate staffing. This effort includes an embryonic system of primary health workers in rural areas.

In Industry and Commerce, the present business sector is entirely import oriented. Imports bring quick and high profits and almost everything finds a ready market. This is principally a reflection of the great deal of wealth which exists in private hands, predominantly from workers' remittances. Theoretically, mobilization of this resource flow could bring about important business development, and, as a start, the YARG is attempting to stimulate the industrial sector by establishing, in conjunction with IDA, an industrial estate in Sana. Other industrial estates are planned for Hodeida and Taiz. Although the Sana activity is not yet operational, investors have shown some interest and several sites and buildings are already leased. In addition, in one of the few areas where YARG policy is clear, liberal concessions have been granted in Yemen's investment laws to encourage foreign and local investment of capital.

In Transportation and Communications, a number of important roads are under construction, principally with Arab donor funding. Additionally, largely through local efforts, many rural areas are getting feeder roads. Port facilities are being improved and, although only of a rudimentary nature, there are plans to increase the use of radio and TV for education.

In Education, the Government is greatly expanding the number of school buildings throughout the country, mainly relying on bilateral Arab assistance. Plans call for the development of a revised curriculum and greater emphasis on teacher training to eventually supplant the present Egyptian and Saudi staffs teaching throughout the Yemen, but these efforts, in a Ministry of

Education dominated by Egyptian advisors and Saudi funding, are likely to be strongly challenged. Plans also call for the expansion of technical education.

In Public Services, water and sewerage have been given priority by the YARG, but there is also activity in the areas of electricity, urban planning, sanitation, etc. which are likewise thus far only of the most elementary sort. (A large team of American urban planners recently arrived in country to concentrate on improved planning for development of the five principal cities.)

In Social Services, the Ministry of Labor, Youth & Social Affairs is relatively ineffectual and is largely inactive outside the capitol city. Some facilities for the handicapped and blind are being supported with Saudi financing.

As can be detected in the foregoing brief review, the major YARG thrust is in large infrastructure development activities without much concern for the ability to properly maintain and operate the completed systems. Capital projects such as roads, buildings, and telecommunications systems, therefore, risk being badly maintained and becoming less than fully operational soon after completion. Nonetheless, it is likely that the primary emphasis of the YARG, depending heavily on foreign assistance, will continue to be infrastructure development since the new Five Year Plan places highest priority upon the construction and expansion of the road system, telecommunications, housing, ports, and water and electricity for industrialization.

The ability to absorb and operate the construction and expansion planned for the next five years will further strain Yemeni administrative and technical capabilities. All ministries are both understaffed and lacking in requisite technical and managerial skills. Although more people are returning from training abroad, the rate of return will be insufficient to fill the vacuum during the next five years. The YARG itself recognizes this shortcoming when it notes in the new Five Year Plan the need for directly operational "executive experts" rather than advisors. Unfortunately, the new Plan does not address the other obvious action which could contribute to relief from the critical manpower shortage -- curtailment of outmigration to more reasonable levels.

While the new Five Year Plan makes passing reference to the fact that the "eventual goal" of development is improvement of the well-being of the masses and provision of equal opportunities, the Plan's specific project proposals and objectives are, as indicated earlier, almost without exception geared exclusively toward growth, with little or no regard for equity considerations or, for that matter, for regional inequities that are likely to ensue. The YARG has articulated no clear plans to extend the political-administrative infrastructure into the rural areas, except on a piecemeal basis and quite experimentally, relying principally on the ideas of outside donors. In effect, then, if there is to be any significant equity focus in the short term, it will have to come from outside the already overburdened YARG bureaucracy.

THE CONTEXT OF USAID OPERATIONS

As an agency operating in the atmosphere described above, what strategy options are suggested? Before addressing this question, several particular aspects of the political and developmental milieu in the Yemen, as they impact directly upon the USAID, must be considered.

U.S. Foreign Policy Interests -- Political interests of the United States in Yemen are neither direct nor large, but since our resumption of diplomatic relations in 1972 we have steadily expanded our official presence and role here. This is due to our major interests both in Saudi Arabia, on Yemen's northern border, and in the Arabian Peninsula as a whole. At base, we want to be sure that Saudi-Yemeni friendship in the 70's replaces the Saudi-Yemeni enmity of the 60's which ensued when Yemen fell under the domination of Soviets and radical Arabs and became a base for political and military attacks on Saudi Arabia.

In the 70's, partly because of our example and urging and partly because of an expanding Saudi political role in the world at large, the Saudis have undertaken to support the central government of Yemen rather than the tribes. Saudi support for development projects has become lavish, and in return Saudi Arabia has assured itself of access to Yemeni labor for its own expansive official development programs.

As a result, there is no need for AID to provide capital, but technical assistance of the type AID traditionally furnishes can still be useful in other elements of Yemen's development. AID's continued presence and role in this regard will hopefully complement an increasing involvement by private U.S. companies in revenue producing fields.

This AID presence and role also contributes to another U.S. foreign policy interest in Yemen: re-orientation of Yemen from Soviet development models and advice. As a secondary benefit, we expect that success in this matter in the Yemen Arab Republic will have helpful implications for similar efforts, over a longer period, in the People's Democratic Republic of Yemen immediately to the south -- a state which is still very radical and closely aligned with the Soviets.

Other Donor Operations -- USAID's involvement also must be viewed in the context of the U.S. as a minor donor amid a situation of considerably greater assistance flowing to Yemen from numerous other sources. Given the relatively small margin of direct USAID assistance, as far as USAID relationships with other donors are concerned we must recognize that the USAID program most logically should be meshed with and supportive of other donor flows to maximize the long-term benefits of assistance from the major sources. We shall not attempt here a listing of other donor activities other than to indicate that there is no sector of the economy that does not find two or three donors already active. In addition to official donors, the YARG indicates that there are now thirty voluntary agencies from various countries active in the Yemen.

USAID Operational Considerations and Constraints -- Management considerations cannot be the major factor which dictates the magnitude of the USAID effort in Yemen or the types of projects we undertake; however, it is unavoidable that such considerations comprise a major factor affecting our alternatives. Clearly, the magnitude of our program, and even more so the types of assistance projects undertaken, are part of an equation involving the number of U.S. personnel to whom AID/W is willing, and the Mission is able, to provide adequate support, both on the job and off. This is in many respects an intractable area since in microcosm our operations are undertaken squarely against the backdrop, in many respects quite debilitating, of the economy at large. Among the most pressing constraints bearing on decisions re the type and magnitude of USAID's operations are:

1. Foreign National - both skilled and unskilled Yemenis are in flight to high paying jobs in adjacent countries so maintaining a competent local staff has proven almost impossible. We expect little change in this pattern. Thus, our future options must take into account the likelihood that for the next five years we will not have a core of qualified local staffers to do the typing, house repairs, accounting, procurement, etc. -- in short, the panoply of administrative and support functions that usually devolves on host country nationals. Third-country nationals or American DH staff will have to undertake a number of these key functions or else the program and its content will have to be devised to avoid the need for such services to the maximum extent possible.

2. Housing - we need to house adequately whatever number of people assigned. Upward spiralling rental rates (100-200% increases in the past year alone) reflect the general and uncontrolled inflation, absence of appropriate laws and inefficacy of the YARG result in lack of protection for the interests of lessees, and the growing influx of expatriate personnel increases the competition for a limited supply of adequate housing. Given a continuation of this trend, housing needs likely will have to be met by means other than rental on the market if USAID is to continue at present levels (approximately 50 personnel) or to expand. Construction of a prefabricated housing compound may prove to be the only feasible way to properly house our staff.

3. Rural Operations Considerations - if we or our retainers, contract or OPG, are to plunge operationally into the rural areas of the lofty and barren uplands, or the hot humid desert along the Red Sea, in pursuit of AID's interest in growth with equity, special support provisions will have to be made. Communications, housing, proper vehicles, etc. -- the full gamut of sufficient and necessary support -- will all have to be made available expeditiously at whatever cost that may entail.

4. Health Care - serving in the YAR, with its high level of health risks and dearth of qualified health personnel and facilities, is dangerous. It is clearly imprudent to continue present personnel levels, much less expand them, unless the families of our employees have assurance of the ready availability of competent medical assistance.

Sana, the point is, will never be anything but a hardship post. We believe, however, that some of the more extreme hardship features could and should be mitigated. Mission requests for particular administrative support improvements, including waivers, should be considered by AID/W with this in mind and, wherever possible, approved quickly and sympathetically.

Without favorable decisions re support of the people who have to do the job, all that could be sustained--and all that could honestly be recommended--would be a steady participant training effort, orderly completion of all presently on-going projects and concomitant phase-down of personnel, and inauguration of a few new Operational Program Grants to be administered by private voluntary agencies. The proposed five-year USAID/Yemen strategy which follows, however, is predicated on an assumption of satisfactory resolution of the foregoing operational constraints.

Our new strategy calls for a further shift from the Mission's start-up emphasis on quick impact, high visibility projects when a conspicuous presence was an important consideration. The new strategy set forth below, in addition to its revised focus, is designed to minimize the number of in-country U.S. personnel and, wherever possible, to reduce the numbers required. Among other things, this reflects an acknowledgement of problems of support.

RECOMMENDED FIVE-YEAR USAID STRATEGY

During the next several years, pivoting particularly on FY 1979, we propose reversal of the Mission's present primary role of providing top-down assistance to the Central Government; instead, we advocate reorientation to a program which will attempt principally to assist and foster development from the bottom up. Various facets of rural and community development will comprise our major focus, with a main consideration being efforts to mobilize local resources, including, where necessary, the use of seed money to ferret out remittances and channel them into developmentally productive uses. At the same time that we will begin new projects aimed at addressing obvious bottom-up developmental opportunities, we also envisage research activities to identify more fully, and pinpoint more accurately, other developmental problems and potential of the Yemen countryside.

Through this changeover period, and well into the decade of the 1980s, we also recommend continuation of a large participant training effort--as large as the supply of qualified candidates will permit since Yemen's commitment to all-out development will require all the skilled personnel they can muster. This basic thrust is in accord both with our foreign policy interests here and with the YARG Central Planning Organization's expressed view that the two principal long-term areas for AID involvement in the Yemen should be training/education and agriculture/rural development. This emphasis on participant training should also hasten the day when the Yemen will be in a position to participate effectively in a more traditional development mode wherein availability of adequate numbers of qualified personnel will permit and justify renewed emphasis on top-down institution building and on efforts to spread government services from the national level outward and downward.

Finally, a small portion of our effort will continue to be concerned more with growth than with equity--more with enhancing central YARG institutions per se, however difficult and frustrating that continues to be--than with whether or not appropriate beneficiaries are being served. This is in part simply due to the fact that there will still be on-going projects which have this characteristic, and in part to the belief that no donor that wishes to remain viable, useful, influential, and acceptable to the YARG can preclude operating at central ministry levels. We propose to take pains however, to insure that even this top-down technical assistance has reasonable longer term prospects to enhance the YARG's ability to deliver services to outlying areas and to thus contribute to development in an equity sense as well.

Thus, over the next five years we see execution of a USAID program with two basic components; the first, and increasingly larger of the two, being what we might term the "New Directions Component", and the second, including the intensified participant training initiative and other links to our efforts of the recent past, which we might nominally refer to as the "Central Government Support Services Component". The broad outlines of these two distinct and only tenuously related aspects of our proposed program have been set forth above. The process by which we concluded that this constituted the best program mix at this time in this particular RLDC began with two very pertinent questions that we posed and sought to answer:

Question #1: What assistance does the Yemen now most need in the context of what the USAID in particular can most effectively deliver?

The answer to this question had to be put against the backdrop of the plethora of other donors already operating in the Yemen. In so doing it became clear that, in view of massive Arab financial assistance in particular, AID should not be a donor of capital. Nor should AID's relatively small input be duplicative of other free world donors' activities, e.g., those of the UN, IDA, the U.K., and West Germany. Since there is no sector in which significant other donor involvement does not already exist, we had to delve into the substrata of these sectors to seek our answer. What about policy planning and resource allocation, for instance? While a dearth of well defined economic and social policies is an obvious deficiency, and one which might logically appear to be appropriate for US intervention and contribution, we have not been asked to assist and, in fact, the World Bank, IMF, and UN already are playing significant roles in this sphere. Thus we concluded that our input to the policy planning and resource allocation areas, to the extent that we make one, likely should be through such other donors except in particular fields where we have projects and thus have occasion and rationale to suggest policy and resource options which bear on the success of these projects.

What then does this leave us? We concluded that we have particular expertise, not duplicated by other donors, in key aspects of several areas--participant training, hydrological exploration, non-labor intensive agricultural techniques, various areas of management, and activities involving use of unique or highly sophisticated developmental technology such as satellites. While the Yemen's present shortage of qualified personnel upon whom to focus institution-building efforts makes effective application of

some of this expertise problematical, we concluded that the Yemen's needs were so urgent and overwhelming as a result of the unrelenting influx of remittances and other donor assistance that AID should continue to provide technical assistance and advice on a very selective basis in those areas in which the US has particular advantages. This, then, is the area previously referred to as the "Central Government Support Services Component". (One of the possibilities carefully considered in the context of this Component was emphasis upon a "broker" role for the USAID, i.e., the use of US skills to do feasibility studies and to design projects intended to be constructed by other donors, mostly Arab. We concluded that this was not an area in which we possess any exclusive expertise--that the YARG and its Arab donors are fully capable of contracting for anything from pre-feasibility straight through to final construction without the intervention of a broker. Thus, except for a few useful projects which are otherwise likely to prove to be too small to attract other donor capital--e.g., water and sewerage systems for rural market centers and, perhaps, selected small industries in secondary cities--USAID does not foresee the need to perform a broker role.)

Question #2: What does the Yemen most need that no donor has a reputation for doing particularly well, but which, because of its importance to the future of the people of Yemen, the USAID might appropriately attempt to provide?

Posing this question in terms of the best interests of the people permitted us, in our search for an answer, to transcend some of the constraints which have shaped the YARG's own expression or priorities. As mentioned previously, the YARG's commitment to total development, especially in a physical infrastructure sense, in the shortest possible time presents a challenge beyond the present capacity of its limited human resources to cope adequately even at the national level. In its efforts to stay on top of the demands of this national-level developmental effort, the Government remains almost totally centralized both in its physical location and in its main thrusts. Thus, it is not surprising that there remains an almost total developmental void outside the principal urban centers. This factor was joined with a number of other observations and considerations in shaping our response to this second question: (1) the lack of an effective government presence and programs at the local level; (2) the growing abundance of other donor financial and technical assistance at the national level and the concomitant reduction in the need and justification for such assistance from AID; (3) the operational and administrative management difficulties engendered in the capitol city by competition among a growing number of donors for all-too-limited support capabilities; (4) the equity-less nature of YARG development programming and priorities; (5) the mandate to focus on participatory development which will benefit the poorest elements of the populace as contained in US foreign assistance legislation, and (6) the tappable resources which are believed to exist even in the remoter rural areas and which, with some assistance and direction, might be channeled into developmentally productive activities.

Taking all of the foregoing into consideration, we concluded that it would be appropriate to redirect our principal attention to bottom-up developmental efforts and the creation of a demand from below which might be expected over the near term to induce the national government to reassess its own developmental

priorities and to focus an increasing proportion of its attention toward the needs and potential of its rural areas where most of its citizenry live. If this modest opening wedge succeeds eventually in persuading the central government to establish an appropriate presence in outlying areas, the increased social services and decentralized planning which accompany it should bring improvements in both the quality of life and the share of real income of rural Yemen. Thus we decided that--for at least so long as present conditions and considerations prevail in the Yemen--we should increasingly focus our efforts upon what we have chosen to refer to as the "New Directions Component" of our program.

FY 1979 PROPOSED PROGRAM

Our proposed FY 79 Program of $16.5 million represents a considerable increase over the FY 78 CP level of $10.6 million. This is principally because FY 79 is proposed as the pivotal year in a transition to a predominately bottom-up, equity-oriented program. Six new projects, designed to inaugurate this new focus, are proposed to begin in FY 79. These account for over 75% of the proposed increase in FY 79 funding requested for the USAID/Yemen program.

The Decision Package-Minimum level reflects major reorientation of our program thrust to concentrate primarily on the "New Directions Component". Aside from the core portion (2/3) of our "cornerstone" participant training project, and three on-going agriculture projects begun in FY 75/76 (Sorghum/Millet, Horticulture and Poultry) in which we already have a considerable investment, all nine of the remaining projects in this minimum package are either totally or basically "bottom-up" in their developmental focus and impact. Six of them are in fact new projects, proposed to start in FY 79, which are specifically designed to respond to the revised strategy previously stated herein (Small Rural Water Projects, Tihama Community Development, Local Resources for Development (FAR), Appropriate Agricultural Technology, and Agro-Industries). The Rural Development OPG beginning in FY 77, the continuing Special Development Fund activity, and the portion of the Title II program included in the minimum package are all likewise responsive to these revised strategy guidelines. While we have conformed this minimum package to the stipulation that it not exceed 80% of the FY 1978 CP level, in order to contain it within these bounds we were forced to cut back the PL 480 Title II element to a level which we feel is too small to make a constructive developmental contribution and which would thus have to be focused on the most urgent humanitarian demands only (e.g., refugees, MCH and needy families).

The Decision Package-Current level adds the balance of the participant training project plus two essentially top-down projects (Water Systems Management and Water Resources) which were under consideration and development long before this new strategy was designed and which have been planned for implementation in late FY 77 or in FY 78. Except for the Community & Home Gardens, these additional projects all represent elements of the "Central Government Support Services Component". The principal rationale for their inclusion at this level is protection and preservation of the investment in them already made in FY 77 and FY 78. Otherwise, higher priority might have been accorded to some of the projects or project elements which were relegated to the final

segment of the decision package set.

The Decision Package-Proposed is our recommended assistance level. It alone, in our opinion, will permit the Mission to respond adequately to the multifaceted objectives set forth in the preceding statement of strategy. The projects and project segments listed in this package were relegated to this ranking more because they were separable from previous year funding (Al Olofy Hospital, Water & Sewerage Design for Rural Market Centers, Land Classification and Soil Survey), or from related elements in previous decision packages (Education Block Grant and balance of Title II), than because of an inherently lower priority.

TABLE I

COUNTRY YEMEN

LONG RANGE PROGRAM PLAN
(All Grant Funding)($ millions)

	1978	1979 Request	Planning Period 1980	1981	1982	1983
Food/Nutrition	2.5	5.3	6.3	7.0	7.5	8.0
Health	2.5	2.0	2.0	1.5	1.0	1.0
Education	2.8	5.0	4.2	4.5	5.0	5.5
Selected Development Activities	.6	0.9	1.0	1.0	1.0	1.0
Total Functional Accounts	8.4	13.2	13.5	14.0	14.5	15.5
PL 480 Title II	2.9	3.3	3.5	4.0	4.5	5.0
TOTAL-ALL AID	11.3	16.5	17.0	18.0	19.0	20.5

DAP DOCUMENTATION SCHEDULE

FY 1978/79

Documents to be Used as Basis for Program Planning	Date Approved or to be sent to AID/W
Original DAP	December 1975
DAP Revision	Early CY 1978
Analytical Description of Poor Majority	Early CY 1978
Summary Strategy Statement	Early CY 1978
Sector Assessments: Rural Dev/Agriculture	Summer CY 1978
Training/Education	Summer CY 1978
Title II	Summer CY 1978

TABLE II

Funding Levels for FY 1977, FY 1978 and FY 1979
(All Grants in $000)

	FY 1977	FY 1978	FY 1979
Food/Nutrition (Total)	(1,613)	(2,455)	(5,310)
0019 Poultry Development*	261	415	70
0024 Horticulture	422	200	885
0030 Sorghum/Millet	-	600	200
0031 Rural Development (OPG)	615	1,015	500
0036 Community/Home Gardens (OPG)	-	125	190
0042 Land Class/Soil Survey	315	100	1,000
0045 Local Resources for Development	-	-	865
0046 Appropriate Ag Technology	-	-	600
0048 Tihama Comm. Development (OPG)	-	-	500
0050 Agro-Industries	-	-	500
Health (Total)	(12,310)	(2,525)	(1,990)
0022 Rural Water	890	-	-
0028 Water Management*	620	785	140
0029 Water Design*	680	1,270	1,000
0035 Applied Nutrition (OPG)	120	120	-
0039 Talx Construction	10,000	-	-
0044 Small Water Projects	-	-	500
0051 Al Olofy Hospital II* (OPG)	-	350	350
Education/Human Resources (Total)	(915)	(2,795)	(5,000)
0020 Training for YAR Development	915	-	-
0040 Development Training II	-	2,795	3,000
0047 Ed Sector Block Grant	-	-	2,000
Selected Development (Total)	(316)	(585)	(935)
0025 Water Survey	291	-	-
0033 Special Development Fund*	25	25	25
0043 Water Resources	-	560	910
TOTAL ALL APPROPRIATIONS	15,154	8,360	13,235
PL 480 Title II	774	2,950	3,270

*Changes from FY 1978 Congressional Presentation

AGENCY FOR INTERNATIONAL DEVELOPMENT

ABS/CP SUMMARY - TABLE III

1. TRANSACTION CODE: [A] (A = Add, C = Change, D = Delete)

2. ABS/CP — DOCUMENT CODE: 6

5. COUNTRY/ENTITY: YEMEN ARAB REPUBLIC

4. DOCUMENT REVISION NO.: [ ]

5. OPERATIONAL YEAR FY: [7|8]

6. BUREAU/OFFICE — A. SYMBOL: NE; B. CODE: [03]

7. GEOGRAPHIC CODE: [279]

8. TYPE DATA: [1] (1 = ABS, 2 = ABS Revision, 3 = CP, 4 = CP Notification)

9. TYPE ASSISTANCE: [1] (1 = Project, 2 = Program)

10. PROJECT SEQUENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBLIG	13. EST. FY AUTH OBLIG FINAL	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN/GRANT INDICATOR	17. BUDGETS (IN $ 000) 77 AY	78 OY	79 BY	LOP
	FOOD/NUTRITION						1,613	2,455	5,310	
0019	Poultry Development*	1	79	FN	B-113	GC	261	415	70	1,750
0024	Horticulture	2	80	FN	B-140	GC	422	200	885	1,515
0030	Sorghum/Millet	3	80	FN	B-110	GC	-	600	200	2,810
0031	Rural Development OPG	3	79	FN	B-240	GC	615	1,015	500	2,130
0036	Community/Home Gardens OPG	1	80	FN	B-143	GN	-	125	190	450
0042	Land Classification Soil Survey	1	79	FN	B-199	GC	315	100	1,000	1,415
0045	Local Resources for Development	-	83	FN	B-290	GN	-	-	865	8,315
0046	Appropriate Agriculture Technology	-	81	FN	B-140	GN	-	-	600	1,500
0048	Tihama Community Development OPG	-	83	FN	B-290	GN	-	-	500	2,500
0050	Agro-Industries	-	83	FN	B-270	GN	-	-	500	2,500
	PD & S TOTAL	-	-	EN	-	-	(10)	(11)	-	-
	HEALTH						12,310	2,525	1,990	
0022	Rural Water	-	77	H	B-501	G	890	-	-	4,460
0028	Water Systems Management*	1	81	H	B-501	GC	620	785	140	2,970
0029	Water/Sewerage Design-Rural Market Centers*	3	79	H	B-513	GC	680	1,270	1,000	2,950
0035	Applied Nutrition OPG	1	78	H	B-311	GC	120	120	-	435

18. DATE DOCUMENT RECEIVED IN AID/W — MM | DD | YY

AID 1330-7 (2-77)

AGENCY FOR INTERNATIONAL DEVELOPMENT

ABS/CP SUMMARY - TABLE III

1. TRANSACTION CODE: [A] (A = Add, C = Change, D = Delete)

2. ABS/CP — DOCUMENT CODE: 6

5. COUNTRY/ENTITY: YEMEN ARAB REPUBLIC

4. DOCUMENT REVISION NO.: [ ]

5. OPERATIONAL YEAR FY: [7 8]

6. BUREAU/OFFICE — A. SYMBOL: NE — B. CODE: [03]

7. GEOGRAPHIC CODE: [ ]

8. TYPE DATA: [1] (1 = ABS, 2 = ABS Revision, 3 = CP, 4 = CP Notification)

9. TYPE ASSISTANCE: [1] (1 = Project, 2 = Program)

10. PROJECT SEQUENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBLIG	13. EST. FY AUTH. OBLIG FINAL	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN/GRANT INDICATOR	17. BUDGETS (IN $ 000) AY	OY	BY	LOP
0039	Taiz Water/Sewerage Construction	-	77	H	B-501	G	10,000	-	-	10,000
0041	Small Rural Water Projects	-	83	H	B-501	GN	-	-	500	3,845
0051	Al Olofy Hospital OPG*	2	80	H	B-520	GN	-	350	350	1,050
	PD & S Total	-	-	H	-	-	-	(6)	-	-
	EDUCATION/HUMAN RESOURCES						915	2,795	5,000	
0020	Training for YAR Development	-	77	EH	B-660	G	915	-	-	2,485
0040	Development Training II	1/3	82	EH	B-660	GN	-	2,795	3,000	15,980
0047	Education Sector Block Grant	-	83	EH	B-600	GN	-	-	2,000	6,000
	PD & S Total	-	-	EH	-	-	(15)	-	-	-
	SELECTED DEVELOPMENT ACTIVITIES						316	585	935	
0025	Water Survey	-	77	ST	B-750	G	291	-	-	1,660
0033	Special Development Fund*	1	Cont	ST	B-700	GC	25	25	25	cont
0043	Water Resources	2	82	ST	B-750	GN	-	560	910	3,290

*Change from FY 1978 Congressional Presentation

18. DATE DOCUMENT RECEIVED IN AID/W — MM | DD | YY

AID 1330-7 (2-77)

COUNTRY/PROGRAM	PROJECT TITLE			AS APPROVED	REVISION	DATE PP/REVISION
YEMEN	POULTRY DEVELOPMENT		INITIAL OBLIGATION ▶	FY 1975	FY 1975	June 20, 1976
ONGOING PROJECT BUDGET DATA - TABLE IV			FINAL OBLIGATION ▶	FY 1979	FY 1979	DATE LAST PAR May 1977
	PROJECT NUMBER 279 - 0019	APPROPRIATION FN	TOTAL COST ▶	1,098	1 750	DATE NEXT PAR May 1978

U. S. DOLLAR COST ($ 000)

PROJECT INPUTS	ESTIMATED FY 1977 1/			ESTIMATED FY 1978				ESTIMATED FY 1979			
	OBLIGATION	EXPENDITURES	PIPELINE	OBLIGATION	EXPENDITURES	PIPELINE	FUND 4/ PERIOD (FR-TO)	OBLIGATION	EXPENDITURES	PIPELINE	FUND 4/ PERIOD (FR-TO)
PROJECT TOTAL	261	418	148	415	425	178		70	198	50	
Two poultry production and extension specialists	112	160	-	220	160	100	10/77 9/79	-	100	-	
Prototype and experimental equipment, instruments and supplies	60	40	60	20	50	30	10/77 9/79	-	30	-	
Yemeni staff training in U.S. and third countries	10	18	8	38	35	11	10/77 9/79	-	11	-	
Low costs of demonstrating new production technology	79	200	80	137	180	37	10/77 12/78	70	57	50	10/79 12/79
HOST COUNTRY INPUT	90			135				200			

2/ PERSONNEL ON BOARD AS OF

	9/30/77	9/30/78	9/30/79
DH	-	-	-
PASA	-	-	-
CONTRACT	2	2	-

3/ PARTICIPANTS PROGRAMMED

	FY 1977	FY 1978	FY 1979
NON-CONTRACT: LONG-TERM	3	3	3
SHORT-TERM	1	-	-
CONTRACT: LONG-TERM	-	-	-
SHORT-TERM	-	-	-

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE

4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

AID 1330-8 (2-77)

COUNTRY/PROGRAM	PROJECT TITLE		INITIAL OBLIGATION ▶	AS APPROVED FY 1976	REVISION FY	DATE PP/REVISION
YEMEN	TROPICAL AND SUBTROPICAL HORTICULTURE		FINAL OBLIGATION ▶	AS APPROVED FY 1980	REVISION FY	DATE LAST PAR June 1977
ONGOING PROJECT BUDGET DATA - TABLE IV	PROJECT NUMBER 279 - 0024	APPROPRIATION FN	TOTAL COST ▶	AS APPROVED 1,513	REVISION	DATE NEXT PAR June 1978

U. S. DOLLAR COST ($ 000)

PROJECT INPUTS	ESTIMATED FY 1977 1/ OBLIGATION	EXPENDITURES	PIPELINE	ESTIMATED FY 1978 OBLIGATION	EXPENDITURES	PIPELINE	FUND 4/ PERIOD (FR-TO)	ESTIMATED FY 1979 OBLIGATION	EXPENDITURES	PIPELINE	FUND 4/ PERIOD (FR-TO)
PROJECT TOTAL	422	315	557	200	510	247		885	445	687	
Three contract technicians and short term specialists	272	40	472	100	350	222	10/77 3/79	760	320	662	4/79 5/82
Plant materials and experimental equipment	75	235	25	20	35	10	10/77 12/78	20	25	5	10/79 12/79
Participant training for Yemen staff	-	-	-	18	15	3	12/77 10/78	45	40	8	11/78 12/79
Local costs of experiment station development	75	40	60	62	110	12	10/77 10/78	60	60	12	11/78 1/80
HOST COUNTRY INPUT	150			575				125			

2/ PERSONNEL ON BOARD AS OF

	9/30/77	9/30/78	9/30/79
DH	-	-	-
PASA	-	-	-
CONTRACT	3	3	3

3/ PARTICIPANTS PROGRAMMED

	FY 1977	FY 1978	FY 1979
NON-CONTRACT: LONG-TERM	-	1	3
SHORT-TERM	-	2	2
CONTRACT: LONG-TERM	-	-	-
SHORT-TERM	-	-	-

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE

4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

ID 1330-8 (2-77)

COUNTRY/PROGRAM	PROJECT TITLE		INITIAL OBLIGATION ▶	AS APPROVED FY 1977	REVISION FY	DATE PP/REVISION
YEMEN	WATER SYSTEMS MANAGEMENT		FINAL OBLIGATION ▶	AS APPROVED FY 1981	REVISION FY	DATE LAST PAR
ONGOING PROJECT BUDGET DATA - TABLE IV	PROJECT NUMBER 279 - 0028	APPROPRIATION H	TOTAL COST ▶	AS APPROVED 2,970	REVISION	DATE NEXT PAR

U. S. DOLLAR COST ($ 000)

PROJECT INPUTS	ESTIMATED FY 1977 1/ OBLIGATION	EXPENDITURES	PIPELINE	ESTIMATED FY 1978 OBLIGATION	EXPENDITURES	PIPELINE	FUND 4/ PERIOD (FR-TO)	ESTIMATED FY 1979 OBLIGATION	EXPENDITURES	PIPELINE	FUND 4/ PERIOD (FR-TO)
PROJECT TOTAL	620	-	620	785	700	705		140	800	45	
One team leader, one training specialist, two financial advisors, and short term consultants plus vehicles	430	-	430	785	600	615	1/78 12/80	-	600	15	
U.S. Degree training and Third Country technical training	75	-	75	-	45	30	3/78 9/79	140	145	25	10/79 12/80
Other Costs (included in contract) Vehicle maintenance, housing and other support related activities	115	-	115	-	55	60	1/78 12/80	-	55	5	
HOST COUNTRY INPUT	46			97				132			

2/ PERSONNEL ON BOARD AS OF

	9/30/77	9/30/78	9/30/79
DH	-	-	-
PASA	-	-	-
CONTRACT	-	4	4

3/ PARTICIPANTS PROGRAMMED

	FY 1977	FY 1978	FY 1979
NON-CONTRACT: LONG-TERM	-	5	7
SHORT-TERM	-	2	2
CONTRACT: LONG-TERM	-	-	-
SHORT-TERM	-	-	-

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE

4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

AID 1330-8 (2-77)

COUNTRY/PROGRAM	PROJECT TITLE		INITIAL OBLIGATION ▶	AS APPROVED FY 1977	REVISION FY	DATE PP/REVISION
YEMEN	WATER/SEWERAGE SYSTEMS DESIGN FOR RURAL CENTERS		FINAL OBLIGATION ▶	AS APPROVED FY proposed 1979	REVISION FY	DATE LAST PAR
ONGOING PROJECT BUDGET DATA - TABLE IV	PROJECT NUMBER 279 - 0029	APPROPRIATION H	TOTAL COST ▶	AS APPROVED 2,500	REVISION	DATE NEXT PAR

U. S. DOLLAR COST ($ 000)

PROJECT INPUTS	ESTIMATED FY 1977 1/ OBLIGATION	EXPENDITURES	PIPELINE	ESTIMATED FY 1978 OBLIGATION	EXPENDITURES	PIPELINE	FUND 4/ PERIOD (FR-TO)	ESTIMATED FY 1979 OBLIGATION	EXPENDITURES	PIPELINE	FUND 4/ PERIOD (FR-TO)
PROJECT TOTAL	680		680	1,270	510	1,460		1,000	1,375	1,085	
Personnel (Contract) U.S. consultant engineering firm consisting of two design engineers, short term consultants and two vehicles	620	-	620	200	220	620	3/78 9/78	-	325	295	10/78 9/79
Drilling contract, local	-	-	-	1,000	250	750	6/78 9/78	1,000	1,000	750	10/78 9/79
Other Costs (included in U.S.cont.) Vehicle maintenance, housing and other support related activities	60	-	60	70	40	90	3/78 9/78	-	50	40	10/78 9/79
HOST COUNTRY INPUT	-			70				130			

2/ PERSONNEL ON BOARD AS OF	9/30/77	9/30/78	9/30/79
DH	-	-	-
PASA	-	-	-
CONTRACT	-	2	2

3/ PARTICIPANTS PROGRAMMED	FY 1977	FY 1978	FY 1979
NON-CONTRACT: LONG-TERM	-	-	-
SHORT-TERM	-	-	-
CONTRACT: LONG-TERM	-	-	-
SHORT-TERM	-	-	-

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE

4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

AID 1330-8 (2-77)

COUNTRY/PROGRAM	PROJECT TITLE			AS APPROVED	REVISION	DATE PP/REVISION
YEMEN	SORGHUM AND MILLET IMPROVEMENT		INITIAL OBLIGATION ▶	FY 1976	FY	
ONGOING PROJECT BUDGET DATA - TABLE IV			FINAL OBLIGATION ▶	FY 1980	FY	DATE LAST PAR: May 1977
	PROJECT NUMBER: 279 - 0030	APPROPRIATION: FN	TOTAL COST ▶	2,807		DATE NEXT PAR: May 1978

U. S. DOLLAR COST ($ 000)

PROJECT INPUTS	ESTIMATED FY 1977 1/ OBLIGATION	EXPENDITURES	PIPELINE	ESTIMATED FY 1978 OBLIGATION	EXPENDITURES	PIPELINE	FUND 4/ PERIOD (FR-TO)	ESTIMATED FY 1979 OBLIGATION	EXPENDITURES	PIPELINE	FUND 4/ PERIOD (FR-TO)
PROJECT TOTAL	-	325	749	600	840	509		200	520	139	
Two contract technicians and short term specialists	-	100	250	190	200	240	10/77 9/79	-	200	40	
Volunteer Agency field technicians	-	40	120	-	60	60	10/77 3/79	100	100	60	4/79 6/80
Plant materials and experimental equipment	-	61	20	100	70	50	10/77 9/79	50	50	50	10/79 3/80
Long term 3rd country training	10*	1	9	-	5	4	10/77 11/78	10	5	9	12/78 12/79
Short term 3rd country training	-	-	-	5	5	-	1/78 5/79	5	5	-	1/78 5/79
Local costs of experiment station development	-	123	350	305	500	155	10/77 3/79	35	160	30	4/79 9/80
				*This amount will be shifted from previous years Other Costs to allow timely departure of participant							
HOST COUNTRY INPUT	600			250				280			

2/ PERSONNEL ON BOARD AS OF

	9/30/77	9/30/78	9/30/79
DH	-	-	-
PASA	-	-	-
CONTRACT	5	5	6

3/ PARTICIPANTS PROGRAMMED

	FY 1977	FY 1978	FY 1979
NON-CONTRACT: LONG-TERM	1	1	2
SHORT-TERM	-	2	2
CONTRACT: LONG-TERM	-	-	-
SHORT-TERM	-	-	-

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE

4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

ID 1330-8 (2-77)

COUNTRY/PROGRAM	PROJECT TITLE		INITIAL OBLIGATION ▶	AS APPROVED FY 1977	REVISION FY	DATE PP/REVISION
YEMEN	RURAL DEVELOPMENT		FINAL OBLIGATION ▶	AS APPROVED FY 1979	REVISION FY	DATE LAST PAR
ONGOING PROJECT BUDGET DATA - TABLE IV	PROJECT NUMBER 279 - 0031	APPROPRIATION [illegible]	TOTAL COST ▶	AS APPROVED 2,130	REVISION	DATE NEXT PAR

U. S. DOLLAR COST ($ 000)

PROJECT INPUTS	ESTIMATED FY 1977 1/ OBLIGATION	EXPENDITURES	PIPELINE	ESTIMATED FY 1978 OBLIGATION	EXPENDITURES	PIPELINE	FUND 4/ PERIOD (FR-TO)	ESTIMATED FY 1979 OBLIGATION	EXPENDITURES	PIPELINE	FUND 4/ PERIOD (FR-TO)
PROJECT TOTAL	615	65	550	1015	1075	470		500	855	105	
U.S. Direct Hire rural development advisor	-	-	-	55	55	-	10/77 9/78	60	60	-	10/78 9/79
Local staff and support costs	-	-	-	50	40	10	10/77 11/78	50	45	5	12/78 12/79
Short term research consultants	-	-	-	25	25	-	10/77 9/78	15	15	-	10/78 9/79
OPERATION PROGRAM GRANT											
Project Manager and technicians in community development, agriculture, engineering, training and health	100	40	60	300	140	200	10/77 9/79	-	160	40	
Six local CD advisors and support costs	25	15	10	80	80	10	10/77 10/78	90	90	10	11/78 12/79
Construction equipment & supplies	300	-	300	300	350	250	10/77 3/78	225	425	50	4/79 8/80
Short term consultants	10	10	-	60	60	-	10/77 9/78	60	60	-	10/78 9/79
Revolving loan fund for local projects	180	-	180	145	325	-	Project life	-	-	-	
HOST COUNTRY INPUT	20			500				600			

2/ PERSONNEL ON BOARD AS OF	9/30/77	9/30/78	9/30/79
DH	-	1	1
PASA	-	-	-
CONTRACT	3	5	5

3/ PARTICIPANTS PROGRAMMED	FY 1977	FY 1978	FY 1979
NON-CONTRACT: LONG-TERM	-	-	-
SHORT-TERM	-	-	-
CONTRACT: LONG-TERM	-	2	2
SHORT-TERM	-	10	10

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE

4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

COUNTRY/PROGRAM	PROJECT TITLE		INITIAL OBLIGATION ▶	AS APPROVED	REVISION	DATE PP/REVISION
YEMEN	SPECIAL DEVELOPMENT FUND			FY 1976	FY	
ONGOING PROJECT BUDGET DATA - TABLE IV			FINAL OBLIGATION ▶	AS APPROVED FY continuous	REVISION FY	DATE LAST PAR
	PROJECT NUMBER 279 - 0033	APPROPRIATION ST	TOTAL COST ▶	AS APPROVED continuous	REVISION	DATE NEXT PAR

U. S. DOLLAR COST ($ 000)

PROJECT INPUTS	ESTIMATED FY 1977 1/			ESTIMATED FY 1978				ESTIMATED FY 1979			
	OBLIGATION	EXPENDITURES	PIPELINE	OBLIGATION	EXPENDITURES	PIPELINE	FUND PERIOD (FR-TO) 4/	OBLIGATION	EXPENDITURES	PIPELINE	FUND PERIOD (FR-TO) 4/
PROJECT TOTAL	25	15	10	25	25	10		25	25	10	
Cash, up to $2,000, made available to Peace Corps Volunteers and other concerned individuals and institutions such as local development boards to assist them in doing their job or to complete projects.	25	15	10	25	25	10	10/77 9/78	25	25	10	10/78 9/79
HOST COUNTRY INPUT	25			25				25			

2/ PERSONNEL ON BOARD AS OF	9/30/77	9/30/78	9/30/79
DH	-	-	-
PASA	-	-	-
CONTRACT	-	-	-

3/ PARTICIPANTS PROGRAMMED	FY 1977	FY 1978	FY 1979
NON-CONTRACT: LONG-TERM	-	-	-
SHORT-TERM	-	-	-
CONTRACT: LONG-TERM	-	-	-
SHORT-TERM	-	-	-

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE

4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

COUNTRY/PROGRAM	PROJECT TITLE		INITIAL OBLIGATION ▶	AS APPROVED FY 1977	REVISION FY	DATE PP/REVISION
YEMEN	LAND CLASSIFICATION AND SOIL SURVEY		FINAL OBLIGATION ▶	AS APPROVED FY 1979	REVISION FY	DATE LAST PAR
ONGOING PROJECT BUDGET DATA - TABLE IV	PROJECT NUMBER 279 - 0042	APPROPRIATION FN	TOTAL COST ▶	AS APPROVED 1,415	REVISION	DATE NEXT PAR

U. S. DOLLAR COST ($ 000)

PROJECT INPUTS	ESTIMATED FY 1977 1/ OBLIG-ATION	EXPEN-DITURES	PIPE-LINE	ESTIMATED FY 1978 OBLIG-ATION	EXPEN-DITURES	PIPE-LINE	FUND 4/ PERIOD (FR-TO)	ESTIMATED FY 1979 OBLIG-ATION	EXPEN-DITURES	PIPE-LINE	FUND 4/ PERIOD (FR-TO)
PROJECT TOTAL	315	-	315	100	335	80		1,000	710	355	
Contract costs for activities to take place in U.S.	215	-	215	-	200	15	3/77 10/78	600	400	200	11/78 3/80
Contract costs for activities to take place in Yemen	-	-	-	-	-	-	-	342	220	122	10/78 3/80
ERTS imagery, other maps, technical material and vehicles	100	-	100	30	100	30	10/77 12/78	-	20	10	10/79 1/80
Non-degree training in the U.S.	-	-	-	20	10	10	3/78 9/79	10	20	-	10/79 6/80
Local costs for project implementation	-	-	-	50	25	25	3/78 3/79	48	50	23	4/79 3/80
HOST COUNTRY INPUT	-			25				90			

2/ PERSONNEL ON BOARD AS OF

	9/30/77	9/30/78	9/30/79
DH	-	-	-
PASA	-	-	-
CONTRACT	-	2	3

3/ PARTICIPANTS PROGRAMMED

	FY 1977	FY 1978	FY 1979
NON-CONTRACT: LONG-TERM	-	1	1
SHORT-TERM	-	2	4
CONTRACT: LONG-TERM	-	-	-
SHORT-TERM	-	-	-

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE

4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

AID 1330-8 (2-77)

Progress to Date Narrative

On-going projects to receive FY 79 funding

0019 Poultry Development

The Project received its initial funding in mid-CY 1975 and the contract team of two poultry specialists arrived in country in early CY 1976. The construction of the Sana demonstration/ training center and pilot feed mill were completed in mid-CY 1977. Seven hundred laying birds, 800 pullets and cockerals of two strains for parent stock and 300 pullets for distribution to villages are currently available. Distribution of the initial five village demonstration flocks will begin in June, 1977. Bids for construction are being accepted for the Taiz center and poultry feed experiments will be initiated this summer. Also the first project participant is expected to return by the end of FY 1977.

0024 Tropical and Subtropical Horticulture

Funds were initially obligated for this project nearly a year ago but due to delays in AID/Washington contracting procedures, the contract to furnish the technicians has still not been signed. However negotiations are underway and it is hoped the team will be in the field before the end of FY 1977. Project commodities have been ordered and work on the upland research station has begun. The site for the Tihama station has also been identified. The Ministry of Agriculture has named two counterparts and is in the process of selecting participants. With the contract technicians on-board within the next few months, the pace of actual project implementation will accelerate.

0028 Water Systems Management

The Project Paper is in AID/Washington awaiting final approval. We plan to sign the ProAg in June and the contract team should begin project implementation six to eight months thereafter.

0029 Water/Sewerage Design for Rural Centers

The PRP has been approved and we are consulting with AID/ Washington as to the final form the project paper will take. The PP will be completed in June and we plan to obligate funds in August, 1977.

0030 Sorghum and Millet Improvement

The first of two contract technicians has recently arrived at post and the second is expected shortly. Under a previous project, the Ministry of Agriculture allocated adequate land for the main research station which is now fully operational. A site for a sub-station in the Tihama has also been identified. Research trials have been planted and farmer trials will begin within a month. One participant has been selected for long-term training and two others will be selected for short-term training this summer.

0031 Rural Development OPG

The Community Development Foundation has been selected to implement the Rural Development Project. Several visits by CDF staff from both the home office in the United States and the regional office in Beirut have taken place to design the project. To assist them in determining the geographic location for the project, two American social scientists have been conducting studies in three possible areas. The CDF team from Beirut will return to Yemen in late May to finalize their project proposal which will then be submitted to the Mission and AID/Washington for approval.

0033 Special Development Fund

Approximately 20 sub-projects are either completed or are underway. The project has proven to be of great benefit and high impact to Peace Corps Volunteers, priests, and other concerned individuals and organizations. It allows them immediate financing to either better do their job or to initiate or complete development projects. It has proven to be a cross-sectoral project including health (hospitals and MCH clinics); education (vocational schools); rural development (cisterns); and agriculture (poultry and home gardens); and municipal development (playgrounds).

0042 Land Classification/Soil Survey

A team of experts visited Yemen earlier in the year to make recommendations as to the form the project will take. The PRP is being prepared by AID/Washington and the project paper will be finalized in July. We are planning to obligate funds in August or September.

DEVIATIONS FROM THE FY 1978 CONGRESSIONAL PRESENTATION

0019 Poultry Development

Because of the delay in locating qualified participants and the extended English language training required before they could begin their academic studies, it will be early 1979 before three of the four participants return to the project. It is essential to project success that the contract technicians overlap with the returned participants. In order to assure the required overlap, it is estimated that the contract for both technicians should be extended by 14 months. This will require an additional $200,000 which will come from shifting some funds from prototype and experimental equipment, and future year funding. Also costs of constructing the Taiz station have escalated and additional funds are required for it. Therefore a total of $415,000 is required in FY 1978. However the total cost of the project will remain within the level stated in the FY 1978 CP.

0028 Water Systems Management

After reexamining current costs to place an engineering contractor in the field, the proposed funding level for FY 1977 has been increased by $1,300,000 with the total cost of project now estimated at $2,970,000. Initial year requirements of $1,405,000. will be covered by late FY 77 and early FY 78 allotments.

0029 Water/Sewerage Design for Rural Market Centers

The Mission has decided to eliminate Project 0041, Water/Sewerage Construction for Rural Market Centers, from future year planning, and shift a portion of its scheduled funding to 0028, Water/Sewerage Designs for Rural Market Centers. The basic rationale relates to ample other donor funding for construction projects when feasibility studies and final designs are available. The FY 1977 funding level remains at $680,000, but for FY 1978 an additional $1,000,000 along with the FY 1978 Congressional Presentation amount of $270,000 is required for well field development, an essential ingredient in the final design. The Project Paper will be submitted to AID/Washington in late June.

0033 Special Development Fund

The Mission feels that this important activity should be continued. It is of great assistance to Peace Corps Volunteers, Priests and Nuns, local development boards and other organizations in implementing small, but important to them and the community they serve, development efforts. This is especially the case in Yemen where a fledgling government is at times unable to furnish the required support. Also the project is taken very seriously by the Central Planning Organization which plays a role in approving or disapproving the various requests for SDF assistance. The cost is not great, USAID/Yemen is now sufficiently staffed and can afford the time required to properly implement the project, it is very popular with government and PC volunteers, it is of high impact value, and we feel it should continue.

0051 Al Olofy Hospital II, OPG

Recent discussions with CRS officials from Rome indicate a continued need for financial assistance to operate the hospital and to expand its services in both the hospital and the surrounding countryside. In order to accomplish this, it is estimated that $350,000 a year for three years is required. Additional information on this proposed FY 1978 start is located in the section entitled "New OPG's Proposed for FY 1978/79."

PROPOSED OPG'S TO BEGIN IN FY 1978 79

0048 Tihama Community Development

The hot coastal strip of the Yemen known as the Tihama is considered by many to be the poorest area of the Country. It is a desert area interlaced with wadis. While the wadi areas are receiving considerable attention from foreign donors, the straw hut villages between the wadis have received little or no assistance. Government services are non-existant and residents have to travel to larger towns to find schools and weekly clinics.

These communities have very few resources. Employment opportunities are limited to rain-fed agriculture, working as laborers in large cities, and migration to oil rich countries.

The proposed project would be implemented through an OPG with considerable experience in community development. Project activities would be in response to the needs expressed by the community. The communities do have migrants in Saudi Arabia and some remittances are available. Possible areas for assistance would be access roads, schools, clinics, wells, improved agricultural practices and water conservation. The three year project would begin in FY 1979 at an estimated cost of $500,000 a year.

0051 Al Olofy Hospital II

At the end of FY 1978 Catholic Relief Services (CRS) will have completed the original two-year, $100,000 operational program grant (OPG) at the Al Olofy Hospital in Hodeidah. The purpose of the first grant was to provide partial support for costs of transporting expatriate personnel who were recruited by CRS to conduct operations at this large health facility in the Tihama region of Yemen. During the brief period of application of the first phase of this OPG, CRS has been able to recruit from world-wide sources a full staff of competent medical technicians who have changed the local population's perception of the hospital from one of being a place to go to die to one of being a hospital where cures are possible.

USAID's support through this original grant will have made possible the recruiting and transportation of approximately 30 doctors, nurses and medical technicians, thus releasing CRS funds to the hospital's immediate operational needs. Over the two year life of the original $100,000 grant, the USAID contribution represents only 20% of the support to the institution, with another

20% being funded by the Yemen Ministry of Health, and 60% contributed by CRS. The dramatic improvements in health conditions in evidence throughout the area require additional time before the institution can begin to be self-supporting. Thus the Mission sees this project as meriting continued support through a second phase extension to the present grant, permitting support for three additional years, FY 78, FY 79, and FY 80. However, the limited scope of AID support to the first phase will be expanded during this second phase to also cover broader aspects of an area health care program. The Phase II OPG is to include emphasis on preventive medicine, integration of nutrition program with the current CRS OPG in this field, nurse training and specialized X-ray and laboratory techniques. It is now estimated that $350,000 will be required for each of the three years for a total cost of $1,050,000.

Proposals for Country-Specific Research and Special Studies

The Mission requires research in several areas during FY 1979. The most important relates to a study of Yemen's labor-short RLDC economy. The labor shortage resulting from the migration of male workers to neighboring oil states impacts on every facet of the Yemen economy. AID's development strategies are all designed for labor-surplus LDC's and thus, many typical AID activities and types of technical assistance are inappropriate for the Yemen. The Mission envisions a one-to-two-months study of the economy by a development economist specializing in analysis of labor utilization in LDC's. This study will in turn enhance the value of other studies listed below.

The Mission will begin a water sector study and a limited agricultural marketing study this summer; a land and soil inventory should be completed during FY 78 which will yield a 1:25,000 map of soils and crops, if the project is approved; an agriculture sector study is proposed to follow these three efforts in early FY 1979.

The proposed agriculture sector study would include an inventory of Yemeni agriculture cropping patterns, production figures, distribution patterns, marketing channels, etc. The study will be conducted by a 5-man team of agricultural economists, marketing specialists and others to be specified later. It will require approximately three months preferably between October and March while the weather in the Tihama is relatively cool.

In the past few years reserch in solar energy has increased dramatically. Reports indicate that low cost solar power and distillation units are available. (Dow Chemical reportedly has developed a low cost water distillation unit). Yemen has no choice in terms of using other forms of energy than expensive imported fuel. The use of water, coal and nuclear forms of energy are not available, and alternate methods should be explored. A study would be undertaken by a solar energy specialist to review existing research and recommend which techniques would be applicable to Yemen with special attention to the hot coastal plain. If low-cost and unsophisticated techniques can be identified, design of a specific project will be explored. The potential for remittance tapping is obvious.

The Mission also needs additional economic research to determine the differential effects of inflation on segments of the Yemeni society. Inflation is currently averaging 30% a year but the Yemen government is insulated from its effects by Saudi budget support. Also the YARG refuses to take any policy action to slow the rate of influx of remittances which are a main determinant of inflation and are causing the money supply to increase by more than 100 percent a year. This research would identify what segments of the society are suffering most from the inflation and would allow USAID to target programs to help these people.

TABLE V - FY 1979 PROPOSED PROGRAM RANKING

DECISION UNIT: USAID/YEMEN | REVISED BY: | CONSOLIDATED BY:

RANK	DECISION PACKAGES / PROGRAM ACTIVITY / SUPPORT ITEM DESCRIPTION	APPROP ACCT	RESOURCE REQUIREMENTS: CUMULATIVE MISSION OPERATING EXPENSES (000)	WORKFORCE (DH ONLY) INCREMENT US	INCREMENT FN	CUMULATIVE US	CUMULATIVE FN	PROGRAM FUNDING (000) INCREMENT	CUMULATIVE
	Decision Package - Minimum:								
	Workforce and Operating Expenses (Assuming no FY 1979 Obligations)		885	31	65	31	65		
1	0040 Development Training II (2/3)(GO)	EH	885	1*	-	32	65	2,000	2,000
2	0030 Sorghum/Millet Production (GO)	FN		-	-	32	65	200	2,200
3	0024 Horticulture Development (GO)	FN		-	-	32	65	885	3,085
4	0031 Rural Development OPG (GO)	FN		-	-	32	65	500	3,585
5	0044 Small Rural Water Projects (GN)	H		-	-	32	65	500	4,085
6	0048 Tihama Community Development OPG (GN)	FN	940	-	-	32	65	500	4,585
7	0047 Education Sector Block Grant (1/2)(GN)	EH		-	-	32	65	1,000	5,585
8	0045 Local Resources for Development (GN)	FN		-	-	32	65	865	6,450
9	0046 Appropriate Agriculture Technology (GN)	FN		-	-	32	65	600	7,050
10	0050 Agro-Industries (GN)	FN		-	-	32	65	500	7,550
11	0019 Poultry Development (GO)	FN		-	-	32	65	70	7,620
12	0030 Special Development Fund (GO)	ST		-	-	32	65	25	7,645
13	PL 480 Title II (approx. 1/4)	-		-	-	32	65	865	8,510
	Decision Package - Current								
14	0028 Water Systems Management (GO)	H	940	-	-	32	65	140	8,650
15	0043 Water Resources (GO)	ST		-	-	32	65	910	9,560
16	0040 Development Training II (1/3)(GO)	EH		-	-	32	65	1,000	10,560
17	0036 Community & Home Gardens OPG (GO)	FN		-	-	32	65	190	10,750
	Decision Package-Proposed								
18	0051 Al Olofy Hospital OPG (GO)	H	940	-	-	32	65	350	11,100
19	0029 Water/Sewerage Design Rural Market Centers (GO)	H		-	-	32	65	1,000	12,100
20	0043 Land Classification Soil Survey (GO)	FN		-	-	32	65	1,000	13,100
21	0047 Education Block Grant (1/2)(GO)	EH		-	-	32	65	1,000	14,100
22	PL 480 Title II (approx. 3/4)	-		-	-	32	65	2,405	16,505

*Project funded

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE: [A] (A = ADD, C = CHANGE, D = DELETE)

PID

2. DOCUMENT CODE: 1

3. COUNTRY/ENTITY: Yemen Arab Republic

4. DOCUMENT REVISION NUMBER:

5. PROJECT NUMBER (7 DIGITS): 279-0044

6. BUREAU/OFFICE: A. SYMBOL: NE; B. CODE: 03

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS): Small Rural Water Projects

8. PROPOSED NEXT DOCUMENT: A. [2] (2 = PRP, 3 = PP); B. DATE: MM 10 YY 77

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION: a. INITIAL FY 79; b. FINAL FY 83

10. ESTIMATED COSTS ($000 OR EQUIVALENT, $1 =)

FUNDING SOURCE	LIFE OF PROJECT
A. AID APPROPRIATED	3,845
B. OTHER U.S. 1.	
B. OTHER U.S. 2.	
C. HOST COUNTRY	3360
D. OTHER DONOR(S)	
TOTAL	7,205

11. PROPOSED BUDGET AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	PRIMARY TECH. CODE D. LOAN	E. FIRST FY 79 F. GRANT	E. FIRST FY 79 G. LOAN	LIFE OF PROJECT H. GRANT	LIFE OF PROJECT I. LOAN
(1) H	501	545		500		3,845	-
(2)							
(3)							
(4)							
TOTAL				500		3,845	-

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each): 826

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH): BR; BWW; ENV

14. SECONDARY PURPOSE CODE:

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

Improve the quality of life and economic situation in rural Yemen

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

Assist the ability of villages to provide themselves with improved quality and quantity of water

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

U.S. social scientists in Yemen at an estimate cost of $6,000.

18. ORIGINATING OFFICE CLEARANCE

Signature:

Title: Director, USAID/Yemen

Date Signed: MM 05 DD 20 YY 77

19. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

AID 1330-2 (3-76)

SMALL RURAL WATER PROJECTS

1. Summary of Problem and Response

The basic problem addressed by this project is the lack of reliable and potable water supplies for villages in rural areas of Yemen. The identical problem was addressed by the Small Project component of Project 022, Rural Water Supply, which is scheduled for completion on September 30, 1978. The previous project set as a goal 10 small projects per year starting April 1974. As of April 1977, 45 projects had been completed or were underway. This output was achieved utilizing AID Direct Hire, PCV and PSC personnel.

Problems were encountered in implementation of these small projects with regard to cooperation from the Ministry of Public Works in providing supervisory and skilled personnel to implement the sub-projects. Some of these problems were overcome by the assignment of three Peace Corps volunteers on a full-time basis to the present project. This proposed follow-on project intends to center the activity of constructing and improving small water systems with a different agency of the government that we believe can more effectively coordinate utlization of the resources that AID and the Peace Corps will provide. As the design of this project develops through the PRP and PP, it is planned that discussions and agreements with the YARG will result in the identification of that agency where the Project can be most effectively centered.

It is estimated that 20 sub-projects can be completed during the first year. Projections of sub-project completions are estimated to increase to 40 the second year and 60 per annum the third and following years. Details of sub-project inputs are included in the attached tables. Assuming equal numbers of Type I, Type II and Type III projects, the average sub-project will cost $28,000 with approximately 50% local and YARG contributions. The types of sub-projects involved are the improvement and/or construction of small water systems consisting of hand dug wells, cisterns, springs or other water sources, and in some cases the installation of a single storage tank and distribution system to public hydrants. AID's input would generally consist of funding construction materials, such as cement, steel or lumber. The village would contribute labor, stone and sand with the Peace Corps providing supervision and technical direction on site. The project life is planned to be five years with an in depth evaluation after the second year.

The success of this project is subject to several assumptions, the primary one being the identification of a government agency willing to take responsibility for the project and one that can provide the management input for energetic implementation. The present on-going project is being administered by the Rural Water Division of Public Works. This has resulted in implementation problems due to the inability of the RWD to provide adequate management and technical support. Discussions are pending with the YARG to transfer the new project to CYDA (Cooperative of Yemen Development Assbciations) unless major administrative changes are made in Rural Water Division. This relates to an important secondary purpose of the project--to strengthen rural organizations. Regardless of the central government agency responsible for the project, local development boards will frequently be involved in the actual

implementation. They will negotiate with us (either a PCV or the project manager) and the responsible government agency in terms of what the various parties will contribute to the sub-project. As currently envisioned, the three parties involved (i.e., USAID/PC, CYDA, and the village represented by LDA or other entity) will sign an agreement which spells out the inputs of each required to complete the desired water system.

A second assumption is that the YARG agency will accept Peace Corps volunteers and that the PC will be able to supply these personnel. Experience with the current project has shown willingness on the part of villagers to supply labor and funds when necessary. The presently adopted committee system for selecting projects with members of Public Works, Peace Corps, Central Planning Organization and USAID appears to be working successfully. The use of Peace Corps volunteers to design projects and supervise construction and an AID Direct Hire or PSC to inspect and certify construction will assure the effective use of AID supplied funds, materials and technical assistance.

The past and present primary activity in the field of rural water supply by the YARG, other donors and AID has been in drilled wells. Activity by the YARG in the field of small water projects has been limited to the Small Project component of 022 and some other direct staff assistance by UN volunteers.

With the competition for projects in most areas among the multitude of donors, this is a project area where AID has experience and has an established identifiable project. Unless another donor is identified, the major alternative to this project is reliance on the private sector. Many villages have undertaken small water projects financed by their own resources, however, this is often done without technical expertise and the results are not always successful. The advantage of this project and the project selection committee approach is that villages which are relatively poor and where the need for a reliable water supply is greatest can be selected. Our intent would be to assure that this would be a criterion in project selection.

The intended direct beneficiaries of this project are the rural villagers of Yemen, in particular those villages without a reliable water supply and without the technical expertise or sufficient resources to finance such a project. It is assumed the majority of the population to benefit from this project would have per capita incomes well below the national average of $265. Also since the responsibility of procuring water rests with women, they will be a major beneficiary.

The project is expected to have a spread effect in that villages not receiving assistance will presumably obtain ideas for their own village improvements and institute projects on their own initiative.

2. Financial Requirements and Plans

Per Table I, the AID grant financed project costs over the five year period are estimated at $3.8 million. The host country contribution will be provided

in the form of skilled and unskilled labor, commodity transportation (in some cases), and the supply of indigenous materials (stone, sand, etc.). No other donor contribution is anticipated.

3. Project Development

It is suggested that the Mission contract directly with a US social scientist currently in Yemen to prepare informal baseline data on several proposed projects and attempt to evaluate the impact on village social structure of several completed water projects. The analyses would be incorporated in the PRP. It is estimated that field work for these studies could be completed in two months and an additional month would be required for report preparation. Approximate cost of preparing these studies would be $6,000 of PD&S funds. No other additional assistance would be required to prepare the PRP or PP.

4. Policy Issues

This proposal project would directly benefit the rural poor. The major policy issue is whether or not to proceed with this high-impact, low-cost project if full commitment from the YARG is not forthcoming.

Table I

Project Inputs by Years

Item	FY79	FY80	FY81	FY82	FY83	Total
AID Financed						
Commodities @ 14,000 per sub-project	280,000	560,000	840,000	840,000	840,000	3,360,000
Vehicles 8 @ 10,000 +2000 spares	96,000	-	-	-	-	96,000
Salaries - 1 PSC	50,000	50,000	55,000	55,000	55,000	265,000
Misc. Expenses Fuel, etc.	24,000	25,000	25,000	25,000	25,000	124,000
Host Country	280,000	560,000	840,000	840,000	840,000	3,360,000
Labor, local building materials and transport of commodities						
Sub Total AID	450,000	635,000	920,000	920,000	920,000	3,845,000
Total	730,000	1,195,000	1,760,000	1,760,000	1,760,000	7,205,000

Table II

Type I Typical Cistern Improvement Based on Cistern 10m x 25m x 4m

AID Inputs	
Cement 500 bags at YR 35/bag	$ 3,867
Steel 650 bars (3.5 tonne) @ YR 1800/tonne	1,400
PSC Technical Assistance 4 days @ 100/day	400
Vehicle/Driver (25 gas + 10 driver) x 4 days	140
PC Per Diem (30 days @ 13/day)	390
Local Inputs	
Labor for Excavation (1000 m^3 @ YR 20/m^3)	4,400
Cement (additional as needed)	
Stone/Sand (as needed)	
PC Housing	
YARG Inputs	
Skilled labor (mason) 190 m^3 @ YR 125/m^3	5,350
Transportation 6 trips @ YR 1000	1,326
Miscellaneous	300
Sub-Total	17,573
Contingencies and Inflation @ 25%	4,368
Grand Total (rounded)	$22,000

Table III

Type II and III Typical Water Supply Improvement Project

Water Source: Hand Dug Well*

Components: Pump and Engine, Transmission Main, Storage Tank, Pump House, Distribution Pipeline, Public Taps

AID Inputs	
Cement 500 bags @ YR 35/bag	$ 3,867
Pipe 500m @ YR 28/m	3,000
Fittings, Lumber	2,000
Pump and Engine (possibly other donor)	10,000
Steel 1 tonne @ YR 1800/tonne	400
PSC 4 days @ 100/day	400
Vehicle & driver (25 gas + 10 driver) x 4	140
PC Per Diem 30 days @ 13	190
Local Inputs	
Labor 20 laborers @ YR 40/day x 30 days	5,300
PC Housing	
Additional Pipe and Cement as Needed	
YARG Inputs	
Skilled Labor 2 @ YR 200/day x 30 days	2,652
Transportation 6 trips @ YR1000	1,326
Sub-Total	29,275
Contingencies and Inflation @ 25%	7,369
Total (rounded)	$37,000

* For Spring Source (Type III) deduct cost of pump and engine,
Total cost (rounded) = $27,000

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE: [A] (A = ADD, C = CHANGE, D = DELETE)

PID

2. DOCUMENT CODE: 1

3. COUNTRY/ENTITY: Yemen Arab Republic

4. DOCUMENT REVISION NUMBER:

5. PROJECT NUMBER (7 DIGITS): 279-0045

6. BUREAU/OFFICE: A. SYMBOL: NE; B. CODE: 03

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS): Local Resources for Development

8. PROPOSED NEXT DOCUMENT: A. 2 (2 = PRP, 3 = PP); B. DATE: MM 09 YY 77

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION: a. INITIAL FY 79; b. FINAL FY 83

10. ESTIMATED COSTS ($000 OR EQUIVALENT, $1 =)

FUNDING SOURCE	LIFE OF PROJECT
A. AID APPROPRIATED	8,315
B. OTHER U.S. 1.	
B. OTHER U.S. 2.	
C. HOST COUNTRY	6,000
D. OTHER DONOR(S)	
TOTAL	14,315

11. PROPOSED BUDGET AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	PRIMARY TECH. CODE D. LOAN	E. FIRST FY ____ F. GRANT	E. FIRST FY ____ G. LOAN	LIFE OF PROJECT H. GRANT	LIFE OF PROJECT I. LOAN
(1) FN	243	100		865		8,315	
(2)							
(3)							
(4)							
TOTAL				865		8,315	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

120	140	252			

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

BRW	BF	COOP	EQTY	INTR	PART

14. SECONDARY PURPOSE CODE:

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

Improve the quality of life and economic situation in rural Yemen.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

Stimulate investment of remittances in community development projects through the FAR method.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

US social scientists in Yemen $6,000.

18. ORIGINATING OFFICE CLEARANCE

Signature:

Title: Director, USAID/Yemen

Date Signed: MM 05 DD 20 YY 77

19. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

AID 1330-2 (3-76)

LOCAL RESOURCES FOR DEVELOPMENT 0045

1. Summary of Problem and Responses

The problem addressed by this project relates to stimulating the rural people of Yemen to undertake constructive community development projects utilizing their own funds. Studies have shown that there is an abundance of capital (remittance funds) being held by rural villagers. This project will attempt to stimulate the use of this capital in investments in beneficial community development projects. The project will partially fund, on a Fixed Amount Reimbursement (FAR) basis, locally initiated projects such as rural roads, village electrification, village water systems, community irrigation systems and improvements, and school and clinic construction. Individual agreements will be signed by the USAID, the Local Development Board, and the Cooperative of Yemen Development Authorities (CYDA). By the PP stage, details of project implementation will be finalized and particular regions of the country will be identified in which projects will be concentrated. The project is planned for a life of five years. It is proposed that during the first year the project will operate on a pilot basis with the development of a FAR technique that is applicable to the Yemen situation. If successful the project will be expanded in subsequent years. It is estimated that successful completion of 20 projects during the first year increasing to 40 in the second year and to 60 in each of the final three years with AID inputs tending to decrease would constitute satisfactory outputs of this project. The project's purpose is to stimulate the rural people of Yemen to undertake community development projects using remittances and the goal relates to improving the quality of life and economic situation of the rural poor.

Ruling out the use of Direct Hire or personal service contracts, there are two alternative methods in implementing this project; an OPG with a voluntary agency or a contract with a professional engineering firm. It is envisaged that under either alternative, the team would work directly with CYDA at their central office and also serve in a technical assistance role to CYDA. It is estimated that at full development, the project would require three professional engineers.

The major assumptions relating to the success of this project are (1) that a viable and energetic office within CYDA will be established for the implementation of the project and (2) that appropriate staff on the AID side will be obtained, either Vol Ag or contract.

Activities in Yemen related to this project include the following:

(1) AID OPG Rural Development Project
(2) AID OPG Tihama Community Development Project (proposed)
(3) German RD Project (Amran)
(4) Dutch RD Project (Al Bayda)
(5) Tihama Development Authority
(6) Peace Corps RD Project (proposed)
(7) AID Rural Water Projects (proposed)

Areas for concentration of this project will be selected in coordination with CPO and CYDA so that it will not overlap but complement activities by other donors.

Alternatives to this project are primarily reliance on the private sector. However to date local initiative in implementing community development projects is variable and the YARG has not specifically undertaken projects to stimulate local investment in community efforts. European and multilateral donors have concentrated on the agricultural sector and Arab donors have concentrated on supplying visible showplaces with little community involvement or concern for successful operation. With AID's limited financial and manpower resources this project is seen as an area open for experimentation that can build on the success of the small water component of 022.

The intended direct beneficiary is the rural population of Yemen. It is intended that projects will be selected with equity considerations a prime criterion, and that the projects will be of at least equal benefit to the various economic and social classes in rural communities.

2. FINANCIAL PLAN

At the current stage of project development only rough estimates of project costs have been made. Assuming an average AID FAR contribution of $25,000 per subproject, the first year FAR funding requirement would be $500,000. The host country contribution in the form of cash, land, labor, transportation and commodities should approximately match the AID figure. Also during the first year, five vehicles will need to be purchased adding approximately $60,000, plus annual vehicle operational costs. Depending on implementation method chosen, operating costs for the first year could range from approximatley $665,000 to $865,000 with life of project costs estimated at from

$6,765,000 to $8,315,000. A summary of roughly estimated project costs is attached.

3. PROJECT DEVELOPMENT

It is recommended that PD & S funds be provided to permit the Mission to contract with U.S. social scientists in Yemen for preparation of baseline data on social structure and social soundness analyses required for the PRP and PP. We also plan to utilize OPG personnel involved in the AID RD project to develop these analyses, providing timing of these activities coincides with PRP and PP preparation. It is estimated that utilizing in-country social scientists, these analyses could be prepared for approximately $6,000. The PRP could be prepared by September 1977 and the PP in early CY 1978.

4. POLICY ISSUES

The major issues regarding this project are (1) that the YARG commitment to this project is apt to be minimal, and (2) from the AID side, how the project should be implemented, i.e., whether in coordination with the Peace Corps, through a Vol Ag or through contract personnel.

TABLE I

Estimated Project Costs

(thousands of dollars)

AID Inputs	1979	1980	1981	1982	1983	Total
Number of Project	(20)	(40)	(60)	(60)	(60)	(248)
1. FAR Costs	500	1,000	1,500	1,500	1,500	6,000
2. Vehicles, Gas and maintenance 5 @ 12	65	10	10	15	15	115
3. Personnel (three alternatives						
a. OPG	100	100	150	150	150	650
b. Contract	300	400	500	500	500	2,200
Sub Total AID						
OPG	665	1,110	1,620	1,625	1,625	6,765
Contract	865	1,410	2,010	2,015	2,015	8,315
HC Inputs	500	1,000	1,500	1,500	1,500	6,000

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE: [A] (A = ADD, C = CHANGE, D = DELETE) — PID

2. DOCUMENT CODE: 1

3. COUNTRY/ENTITY: Yemen Arab Republic

4. DOCUMENT REVISION NUMBER:

5. PROJECT NUMBER (7 DIGITS): 279-0046

6. BUREAU/OFFICE: A. SYMBOL: NE; B. CODE: 03

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS): Appropriate Agricultural Technology

8. PROPOSED NEXT DOCUMENT: A. [2] (2 = PRP, 3 = PP) B. DATE: MM 10 YY 77

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION: a. INITIAL FY 79 b. FINAL FY 83

10. ESTIMATED COSTS ($000 OR EQUIVALENT, $1 =)

FUNDING SOURCE	LIFE OF PROJECT
A. AID APPROPRIATED	1,500
B. OTHER U.S. 1.	
B. OTHER U.S. 2.	
C. HOST COUNTRY	200
D. OTHER DONOR(S)	
TOTAL	1,700

11. PROPOSED BUDGET AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	PRIMARY TECH. CODE D. LOAN	E. FIRST FY 79 F. GRANT	E. FIRST FY 79 G. LOAN	LIFE OF PROJECT H. GRANT	LIFE OF PROJECT I. LOAN
(1) FN	140	010		600		1,500	
(2)							
(3)							
(4)							
TOTAL				600		1,500	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

011 | 024

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH): BRW | BS | NUTR | TECH

14. SECONDARY PURPOSE CODE: 150

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

Decrease dependence on imported foods stuffs and to increase small farmer output and income.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

Increased efficiency in agricultural production and storage.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

One 3-week TDY of an agricultural mechanization expert at an estimated cost of $5,000

18. ORIGINATING OFFICE CLEARANCE

Signature:

Title: Director USAID/Yemen

Date Signed: MM 05 DD 20 YY 77

19. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

AID 1330-2 (3-76)

Problem Summary

Appropriate on-farm grain storage and appropriate agricultural mechanization are two serious problems today in Yemeni agriculture. On-farm grain storage (for seed, home consumption or eventual sale) is estimated to amount to 85% of the country's annual cereal production or roughly 1.2 million metric tons (based on average annual cereal production estimates for the past five years). Estimates of on-farm storage losses from insects, rodents and inadequate drying range from 20 to 50% when grain is stored for periods of up to one year.

Using a conservative 25% storage loss figure means that roughly 300,000 metric tons of grain are lost annually due to inadequate storage, which is more than double Yemen's average cereal imports for the past five years. If this loss could be reduced by half, Yemen would be self-sufficient in overall cereal production.

The IBRD has recently approved a $21.8 million project to improve grain storage and handling in Yemen. However,

A solution to these two problems could consist of an integrated approach, relying on a combination of technical expertise to identify and recommend appropriate mechanization and grain storage technologies along with institutional assistance in developing and implementing policies to encourage the dissemination of these technologies. Such a project would directly address the issues of agricultural productivity, rural income and labor scarcity, and would help to identify economically productive investment opportunities for the remittance money pouring into the country.

Project Description

The project as currently envisaged would have a life of 5 years. The outputs would include the following:

1) Recommendations for appropriate on-farm grain storage technologies for different geographic regions and economic groups;

2) Recommendations on the optimum type and scale of agricultural machinery appropriate for the different regions of Yemen;

3) Identification of the best commercial sources of these technologies, either through imports or local fabrication;

4) Demonstration of recommended technologies through extension/rural development efforts of YARG, USAID, and other donors throughout the country;

5) Measures to assure the availability of these technologies, including agriculture credit and import policies consonent with recommendations, and encouragement of private sector agriculture equipment dealers to provide appropriate technologies and upgrade their farmer assistance and service capabilities.

The project would require especially close cooperation with agricultural credit institutions, the private sector dealers and demonstration/extension efforts. The reliance upon, and encouragement of, the private sector to provide the recommended equipment (whether imported or locally fabricated) and services is a new approach for the Yemen, and in view of the already large and increasing role of trade in the national economy (20% of GDP in 75/76 and growing at a rate of over 20% per year) the potential for this type of approach appears impressive.

The main inputs required for a project of this type would consist of technical advisors and prototype/demonstration machinery and supplies. One agriculture engineer would be required plus short term advisors in the fields of agricultural economics, agriculture credit, agriculture extension/demonstration and related technical fields. Importation of certain prototype/demonstration equipment (e.g., small tractors, tillers, threshers, grain cleaners, grain dryers) would be required, along with resources to finance local adaptation and fabrication as required. Reliance on locally available materials would be of special importance for the grain storage component.

The major assumptions pertinent to project success are on the policy end--the willingness and capability of the YARG to implement the regulatory credit and import recommendations, and the cooperation of other donors in getting these technologies out into the countryside.

The YARG currently has no program in on-farm grain storage, and there are no regulations or restrictions on the type of agriculture mechanization being pursued. As mentioned above, the IBRD is involved in a large scale grain storage project that will not, however, impact on household, or on-farm storage.

In agriculture mechanization, there is currently a British team at work based in Taiz, but the bulk of their effort is on training of equipment operators (tractor drivers, mechanics, etc.) with only a limited amount of equipment introduction for trial and evaluation, and some machine design work. Considerable potential appears to exist for constructive collaberation with both of these other donor efforts.

The beneficiaries of the grain storage element will be the entire rural sector, rich and poor farmers alike. Special emphasis will be placed on development of grain storage technologies accessible to poor farmers. Agricultural mechanization carries a certain risk of accentuating differences between rich and poor depending on how the program is designed and managed. There is certainly the potential of broad benefits to all sectors of the economy, and a project of this sort has a better prospect of positive impact on the rural poor than the laissez faire policies currently being pursued.

Financial Requirements

The current best estimate of maximum project cost is $1,500,000 broken down as follows:

Long term technicians (4 man years)	$400,000
Short term technicians (2 man years)	300,000
	$700,000
Commodities	$600,000
Operations	200,000
	$1,500,000

These personnel costs are estimated on the basis of recent experience with university contracts. It may be possible to realize considerable savings through a PASA, perhaps as much as $200,000.

As the project will work largely through the private sector, with little direct input from YARG, it is difficult to see how the YARG 25% contribution requirement will be met. It will probably be necessary for USAID to finance almost all of the project costs as a grant and request a waiver of the 25% host country requirement.

Project Development Schedule

A grain storage expert will be in Yemen in conjunction with the Sorghum & Millet Project (0030) in August/September of this year. If an agriculture mechanization specialist could be provided for a 3-4 week TDY at the same time, their joint findings could be prepared in a report which would then serve as the basis for a PRP. The actual PRP would then be prepared by the Mission for submission to AID/W before the end of CY 1977. This should provide ample time for completion of the PP in early CY 1978.

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE: [A] (A = ADD, C = CHANGE, D = DELETE)

PID

2. DOCUMENT CODE: 1

3. COUNTRY/ENTITY: YEMEN ARAB REPUBLIC

4. DOCUMENT REVISION NUMBER:

5. PROJECT NUMBER (7 DIGITS): 279-0047

6. BUREAU/OFFICE — A. SYMBOL: NE; B. CODE: 03

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS): Education Sector Block Grant

8. PROPOSED NEXT DOCUMENT — A. [2] (2 = PRP, 3 = PP) B. DATE: MM 10 YY 77

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION — a. INITIAL FY 79 b. FINAL FY 83

10. ESTIMATED COSTS ($000 OR EQUIVALENT, $1 =)

FUNDING SOURCE	LIFE OF PROJECT
A. AID APPROPRIATED	6,000
B. OTHER U.S. 1.	
B. OTHER U.S. 2.	
C. HOST COUNTRY	4,000
D. OTHER DONOR(S)	
TOTAL	10,000

11. PROPOSED BUDGET AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	PRIMARY TECH. CODE D. LOAN	E. FIRST FY 79 F. GRANT	E. FIRST FY 79 G. LOAN	LIFE OF PROJECT H. GRANT	LIFE OF PROJECT I. LOAN
(1) EH	600	610		2,000		6,000	
(2)							
(3)							
(4)							
TOTAL				2,000		6,000	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

611	612	614	615	248	

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

PVOV	EQTY	TNG	BR	BL	BWW

14. SECONDARY PURPOSE CODE: 612

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

To increase the overall education level of Yemen.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

To improve the technical, vocational and non-formal education levels of the rural and urban disadvantaged throughout Yemen.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

AID/W TDY education consultant to aid in PRP preparation ($15,000)

18. ORIGINATING OFFICE CLEARANCE

Signature:

Title: Director USAID/Yemen

Date Signed: MM 05 DD 20 YY 77

19. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

AID 1330-2 (3-76)

I. Summary of the Problem and Proposed Response

Yemen emerged from the rule of the Imam in 1962 with almost no trained manpower. There are still something less than 1,000 Yemeni university graduates in the country, and less than 11 percent of the population is literate. Education for women is only beginning to be acceptable. In most areas of the country only Koranic schools for boys can be routinely found - their value to a modernizing society is extremely limited.

The trend, nevertheless, is clearly toward changing and expanding the education system. Enrollment is expanding rapidly--from an admittedly minuscule base. Primary school population doubled in the past three years and, at the secondary level in the same period it tripled. There are approximately 300,000 children in schools today. Yet, with few teachers and limited facilities school enrollment is only 11% of the potential student population and the efficiency and effectiveness of education remains dramatically low. Classrooms are crowded and the teachers, mostly Egyptians and Saudis, are not well motivated and eschew working at rural sites. As yet, secondary schools do not exist in all eight of the provincial capitals, and over 80% of the in-school population at this level are found in Yemen's three principal cities which have only about 5% of the country's total population.

Adult education and literacy training are only beginning to be added to the system and by and large only in the major cities. Aside from limited private sector apprenticeship, the realm of technical and vocational education is served by only a Chinese-aided Technical School in Sana with 100 students and a CRS-sponsored effort for the training of homeless youth in Hodeidah, serving about 65.

Plans abound for the expansion of educational services of all sorts. Curriculum reform is being severely debated by the Government, with a considerable conservative element in the society opposing the idea. Physical infrastructure sponsored mainly by Arab donors is increasing considerably. The IDA, U.N. and others are involved in teacher training efforts and the development of "software". Yet a tremendous amount remains to be done.

USAID's proposed response to the needs of the burgeoning education sector is one of flexibility and with a definite rural bias - to attempt to demonstrate that it is possible to reach areas of Yemen now that otherwise are likely to be left out for years to come.

II. Purpose of the Project

To demonstrate operational improvements or operational innovations for use in formal or non-formal village education and in regional technical and vocational institutions.

III. Description of the Proposed Project and Expected Project Outputs

We envisage a $2 million block grant (1) to commission the study of the feasibility and the design of 6 to 8 education sub-projects and (2) if acceptable to both the YARG and USAID, to finance the implementation of 4 to 6 sub-projects. Sub-project ideas for examination under this block grant would emanate from any of the following sources: at the request of the YARG, proposed by a PVO, from other donors desirous of AID support for a component of an ongoing program, from local or regional Yemeni authorities, public or private. Project development studies would be accomplished by using AID/W, U.S. University, PVO or consultant services or a combination of these. Implementation likely would be either through OPG's or contract arrangements with specialized educational consultants.

Although the specifics of sub-projects ultimately to be developed remain uncertain, four ideas illustrative of the sorts of needs, and types of projects envisaged, follow:

A. Skills Training in the Tihamas

The Tihama area of Yemen is considered by many to be the poorest area of the country. The IBRD is currently building training schools in Bajil and Zabid, which will provide training and education opportunities for the non-literate adolescent and adult population living in the rural areas. A vocational school is being built in Hodeida. USAID assistance in the staffing of these schools, and the use of educational technology, hardware and software, may be possible.

B. Skills Training for Women

The labor short nature of the Yemeni economy makes it imperative that all labor resources be used to their fullest, including women. The YARG's forthcoming five year plan speaks of "opening wide spheres for women to enter the labor market" and for "making a special effort to press the redundant manpower and especially women into thelabor market." We propose special skills training for women in areas such as clerk, typist, nurse or accountant. This could possibly be done through an OPG utilizing facilities such as the National Institute for Public Administration or the girls' schools. A commodity element would supply the necessary equipment.

C. Non-Formal Education

This project would start with a study already called for in the FY 78 ABS, to determine the applicability of non-formal education techniques to Yemen's rural areas in the areas of agriculture, health and hygiene, etc. A project would be proposed based on the study results.

D. Technical Education

Technical training could be undertaken in conjunction with Sana University, USAID workshops and/or technical schools. AID could furnish technical advisors to two or three institutions, and the Peace Corps or other voluntary agency could supply teachers. A commodity element would probably be required and the training of Yemeni teachers either here or in third countries would be essential.

IV. Beneficiary

Various, by and large, Yemen's rural poor. Criteria for beneficiaries will be part of Block Grant's guidelines for approval.

V. Other Donor Coordination

Coordination will be the work of other donors active in the field will be carried on directly through the CPO and the Ministry of Education and directly with other donors, various Volags and regional education authorities.

VI. Financial Requirements

The current estimate of initial year project cost is $2,000,000 based on the following:

Sub-project Designs (6 to 8)	$ 200,000
OPG's or Direct Projects (4 to 6)	1,800,000
	$2,000,000

VII. Project Development Schedule

The development of the basic format and criteria:

Date	Item Description
October 1977	PRP submission date
March 1978	PP submission date

Washington assistance would be required in developing the non-formal education and other sub-projects for the PRP. AID/W would be requested to provide a TDY individual who is knowledgeable in both formal and non-formal education.

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE: [A] (A = ADD, C = CHANGE, D = DELETE)

PID

2. DOCUMENT CODE: 1

3. COUNTRY/ENTITY: Yemen Arab Republic

4. DOCUMENT REVISION NUMBER:

5. PROJECT NUMBER (7 DIGITS): 279-0050

6. BUREAU/OFFICE: A. SYMBOL: NE; B. CODE: 03

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS): Agro - Industries

8. PROPOSED NEXT DOCUMENT: A. 2 (2 = PRP, 3 = PP); B. DATE: MM 10, YY 77

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION: a. INITIAL FY 79; b. FINAL FY 83

10. ESTIMATED COSTS ($000 OR EQUIVALENT, $1 =)

FUNDING SOURCE	LIFE OF PROJECT
A. AID APPROPRIATED	2,500
B. OTHER U.S. 1.	
B. OTHER U.S. 2.	
C. HOST COUNTRY	
D. OTHER DONOR(S)	
TOTAL	2,500

11. PROPOSED BUDGET AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	PRIMARY TECH. CODE D. LOAN	E. FIRST FY ____ F. GRANT	E. FIRST FY ____ G. LOAN	LIFE OF PROJECT H. GRANT	LIFE OF PROJECT I. LOAN
(1) FN	270	150		500		2,500	
(2)							
(3)							
(4)							
			TOTAL	500		2,500	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each): 112

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH): BF, TECH, EQTY, COOP

14. SECONDARY PURPOSE CODE: 750

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

Decrease the dependence of Yemen on imported food stuffs and to increase small farmer output and income.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

Stimulate investment of remittences in small agro-industries which process local agricultural products.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

The PID will be written in conjunction with summer 1977 study by an agro-industry specialist. Estimated cost of these services is $10,000.

18. ORIGINATING OFFICE CLEARANCE

Signature:

Title: Director USAID/Yemen

Date Signed: MM 05, DD 20, YY 77

19. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM, DD, YY

AID 1330-2 (3-76)

Title II Narrative

Catholic Relief Services (USCC) is the only volunteer agency responsible for the management of the PL-480 Title II program in Yemen, having managed Title II imports since 1965. Monitoring responsibilities of PL-480 Title II shifted from the Embassy to AID in April, 1975 when emphasis was placed on developmental applications of the Title II food donations. As a result of the audit recommendations of May 1976, CRS and the Mission initiated immediate management reforms to improve the commodity flow to properly programmed recipients. In this respect, the Yemen Title II volag program has been restructured to the extent that it may be said that beginning in FY 78 and 79, a new program is underway. For Yemen, multi-year programming of PL-480 must await viability of YARG and volag management and supervisory reforms currently underway; proof of acceptance of host government commitments to the program, particularly payment of a portion inland handling costs; and development of a countrywide nutrition strategy.

Major innovations anticipated in the 1979 volag operations include: (1) partial payment (60%) of inland handling costs by YARG under terms of a new joint YARG/CRS agreement of 1977; (2) sharing of MCH distributions with World Food Programme (3) increased wheat ration in Food-for-Work program (approximately 200 lbs per family per month vs. current guideline rate of 106lbs) to provide sufficient incentive to recipients to participate in meaningful community development projects and to increase the nutritional value. (4) Increased YARG participation in operational control of all aspects of the program as provided by the terms of the 1977 agreement. Analysis of categories by recipient levels (000s) follows:

1. Food-for-Work (AER 77: 25.0; AER 78: 50.0; ABS 79:50.0). The proposed 50,000 level repeats the scheduled level of the CRS 78 AER and presumes continued diligence in management and monotorship within the food-for-work program. A great portion of the FY 79 food-for-work program centers on agriculture self-help development incentives in the Tihama region. Positive indications of successful implementation of individual projects will be required before the mission recommends upward adjustments for the proposed conservative recipient levels of FY 78 and 79.

2. Maternal Child Health (AER 77: 20.0; AER 78: 2.5; ABS 79: 10.0). In early CY 77, the YARG announced that WFP was to be the exclusive agent in the field of food distributions to all MCH centers. The FY 79 ABS estimate of 10,000 recipients is entirely contingent upon a YARG policy decision to allow reinstatement of CRS distributions to selected centers, and presumes such an affirmation during FY 78. Without such an affirmation, the CRS MCH in Yemen will be ended by FY 79.

3. Refugee (AER 77: 5.0; AER 78: 20.0; ABS 79: 20.0). The CRS 78 AER adjusts commodity levels to the actual number of recipients. Previous AER calculations were based on a ration to a family unit. Given acceptance of the '78 AER, the 79 ABS assumes continued refugee influx at the same rate.

4. Other Child Feeding (AER 77: 5.0; AER 78: 1.0; ABS 79: 2.0) CRS anticipates a downward adjustment in FY 78 from 5,000 to 1,000 recipients which expreience has shown to be a more realistic support level to juveniles in YARG and CRS supported institutions. In FY 79 a level of 2,000 recipients represents reasonable additional institutional coverage.

5. Relief (TB, Leper patients) (AER 77: 2.0; AER 2.0; ABS 79: 2.0) No changes from on-going distribution pattern to indigent patients in hospitals and other institutions.

6. Individual Families (AER 77: N/A; AER 78: 5.0; ABS 79: 5.0). The opportunity to distribute Title II foods to 1,000 families (5,000 participants) will satisfy YARG demands to fill urgent humanitarian needs not covered in other categories to poorest families as identified by YARG Ministry of Social Welfare and CRS.

1. Country: Yemen

Sponsor's Name: Catholic Relief Services

a. Maternal Child Health (Total Recipients: 10,000)

No. of Recipients by Commodity	Name of Commodity	KGS (000) Annual	$ (000)
10,000	WSB'	360.0	96.1
10,000	CSM	360.0	199.4
10,000	OIL	84.0	57.4
Total MCH		804.0	352.9

b. Other Child Feeding (Total Recipients: 2,000)

No. of Recipients by Commodity	Name of Commodity	KGS (000) Annual	$ (000)
2,000	Wheat	164.0	21.5
2,000	Oil	17.0	11.6
2,000	WSB	36.0	9.6
Total OCF		217.0	42.7

c. Food-for-Work (Total Recipients: 50,000)

No of Recipients by Commodity	Name of Commodity	KGS (000) Annual	$ (000)
50,000	Wheat	10,890.0	1,426.6
50,000	Oil	420.0	286.9
Total FFW		11,310.0	1,713.5

d. Other - Refugee (Total Recipients 20,000)

No. of Recipients by Commodity	Name of Commodity	KGS (000) Annual	$ (000)
20,000	Wheat	2,178.0	285.3
20,000	Oil	168.0	114.7
Total Refugee		2,346.0	400.0

e. Other - Relief (Total Recipients 2,000)

No. of Recipients by Commodity	Name of Commodity	KGS (000) Annual	$ (000)
2,000	Wheat	109.0	14.3
2,000	Oil	17.0	11.6
2,000	WSB	36.0	9.6
Total Relief		162.0	35.5

f. Other - Individual Family (Total Recipients 5,000)

No. of Recipients by Commodity	Name of Commodity	KGS Annual	$ (000)
5,000	Wheat	545.0	71.4
5,000	Oil	42.0	28.7
Total Ind. Fam.		587.0	100.1
Program Totals		15.4 MT	$2644.7
Estimated Wheat Sales (40%)		1.7 MT	$ 222.7
Contingency (15%)		2.3 MT	$ 395.4
		19.4 MT	$3262.8

Total Recipients: 89,000

COUNTRY/PROGRAM: YEMEN ARAB REPUBLIC

PERIOD COVERED: OCTOBER 1, 1977- SEPTEMBER 30, 1979 DATE: MAY, 1977

Mission Evaluation Schedule for FY 1978 and FY 1979 1/ 2/

(1) Project Title & Number/Subject	(2) Last Evaluation Submission Date	(3) Number of Last PAR (if applicable) 3/	(4) Date of Submission FY 78 and/or FY 79 Evaluation	(5) Period Covered Next Evaluation (months)	(6) Remarks
FOOD AND NUTRITION (NON-CAPITAL GRANT)					
Poultry Development 279-0019	May 1977 1/	77/3	May 1978 May 1979	12 12	ProAg signed May, 1975
Tropical and Subtropical Horticulture 279-0024	June 1977 1/	77/4	June 1978 June 1979	12 12	ProAg signed June, 1976
National Sorghum Millet 4/ Crop Improvement 279-0030	May, 1977	77/1	Mar 1978 Apr 1979	12 12	
Rural Development (OPG) 279-0031	-	-	One year after Agreement signed	12	Pending Submission of OPG proposal
Land and Soil Resource Inventory 279-0042	-	-	One year after ProAg signed	12	Draft PP being prepared AID/W
Community and Home Garden Demonstration (OPG) 279-0036	-	-	One year after Agreement signed	12	Pending Submission of OPG proposal.

COUNTRY/PROGRAM: YEMEN ARAB REPUBLIC

PERIOD COVERED: OCTOBER 1, 1977- SEPTEMBER 30, 1979 DATE: MAY, 1977

Mission Evaluation Schedule for FY 1978 and FY 1979 1/ 2/

(1) Project Title & Number/Subject	(2) Last Evaluation Submission Date	(3) Number of Last PAR (if applicable) 3/	(4) Date of Submission FY 78 and/or FY 79 Evaluation	(5) Period Covered Next Evaluation (months)	(6) Remarks
HEALTH (NON-CAPITAL GRANT)					
Sana Emergency Water 279-11-125-021	June, 1977 1/	75/4		-	1977 PAR final; project phasing out; last funding in FY-75
Rural Water Supply 279-0022	Jan 1977	77/2	Sep 1977 Sep 1978 6/	12 12	FY-77 final year of funding
Water Sewerage System Design for Rural Centers 279-0029	-	-	One year after ProAg signed	12	PRP approved; PP to be submitted, FY -77.
Water Supply System Management 279-0028	-	-	One year after ProAg signed	12	PP submitted Mar 1977
Applied Health Nutrition (OPG) 279-0035	June 1977 1/	-	Jun 1978 Jun 1979	12 12	
HEALTH (CAPITAL GRANT)					
Taiz Water Sewerage Construction 279-0039	-	-	One year after ProAg signed	12	PP to be submitted FY 1977

COUNTRY/PROGRAM: YEMEN ARAB REPUBLIC

PERIOD COVERED: OCTOBER 1, 1977- SEPTEMBER 30, 1979 DATE: MAY, 1977

Mission Evaluation Schedule for FY 1978 and FY 1979 1/ 2/

(1) Project Title & Number/Subject	(2) Last Evaluation Submission Date	(3) Number of Last PAR (if applicable) 3/	(4) Date of Submission FY 78 and/or FY 79 Evaluation	(5) Period Covered Next Evaluation (months)	(6) Remarks
Al-Olofy Hospital (OPG) 279-0035	Jan 1977	N/A	Jun 1977	6	Semi-annual report called for in OPG-1237.
HEALTH (CAPITAL LOAN)					
Taiz Water & Sewerage Loan 279-0039 (279-U-001)	Jul 1977 1/	77/5	Jul 1978	12	Contract under loan signed Oct. 5, 1976
EDUCATION AND HUMAN RESOURCES (NON-CAPITAL GRANT)					
Training for YAR Development 279-0020	Sep 1976	76/8 3/	Sep 1977	12	FY 77 is final year of funding

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SELECTED DEVELOPMENT ACTIVITIES (NON-CAPITAL GRANTS)					
Water Survey 279-0025	Sep 1975 2/	76/5	Sep 77	29	FY 77 final year of funding
Ground Water Resources 4/ 279-0043 management	-	-	One year after ProAg signed	12	Draft PRP submitted to AID/W 3/77.

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FFP Title II	Oct 20, 1976	To AID A-39 5/	Oct 1977	12	Outside assistant expected

1/ Schedule at time of ABS.

2/ Mission postponed submission of FY 77 PAR until project completion Sept 30, 1977. Mission in-house evaluation held April 1977.

3/ Outside evaluation conducted in conjuction with development of follow-on project (0040). Results available from NE/DP, AID/W.

4/ Follow-on project.

5/ Mission evaluation conducted with assistance Addis Ababa and submitted to AID/W in Airgram format.

6/ Mission may request outside evaluation upon completion of project.