



2010-2012 Yemen Country Strategy

A. Introduction and Country Context

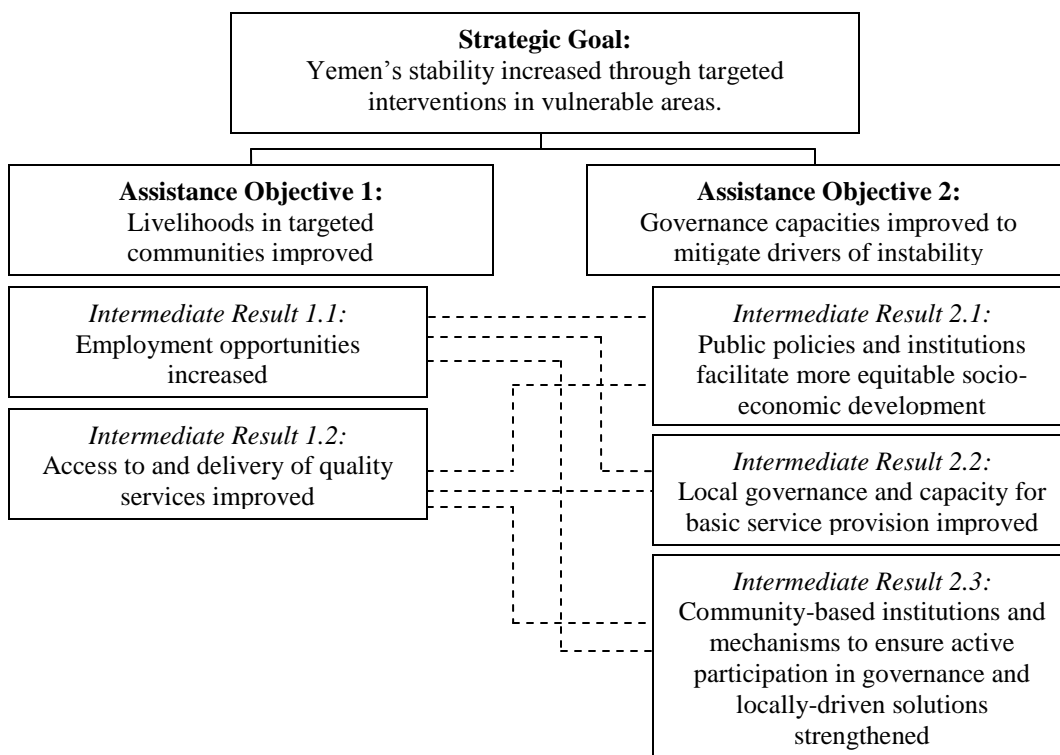
The activities to be implemented under this Agreement build upon a long standing collaboration between the United States and Yemen. Yemen has become increasingly central to U.S. foreign policy interests. Its strategic location features a long porous land border with Saudi Arabia, a critical U.S. ally, and a lengthy maritime border facing the oceanic chokepoint to the world's most heavily used sea lanes between the Indian Ocean and the Red Sea. Political stalemate continues between the ruling party and the opposition. Tribal instability persists in the north and parts of the south. Al-Qaeda (AQ) operatives are utilizing Yemen's territory as a base for movements in the Arabian Peninsula and beyond. In addition, Yemen's location across from the Horn of Africa puts it in proximity to major refugee flows and a burgeoning piracy problem. Yemen also faces a large youth bulge and rapidly growing population, intensifying natural resource scarcity, a severe lack of employment opportunities, and declining government revenues. Compounding an already difficult socioeconomic situation, Yemen, like much of the world, also faces serious economic pressures brought on by the global financial crisis as dwindling oil revenues decrease the government's ability to fund basic operations.

Prior Strategy. USAID/Yemen's 2003-2009 strategy focused on development initiatives in the five remote, very poor, rural governorates most at-risk of generating political instability and providing possible refuge for terrorists. Five key governorates were identified with inter-tribal conflicts, tribe-state conflicts, and an Al-Qaeda presence: Al-Jawf, Mareb, Sa'ada, Amran and Shabwa. Programming at the district and governorate levels centered on health, education, and, to some extent, agriculture. Sub-national interventions were accompanied by capacity building for the Ministries of Health and Education at the central level in Sana'a. Cross-cutting themes included improved services and opportunities for women and girls, community participation, and the use of quality data for planning and management. The USAID program in Yemen also made selected investments at the national level, with the public and private sector, in partnership with other donors, to identify opportunities for improved policy and expanded options for longer-term sustainable development. Given the deteriorating security context and the escalating development challenges, USAID determined that a new approach was necessary, transitioning from customary, sector-based development interventions to a more integrated approach addressing the key grievances and drivers of instability in targeted, disadvantaged communities.

Drivers of Instability. While myriad and complex, there is considerable agreement surrounding the following drivers of instability and conflict in Yemen. They include, but are not limited to, a large youth bulge and rapidly growing population, unequal development, political marginalization and repression of the disaffected, widespread corruption, weak state institutions, declining government revenues, growing natural resource scarcity, and violent Islamist extremism.

B. Strategic Focus for 2010-2012

USAID’s overarching strategic goal in Yemen is to increase Yemen’s stability through targeted interventions in vulnerable¹ areas. This goal implies a localized strategy with development programming tailored to address the drivers of instability in specific areas of the country and to respond directly to the articulated needs and frustrations of communities in the neediest areas. During the 2010-2012 period, the collaboration between the United States and Republic of Yemen will grow stronger. Joint development goals include improving the livelihoods of citizens in disadvantaged communities and improving governance capacities to mitigate drivers of instability. The development hypothesis of the USAID/Yemen Strategy postulates that addressing the development needs of underserved communities is causally related to improving political and social stability. The foundation of political opposition and extremist ideologies is, to a great extent, based on people’s level of satisfaction with the services their government provides and whether there are real opportunities. Through development assistance tailored to communities’ defined needs, people can see their government responding and improvements in their economic environment that open up opportunities to better their personal, family and community situation. A higher level of satisfaction with the direction of their lives will lower behaviors that create instability, such as extremism and violence. USAID’s assistance is specifically designed to provide support in areas where the Government of Yemen (ROYG) does not have the resources or expertise to execute, organize or manage such activities.



¹ The term “vulnerable” describes individuals, entities, or groups that are needy, poor, and/or susceptible – because of social, cultural, political, and/or economic characteristics – to being subjected to violence or extremism, or engaging in illegal and/or rebellious activities against widely accepted religious leaders or ideologies, traditional governing bodies, elected or appointed local representative bodies, local government entities, and/or the central government. Distrust of seemingly distant, disconnected central authority is a defining characteristic of this descriptor.

The USAID/Yemen strategy is organized under two Assistance Objectives (AOs) elaborated below, with AO1 focusing on economic opportunities and service provision and AO2 emphasizing strengthening governance capacity and effectiveness. The intermediate results are parallel and complementary with the goal of minimizing any service provision gaps that may occur when USAID programming ends. Programming, budgeting, and reporting will be consistent with State/F's Foreign Assistance Framework. A robust monitoring and evaluation effort will rigorously test the development hypothesis and provide ongoing information about program results and their impact on overall stability. Gender-sensitive programming and a focus on youth will be integral to program success.

Assistance Objective 1:

Livelihoods² in vulnerable communities improved.

In general, a stabilization strategy centers on addressing people's basic needs and opportunities at the local level by improving their access to basic services, by expanding economic opportunities and by promoting political/civic empowerment. Livelihood, for the purposes of this strategy, is defined as the combination of factors in a community that have a direct impact on the quality of individuals' lives. Those factors include the elements in a community that affect citizen well-being, prosperity, and future choices, such as income, health, education, security, water, small infrastructure and citizen participation. In order to develop an active stake in their futures and communities, populations in highly unstable areas need to experience a direct impact in their daily lives, see improvement in their communities, and perceive state institutions as responsive to their needs. While not a panacea, such an approach can make concrete, time-and-place-specific contributions to counter the forces threatening Yemen's overall stability. This objective will require the bulk of USAID's resources and effort over the next three years.

The approach to implementing AO1 will be critical to the overall strategy's success. Initiatives under AO1 will be based on community-determined needs and be multi-sectoral in scope. In addition to providing requested assistance, all activities will include participation and capacity building for the target communities. The community will lead the determination of what assistance is provided. The approaches to program planning and implementation will help develop leadership, communication and civic participation skills at the same time as defining needs, aspirations and frustrations. Integrated local programming will be responsive, flexible, targeted and linked to local governments. USAID is not necessarily seeking to gain credit for interventions, particularly if people's underlying discontent is rooted in a sense of marginalization by the central government (of which a lack of service provision is a symptom).

A significant factor driving Yemen's fragility is the government's inability to provide a secure environment where basic needs are met and opportunities are available and sufficient. In addition to its burgeoning population, Yemen's harsh environment and terrain constrain livelihood improvements. Targeted local economic development activities, based upon community identified needs and opportunities, will help generate income and improve

² The term "livelihoods" is defined as the collective factors in a community that have a direct impact on the quality of individuals' lives, including but not limited to infrastructure, basic government services like health and education, security, access to clean water, healthy environment, and access to and representation by local officials.

livelihoods thus promoting stability in the short- to medium- term. Small-scale community projects will address infrastructure, food security, agricultural productivity and other deficiencies that limit economic prospects for targeted communities. Access to and quality of basic services needs to be improved, especially in remote areas. USAID will build upon its existing health and education programs to improve service access and quality in targeted communities. Small infrastructure projects, such as health clinic and school rehabilitation will incorporate gender-sensitive access. The environmental factors that contribute to fragility in targeted communities include the depletion and degradation of natural resources through unsustainable wood cutting for fuel, unregulated and wasteful water use, overgrazing and unsustainable cultivation practices. Vast water and land resources are dedicated to *qat* production which does not contribute to improving Yemenis' quality of life. Also, as the economic and social issues in the country continue to worsen, citizens and the government have less capacity to mitigate the damage that such practices have on future economic development. Thus attention to the preservation of scarce natural resources - particularly water - and the human activities that impact the use and availability of those resources will be a focus of program implementation that is vital to sustainability. In the agricultural sector, USAID will support existing local efforts to improve water management, reduce soil erosion, restore traditional terrace cultivation, discourage *qat* production and introduce small-scale energy and water resource conservation projects.

Careful selection and geographic targeting will help determine prospects for impact and success. With a country as geographically vast, topographically complex, and politically unstable as Yemen, USAID will need to limit the number of areas of focus for greater impact and possible expansion over time.

Intermediate Result 1.1: Employment opportunities increased

Based on communities' assessment of needs and potential for expanding economic opportunities, USAID will support the development of employment generating, micro- and small- enterprises and improvements to agricultural productivity, food security and community infrastructure. Microcredit programs will help local enterprises increase their potential and create jobs; technical assistance and training will help improve new and existing economic development in targeted areas. A focus on youth will stress vocational or technical training, matching trainees to actual jobs and youth business start-ups.

Traditional Yemeni techniques of environmental resource management will promote water conservation, improved animal husbandry and crop cultivation and alternative energy generation. Efforts will be determined according to local needs and designed in ways that are sensitive to how Yemen's rural citizens live their lives. At the local level, USAID will promote traditional, water-conserving crops that are in local demand as an alternative to *qat*, which uses precious water resources and limits economic opportunities in growing areas. Efforts to improve local water management will be an important aspect of any interventions at the community level. *Qat* production currently uses 40% of the country's agricultural land (35% of rain-fed land), provides employment for some 500,000 people, and generates substantial incomes in rural communities. Alternative agriculture initiatives will take steps toward *qat* substitution with a focus on growing traditional, competitive crops and establishing market linkages. Assistance to improve farming practices, post harvest operations, information, marketing, and processing can attract farmers and small- and medium-sized investors to abandoning *qat* production.

Small, low-cost, high-impact infrastructure projects will provide community incentives and employment opportunities as well as apprenticeships and vocational skills development. USAID will work with communities to identify and fund low cost, high-impact, small-scale infrastructure projects, including but not limited to rural electrification, water conservation projects, tertiary canals and irrigation, road improvement, and bridge and street repair. USAID will strengthen rural producer associations and cooperatives and build the capacity of private and non-governmental organizations, associations, and cooperatives to provide better services to their communities and to advocate on their behalf to local government officials. Emphasizing transparency and accountability, community outreach will involve participatory local development planning and include private sector and non-governmental organizations, local associations and cooperatives, local councils and religious and tribal leaders, as appropriate.

Illustrative activities:

- Support youth skill development to meet labor market demands
- Support training and technical assistance to smallholders to promote domestically-demanded crops (alternatives to *qat*), traditional and environmentally sound techniques, water conservation and improved productivity
- Invest in low-cost, high-impact, small-scale community infrastructure projects to improve water conservation and irrigation, transport access and roads, micro power generation and electricity access
- Support small microcredit programs and borrowers' groups, rural producer associations, and cooperatives
- Provide comparative best practices for the ROYG's Small and Micro Enterprise Program (SMEPS) and/or other organizations to provide better training, financial, and other forms of support to small businesses
- Offer entrepreneurial training for midwives to provide private services in their communities
- Promote community-level socioeconomic development planning that incorporates articulated needs from communities and local organizations
- Build the capacity of local civil society to conduct outreach, mobilization and advocacy with governorates and local councils on livelihood needs and socioeconomic issues

Intermediate Result 1.2: Access to and delivery of quality services improved

USAID will help improve access to basic services while advancing service quality in targeted communities. Currently, Yemen's health and education services are woefully inadequate, resulting in an infant mortality rate of 74/1,000 live births and an adult literacy rate of 50 percent (73 percent for men and only 35 percent for women). Services quality and delivery are inequitable. In remote areas, there are not enough schools and teachers, with poverty further contributing to high drop-out rates, particularly for girls. Only half of Yemenis have access to safe water. Outbreaks of diseases such as cholera, bacterial dysentery, infectious hepatitis (Hepatitis A), salmonellosis, and typhoid are common in expanding urbanizing areas. Waterborne diseases contribute to 70% of Yemen's already unacceptably high infant mortality rate. Most services and state resources go to favored families, tribes and geographic areas while other citizens are systematically excluded. Weak government capacity is further undermined by widespread corruption that exacerbates this disparity, and the availability of services is overwhelmed by the growing population pressure. The result is disillusionment, a deteriorating

standard of living, and growing tensions between underserved regions and the central government. Recognizing the positive correlation between health and stability, USAID will work to build the capacity to provide better education, health, water, sanitation and other services in targeted communities and thereby contribute to prospects for economic progress and enhanced livelihoods and well-being. Maternal and child health (MCH) and education are especially critical to long-term stability, and programming in these areas will be paramount to the success of this strategy. By empowering communities and linking them with governing structures, it is envisaged that a more robust presence of quality, demanded public services will reinforce the presence, and to a lesser extent, legitimacy of the state in those areas.

Of particular concern to USAID is the poor accessibility to family planning and MCH services, especially among rural populations. Women and children, as the most vulnerable segment of the population, frequently die from preventable causes that can be addressed at the basic (primary) health center-level or even in the community. USAID has the comparative advantage and experience implementing key maternal, newborn, and child health programs in countries with similar hardship and conflict settings. The quality of family planning, maternal and child health services is worsened by inadequate public sector resources, poor primary and referral health facilities infrastructure, absence of quality improvement systems for health, limited training of medical and health staff, and poor deployment of staff. The ROYG has made some progress in its commitment to *Education for All*, however remaining constraints in education access and quality include low school completion rates by girls (especially those in rural areas), high grade repetition rates, lack of quality, facilities and materials, particularly in vulnerable communities. USAID will reach target populations with expanded learning opportunities and offer holistic support for educational improvements, based on community-identified needs. Training for healthcare providers, teachers and suitable skills training targeting youth will help improve education quality and employment opportunities.

Corresponding outreach efforts will promote behavior change that will help individuals take advantage of service and employment opportunities. In addition, mobilizing local communities around service needs and challenges can help enable them to become agents of change. USAID will also support community group efforts to foster political will among local authorities and hold them accountable for their role in gaining access to needed services and meeting community needs. USAID's programs will work to educate and empower communities to access improved health, education, water, sanitation and other services necessary for enhanced livelihoods and well-being.

Illustrative activities:

- Support sustainable renovations, repairs, or equipping of local clinics and schools
- Increase the numbers of mobile health teams and expand their coverage areas
- Build capacity of mobile health teams and local midwives to deliver expanded and improved basic health services to underserved populations in remote districts and facilitate links to government health services
- Work with young men, local women's networks and train local community and religious leaders in health education, including family planning, maternal and child health issues, and healthy behaviors such as improved hygiene and nutrition, birth spacing, delayed marriage and the detrimental effects of *qat* consumption

- Support mothers' and fathers' councils to engage with schools and district/governorate Education Ministry offices
- Create student councils and empower them to play advocacy and advisory roles in their schools
- Promote proper functioning of community boards at health facilities to practice as the law allows
- Expand the training of nurses and physicians on key MCH issues and evidence-based best practices
- Support teacher professional development and greater opportunities for female teachers in remote areas
- Build the capacity of local civil society to conduct outreach, community mobilization and advocate with governorates and local councils regarding local service needs and healthy behaviors and practices
- Train youth and youth groups in leadership and civic engagement skills
- Engage local state and non-state religious leaders in outreach on issues related to family and community well-being
- Support youth-led behavior change campaigns and community mobilization causes focused around health, sanitation and natural resource issues

Assistance Objective 2:

Governance capacities to mitigate drivers of instability improved.

Improved governance represents the institutional backbone of this local stabilization approach and the basis for future development interventions that can improve sustainability over time. While governance will be emphasized across all programming, this Objective will specifically emphasize good governance, working at the national, local and community levels. USAID will focus on building productive relationships between appropriate government entities and Yemeni communities through training for communities and their government counterparts. While Yemen's overall governance needs are numerous and severe, programs addressing policy changes and reforms will target those particular issues, policies and reforms that most directly relate to and support local-level interventions. Over the longer-term, improved governance will be essential to making shorter-term, local gains sustainable. In the medium term, USAID expects to replicate successful local approaches in other areas of the country, working with local government structures and external resources that will help improve the Government's responsiveness and effectiveness. Beyond institutional weakness and corruption, the support for reform and development progress by other development partners in Yemen is stymied by the ROYG's lack of ability to access aid. Thus USAID will also seek opportunities to improve that capacity in coordination with other donors.

Intermediate Result 2.1: Public policies and institutions facilitate more equitable socio-economic development

Programs that deliver services and meet local development needs must be accompanied by political will and capacity at the central level to be sustainable. Where necessary to address community articulated needs and concerns, USAID will support specific policy reform issues and capacity needs. Specific policy interventions will be carefully selected to include those that are directly related to the success of the local development and stabilization interventions in the

targeted communities. For instance, the persistent inequalities that limit progress towards universal primary education and inequities in access to basic services cannot be overcome without addressing governance issues at the central level. The basis for budgetary decisions and the distribution of government resources are often influenced by external factors rather than based upon need. The situation is exacerbated by the lack of data that could help the ROYG make more appropriate resource allocations, correct inequitable service provision, and address the grievances of disillusioned, discontented populations. Assisting target ministries to link policy decisions to information can improve basic service access and availability in the medium-term and serve as a basis for improved transparency and accountability.

From dispensing justice to delivering basic services, the lack of strong institutions and limited human capacity have been major impediments to state performance in Yemen. This Objective will address this cross-cutting need in a targeted manner. USAID's work with select ROYG ministries – in particular, the Ministries of Health, Education and Local Administration –helping to build targeted human and institutional capacities and improved systems. Support will assist ROYG counterparts to better perform their own functions and strengthen Yemeni contributions to mitigating the drivers of instability. Training initiatives, for instance for teachers and healthcare providers, are likely to include government employees and ministry-level officials. Capacity building support will improve implementation of the ROYG's decentralization policy. Improved management of water, natural resources and land also requires greater institutional capacity.

One pivotal way to enhance the capacity of the ROYG may be to assist its efforts in accessing donor funding. Of particular interest is the very large amount of support which has been pledged by GCC members but which has not yet been disbursed due to the lack of acceptable project proposals and concerns about corruption. USAID will support the ROYG efforts to access GCC funds by providing technical assistance to establish a secretariat in the Ministry of Planning and International Cooperation (MoPIC) that can improve planning and oversight capacity. Another possible approach would be to support a ROYG-led working group to bring together donors, civil society, and other key stakeholders to discuss strategies for accessing the funds, identify existing bottlenecks, define and prioritize areas of assistance, and, where appropriate, draft terms of reference for instruments into which the GCC can direct funds.

Illustrative activities:

- Provide support for the ROYG's "Ten Priorities"
- Support the ROYG on priority economic governance and related reform initiatives and governance regulations in key sectors
- Support implementation of the ROYG's fiscal decentralization policy with improved mechanisms to devolve responsibilities to governorate and district levels
- Contribute to efforts that help modernize the ROYG's central procurement system
- Train national audit bureau divisions responsible for local government and service delivery and economic productivity ministries, such as Health, Education, and Agriculture
- Improve the use of technology for socioeconomic and statistical data used in policy, budgetary and planning decisions to enable more transparent, equitable, and predictable allocation of resources for service delivery

- Assist the ROYG in assessing water and land rights and natural resource management policies, the potential risks for natural resource-based conflicts, and opportunities for improved local management
- Provide comparative best practices to the ROYG's Small and Micro Enterprise Program to provide better financial, training, and other forms of support to small businesses
- Support the implementation units at key service delivery ministries to champion and implement reforms
- Assist the Education Ministry to improve the delivery of teacher training programs, emphasizing recruitment of women and deployment
- In conjunction with other donors, support the Ministry of Health and Population to conduct a Demographic Health Survey with relevant analyses to assist ROYG decision-makers in multiple sectors
- Technical assistance to central and governorate health leaders in local services management, procurement and technical aspects of service delivery
- Enhance the Ministry of Health's ability to roll out midwife support and training for underserved targeted areas
- Increase the technical capacity of staff and elected officials of the Yemeni Parliament and local councils
- Support parliamentary committees' oversight of key service delivery ministries
- Support the ROYG's elections system reform efforts
- Enhance MoPIC's role in planning and coordinating assistance with GCC countries in specific sectors and/or governorates
- Strengthen financial management and accounting systems and practices of donor assistance projects implemented through the ROYG's Social Fund for Development (SFD)
- Explore areas of potential engagement that present opportunities to work with the GCC, for instance, exchanges, scholarships, online learning for teachers, child-maternal health
- Establish a regular US-GCC donor coordination mechanism to share best practices in sustainable development with Gulf country donors and help to facilitate GCC non-financial (e.g. expertise) assistance to Yemen

Intermediate Result 2.2: Local governance and basic service provisions addressing community-level needs improved

Capacity building and limited institutional development at selected levels of government will be necessary to increase the responsiveness of the Yemeni government to local needs. As governorates gain increasing responsibilities to manage the services through decentralization, they need assistance to improve resource allocation and administrative functions that impact communities. USAID will strengthen the technical capacity of sub-national government entities through training and hands-on mentoring experience in the context of community-government collaboration. Additional training for government officials will be provided on participatory development planning and implementation.

Illustrative activities:

- Improve tracking of basic services expenditures in targeted communities by building the capacity of government entities responsible for overseeing the provision of basic public services by local government and line ministries

- Enhance local council functioning and effectiveness through training in leadership, basic roles and responsibilities, awareness of democratic, inclusive practices and community participatory planning techniques, and with technical support in budgeting, basic design, procurement, execution and oversight of local projects
- Support local service delivery offices in their efforts to more effectively interface with local councils and community groups
- Increase the capacity of local and district education offices to support educational improvements and learning needs in and out of schools
- Increase awareness of local leaders regarding the sustainable use of natural resources at the individual, communal, and national levels
- Improve media coverage of local government through training in basic journalism standards and strengthening relationships between media personnel and local government

Intermediate Result 2.3: Community-based institutions and mechanisms to ensure active participation in governance and locally-driven solutions strengthened

Good governance is fundamental to addressing the various drivers of instability in Yemen and improving prospects for stabilization in the longer term. Citizen involvement and community-level institutions play a vital role in improved governance. Activity implementation at the community level will incorporate a robust community participation process that informs and influences government decision-making, promotes transparent project development and implementation and increases citizen sense of belonging and efficacy. Community organizations and local leaders, including women and youth, will be trained in transparent, inclusive and participatory planning techniques, accountable implementation, and best practices. Citizen involvement and oversight will be an important aspect of all community training in order to improve service provision and to shrink opportunities for corruption. Government and community accountability techniques will be employed to help ensure results are achieved. Community outreach, dialogue and mobilization around specific local issues will be a prominent feature with culturally-sensitive efforts to include religious leaders, women, and youth.

Illustrative activities:

- Train community leaders and local councils in basic roles and responsibilities to promote constructive partnering, advocacy and accountability with local and provincial government
- Support community outreach, mobilization, and education initiatives along with leadership and planning skills development in target communities
- Organize and support local NGOs to monitor and report on service delivery and the status of local development projects
- Promote volunteerism and accountability concepts among youth and support youth initiatives to address community needs and monitor local development projects
- Promote opportunities for youth leaders in community development and local projects, including skills development in community surveys, mapping, information dissemination and advocacy
- Promote community education and awareness regarding the sustainable use of natural resources and its impact on health, economic development and the destruction of Yemen's natural patrimony

- Involve religious leaders in promoting healthy lifestyles, school attendance (especially for girls), natural resource and water conservation, *qat* consumption reduction, and other local socioeconomic development issues

C. Geographic Focus

This strategy targets villages, communities, tribal areas, districts, governorates, and/or regions that are vulnerable and pose serious risk to Yemen's overall stability. It also will attempt to create buffer zones to prevent conflict from spreading into areas that are currently relatively stable. The eight governorates of greatest priority to USAID are Amran, Al Jawf, Marib, Shabwah, Abyan, Al Dhale'e, Lahj, and Aden. Resources are insufficient to sustain operations in all eight governorates, but each of them has the minimal characteristics for targeting. Within each of these governorates, it will be important to focus on the most vulnerable areas, where stabilization needs are greatest, where interventions can have significant impact, where conflict drivers can be mitigated, and where government presence and legitimacy can be reinvigorated. Beyond political complexities, sensitivity to inter-communal and tribal dynamics in each community will be key, along with awareness of the risks of creating animosity in neighboring communities if they are excluded, possibly resulting in conflict.

D. USAID/Yemen's Development Partners

Republic of Yemen Government. On September 16, 2009, USAID signed a \$31 million bilateral assistance agreement with the ROYG through its Ministry of Planning & International Cooperation (MoPIC), with an anticipated three year assistance total of at least \$121 million subject to the availability of funds. The agreement between the two governments reflects accord on the principles of the 2010-2012 USAID/Yemen Strategy focused on increasing Yemen's stability through community-level interventions and national level governance initiatives. The agreement reflects an explicit understanding and tacit approval by the ROYG that stabilization-type efforts are essential at this time in Yemen's history. Though the funding level in the agreement is notional and out-years are subject to annual appropriations and the availability of funding, the assistance agreement signaled a dramatic increase in U.S. Government development assistance to Yemen.

The USAID-ROYG relationship is strong. Ministers are approachable and available to meet with USAID. Ministerial and other senior level officials are generally cognizant of USAID's efforts in the various sectors and appreciate USAID programming to date. During the strategy period, USAID and MoPIC agreed to hold quarterly coordination meetings and "performance reviews", which will allow the ROYG to maintain a level of oversight of USAID initiatives and to ensure that USAID and its implementers maintain close ties with the ROYG's donor coordination body. Since the USAID Strategy for Yemen will be implemented principally at the local level, this high level review process can help raise the awareness of the national government to local needs and to successful approaches contributing to USAID's intent of making the national government more responsive to the people's needs. USAID will continue to look for ways to strengthen those relationships and find new ways to coordinate USG and other donor assistance to the Yemeni people while helping the ROYG to build accountability, transparency, and technical capacity within their own institutions. The monitoring and evaluation

effort that will support USAID's strategy will contribute to accountability and partnership with the ROYG and to coordination and leveraging with other development partners.

While not a current partner of USAID/Yemen, a particularly strong and well-funded development agency within the Yemeni Government is the Social Fund for Development (SFD), established in 1997 as an administratively and financially semi-autonomous agency and governed by a Board of Directors under the chairmanship of the Prime Minister. Its mandate is to improve access to basic social service for low-income groups and also to provide an example of an effective, efficient, and transparent institutional mechanism for providing social services in Yemen. It refines social service delivery approaches and empowers local communities to take charge of their local development. The SFD is generally considered as one of the most effective branches of the ROYG, in particular in the areas of community development, capacity building and small and micro-enterprise development.

U.S. Government. USAID's strategy and approach is part and parcel of a broader, integrated, USG-wide strategy. There are many agencies with which USAID/Yemen and its implementers coordinate and will continue to coordinate and plan jointly. In particular, the Department of Defense's (DOD) Special Operations Command Central (SOCCENT) office in Yemen, which manages DOD's civil affairs and community outreach projects, maintains strategic and operational approaches in line with USAID's, including community-based development activities. The goal of SOCCENT's strategy in Yemen is to counter violent extremist organizations (VEOs), particularly Al Qaeda in the Arabian Peninsula, which has established strongholds in Yemen's tribally dominated governorates, particularly Al Jawf, Marib, and Shabwa. Active dialogue with tribal leadership and civil affairs development projects are designed to improve quality of life and offer a viable alternative to violent extremist activities. SOCCENT has two teams in Yemen: the Civil-Military Support Element (CMSE) and the Military Information Support Team (MIST), and they are the primary interfaces between DOD and USAID/Yemen. CMSE oversees development and humanitarian assistance projects, and MIST implements initiatives that utilize various modes of communications, information networks, and community leaders to spread critical messages that attack drivers of instability and reinforce basic functions of civil society. USAID projects must collaborate closely with DOD where feasible.

Through a combination of local and regional grants, the Middle East Partnership Initiative (MEPI) helps build the capacity of non-governmental organizations. The MEPI program supports indigenous reform movements through a grassroots approach. With MEPI's focus on economic, political, and educational reforms, the MEPI program has complementary goals to the USAID Mission's strategy. Specifically, the MEPI program targets civil society organizations with training and networking opportunities, highlighting, in particular, women's organizations and potential civil society and private sector leaders. While a partnership between MEPI and USAID/Yemen does not formally exist, USAID does review MEPI project proposals and coordination will continue to be key in the coming years.

The Department of Treasury, the Department of Justice, the Office of the U.S. Trade Representative, and the Department of Commerce, among other USG agencies, all maintain

staff, programming, or interest in Yemen to achieve USG foreign policy objectives. USAID is called on frequently to collaborate on programming or to advise these entities.

Foreign Governments and International Organizations. Yemen features a robust level of donor engagement and coordination. A range of bilateral and multilateral donors have been working in Yemen for many years with the World Bank, United Nations Development Program (UNDP), European Union, Britain, the Netherlands, Germany, the Islamic Development Bank, Saudi Arabia, and Kuwait having the largest development assistance programs. Other key bilateral donors include Japan, France, Italy, and Canada. The donor agencies are fairly united in their efforts to complement rather than duplicate the work of other agencies. Noticeably absent from the donor coordination process are some of the most prosperous members of the Gulf Cooperation Council (GCC), including United Arab Emirates, and Qatar. There is a good mixture of donors active in the education, health, governance, and economic growth (including agriculture), water supply, and energy sectors. In designing this strategy, USAID consulted closely with other foreign governments and international organizations to ensure complementarity.