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Foreword

The Assessment of Development Results (ADR) report for Yemen presents findings by the UNDP’s Evaluation Office through the work of its ADR Evaluation Team through several visits to the country from May 2004 to January 2005, complemented by analytical work before, during and after this period. It represents an integral part of UNDP’s results-based management system, which focuses on UNDP’s contribution to broader development results and outcomes. The ADR is an independent, forward-looking assessment of UNDP support to Yemen, focusing on the last five years but making certain observations on the work prior to that time as relevant, and is designed to inform future programme directions. The focus is on assessing UNDP’s contribution to the development priorities of Yemen based on outcomes in core thematic areas of support, the lessons learned, and identification of possible areas of future support.

This ADR concludes that the UNDP programme has been very responsive to national priorities and has achieved important results in a number of areas. It suggests UNDP, and indeed the overall UN system, have very important roles to play in the future development of Yemen, in particular in key areas such as good governance and poverty alleviation. Over the years, UNDP as part of the UN system has established a trust, respect and neutrality vis-à-vis the government and civil society groups of Yemen that enables it to take on an advocacy role, as well as to pioneer new initiatives. For UNDP, the report indicates that important results have been experienced across its country programme areas, including, to mention some important initiatives, establishment of a human rights ministry, successful support to the election process, a strong mine action programme, important strides in decentralization and local governance, coordination of the PRSP process, local poverty alleviation through community involvement and income-generation activities, and last but not least key initiatives in water and natural resource management as well as environmental protection. In terms of future programme priorities, the report indicates that for UNDP to capitalize further on these achievements, and to deepen the impact of its work in these areas, it is important at this stage that it reassesses its strategic positioning and its focus. There are a few areas where UNDP’s strategic advantages come into full play, and where UNDP’s main focus should be placed. These include the very successful UNDP initiative in decentralization and local governance, and also the potential for expansion of advocacy and capacity-building work in governance-related areas such as gender, human rights, justice and elections. Poverty alleviation should remain at the centre of UNDP initiatives, with one of the key areas being a participatory and consultative process to ensure a MDG-centred PRSP for 2006-2010, but also engaging in strengthening sustainable institutions for microfinance.
Coordination of external assistance has potential for further synergy among donors and UN agencies towards key goals, with UNDP playing a key role in support of the UN Resident Coordinator.

The work of researching and preparing this ADR has gone through a number of stages. The credit for finalizing the report goes to Mr. Abul Maal Muhith, who served as team leader through the final stages of the work. Important contributions along the way were made by Prof. Unni Wikan, Mr. Kamal Siblini and Mr. Khaled Al-Akwaa as part of the evaluation team at different stages. In addition to his participation on the main evaluation team, Mr. Al-Akwaa also supplied key research inputs in the area of governance. Mr. Knut Ostby served as the task manager, supported by Ms. Fadzai Gwaradzimba and Mr. Juerg Staudenmann. The preparation of this report was facilitated by technical and administrative support from Mr. Anish Pradhan and Ms. Mahahoua Toure, and by valuable editorial contributions from Ms. Lois Jensen. Mr. Fa-Tai Shieh provided key input through the desk research performed at the outset of the ADR exercise.

Crucial to the research and preparation of the report was the generous assistance as well as the open sharing of information by the UNDP Country Office team in Yemen, led by the Resident Representatives during this period, Mr. James Rawley and Ms. Flavia Pansieri, and the Deputy Resident Representative Mr. Moin Karim. We are aware that the several repeated missions needed to complete this particular report required major investments by the UNDP Country Office in facilitating information-gathering, meetings and field visits, and deeply appreciate the time and efforts taken to make this exercise a success. The strong support from the team in the UNDP’s Regional Bureau for Arab States, led by the Regional Director and Assistant Administrator, Ms. Rima Khalaf Hunaidi and the Deputy Director, Mr. Oscar Fernandez Tarranco, is also highly appreciated.

This report would not have been possible without the strong interest and support of the Yemeni Government at the central as well as the local level. Of particular value was the involvement of the Ministry of Planning and International Cooperation, represented by H.E. Mr. Ahmed M. Sofan, Minister of Planning and Deputy Prime Minister, and Dr. Yahya Y. al-Mutawakel, Vice-Minister. The evaluation team also highly appreciated the collaboration and contributions from representatives of the civil society and private sector, from donor representatives, and from representatives of the United Nations Country Team, including the World Bank.

By providing an external, critical assessment of development results and strategic positioning, it is the intent of this ADR to provide lessons learned as well as recommendations that may be used for improved development results in Yemen in the future. The report will be widely distributed, and through its findings and recommendations it is our hope that it will offer help and advice not only to the UNDP’s own activities in Yemen, but also to the Yemeni Government as well as to donors, UN agencies, civil society and other partners.

Saraswathi Menon

DIRECTOR
UNDP EVALUATION OFFICE
INTRODUCTION

This report provides an assessment of the development results achieved in the Republic of Yemen through support from the United Nations Development Programme (UNDP), working in partnership with other development actors. The report covers the period from 1997 to 2004 and summarizes the findings, conclusions and recommendations of an independent evaluation team that examined the key aspects of Yemen’s development. These include poverty alleviation and human development; governance reforms, especially decentralization; sustainable management of natural resources and disaster management; human rights, rule of law and gender equality; and mine action and HIV/AIDS. Two additional cross-cutting areas are discussed, namely UNDP’s approach to capacity-building and resource mobilization. The report draws on available documentation relevant to the study, information gathered from an exploratory mission in the autumn of 2003, a local study on governance issues, and interviews at UNDP Headquarters and in the field in two periods in 2004 and 2005.

NATIONAL CONTEXT

The declaration of a new State, the Republic of Yemen, in May 1990 merged two economically depressed territories with distinct political orientations. Yemen is a least developed country, but is committed to democracy, free press and an open society. Yemen needs aid, but is neglected by development partners. In the 1970s and into the first half of the 1980s, both the Yemen Arab Republic and the People’s Democratic Republic of Yemen used to receive fairly high levels of aid. But external assistance has diminished, mainly for political reasons; the fact that Yemen started exporting some oil may also have contributed to this neglect (though hydrocarbon resources proved to be rather limited). Unfortunately, donor presence in Yemen is also limited and proper estimates of external resource flows into the country are not available. Annual aid receipt may now be about $15 per capita, while the debt burden has been substantially reduced to about $5 billion.

Political restructuring as well as economic and financial reforms have only been undertaken vigorously in Yemen since the end of the civil war in 1994. After a downward descent in early 1990s, per capita income has grown since 1999. But the employment picture is still bleak. Macroeconomic imbalances that marked the economic reality of the early 1990s have been corrected. Inflation that rose from 45 percent to 71 percent in 1994 has been brought down to about 10.8 percent in 2003. A budget deficit that reached 15 percent of gross domestic product (GDP) in 1994 turned into a surplus by 2000, thanks primarily to oil income.

Democratization is the primary objective of reforms in governance in Yemen and encompasses a wide range of areas. These include empowerment of
the parliament and civil society, free and fair elections, maintenance of political stability, establishment of the rule of law and the upholding of human rights, devolution of power to local government, public administration reforms and the promotion of gender equality. Among the objectives of reforms in human development and economic growth are poverty alleviation through output growth, human resource development, community mobilization and employment creation, discipline in planning and public finance through the adoption of a universal planning framework, budget reforms and better coordination and administration of external resources, sustainable development of natural resources and disaster management. Substantial demining operations are also required, as are effective measures for controlling the incidence of HIV/AIDS.

The problems facing the country are daunting. The population growth rate in Yemen, currently 3.5 percent, is very high. Consequently, even an output growth rate of 5.5 percent over a decade did not substantially improve living conditions. The adult literacy rate is around 49 percent and the primary enrolment ratio is 67 percent. But female literacy is only 28 percent and the primary enrolment ratio for girls is only 37 percent. Gender inequality is pronounced in all sectors. Water supply is under severe constraint and sanitation covers only 38 percent of the population. HIV/AIDS and female genital mutilation/cutting are recognized as problems, and reproductive health care, though currently receiving some attention, is at unacceptable levels. Of the more than 8 million people in the labour force, only a quarter are female and about 37 percent are unemployed or underemployed. About half the population is poor: roughly 16 percent earn purchasing power parity (PPP) of less than $1 a day, and 45 percent earn PPP of less than $2 a day.

There is a general consensus on the development challenges that the country faces. Officially, poverty alleviation gets the highest priority, but action programmes on human development and income growth are weak. The imbalance in the ratio of population to resources is very serious, and population growth is the most urgent problem facing the country today. Political stability is very high on the national domestic agenda, and it requires action in the areas of democratization, rule of law, conflict resolution and power sharing with local councils. Diversification of the economy also demands urgent attention, and towards this end, education and investment must be promoted vigorously and manufacturing and trade expanded. Ecological management, including disaster management, is also high on the order of priorities in a land where natural resources have been overutilized. Proper management of water resources and protection of biodiversity, especially in coastal areas, are critical.

**DEVELOPMENT RESULTS AND UNDP’S CONTRIBUTION**

UNDP has been active in Yemen since the 1960s. In the 1970s and 1980s, it was important in terms of the volume of resources it brought into the country. In the 1990s, when resources were scarcer, UNDP switched its emphasis to ‘upstream’ activities, focusing on a limited number of themes. For the period under consideration in this report (1997-2004), the UNDP programme was guided by two Country Cooperation Frameworks (from 1997-2001 and 2002-2006), the 2001 UN Development Assistance Framework, the Millennium Development Goals (MDGs) (2000-2015), and the 2002 Strategic Results Framework. The programme focused on (i) governance issues such as decentralization, human rights, the justice system, elections and mine clearance; (ii) poverty issues such as preparation of the Poverty Reduction Strategy Paper (PRSP), monitoring and evaluation of the PRSP, acceleration in social investment, microfinance, community development and HIV/AIDS; (iii) sustainable natural resource development, including management of water resources, protection of biodiversity in the Socotra archipelago, and control of Red Sea pollution and natural disaster management. UNDP’s core resources have declined over the years, local-cost financing by the Government has remained stagnant, and only mobilization of third-party funds maintained a flow of $51 million during the first Country Cooperation Framework. It is hoped that the second Country Cooperation Framework will deliver a programme worth $61 million.

UNDP has assisted the country in its efforts to uphold human rights, reform the justice system and improve the electoral system. Since May 2003, there has been a Minister for Human Rights in Yemen. The ministry is producing an annual report on the human rights situation in the country and has also been able to take action on some human rights violations. Electoral assistance in 2003 proved successful in increasing voter registration, getting women out to vote and preventing incidents of voter-related violence. The Supreme Commission for Elections and Referenda has become a stronger, more professional organization, and it has set up offices in the governorates. As regards the justice system, various legal codes have been assembled and advocacy in respect to available rights and
remedies is being pursued. Judges and lawyers are being trained and made aware of the services they can render. In mine action, UNDP’s involvement has resulted in a national programme that has achieved reasonable success in awareness creation; about 20 percent of critically mined areas have also been cleared so far.

It is the country’s decentralization programme that currently receives the strongest support from UNDP. UNDP, along with the UN Capital Development Fund (UNCDF), have helped the Government develop an overall strategy for decentralization and build the necessary capacity to implement the programme. Local leaders as well as government officials are being trained for the tasks they will perform, phased planning is under way for strengthening physical infrastructure at local levels, and pilot projects in selected districts in a few governorates are being launched. Simultaneously, work is ongoing in the area of fiscal decentralization. UNDP’s involvement has helped spawn partnerships among various government agencies, including the Ministry of Local Administration and the Social Fund for Development, and the ministries of health, education and finance. UNDP has also mobilized support from other donors such as Denmark, Italy, the Netherlands and the US Agency for International Development. The decentralization programme is a very promising initiative for both empowering people at the grass roots and attacking the vicious cycle of poverty. However, many challenges lie ahead. For example, what is the best way to ensure that the programme is internalized and its execution taken over by the Government? How far should devolution go? How should a supporting infrastructure, including a decentralized bureaucracy, be built up? How much and in what manner should budget allocations be made to local councils? How should smaller districts be organized to be effective, decentralized units of Government? How should women be incorporated into the programme and how can they become empowered?

UNDP’s long involvement in poverty alleviation in Yemen led to its assumption of a vital role in the preparation of the Poverty Reduction Strategy Paper, in addition to activities relating to poverty policies, monitoring and evaluation. Under the guidance of the Bretton Woods institutions, the Government of Yemen has consolidated its strategy and activities aimed at poverty reduction. The creation of databases and information systems developed under an earlier UNDP-supported programme has enabled the Ministry of Planning and International Cooperation to set up a special unit to monitor poverty. The ministry issued the first report on Yemen’s progress towards the MDGs, which won cabinet endorsement in March 2004, and produced a progress report on the PRSP for 2004. Another achievement is that, together with the Central Statistical Organization and with support from UNDP, the World Bank and Oxfam, the ministry has established a common database of socio-economic indicators that are vital to the preparation and monitoring of the PRSP. There are five thematic groups under the PRSP, some headed by officials of the Government and others by representatives of various donors. On the whole, the thematic groups have worked well and have been able to provide proper feedback in addressing poverty issues. Three difficulties that the PRSP process face are: (i) the level of ownership that the civil society currently has in the process and the limited content of the PRSP, (ii) the lack of adequate funding for investment in job creation and other public programmes, and (iii) the perception (of one stakeholder interviewed) that the PRSP is “not alive in line ministries and, in some cases, some UN agencies.” However, a new PRSP for the period 2006–2010, involving all stakeholders and UN agencies, is under preparation, and UNDP and other development partners are fully involved in the preparatory process. The document, called the MDG-based Third National Development Plan for Poverty Reduction 2006–2010, will incorporate an action programme for realizing the MDG targets and will be merged with the Third Five-Year Development Plan.

To help promote microfinance, UNDP supported the MicroStart programme in Yemen in 2000. In the first phase that ended in 2003, the programme focused on women borrowers and gained experience with some institutions dealing with microcredit. In the second phase, the goal is to convert these institutions into microfinance companies. In 1998, UNDP also supported a community-based regional development initiative that successfully organized community development organizations and developed community-based financial services. The Social Fund for Development, set up in 1997, is now taking over responsibility for these programmes. The Fund is involved in developing social and economic infrastructure in communities; building the capacity of community development organizations, NGOs, consultants, contractors and government agencies; and promoting microenterprises and financial services.

Another contribution of UNDP is the acceleration of social investment. Investment in basic education is increasing steadily and coverage of primary education for school-aged children is growing. Life expectancy has gone up somewhat, and infant mortality is being reduced. UNDP has performed and is performing a strong advocacy role through the global platform created by the publication of
annual Human Development Reports since 1990, buttressed later by preparation of two National Human Development Reports in Yemen, with a third one under preparation.

Early on, UNDP responded to environmental challenges in Yemen, and its efforts in the 1990s have increased national awareness of environmental issues. A National Water Resources Authority was created with UNDP support in 1995/1996 and, in May 2003, a Ministry of Water and Environment was set up. A National Environment Action Plan was finalized in 2002, also with UNDP support, and a Water Strategy and Investment Plan was approved in December 2004. Funds from the Global Environment Facility (GEF) were allocated for the protection of the marine ecosystem of the Red Sea in the early 1990s. The project was initiated in 1995/1996 and continued until 1999. Results were limited, mainly because the project failed to focus on the loss of marine biodiversity. Another GEF-funded project involved the local development of the Socotra archipelago. There, creation of income-earning opportunities is under consideration, tied in with ecologically sound land-use planning and watershed management and with a view towards the preservation of biodiversity.

Yemen is threatened by a variety of natural disasters, including earthquakes, floods, droughts and desertification. UNDP is currently involved in developing disaster management plans. The most recent example of successful UNDP advocacy in this area is demonstrated by the fact that the Canadian NEXEN Oil Company, working in the southeastern Hadramawt Governorate, has committed funds to support a local water resource management and community water supply and sanitation programme. The project was piloted under the Global Compact Initiative of the United Nations.

**UNDP’S STRATEGIC POSITIONING**

UNDP had a high profile in both Yemens before their unification. It therefore started from a position of advantage, even though it faced a resource squeeze in the 1990s, and moved to upstream activities in selected thematic areas. Nevertheless, the priority concerns of the Government coincided with areas of UNDP support. The trust, respect and neutrality commanded by UNDP and the access it enjoys among government officials as well as civil society groups enables it to take on an advocacy role, on the one hand, and to pioneer new initiatives, on the other. UNDP has piloted a number of projects that require a combination of advocacy and capacity-building, such as community-based development projects, decentralization and microfinance programmes. In the decentralization programme, UNDP is acting as a bridge-builder between central and local authorities, and between local authorities and the local population. It has successfully drawn more development partners into the programme and secured increased financial allocations for local government from the Ministry of Finance.

On the whole, UNDP has been very responsive to national priorities. For example, it has been engaged in water resource management for more than a decade, and may now be in a position to pass that work on to the Government or other development partners. The major strength of UNDP in Yemen has been demonstrated in its ability to: (i) build institutions and capacity, (ii) guide policy and serve as an advocate, and (iii) pilot and replicate projects. There is still potential to exploit the knowledge resources at UNDP’s disposal and fresh attention should be directed there.

UNDP has also been successful in forging strategic partnerships that have been of great benefit to Yemen. These partnerships have been effective in strengthening the Government’s leadership role in the PRSP process, through capacity-building as well as through coordination and advocacy efforts. UNDP has also encouraged and facilitated a number of South-South technical cooperation activities that have benefited Yemen and other countries in the region. Most notable are those exchanges between Yemeni microfinance institutions and one in Jordan. The human rights conference in January 2004 is another example of South-South cooperation in which international organizations and the European Union acted as intermediaries.

Besides technical cooperation, Yemen needs a substantial injection of capital investment. But that has not been forthcoming from either donors or foreign direct investment. UNDP in the past has been a substantial mobilizer of resources for virtually all sectors in both Yemens. Although few development partners have a presence or programme in Yemen, UNDP is still viewed as a significant player in supporting the Government in aid mobilization and aid coordination.

The UNDP Country Office in Yemen has a congenial in-house environment. Some of the chief technical advisers are also members of this in-house programme group. Because of retirements, UNDP personnel re-profiling and unification of two UNDP Country Offices, institutional memory is somewhat vague. A critical mass of expertise in specialized areas is also lacking, not only in the Country Office but also in the country as a whole. As a result, greater reliance must be placed on support available from UNDP Headquarters and Regional Centres.

The Strategic Results Framework of 2002 set out ten outcomes, almost all of which are yet to be fully achieved.
Working towards these achievements will illuminate the future direction of UNDP in Yemen. While a few programmes supported by UNDP have done relatively well, follow-up action is still needed; in some others, improvements can be made and new opportunities can be exploited.

LESSONS LEARNED

Good relations with the Government and other development partners are key to UNDP’s influence in Yemen, a consideration that should guide the operations and style of the Country Office.

A second lesson is that the success of a programme depends largely on exploiting the opportunity to combine upstream and downstream activities.

UNDP should be conscious of the need for a long-term commitment to objectives. However, it should also be flexible enough to respond to emerging issues as they arise. At the same time, UNDP must keep a clear and limited focus due to its current resource limitations. In this regard it should be recognized that a nominal financial contribution or a simple advocacy appeal may be all that is required of UNDP to advance a cause or programme.

UNDP’s strength has traditionally been in building capacity and piloting innovative measures. Piloting, to be successful, must be carefully planned. Aspects to consider include: (i) replication criteria and methodologies, (ii) a monitoring and evaluation system to acquire evaluative evidence from which lessons can be drawn, and (iii) a clear exit strategy, so that the process is ‘owned’ by national institutions early on and becomes sustainable. UNDP’s advocacy role is crucial in a number of areas of political and economic significance, such as the acceleration of social investment and the promotion of gender equality and human rights.

RECOMMENDATIONS FOR THE FUTURE

UNDP should continue to focus on the overarching issue in Yemen’s development, namely poverty alleviation. Key points for future emphasis include (i) deepening and expanding the consultative and participatory process in the preparation of PRSP 2006-2010; (ii) ensuring that microfinance operations are sustainable, reach the rural poor, and provide models for well-functioning microfinance institutions; and (iii) accelerating social investment.

In governance, UNDP’s influence could be more far-reaching, not so much through programme funding but by bringing in other actors, such as the UN Department for Political Affairs (DPA) and its Electoral Assistance Division, the UN High Commissioner for Human Rights (UNHCHR) and other development partners. Three areas of focus can be readily identified: (i) The second phase of the decentralization programme, which should enjoy high priority both on political and economic grounds. (ii) UNDP’s involvement in special initiatives on human rights, reforms in the justice system, election reforms and mine action, which should be continued, with the objective of developing national capacity and ultimately the withdrawal of UNDP interventions. Exploitation of knowledge resources and exchange of experience should be given high priority in these areas. (iii) The further consolidation of central national authority, which could be achieved by combining advocacy, international attention and conflict resolution mechanisms and cultivating interest on the part of DPA and UNHCHR.

A new programme on gender should be initiated, incorporating advocacy, partnership development and affirmative action as well as corrective measures for gender equality.

In the area of the environment, UNDP’s contribution need not necessarily involve financial resources or technical expertise as such. Rather, its most important role may be flagging the importance of the environment for the country as whole. Areas of focus should include resource mobilization, capacity development, partnership-building and programme coordination and monitoring.

External resource accounting and coordination should be given added emphasis. This is a traditional area of aid coordination that needs to be re-engineered. Aid accounting should be comprehensive, financial transactions should be transparent, budget allocations should reflect planning priorities, and technical and capital assistance should be matched.

THE UNDP COUNTRY OFFICE AND RESIDENT COORDINATOR

The excellent relations with Government, significant development results in Yemen, and a continuous need for UNDP’s services and support only put greater pressure on the existing capacity of the UNDP Country Office in Yemen. Because a critical mass of expertise in specialized areas is lacking, the office must rely more heavily on the resources of UNDP Headquarters and Regional Centres and use knowledge resources more effectively.

The backdrop of political, economic and ecological fragility in Yemen and the limited interest of development partners provide an opportunity as well as a challenge to the leadership role of the UN Resident Coordinator. The UN umbrella and authority can be aptly harnessed to support democratic developments and conflict management in Yemen and can assist in securing political stability.
need for donor support in the economic area can be argued much more strongly by the UN Country Team than by UNDP alone. In fostering critical expertise needed by the country in many specialized areas, the UN umbrella can be more effective than individual efforts by development partners.

While the UN system in Yemen collaborates well in general, there is significant untapped potential for substantive collaboration. Areas that could benefit from such collaboration, and yield synergies, are: political stability and conflict resolution, the acceleration of democratization and the rule of law, the fight against corruption, encouraging donors to increase economic assistance to Yemen, joint programming around local development and local governance initiatives, supporting integrated development planning and advocacy around key development issues, human rights and gender equality.
### ABBREVIATIONS AND ACRONYMS USED

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<tr>
<th>Abbreviation</th>
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<tr>
<td>ADR</td>
<td>Assessment of Development Results</td>
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<tr>
<td>ASYCUDA</td>
<td>Automated System for Customs Data</td>
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<td>CBRD</td>
<td>Community-based Regional Development</td>
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<td>CCA</td>
<td>Common Country Assessment</td>
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<td>CCF</td>
<td>County Cooperation Framework</td>
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<td>CEDAW</td>
<td>Convention on the Elimination of all Forms of Discrimination against Women</td>
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<td>DAC</td>
<td>Development Assistance Committee (of the OECD)</td>
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<td>DANIDA</td>
<td>Danish International Development Agency</td>
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<td>DESA</td>
<td>(United Nations) Department of Economic and Social Affairs</td>
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<td>DLDSP</td>
<td>Decentralization of Local Development Support Programme</td>
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<td>DFID</td>
<td>(United Kingdom) Department for International Development</td>
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<td>DPA</td>
<td>(United Nations) Department of Political Affairs</td>
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<td>EAD</td>
<td>Electoral Assistance Division (of DPA)</td>
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<td>EO</td>
<td>Evaluation Office (of UNDP)</td>
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<td>ESCWA</td>
<td>(United Nations) Economic and Social Commission for Western Asia</td>
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<td>EU</td>
<td>European Union</td>
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<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
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<td>GDI</td>
<td>Gross domestic investment</td>
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<td>GDP</td>
<td>Gross domestic product</td>
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<td>GEF</td>
<td>Global Environment Facility</td>
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<td>GOY</td>
<td>Government of Yemen</td>
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<td>GNI</td>
<td>Gross national income</td>
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<td>GTZ</td>
<td>Gesellschaft fuer technische Zusammenarbeit (German technical cooperation agency)</td>
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<td>HDI</td>
<td>Human Development Index</td>
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<td>HDR</td>
<td>Human Development Report</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>ICT</td>
<td>Information and Communications Technology</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MOLA</td>
<td>Ministry of Local Administration</td>
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<td>MOPIC</td>
<td>Ministry of Planning and International Cooperation</td>
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<td>Acronym</td>
<td>Description</td>
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<tr>
<td>NAPPE</td>
<td>National Action Programme for Poverty Eradication</td>
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<td>NEAP</td>
<td>National Environmental Action Plan</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<td>PAEG</td>
<td>Poverty Alleviation and Employment Generation programme</td>
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<td>PIU</td>
<td>Project Implementation Unit</td>
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<td>PPP</td>
<td>Purchasing power parity</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<td>RBAS</td>
<td>(UNDP) Regional Bureau for the Arab States</td>
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<td>SFD</td>
<td>Social Fund for Development</td>
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<td>SRF</td>
<td>Strategic Results Framework</td>
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<td>SURF</td>
<td>Sub-regional Resource Facility (of UNDP)</td>
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<td>TRAC</td>
<td>Target for resource assignment from the core</td>
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<tr>
<td>UNAIDS</td>
<td>Joint United Nations Programme on HIV/AIDS</td>
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<td>UNCT</td>
<td>United Nations Country Team</td>
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<td>UNDAF</td>
<td>United Nations Development Assistance Framework</td>
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<td>UNDG</td>
<td>United Nations Development Group</td>
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<td>UNDP</td>
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<td>UNCDF</td>
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<td>UNOPS</td>
<td>United Nations Office for Project Services</td>
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<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>WFP</td>
<td>World Food Programme</td>
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<td>WHO</td>
<td>World Health Organization</td>
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Introduction

The United Nations Development Programme (UNDP) conducts a series of country evaluations each year to gauge its performance and to capture evaluative evidence of the organization’s contributions to development at the country level.

Each year, this ‘Assessment of Development Results’ (ADR) is undertaken in a sample of strategically selected countries, looking at their overall development performance and their problems and challenges for the future. In carrying out this evaluation, the focus is on UNDP thematic areas and on achievements and constraints at the national level over a period of about five years. Yemen, a least developed country in the Arab States, was selected for such a study in 2003. The ADR was completed in 2005.

Furthermore, such an evaluation is expected to identify critical lessons learned, examine the strategic positioning of UNDP and come up with recommendations for the future. The recommendations should cover both UNDP’s country programme and future interventions within the national development context and priorities, as well as UNDP’s corporate policy direction.

The overall objectives of the ADR are to:

• Support the Administrator’s accountability function to the Executive Board and serve as a vehicle for quality assurance of UNDP interventions at the country level.
• Generate lessons from experience to inform current and future programming at the country and corporate levels.
• Provide to stakeholders in the programme country an objective assessment of results (specifically outcomes) that have been achieved through UNDP support and partnerships with other key actors for a given period.

A. EVALUATION PROCESS

The terms of reference for the ADR in Yemen, including a description of the methodological approach, is included in Annex I. Though the report was intended to focus on two thematic areas, namely decentralization and local administration, and poverty policies, monitoring and reporting, it in fact covers all important aspects of Yemen’s development, including environment and sustainable management of natural resources, particularly water, as well as demining operations and HIV/AIDS. Attention has also been given to cross-cutting issues such as capacity development, gender equality, human development and human rights. UNDP approaches to partnership and resource mobilization are also discussed.

The initial preparation for the ADR exercise began in the fall of 2003. After a careful desk study, an exploratory mission was fielded in Yemen in
September and October 2003. A national consultant was engaged in undertaking a study of decentralization, the major governance issue in which UNDP is involved. A parallel study on poverty could not, however, be undertaken for this exercise. Instead, other studies were carried out. A list of documents and publications consulted can be found in Annex II.

An Evaluation Team was then assembled and visited Sana'a in May 2004. But the report could not be completed, and a new team leader was found for the exercise. A second, though limited, field visit was organized with the new team leader in January 2005. Interviews with some government representatives and development partners in Sana'a were repeated in the second field mission. Between the two missions, all local missions of the UN system and their development partners were contacted. The local consultant also arranged a session with some members of the academic and business community. Perhaps because of the union of the two Yemens in 1990, institutional memory on economic and political developments and the evolution of national policies appeared to be rather weak. A list of people contacted can be found in Annex III.

Field trips outside Sana'a covered the governorates of Aden, Hadramawt and Taiz to get a first-hand impression of governorate administration and especially of the decentralization programme in some pilot districts. A similar visit to a district in Sana'a that was not a pilot district was also made. In the field, a number of microcredit programmes were observed and a visit to a National Water Resources Authority in Taiz was conducted.

**B. REPORT STRUCTURE**

The evaluation exercise presented here is organized into five chapters. Following this introduction, the second chapter describes the national context. In addition to an assessment of the history, politics, economics and human conditions of the country, the chapter highlights its main development challenges. The third chapter begins with UNDP involvement in Yemen and the strategic tools it is currently employing in its country programme. It proceeds to make an assessment of national development results and looks specifically at areas of UNDP intervention and its contribution to development. The fourth chapter concerns the strategic positioning of UNDP in Yemen, examining its contributions as well as its shortcomings. It also looks at how it can respond to emerging challenges. The last chapter summarizes the findings and sets out lessons learned. It follows up with recommendations for both the UNDP Country Office and Headquarters.
This chapter begins with a brief look at Yemen's history and its emergence as a modern nation State. Its political structure, process of political development and governance are described, along with plans and programmes of the Government to meet various development challenges. The human development situation is then considered, noting progress made in the recent past. Along with an assessment of poverty in Yemen, the facts surrounding economic growth and management of natural resources, coupled with government plans and goals, are presented in brief. The overall picture of external assistance to Yemen is also provided. A statement about major development challenges, as perceived by the ADR mission, concludes this chapter.

A. RECENT HISTORY, POLITICAL STRUCTURE AND GOVERNANCE ISSUES

HISTORICAL CONTEXT

Situated at the tip of the Arabian Peninsula, Yemen has a highly diversified geography, with vast mountains, plateaus, plains and deserts, as well as a long and rich coast. The official language is Arabic. However, English is also used in official and business circles.

Yemen extends over approximately 550,000 square kilometres and has a population of 20.3 million, according to the Yemen Statistical Yearbook 2003. A trading and maritime nation from ancient times, Yemen was subsumed under the second Ottoman Empire and turned largely inward. The tribal leaders of Yemen maintained a fierce independence over large territories and, in northern areas, Imamate rule prevailed for nearly a century. Under the Imamate, the country was closed to the outside world and functioned as a subsistence agricultural economy. In 1962, a rebellion by some tribal leaders and the military toppled the Imam and the Yemen Arab Republic was established. Internal conflicts followed, until the current President, Ali Abdallah Saleh, gained power in 1978. He formed a new Government based on a complex coalition that turned out to be a protagonist of a more open, democratic society.

The British took Aden from the Ottomans in 1839, and after the First World War established a protectorate over large territories of southern Yemen. In 1967, a leftist nationalist movement won independence and the People's Democratic Republic of Yemen was founded in southern Yemen.

The Yemen Arab Republic, known as North Yemen, had a larger population but less land. The Peoples’ Democratic Republic of Yemen, or

1 This differs from the 2004 census, which established the population of Yemen at 19.7 million.
South Yemen, had more land but a smaller population and a doctrinaire Government. Both countries suffered from severe political instability and internecine armed conflicts, invariably complicated by the ambitions of neighbouring countries. Both countries were classified as ‘least developed’ and depended heavily on external economic assistance. The North received it from Arab and DAC (Development Assistance Committee of the OECD) countries and the South mainly from the former Soviet Union. Remittances from Yemeni workers abroad, mostly in the Gulf region, were another source of income after the oil boom of the early 1970s. From 1988 on, Yemen started exporting oil.

The two Yemens always reiterated their commitment to unification, but frequent border skirmishes got in the way. A civil war in the South in 1986 drew the involvement of North Yemen when it gave shelter to the deposed President. The civil war exacerbated the economic difficulties of both countries, and led to the mining of vast areas of the country. Nevertheless, it prompted the realization that the two Yemens must unify, and the leaders of the North and the South rose to the occasion.

**CHALLENGES SINCE UNIFICATION**

The declaration of the Republic of Yemen in May 1990 merged two economically depressed territories with distinct political orientations. State socialism in the South was discarded in favour of democracy and an open economy, and President Ali Abdullah Saleh of the North became the President while the Secretary General of the Socialist Party of the South, Ali Salem al Baidh, became Vice President. Haider Ali Al Attas, the President of the South, became the Prime Minister. The 159 parliamentarians of the North were joined by 111 parliamentarians from the South and another 39 were nominated from the opposition parties of the North. Unification was accompanied by enormous political and economic challenges. To start, Yemen’s position during the war in Iraq in 1990–91 exacerbated an already difficult situation. It also led to the forced return of around 800,000 Yemenis working in Gulf countries (mainly Saudi Arabia) and the immediate interruption of their remittances, which had made a significant contribution to the economy. This was accompanied by the suspension of most foreign aid. The democratic transformation of Yemen also created problems since parliamentary elections in 1993 were not readily accepted by the South. Friction surrounding the union of the North and South led to a brief but devastating civil war in 1994. These events contributed to the relative weakness of government structures for national control and rule of law, and consolidation of central power suffered. The economic downturn also became severe and per capita income declined substantially. After the rapid suppression of the so-called war of secession, the central authority in Yemen got a new lease of life. An Economic, Financial and Administrative Reforms Programme adopted in 1995, coupled with robust oil exports, put the country on a path of growth. But the Asian crisis of 1997 and a drop in oil prices revealed the volatility of the economy in 1998 and 1999.

Corruption, which is perceived to be widespread in Yemen, is another challenge and is considered both an economic and political issue. Political bribing in a multi-tribal country is not unusual and open extortion has been a tradition. Both practices, however, have been largely curtailed in recent times. A number of factors may have contributed to these practices in Yemen, including legal laxity on the misuse of public resources; income from oil and gas, which brings with it the potential for financial ‘deals’; poor compensation of civil servants; centralization of power, along with the potential for abuse of that power by civil servants; remoteness of Government from the people, thus making public spending somewhat unaccountable; and the existence of state monopolies, with the inherent tendency for financial ‘deals’.

**SOCIAL AND POLITICAL STRUCTURE**

Since the end of the civil war in 1994, Yemen has been vigorously pursuing political and economic reforms. Most recently, the Government is attempting to modernize the management of the national economy and to bring about reforms in its structures and institutions. These efforts have been accompanied by the progressive introduction of a democratic and multi-party system. While the Socialist and Nasserite parties have lost support, the hold of the General People’s Congress has been eroded by the growing strength of the al Islah party. Yemen has signed most of the international conventions on civil, human, social and economic rights, including the rights of women and children, though their implementation remains a challenge. The principles of Islam remain a unifying factor for all political factions and tribal allegiances still hold to some extent. Almost all Yemeni citizens are Muslim, belonging to the Shi’ite Zayidi and Sunni Shafei sects, which have peacefully coexisted for generations. Wahabi Puritanism also has its followers in Yemen.

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2 Yemen advocated for an Arab solution to an Arab problem and abstained in its vote on the war in the UN Security Council.

Reforms of public administration, devolution of power to local government and empowerment of civil society are some of the objectives of reforms begun in the 1990s. A recent power struggle between a group of rebels within the Sa'da Governorate and the central authority is one example of the challenges that the country faces in respect to the consolidation of state powers (the rebellion was put down). On the other hand, a recent parliamentary session revealed a growing and vibrant democracy that has been in the works since unification. (A note on the session, in which parliament attempted to enforce government accountability, is provided in Annex IV.)

The country is divided into one capital city council and 21 governorates, representing 333 districts. The President is the chief executive and is elected by direct vote (the next election is slated for 2006). The President shares powers with a parliament of 301 members, which is increasingly gaining strength. The governors are currently appointed by the President, but the view is being expressed (including by the President himself) that governors should also be elected. The local councils in the various governorates and districts are also gradually gaining power since the Decentralization Act of 2000. The bureaucracy is centralized and underpaid; it is also weighty, partly as a result of the unification of the two States. Although patronage is likely to have played a role in the hiring of public servants in the past, meritocracy is the accepted new principle and job classification is a major element of the reform programme. Yemen held its first local council elections in 2001 and, in April 2003, held its third parliamentary elections, considered by national and international observers to have been the country’s most fair and the least violent election thus far. Voter registration was high, doubling from the 2001 level. Women turned out in large numbers, representing 42 percent of the electorate.

GOVERNANCE ISSUES

Political stability is fundamental to progress in good governance. The major governance issues in Yemen can be described as follows: democratization of the State system, establishment of human rights, consolidation of the justice system and rule of law, and the setting up of a merit-based and accountable public service.

In respect to democratization, voter registration as well as voter turnout have improved greatly. Parliament is gaining in its assertiveness and is acknowledging its authority more and more. A bold move has been initiated for the devolution of state powers and the decentralization of the national government to governorate and district levels.

Establishment of human rights begins with ensuring free speech and a free press and upholding the rights enshrined in various international conventions adopted by Yemen. Though press freedom has experienced recent setbacks, some progress has been made, along with advances in rectifying human rights violations. Development of a modern justice system in a society where tribal allegiances and religious edicts yield a great deal of influence is proving difficult. But codified laws are being publicized and people are being made aware of legal rights and processes. As a first step in public service reforms, a census of employees and an assessment of their qualifications have been completed. Job descriptions and recruitment on merit are the next steps in the reform scheme. Further progress in these diverse reform programmes requires that they be placed at the centre of national political dialogue. In addition, the principles of accountability of the Government, power-sharing with local councils and the primacy of the rule of law must first be adopted and demonstrated by political leaders and power brokers.

Yemen made a commitment to democracy, a free press, and an open society in 1990, placing it in a unique situation in the region. Nevertheless, exercising authority while balancing the two opposing forces that make up a central authority, on the one hand, and tribal sheikhs, military and religious leaders and other influential characters, on the other, is a delicate exercise. Indeed, it is the complexity of these relationships that have contributed to Yemen’s rich cultural heritage—the context in which political stability must be upheld and governance reforms boldly pursued. The interest of the United Nation’s Department of Political Affairs (DPA) in this domain is most welcome. Supporting the process of rapprochement among power groups for cooperation and accommodation is crucial to nation-building in Yemen. And the basic honesty of the Yemeni people will be an asset in this regard.

B. HUMAN DEVELOPMENT IN YEMEN

Since unification in 1990, Yemen has seen many changes, some quite dramatic, in its socio-economic performance. These achievements and shortcomings can be best reflected in recent human development indicators:

- The Human Development Index value increased from 0.392 in 1990 to 0.482 in 2002 (where it remains in 2004). The Human Development Report 2004 ranks Yemen 149 among 177 countries.
- In the same report, the country’s Gender Related

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4 A study on governance by Dr. Khaled Al-Akwaa places the strength of the bureaucracy at just over 445,000 personnel in 2003, only 15 percent of whom had a university degree.
Development Index is cited as 126 out of 177 countries, with a value of 0.436, up from 0.311 in 1993. According to the World Development Indicators database, the maternal mortality rate per 1,000 was 57 in 2001. According to Yemen’s National Human Development Report 2000/2001, women constitute about 25 percent of the labour force (traditionally, rain-fed agriculture has been their exclusive domain). In wage employment and government service, women have about 10 percent to 15 percent representation. Female literacy is about 28 percent and enrolment at primary level is 37 percent, about 55 percent that of males.

Further, the Human Development Report gives Yemen a value of 40.3 in the Human Poverty Index, and ranks it 67 among 126 developing countries. In some areas, such as life expectancy, infant mortality and literacy, Yemen has made considerable progress. On the other hand, only 36 percent of the population were using safe water sources in 2000, only 25 percent had access to improved sanitation and only 50 percent had access to health services.\(^5\)

### Table 1. Human Development Indicators, 1990 and 2003

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>1990</th>
<th>2003</th>
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<tbody>
<tr>
<td>Population (in millions)</td>
<td>12.2</td>
<td>20.3</td>
</tr>
<tr>
<td>Gross national income (GNI) (in billions of US$)</td>
<td>5.4</td>
<td>10.4</td>
</tr>
<tr>
<td>Per capita income (in US$)</td>
<td>390</td>
<td>537</td>
</tr>
<tr>
<td>Life expectancy at birth (years)</td>
<td>51.5</td>
<td>62</td>
</tr>
<tr>
<td>Infant mortality (per 1,000 live births)</td>
<td>83</td>
<td>79*</td>
</tr>
<tr>
<td>Under-five mortality (per 1,000 live births)</td>
<td>122</td>
<td>107*</td>
</tr>
<tr>
<td>Fertility rate (live births per family)</td>
<td>7.6</td>
<td>6.2</td>
</tr>
<tr>
<td>Literacy rate (percent)</td>
<td>32.7</td>
<td>49*</td>
</tr>
<tr>
<td>Net primary enrolment ratio (percent)</td>
<td>52</td>
<td>67*</td>
</tr>
<tr>
<td>Contraceptive prevalence rate (percent)</td>
<td>6.1</td>
<td>13</td>
</tr>
<tr>
<td>GDP growth rate (fluctuating annual percentage)</td>
<td>2</td>
<td>3.3</td>
</tr>
<tr>
<td>Gross domestic investment (GDI) rate (fluctuating annual percentage)</td>
<td>15</td>
<td>19</td>
</tr>
<tr>
<td>Exports as percentage of GDP</td>
<td>14</td>
<td>38*</td>
</tr>
<tr>
<td>Imports as percentage of GDP</td>
<td>20</td>
<td>39*</td>
</tr>
</tbody>
</table>

* 2002 estimate.


For other economic indicators, see Annex V.

\(^{5}\) Yemen's National Human Development Report 2000/2001 (produced by independent consultants with support from UNDP).
Some of the indicators used to show progress in human development from 1990 to 2003 are shown in Table 1.

### POVERTY

Yemen remains one of the world’s least developed countries, with a per capita gross domestic product (GDP) of $537 (equivalent to purchasing power parity, or PPP, of $870) in 2002. Undoubtedly, the poor rate of GDP growth, coupled with a high population growth rate, is holding Yemen back in widening the range of choices available to its people to improve their lives. About half the population live below the poverty line and, as of 1999/2001, 15.7 percent of people earned less than PPP of $1 a day and 45.2 percent less than PPP of $2 a day. Income earning opportunities for people are limited. Of the more than 8 million people in the labour force in 2000, about 37 percent remained unemployed or underemployed. In 2000, according to Yemen’s National Human Development Report, 54 percent of the labour force was employed in agriculture, but agriculture accounted for only 20.6 percent of the GDP in 2003.

The population of Yemen has grown from 12.2 million in 1990 to 20.3 million in 2003. The annual population growth rate during this period has been among the highest in the world, at about 4 percent, although it recently declined to 3.5 percent.

Poverty is the overarching problem in Yemen. After unification in 1990 and subsequent political crises, the fall in per capita national income was significant, although it picked up after 1997 as reforms were carried out and oil income buttressed public resources. The many dimensions of poverty can be broadly categorized into three areas. Action in all of them must be taken simultaneously to wage a successful attack against poverty:

- **First**, human development indicators must improve from their present levels: The rate of literacy and school enrolment, despite recent improvement, is still quite low. Health care, including reproductive aspects of health care, leaves much to be desired. Currently, the contraceptive prevalence rate is only 13 percent and only half the population has access to health services. Yemen’s long coastline, which attracts workers and traders from other countries, many of which are affected by AIDS, makes Yemen more vulnerable to the spread of HIV. Malaria and enteritis are widespread. In 2003, there was only one physician for every 6,372 people. Public expenditure on health and population was 1.6 percent in 2000 and the rate of increase is very low. Community development and water supply and sanitation are also at very low levels. Population growth is outpacing economic growth, bringing people ever more deeply into poverty. Gender discrimination as reflected by various indices is pronounced. Social investment not only has to increase, it has to be better managed and respond to the needs of communities.

- **Second**, employment opportunities must be sought and sectors identified for special efforts in job creation. Microenterprise and community development projects are moving forward, but these in themselves are not sufficient. Tourism potential is facing problems due to inadequate infrastructure as well as a tarnished global image. Yemen has made rapid progress in telecommunications development, but the benefits of the information revolution are not easy to reap. Trading has been the forte of Yemenis from ancient times, but there are impediments due to environmental considerations, standards and product quality. The slow progress in the free port programme reflects laxity in creating employment opportunities. The most promising area for job creation is foreign direct investment, but this requires that the investment climate be friendly, that regulations be streamlined and that the locational advantage of Yemen be advertised and exploited. Relevant laws for the private sector must also be enacted and enforced.

- **Third**, the social safety net in Yemen must be strengthened. Despite some support from oil income, safety nets for the poor and vulnerable are still insufficient and their expansion is difficult. Disasters such as drought, floods and coastline pollution only complicate the problem, and access to remote and isolated areas stands in the way of providing effective social services in some areas of the country. Income inequality only makes social insecurity worse. Epidemics are persistent: malaria and bilharziasis (schistosomiasis) compound and are compounded by the enormous problem of malnutrition. And HIV/AIDS, though still at low levels, must be stopped in its tracks through prevention programmes.

Yemen developed a Poverty Reduction Strategy Paper (PRSP) in 2002 for the period 2003-2005. Its four pillars for reducing poverty are: achieving economic growth, developing human resources, improving infrastructure and granting social protection. Detailed response measures in all

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7 According to the summary document of Yemen’s Second Five-Year Plan (page 88), explicit unemployment in 2000 was 25.7 percent and underemployment was 11.9 percent.
8 It should be noted that agriculture’s share of GDP is dependent on oil prices. As a result of the recent increases in oil prices, agriculture’s contribution to GDP has declined.
9 Comparable figures for Algeria, for example, were one physician for every 1,176 people and public expenditure on health and population was 3.1 percent in 2001.
these areas were not clearly spelled out, and monitoring of implementation remains weak. The Government has now initiated preparation of a new PRSP, called the MDG-based Third National Development Plan for Poverty Reduction (2006-2010). All development partners have been invited to participate in this initiative, and greater participation of stakeholders at all levels of society will be secured. The PRSP is expected to be a more comprehensive planning exercise that will incorporate an action programme for realizing Millennium Development Goal (MDG) targets and will be merged with the Third Five-Year Development Plan.

The major problem areas in human development are obvious. Population control is at the top of the agenda. Education, health, sanitation and population sectors need added emphasis. Employment opportunities warrant special attention. Gender equality deserves strong affirmative actions. Special efforts should also be made towards growth with equity.

GROWTH WITH EQUITY

Growth of GDP averaged 4.1 percent during 1991-1994, increased to 8.3 percent during 1995-1997, and decelerated to 4.6 percent during 1998-2000. For the decade as a whole, GDP increased by an annual average of 5.5 percent. This growth performance compares favourably with the average growth rate for low-income countries. But due to high population growth, the GDP per capita during the decade of the 1990s increased by only 1.5 percent per year. The growth pattern was not uniform and the macroeconomic situation fluctuated constantly (the macroeconomic indicators for the decade of 1990s are presented in Annex V). The period 1990-1994 was marked by major fluctuations in annual GDP growth rates, due to a number of factors. First, a severe drought affected agricultural activity in 1990 and 1991. Second, a precipitous drop in workers’ remittances and external aid followed the Gulf War in 1991. Third, and following the high initial costs of unification, political instability culminated in a civil war in 1994 that caused massive destruction of life and property.10

A period of recovery set in after 1995, with the rebound from the civil war and the start of an impressive economic stabilization and adjustment programme initiated with the help of the World Bank and the International Monetary Fund. The advent of the Asian economic crisis of 1997 sent oil prices below $12 per barrel, with a clear negative impact on the economy, which grew by just 4.9 percent in 1998. Output growth decelerated in 1999 to 3.7 percent. High oil prices in 2000, however, improved all macroeconomic indicators and GDP growth recovered to 5.1 percent.

Yemen’s external and fiscal accounts are highly vulnerable to fluctuations in the international price of petroleum. Oil income, which has financed good road and port infrastructures in Yemen, does not always benefit the poor. Moreover, it can increase inequality by providing opportunities for corruption. Diminishing oil resources highlight the importance of diversification for the Yemeni economy. Agriculture is limited by the availability of arable land and threatened by water shortages, which are adversely affecting production of agricultural crops as well as livestock. Only 3.6 percent of land area is arable in Yemen and the country depends on imports for 75 percent of its food grains supply. Fruits and vegetables are locally produced, but the production of qat, despite its question-
able value, is more profitable. Qat production yields a higher income to growers, but it displaces other useful items such as coffee, fruits and vegetables. Moreover, it requires a great deal of water, and is appropriating greater amounts of land and water in a country where both are scarce. In addition, when consumed, it promotes a particular form of socialization that, at the same time, reduces productivity (see Box 1). Fisheries has been an expanding sector, but there are problems associated with it. One concerns questions about the licensing regime and the possible overexploitation of stocks, especially by licensed and unlicensed foreign fleets. The extent of the problem is unknown, since there has been no fish stock assessment to date, especially of high-value species. Tourism is a promising economic sector, but earnings have been suppressed by the perceived threat of terrorism.

Yemen has to work hard on many fronts to accelerate output growth and distribute it equitably. Many of the measures in hand or in the planning stages are moving in the right direction. Ongoing reforms in the aid accounting...

Box 1. Qat and its Implications in Yemen

Chewing qat, the leaves of a small shrub containing a mild stimulant related to amphetamines, is legal in Yemen and plays an important economic and social role. Over the last few decades, the consumption and production of qat has increased significantly. In contrast to 30 years ago, when it was used on special occasions and mainly by the wealthy, male segment of the Yemeni population, qat is consumed by an estimated 70-90 percent of men and 30-50 percent of women—and by 15-20 percent of children under the age of 12—across the entire social strata.11

Qat is sometimes portrayed as an integral part of Yemen's cultural heritage with positive social aspects (qat sessions are perceived as a means to promote and enhance 'social capital'). Yet its negative physiological effects should not be underestimated. Qat chewing has been associated with multiple health hazards, including colon cancer, intestinal infections, hemorrhoids, increased blood pressure, and low-birthweight in newborns. Moreover, the demand for qat, fueled by its growing popularity and a rapidly expanding population, is creating increasing pressure on Yemen's natural resources, mainly water and arable land. Due to the need for irrigation, qat production accounts for 30 percent of water use in Yemen's agriculture. Moreover, the misuse of pesticides associated with the expansion in qat plantations has been increasing over the last few years and is having an adverse effect on the environment and on the health status of mainly poor and rural population groups.

Profits from qat are up to 10 times higher than those from other crops. As a result, qat has become the major agricultural cash crop in Yemen, replacing others such as coffee and sorghum. Qat creates employment in many sectors, and it can also be argued that it has served as a disincentive for rural migration into urban centres.

Overall, qat expenditures represented 4.5 percent of GDP in 1999, versus 10 percent for agriculture; the consumption tax on qat is 20 percent. Although 80 percent of qat revenues remain in the countryside, 5-10 percent of total household expenditures go to buy qat, limiting spending on basic needs, such as food, clothing, education and health care. Poor and marginal groups are most adversely affected, exacerbating Yemen's already challenging poverty situation. In fact, it is reported that poor households often spend more money on qat than on food.

Because of its favourable public image, the negative implications of qat tend to be glossed over in Yemen. Moreover, there is little real interest in discouraging production and consumption due to its possibly adverse effects on the rural population and the fact that trading in qat is in the vested interests of the political elite (qat is the only agricultural crop that is taxed) and qat growers. There are few alternative pastimes in Yemen for a vast majority of (poor and marginalized) people, and only limited attempts have been made by the Government to build public awareness of the harmful effects of qat. Furthermore, the analysis and recommendations resulting from previous national conferences on qat have not been translated into policy changes or action.

However, it is apparent that strong political commitment and action is required to reduce qat consumption and production. This will demand vigorous support from the donor community, including adopting a common position on qat. The United Nations could play a leading role in this regard, and should act as advocate for change in its advisory role to the Government. Important questions remain as to how UNDP can best support such efforts.

and budgeting system are seeking to instil greater financial discipline and transparency of public accounts. The decentralization programme, coupled with community development and devolution of state functions, augur well for the elimination of a great deal of corruption and advances in rural development and social investment. Public service reforms and rationalization of a bloated bureaucracy will go a long way to check corruption and improve delivery of services by the Government. Reform of customs duties and relaxation in or withdrawal of price controls can also provide a strong stimulus to investment and growth. However, the inflow of foreign direct investment must be eased by relaxing the investment regime. The country must promote investment in food-processing and production of consumer goods to create employment opportunities. At the same time, it must promote rural self-employment with both micro- and agricultural credit. Simultaneously, because of the ecological fragility of the country, adequate attention must be paid to the sustainable management of natural resources.

SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES

With rapid increases in population, Yemen’s natural resources are under considerable strain. A decline in rainfall has exacerbated the problem of water supply, which was already acute. Terrace agriculture has suffered, and it is difficult for communities to ensure dependable supplies of potable water. In the 1990s, a number of initiatives were taken in the environment sector that contributed substantially to national ecological awareness. A Ministry of Water and Environment was set up in May 2003, following the establishment of the National Water Resources Authority in 1995/1996 (although most of water resources are still managed by the Ministry of Agriculture). The new ministry prepared a Water Strategy and Investment Plan (2005–2009) that was approved in December 2004. The Environment Protection Council, established in 1990, finalized a National Environment Action Plan in 2002 to protect key resources. The Socotra archipelago, for one, is threatened with loss of its rich biodiversity. The Red Sea is a dying body of water subjected to heavy pollution and overfishing. Both problems have drawn national and international attention and renewed protection and development measures are required. Yemen is also threatened by a variety of natural disasters, such as earthquakes, floods, droughts and desertification. Currently, attention is being paid to developing disaster management plans.

The annual renewable water supply in Yemen dwindled to about 2.3 billion cubic metres in 2000, against a use of about 3.4 billion cubic metres. In general, Yemen has only 2 percent of the average world water supply in a country. Water shortages and drought raise agricultural costs and cut crop production in some areas, and animal diseases reduce livestock production. A narrow strip of mountains and valleys in the western part of the country, running from north to south, is home to 75 percent of the population and is the most water-starved area of the country. The existence of a large aquifer in the southeast at Hadramawt, which is a sparsely populated area, does not offer immediate help. Piping this water to the populated northeast is not a practical proposition at this time. As a consequence, careful management of scarce water resources remains a major problem for the foreseeable future.

OFFICIAL DEVELOPMENT ASSISTANCE (ODA) TO YEMEN

Yemen is a least developed country, but it does not get as much donor attention as it deserves. One reason may be that the capacity of the Government to implement development programmes does not meet the standards of some development partners. Skilled financial management in Yemen is also lacking. Aid coordination is weak and it is difficult to get a clear statement on aid accounts. To take an example, neither the Ministry of Planning and International Cooperation nor the Ministry of Finance could provide a comprehensive statement on the flow of external resources into the country. Alternative estimates of aid flows in Yemen are presented in Table 2, based on two different sources.

Compared to the external assistance the two Yemens used to receive, the current receipt of aid by a unified Yemen is small indeed. In addition to concessional loans from the World Bank, the OPEC Fund and the Islamic Development Bank, Yemen gets small grants from a few development partners, notably Denmark, the European Union, France, Germany, Italy, Japan, the Netherlands, the United Kingdom, the Unites States of America and the UN System. UNDP is an important donor of grant funds, valued at between $7.8 million and $12.7 million a year. Although $2.3 billion was pledged to Yemen at an October 2002 Consultative Groups meeting in Paris, much of that aid has not yet materialized.

International attention on Yemen appears to revolve around the war on terror; that attention would more

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12 The average per capita share of renewable water resources in Yemen is 125 cubic metres, while the international average is 7,500 cubic metres. Source: Government of Yemen Ministry of Water and Environment: National Water Sector Strategy and Investment Programme.
appropriately be placed on the country's economic, political and environmental challenges. The agenda for action in Yemen must deal with the complex realities of nation-building in a semi-tribal society. These include resolving domestic conflicts, setting up a merit-based career bureaucracy, raising human development from a low base, diversifying an economy dependent on diminishing hydrocarbon resources, protecting a fragile environment, managing financial resources and controlling corruption.

C. DEVELOPMENT CHALLENGES

The ADR mission found that there is a general consensus on the challenges that Yemen faces in its political and economic development. The differences lie in how they are prioritized.

- Poverty alleviation is officially given the highest priority in Yemen. This implies action on many fronts, such as improving economic planning and management (including budgetary reforms), empowering people at the grass roots through governance reforms, accelerating investment and creating employment opportunities—in other words, an action programme for human development. However, there is still lack of agreement on which areas of intervention are most crucial. In fact, the country has little time to lose. In 1982, Yemen was a country of 9.8 million people. By 2003, the population had more than doubled to 20.3 million. In the decade of the 1990s, the economy grew at an average rate of 5.5 percent a year, yet the country did not improve its per capita income significantly. Arable land area is very limited, and water

### TABLE 2. ODA RECEIPT BY YEMEN

**Alternative I: DAC report for selected years (in millions of US$)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Yemen Arab Republic</th>
<th>People’s Democratic Republic of Yemen</th>
<th>Republic of Yemen</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>250</td>
<td>73</td>
<td>=323</td>
</tr>
<tr>
<td>1980</td>
<td>427</td>
<td>100</td>
<td>=527</td>
</tr>
<tr>
<td>1981</td>
<td>362</td>
<td>100</td>
<td>=462</td>
</tr>
<tr>
<td>1982</td>
<td>390</td>
<td>136</td>
<td>=526</td>
</tr>
<tr>
<td>1998</td>
<td></td>
<td></td>
<td>390</td>
</tr>
<tr>
<td>1999</td>
<td></td>
<td></td>
<td>458</td>
</tr>
<tr>
<td>2000</td>
<td></td>
<td></td>
<td>265</td>
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<tr>
<td>2001</td>
<td></td>
<td></td>
<td>461</td>
</tr>
<tr>
<td>2002</td>
<td></td>
<td></td>
<td>584</td>
</tr>
</tbody>
</table>


**Alternative II: World Bank Debt and Global Finance Report**

<table>
<thead>
<tr>
<th>Year</th>
<th>Disbursement</th>
<th>Year</th>
<th>Disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>962</td>
<td>1996</td>
<td>275</td>
</tr>
<tr>
<td>1989</td>
<td>612</td>
<td>1997</td>
<td>285</td>
</tr>
<tr>
<td>1990</td>
<td>572</td>
<td>1998</td>
<td>295</td>
</tr>
<tr>
<td>1991</td>
<td>268</td>
<td>1999</td>
<td>370</td>
</tr>
<tr>
<td>1992</td>
<td>260</td>
<td>2000</td>
<td>269</td>
</tr>
<tr>
<td>1993</td>
<td>251</td>
<td>2001</td>
<td>176</td>
</tr>
<tr>
<td>1994</td>
<td>202</td>
<td>2002</td>
<td>260</td>
</tr>
<tr>
<td>1995</td>
<td>212</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

availability is very low. To the ADR mission, it was clear that the most serious challenge facing the nation is population growth. Population growth rate has declined only slightly—from 4 percent or more to 3.5 percent—in about three decades. Reproductive health care is not receiving the attention it deserves, largely because of a conservative social environment. The imbalance in the ratio of population to resources is most apparent in the water sector, but other environmental problems also are becoming more acute due to the growing numbers of people. Fortunately, population issues seem to have come to the forefront in Yemen. Reduction of fertility and infant mortality rates is receiving due attention, and the country has recognized problems such as AIDS and female genital mutilation/cutting.

- Political culture and structures are crucial to equitable economic development, and political stability must be high on any agenda for development in Yemen. Accountability and transparency must be instituted through reforms in governance. The current areas of friction centre around power-sharing, upholding human rights and the rule of law, and using national resources in an equitable way. For the country to prosper, the central authority must be consolidated by securing a balance among central, local and tribal power centres. The fundamental issue in governance is the democratic transition, which alone can ensure this power balance and accommodation among divergent forces. What is the best way to strengthen democracy and build democratic institutions in the country? Strengthening the parliamentary system, reforming the electoral and justice systems, promoting human rights and raising awareness about gender issues are a few entry points. However, given recent developments, a decentralization programme seeking devolution of state powers to the local level and empowering public representatives at district and governorate levels should be considered of highest importance.

- The economic fragility of Yemen is another serious concern, centred partly around diminishing oil resources and substantial dependence of the country on hydrocarbon exploitation (about 15 percent of GDP is accounted for by oil income). There is also the problem of unemployment and a less than favourable climate for foreign direct investment. The ODA flow that declined during the first Iraq war has not yet been reinstated. And remittances that once kept the economy afloat are not growing since the global movement of Yemenis has been restricted, oftentimes for reasons beyond their control. Diversification of the economy must focus on trade and manufacturing, and Yemen is geographically well situated to exploit them. However, it is difficult, indeed, to move forward in these areas with a low level of education and low investment rate. The budget process is a complex of allocations that are modified at will, providing enormous leeway for discretionary disbursements, and leaving a significant share of resources earmarked for extrabudgetary expenditures. Reform of the public resource management system is very important. At the same time, transparency in the investment regime and checks on corruption are essential for job creation and economic diversification. Coordination and accounting of the external resource flow and budget reforms are areas where intervention will be desirable.

- Yemen faces serious environmental problems and initial measures under way are worthwhile. Water use, prevention of land erosion and damage to terrace cultivation, the protection of biodiversity, and control of pollution in coastal waters all deserve special attention. Furthermore, management of natural disasters, such as floods, earthquakes and drought, is another important concern in the environment sector. The water resource management issue is the biggest environmental challenge facing Yemen. This is not simply a matter of using water resources economically, but also of balancing resource-rich, sparsely populated areas with water-scarce densely populated regions of the country. A water sector strategy has been finalized and a five-year investment plan has just been adopted. This plan needs to be vigorously pursued.
This chapter presents and analyses development results in Yemen and UNDP’s contribution to them. It details the UNDP programme in Yemen, especially during the period 1997-2004, and looks at broad development results achieved. Drawing upon the evaluative evidence available or collected from a number of sources, including the ADR missions, it highlights the main achievements of the UNDP programme in terms of key outputs. It also provides an in-depth analysis of progress towards achieving the intended outcomes for (i) decentralization and local governance and for (ii) poverty policy, monitoring and reporting, (iii) democratization and human rights, (iv) gender and women’s issues, and (v) sustainable natural resource management.

A. THE UNDP PROGRAMME IN YEMEN

UNDP became involved in Yemen in its previous incarnation as the United Nations Technical Assistance Board. It established its presence in North Yemen in 1966 and in South Yemen in 1968. The UNDP programme took a more strategic role following unification in 1990 and has addressed national priorities through its various assistance programmes with emphasis on ‘upstream’ activities. The first Country Programme covered the period from 1992 through 1996. It began the process of (i) national execution of programmes, (ii) focus on a limited number of themes, (iii) adoption of a programme approach in providing technical cooperation and (iv) placing the objective of sustainable human development at the centre. The UNDP programme since then has been guided by three main strategic tools: two Country Cooperation Frameworks, the United Nations Development Assistance Framework, and the Strategic Results Framework.

THE FIRST COUNTRY COOPERATION FRAMEWORK 1997-2001

The first Country Cooperation Framework (CCF) for Yemen outlines the focus of UNDP’s programme for the period 1997-2001. Four thematic areas were identified in response to critical human development challenges in Yemen, taking into account UNDP’s mission statement, recommendations from recent international conferences and the national priorities outlined in the Five-Year Plan of the Government of Yemen. The four focus areas were:

1. Management of natural resources
   Sustainable Water Resources Management Programme
   Sustainable Environment Management Programme
2. Poverty eradication and employment generation
   Support to national poverty eradication efforts
3. Governance capacity and institutional reform
National Programme for Governance Capacity and Institutional Reform

4. Reconstruction and rehabilitation
Disaster Prevention, Management and Mitigation Programme

Poverty reduction and gender sensitivity were cross-cutting themes throughout the programmes.

THE UNITED NATIONS DEVELOPMENT ASSISTANCE FRAMEWORK 2001

The Common Country Assessment was carried out in Yemen in January 2001, setting the context for the UN Development Assistance Framework (UNDAF), which followed. The UNDAF was formulated in broad consultation with Government and development partners and identified three cross-cutting themes for the UN team to focus on: gender equity, local governance (with special emphasis on rural areas), and enhanced capacity for policy analysis and programme development. Within these three themes, the Yemen UNDAF 2001 defines the concept of empowerment to promote and protect human development and human rights as an all-encompassing link.

THE SECOND COUNTRY COOPERATION FRAMEWORK 2002-2006

The second Country Cooperation Framework draws extensively from the 2001 Common Country Assessment and UNDAF. Moreover, the CCF was guided by a series of national policy and planning frameworks, in particular the National Vision 2025, the Second Five-Year Development Plan (2001-2005) and the Poverty Reduction Strategy Paper for 2003-2005 that was under preparation. The overarching goal of the second CCF is to contribute to the Government’s target of reducing extreme poverty by 20 percent by 2005 as a means of improving human development in Yemen. The Government of Yemen and UNDP agreed that the second CCF would be directed towards three interrelated and mutually reinforcing themes:

- Poverty reduction: The main objective is to enhance national capacity for sustained policy dialogue on poverty issues, monitor and evaluate poverty reduction policies and ensure their integration into macroeconomic frameworks. At the community level, the focus is on mobilizing and empowering the poor to improve their access to livelihood opportunities and to participate in decisions that affect their lives. The coordination of poverty reduction initiatives is another important emphasis.

- Democratic governance: The objectives are to support and assist initiatives that would lead to the formulation of a local governance framework, the strengthening of the electoral process, the introduction of a rights-based approach to development, and the strengthening of the government economic and financial reform programme.

- Sustainable natural resource management: The CCF aims to promote the integration of environmental management with national development policies and programmes. Support is intended to assist national authorities in implementing a wide range of international conventions and instruments through partnership initiatives with diverse entities.


<table>
<thead>
<tr>
<th>Resource Mobilization</th>
<th>Target Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRAC resources (UNDP)</td>
<td>$37,297,804</td>
</tr>
<tr>
<td>Government cost-sharing</td>
<td>$2,461,973</td>
</tr>
<tr>
<td>Trust funds, GEF, UNCDF</td>
<td>$5,361,020</td>
</tr>
<tr>
<td>Donor cost-sharing</td>
<td>$6,092,675</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$51,213,472</strong></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Resource Mobilization</th>
<th>Target Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRAC resources (UNDP)</td>
<td>$29,025,000</td>
</tr>
<tr>
<td>Government cost-sharing</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Trust funds, GEF, UNCDF</td>
<td>$12,500,000</td>
</tr>
<tr>
<td>Donor cost-sharing</td>
<td>$17,600,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$61,625,000</strong></td>
</tr>
</tbody>
</table>
• Building government capacity in disaster management and mine action were also emphasized. Attention was also drawn to the spread of HIV.

UNDP programme delivery for the period from 1997 to 2003 under the two CCFs is shown in Table 5.

### MILLENNIUM DEVELOPMENT GOALS

A fourth element in the UNDP programme is the effort to meet Millennium Development Goal (MDG) targets. Although there has been considerable progress in meeting some of these targets, the outlook for achieving them within the designated time-frame is not encouraging. Table 6, reproduced from *Millennium Development Goals—Progress Report for Yemen 2003*, prepared with UNDP support, indicates that many of the MDGs are unlikely to be achieved. This is due to resource shortages coupled with weak support and monitoring capacity at the country level. The World Bank, in its update of Yemen’s progress towards the MDGs, has prepared a table indicating periodic progress since 1990 (see Annex V). Currently, Yemen is one of eight countries piloting the UN Secretary-General’s Millennium Project, which is supporting a framework that will enable Yemen to prepare a scaled-up and MDG-based development plan. As part of this exercise, Yemen has been conducting a study of the costs of achieving the MDGs and is currently developing a policy framework to achieve them. Hopefully the required resources will be found to implement the plan, taking into account the absorptive capacity of the country.

UNDP developed the Strategic Results Framework (SRF) a few years ago and it has proved to be a helpful instrument in measuring whether intended outcomes have indeed materialized. The SRF 2002 is presented in Box 2, mainly because it provides long-term goals and should be kept in mind in evaluating development results.

### TABLE 5. UNDP PROGRAMME DELIVERY/EXPENDITURES 1997-2003

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDP core</td>
<td>9,041,092</td>
<td>6,249,928</td>
<td>8,423,736</td>
<td>7,587,324</td>
<td>5,955,724</td>
<td>5,442,179</td>
<td>4,874,580</td>
<td>47,614,563</td>
</tr>
<tr>
<td>Funds, trust funds and other</td>
<td>8,852</td>
<td>564,341</td>
<td>4,430,852</td>
<td>-809,705</td>
<td>1,166,680</td>
<td>1,633,776</td>
<td>1,301,790</td>
<td>8,296,586</td>
</tr>
<tr>
<td>Government cost-sharing</td>
<td>163,207</td>
<td>554,166</td>
<td>476,461</td>
<td>466,951</td>
<td>801,188</td>
<td>585,884</td>
<td>150,014</td>
<td>3,197,871</td>
</tr>
<tr>
<td>Third party cost-sharing</td>
<td>43,871</td>
<td>1,430,560</td>
<td>975,694</td>
<td>2,339,696</td>
<td>1,302,854</td>
<td>4,917,240</td>
<td>1,916,149</td>
<td>12,926,064</td>
</tr>
<tr>
<td>Total</td>
<td>9,257,022</td>
<td>8,798,995</td>
<td>14,306,743</td>
<td>9,584,266</td>
<td>9,266,446</td>
<td>12,579,079</td>
<td>8,242,533</td>
<td>72,035,084</td>
</tr>
</tbody>
</table>

Source: UNDP Yemen (PFMU) table (as of 16 May 2004); CCF 2002-2006 (for forecast)

### B. GAINS IN DEMOCRATIZATION AND GOVERNANCE

Though Yemen has, for the most part, enjoyed political stability, there is incomplete outreach of state authority and limited allegiance to state concepts in some tribal areas. Nevertheless, the country’s achievements in the area of democratization and decentralization are substantial.

• Since unification there have been three parliamentary elections. These include the first-ever local council election in 2001 and the heavily contested (and generally accepted to be reasonably fair) parliamentary election of 2003. Female voters showed up in strength in 2003 and parliamentarians are also asserting their role in governance. It is expected that the election of the President and local councils in 2006 will demonstrate even better voter registration and turnout as well as a freer and fairer voting exercise.

• International terrorism has largely been controlled and cases of abduction have virtually ceased since 2002. The trial surrounding the explosion of the USS Cole has been speedy, transparent and proper. Limited state authority over some areas of the country, however, remains an unresolved issue.

• Large areas that were heavily mined have been cleared and the mine clearance operation is progressing well.

• Some progress has been made in upholding human rights, and freedom of the press is making some headway. A Ministry of Human Rights has been set up and an annual report on the human rights situation in Yemen is being circulated. A Human Rights Information Centre has been established in Sana’a. Some progress has been made in raising citizens’ awareness of codified laws and about seeking justice through courts of law.

• Starting almost from zero, the decentralization of state functions is proceeding and empowerment of elected leaders at the grass roots is taking place.
At least some reforms are under consideration to reduce the country’s bureaucracy, which mushroomed after unification. A survey of employees and their qualifications has been completed and some attention is being given to appropriate qualifications of new recruits. Providing job descriptions is one of the objectives of the reform exercise and decentralization is demanding deployment of employees to outlying areas.

UNDP is actively involved in this democratic transformation through a number of programmes that enjoy strong support not only from the Government and the people of Yemen, but from other development partners as well. The five governance-related areas that UNDP is focusing on are: mine clearance, elections, human rights, justice and decentralization. Mine clearance is related to a particular problem and can stand on its own as a special operation. But if it is to be an internalized national effort, it essentially becomes an issue of governance. It is for this reason that it is being considered a governance issue. Interventions in all these five areas have shown some success in strengthening capacity and building institutions. But in order to reach the outcomes targeted in the Strategic Results Framework, further involvement of UNDP is necessary.
DECENTRALIZATION

Not long after unification, the Government initiated the process of building up the administrative and legislative framework for decentralization. The law concerning local authority was passed after acrimonious debate in 2000. In 2001, when elections were held for local councils in Yemen’s 333 districts, the participation was heavy, and opposition parties gained substantially. A large number of these local councils, however, have a weak capacity to deliver services required by the local communities.

It is evident from the results achieved over the last few years that UNDP’s decentralization and local governance programme is among the strongest in its portfolio, especially at the institutional and policy levels. As recognized in the UN Development Assistance Framework, decentralization is “the most ambitious and challenging programme that the Government has undertaken since the country’s unification.” Indeed, it “represents a paradigm change. In essence, the Government has proposed to transform itself from a top-down, centralized system to a bottom-up service-oriented system. Such a transformation, both among the civil service and leadership as well as the citizens, will take generations.” The challenges ahead are mostly focused on the sustained commitment of the Government, unclear mandates of different government entities, national and local management capacity, transparency, corruption, and the inefficiency of essential public services.

UNDP entered the area of decentralization and local governance in a highly strategic manner, albeit relatively late, three years after the passage of the Local Authority Law.13 In addition to the time it took for the dialogue to mature between UNDP and the Government, it appears that it took some time for UNDP to find the in-house support and technical assistance required to guide the process through. This finally materialized in the form of a partnership with the UN Capital Development Fund (UNCDF). UNDP recognized that the success of the programme depended on (i) a properly articulated decentralization policy, (ii) analytical support for further substan-

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13 Nevertheless, UNDP was still the first donor to become involved in decentralization in Yemen and is playing a recognized coordination role.
tive development of policy and institutional aspects, and (iii) experimentation of the model in pilot districts in selected governorates. UNDP surmised that only when these areas were taken care of would it be feasible to mobilize external aid for the ambitious reform programme. The Decentralization and Local Development Support Programme (DLDSP), as formulated, has the following components: (i) development financing: provision for local budget support, devising a strategy for more robust district council financing and increased central-to-local fiscal transfers, and mobilization of external resources for local development; (ii) logistical assistance: for improvement of administrative facilities and equipment for central, governorate and district structures; (iii) technical assistance: for development and extension of improved local government and public resources management practices (this called for developing better capacity of both the Ministry of Local Administration (MOLA) and governors’ offices to support and supervise district authorities and for organizing and strengthening the local communities as well); (iv) development of systems, guidelines and manuals for participatory and technically sound local public expenditure management, including planning, programming, budgeting, procurement, assets management, accounting and internal controls and testing them in six pilot districts; and (v) development of a national strategy and action plan for the implementation of decentralization reforms, coupled with redeployment of government personnel at national, governorate and district levels.

The Government, through MOLA, and within its limited resources and capacities, is engaged in a strong partnership with UNDP to implement the decentralization programme. Beyond the political and legal ramifications of the programme, the Government is also focused on both the operational and capacity-building aspects of decentralization. MOLA has initiated some changes in order to adjust to the new realities created by decentralization. These include: plans for a new organizational chart clarifying roles and tasks; training some staff in areas related to the management of the local authority system; and conducting, on a pilot basis, a comprehensive capacity assessment of personnel needs at the district level. MOLA is also engaged in developing a partnership with other ministries and agencies for the purpose of gaining the objectives of the decentralization programme. The health and education ministries, for example, and the Social Fund for Development (SFD) are implementing many elements of the decentralization programme. The SFD appears to be a strong and well functioning organization that has established a very successful record of performance (see Box 3).

Since the start-up of its activities in October 2003, the DLDSP has established itself as the lead programme supporting the Yemeni Government in decentralization and capacity-building of local authorities. Although it is directly executed by UNDP, its strategic position within MOLA has significantly expanded the ministry’s role and scope of activities. The presence of DLDSP within MOLA has stimulated interest among a number of donors and has provided clarity regarding viable entry points for their current and planned interventions. The Social Fund for Development is not only doing its share under the DLDSP, but is also promoting the decentralization programme in 10 additional districts. It is good news that the US Agency for International Development (USAID) has agreed to support the programme in eight districts in two governorates and Denmark in another four districts. The Embassy of the Netherlands, which is currently working independently in one governorate, may soon join the fold of the DLDSP and add six districts and one governorate. The World Bank was working on developing infrastructure for the decentralization programme in 20 districts, but this work was discontinued on short notice. Hopefully assistance may resume as issues are resolved between MOLA and the Finance Ministry on the medium-term target for implementation of the decentralization programme. The current number of districts being piloted under the DLDSP is 28 in six governorates.

Based on the vision developed and results achieved, UNDP and UNCDF, together with MOLA, have been able to attract cost-sharing resources to supplement the existing funding of $750,000 from UNDP for 2005, $1.5 million from UNCDF for 2005-2007, $1.7 million from DANIDA for 2005-2007, $350,000 from the Government of Italy, $1.59 million from USAID for 2005-2006, and about $1.35 million from the Social Fund for Development for 2004-2005.

UNDP has used many of its strengths very successfully in the decentralization programme. It is playing an advocacy role that puts it on the forefront of policy debates while creating partnerships with sector ministries. It is also building the capacity of MOLA to properly manage its resources and respond adequately to the demands of the UN Millennium Project. It is acting as a catalyst, together with UNCDF, to attract donor financing. And it is collaborating with UNCDF (which is the lead agency providing technical assistance and substantive guidance to the DLDSP staff) in playing a leading role in decentralization in Yemen.

There are, however, many risks in the programme. Notable among them:

- Decentralization threatens central authority and may encourage old-fashioned tribalism to reappear in some
new form.
- Central assignment of revenues to local governments and local fiscal authorities are two very complex issues in any centralized system and may turn into serious stumbling blocks.
- Decentralization requires administrative infrastructure at the district level, both physical infrastructure as well as manpower support, and there is very little of both at present.
- Decentralization calls for deployment of government personnel to local levels, a move typically opposed by many centralized bureaucracies.
- Distribution of responsibilities and authority between central and decentralized government entities, and with locally elected representatives who are not government employees, has not yet been clarified. This will make it difficult for local government to take on new initiatives.
- Decentralization is a two-step process—moving authority and responsibility from the centre to the governorates, and from the centre/governorates out to the districts—and there is always the possibility that the process may get stalled midway.
- Decentralization may not be possible in practice in all 333 districts, some of which are very small both in area and population. Fresh demarcation of local units may be considered over time, but combining one or two of them for the purposes of providing administrative services through the decentralization programme may also be a viable option.

Although it is too early to make a major assessment of the impact of the decentralization programme and UNDP’s contribution to it, a number of recommendations can be made:
- Monitoring and evaluation must become a more integral part of the programme through the establishment of measurable benchmarks that are aligned with the Strategic Results Framework. The pilot nature of the programme requires this, both to make corrections along the way and to accumulate lessons learned that would benefit the scaling up and replication effort that will eventually take place. As a first step, an outcome evaluation should be conducted within the next few months to assess the success of the pilot system so far and collect lessons learned.
- While the involvement of UNDP in decentralization

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### Box 3. The Social Fund for Development in Yemen

Yemen’s Social Fund for Development was set up in 1997 as an administratively and financially autonomous body comprising representatives of the Government, civil society and the private sector. It has a board of directors chaired by the Prime Minister, and its day-to-day operations are managed by a managing director, who is also an ex-officio member of the board. The board currently has 15 directors, seven of whom are ministers, including the chairman.

The mission of the SFD is alleviating poverty and improving the living conditions of the poor. The SFD uses innovative approaches that enable communities to identify their needs, set priorities and participate in all phases of the project cycle.

The SFD is successfully undertaking three kinds of activities:
- Developing social and economic infrastructure and improving access to basic services at least cost through community development programmes
- Building the capacity of local partners, such as communities, NGOs, government agencies, consultants and contractors
- Developing financial and non-financial services for small entrepreneurs and micro-entrepreneurs through intermediaries such as NGOs.

In 2003, the SFD took up 3,300 projects with an investment commitment of $250 million and disbursed $182 million. It has eight branches in the governorates and functions with a small staff of 147 members. It does, however, have a list of about 4,000 consultants, some of whom have been trained by the SFD. The SDF receives funds from about 12 donors, in addition to the Government.

Since its creation, the SFD has directly reached about 7 million beneficiaries, about half of whom are female, and generated 10 million days of employment.

*Source: 2003 Annual Report of the Social Development Fund*
requires a long-term commitment, an exit strategy for UNDP must also be developed. This does not have to mean a complete pullout of UNDP involvement in the short term. Rather, it could be a transition strategy that ensures ownership by national authorities and the sustainability of the effort.

- There is no indication that gender has been mainstreamed in any aspect of the decentralization programme. While this might not seem relevant at first, it should be remembered that women’s participation is critical to avoiding the risk of excluding 50 percent of the population at the grass-roots level. More attention is needed in addressing this shortcoming.

**ELECTIONS**

Elections play a central role in the transition towards democracy and better governance in Yemen. With a focus on transparency and the participation of all members of society, especially those that have been less represented in the past, UNDP intends to continue assisting the Government and the people of Yemen through support to the electoral system and electoral bodies.

Starting in May 2002, in response to a government request, UNDP took the lead among donors in supporting the electoral process in Yemen. The Electoral Assistance Division (EAD) of the UN was mobilized for this purpose. The election programme focused mainly on strengthening the capacity of electoral authorities to manage and conduct free and fair, transparent and independent, national and local elections. With contributions from six donors (the European Union, France, Italy, the Netherlands, Sweden and the United Kingdom), UNDP provided technical support and guidance to the Supreme Commission for Elections and Referenda for the 2003 parliamentary elections. Assistance was provided in voter education, voter registration and training for registration workers and polling station officials. In addition, assistance in the establishment of local branches in 20 governorates resulted in more than 8 million people registering to vote (a marked increase from 3.4 million in the 2001 election of local councils). The voter turnout was 76.6 percent (74.4 percent for women), representing an increase of 62 percent from 2001. Women accounted for 42 percent of the electorate.

The process was just as important as the results. The long-awaited elections were supposed to be the final stage in constructing a democratic framework, which already included an elected parliament and direct presidential elections. Equally important is the fact that new groups of people participated in the elections as candidates: young professionals, many women and many technocrats. Of major significance is the fact that 147 women ran for office, although only one woman was elected to parliament.

The assistance provided by UNDP for the 2003 election was appreciated by all stakeholders, and the second phase of the Electoral Support Project will seek to bolster the presidential and local council elections scheduled for September 2006. The focus of UNDP intervention remains the management of the electoral system, along with training of personnel and improved public information and voter registration and education. The emphasis this time is on setting up a reliable and efficient communications structure for the Supreme Commission for Elections and Referenda, encouraging greater involvement by a growing number of civil society organizations, and streamlining the process of delimitation of constituencies. How to tackle false voter registration is another area of attention. The main objective, of course, is to strengthen the capacity of the Supreme Commission for Elections and Referenda, thus developing a more sustainable capacity in support of democratic governance.

**JUSTICE SYSTEM**

A functioning and efficient judicial system is important for consolidating the rule of law, which is vital for poverty alleviation, promoting human rights, fostering democracy and furthering sustainable human development. Considering that an efficient and effective justice system is necessary to attract investment and strengthen the private sector, and at the same time to empower the poor, UNDP embarked on a programme for modernizing and reforming the justice system.

The three-year, $2.2 million UNDP-supported project started in September 2003. It aims at making citizens aware of their legal rights, providing better access to the justice system, especially for the poor, women and other disadvantaged groups, and ensuring a fair and efficient administration of justice. The project focuses on building the institutional and human resource capacities of the judicial sector, improving access to legal materials for legal professionals, increasing legal and judicial awareness of the general public, and improving access to justice for women and economically vulnerable groups. Two pilot courts, in Sana'a and Aden, have been set up, with the intention of creating a model that could be replicated across the country.

The early stages of the project show a positive start, though visible, longer-term results will require some time. Among the challenges ahead are a weak capacity on the part of the justice system as a whole to undertake some of the required changes; the resistance of some at various
levels of the Government to make the changes; and, perhaps, a misunderstanding of the value of an efficient and effective judicial system. Better coordination among development partners is also important. Currently, for example, UNICEF is implementing a pilot court system for juvenile justice, but it is not coordinated with the UNDP programme. Although countless challenges and slow reforms can be discouraging, advocacy for the reform of the justice system should not let up. This is a long-term commitment that requires more donor involvement on many fronts in order for these efforts to show significant results.

HUMAN RIGHTS

The Constitution of the Republic of Yemen has affirmed its respect and adherence to the charters, conventions and treaties of the United Nations and other international organizations. Yemen was one of the first States to sign and ratify most of the international human rights treaties and conventions. And while a wide range of necessary legislative instruments are in place, the challenge lies in their implementation, and, more specifically, in addressing the Yemeni traditions and customs that are seen as contradicting some aspects of these treaties and conventions.

A parallel process has taken place with the establishment and strengthening of several national human rights institutions. As early as 1998, the Supreme National Committee for Human Rights was established by presidential decree. The Supreme National Committee used to be presided over by the Deputy Prime Minister and Minister of Foreign Affairs, and the Director of the President's Office was his deputy. The Supreme National Committee for Human Rights was charged with a wide range of responsibilities regarding the formulation of policies, plans and programmes aimed at protecting human rights in Yemen. In May 2003, Yemen took another huge step to signal the value it places on human rights: it created a full ministerial position, the Minister of Human Rights. Indeed, at the official institutional level at least, Yemen is in the forefront on human rights in the region (though, as noted earlier, implementation remains a challenge). In January 2004, it held an intergovernmental regional conference, a forum of all governmental and parliamentary delegations of Arab and neighbouring African and Asian countries, on the subject of democracy, human rights and the role of the International Criminal Court. The declaration from the conference is forward-looking and nearly revolutionary in the context of the prevailing ethos in the region (see Box 4).

Box 4. Conference on Human Rights

In June 1999, Yemen hosted the Emerging Democracies Forum, which was attended by several heads of state as well as high-level dignitaries from more than 30 countries. The Forum concluded with the formulation of the 'Sana’a Declaration’, in which participating states confirmed their commitment to human rights and freedom of expression as well as their pledge to increase the political participation of women and minorities.

As a follow-up to the Forum, Yemen hosted the Sana’a Intergovernmental Regional Conference on Democracy, Human Rights and the Role of the International Criminal Court in 2004. The conference was organized by the Presidency of the European Union, an Italian NGO, ‘No Peace without Justice’, and the Government of Yemen. It was sponsored by Canada, the European Community, France, Germany, Ireland, Italy, the Netherlands, Switzerland, the United Kingdom and UNDP and included governmental and parliamentary delegations from all Arab and neighbouring African and Asian countries. The meeting was attended by 820 participants from 52 countries and representatives from regional and international organizations, as well as by representatives of civil society and various political parties.

The participants confirmed their commitment to democracy and human rights, including gender equity. As stated in the Sana’a Declaration on Democracy, Human Rights and the Role of the International Criminal Court of 12 January 2004, the participants agree to ‘work seriously to fulfil’ several stated principles, including to:

• Strengthen and protect human rights
• Ensure the right to self-determination
• Empower women and ensure their participation, protecting them from all forms of exploitation and any reduction of women’s rights
• Establish an independent and fair judiciary and the separation of powers
• Ensure equality before the law, equal protection under the law and fundamental fair trial guarantees
• Strengthen the role of international judicial institutions
• Strengthen democracy and pluralism and the establishment of elected legislative bodies.
UNDP partnered with the Ministry of Human Rights to build the capacity of civil society and Government to promote, protect and respect human rights. The UNDP programme focuses on mainstreaming human rights into the development process and achieving the required human rights standards. The beneficiaries of technical assistance, training and awareness activities include the Ministry of Human Rights, the Human Rights Committee in the Parliament, the Attorney General and the Prosecutor’s Office, the police, the Human Rights Committee in the Shura Council, the Ministry of Justice and NGOs.

Yemen stands committed to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1979 by the UN General Assembly. However, its official position on the subject is contradicted by some provisions of the Personal Status Law of Yemen. In 1992, the Personal Status Law (No. 20) was passed for a unified Yemen. While this legislation relied on the Family Law of the socially conservative North Yemen, it also added a number of legal rights for women included in the more advanced version of the law on women’s status of South Yemen. The result was a kind of compromise. Women’s rights as they were enjoyed in the South are somewhat abridged, and slightly improved for the women of the North. Yemeni women’s rights groups are now pressing for an amendment of this law to conform to the country’s commitment under CEDAW, an undertaking that will require delicate handling.

The concept of human rights is new to Yemen. Therefore, the Ministry of Human Rights is now working to ensure compatibility between Yemeni laws and universal standards of human rights. Given the social fabric of Yemen, it is evident that to achieve harmonization a great deal of advocacy is still required. To its credit, the Ministry of Human Rights has been successful in generating complaints about human rights violations and resolving most of them through both conciliation and coercion. It is also producing an annual report on the human rights situation in the country and has set up a Human Rights Information Centre. A growing civil society needs to be more active and play a stronger role in influencing public opinion. Advocacy is still very important for creating awareness about human rights and preparing the ground for its promotion and protection. UNDP’s involvement with human rights has been productive, but it should be strengthened further by using the UN umbrella for advocacy as well as promotional activities related to human rights.

MINE ACTION

Protracted insurgency, civil wars, foreign intervention and border skirmishes during the period when the country was divided left 19 of Yemen’s 21 governorates heavily mined. In 1999, UNDP initiated a programme for the removal of landmines that also encompasses mine awareness and the care of mine victims. One of the main achievements of the UNDP programme is the completion of a comprehensive Landmine Impact Survey in 1999-2000. This survey was completed according to international standards and protocols, and it enabled the Government to strategically prioritize its actions. Other achievements resulting from UNDP’s support include the establishment and capacity-building of the Yemen Mine Action Centre, the implementing body for the National Mine Action Programme.

In its first phase, the mine action programme was executed by the UN Office for Project Services (UNOPS). But in 2003, the responsibility for execution was taken over by the Government with support from UNDP, and a Mine Action Committee under the Cabinet Affairs unit was set up. Public education has been strong and effective. So far, about 20 percent of mined areas that were earmarked for clearance by the impact survey have been cleared. Hence, a great deal more needs to be done in the years ahead. These efforts seem to have been successfully internalized by the country, which should ensure the sustainability of the programme. For the future, only technical assistance will be required.

PEACE AND POLITICAL STABILITY

For decades, Yemen suffered heavily from political instability. Unfortunately, these internal differences were not laid to rest even after the long-awaited unification of the country in 1990. After the so-called war of secession, as noted earlier, Yemen has experienced relative peace and progress. Tribalism and the tradition of armed resistance as well as a state of political flux in the region are issues that need to be carefully managed in the process of nation-building in Yemen. To these elements of instability have been added two more potential sources of tension. First, democratization and the ideals of an open society cannot take hold without resistance from conservative elements. Second, sudden control over resources deriving from hydrocarbon export has brought the issue of sharing gains to the forefront.

Such a backdrop demands prudent handling of the issues of conflict resolution, balancing of power centres, rule of law, poverty reduction and control of corruption. All of these issues hinge on the delicate issue of state sovereignty,
an area that should not be neglected by development partners. In this regard, the UN Department of Political Affairs is seeking to support the organization of a forum for dealing with this complex subject. Identification of nation-building challenges, conflict-resolution modalities, and open discussion for accommodating the concerns of different groups are likely to be highlighted by the forum. International involvement under the UN umbrella will no doubt be a constructive element, contributing to nation-building in Yemen.

C. POVERTY REDUCTION AND HUMAN DEVELOPMENT

Many human development achievements are a matter of national pride, although Yemen has not as yet earned a place in the list of medium-level Human Development Index (HDI) countries. Its HDI for 2003 was up from 0.392 in 1990 to 0.482 in 2000 (where it remained in 2004). In poverty reduction, however, there is hardly any progress, mainly because of the lack of job creation and unabated population growth. Propitious signs include the following:

- Growth of community-based activities and some increase in microcredit operations
- Increased investment in basic education and access to primary education for school-aged children
- Preliminary indications of interest in improving health care and focusing greater attention on HIV/AIDS
- Life expectancy has risen somewhat, and infant mortality is being reduced. But gender equality and maternal mortality rates are far from meeting reasonable targets.

From the beginning, UNDP has recognized the urgent need for poverty reduction in Yemen. It has been active both on the downstream end— with programmes in community-based development, employment generation and small- and microenterprise development—and upstream, by building government capacities to develop poverty policies, monitoring and reporting and making significant strides toward achieving the MDGs. Yemen has adopted the Millennium Development Goal of reducing global poverty by 2015 and has stated its commitment to adopt all necessary measures appropriate to its economic and social condition to achieve those objectives. The country is working on its own national poverty eradication programme tailored to local needs and priorities, and UNDP has been a significant supporter of Yemen towards that end.

POVERTY PROGRAMME

UNDP’s long involvement in poverty alleviation in Yemen led to the organization’s pivotal role in the preparation of the Poverty Reduction Strategy Paper (PRSP), along with poverty policies, monitoring and evaluation activities. Under the guidance of the Bretton Woods institutions, the Government of Yemen has consolidated its strategy and activities aimed at poverty reduction. In preparing the PRSP, however, the Government was able to obtain the additional assistance of UNDP and other development partners. Through the adoption of interlinked and well-designed policies, the PRSP seeks to create an environment that is conducive to poverty reduction and the realization of specific and prioritized objectives. These includes economic growth, the creation of job opportunities, the provision of better basic services for human development and securing an effective social safety net for the poor. Through this strategy, the Government has attempted to incorporate the private sector, NGOs and community-based organizations as active partners. The private sector is essentially charged with the task of achieving economic growth, and NGOs and community-based organizations are assigned responsibility for upgrading human conditions and community development. In this context, the PRSP sets out four main areas for intervention:

- Achieving a high and sustained rate of economic growth
- Improving basic infrastructure and access to basic services
- Enhancing human resources development
- Enforcing and strengthening social safety nets.

The PRSP sets out a pro-poor economic growth strategy as the most important tool for poverty reduction that aims to:

- Reduce the incidence of poverty by about 13 percent between 2003 and 2005 to reach 35.9 percent, mainly through achieving an average annual GDP growth rate of 4.7 percent during the period
- Raise coverage of social services (65 percent for health coverage, 69.3 percent for enrolment in basic education, and coverage of 600,000 families under the Social Welfare Fund).

In the run-up to the preparation of the PRSP, an earlier programme supported by UNDP, called the Poverty Alleviation and Employment Generation programme (PAEG), had emphasized not only policies and programmes for income generation but also the setting up of databases and information systems, including the

The NAPPE is a subprogramme of the UNDP-funded National Programme for the Alleviation of Poverty and Employment Generation. A number of studies of the PRSP (Source: UNDP, Arab States Sub-regional Resource Facility, September 2003) emanated from the NAPPE, including 'The Role of Zakat and Trust in Poverty Eradication'; 'Poverty and Women'; 'Poverty and Environment'; 'Administration and Poverty'; 'Productive and Economic Sectors'; 'Relations between Human Poverty and Social Resources'; 'Voices of the Poor Study'; and 'Social Disparities and Poverty in the Yemeni Society'. The NAPPE technical committee, which followed up progress towards set objectives, was transformed to suit the needs of the Interim PRSP and the final development of the Poverty Information and Monitoring System and the Labour Market Information System. Under this programme, the 1999 National Poverty and Labour Force surveys were undertaken. It is true that these surveys and reports contained discrepancies in data and did not provide information reliable enough to assess progress in poverty alleviation. But they did help in setting up benchmarks for the future. The PAEG also assisted in the creation of a National Committee for Social Safety Nets. Furthermore, the Government completed two other important surveys: the Household Budget Survey in 1998 and the Yemen Demographic and Maternal and Child Health Survey in 1997 (see Box 5). The findings of these surveys and reports helped in the preparation of the PRSP. Another beneficial activity was the second 'Voice of the Poor' study prepared by UNDP and Oxfam, which focuses on three geographic areas and was critical in reaching the poor and learning from their experiences. The PRSP also took into account government-initiated objectives and policies, such as the Strategic Vision of Yemen 2025, the Second Five-Year Plan, the Millennium Development Goals and other national and international commitments. UNDP supported all such preparatory activities.

The PAEG also assisted in launching the first National Human Development Report in 1998, which focused on the human development situation in Yemen overall. This was followed by a second report in 2001 that focused on change, particularly in the context of participation and dialogue among civil society, the private sector and Government. A third report is now in preparation. Meanwhile, the Arab Human Development Reports have also been published, and play a strong advocacy role in areas including social investment, poverty reduction, the promotion of civil society and reaping the benefits of the information revolution.

Under the PAEG, the National Programme for Productive Families focused on creating income opportunities through literacy and crafts for women. As a result, there are 41 training centres around the country, some of which are working through local NGOs and cooperatives with varying degrees of success. The main benefit of the PAEG was intended to be the creation of a number of small projects, which, when well coordinated, could have a significant impact on poverty alleviation in Yemen. In practice, this synergy of individual activities did not take place and the results did not coalesce into the development outcome that was expected. The Labour Market Information System was successfully executed by a civil society organization, with technical backstopping from the International Labour Organization (ILO). It produced a human resources database, linked eight employment offices through its unified data system, and produced various reports, including one on classification of occupations in Yemen. In employment generation, however, the PAEG has made only a limited contribution.

In addition to the contribution made by the PAEG to the PRSP preparation process, further contributions were sought from wide ranging consultations within the country. Starting in early 2000 and up until mid-June 2002, PRSP preparation meetings and workshops took place in a number of regions across the country with Yemeni stakeholders that included representatives of civil society, parliament, the media, NGOs and the international community. An attempt was also made to dialogue with the poor. Participation and consultation were not as comprehensive as intended, and input from the poor, civil society and NGOs was rather limited.

The Government of Yemen is coordinating the implementation of the PRSP through the Ministry of Planning and International Cooperation. It also set up the National Action Programme for Poverty Eradication (NAPPE), which aims at assessing and developing capacities. UNDP played a key role by helping to develop a new monitoring programme, approved and started with financial support from the World Bank in 2003.

One of the impressive achievements of the Monitoring Unit at the Ministry of Planning and International Cooperation has been the report on Yemen’s progress towards meeting the MDGs, which was prepared and endorsed by the Cabinet and published in early March 2004. Another achievement is that, together with the Central Statistical Organization and with support from UNDP, the World Bank and Oxfam, the ministry has been able to establish a common database of socio-economic indicators that are vital to the preparation and monitoring of the PRSP.

There are five thematic groups under the PRSP. Some are headed by government officials and others by various donor representatives. The groups have mostly worked well and have been able to generate discussions and provide proper feedback for addressing poverty issues. However, the

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15 The NAPPE is a subprogramme of the UNDP-funded National Programme for the Alleviation of Poverty and Employment Generation. A number of studies emanated from the NAPPE, including 'The Role of Zakat and Trust in Poverty Eradication'; 'Poverty and Women'; 'Poverty and Environment'; 'Administration and Poverty'; 'Productive and Economic Sectors'; 'Relations between Human Poverty and Social Resources'; 'Voices of the Poor Study'; and 'Social Disparities and Poverty in the Yemeni Society'. The NAPPE technical committee, which followed up progress towards set objectives, was transformed to suit the needs of the Interim PRSP and the final development of the PRSP. (Source: UNDP, Arab States Sub-regional Resource Facility, September 2003, The Case of Yemen’s Poverty Reduction Strategy Paper: Process and Lessons Learned)
Box 5. Recent Poverty-related National Data Collection and Analysis Exercises

**National Poverty Survey (1999).** As part of the Poverty Information Monitoring System, which was partially funded by UNDP, the Central Statistical Organization, in cooperation with the Economic and Social Commission for Western Asia, conducted the first National Poverty Survey in 1999. The survey covers both income poverty and human poverty and provides information on household expenditure, household wealth and income-generating activities and access to services. The survey also provides data on maternal and child health. The survey was done in one-round interviews and considered the effect of seasonality in consumption and income. Therefore, the data collection was not consistent with the 1998 Household Budget Survey, which was done in four rounds of interviews. The fieldwork for the National Poverty Survey was undertaken in September 1999, and the results were published in May 2001.

**Labour Force Survey (1999).** As part of the Labour Market Information System, the Central Statistical Organization, in cooperation with the Ministry of Labor and Vocational Training, conducted a major Labour Force Survey in 1999, which was partially funded by UNDP. The survey follows an earlier Labour Force Survey conducted in 1991. The 1999 survey provides information on the employment and unemployment characteristics of the working population aged 15 and older. The survey also provides data on work hours, monthly earnings, occupational injuries and diseases of paid employees.

**Household Budget Survey (1998).** The Central Statistical Organization conducted the Household Budget Survey with funding from the Government of Japan and in cooperation with the World Bank. This 1998 survey provides information on household expenditures and income as well as the demographic and socio-economic characteristics of households. The survey is based on a national representative sample of 15,120 households, representing only 0.69 percent of the total number of households (1994 population census). Moreover, the urban sample size represents 64 percent of the total sample, although the urban population represents 25 percent of the total population. The survey was done in four rounds of household interviews, with the intention of capturing the effect of seasonality in consumption and income.

**Yemen Demographic and Maternal and Child Health Survey (1997).** This survey was carried out by the Central Statistical Organization with funds from USAID and in cooperation with the Ministry of Public Health, Ministry of Planning and International Cooperation, and Macro International Inc., a demographic and health survey organization. The survey follows an earlier survey conducted in 1991/1992. The 1997 Yemen Demographic and Maternal and Child Health Survey provides information on fertility, mortality, family planning, and maternal and child health. It is based on a representative sample of 40,701 households, including 10,414 women.

The government personnel appear somewhat weaker.

The Government published its first monitoring report of the PRSP, which brought out a number of shortcomings in its implementation. Three difficulties that the PRSP faces include: (i) the level of ownership that civil society should have in the process, (ii) inadequate funding for investment in job creation and other public programmes for poverty alleviation, and (iii) the fact that the PRSP is “not alive in line ministries and, in some cases, some UN agencies,” according to one interviewee. The PRSP’s inherent weaknesses are a lack of connection to the overarching decentralization programme, the absence of a strategy for focusing on women and the fact that it does not address issues of sustainable natural resource management.

UNDP is especially involved in the MDG pilot country study. The project has been very demanding on both the Government and donors, but has led to rationalization of the planning effort in the country. Yemen is now committed to preparing the next PRSP for five years from 2006–2010, which will incorporate the Third Five-Year Plan and the MDG Attainment Programme. This is a bold and propitious move that needs the support of all development partners, UNDP in particular.

**MICROFINANCE**

Yemen is one of 25 pilot countries worldwide that participates in the MicroStart global programme, a small enterprise and microfinance development initiative supported by UNDP and UNCDF that aims to provide a sustainable source of credit to the poor. In Yemen, women are particularly targeted, given the difficulties they have in obtaining credit from formal banking services. The ultimate outcome is supporting the small enterprises of the poor and creating an enabling institutional environment for such endeavours.

In the first phase of this initiative, which began in June 2000, the Alexandria Businessmen Association of Egypt was contracted to establish and supervise the MicroStart scheme, provide training in microfinance skills, and set up
a computerized system for accounting and tracking of loans. The programme is being implemented through four local urban-based NGOs, three of which exclusively serve women, in the cities of Aden, Sana’a and Taiz.

There were 4,032 active clients for the first phase of the MicroStart Initiative (May 2000 to June 2003), out of a planned target of 3,500. Ninety percent of them were women engaged in service provision or marketing of mostly agricultural products or handicrafts. Repayment rates were 98 percent. A UNDP evaluation mission acknowledged the programme’s good repayment rates, but did not believe it would have a sustainable impact on enterprise development. The focus of the programme has been on the sustainability of the revolving fund and microfinance institutions, rather than on sustainability of small enterprise and livelihood development.

Though it is difficult to assess the impact of MicroStart on its intended beneficiaries, it was observed that associations or bodies providing microcredit had developed considerable skills in reaching beneficiaries and assisting them in trading or producing handicrafts. No data, however, are available on the uses of income from the enterprises and whether the female clients keep control of that income. A second phase was started in cooperation with UNCDF and the Social Fund for Development. Three microfinance institutions of the original four involved in phase I were identified for transformation to microfinance companies in phase II. This phase aimed at supporting the development of professional, single-purpose microfinance institutions, capable of reaching thousands of people, particularly women, on a sustainable basis.

The work of UNDP in this area is a valuable first step in developing microfinance schemes in Yemen. It should continue, giving greater focus to capacity-building and sustainability and greater attention to the impact that these activities have on beneficiaries. From its limited exposure, the ADR mission observed that microfinance was, indeed, empowering women in urban slums and marketplaces. But a model for institutional development of microcredit agencies does not yet exist. Nor does the development of criteria for a sustainable level of operation. Furthermore, pilot projects in rural settings should be implemented to find out how microfinance can contribute to income-earning in the limited rural market and thus to poverty alleviation. If progress is achieved in these three areas, the next step will be the scaling up of microfinancing, which will require the involvement of other development partners.

COMMUNITY-BASED REGIONAL DEVELOPMENT

The Community-based Regional Development Project, or CBRD, aims to build the capacity of local institutions and promote the economic empowerment of communities. The project was launched in 1998 and piloted in five regions in Yemen. It applied a flexible, learning-by-doing attitude with a participatory approach for community-driven development and poverty alleviation.16

Activities were partnered with other initiatives in the project areas to complement local development efforts and mobilize additional resources, particularly for social services and infrastructure. The activities undertaken ranged from agricultural production and beekeeping to midwifery and provision of water to far-flung villages. The project provided vocational training to over 7,000 men and women and credit benefiting 9,000 households through the community’s local credit societies called Sanduqs (literally meaning ‘safes’). Community-based financial services have been established to strengthen the self-help capacities of communities and set up local financial resources.

UNDP reports that the cumulative impact of project activities focusing on women has boosted the average household’s monthly income by over 32 percent in target areas. Moreover, community development organizations have been able to mobilize more than $2 million for basic social infrastructure, ranging from schools to water systems, for their communities. According to a participatory impact survey conducted in June 2003, targeted districts have also seen dramatic improvements in health and other social indicators, reflecting the project’s success in developing grass-roots organizational capacity.17 Since local councils have been established in the context of Yemen’s decentralization policy, community development organizations act as their main partners in local planning and empowerment.

The second phase of the Community-based Regional Development Project aimed at replicating and mainstreaming what proved to be a successful approach, incorporating the lessons learned and adjustments made during phase I. The Social Development Fund of Yemen, which is a very large player in community development and social investment, has practically taken over this job. UNDP’s interaction with the Fund is now mainly in community-based initiatives under the decentralization programme. UNDP’s offer of service to this efficient organization should be mainly in the area of sharing accumulated knowledge and experiences.

16 Source: UNDP Yemen website.
17 UNDP Arab States Sub-regional Resource Facility (SURF).
HEALTH, SANITATION, POPULATION AND EDUCATION

Yemen's efforts to improve social conditions after the revolution of 1962 in the North or at the end of colonial rule in the South in 1967 lacked strong political commitment. After unification the picture was different, and some progress has been made. The allocation for education has rapidly increased. In 2003, the claims of education, health, internal security and defence on the national budget were 20.5, 5.6, 6.6 and 14.5 percent, respectively. Basic education and population planning, in fact, seem to have reached a stage of national commitment. Improvement in sanitation does not enjoy high priority and water shortages likely complicate the problem. One of the interesting aspects of the decentralization programme is that the demand for education, health and sanitation services have become the most important perceived needs of the local councils. UNDP is not directly involved in programmes in these sectors, but plays a strong advocacy role through its commitment to human development, the core of which is social investment.

The AIDS pandemic has received increasing attention in Yemen over the last few years. UNDP funded an assessment, executed by the World Health Organization (WHO), in five of the most populated governorates to determine the extent of the problem. It found that while the prevalence of HIV/AIDS was probably under-reported, it was still at relatively low levels. The assessment was followed by a Workshop on Leadership for an Expanded Response to HIV/AIDS. The National Strategic Framework for the Control and Prevention of HIV/AIDS in Yemen, which had been funded by UNDP with the participation of numerous stakeholders, was presented at the workshop. A National Task Force on HIV/AIDS was also formed. The Yemeni Cabinet has endorsed the strategy and its implementation is in progress. UNDP will be implementing one of the strategy's components—on advocacy.

A great deal still needs to be done to help prevent the spread of HIV in Yemen. UNDP has a role to play in advocacy and awareness-raising in collaboration with other UN agencies, including the Joint United Nations Programme on HIV/AIDS (UNAIDS), UNFPA and WHO.

D. ECONOMIC PERFORMANCE

Economic development was very uneven in the post-revolution period in the two Yemens and was adversely affected by political instability and social upheaval. In the 1960s, 1970s and the first half of the 1980s, Yemen emerged from isolation, and economic development during that period depended heavily on external aid and remittances. Since 1987, oil income has become an important element in Yemen’s development. Today, 77 percent of GDP is accounted for by international trade, and both remittances and aid have shrunk substantially. Recent changes and prospects are as follows:

- After unification, annual per capita income declined sharply until 1996. But the recovery was fast, and per capita income reached its earlier level by 1999 and has been increasing ever since. For 2003, it is estimated at $537 per capita per year.
- Diversification of the economy is urgent, primarily because of diminishing hydrocarbon resources. Nevertheless, investment is stagnant, fluctuating between 15 percent and 25 percent of GDP. All the growth in investment since the latter half of the 1990s has been in the public sector, emanating from oil income. Neither tourism nor fisheries development is making much progress.
- Progress in developing a telecommunications infrastructure has been good, but it has not yet ushered in an information revolution, perhaps because of the low level of basic education.
- Foreign direct investment in manufacturing should have been especially attractive due to the economic philosophy, democratic politics and locational advantage of the country. But this does not seem to be enough for multinational corporations, possibly because of the bureaucratic complexities of doing business in Yemen and the perception of a high level of corruption. Security threats may also be acting as disincentives.
- After unification and the suppression of the secessionist movement, one significant achievement has been the reduction in the debt burden inherited from the South to about half the previous level in 1996.
- The macroeconomic imbalance that characterized the economic reality of the union was corrected successfully. The rise in inflation from 45 percent to 71 percent in 1994 has been brought down to about 10.8 percent in 2003. The budget deficit that reached 15 percent of GDP in 1994 turned into a surplus by 2000, thanks primarily to oil income. Foreign reserves that declined to $441 million in 1990 are well over $4,400 million in 2002.
- Financial management is rather weak. Budget discipline is poor and a great deal of revenue, including foreign aid, is not properly accounted for. Budget allocations are

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18 In 2003, the total public expenditure was Yemeni Rials (YR) 668,400 million. Education claimed YR 136,815 million, health YR 37,577 million, internal security YR 45,786 million, and defence YR 96,896 million. (Source: Yemen Statistical Yearbook 2003).
more targets than real allocations, and spending does not always follow budget allocations. An amount purported to be 30 percent of budget allocations is outside budget discipline since it is treated as an extrabudgetary expenditure from about 15 funds, created for different ad-hoc purposes. However, some reforms, such as a standard debt management system and the introduction of an automated system for customs data (ASYCUDA) for standardization and rationalization of customs levies and collections have been successfully completed.

In the years after the emergence of the two Yemens as independent countries, UNDP helped shepherd the countries’ entry into the global economy. In the South, all development activities were planned and implemented with UNDP input. In the North, UNDP was the main partner of the Government for on-the-spot negotiations with other development partners. After unification, economic management was mostly a matter for the Bretton Woods institutions, with UNDP playing a small role as needed. Public service reforms, macroeconomic balance, financial management and budget reforms did not involve UNDP much. It did play a role in aid coordination and accounting for a while, and it assisted in the introduction of ASYCUDA in customs administration and a system for debt management. In agriculture, UNDP played a role in strengthening extension services and it was persistent in its involvement in the water sector. In the training of personnel, UNDP was always in the forefront.

In the economic field, UNDP was most engaged in the poverty alleviation programme discussed earlier. Community development, microenterprise development and labour market rationalization are some of UNDP’s areas of interest. It is also a player in trade matters, largely because of its involvement in an integrated technical assistance framework that seeks to upgrade the capacity of Yemen. UNDP’s interest in financial management is essentially in three areas. First, it must assist the Government in adjustments required to make the national budget respond to PRSP programmes. It is already involved in securing fiscal decentralization in keeping with the political and administrative decentralization programme. Second, it has in hand an initiative for accounting and coordinating the flow of external resources to the country. Third, it should place at the disposal of the Government the knowledge resources it has available on reforms of the budget process and management of state finances. While close collaboration with the Bretton Woods institutions and other development partners is very important here, UNDP should be able to provide a range of reform choices to the Government.

UNDP is taking some action in promoting information and communications technology (ICT). It is funding community-based telecentres through small loans, for instance, and a web-based portal is being assembled to disseminate information about development in Yemen. Mobile Internet units will also be delivering ICT training in remote areas. Through an e-governance regional conference hosted in Yemen and other activities, UNDP provides advisory services on ICT. It could also bring in technical assistance to assist the Government in ICT policy formulation. With a clear exit and replication strategy, UNDP could also engage in some pilot activities.

E. GENDER AND WOMEN’S ISSUES

When looking at gender issues in Yemen, it is necessary to take a step backward and also consider the larger Yemeni context (see Box 6.). Yemen has diverse regional, social, political, ethnic, linguistic and religious traditions. These factors all contribute to regional specificities in gender relations. Nevertheless, certain common features can be identified that point to large gender disparities in Yemen. These inequities—both quantitative and qualitative—have been highlighted in a number of separate studies. Though statistical information on Yemen is sometimes unreliable, certain generalities stand out that urge immediate attention to the position of women and girls in Yemeni society.

Women not only fare worse than men on all human development indicators, with the sole exception of life expectancy at birth (and here the relative advantage for women is much smaller than the pattern shown in other least developed countries). Women will continue to fall behind and inequities may even be exacerbated unless policies and projects are enacted to improve women’s position. In education and in health care, affirmative action is needed to improve access for women and girls. For reproductive health care, advocacy is also needed.

In the employment market, women are discriminated against openly. By tradition, women are entirely responsible for rain-fed agriculture, whose yields are limited. Women get no preferential treatment in wage or government employment. Nor are seats reserved for them in local council or parliamentary elections. For any progress to take place, advocacy is as important as action programmes.

Women in Yemen are also discriminated against in respect to their human rights. As mentioned earlier, the Personal Status Law of 1992 contradicts certain principles of CEDAW. Access to the judicial system is socially restricted for women. Tribal customs curtail equal rights for women, as does the succession law of the country, which
limits women’s right to inherit property. These issues can be tackled only through advocacy, in the first instance, followed by mobilization of public opinion. To address gender and women’s issues, Yemen established the Women’s National Committee in 1996 and, in 2000, set up the Supreme Council for Women to advance women’s development. The Ministry of Human Rights, headed by a woman minister, also has the responsibility to promote women’s freedoms. Both of these institutions are advocating actively for women’s rights. While UNDP is supporting the Ministry of Human Rights in capacity-building, it has no programme with the Women’s National Committee.

UNDP has brought women’s issues to the forefront in Yemen by targeting some of its programmes to women. But there has not been an overall strategic approach to gender equity and equal rights for women.

• The MicroStart initiative has been, and continues to be important in support of women’s empowerment. Active clients for the first phase of the MicroStart Initiative were 90 percent women. Most direct and indirect beneficiaries are women in urban centres who have used the credit for small-scale, home-based enterprises, such as handicrafts, bread-baking and incense-production. UNDP is not involved in microcredit schemes in the rural areas, where some 75 percent of poor women live. No detailed data is available on the uses of income derived from such enterprises, and whether female clients keep control of the income.

• In the 2003 parliamentary election, women were 42 percent of the voters. Over 140 women were candidates, but only one of them got elected. In the 2001 election of local councils, more female candidates were successful. Continued voter education in the next election, especially for women, is essential to the sustainability of this effort. Reserving seats for women in local and national elections would ensure their participation in political decision-making.

• A positive recent development is the disaggregation by sex of certain data in the socio-economic database under preparation to monitor progress in poverty alleviation. This will provide the hard data that policymakers need to begin addressing the gender gap.

Despite the fact that gender mainstreaming has been on the development agenda of UNDP for some time, it was not explicitly incorporated into the conceptual design of the PRSP process, or in the relevant reference documents. This was a missed opportunity, which could be corrected in the upcoming PRSP exercise, and is indicative of the overall neglect of women’s issues in Yemeni Government and society. It is, therefore, even more important that UN agencies and donors alike work together to send a common and appropriate message on women’s issues in Yemen. UNDP should also reassess its involvement in the gender issue and take up a stronger advocacy role as well as focus more attention on mainstreaming gender concerns in all national development programmes.

F. SUSTAINABLE NATURAL RESOURCE MANAGEMENT

With rapid growth in population, Yemen’s natural resources have been placed under considerable strain. A decline in rainfall has exacerbated a water supply problem that was already acute. Terrace agriculture has suffered, and it has become difficult to provide potable water supplies to communities. Balancing the needs of an ever-larger population with limited arable land and water is one aspect of Yemen’s environmental challenge. Another is preserving unique ecosystems containing rare and biologically diverse species, such as those found on the Yemeni archipelago of Socotra. Together with fragile ecosystems on the mainland, Yemen’s biodiversity and natural habitats represent a significant resource for the country and the region and deserve careful management. They also have potential economic value when it comes to further developing the country towards promising national strategies such as ecotourism.

UNDP’s efforts of the 1990s have helped make the country aware of its environmental challenges, and a number of positive developments have taken place. A Ministry of Water and Environment was set up in May 2003, although most of the water resources are still managed by the Ministry of Agriculture. A National Environment Action Plan (NEAP) was finalized in 2002, and a Water
Strategy and Investment Plan was approved in December 2004. Disaster management plans are under consideration, due to the country’s vulnerability to a variety of natural disasters, including earthquakes, floods, droughts and desertification.

UNDP has supported several entities and initiatives of the Government of Yemen over the past several years in the form of capacity-building, advocacy and technical support for the establishment and adoption of various policy frameworks and strategies for natural resource management. UNDP had an important role in the development of the National Environment Action Plan in 2002, the National Biodiversity Strategy and Action Plan, the National Water Law, and Management Plans for Hadramawt and some other (pilot) areas. It was instrumental in the establishment of the Ministry of Tourism and Environment and, more recently, in the establishment of the new Ministry of Water and Environment in 2003. UNDP was influential in moving environmental issues to the highest levels of the government agenda, and ensuring that ongoing and planned programmes in the environmental field are aligned with national development priorities.

The most recent example of the effectiveness of UNDP’s advocacy role is the decision by the Canadian NEXEN Oil Company, working in the southeastern Hadramawt Governorate, to commit funds to support a local water resource management and community water supply and sanitation programme. The programme is being piloted under the Global Compact Initiative of the UN. The broader goal is to establish strategic public-private partnerships for the region and beyond that will serve as models of private sector responsiveness and local stewardship of the environment.

A conservation project funded by the Global Environment Facility (GEF), marking UNDP’s first intervention in Socotra in 1997, has established a zoning plan for the island, a local programme unit and the Socotra Coordination Unit within the central Ministry of Planning and International Cooperation. The project has trained some 120 nationals and organized more than 300 village meetings (some of which have included women). After the project ended in 2001, a bridging programme was developed that included financial assistance from several partners (France, Italy, the Netherlands, Poland and the Government of Yemen). The first phase sought to address various socio-economic aspects of the island’s inhabitants, in addition to biodiversity conservation. The current programme addresses a broad range of issues, including social investment, creation of livelihood opportunities, local planning of watershed management and land-use planning. The effort to establish a partnership with the Galapagos Islands is most welcome. An evaluation conducted in August 2003 concluded that “the underlying rationale and approach of the individual projects were strong” and that a clear understanding among project partners on how they relate to each other had been achieved though a strong consultative process. Yet, due to the lack of “other substantial investments in basic human needs by government or projects,” the evaluation also states that “the final products, however, were not always as strong as the processes undertaken.”

In the area of integrated water resources management, UNDP signed two projects in 2003 that seek to respond in a comprehensive way to the diverse issues in this sector. The programme is a continuation of the support to the National Water Resources Authority and other institutions in the water sector and has a variety of components. These include capacity and policy development, strategic planning and reforms, as well as basin management planning. Less than a quarter of the needed funding for the current project has been secured so far. It appears that some donors have been reluctant to commit financial resources because they felt they had been left out at crucial stages of programme planning. This is a shortcoming that should be noted by UNDP and rectified in future initiatives.

GEF funds were allocated for the protection of the marine ecosystem of the Red Sea in the early 1990s. After several delays, due mainly to the civil war, a project was finally initiated in 1995/1996 and ran through 1999. A terminal evaluation completed in 2001 concluded that although the right approach was chosen in principle—that is, capacity-building activities—no significant outcome had been achieved due mainly to wrong assumptions made in the project’s rationale. The project failed to address the most critical causes for the damage to Yemen’s fisheries and the endangerment of marine biodiversity. However, according to UNDP Yemen, the project activities “left some installed capacities” that are currently lying idle, which could be re-activated within the context of a second initiative that could be regional and involve the UN Environment Programme (UNEP). A regional programme also has the potential for improving Yemen’s relationship with Eritrea across the Red Sea.

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Under the GEF-portfolio, a mid-size programme began in 2002 that addresses a National Recovery and Recycling Programme for refrigerators in the private sector. According to UNDP, implementation is difficult due to the remoteness of the implementing agency (UNOPS) and logistical issues. Other GEF-funded initiatives are also under development. A recent success is Yemen’s accreditation in the UNDP/GEF Small Grants Programme in early 2004. A few additional proposals are in the GEF pipeline (for example, the National Capacity Self-Assessment, Establishing and Operation of a Socotra Conservation Fund) that will enable the Government to translate its commitments to the environment—through ratification of all major environmental conventions—into action.

In dryland management and activities to combat desertification, little significant evidence could be found by the ADR team for recent achievements or engagement. Self-reporting by UNDP Yemen (through the Results-oriented Annual Report 2002) suggests that results have been made, in addition to the establishment and cabinet endorsement of zone plans for Socotra. For instance, a capacity-building programme to improve dryland resources management at the district level has been developed by UNDP in partnership with the Dryland Centre and Capacity 21, and is encouraging an integrated approach to environmental protection and poverty monitoring in Yemen.

**DISASTER PREPAREDNESS, MANAGEMENT AND RECOVERY**

To address problems of disaster preparedness, management and recovery, a UNDP programme has just recently gotten under way. It is too early to assess achievements. Nevertheless it is clear that UNDP draws on genuine comparative advantages in helping build national capacity in this area. Given that certain population groups are at a high level of vulnerability, the negative impact of potential natural as well as human disasters would be large; strengthening national capacity for preparedness and response is therefore an important task. This programme was envisaged several years ago, but the negotiation with the Government on the requisite institutional arrangements has taken a long time. In this case, it seems that the decision to wait for an appropriate institutional framework was the right one, since there is a need to build sustainable and self-reliant coordination mechanisms inside the Government.

Challenges for the disaster preparedness and management programme in the future include coordination among a multitude of actors. While there is already a consensus on establishing a central Disaster Management Unit within the Ministry of Interior, it is essential that strong and active support be obtained from line ministries. On the UN side, the UN Disaster Management thematic group is expected to provide advice and operational guidance to the programme. For maximum capacity-building, it is important that members of the thematic group are also genuine participants in the national programme for building capacity in disaster preparedness and management.

In tackling the diverse issues associated with environmental management and disaster preparedness and mitigation, UNDP has played the role of pioneer and catalyst. This role is crucial for further progress in this field. Water resource management, environmentally friendly development of the Socotra Archipelago, disaster management, and Red Sea management are matters in which the long-term involvement of UNDP is simply inescapable. The financial input may be nominal, but engagement of a trusted partner is critical.
This chapter examines UNDP’s strategic positioning in Yemen with a view to the future. More particularly, it analyses the relevance of the UNDP programme, the comparative advantage that UNDP has, how it has partnered with other development organizations in order to ensure more effective development assistance, how it mobilized resources and coordinated aid in Yemen, and how its management structure has performed to deliver the intended results.

**A. COMPARATIVE ADVANTAGE AND RELEVANCE**

UNDP has a high profile in Yemen. UNDP offices in both Yemens played important roles in the early days of the two States as they became members of the global community. In socialist South Yemen, UNDP represented the presence of the outside world. In the North, it was the main mobilizer of external assistance. It was also involved in every kind of economic initiative. Capacity-building was (and still is) the forte of UNDP. It was a trusted partner and a confidant in all development initiatives in the country. Even young people of the 1970s and 1980s were aware of the existence and importance of UNDP. UNDP is not playing the same role now in aid mobilization, but it has a favourable image and the reputation of a good friend, neutral in its support role. Even the advocacy role that it plays is in areas with universal appeal. The switch of UNDP to thematic concerns in the 1990s also supported national objectives. So it continued to play the role of a trusted and neutral broker. UNDP also followed the healthy policy of taking the lead role in a sector or programme and then leaving it to others as it gained general acceptance. For example, it was involved in initiating agricultural extension services, but has not been working in the agriculture sector for more than a decade. Thirteen years of UNDP involvement brought about the creation of the National Water Resources Authority. Now that the ministry has been established, UNDP is taking a back seat in the sector.

Given the many development challenges in Yemen, and the limited resources available, UNDP has had to be selective in its interventions. The strategic orientation of UNDP’s activities is reflected in the focus areas of the two Country Cooperation Frameworks under consideration in this exercise. These focus areas have naturally impacted on some of the Millennium Development Goals, such as poverty reduction, gender equality and environmental sustainability. Two very noteworthy features in Yemen’s development are the lead role of the Government in the poverty programme and the issue of decentralization. These are also the programmes with the greatest involvement of UNDP.
The Strategic Results Framework 2002 clearly lists UNDP goals in Yemen during the period under review; it also provides possible guidance on where to move in the future. In a nutshell, UNDP interests in Yemen can be identified as follows: First, and very correctly, a good deal of emphasis has been placed on the work in central monitoring and reporting of poverty issues, as well as coordination under the PRSP process. Second, the flagship in the UNDP portfolio is its work in decentralization and empowerment of local government units. Third, engagement in selected governance issues, namely elections, the justice system, human rights and mine action, have been significant milestones. Finally, UNDP has been engaged in projects relating to environmental protection, water resources management and disaster management.

Individually, there is success to be found in many of these projects, as described in the preceding chapter on development results. There are also shortcomings, such as less than adequate emphasis on advocacy for gender equality and neglect of the issue of aid accounting and aid coordination. There are, at the same time, opportunities to do more. One of the strongest points in favour of UNDP activism in Yemen is its strong platform as a highly respected organization and a trusted development partner from the very beginning of Yemen's entry into the global economy. The considerable needs of the country in a changed global context also offer new opportunities for action under the UN umbrella. Even in sensitive areas, UNDP interventions have been welcomed by the country. This is reflected, for example, in its programme on human rights and the justice system. The trust, respect and neutrality commanded by UNDP and the access it has to government officials as well as a growing civil society place UNDP in a pivotal position to play an advocacy role on the one hand, and, on the other, to undertake pioneering initiatives.

One of the major strengths of UNDP has been its ability to pilot projects that require a combination of advocacy and capacity-building, such as community-based development projects, decentralization and the microfinance programmes. Through its role as an impartial player, as well as its capacity to provide technical training, UNDP served as a catalyst for community development institutions and helped organize NGOs. The scaling up of the operation has successfully been passed on to the Social Fund for Development. Again, in the decentralization programme, UNDP acted as a bridge-builder between central and local authorities, and between local authorities and the local population. By its nature, involvement in this area is a long haul. But the key to success lies in drawing more development partners into the programme and securing adequate financial assignments for local government from the Ministry of Finance. In microfinance, UNDP's role should be confined to experimentation with models for replication. Upscaling of operations should be left to the Government and other development partners. Depending on the evolution of these initiatives, an additional phase in the programme could be planned for the future.

UNDP, for its part, has been responsive to national priorities and has brought forth the necessary capacity to provide proper support to the Government and to engage other donors. UNDP has been engaged in water resources management for more than a dozen years, but can now leave it in the hands of the Government and other development partners. In terms of decentralization, UNDP came in late but in a strategic manner, and provided the opportunity to pilot the experiments needed in selected districts to bring other development partners on board. The major strength of UNDP in Yemen has been demonstrated by its (i) institution- and capacity-building, (ii) policy advice and advocacy, and (iii) ability to pilot and replicate projects.

Exploitation of the knowledge resources at the disposal of UNDP leaves untapped potential in support of Yemen's development enterprise and fresh attention may be directed there.

B. STRATEGIC PARTNERSHIPS AND RESOURCE MOBILIZATION

The strength of UNDP in Yemen, as already noted, is its close relationship with the Government. It has also been instrumental in ensuring effective dialogue among government agencies, including ministries. With UNDP's support, for example, the Ministry of Local Administration has succeeded in securing commitment from the Ministry of Finance to allocate, on a graduated scale, 5 percent of the budget to local government institutions. UNDP's close relationship with the Social Fund for Development is beneficial for both institutions. One weakness is its limited dialogue with the Ministry of Finance. As a result, priorities and allocations agreed upon with the Ministry of Planning and International Cooperation, with which UNDP is in close contact, do not always materialize and aid accounting is made difficult.

The positive side of strategic partnerships, however, should not be underrated. UNDP's assistance has been very effective in strengthening the Government's leadership role, exercised by the Ministry of Planning and International Cooperation in the PRSP process through capacity-building as well as coordination and advocacy
efforts. A number of thematic groups have been established under the auspices of the PRSP, and in several of these, Government is now playing a significant role. And although the MDG pilot country study is very demanding on all development partners as well as the Government, it is being managed quite well. It could very well result in a successful planning and programming exercise for attainment of the MDGs, where feasible. While there is limited substantive capacity available to the Yemeni Government, the role of UNDP in strengthening the Government’s leadership capacity role should be seen as a major accomplishment.

The UN Development Assistance Framework was formulated in 2001, but it is not clear if it is fulfilling its potential as a coordination tool. Currently, the coordination processes seem to be focused more on practical, operational matters, rather than on substantive, thematic or sectoral coordination. While it is desirable that a multitude of UN agencies take initiative and leadership in UN system work, it seems that most agencies are carrying out independent programmes, thus losing the potential synergies that might emerge from joint or coordinated programming. One obvious reason for this is the overall lack of capacity, both within Government as well as within the UN system itself. Each mission has limited capacity and staffing, and it takes most of their energy just to conduct their own programmes. Potentially, UNDP could have much to offer here by helping organize interagency capacities and programming processes that they could all draw upon, thus creating synergies. However, for UNDP to play this role, it would have to initially strengthen its own internal substantive capacity.

UNDP has encouraged and facilitated some South-South technical cooperation activities that have been of great benefit to Yemen and countries in the region. Most notable are those exchanges between Yemeni microfinance institutions and one in Jordan. The human rights conference in January 2004 marked another example of South-South cooperation in which international organizations and the European Union acted as intermediaries.

The NGO community in Yemen, both international and national, represents important untapped potential and a means for UNDP to expand its partnerships. The NGO community possesses a unique vantage point and has the potential to address poverty as well as rights issues through grass-roots approaches in a way that others may not be able to. At present, there is limited involvement of NGOs in UNDP’s programmes. UNDP needs to identify areas of potential partnership, the capacity of NGOs in Yemen to engage in these partnerships, and ways to strengthen the capacity of these NGOs.

While some progress has been made, still more effort could be made to incorporate the private sector in UNDP’s development work. A recent success has been achieved under the Global Compact Initiative of the UN, where a Canadian oil company is working together with the UN to support a local water and sanitation programme. This should encourage public-private partnerships in Yemen and be seen as a showcase for other donors and the private sector.

In its effort to provide efficient and effective services, UNDP has embarked on an effort to both use its own capacity and to cooperate with other partners. Over the years, UNDP core resources available to UNDP Yemen have decreased from $9 million in 1997 to $4.8 million in 2003. In the meantime, the contributions from the Government of Yemen have remained relatively stable, but in monetary terms are a minor part of programme financing. Government cost-sharing was, for example, $163,000 in 1997 and $150,000 in 2003, peaking at $800,000 in 2001. UNDP has mobilized additional resources from bilateral donors for programmes it supports, but creation of donor interest per se in Yemen has not been noteworthy. Besides technical cooperation, Yemen needs a substantial injection of capital investment, but it has not been successful in attracting either donor interest or foreign direct investment. Part of the reason may be the fact that few development partners have a presence or programme in Yemen. The United States of America, for example, is involved in four areas in Yemen—democracy and governance, health, education, and food and agriculture—but it does not have a regular development assistance programme in Yemen. The Nordic countries, even though they are slowly extending a helping hand, are also largely absent in Yemen. ODA receipt by Yemen is much too low compared to its needs.

In general, one needs to recognize that technical cooperation bodies now operate in an open market set-up of supply and demand. Competition for existing funds has become high, donors are putting in special requirements, they want to have choices and have preferences for agencies implementing programmes using their funds. All these factors make it very important for UNDP to better package and market its ideas to potential donors. In Figures 2, 3 and 4, information is provided on UNDP’s programme delivery from 1997 to 2003 by purpose and also by its mobilization of resources for these programmes from other sources. It goes without saying that more resources need to be mobi-
lized to cover a shortfall in core resources that is possibly irreversible. But more important, economic assistance for Yemen must be increased to meet its urgent needs.

In the past, UNDP was a substantial mobilizer of resources for virtually all sectors in both Yemen. For a great deal of downstream activities, it was close to being the most important external agency. Nowadays, UNDP is more involved in upstream activities such as planning, policy articulation, capacity- and institution-building and providing a global perspective. It is still viewed as a significant player in supporting the Government in aid mobilization and aid coordination in Yemen. In terms of government capacity for aid coordination, a good start has been made in establishing a sense of ownership in the Ministry of Planning and International Cooperation. But the ministry is already feeling overburdened with the many requests of many small donors, and more support for capacity-building will be needed. More in terms of aid mobilization can possibly be done by a concerted UN Country Team effort. At the regional level, there seems to be minimal communica-
tion among UNDP, regional funding institutions and Arab donors, some of whom are quite active in Yemen. The involvement of UNDP’s Regional Bureau for Arab States could facilitate coordination with these important development partners.

C. MANAGEMENT ARRANGEMENTS

The UNDP Country Office has done well in many of the areas it is engaged in, despite its limited resources. While the office has already produced a number of important substantive outputs, such as programme designs and contributions to the knowledge bank, this work today has to be carried out by a very small number of people. On the national as well as the international side, the ability to produce substantive materials of high quality depends on specific individuals, who tend to be overburdened. With additional substantive capacity, a number of key initiatives could be strengthened and/or initiated, for example, expanding successful programmes, providing substantive advice to the Government and promoting joint programming initiatives.

The Country Office has a congenial in-house environment. Some of the chief technical advisers are also part of the in-house programme group. Because of retirements, personnel re-profiling and the union of two Country Offices, institutional memory is somewhat deficient in UNDP Yemen. For this reason, it may be worthwhile to document the historical role of UNDP in the two Yemens. The UNDP re-profiling exercise was meant partly to obtain a critical mass of expertise in the Country Office, and it is likely that it improved the quality of staff. But high-level expertise in various fields is in short supply in Yemen as a whole. As an alternative to nurturing a critical mass of expertise in the Country Office, it may be more worthwhile to strengthen expertise in selected fields in the country, perhaps in conjunction with other donors, Government and local academia.

One dimension that should not be forgotten with regard to substantive capacity is the use of capacity based in UNDP Headquarters and Regional Centres (formerly called SURFs, or Sub-regional Resource Facilities). This would allow UNDP with a Country Office of relatively limited size to offer technical inputs way beyond the capacity it possesses locally. Of course, this also requires careful management and coordination to ensure that the programme focus remains anchored in real country priorities when outside services are used. There is great potential in the expanded use of these services, but they need to be combined with strong coordinating capacity in the Country Office itself.

As an international organization, UNDP and the various units under it have a rich storehouse of information relating to development philosophy, processes, successes and failures. It also has a database on expertise of various

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Figure 4: Total Cost-sharing Contributions 1997-2003 (in thousands of US$)

- The Netherlands, 6,655
- Switzerland, 35
- Norway, 386
- Poland, 38
- Canada, 133
- The USA, 314
- Germany, 423
- Sweden, 174
- EU, 0
- Other, 23
- UNDP Core, 47,615
- Trust Funds, GEF, UNCDF, 8,297
- Government Cost-Sharing, 3,198
types across the world. Yet these knowledge resources are not easily accessed for the benefit of developing countries. What is needed is the cultivation of a knowledge-use culture. Similarly, developing a stronger knowledge management culture in the Country Office—and ensuring that information gets into the hands of those who need it most in Yemen—could yield tremendous benefits. A number of efforts have already been undertaken by the Country Office in this area, including a high level of participation on the part of UNDP staff and chief technical advisers in UNDP’s knowledge network; the establishment of ‘communities of practice’, a global electronic network of practitioners in key thematic areas (one of which, on the MDGs, has about 120 members representing all stakeholder groups in Yemen), and numerous other learning and knowledge-sharing events. Nevertheless, continuing efforts to transform the Country Office into a true knowledge centre in Yemen, which can be used for planning, accessing information, strategizing and decision-making, could increase many-fold the impact the organization has on development in the country as a whole.

While the Country Office gives appropriate attention to monitoring and evaluation systems and practices, there is some room for improvement. The overall programme of UNDP should be assessed, along with some UNDP-supported projects that have not already undergone evaluation. A depository of lessons learned could be part of the current knowledge management effort in the Country Office.

With the exception of the decentralization programme, and several others that are directly executed by UNDP, all programmes are nationally executed in Yemen. In some cases, special programme management units have been established, separate from UNDP as well as from the Government. In other cases, responsibility has been with the respective ministry, while UNDP has provided some support to the execution function. The view has been expressed that setting up a Project Implementation Unit (PIU) may not actually serve to build in-house capacity in a national institution. In fact, it may undermine sustainability since the PIU functions on its own and disappears at the end of a project or programme. For internalizing the management of programmes, PIUs may not be the best alternative, unless there is a strategy for gradually converting the PIU into a regular unit of the implementing agency. National execution must focus on the systematic strengthening of substantive and managerial capacities and strict adherence to internationally accepted financial rules and regulations. It has been suggested that the use of international experts should be reduced as far as possible. Yemen needs international experts, to be sure, but it should be careful that the use of such experts on an extended basis does not become routine. Short-term international consultants should be used more for specific interventions. There should also be much greater use of the knowledge resources of UNDP and other international agencies and of the networks on specific areas of interest in order to reduce the need for consultancy services in situ.

Both the former and the current Resident Coordinator in Yemen have been appreciated by the Government. The Resident Coordinator has one professional staff member to assist her in her role. Under her leadership, the UN Country Team functions in a number of important areas, including security. But the PRSP process is possibly the best testimony to coordinated effort by the office of the Resident Coordinator. That said, substantive interagency coordination could still be improved beyond what has been accomplished over the last five years. Substantive consideration of the UN Development Assistance Framework, for example, does not appear to be an active item on the UN Country Team’s agenda.

D. STRATEGIC POSITIONING OF UNDP

The Strategic Results Framework of 2002 set out ten outcomes, almost all of which are still to be fully achieved. The path towards accomplishing these results illuminates the future direction of UNDP involvement in Yemen. While a number of programmes supported by UNDP have done relatively well, follow-up action is still needed; in others, improvements can be made, and new opportunities can be exploited.

The 11 areas of activity listed below are possible directions for UNDP’s future programme in Yemen. In some of these areas, partnership without much financial input is all that is required. Other areas are mentioned simply because their importance must be continually flagged to the Government and other development partners. The decentralization programme, PRSP preparation and monitoring, aid coordination and accounting for the flow of external resources, a gender advocacy and action programme, and continuing involvement in sustainable management of natural resources should be the main areas of focus in the future. They are further discussed in the following chapter.

GOVERNANCE

1. UNDP has positioned itself well to make a major contribution to Yemen’s decentralization process. It has played a leading role in the donor community and has also showcased promising results and a vision that is attracting other donors to sustain the effort under way. This programme is also building the capacity of local government and effectively advocating for good governance. The challenge now is scaling up the
programme and securing fiscal decentralization. One of the main areas of UNDP involvement is the decentralization programme. The commitment of the country was clear in the parliamentary debate on the subject in the 2004/2005 parliamentary session. In the last annual conference of local councils held in December 2004, the enthusiasm for and the commitment to the programme was also demonstrated. UNDP should take up the next phase of the programme with added vigour.

2. UNDP’s involvement in human rights in Yemen is an example of its ability to work in sensitive areas and spearhead advocacy activities. While the results in this area are still to come, UNDP should explore taking a more proactive stance in order to achieve faster results in areas such as the harmonization of local laws and human rights. UNDP should also engage local partners in its programme, since civil society can play a significant role in human rights. This was demonstrated by the valuable contributions of Yemeni NGOs in other areas, when space and capacity for grass-roots participation and empowerment was created. Again, combining advocacy and participation will be key to this involvement.

3. UNDP’s involvement in justice system reforms should continue, but it should seek partnership with other development partners such as the World Bank. It should be appreciated that involvement in peace and stability, human rights and gender issues is closely linked to intervention in the justice sector.

4. The second phase of electoral reforms has just started and has found support from other development partners. Performance in this area was very successful in the first phase. The second phase should be treated as an additional opportunity to contribute to Yemen’s democratization process.

5. The UNDP role in mine action should continue in the area of technical assistance and capacity-building. This operation is close to being successfully internalized by the Government, and government ownership should continue to be strongly supported to promote the sustainability of the programme.

HUMAN DEVELOPMENT AND POVERTY REDUCTION

6. The process of PRSP preparation and its implementation mechanism, in which UNDP played a key role, have succeeded in building government capacity. As a result, the Government has taken the bold decision to take on the next PRSP for 2006 through 2010, including preparation of the PRSP strategy and underlying policies, coordination of programmes and monitoring and reporting on progress. The document, officially known as the MDG-based Third National Development Plan for Poverty Reduction (2006-2010), has been partly inspired by the MDG pilot project now under way in Yemen. The Government intends to incorporate the five-year national planning exercise and the MDG Achievement programme into the PRSP process. This is an initiative that will continue to require the strong support of UNDP and all development partners. UNDP must be particularly mindful of the participatory processes that it helped to establish in the preparation of the next PRSP and ensure that monitoring and reporting arrangements are built into it.

7. In the promotion of community-based initiatives and microcredit programmes, UNDP was a pioneer. The Yemen Social Fund for Development has taken over community-based activities quite successfully. The microfinance programme in Yemen is yet to mature, and becoming self-sustaining will depend on both adequate institutions and a sufficient volume of operations. Further involvement of UNDP and UNCDF is desirable both in terms of pilot projects and technical assistance.

8. UNDP will continue to advocate for more and better social sector investment, without intervening in specific projects. UNDP’s global role in advocacy and analysis of social investment will contribute to this effort along with the annual production of a National Human Development Report for Yemen, which is an appropriate vehicle for UNDP’s involvement.

ECONOMIC MANAGEMENT

9. In macroeconomic management, UNDP played a role in bringing about customs reforms and a debt management system. It is also active in promoting information and communications technologies that can yield an economic impact. Foreign resource accounting and coordination is still haphazard in Yemen. This is partly because of a separation of responsibility in the planning and finance ministries and also because of a predominance of extrabudgetary expenditures in the public sector. The Bretton Woods institutions have the key role to play in this area. However, the UN family can exert considerable influence. Making knowledge resources available is also a task that UNDP can undertake. At one time, UNDP contributed to aid coordination efforts and also published ‘Development Cooperation Reports’. Its current involvement in aid coordination is only in the context of the PRSP process. It is time to revisit the aid coordination programme with a view to supporting reforms in the budget process. Some rationalization in
foreign assistance programmes and helping mobilize a larger resource flow to the country could perhaps be a matter of special focus for the UN family.

**GENDER ISSUES**

10. UNDP has only indirectly been involved in **gender issues** in Yemen. In the area of microcredit, women have been target beneficiaries. In human rights and justice system interventions, gender issues have received some attention. But gender equity and women’s emancipation are crucial issues in Yemen. There are opportunities for both UN organizations and the donor community to intervene in this sector and make a significant difference, and the Resident Coordinator’s office could serve as the rallying point for UN efforts overall. A holistic approach to gender issues should be articulated and pursued. The first commitment should be to advocacy. Affirmative action programmes should follow, in addition to serious efforts to mainstream gender in all programmes and projects.

**SUSTAINABLE ENVIRONMENT**

11. UNDP’s focus for future programming in the **environment sector** should be consolidating past efforts that were successful or promising. These include the integrated programming approach for the Socotra archipelago, capacity development of the National Water Resource Authority and the newly established Ministry of Water and Environment, and the new Global Compact initiative with the NEXEN oil company. Particular attention should be paid to streamlining any interventions in the environment sector with programmes in other substantive or cross-cutting areas, in order to make full use of proven synergistic potentials. Environmental interventions can no longer stand alone, but need to have a clear pro-poor and/or gender orientation, or go hand-in-hand with initiatives such as those under way in decentralization and local community development. Environment is an obvious area for the long-term involvement of UNDP. But the involvement required is mainly to flag the issue, rather than undertaking much of the work itself.
Yemen's relative stability in terms of its political and security environment has had a positive effect on creating an enabling environment for the country's development. It is imperative that this stability continues and remains front and centre in Yemen's development efforts. Chapter 2 highlighted the fact that Yemen faces both political and economic challenges, and that human development remains the key to further progress. Chapter 3 assessed the development results so far in Yemen and noted UNDP's role in achieving them. Chapter 4 analysed UNDP's strategic positioning and where it should be headed in the future. In this final chapter, the ADR mission identifies lessons learned, which may be especially useful to the UNDP Country Office and Headquarters. Two considerations have influenced these recommendations: UNDP's comparative advantage in Yemen and its strategic positioning in Yemen's development.

A. KEY LESSONS AND GOOD PRACTICES

1. Maintaining good relations with the Government and other development partners is key to UNDP's influence, and should guide the operations and style of the Country Office. The UNDP Country Office enjoys good cooperation from the Government and resident donors. Over the years, a relationship of trust and respect has been established, built in part by UNDP's support and advocacy for government priorities. There have been difficulties and frustrations to be sure. But they have been managed diplomatically and prudently. The current standing of UNDP allows it to act as a facilitator and interlocutor in a wide range of areas. But in order to be more effective, UNDP must use this platform more proactively than it has over the last five years.

2. The success of a programme can often depend on exploiting the opportunity to combine upstream and downstream activities. UNDP's involvement in decentralization offers an excellent example of how this can be done. UNDP is not only helping to design a decentralization strategy, it is upgrading the capacity of the local government and piloting successful initiatives at the local level. Indirectly, it is also advocating for the devolution of state powers.

3. UNDP needs to continually tap knowledge resources through global knowledge networks and practices. These can be of particular value when they address specific regional issues and concentrate on upstream issues such as policy making, institutional reforms and long-term planning. In the decentralization programme, UNDP's access to technical assistance is what enabled it to mobilize resources from other development partners for taking the
4. UNDP’s strength lies in its ability to build capacity and pilot innovative initiatives. This is clearly demonstrated by the Social Fund for Development’s takeover of community-based rural development projects, the internalization of the PRSP process within the Ministry of Planning and International Cooperation, and the piloting of the decentralization programme. These results have been accomplished through careful planning in (i) defining the criteria and methodologies for scaling up and replicating efforts, (ii) developing a monitoring and evaluation system so that lessons learned are institutionalized, and (iii) ensuring that national institutions assume ownership of the development process early on and that external development partners have a clear exit strategy.

5. UNDP should be conscious of the need for a long-term commitment to objectives, but should be flexible enough to respond to emerging issues. Commitment to the water sector, environment management and decentralization are some of the areas where an extended commitment is required. Intervention in budget reforms under the umbrella of aid accounting and coordination may present a case for a flexible approach.

6. UNDP’s advocacy role is crucial in many areas, but it must be carefully tailored to the national and local context. Acceleration of social investment, gender equality and the establishment of human rights are all areas where advocacy is invaluable. However, it is important to keep in mind that discussion of these issues must be made relevant to the target audience and that the definitions and language used in global development discourse may not be widely understood.

7. A clear and limited focus is especially important in view of UNDP’s current resource limitations. This finding may appear to conflict with the two previous findings. In fact, it is often a nominal financial input or simple advocacy appeal that may be necessary to advance a cause or programme. In any case, the objective of UNDP’s involvement should be clear, and, where appropriate, partnership with others should be emphasized. A clear exit strategy is also essential.

**B. RECOMMENDATIONS FOR FUTURE UNDP INTERVENTIONS**

While Yemen ceased to be a country in conflict over 10 years ago, recovery and rehabilitation continue to demand attention, as do longer-term development needs. Given the numerous challenges facing Yemen, UNDP can and should maintain a significant role in its development.

1. UNDP should continue to focus on the overarching issue of Yemen’s development, namely, poverty alleviation, with emphasis on the following:
   - UNDP should maintain its strong support for the unified planning exercise now under way, which will combine the PRSP, Five-Year Plan and MDG Achievement exercises. UNDP’s emphasis on improving consultation and participation is welcome, as are its efforts to enhance the monitoring and reporting aspects of the PRSP and to seek links between poverty alleviation and decentralization in order to reinforce the success of both programmes.
   - In the area of microfinance, the target objectives should be threefold. Credit operations need a certain number of clients, a certain volume of loans and good management practices to overcome subsidy dependence and become sustainable credit operations. Attainment of this objective should receive the highest priority. The second objective should be to extend the programme to rural communities (current microfinance operations are all in urban or semi-urban areas), though setting up modalities to reach rural clients can be complicated. The third target should be developing model microfinance institutions that can conform to sometimes difficult standards (for example, such institutions cannot be expected to conform to the laws of a commercial company or even straightforward banking regulations and must have their own legal status). To achieve this objective, UNDP or UNCDF should make adequate use of the knowledge resources available on this topic.
   - To accelerate social investment with a view to increasing the coverage and quality of basic education, health care, reproductive health care, sanitation and water supply, UNDP must continue to play an advocacy and analysis role through the production of national, regional and global *Human Development Reports*. The reports present powerful arguments in favour of increased emphasis on social investment. They also provide valuable information on the best modalities for such investment, such as transferring responsibility to local community organizations or private-public partnerships. UNDP does not need to provide technical cooperation for social investment. Rather, its more important role is to urge countries to attend to it vigorously and persuade development partners to give priority to such investment. The office of the Resident Coordinator is also a valuable forum in this regard.

2. In governance, UNDP’s involvement should be much
wider, not so much in terms of funding programmes but
in terms of bringing in other players, such as the UN
Department of Political Affairs, including its Electoral
Assistance Division, the UN High Commissioner for
Human Rights and other development partners.

- Continuing the second phase of the decentralization pro-
  gramme should enjoy high priority on both political and
economic grounds. It also has the potential to promote
redeployment and the rationalization of a bloated
bureaucracy. Most important of all, success in this area
should reduce the implementation time needed for
projects and prevent leakage of resources allocated to
people’s welfare. The programme has been successful in
building partnerships and raising resources, two areas of
key concern to UNDP in the context of its own resource
shortages. The decentralization programme is mainly
directed at capacity-building, a traditional task for
UNDP, but requires a good deal of advocacy to be widely
accepted, especially among those who currently wield
power at the central level. In the next phase, its execution
must be transferred to the Government. Long-term use
of international consultants should be limited in favour
of short-term consultants.

- UNDP’s involvement in special initiatives on (i) human
  rights, (ii) reforms in the justice system, (iii) election
  reforms, and (iv) mine action has been useful and should
  continue. The objective should be development of
  national capacity, with the ultimate goal of withdrawing
  UNDP assistance. Exploitation of knowledge resources
  and exchange of experience should be given high
  priority in all of these areas.

- To further consolidate central national authority,
  advocacy, international attention and conflict resolution
  mechanisms should all be combined and interest on the
  part of DPA and UNHCHR should be cultivated.

3. A future programme should be initiated on gender issues,
and it should take the following issues into account. The
office of the UN Resident Coordinator should assume a
strong advocacy role in regards to gender issues.

- A coalition of various civil society organizations, includ-
ing those dealing only with gender issues, should be
forged to advocate and act on gender issues. It should be
recognized that although Yemen is an open society,
making advances in gender equality will require strong
advocacy efforts.

- The gender issue should not only be addressed from the
  standpoint of human rights, but also from that of gender
equality. Affirmative action programmes must advocate
for and secure women’s rights in terms of equality in
wage employment, in representation in elective offices, in
public service jobs and in agricultural activities.

- Access to public health services, reproductive health care,
  basic and other levels of education, and to the justice
  system must command special attention in social sector
  investment and policies.

- Adaptation of national laws in keeping with internation-
al conventions such as CEDAW should be persistently
  targeted. In the context of the Yemeni ethos, advocacy
  should be the first step in a long process of gradual
  implementation toward the ultimate objective.

- A special effort should be made to mainstream gender
  issues in all aspects of development—from planning,
budgeting, and programming to implementation,
monitoring and evaluation of all programmes.

- Close partnerships should be established among UN
  agencies and other donors to get on the same wavelength
  on gender issues and to avoid sending conflicting
  messages.

4. Further engagement in the area of environment and
natural resource management need not entail financial
resources or technical expertise as such. Rather, UNDP’s
most important role could be in simply flagging their
importance. This role can be relegated to another devel-
opment partner or a government agency as soon as
appropriate interest is demonstrated. In the meantime,
UNDP’s role should be as follows:

- Ensuring further resource mobilization for ongoing
  programmes and initiatives in the pipeline.

- Emphasizing capacity development and policy
  advice/dialogue in dealing with the Government on
  environmental matters.

- Establishing strategic partnerships with existing national
  institutions, partner organizations and donors for
  ensuring that technical cooperation requirements within
  environmental programmes are met, particularly within
  the domain of integrated water management and energy
  efficiency.

- Strengthening and executing UNDP’s coordination role
  among partners and agencies, as well as advocating for
  adequate involvement of civil society and vulnerable
  groups in all planning and implementation processes.

- Strengthening the monitoring and evaluation of
  programmes to assess achievements and learn from
  past action.

5. Accounting and coordination of external aid should be
given added emphasis. This is a traditional area of aid
coordination that needs to be re-engineered. There are
two basic elements in aid coordination: first, that aid is
directed to the right quarters in the right proportions
(that is, that there is no mismatch of needs and availabilities); second, that all aid is accounted for, there is no default on debt servicing, and that no excessive loans are incurred. Undoubtedly, aid coordination should be the job of the Government, but reforms in the budgeting system must be incorporated to ensure better resource management. Assistance in this area should ensure that:

- Aid is allocated to priority programmes.
- Capital investment is backed up by technical cooperation as needed.
- Outputs of technical cooperation are put to use and studies are not repeated.
- External flows are properly accounted for.
- Financial operations demonstrate transparency.

**C. THE UNDP COUNTRY OFFICE AND UN RESIDENT COORDINATOR FUNCTION**

The excellent relations with Government, significant results in Yemen, and a continuous need for UNDP's services and support only put more pressure on the existing capacity of the UNDP Country Office in Yemen. The capacity of this office will need to be strengthened if it is expected to meet future challenges. Some strengthening of the office has taken place, but a critical mass of national expertise cannot easily be built up in Yemen. This strengthening will depend on two factors. First, a pool of local expertise must be carefully cultivated and connected to global networks. Second, strong support must be found through the use of resources in UNDP Regional Centres and Headquarters. UNDP Yemen should also draw upon the experiences of other country offices in the region and make greater use of knowledge resources available within UNDP and the UN.

However, even the best programming concepts and designs can fail to achieve results if funding is inadequate. And it is clear that funding is a constraint in the strengthening of development processes in Yemen. In the past, UNDP has worked hard to attract donor attention to the need and potential for development financing in Yemen. These efforts need to be redoubled, and new partnerships explored, including with Arab funds and donors, perhaps relying more on the UN umbrella. UNDP should also undertake a concerted campaign to access private sector and private foundation funding.

**UN RESIDENT COORDINATOR**

Yemen does not enjoy the presence of a large number of donors. It receives support from a number of Arab donors and institutions that do not usually have a local presence. However, there is little coordination among them and with other donors. As a least developed country, and also as a country with diminishing hydrocarbon resources, Yemen is at a low stage of economic development with a rather fragile economy. It is also politically vulnerable, due to the fact that state authority is not uniformly respected in all parts of the country. This backdrop provides an opportunity as well as a challenge for the UN Resident Coordinator to mobilize the authority and capacity of the UN system to support democratic developments and conflict management in Yemen and to assist in securing its political stability. The UN Country Team can more effectively draw attention to Yemen's need for donor support in the economic area than UNDP alone. Likewise, in mustering the expertise needed in many areas of specialization, the UN umbrella can be more effective than development partners acting on their own. Even though it is a least developed country, where UNDP has traditionally played the coordination role, that role can best be served by an even more active UN Resident Coordinator's Office. It is appropriate that there is a staff member earmarked exclusively for the support of the Resident Coordinator's Office.

While the UN system in Yemen has good collaboration around operational and security issues, there is additional potential for substantive collaboration. Areas where such collaboration could be expanded, and could invoke important synergies, include issues revolving around conflict resolution, advocacy surrounding key development and human rights issues, outreach to donors for increased economic assistance to Yemen, and joint programming of local development and local governance initiatives.

Some reflections on the key roles of the Resident Coordinator are outlined below:

- The Resident Coordinator will be able to better carry out his/her role in programme coordination once the new initiative of the Government for one integrated planning exercise is successfully completed. The donor community is fully involved in this exercise, so drawing up a Common Country Assessment and UN Development Assistance Framework that draws on the substantive contributions of all parties should be facilitated.
- A major challenge for the Resident Coordinator will be mobilizing concerted action on the part of donors, including Arab donors, in support of this new planning initiative.
- The Resident Coordinator is well placed to bring up sensitive issues of democratic transformation and delve into issues of consensus-building and further political development and should be encouraged to do so.
- Corruption is also a very sensitive issue, and there is no easy mechanism for its containment, or elimination. But
the destructive nature of corrupt practices should be identified and publicized with a view to fostering social resistance to it. Some interventions have been discussed earlier in this report. But tackling the issue more comprehensively, in terms of articulation, advocacy and action, could be another possible task for the Office of the Resident Coordinator.

• The Resident Coordinator should take the lead in fostering the development of national expertise in a few selected fields that are of prime significance for Yemen and where there is the potential to build up a critical mass of experience and knowledge.

• The Resident Coordinator has the option to involve the Government in some or all of the deliberations of donors. In the thematic groups, of course, national representatives participate, but it has been suggested that they seek a higher level of participation in discussions on selected topics of national interest. There could be periodic retreats to reflect on political as well as economic developments and, at the same time, take up a specific subject or theme. The keynote paper for such discussion may come from a donor, national expert or government agency.

D. CONCLUSION

Yemen is a least developed country, constrained by political, economic and environmental fragilities. Except as an arena for combating terrorism, Yemen elicits little interest from development partners. The presence of foreign diplomatic missions is very limited in Sana’a. That said, Yemen is a relatively open country in a conservative region and is committed to democracy, human rights and freedom of speech and the press. The country is undertaking bold experiments in democratization, free and fair elections, devolution of power, and the suppression of terrorism and human rights violations. Poverty is endemic; progress in education, health and sanitation is slow; population growth is very high; and the ecology is severely stressed. Corruption, violence, power struggles, the suppression of human rights, and a weak justice system are admitted social drawbacks. The status of women leaves much to be desired, but there is also a nascent women's movement in the country that has the potential to foster change. The public service system needs modernization and strengthening; the management of public finance is weak. The collective stock of intellectual expertise in various fields is not of high order, despite individuals of high standing in some areas.

UNDP has a respected presence in Yemen and is generally held in high esteem. The UN Country Team acts in unison when required, but has not yet reached its full potential in terms of the impact it could have on development programming and interventions. The country is attempting to set up a planning mechanism and a framework of universal commitment and action as it undertakes the next PRSP. UNDP is strategically well placed to contribute to this exercise due to its knowledge of and involvement in key areas of national concern.

For the future, the work of UNDP is clearly cut out. It must contribute to efforts directed at advancing nation-building and democratization processes. Fair elections, the rule of law and human rights must be advanced delicately but with alacrity. UNDP must also assist the country in mobilizing the interest and support of more development partners.

UNDP in Yemen should remain involved in strengthening the planning, monitoring and evaluation aspects of the poverty programme. It should continue in its global role as a promoter of social investment and the development of human resources. It should continue its support of the decentralization programme, which by itself can contribute immensely to other governance reforms, poverty alleviation and community development. It should take up advocacy and advance an action programme on gender issues. It should not leave out the environment sector, but primarily act in flagging the important issues of protecting Yemen's ecological balance and avoiding disasters.

Given UNDP's standing in the country, the commitment of the Government to human development and political stability, important strides can be made, assuming that further international support can be mustered. The UN umbrella can be wisely and fruitfully exploited to assist the country in many sensitive areas of its political economy.

5. LESSONS LEARNED AND RECOMMENDATIONS
BACKGROUND

The Evaluation Office (EO) of the United Nations Development Programme has launched a series of country evaluations, called Assessments of Development Results (ADRs), in order to capture and demonstrate evaluative evidence of UNDP’s contributions to development results at the country level. Undertaken in selected countries, the ADRs focus on outcomes and critically examine achievements, and constraints, in the UNDP thematic areas of focus, draw lessons learned and provide recommendations for the future. The ADRs will also recommend a strategy for enhancing performance and strategically positioning UNDP support within national development priorities and UNDP corporate policy directions.

The overall objectives of the Assessments of Development Results are:

• Support the Administrator’s substantive accountability function to the Executive Board and serve as a vehicle for quality assurance of UNDP interventions at the country level.

• Generate lessons from experience to inform current and future programming at the country and corporate levels.

• Provide to stakeholders in the programme country an objective assessment of results (specifically outcomes) that have been achieved through UNDP support and partnerships with other key actors for a given multi-year period.

An Assessment of Development Results is planned for Yemen beginning autumn 2003. It will cover the period 1998 to 2003, that is, the Country Cooperation Frameworks (CCFs) for 1997-2001 as well as the early stages of the 2002-2006 CCF. [Note: Due to delays caused by changes in the Evaluation Team leadership, the actual report covers the years 1997-2004.] The assessment will as necessary also cover preceding periods where there is evidence that support prior to 1998-2003 has served as a foundation for present developments. Furthermore, the assessment will be forward-looking and aim to contribute to future strategic positioning of UNDP’s programme in Yemen.

OBJECTIVES OF THE ASSESSMENT

The evaluation will assess the development results achieved for the period of 1998-2003, with a view to identifying key outputs and outcomes and analysing the factors that accounted for the achievements or lack thereof. The evaluation will also take account of intended results as expressed in the relevant CCFs and the Strategic Results Framework (SRF), until the end of the current CCF (2006), in reviewing strategic positioning and relevance. The evaluation will consider the totality of the key results and goals in this period, as expressed in a programme map of UNDP interventions and goals.

The purpose of the evaluation is to examine UNDP’s support and assess its added value and the difference the interventions are making to Yemen’s development challenges, particularly with respect to how the organization has or can leverage its comparative advantage to bring greater value to its presence in the country and draw lessons for the future. The Assessment of Development Results in Yemen will:

• Provide an overall assessment of the results achieved through UNDP support and in partnership with other key development actors during 1998-2003, with particular in-depth assessment
of outcomes relating to the following specific thematic areas:
– Decentralization and local governance
– Poverty policies, monitoring and reporting.

In reviewing these specific themes as well as overall results achieved, the ADR process will give particular attention to the major cross-cutting issues of capacity-building and programme support arrangements. Additionally, attention will be given to the extent policy impact has been achieved, the effects on human rights and conflict prevention, and the dimension of partnerships (including resource mobilization).

• Provide an analysis of how UNDP has positioned itself strategically to add value in response to national needs and changes in the national development context, with particular attention to the following specific thematic areas:
  – Decentralization and local governance
  – Poverty policies, monitoring and reporting

• Based on the analysis of achievements and positioning above, present key findings; draw key lessons and provide clear and forward-looking recommendations in order to make the necessary adjustments in the current strategy applied by UNDP and partners towards intended results.

**SCOPE OF THE ASSESSMENT**

The evaluation will undertake a comprehensive review of the UNDP programme portfolio and activities during the period of review, with more in-depth focus on specific areas. Specifically, the ADR will cover the following:

**Strategic Positioning**

• Ascertain the relevance of UNDP support to national needs, development goals and priorities, including linkages with the goal of reducing poverty, as reflected in the Poverty Reduction Strategy Paper (PRSP) and other Millennium Development Goals (MDGs), as reflected in the first Yemen Millennium Development Goals Report. This may include an analysis of the perceived comparative strengths of the programme, a review of the major national challenges to development.

• Assess how UNDP has anticipated and responded to significant changes in the national development context, affecting the specific thematic areas it supports. The Evaluation may, for example, consider key events at national and political level that influenced (or will influence) the development context, the risk management of UNDP, any missed opportunities for UNDP involvement and contribution, efforts of advocacy, UNDP’s responsiveness versus concentration of efforts, etc.

• Review the synergies and alignment of UNDP support with other initiatives and partners, including that of the PRSP and the United Nations Development Assistance Framework (UNDAF). This may include looking at how UNDP has leveraged its resources and that of others towards results, and the balance between upstream and downstream initiatives.

• The evaluation should consider the influence of systemic issues, that is, policy and administrative constraints affecting the programme, on both the donor and programme country sides, as well as how the development results achieved and the partnerships established have contributed to ensure a relevant and strategic positioning of UNDP.

**Development Results**

• Provide an examination of the effectiveness and sustainability of the UNDP programme, by (a) highlighting main achievements (outcomes) at national level in the last five years and UNDP’s contribution to these in terms of key outputs; (b) ascertaining current progress made in achieving outcomes in the given thematic areas of UNDP and UNDP’s support to these. Qualify the UNDP contribution to the outcomes with a fair degree of plausibility. Assess contribution to capacity development at the national level to the extent it is implicit in the intended results. Consider anticipated and unanticipated, positive and negative outcomes.

• Provide an in-depth analysis of the following areas, assessing the anticipated progress in achieving intended outcomes: (a) decentralization and local governance, including support to the Government’s decentralization initiative as well as community-based development and participation processes; and (b) poverty policies, monitoring and reporting, addressing national-level initiatives with support to monitoring and implementation of the PRSP as a key area, but also considering other relevant activities.

• Identify and analyse the main factors influencing results, including the range and quality of development partnerships forged and their contribution to outcomes, and how the positioning of UNDP influences its results and partnership strategy.

• In reviewing overall results, give consideration to the cross-cutting issues of capacity-building, programme support arrangements, policy impact, human rights, conflict prevention and partnerships (including resource mobilization).
Lessons Learned and Good Practices

- Identify key lessons in the thematic areas of focus and on positioning that can provide a useful basis for strengthening UNDP and its support to the country and for improving programme performance, results and effectiveness in the future. Through in-depth thematic assessment, present good practices at the country level for learning and replication. Draw lessons from unintended results.

METHODOLOGY

The assessment will employ a variety of methodologies, including desk reviews, stakeholder meetings, client surveys, focus group interviews and select site visits. The Evaluation Team will review national policy documents, among others, the PRSP, the Strategic Vision for 2025, the First and Second Five-Year Plans, as well as overall programming frameworks (UNDAF, CCA, CCFs, SRF/Results-oriented Annual Report, etc.), which give an overall picture of the country context. The team will also consider select project documents and programme support documents as well as any reports from monitoring and evaluation at country level. Statistical data will be assessed where useful.

A wide stakeholder consultation and involvement are envisaged. The Evaluation Team will meet with government ministries/institutions, research institutions, civil society organizations, NGOs and private sector representatives, UN agencies, Bretton Woods institutions, bilateral donors, and beneficiaries. The team will visit project/field sites as required.

In terms of methodology, the ADR will follow guidance issued by the Evaluation Office, in a phased approach:

- Phase 1—Preparatory Phase—with preliminary desk review and programme mapping, terms of reference and scope proposal, exploratory mission to the UNDP Country Office, theme-specific desk research and local studies and research.

- Phase 2—Conducting the ADR—with methodology briefing and discussion with the Evaluation Team, the country evaluation mission, field visits, and key stakeholder debriefing meeting and finalization of the report.

- Phase 3—Use of the ADR—dissemination, corporate discussions, country office management response, follow-up, large stakeholder meeting, learning events.

The following preparatory work will be carried out in advance to provide a substantive background for the Evaluation Team:

- Thematic study on decentralization and local governance, including support to the Government’s decentralization initiative as well as community-based development and participation processes; and

- Thematic study on poverty policies, monitoring and reporting, addressing national-level initiatives with support to monitoring and implementation of the PRSP as well as the MDGs as a key area, but also considering other relevant activities.

In the conduct of these thematic studies, consideration will be given to the cross-cutting issues of capacity-building, programme support arrangements, policy impact, human rights, conflict prevention and partnerships (including resource mobilization).

EXPECTED OUTPUTS

Expected outputs are:

- A comprehensive final report on Yemen: ‘Yemen Country Evaluation: Assessment of Development Results’

- A preliminary final report by the ADR Evaluation Team

- Supporting studies (thematic, of a specific outcome, of a specific issue)

- Annexes with detailed empirical and evaluative evidence

- Lessons learned paper on the ADR process for methodology improvement

- Stakeholder meeting with report

- A rating on progress and success of key results

- Specific reports for each of the thematic studies listed above (to be produced by separate researchers).

The final report by the ADR Evaluation Team, according to the suggested outline in the ADR Framework Paper, should at the very least contain:

- Executive summary of conclusions and recommendations

- Background, with analysis of country context

- Strategic positioning and programme relevance

- Programme performance

- Lessons learned and good practices

- Findings and recommendations

- Annexes (statistics, terms of reference, persons met, documentation reviewed, etc.).

Towards the end of their mission, and prior to leaving the country, the Evaluation Team will discuss its preliminary findings and recommendations with the Resident Representative and the UNDP Country Office staff and present these to the Government and partners at a meeting of key stakeholders. The team will use this feedback to finalize the report.
The team leader is responsible for submitting the draft report to the Evaluation Office, UNDP Headquarters, no later than two weeks after completion of the country mission.

**EVALUATION TEAM**

The composition of the Evaluation Team should reflect the independence and the substantive results focus of the exercise. The team leader and all the members of the review team will be selected by the UNDP Evaluation Office in close consultation with the Regional Bureau for Arab States, UNDP, New York and the Country Office. The team leader must have a demonstrated capacity in strategic thinking and policy advice and in the evaluation and management of complex programmes in the field. The team composition should reflect a good knowledge of the region, excellent experience in evaluation and particular expertise in decentralization and local governance, as well as poverty policy, monitoring and reporting. The team will comprise at least two international consultants, one of which will be the team leader, and a staff member from the UNDP Evaluation Office. The staff member from the Evaluation Office will bring to the team the results-based management perspective, knowledge of the ADR methodology, familiarity with UNDP operations and knowledge of the UNDP’s thematic areas. In addition, a national consultant who possesses broad expertise and knowledge of the national development context will support the team in at least one thematic area of the CCF or strategic area under the SRF. The UNDP Country Office will assist the Evaluation Office in the identification of suitable national consultants for recruitment.

Furthermore, the team will base its work on preparatory research and studies at the country level, by a local research organization and/or a group of national consultants. This work may entail the review of available reports, collecting additional documentation, developing thematic studies, conducting initial interviews (and to administer client surveys). Specific terms of reference will be developed for each of the thematic studies described above.

**MANAGEMENT ARRANGEMENTS**

The EO will manage the evaluation and ensure coordination and liaison with concerned units at Headquarters. The Task Manager of the EO will lead the ADR process, in close consultation with the Regional Bureau for Arab States and the Country Office management (Resident Representative/Deputy Resident Representative).

The Country Office will take a lead role in dialogue and stakeholder meetings on the findings and recommendations, support the Evaluation Team in liaison with the key partners and in discussions with the team, and make available to the team all the material they have available. The office will provide support to logistics and planning.

The UNDP Evaluation office will meet all costs directly related to the conduct of the ADR. These will include costs related to participation of the team leader, the international and national consultant(s) and the Evaluation Office staff member, as well as the preliminary research and issuance of the final ADR report (English version). The Country Office will contribute support in kind. The EO will also cover costs of any stakeholder workshops during the ADR mission.

**COMPOSITION OF THE MISSION**

The team was first set up with the following members in 2004

1. Professor Unni Wikan of University of Oslo, International Consultant
2. Dr. Khalid Al-akwaa, National Consultant
3. Mr. Knut Ostby, Task Manager, UNDP Evaluation Office

The team was then reconstituted as follows in 2005:

1. Mr. Abul Maal A. Muhith, former Finance and Planning Minister of Bangladesh, team leader
2. Dr. Khalid Al-akwaa, National Consultant
3. Mr. Knut Ostby, Task Manager, UNDP Evaluation Office
ANNEX II: DOCUMENTS REVIEWED AND REFERENCES

UNDP AND UN DOCUMENTS

ESCWA (UN Economic and Social Commission for Western Asia) (Feb. 2004): Expert Group Meeting on Data and Indicators to Monitor Progress Toward the Millennium Development Goals in the ESCWA Region

FAO (Food and Agriculture Organization of the UN) (Oct. 2003): Poverty Alleviation Programme/Community-Based Regional Development Component, 7th Technical Mission Report—Rural Institutions Capacity Building/Training

Rawley, James (22 Dec. 2003): Remarks by the UNDP Resident Coordinator on the Occasion of Human Rights Day and the Closing Ceremony of the Training of Trainers on Human Rights for Members of the HURIST (Strengthening Human Rights Project) Technical Team

Rawley, James (28 April 2004): Remarks by the UNDP Resident Representative at the Justice Donor Coordinator Meeting, Ministry of Justice, Sana’a, Republic of Yemen

Rawley, James (24 October 2003): Statement by the Resident Coordinator of the UN System’s Operational Activities for Development in the Republic of Yemen, United Nations Day


UNCDF (March 2002): Transport and Education Infrastructure in the Northwest Dhawran District (YEM/90/C01)—Project Evaluation Final Report

UNCDF (2003): MicroStart Phase II: Transformation of the Microfinance Sector in Yemen (YEM/03/100)


UNCDF: Decentralization and Local Development Support Programme—Pilot Phase. Project Document (YEM/03/008/A/01/75; YEM/03/C01/A/94/75; YEM/01/X01/99/A/6C; YEM/02/G28/A/5G/99)


UNDG (UN Development Group) (Jan. 2004): Millennium Project—Background Note on Country-level work in 2004

UN Department of Economic and Social Affairs (UNDESA)/UNDP/RNE (March 2003): Institutional Analysis of Water Sector in Yemen—Working Paper


UNDP/Democratic Governance Group (DGG), Gita Welch (9-12 Jan 04): Mission Report

UNDP/Evaluation Office (May 2003): Monitoring Poverty—Essentials No. 10 (Synthesis of Lessons Learned)
UNDP Executive Board (6 Nov. 2000): Country review report for Yemen


UNDP/Regional Bureau for the Arab States (RBAS) (2003): *Arab Human Development Report*


UNDP Yemen (Jan. 2001): Yemen CCA—Common Country Assessment


UNDP Yemen (June 2002): MicroStart Project (Old City of Sana’a)—Draft Plan for the Years 2003–2005

UNDP Yemen (July 2002): Taiz MicroStart Project—Four-year Strategic Business Plan


UNDP Yemen (June 2003): Electoral Support and Progress towards Outcome in Yemen—Evaluation Report

UNDP Yemen (June 2003): Community-based Regional Development Programme—Participatory Impact Trends Assessment Al-Makha

UNDP Yemen, Mark Infield & Ibrahim Sharaf Al Deen (Aug. 2003): Conservation and Sustainable Use of Biodiversity of Socotra Archipelago (YEM/96/G32/B/1G/31, Phase 1 & YEM/01/003/01/B, Continuation Phase), including Environment, Natural Resources and Poverty Alleviation for the Populations of Socotra Island (YEM/00/001/01/31—YEM/00/Z01/IF/31)—Report of the Terminal Evaluation Mission

UNDP Yemen (Sept. 2003): Disaster Preparedness, Management & Recovery—Project Document (YEM/03/015/07/99/A)

UNDP Yemen (Sept. 2003): Community-based Regional Development Programme—What it is and what it does


UNDP Yemen (Jan. 2004): Environmental Management Practices in Yemen—Overview of Activities to be Developed, Natural Resources Management Team


UNDP Yemen (April 2004): Assistance to the Government of Yemen to Coordinate and Monitor Implementation of Poverty Reduction Initiatives (YEM/03/001/C/01/99)—Substantive Programme Document Revision

UNDP Yemen (April 2004/draft): UNDP Booklet


UN/UNDP: Report on the Sana’a Inter-governmental Regional Conference on Democracy, Human Rights and the Role of the International Criminal Court

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<th>GOVERNMENT OF YEMEN DOCUMENTS</th>
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<tr>
<td>Anonymous: Yemen's Strategic Vision 2025</td>
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<tr>
<td>Ministry of Local Administration (MOLA): Priorities in Decentralization Support; Seminar report 2003</td>
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<td>MOLA: Republican Decree No 269 of 2000 concerning the Executive Regulation of the Local Authority Law, 2000</td>
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<td>MOLA: The organizational bylaw for the governorates and districts, draft 2004</td>
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<td>MOLA: The draft of the financial bylaw of local authority, 2005</td>
</tr>
<tr>
<td>MOPIC (April 2003): 20/20 Initiative—Allocating Resources to Basic Social Services in Yemen (English translation from Arabic)</td>
</tr>
<tr>
<td>Women's National Committee: Violence against Women in Yemen, by Dr. Abdul Majaheed al Sharjati, 2004</td>
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<td>Women's National Committee: National Report on Women's Status in Yemen 2004</td>
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<th>OTHER DOCUMENTS</th>
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<tr>
<td>Care International in Yemen: Strategies and Directions 2002–05, 2002</td>
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<tr>
<td>Embassy of Japan: Japan’s Official Development Assistance (ODA) by Types</td>
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<tr>
<td>Pacific Institute for Women’s Health: Raising Awareness about Female Genital Mutilation in Yemen, 2002</td>
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ANNEX III: PEOPLE INTERVIEWED

UNDP YEMEN & HEADQUARTERS

Flavia Pansieri, Resident Representative/Resident Coordinator and former Chief, Country Operations Division

James Rawley, former Resident Representative/Resident Coordinator

Moin Karim, Deputy Resident Representative

Randa Abul-Hosn, Assistant Resident Representative (Programme)*

Abdo Seif, Senior Programme Analyst, Poverty Alleviation Team*

Jamal Jarallah Jawbah, Programme Analyst, Crisis Prevention and Recovery Unit*

Samuel Choritz, Knowledge Management Specialist*

Waheeb A. Al-Eryani, Programme Associate, Natural Resources Management Unit*

Fuad Ali Abdulla, Programme Analyst, Natural Resources Management Unit*

Peer Gatter, Programme Adviser, Natural Resources Management Unit*

Ahmed El Obaid, Chief Technical Adviser, Human Rights Project*

Aladeen Shawa, Local Coordinator/Planner, Decentralization of Local Development Support Project*

Asr Toson, Chief Technical Adviser, Justice Programme*

Khaled Abdo Al-Magead, Programme Analyst, Decentralization*

Yousef M. Al-Mohaya, Programme Officer, Community-based Regional Development—Taiz Region*

Omer A. Bahumaid, Administration & Accounting Assistant, Community-based Regional Development—Ghayl Bin-Yamain, Hadramawt

Bushra Ahmed, Programme Officer, Elections*

Younis Saqran, Programme Support Unit

John Landry, Chief Technical Adviser, Election Programme

Walid Abdulqader Baharoon, Policy Analyst

Kattab Yahya Shoja’a, Taiz District Facilitation Team, Decentralization of Local Development Support Project

Mohammed Al-Ghashm, Local Finance Technician/Translator, Decentralization of Local Development Support Project

Sonoko Sunayama, Programme Officer, Human Rights

Hiro Ishihara, Programme Officer

Arianna Bisaz, Intern

Ali M. Al Sabri, News Reader & Translator

Oscar Fernandez Tarranco, Deputy Director, UNDP Regional Bureau for the Arab States

Aster Zaoude, Senior Gender & Development Adviser, UNDP Bureau for Development Policy

Salwa Al-Habib, Practice Manager, Poverty Group, UNDP Bureau for Development Policy

Kungzang Chungyalpa, Chief, Country Division, UNDP Regional Bureau for the Arab States

Juliette Hage, Senior Programme Adviser, Regional Bureau for the Arab States

Mounir Tabet, Senior Programme Adviser, Regional Bureau for the Arab States

GOVERNMENT OF YEMEN

Ahmed M. Sofá, Minister of Planning & Deputy Prime Minister, Ministry of Planning and International Cooperation*

Mutahar Al-Abbasi, Deputy Minister of Development Plans, Ministry of Planning and International Cooperation*

Maen Al-Eryani, Director General, International Cooperation, Ministry of Planning and International Cooperation

Yahya Y. al-Mutawakel, Vice-Minister and former Adviser and Head, Poverty Reduction Strategy Follow-up & Monitoring Unit, Ministry of Planning and International Cooperation

Abdulkarim I. Al-Arhabi, Minister of Social Affairs and Labour and Managing Director, Social Fund for Development

Amin Muhhayadin, Chairman, Central Statistical Organization

Mohammed H. Al-Hammadi, General Director, Minister’s Office, Ministry of Local Administration*

Amin M. Al-Maktari, Deputy Assistant Minister for Financial and Local Control, Ministry of Local Administration

Salem Hassan Bashuab, Chairman, National Water Resources Authority

Mahmoud M. Shidiwah, Chairman, Ministry of Water &
Environment – Environment Protection Agency
Abdul Hakim A.R. Aulaiah, Director Biosafety Project, Ministry of Water & Environment—Environment Protection Agency
Anwar Noaman, Head, Climate Change Unit, Ministry of Water & Environment—Environment Protection Agency
Ali Tayseer, Deputy Minister of Human Rights
Alawi Ali al-Mashoor, Head of Foreign Relations & Civic Society Organizations Sector, Supreme Commission for Elections and Referenda
Khalid A. Wahab Al-Shareef, Chairman, Supreme Commission for Elections and Referenda
Judge Dr. Mahamed Jaffer Kassim, Deputy Minister of Justice, Ministry of Justice
Ahmed Ghaleb, Deputy Minister of Finance
Mohammed L. Al-Eryani, Minister for Water and Environment
Sadiq bin Amin Abu Ras, Minister for Local Administration
Amat Al-Wali Al-Sharqi, Head, Training and Organizational Support Unit, Social Fund for Development
Rashida Al-Hamdany, Chairwoman, Women's National Council
Khouria, Vice-Chairwoman, Women's National Council
Mohammed Yehya Al Suneidar, Deputy Chairman, General Tourism Development Authority
Abdullah Saleh Ahmed, Director, National Water Resources Authority Taiz
Amat Al-Aleem As-Soswa, Minister for Human Rights
Ismael Rajubary, Director of International Relations, Ministry of Human Rights
Ahmed Al-Hajri, Governor, Taiz
Mohammed Ahmed Al-Haj, Local Council Secretary General, Taiz
Shawki Ahmed Hayel Saeed, Head of Local Council Planning, Development and Finance Committee, Taiz
Abdul Naser Ahmed Al-Akhali, General Manager, Governor's Office, Taiz
Mahioob Bajash Sinan, Local Council Secretary General, Maqbara District, Taiz
Hassan Abdo Bajash, Head of Local Council Planning, Development and Finance Committee, Maqbara District, Taiz
Ahmed Salman Zaid, Head of Local Council Service Committee, Maqbara District, Taiz
Bashar Al-Twaim, Head of Local Council Social Affairs Committee, Maqbara District, Taiz
Abdo M. Abdulmajid, District Director Office Manager, Maqbara District, Taiz
Abdullah Ahmed Omar, District Parliament Representative, Maqbara District, Taiz
Ahmed Qaid Salah, District General Director & Chairman of Local Council, Mocha District, Taiz
Al-Ansi Al Habbas, Local Council Secretary General, Mocha District, Taiz
Ahmed Abbas, Head of Local Council Social Affairs Committee, Mocha District, Taiz
Fatima Al-Huraib, Local Council Secretary General, Al-Tahrir District, Sana’a

DONORS & LOCAL PARTNERS
Helmut Grosskreutz, Director, GTZ (the German technical cooperation agency) Sana’a
Habib Sheriff, Programme Officer, GTZ Sana’a
Giacomo Sanfelice di Monteforte, Ambassador of Italy in Sana’a
Hisatsugu Shimizu, Counselor, Embassy of Japan in Sana’a
Yoji Hattori, First Secretary, Embassy of Japan in Sana’a
Dominic O’Neil, Country Representative, (UK) Department for International Development (DFID), British Embassy in Sana’a
Fatima Fouad, Development Officer, DFID, British Embassy in Sana’a
Rebekka van Roemburg, First Secretary for Education, Royal Netherlands Embassy*
Mohamed Al-Aroosi, Programme Officer for Water, Royal Netherlands Embassy*
Irma van Dueren, First Secretary for Gender, Royal Netherlands Embassy
Louis Coronado, Deputy Director, US Agency for International Development (USAID)

OTHER UN AGENCIES AND INTERNATIONAL FINANCE INSTITUTIONS
Robert E. Hindle, Country Manager, World Bank
Mustapha Rouis, Country Manager, World Bank
Khalid Riaz, Chief Technical Adviser/Water Resource Economist, Water Management Programme, UN Department of Economic and Social Affairs
Bettina Maas, UN Population Fund (UNFPA) Representative
Alexander Ilyin, Officer in Charge, UNFPA
Ramesh M. Shrestha, UN Children’s Fund (UNICEF) Representative*
Eiko Saito, Monitoring and Evaluation Officer, UNICEF
Naila Sabra, World Food Programme (WFP) Representative
Leonardo Romeo, Senior Technical Adviser, UN Capital Development Fund (UNCDF)
Dena Burjojee, Technical Manager, UNCDF

NGO AND RESEARCH ORGANIZATIONS
Magda M. Alsanousi, Programme Coordinator, Oxfam Yemen Office
Ayman Omer Ali, Project Manager (PRS), Oxfam Yemen Office
Friederike Stolleis, Social Development Expert, Agency for Combating Unemployment, Prime Minister's Office of Syria
Ghadija Al-Haissamy, Dean, National Institute of Administrative Sciences
Jonathan Puddifoot, Country Director, Care Yemen Office
Adam Taylor Awny, Programme Technical Adviser, CARE Yemen
Ms. Hoda, Head of Women's Association for Sustainable Development, Aden
Ms. Amani, Microcredit Facilitator, Women's Association for Sustainable Development, Aden
Anisa Mohammed Hassan, Head of Micro- and Small Enterprise Project, Taiz

* Visited by both ADR missions in 2004 and 2005.
** The second ADR mission held a teleconference with person interviewed.
COUNTRY EVALUATION: ASSESSMENT OF DEVELOPMENT RESULTS – YEMEN

The Parliament of Yemen concluded its budget session in January 2005. This was a stormy session in which many issues, not all related strictly to the budget, came up for elaborate discussion. The main topics were: (i) the price hike for oil products, especially diesel and fuel oil; (ii) the lag in public investment and growth in current expenditure; (iii) progress in the economic, financial and administrative reforms programme; (iv) control of corruption and smuggling; (v) implementation of the decentralization programme; and (vi) improvement of social security and pension systems.

In its session on 5 January 2005, parliament approved the 2005 state budget after extended discussion, following a report by the budget review board and after assessing the overall policies of the budget. The report stated that the budget serves consumption purposes more than it does investment and development by allocating up to 76.7 percent for current expenditures and only 23.4 percent for investment and development. The report concluded with a set of recommendations that the parliament should deliver to the Government in respect to modernization of economic and administrative policies.

In view of the challenges facing the Yemeni economy, the report suggested that the Government should work on finding alternatives to address the identified challenges. It suggested the following strategy for consideration by the Government:

- Diversify revenues and, within a short period of time, identify an efficient taxation system well suited to the nature of the Yemeni economy and ensure that tax justice accommodates the organization of Yemeni society.
- Rationalize public spending to serve the interest of the country and safeguard the rights of future generations to national wealth.
- Promote a more serious and appropriate investment climate conducive to domestic and foreign investments.
- Ensure an increase in investment in infrastructure (airports, ports, roads, electricity, etc.).
- Reconsider legislation and laws regulating the investment process.
- Set up a transparent administration capable of swiftly responding to economic problems and challenges.
- Take up strong anti-corruption measures.
- Restructure and modernize commercial and financial judicial systems.

Although the committee in principle approved the continuity of the all-inclusive reforms programme, it stipulated that the Government should not increase oil prices unless it:

- Presents a draft national strategy for overhauling public service salaries to the parliament no later than 1 February 2005 and implements the strategy by 2007
- Reduces customs duties for all imported products to the average applied in neighbouring countries
- Finds additional resources for the social security network
- Lays out regulations for commodity prices and transport fares
- Exempts agriculture and fishing equipment from customs duties
- Supports agricultural exports by reducing air transportation charges by half.

The Parliament asked the Cabinet to adopt economic policies to develop resources other than oil. It requested that the Government undertake an assessment of economic and administrative reforms. It also recommended that the Government enforce collection of revenues, clamp down on smuggling and tax evasion, economize expenditures and enforce environmental protection legislation. It urged the Government to pay more attention to the Social Pension Fund and pay out all the overdue financial claims of its 200,000 registered beneficiaries for the years 2001-2002.

The Parliament demanded a review of the laws on tenders, financial inspection and establishment of a stock exchange. Further, it asked the executive to draft a law for regulating policies on loans. It also required the Government to present its draft laws of finance, customs, taxes and tenders by March 2005.

As for local authorities, the report recommended that the Government should adopt the following measures:

- Come up with a comprehensive strategic plan on how to
better advance the experiment with local administration.

- Amend and change the existing laws and regulations in light of the Local Administration Law of 2000.

- Redistribute administrative manpower among various administrative units.

- Restrict extravagant spending in administrative units and turn over corrupt officials for prosecution.

- Come up with a more robust district council financing system, including an improved system of central-to-local fiscal transfers to which both domestic and external contributions for local development could be channeled.

- Build capacity of both the Ministry of Local Administration and the governors’ offices to support and supervise district authorities and local communities and ensure their accountability.

One hundred sixteen ruling party and other members of Parliament in a house of 301 members approved the budget, which included the lifting of subsidies on oil products. The Opposition al Islah party, strongly protesting the price hike, walked out of the session at the time of the passage of the budget. The opposition parties’ parliamentary blocs categorically rejected the price hikes included in the State’s budget for the year 2005 and held the Government fully accountable for the negative effects of its policies.
## Annex V: Macroeconomic Indicators

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<th>Year</th>
<th>GNI (millions US$)</th>
<th>GDP Share of GDP (%)</th>
<th>GDI Per Capsita (as % of US$)</th>
<th>Inflation Rate (%)</th>
<th>Fiscal Deficit (as % of GDP)</th>
<th>Remittances (millions US$)</th>
<th>Export (millions US$)</th>
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### ANNEX VI: MDG PROFILE OF YEMEN

#### YEMEN COUNTRY PROFILE

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<td>Population below $1 a day (%)</td>
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<td>Poverty gap at $1 a day (%)</td>
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<tr>
<td>Percentage share of income or consumption held by poorest 20%</td>
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<td>Prevalence of child malnutrition (% of children under 5)</td>
<td>30.0</td>
<td>38.1</td>
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<td>Population below minimum level of dietary energy consumption (%)</td>
<td>35.0</td>
<td>35.0</td>
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<td>Net primary enrolment ratio (% of relevant age group)</td>
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<td>67.1</td>
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<td>Percentage of cohort reaching grade 5 (%)</td>
<td></td>
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<td>86.0</td>
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<td>Youth literacy rate (% ages 15-24)</td>
<td>50.0</td>
<td>58.6</td>
<td>66.5</td>
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<td>Ratio of girls to boys in primary and secondary education (%)</td>
<td></td>
<td>38.5</td>
<td>55.6</td>
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<td>Ratio of young literate females to males (% ages 15-24)</td>
<td>34.1</td>
<td>44.1</td>
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<td>Share of women employed in the non-agricultural sector (%)</td>
<td>8.9</td>
<td></td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>Proportion of seats held by women in national parliament (%)</td>
<td></td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Under-5 mortality rate (per 1,000)</td>
<td>142.0</td>
<td>126.0</td>
<td>117.0</td>
<td>114.0</td>
</tr>
<tr>
<td>Infant mortality rate (per 1,000 live births)</td>
<td>98.0</td>
<td>89.0</td>
<td>84.0</td>
<td>83.0</td>
</tr>
<tr>
<td>Immunization, measles (% of children under 12 months)</td>
<td>69.0</td>
<td>46.0</td>
<td>79.0</td>
<td>65.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternal mortality ratio (modeled estimate, per 100,000 live births)</td>
<td></td>
<td></td>
<td>570.0</td>
<td></td>
</tr>
<tr>
<td>Births attended by skilled health staff (% of total)</td>
<td>15.9</td>
<td>21.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevalence of HIV, female (% ages 15-24)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contraceptive prevalence rate (% of women ages 15-49)</td>
<td>9.7</td>
<td>20.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of children orphaned by HIV/AIDS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incidence of tuberculosis (per 100,000 people)</td>
<td></td>
<td></td>
<td>105.0</td>
<td>91.7</td>
</tr>
<tr>
<td>Tuberculosis cases detected under DOTS (%)</td>
<td></td>
<td>9.0</td>
<td>47.0</td>
<td>48.6</td>
</tr>
</tbody>
</table>
### Yemen Country Profile Continued

#### 7. Ensure environmental sustainability

<table>
<thead>
<tr>
<th>Indicator</th>
<th>1990</th>
<th>1995</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest area (% of total land area)</td>
<td>1.0</td>
<td>..</td>
<td>0.9</td>
<td>..</td>
</tr>
<tr>
<td>Nationally protected areas (% of total land area)</td>
<td>..</td>
<td>0.0</td>
<td>0.0</td>
<td>..</td>
</tr>
<tr>
<td>GDP per unit of energy use (PPP $ per kg. of oil equivalent)</td>
<td>2.4</td>
<td>3.3</td>
<td>4.3</td>
<td>..</td>
</tr>
<tr>
<td>CO2 emissions (metric tons per capita)</td>
<td>0.7</td>
<td>0.7</td>
<td>0.5</td>
<td>..</td>
</tr>
<tr>
<td>Access to an improved water source (% of population)</td>
<td>..</td>
<td>..</td>
<td>69.0</td>
<td>..</td>
</tr>
<tr>
<td>Access to improved sanitation (% of population)</td>
<td>32.0</td>
<td>..</td>
<td>38.0</td>
<td>..</td>
</tr>
<tr>
<td>Access to secure tenure (% of population)</td>
<td>..</td>
<td>..</td>
<td>..</td>
<td>..</td>
</tr>
</tbody>
</table>

**2015 target = various (see notes)**

#### 8. Develop a global partnership for development

<table>
<thead>
<tr>
<th>Indicator</th>
<th>1990</th>
<th>1995</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth unemployment rate (% of total labour force ages 15-24)</td>
<td>..</td>
<td>..</td>
<td>..</td>
<td>..</td>
</tr>
<tr>
<td>Fixed line and mobile telephones (per 1,000 people)</td>
<td>11.0</td>
<td>12.7</td>
<td>30.5</td>
<td>48.9</td>
</tr>
<tr>
<td>Personal computers (per 1,000 people)</td>
<td>..</td>
<td>0.9</td>
<td>2.0</td>
<td>7.4</td>
</tr>
</tbody>
</table>

**2015 target = various (see notes)**

### General indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>1990</th>
<th>1995</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (in millions)</td>
<td>11.9</td>
<td>15.2</td>
<td>18.0</td>
<td>18.6</td>
</tr>
<tr>
<td>Gross national income (US$ billions)</td>
<td>5.4</td>
<td>4.2</td>
<td>8.5</td>
<td>9.1</td>
</tr>
<tr>
<td>GNI per capita (US$)</td>
<td>390.0</td>
<td>270.0</td>
<td>470.0</td>
<td>490.0</td>
</tr>
<tr>
<td>Adult literacy rate (% of people ages 15 and over)</td>
<td>32.7</td>
<td>40.1</td>
<td>47.7</td>
<td>49.0</td>
</tr>
<tr>
<td>Total fertility rate (births per woman)</td>
<td>7.5</td>
<td>6.5</td>
<td>6.2</td>
<td>6.0</td>
</tr>
<tr>
<td>Life expectancy at birth (years)</td>
<td>52.2</td>
<td>54.1</td>
<td>56.5</td>
<td>57.4</td>
</tr>
<tr>
<td>Aid (% of GNI)</td>
<td>8.4</td>
<td>4.6</td>
<td>5.2</td>
<td>6.3</td>
</tr>
<tr>
<td>External debt (% of GNI)</td>
<td>132.6</td>
<td>169.0</td>
<td>57.5</td>
<td>57.4</td>
</tr>
<tr>
<td>Investment (% of GDP)</td>
<td>14.6</td>
<td>21.9</td>
<td>17.3</td>
<td>16.7</td>
</tr>
<tr>
<td>Trade (% of GDP)</td>
<td>34.4</td>
<td>108.8</td>
<td>73.2</td>
<td>76.5</td>
</tr>
</tbody>
</table>

Source: World Development Indicators database, April 2004

Note: In some cases the data are for earlier or later years than those stated.

Goal 1 targets: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day. Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

Goal 2 target: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

Goal 3 target: Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015.

Goal 4 target: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate.

Goal 5 target: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio.

Goal 6 targets: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS. Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases.

Goal 7 targets: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources. Have, by 2015, the proportion of people without sustainable access to safe drinking water. By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.

Goal 8 targets: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. Address the special needs of the least developed countries. Address the special needs of landlocked countries and small island developing states. Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term. In cooperation with developing countries, develop and implement strategies for decent and productive work for youth. In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries. In cooperation with the private sector, make available the benefits of new technologies, especially information and communications.