

Data Sheet

USAID Mission:	Yemen
Program Title:	Income Opportunities and Food Security
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	279-007
Proposed FY 2004 Obligation:	\$1,642,000 ESF
Prior Year Unobligated:	\$2,500,000 ESF
Proposed FY 2005 Obligation:	\$3,410,000 ESF
Year of Initial Obligation:	FY 2004
Year of Final Obligation:	FY 2006

Summary: The capacity of Yemen to fulfill its role as an ally in the war on terrorism is dependent upon its ability to decrease poverty and improve its overall economic performance. According to a 1998 World Bank study, 18% of the Yemeni population lives in absolute poverty, and 42% of the population are incapable of meeting their food and non-food requirements. Most of Yemen's poor live in the countryside and rely to a large degree on imported food at subsidized prices, although the majority of the population is engaged in the agricultural sector.

The Yemen economy is heavily dependent upon oil exports and remittances from Yemenis working abroad, neither of which have great potential for growth. Over 90% of export revenue is derived from oil and oil products, which is likely to decline significantly over the next decade. Approximately 18% of the labor force is unemployed and productivity is low due to lack of appropriate skills.

The USAID program in this sector is focused on increasing income opportunities and food security in the five remote and underserved governorates of Amran, Shebwa, Al-Jawf, Saada, and Marib. The programs fall into three categories: (1) expanded sustainable production of rural economic products for the market and home consumption; (2) expanded markets for rural economic products; and, (3) improved framework for economic growth.

Inputs, Outputs, Activities:

FY 2004 Program:

Agriculture activities (\$1,012,000 ESF and \$1,439,000 ESF Prior Year Unobligated). USAID's agriculture activities will focus on much needed improvements in agricultural production income from the sale of agricultural products, and improved household nutrition. ESF funds will be complemented by USDA 416(b) and PL480 funds. The primary focus of the program will be to assist small farmers in remote areas to improve their ability to grow crops and raise animals to earn income and feed their families. A special effort will be made to assist women farmers. USAID will also assist Yemeni agricultural colleges to provide agricultural extension services to farmers and private sector businesses engaged in agriculture. Limited technical assistance will be provided to the Ministry of Agriculture at the national and local levels to increase their capacity to assist poor farmers. The principal contractors currently include Associates in Rural Development (ARD) and New Mexico State University.

Economic growth activities (\$630,000 ESF and \$1,061,000 ESF Prior Year Unobligated). USAID's economic growth activities will assist Yemen in its ability to identify new products and markets and expand access to regional and international trade. The principal contractor currently is Nathan Associates.

FY 2005 Program:

Agriculture activities (\$2,480,000 ESF). USAID/Yemen will continue to support agriculture activities described above.

Economic growth activities (\$930,000 ESF). USAID/Yemen will continue to support economic growth activities begun in FY 2004.

Performance and Results: Activities in Yemen have just begun in FY 2004, and targets are now being developed.

US Financing in Thousands of Dollars

Yemen

279-007 Income Opportunities and Food Security	ESF
Through September 30, 2002	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2003	
Obligations	0
Expenditures	0
Through September 30, 2003	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	2,500
Planned Fiscal Year 2004 NOA	
Obligations	1,642
Total Planned Fiscal Year 2004	
Obligations	4,142
Proposed Fiscal Year 2005 NOA	
Obligations	3,410
Future Obligations	0
Est. Total Cost	7,552