

Yemen

The Development Challenge: Since unification in May 1990 of the Yemen Arab Republic (North) and the People's Democratic Republic of Yemen (South), and despite facing a subsequent civil war and a declining economy in the mid-1990s, over the past five years Yemen has made progress in both democratic and economic reform. It has established a basic legal and constitutional framework, developed foundations for its governmental and political institutions, and encouraged a nascent civil society through multiparty elections of a parliament and local councils. However, compared to other Middle East and North Africa ANE countries, Yemen has:

- the highest under 5 mortality rate (76 per 1000 live births) and the lowest life expectancy (56 years);
- the highest illiteracy rate (55 percent) and the lowest rate of girl's enrolment in elementary school (44 percent); and
- the lowest Gross National Income per Capita (US\$370)

According to the World Bank, GDP grew at nearly six percent per year during the 1990s, and exceeded the average growth rates for other low-income countries in the Middle East and North Africa. Most of this growth can be explained by transient growth in oil production, which is expected to begin declining next year. In spite of the country's impressive growth rates, overall impact on per capita incomes was dampened by population growth of approximately four percent per year during the same period.

In the near term, the U.S. will continue expanding its engagement and support for the Government of Yemen given its support in the war on terrorism and our improved understanding that countries with weak economies in which large segments of the population have only limited access to social services and economic opportunities provide fertile ground for furthering terrorist objectives.

The USAID Program: In response to US foreign policy priorities and interests, USAID re-engaged in Yemen in 2002 after a seven year hiatus, and will reopen an office in Sanaa in 2003. The Yemen program's objective is to help develop a healthy and educated population with access to diverse economic opportunities. The program focuses on three interlinked program areas: (1) improving literacy and access to quality education, especially for girls; (2) expanding economic opportunities and capacity to generate income; and (3) improve the delivery of quality reproductive health services. The program will concentrate activities in five governates - Marib, Sa'ada, Shabwa, Amran, and Al Jawf.

The State Department and USAID are conducting a joint review of the overall strategic direction of the USAID/Yemen portfolio and its specific programs in order to bring them in line with goals and objectives of the Middle East Partnership Initiative (MEPI). This review will ultimately entail significant changes in the level of funding of the programs, projects, and activities described in this Budget Justification. After completion of the joint review, USAID will notify Congress through established procedures prior to obligating funds for any revised efforts.

Other Program Elements: Although USAID closed its Mission to Yemen in the mid-1990s, the U.S. Government remained one of Yemen's largest bilateral donors by virtue of 416 (b) food aid programs administered by the US Department of Agriculture. In addition, USAID provided limited support for Yemen's democratic reform process.

Other Donors: Working with the World Bank and the IMF on donor coordination, the Yemen government created a number of funds to help with its decentralization program. These funds include the Social Fund for Development, the Social Welfare Fund, and the Public Works Program. Of these, the Social Fund is of most interest to USAID. Created in June 1997, the Social Fund for Development is a demand-driven program financing development projects supported by a number of donors. It aims to reduce poverty in Yemen by improving living conditions and providing income generation opportunities to the poor in rural and urban communities. To date, the fund has received a total resource commitment of \$81 million and has supported more than 1,000 projects, including improvement of community social and education

facilities, microfinance and income generating activities, and capacity building of operational partners including NGOs, the World Bank and the IMF.

In addition to the above funds, the World Bank's current program focuses on the health sector and on providing food to children, upgrading urban water supply and sanitation services in densely populated communities, privatization, macroeconomic reforms, legal and judicial development in support of the economy, and the expansion of microfinance networks.

Arab Bilateral and Multilateral Funds commit approximately \$200 million per year. Saudi Arabia recently signed a \$340 million soft loan and the Islamic Bank is reportedly negotiating a \$55 million soft loan for education and sanitation and water projects. Other soft loan projects with Kuwait and the Arab Fund for Economic and Social Affairs include the rehabilitation of the Sana'a Airport (\$97 million) and a road link with Oman.

The European Union focuses its approximately 20 million Euro per year assistance program on enhancing food security through strengthening agriculture, improving the management of water resources, and promoting export diversification. In its most recently drafted country strategy for Yemen, 2002-2006, the EU identified four areas of focus: W.T.O. accession, food security, poverty reduction, and civil society.

Other European bilateral donors include Germany (whose Euro 24 million annual program focuses on health, water and education), the Dutch (whose Euro 30 million annual program focuses on these same sectors plus agriculture); and Italy, France, and the United Kingdom, which provide Euro 2 -5 million each in annual assistance for small projects in health, cultural preservation, and improved tax collection and customs services.

United Nations. The average annual commitment, provided largely through the United Nations Development Program (UNDP) and the World Food Programme (WFP), is approximately \$40 million.

Yemen PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Economic Support Fund	3,991	5,000	10,000	15,000
Supplemental--ESF	0	3,000	0	0
PL 480 Title II	0	395	0	0
Total Program Funds	3,991	8,395	10,000	15,000

STRATEGIC OBJECTIVE SUMMARY

279-004 Community-based Health and Education				
ESF	3,991	8,000	10,000	15,000

279-004 includes \$3M of the FY 2002 Supplemental-ESF.

Data Sheet

USAID Mission:	Yemen
Program Title:	Community-based Health and Education
Pillar:	Global Health
Strategic Objective:	279-004
Status:	Continuing
Proposed FY 2003 Obligation:	\$10,000,000 ESF
Prior Year Unobligated:	\$8,000,000 ESF
Proposed FY 2004 Obligation:	\$15,000,000 ESF
Year of Initial Obligation:	FY 2002
Estimated Completion Date:	Continuing

Summary: USAID re-engaged in Yemen in 2002, and plans to open an office in Sanaa in 2003. USAID plans to expand the program significantly in response to US foreign policy priorities. The Yemen program's goal is to help develop a healthy and educated population with access to diverse economic opportunities. The program addresses the Middle East Partnership Initiative priorities, and focuses on three interlinked program objectives: (1) improved literacy and access to quality education, especially for girls; (2) expanded economic opportunities and capacity to generate income; and (3) improved delivery of quality reproductive health services. The program will concentrate efforts in five governates - Marib, Sa'ada, Shabwa, Amran, and Al Jawf.

Inputs, Outputs, Activities:

FY 2003 Program:

Improved Literacy and Access to Quality Education (\$3,500,000 ESF). Education efforts link to the Government of Yemen's planned "Education For All" program, and focus on improving literacy in the targeted governates, especially for girls and women. At a national level, only two-thirds of the male and one-third of the female populations are literate. As demonstrated in other countries, low literacy leads to weak support for public education, and is closely linked to poor health and limited economic opportunities. Improving literacy is key to achieving USAID's broader program goal. Activities will support: (1) teacher training, both pre-service and in-service; (2) technical assistance to rehabilitate schools, especially to make them more suitable for girls; (3) grants to local NGOs' efforts to engage and partner with local communities to improve enrolment rates and strengthen support for education; and (4) technical assistance to strengthen the Government's existing capacity to deliver distance education to more remote areas of the country.

FY 2003 funding will support training and technical assistance to Yemen's basic educational programs by: (1) strengthening the capacity of female teachers and school administrators to implement and teach newly adopted school curricula; (2) helping organize and establish parent committees to find ways to increase enrollment of girls in their schools; and (3) supporting literacy training for adults and youths. Activities will be carried out in 20 communities in eight districts.

Expanded Economic Opportunities and Capacity to Generate Income (\$3,000,000 ESF). Economic growth activities will provide technical assistance and training to strengthen economic governance, and improve the overall environment for investment and business development. This project is currently being designed.

Improved Delivery of Quality Reproductive Health Services (\$3,500,000 ESF). Health activities will focus on lowering the fertility rate and the maternal and child mortality rates in the targeted governates. Based on current statistics, the average woman in Yemen has seven children. More than one-third of these children, however, die before their fifth birthday. To address this tragic situation, USAID will finance training and technical assistance to promote health outreach and awareness activities, mobilize and train community organizations that address women's health issues, build the capacity of rural health centers to

deliver quality reproductive and primary health services, and help equip these health centers to better meet health needs.

In FY 2003, the Health program will support a number of activities. One is the establishment, assessment of needs, and the strengthening of district health systems in the eight districts through technical assistance, operational support, and purchase equipment. Another is basic training of community midwives. At least 25 midwives per governate will be trained. Community-based participatory models for reproductive health/family planning is also emphasized as part of the outreach strategy. Training of community women's organizations will be made to improve the delivery and effectiveness of health information to women, and to support information campaigns to increased community and national awareness and acceptance of family planning and other reproductive health services. Furthermore, USAID will support an experiment with the use of a mobile clinic to provide services in communities without health facilities. Training sessions for management of reproductive health and family planning programs will be conducted at all administrative levels. These and other proposed activities under the Health program will cost approximately \$3-\$7 million over a three year period (FY 2003-FY 2005).

Prior Year Unobligated funds (\$5,000,000 ESF, \$3,000,000 ESF Supplemental) will be obligated budget to the current cooperative agreement with the Adventist Development and Relief Agency (ADRA) in basic health and education. In addition, it will be used to fund new activities in three interlinked program areas: (1) improving literacy and access to quality education, especially for girls; (2) expanding economic opportunities and capacity to generate income; and (3) improve the deliver of quality reproductive health services.

All family planning agreements will incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

FY 2004 Program:

Improved Literacy and Access to Quality Education (\$5,000,000 ESF). The education project will be expanded to encompass more communities. Lessons learned from the first year of operations will be incorporated into the expanded program.

Expanded Economic Opportunities and Capacity to Generate Income (\$5,000,000 ESF). Specific activities and expected results for the economic growth project will be defined in the design that will be completed by March 2003.

Improved Delivery of Quality Reproductive Health Services (\$5,000,000 ESF). The health project will continue and expand the activities outlined in the FY 2003 program above.

Performance and Results: Activities in Yemen either just began or are under design. No results can be reported at this time.

US Financing in Thousands of Dollars

Yemen

279-004 Community-based Health and Education	ESF
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	1,995
Expenditures	0
Through September 30, 2002	
Obligations	1,995
Expenditures	0
Unliquidated	1,995
Prior Year Unobligated Funds*	
Obligations	8,000
Planned Fiscal Year 2003 NOA	
Obligations	10,000
Total Planned Fiscal Year 2003	
Obligations	18,000
Proposed Fiscal Year 2004 NOA	
Obligations	15,000
Future Obligations	0
Est. Total Cost	34,995

* Prior Year Unobligated Funds includes \$3M of the FY 2002 Supplemental - ESF.

Data Sheet

279-XXX: No Summary and/or Pillar information entered for this SO.

Data Sheet

279-YYY: No Summary and/or Pillar information entered for this SO.