

## The Challenge

As an important ally in the Global War on Terror, the challenge is to shore-up support for the Republic of Yemen Government's (RoYG) market-based economic reform and address threats to internal stability as a result of the democratization agenda. The USAID program aims to support the RoYG's democratization agenda. The USAID program is supporting the RoYG's democratic governance and poverty reduction efforts, and is increasing social service delivery particularly in the predominantly rural areas where the majority of the population lives. USAID's program focuses on the five target governorates of Amran, Sadah, Al-Jawf, Marib, and Shabwa, long known as the main sources of, and havens for, domestic and international terrorism in Yemen. Yemen, with a population of nearly 20 million people, is one of the poorest countries in the world with 43% of the citizens living under the poverty rate of US\$ 2 per day.

## Objectives, Sectors and Workforce

MCA Status: Suspended Threshold Eligibility

PEPFAR Focus Country: No

USAID Representative: Michael Sarhan

Provided or Received Services From Other Missions: Stand Alone

Program Budget (Appropriations by Objective)	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07	2005 SO Performance Score		Direct SO Admin. Cost Ratio
	(\$000)	(\$000)	(\$000)	(\$000)				
279-005 Reproductive, Maternal and Child Health Services	5,140	7,574	3,287	4,683	-8.9%			0.07
279-006 Basic Education, Especially for Women and Girls	3,270	4,676	2,445	5,319	62.7%	2.00	Exceeded	0.12
279-007 Increased Income Opportunities and Food Security	2,342	970	1,079	0	N/A			0.55
279-008 Expanded Democracy and Governance	680	1,660	1,109	1,998	193.8%			0.15
<b>Country Total</b>	<b>11,432</b>	<b>14,880</b>	<b>7,920</b>	<b>12,000</b>	<b>5.0%</b>			

Program Budget (Appropriations by Account)	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
	(\$000)	(\$000)	(\$000)	(\$000)	
Economic Support Fund	11,432	14,880	7,920	12,000	5.0%
<b>Total</b>	<b>11,432</b>	<b>14,880</b>	<b>7,920</b>	<b>12,000</b>	<b>5.0%</b>

Program Budget by Sector and Account	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
	(\$000)	(\$000)	(\$000)	(\$000)	
Basic Education ESF	3,270	4,189	2,445	5,319	62.7%
Agriculture and Environment ESF	1,575	485	0	0	N/A
Higher Education & Training ESF	0	487	0	0	N/A
Economic Growth ESF	767	485	1,079	0	N/A
Democracy and Governance ESF	680	1,660	1,109	1,998	193.8%
Family Planning / Reproductive Health ESF	2,570	5,000	1,676	2,383	-7.3%
Child Survival and Maternal Health ESF	2,570	2,574	1,611	2,300	-10.5%
<b>Total</b>	<b>11,432</b>	<b>14,880</b>	<b>7,920</b>	<b>12,000</b>	<b>5.0%</b>

Workforce	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	1	2	2	2	100.0%
US Non Direct Hires	2	3	5	4	100.0%
Foreign Nationals	3	10	12	13	333.3%
<b>Total</b>	<b>6</b>	<b>15</b>	<b>19</b>	<b>19</b>	<b>216.7%</b>

Operating Expense	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
	(\$000)	(\$000)	(\$000)	(\$000)	
Salaries and benefits	105	72	90	78	-25.7%
Travel	57	219	203	219	284.2%
Transportation of things	38	58	105	0	N/A
Rent	37	40	55	55	48.6%
Security	0	48	70	77	N/A
Equipment	191	33	75	39	-79.6%
ICASS - Operating Expense only	96	142	132	225	134.4%
Other Operating Expense	82	107	139	207	152.4%
<b>Total OE Budget</b>	<b>606</b>	<b>719</b>	<b>869</b>	<b>900</b>	<b>48.5%</b>
US direct hire salary and benefits	187	363	112	124	-33.7%
Program Funded Administrative Expenses				918	
<b>Country Total Administrative Budget</b>				<b>1,942</b>	
<b>Percent of Bureau OE Total</b>				<b>#REF!</b>	

Mission Summary	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	11,432	7,440	3,960	6,000
Program per All US (\$000)	3,811	2,976	1,131	2,000

Program per Position (\$000)	1,905	992	417	632
Operating Expense as % of Program Funding				7.5%
Program Funded Admin Expense as % of Total Admin				47.3%
Total Admin Expense as % of Program Funding				16.2%

**Other Major Donors:**

Bilateral: USAID coordinates very closely with the donor community to assure that the impact of relatively scarce donor resources is maximized in response to the overwhelming development needs in Yemen. The United States is the top bilateral donor in Yemen, followed by the Netherlands, Germany, the United Kingdom, and Japan.

Multilateral: Multilateral donors include the World Bank, the European Union, United Nations Development Program, United Nations Fund for Population Activities, United Nations Children’s Fund, World Health Organization, World Food Program, International Fund for Agriculture Development, and Abu-Dhabi Fund. However, very few donors work in the five remote governorates targeted by USAID. U.S. development efforts in these governorates are seen as the vanguard in opening up other donor assistance programs in these areas.

## Yemen PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2004 Actual	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Economic Support Fund	11,432	14,880	7,920	12,000
<b>Total Program Funds</b>	<b>11,432</b>	<b>14,880</b>	<b>7,920</b>	<b>12,000</b>

<b>STRATEGIC OBJECTIVE SUMMARY</b>				
279-005 Reproductive, Maternal and Child Health Services				
ESF	5,140	7,574	3,287	4,683
279-006 Basic Education, Especially for Women and Girls				
ESF	3,270	4,676	2,445	5,319
279-007 Increased Income Opportunities and Food Security				
ESF	2,342	970	1,079	0
279-008 Expanded Democracy and Governance in Yemen				
ESF	680	1,660	1,109	1,998

USAID Representative,  
Michael Sarhan

## Data Sheet

<b>USAID Mission:</b>	Yemen
<b>Program Title:</b>	Reproductive, Maternal and Child Health Services
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	279-005
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$3,287,000 ESF
<b>Prior Year Unobligated:</b>	\$7,574,000 ESF
<b>Proposed FY 2007 Obligation:</b>	\$4,683,000 ESF
<b>Year of Initial Obligation:</b>	2004
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** USAID's objective in Yemen is to increase use, quality, and availability of reproductive, maternal, and child health services in five remote, tribal, and underserved governorates: Amran, Shabwa, Al-Jawf, Sadah, and Marib. USAID will provide technical assistance, immunizations, training, and medical equipment; renovate hospitals and clinics; construct new health centers; and foster community mobilization. It is also USAID's goal to build capacity in the health system in order to improve the Yemeni health care system and assist in the decentralization to districts levels. All family planning assistance agreements incorporate clauses that implement the President's directive restoring the Mexico City policy.

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Improve Child Survival, Health and Nutrition (\$1,610,600 ESF; \$3,711,260 ESF Prior Year Unobligated). USAID is continuing to support the immunization of women and children, and the renovation of selected health facilities. USAID is also providing these health facilities with new medical equipment. The program is introducing facility and community-based health care which focuses on family planning and reproductive health services geared toward underserved and high-risk populations in remote and hard-to-reach tribal areas. USAID's program is enhancing these services through mobile health teams and various outreach activities.

USAID continues to focus on training midwives, nurses, and other essential health service providers, offering short-term courses for physicians and administrative staff. USAID is extending emergency and neonatal care services within the five governorates. USAID is also assisting the Republic of Yemen Government's (RoYG) Ministry of Water and Environment to design and implement an environmental impact assessment to improve environmental health. The aim is to advocate solutions in conjunction with government and other donors, and to seek community-based solutions. Principal Implementers: Pathfinder, Abt Associates, and the Adventist Development and Relief Agency (ADRA).

Improve Maternal Health and Nutrition (\$1,676,400 ESF; \$3,862,740 ESF Prior Year Unobligated). USAID is supporting the Yemeni Health Sector Reform Strategy which focuses on improving management systems, decentralization to the district level, cost sharing, and redefining the role of the Ministry of Public Health and Population (MOPHP) and health offices at the governorate and district levels.

USAID is strengthening decentralized service delivery systems through improved planning, budgeting, and management interventions at the governorate and district levels, as well as at the national and sub-national levels. The program is accomplishing this through the use of National Health Accounts (NHA), Geographic Information Systems (GIS), Health Information Systems, workforce planning, and training to augment the skills and role of midwives through the establishment of a Midwives Association.

USAID is also supporting enhanced logistics management for health services and family planning, and providing technical assistance to improve the supply system of the MOPHP's General Directorate of Reproductive Health to ensure the availability of contraceptives to districts. Principal Implementers: Pathfinder, Abt Associates, ADRA, and John Snow, Inc.

**FY 2007 Program:**

Improve Child Survival, Health and Nutrition (\$2,300,000 ESF). USAID intends to continue its support of basic health services delivery in all five target governorates. Building upon the successes of FY 2006, USAID intends to strengthen and expand training in Integrated Management of Childhood Illness and continue renovating and equipping selected health facilities with new medical equipment.

USAID intends to expand reproductive health services, increasing the number of mobile health teams and outreach activities to better reach underserved and high-risk populations in remote and hard-to-reach tribal areas. Midwives and other essential health service providers will receive training in emergency obstetric services and neonatal care.

USAID's health program aims to build linkages to other USAID-supported sectors in Yemen. The health program will coordinate, where possible, with related activities and goals in education, agriculture, and democracy and governance. For example, through this program, USAID plans to introduce health concerns in schools, the potential utilization of agricultural workers to deliver health messages, and the strengthening of health officers in local councils. Principal Implementer: To Be Determined (TBD).

Improve Maternal Health and Nutrition (\$2,383,000 ESF). In addition to supporting the renovation and construction of health facilities and providing medical equipment and training health providers in the five targeted governorates, USAID expects to endorse the development of a sound referral system. USAID plans to encourage the RoYG's effort to connect remote health facilities and offices to institutions of higher learning and the MOPHP by means of sound and sustainable information technologies.

In addition, USAID aims to improve health and water conditions in pilot districts in the targeted governorates and possibly on a national level. USAID will continue to support logistics improvements for health and family planning through the provision of technical assistance. This assistance is designed to augment the supply system of the Ministry of Public Health to ensure contraceptive availability. USAID will also endorse the training of health workers in the provision of modern family planning counseling services. USAID further plans to assist the RoYG to strengthen its national HIV/AIDS strategy. Principal Implementer: TBD.

**Performance and Results:** In FY 2005, USAID made substantial progress toward improving maternal and child health through increasing access to quality health services and improving the policy environment for health programs in Yemen.

Noteworthy accomplishments include the following: construction of one new health clinic; renovation of 20 health facilities; training of 724 health providers in five remote and tribal governorates; and the provision of three equipped mobile team vehicles that served 20,055 clients in remote areas. USAID also provided modern medical equipment to health facilities and furniture to health statistics offices; introduced state-of-the-art work in GIS to Yemen; conducted three national workshops to reintroduce NHA's and emphasize their use for decision-making; selected and trained a NHA team; and conducted a workshop to sensitize governorate health office statisticians about the importance and benefits of collecting, analyzing, and reporting accurate health information.

## US Financing in Thousands of Dollars

Yemen

279-005 Reproductive, Maternal and Child Health Services	<b>ESF</b>
<b>Through September 30, 2004</b>	
Obligations	4,000
Expenditures	1,239
Unliquidated	2,761
<b>Fiscal Year 2005</b>	
Obligations	5,140
Expenditures	2,010
<b>Through September 30, 2005</b>	
Obligations	9,140
Expenditures	3,249
Unliquidated	5,891
<b>Prior Year Unobligated Funds</b>	
Obligations	7,574
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	3,287
<b>Total Planned Fiscal Year 2006</b>	
Obligations	10,861
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	4,683
Future Obligations	9,400
Est. Total Cost	34,084

## Data Sheet

<b>USAID Mission:</b>	Yemen
<b>Program Title:</b>	Basic Education, Especially for Women and Girls
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	279-006
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$2,445,000 ESF
<b>Prior Year Unobligated:</b>	\$4,676,000 ESF
<b>Proposed FY 2007 Obligation:</b>	\$5,319,000 ESF
<b>Year of Initial Obligation:</b>	2004
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** The Republic of Yemen Government (RoYG) has given high priority to expanding primary education through increased school construction, improving the quality of the learning environment, increasing female participation, and reducing regional disparities. These objectives are outlined in the RoYG's Basic Education Development Strategy (BEDS) and have been endorsed by the international donor community through the Education for All Fast Track Initiative. USAID is committed to supporting the RoYG's efforts to improve basic education, especially for women and girls, by providing enhanced access to quality primary education in the public sector, increased literacy and numeracy opportunities at the community level, and improved public sector environment for education.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Achieve Equitable Access to Quality Basic Education (\$2,445,000 ESF; \$4,676,000 ESF Prior Year Unobligated). USAID launched its three-year basic education program in FY 2005. The following activities are continuing in FY 2006: 1) rehabilitating and constructing 77 schools and multi-purpose rooms in targeted districts; 2) increasing the distribution of the Ministry of Education's (MOE) teaching and training materials; 3) providing in-service teacher training and training of trainers for adult literacy trainers; 4) working with local authorities, community representatives, and parents in promoting increased enrollments and quality improvements; and 5) developing supplementary classroom and out-of-school literacy materials. A database including baseline and monitoring data for governorate, district, community, cluster, and school levels is also being developed. USAID is supporting the School Mapping Department in completing and updating the MOE Geographic Information System and school survey database. Efforts are continuing to coordinate health and education sector activities. USAID also continues to support community-based literacy, numeracy, and life-skills education through classes and mobile outreach, especially for adult women through the U.S. Middle East Partnership Initiative's funded Yemen Adult Life-Skills and Literacy Education Project (YALLE). This program is establishing 30 Women's Literacy Associations. In addition, a Basic Health and Education program plans to renovate 29 schools, 10 in Sadah and 19 in Al-Jawf. Principal Implementers: American Institutes for Research with subcontractors Academy for Educational Development (AED); Education Development Center, Inc.; Care-USA; and Adventist Development and Relief Agency (ADRA).

#### FY 2007 Program:

Achieve Equitable Access to Quality Basic Education (\$5,319,000 ESF). Due to issues in basic education in Yemen, such as the wide disparity between boys' and girls' attendance at the primary level and high drop-out rates, USAID will continue to support basic education activities in both the formal and non-formal education systems. The program will strengthen and build upon current education activities and further support BEDS, including providing officials at the governorate and district levels training in planning, budgeting, and management and assisting with the development of information systems in the education sector. Potential exists to coordinate with the U.S. Department of Defense for capacity building on its school infrastructure projects. Principal Implementers: American Institutes for Research with subcontractors AED; Education Development Center, Inc.; Care-USA; and ADRA.

**Performance and Results:** Though travel bans restricted some activities in FY 2005, USAID's education program developed targets and baseline data. The program also developed a detailed Renovation Risk Management System for school renovations and used this system to assess renovations for all 77 schools. A mobile repair team is now functional to support community self-help efforts to repair and maintain facilities, furniture, and equipment. USAID's program assessed teacher and school administrator training needs, and trained a total of 1,533 teachers and administrators. USAID purchased school furniture and materials, and developed a catalogue of MOE-developed or MOE-approved teaching aids. Thirty-seven community-based discussions on current obstacles for education took place. The education program developed a detailed operational plan for the adult and out-of-school youth literacy and numeracy activities. Life-skills and adult literacy programs took place in 80 communities and 40 schools. USAID's program helped develop 89 women's literacy associations, which are now active in Amran where the YALLE program is working.



## US Financing in Thousands of Dollars

Yemen

279-006 Basic Education, Especially for Women and Girls	DA	ESF
<b>Through September 30, 2004</b>		
Obligations	2,000	3,000
Expenditures	144	454
Unliquidated	1,856	2,546
<b>Fiscal Year 2005</b>		
Obligations	0	3,270
Expenditures	0	0
<b>Through September 30, 2005</b>		
Obligations	2,000	6,270
Expenditures	144	454
Unliquidated	1,856	5,816
<b>Prior Year Unobligated Funds</b>		
Obligations	0	4,676
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	0	2,445
<b>Total Planned Fiscal Year 2006</b>		
Obligations	0	7,121
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	0	5,319
Future Obligations	0	10,700
Est. Total Cost	2,000	29,410

## Data Sheet

<b>USAID Mission:</b>	Yemen
<b>Program Title:</b>	Increased Income Opportunities and Food Security
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	279-007
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$1,079,000 ESF
<b>Prior Year Unobligated:</b>	\$970,000 ESF
<b>Proposed FY 2007 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	2004
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** Yemen, with a population of nearly 20 million people, is one of the poorest countries in the world with 43% of the citizens living under the poverty rate of U.S. \$2 per day. Yemen's unemployment rate as of 2003 was 35%, with most people employed in agriculture and herding. USAID's program in Yemen focuses on increasing income opportunities and food security in the five remote and underserved governorates of Amran, Shabwa, Al-Jawf, Sadah, and Marib. The program focuses on expanding sustainable production of rural economic products for the market and home consumption; expanding markets for agricultural crops and livestock; and improving the framework for economic growth in order to allow small farmers and rural households to benefit from growing marketing opportunities and have a positive impact on household livelihoods.

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Improve Economic Policy and the Business Environment (\$1,079,100 ESF; \$485,000 ESF Prior Year Unobligated). USAID works closely with the U.S. Embassy to assist Yemen in identifying new trade opportunities and in expanding access to regional and international markets. In collaboration with the U.S. Middle East Partnership Initiative (MEPI), USAID is carrying out assistance for trade capacity-building and macro-economic policy reform in Yemen. An ongoing project for customs valuation trains customs officials in the implementation of the Customs Valuation System of the World Trade Organization (WTO) and helps the Yemen Customs Authority be fully compliant with the WTO system. Another area of assistance focuses on support for development of a trade policy institute to facilitate increased non-petroleum exports. USAID coordinates with the U.S. Embassy to provide technical assistance to the Republic of Yemen Government for a potential Trade and Investment Framework Agreement (TIFA) between Yemen and the United States. Principal Implementers: Nathan and Associates and Booz Allen Hamilton.

Increase Agricultural Sector Productivity (\$485,000 ESF Prior Year Unobligated). USAID is focusing on assisting small farmers in the five target governorates to increase farm incomes, improving household nutritional levels, accessing markets more efficiently, and providing for improved crop and livestock productivity. In FY 2006, the program is focusing on activities which directly impact the small farmer by increasing capacity for delivery of services to the agricultural sector. Principal Implementer: Associates for Rural Development.

#### **FY 2007 Program:**

FY 2007 funds are not being requested for this objective.

**Performance and Results:** By building a solid data and information base on Yemen agriculture and sector needs, USAID's investment in agriculture has produced results. The relationship that has evolved with the Ministry of Agriculture has resulted in USAID being able to integrate program activities into the government's national programs. USAID completed grape and coffee studies and is now using these studies to develop specific interventions to improve productivity and marketing. The Ministry of Agriculture is also using these studies to target services, develop new programs, identify potential markets, and link to other complementing USAID activities. Livestock is the most important sector of Yemen agriculture.

Currently, USAID is training 32 livestock technicians and para-veterinarians to provide extension services to un-serviced areas. Training will continue for technicians in other agricultural fields. The USAID program is developing improved production methods and marketing facilities to increase livestock returns to the farmer.

Cooperation with MEPI and TIFA programs has leveraged USAID economic growth activities. The primary areas of coordination have been customs evaluation and trade development. In agriculture, USAID will continue to place an emphasis on activities in the five target areas of Amran, Sadah, Al-Jawf, Marib, and Shabwa that address income generation and nutrition improvement to rural households.

## US Financing in Thousands of Dollars

Yemen

279-007 Increased Income Opportunities and Food Security	<b>ESF</b>
<b>Through September 30, 2004</b>	
Obligations	2,500
Expenditures	737
Unliquidated	1,763
<b>Fiscal Year 2005</b>	
Obligations	2,342
Expenditures	79
<b>Through September 30, 2005</b>	
Obligations	4,842
Expenditures	816
Unliquidated	4,026
<b>Prior Year Unobligated Funds</b>	
Obligations	970
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	1,079
<b>Total Planned Fiscal Year 2006</b>	
Obligations	2,049
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	0
Future Obligations	6,100
Est. Total Cost	12,991

## Data Sheet

<b>USAID Mission:</b>	Yemen
<b>Program Title:</b>	Expanded Democracy and Governance in Yemen
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	279-008
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$1,109,000 ESF
<b>Prior Year Unobligated:</b>	\$1,660,000 ESF
<b>Proposed FY 2007 Obligation:</b>	\$1,998,000 ESF
<b>Year of Initial Obligation:</b>	2004
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** USAID works in close cooperation with the U.S. Middle East Partnership Initiative to strengthen the capacity of representative institutions, including Parliament and local councils. To support the Republic of Yemen Government's (RoYG) effort to further improve governance and to reduce corruption, USAID will expand its democracy and governance program in FY 2006. Support for decentralization and strengthening Parliament will continue, but a new emphasis will also support RoYG's commitment to improve governance through legislative reform and will combat corruption by strengthening the judiciary's independence and ability to prosecute misuse of public funds. This program will also provide technical assistance for monitoring the upcoming elections and the development of civil society, rule of law, press freedom, and conflict mitigation.

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Promote And Support Anti-Corruption Reforms (\$643,500 ESF; \$670,833 ESF Prior Year Unobligated). USAID is continuing efforts begun in FY 2005 to support key areas where the RoYG demonstrates resolve to strengthen its governance performance, in particular in its efforts to decisively combat corruption. A baseline study is reviewing laws and regulations to identify areas to strengthen or establish new laws in order to combat corruption. Based upon the baseline study, USAID will provide technical assistance and staff development in key institutions, including the Public Funds Prosecutor, Public Funds Courts, and the Central Organization for Control and Audits. This assistance should lead these institutions to aggressively investigate and prosecute government officials for misuse of public funds. Principal Implementer: To Be Determined (TBD).

Promote and Support Credible Elections Processes (\$420,500 ESF Prior Year Unobligated). USAID is taking advantage of opportunities to support domestic election monitoring for the upcoming September 2006 elections and is providing very discrete and targeted elections support. This includes support for elections-related conflict mitigation, management, and resolution in one or two of the governorates where USAID works. Principal Implementer: TBD.

Strengthen Civil Society (\$465,500 ESF; \$568,667 ESF Prior Year Unobligated). USAID is assisting efforts to empower youth in tribal conflict areas. Activities are raising democracy awareness and addressing conflicts within and among communities. In collaboration with other donors, USAID is supporting capacity-building programs for non-governmental organizations. The Ambassador's new Self-Help Program is providing small grants to support small community-run projects. Principal Implementers: Girls' World Communication Center, International Society of Journalists, U.S. Department of State, and others TBD.

#### **FY 2007 Program:**

Promote And Support Anti-Corruption Reforms (\$1,106,649 ESF). USAID plans to provide technical assistance to key institutions to investigate, prepare, and prosecute corruption cases. Policy, legislation, and regulatory reforms should create an institutional framework for public funds integrity, which will reduce bureaucratic opportunities for corruption. Possible areas for reform include the civil code, tax and customs administration, business licensing and regulation, and public finance management. To bolster

judicial sector independence and enable adjudication of cases of alleged corruption, USAID plans to assist the RoYG to institute a neutral and transparent process for judicial selection, promotion, transfer, and discipline. Efforts to reduce linkages between the judiciary and executive branch influences may be supported by work to reinforce independent judges' and bar associations. Principal Implementer: TBD.

Strengthen Civil Society (\$50,000 ESF). The Ambassador's Self-Help Program will provide small grants to support small community-run projects. Principal Implementer: U.S. Department of State.

Strengthen the Legislative Function/Legal Framework (\$262,922 ESF). Building on the Parliamentary reform program, USAID plans to provide technical assistance to Parliament's Budget Standing Committee and to special committees addressing corruption and links to prosecution agencies. This technical assistance would also help address policy and legislation on civil service reform, and an improved business and regulatory environment, linking civil society advocacy groups to civil society organizations, think-tanks, and the private sector. Principal Implementer: TBD.

Support Democratic Local Government and Decentralization (\$578,429 ESF). Continuing the work of the local government program, USAID support for decentralization will deepen capacity-building of district-level local councils (LCs) after the September 2006 elections. Community participation in planning and investment will improve LCs' performance and institutionalize the decentralization process. Principal Implementer: United Nations Development Program.

**Performance and Results:** USAID's democracy and governance program made substantial progress in decentralization and in strengthening the legislative function and legal framework. The program trained and fielded District Facilitation Teams to work with LCs and local authorities, resulting in well-vetted plans and budgets for the allocation of \$775,000 to eight districts. Training helped citizens to understand the role of LCs and to participate in the local decision-making process. Work in Parliament has resulted in more cross-party blocs around legislative issues and Members of Parliaments' increased ability to modify draft laws. Parliamentary collaboration with the Peninsular Arab Parliamentary Union has led to the sharing of legislative practices and first steps to institutionalize collective governance standards across Yemen, Bahrain, and Kuwait. Corruption continues to rob Yemen of its potential and was one of several reasons behind the Millennium Challenge Corporation's recent decision to suspend Yemen's eligibility for a Threshold Country Program.

## US Financing in Thousands of Dollars

Yemen

279-008 Expanded Democracy and Governance in Yemen	<b>ESF</b>
<b>Through September 30, 2004</b>	
Obligations	391
Expenditures	1
Unliquidated	390
<b>Fiscal Year 2005</b>	
Obligations	652
Expenditures	52
<b>Through September 30, 2005</b>	
Obligations	1,043
Expenditures	53
Unliquidated	990
<b>Prior Year Unobligated Funds</b>	
Obligations	1,660
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	1,109
<b>Total Planned Fiscal Year 2006</b>	
Obligations	2,769
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	1,998
Future Obligations	3,800
Est. Total Cost	9,610