# Table of Contents

- Preface
- Satute at a Glance
- List of Acronyms
- Introduction

## The Millennium Development Goals (MDGs):

<table>
<thead>
<tr>
<th>Goal</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Eradicate extreme poverty and hunger</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>Achieve universal primary education</td>
<td>13</td>
</tr>
<tr>
<td>3</td>
<td>Promote gender equality and empower women</td>
<td>17</td>
</tr>
<tr>
<td>4</td>
<td>Reduce child mortality</td>
<td>21</td>
</tr>
<tr>
<td>5</td>
<td>Improve maternal health</td>
<td>24</td>
</tr>
<tr>
<td>6</td>
<td>Combat HIV/AIDS, malaria and other diseases</td>
<td>28</td>
</tr>
<tr>
<td>7</td>
<td>Ensure environmental sustainability</td>
<td>34</td>
</tr>
<tr>
<td>8</td>
<td>Develop a global partnership for development</td>
<td>41</td>
</tr>
</tbody>
</table>
The launching of the Millennium Development Goals (MDGs) 1990-2015 report coincided with the first year of the implementation of Poverty Reduction Strategy (PRS), for the period 2003/05. This progress report will serve as a reference for monitoring and evaluation of the progress made in the path of achieving the goals and policies contained in the PRS.

The report contains a clear identification of goals, targets, indicators, analysis of goal development and trends, indicative costing, as well as an overview of the challenges and supporting programmes and policies. It clearly demonstrates the agenda of the Yemeni government and its development partners for combating poverty and creating enabling environment for job opportunities, thus contributing to improvement of economic, social and political conditions of population at large.

The Household Budget Survey (1998) disclosed that poverty is a widespread phenomenon in Yemen, particularly in rural areas. The survey found that almost 6.9 million of the Yemeni population (41.8%) lives in poverty and is unable to meet their food and non-food needs. It also shows that the highest levels of poverty are found in rural areas, and that poverty levels differ from one governorate to another.

Government commitments to poverty alleviation have been supplemented by several official efforts to address the issues and challenges impeding the efforts to strengthen political and institutional structures, through bolstering ties with the neighbouring countries, developing a democratic regime based on political pluralism, strengthening local authority and maximising people's participation.

In the economic and social spheres, major elements of the reform programme are under implementation. They include the Economic, Financial and Administrative Reform Programme (EFARP), which contributed to achieving economic stability, allocation of significant resources for improving education and health sectors, as well as strengthening the social safety net.

Despite the efforts made on poverty reduction, poverty levels are still high, particularly in rural areas. Poverty presents itself in different forms, including low enrolment in primary education, poor health care services, and limited access to safe drinking water. To address these problems, the government had to mobilize its efforts and resources to narrow the poverty gap and fend off dangers of falling into a poverty trap. The government also needs to address the root cause of poverty in rural and urban areas, and deal with gender-based disparities as well as intra and inter-regional disparities.

In addition, the government should direct special attention to pursuing judicial and civil service reforms, and support the decentralization agenda as well as continue with the Economic, Financial and Administrative Reform Programme (EFARP). It also needs to enhance national capacities at all levels with a particular focus on PRS policy analysis, oversight monitoring and evaluation of the poverty reduction programmes and projects, as well as statistical data management.

The report is an effort to respond to the most important question: What is the magnitude of the resources and level of capacities needed by Yemeni society to meet the MDGs by 2015.

The conclusions of the report clearly demonstrate the enormous tasks ahead of the Yemeni society to mobilise required resources and to develop capacities at different levels to enable Yemen to meet the MDGs by 2015. It also underlines the importance of developing a global partnership as a means of shared responsibility between poor and rich nations for realization of MDGs by 2015.

Lastly, I would like to express my gratitude to the members of the National Technical Team for their highly appreciated efforts in the preparation of this report in a participatory manner with all government institutions and Civil Society Organizations. I would also like to appreciate the significant role of UNDP Country Office in its support for the preparation of this report and hoping that such cooperation will continue in the future.
### STATUS AT A GLANCE

Yemen's progress towards the development goals

<table>
<thead>
<tr>
<th>Goals</th>
<th>Will Development Goals be Reached?</th>
<th>State of Supportive Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extreme Poverty</td>
<td>Probably</td>
<td>Potentially</td>
</tr>
<tr>
<td>Halve the proportion of people living below the national poverty line by 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hunger</td>
<td>Probably</td>
<td>Potentially</td>
</tr>
<tr>
<td>Halve the proportion of underweight, under-five year olds by 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Universal primary education</td>
<td>Probably</td>
<td>Potentially</td>
</tr>
<tr>
<td>Achieve universal primary education by 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender equality</td>
<td>Probably</td>
<td>Potentially</td>
</tr>
<tr>
<td>Achieve equal access for boys and girls to primary and secondary schooling by 2005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under-five mortality</td>
<td>Probably</td>
<td>Potentially</td>
</tr>
<tr>
<td>Reduce under-five mortality by two-thirds by 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reproductive health</td>
<td>Probably</td>
<td>Potentially</td>
</tr>
<tr>
<td>Reduce maternal mortality ratio by three-quarters by 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Probably</td>
<td>Potentially</td>
</tr>
<tr>
<td>Halt and reverse the spread of HIV/AIDS by 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaria and major diseases</td>
<td>Probably</td>
<td>Potentially</td>
</tr>
<tr>
<td>Halt and begin reverse on malaria and other major diseases by 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental sustainability</td>
<td>Probably</td>
<td>Potentially</td>
</tr>
<tr>
<td>Reverse loss of environmental resources by 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic amenities</td>
<td>Probably</td>
<td>Potentially</td>
</tr>
<tr>
<td>Halve the proportion of people without access to safe drinking water</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
List of Acronyms

BSS  Basic Social Study
CBY  Central Bank of Yemen
CSOs  Civil Society Organizations
CSOs  Central Statistical Organization
DHS  Demographic Survey
DOTS  Direct Observation and Treatment Strategy
EFARP  Economic, Financial and Administrative Reform Programme
GDP  Gross Domestic Product
HBS  Household Budget Survey
HIPC  Highly Indebted Poor Countries
IFI  International Finance Institutions
IMR  Infant Mortality Rate
LBW  Low Birth Weight
LDCs  Least Developed Countries
MDGs  Millennium Development Goals
MMR  Maternal Mortality Ratio
MoPIC  Ministry of Planning and International Cooperation
NPS  National Poverty Survey
NTT  National Technical Team
PHC  Primary Health Care
PPP  Purchasing Power Parity
PRS  Poverty Reduction Strategy
TB  Tuberculosis
WHO  World Health Organization
WTO  World Trade Organization
In September 2000, at the United Nations Millennium Summit, world leaders agreed to combat poverty, hunger, disease, illiteracy, environmental degradation and discrimination against women, which has been placed at the heart of the global agenda (i.e. Millennium Development Goals (MDGs)). The Millennium Summit, attended by His Excellency, Mr. Ali Abdullah Saleh, President of the Republic of Yemen, also outlined a consensus on how to proceed, with a stronger focus on human rights, good governance and democracy as well as conflict prevention and peace building.

Following are the major eight goals adopted by the Millennium Summit:
1. Eradicate extreme poverty and hunger;
2. Achieve universal primary education;
3. Promote gender equality and empower women;
4. Reduce child mortality;
5. Improve maternal health;
6. Combat HIV/AIDS, malaria and other diseases;
7. Ensure environmental sustainability; and
8. Develop a global partnership for Development.

For the purpose of monitoring progress in achieving these goals at the international, national and sub-national levels, 18 specific targets, emanating from the broad eight goals, were set. A number of indicators for measuring progress in achieving these specific quantum goals during the period 1990 - 2015 were also identified.

To assess the progress achieved in implementing the MDGs in Yemen, a National Technical Team was established and tasked with the preparation of the first MDGs progress report for Yemen. The report aims to focus on national dialogue on specific development priorities, and reaffirm political commitment to achieve these goals. It also attempts to attract the attention of political leaders and decision-makers, and to involve the Civil Society Organizations and local communities, which can help in the efforts to achieve these goals and address the related issues thereto.

The MDG progress report is, therefore, an effective tool for promoting awareness and building alliances capable of providing support to the government to fulfill its commitments, and to contribute to building local capacities that are required to follow up and monitor the progress on these goals.

The progress report follows a clear and simple methodology in analyzing the situation related to MDGs. It is concise, but focused. The analysis of each goal includes the following components:
1. Trends of the current status of goals;
2. Challenges facing the State in achieving each goal by 2015;
3. Highlighting policies and programmes proposed by the government during the last decade and those to be adopted for the next era;
4. Identifying development assistance priorities, to which development partners can contribute;
5. Evaluating and reviewing statistical data in terms of accuracy and quality, and assessing whether it can be utilized in analysis, as well as in planning and designing of policies; and
6. Shedding light on the magnitude of financial resources needed to finance programmes and projects deemed necessary to achieve the goals by 2015.

Stakeholders were encouraged to participate in the drafting and discussion of the report. Sectoral working teams, representatives of the government departments, Civil Society Organizations (CSOs) and donors were represented in these teams. Close coordination between the National Technical Team, UNDP and the United Nations Development Assistance Framework (UNDAF) Policies and Data Thematic Group was maintained as a forum to agree on methodology of research and work, as well as to provide the necessary information and data to measure the various indicators.

This MDGR has been linked to the National Planning Frameworks, which have been prepared in a participatory manner and approved. These national planning frameworks are:
1. Strategic Vision 2025;
2. First Five-Year Development Plan

Introduction
(1996-2000);  
3. Second Five-Year Development Plan (2001/05); and  

In addition, linkages were also made to sectoral strategies, such as National Water Strategy, Population Policy and Population Programme of Action, Basic Education Strategy and Health Sector Reform Scheme.

The report utilized the Yearly Statistical Book, issued by the Central Statistical Organization (CSO), as main reference for gross and sectoral data and indicators. In relation to indicators on poverty, maternal and child health, the main sources were the 1998 Household Budget Survey (HBS), the 1999 National Poverty Survey (NPS) and the 1992 and 1997 Demographic Surveys (DHS).

In order to affirm political commitment to the MDGs and to focus national dialogue on development priorities, the report was presented to the Cabinet and to all Ministries for perusal and their opinions and comments. This step was part of the process to further enrich the report by discussions and comments, in addition to the national workshops.

An Inter-ministerial Committee was formed under the chairmanship of the Deputy Prime Minister, Minister of Finance, to review the report in consultation with key stakeholders. In light of this, additional workshops were held, involving government officials, representatives of international organizations and donor countries, Civil Society Organizations (CSOs) and Yemeni academic institutions.

This intensive and elaborate work culminated in the adoption of Cabinet decision No. 104 for the year 2003, which endorsed the following:  
1. Commitment to achieve the MDGs in close cooperation and coordination with development partners;  
2. Soliciting the support of all development partners to supplement the government efforts, which are aimed to achieve the MDGs;  
3. Integrating the MDGs in the present and future strategies, plans and programmes; and  
4. Setting up a mechanism for follow up and monitor of progress in achieving the MDGs in their entirety.

To translate the government plans into action, the Ministry of Planning and International Cooperation will pursue efforts to bolster cooperation and coordination with the concerned government authorities and donors in working out a mechanism for follow-up and monitoring of progress in achieving the MDGs and PRS initiatives.

This Report is an outcome of partnership and technical support provided by UNDP, to promote awareness and stimulate discussion and dialogue on sustainable development priorities. This report has also been published with a support of UNDP country office.

### Yemen: Topography and Population

Yemen’s 18.3 million population lives on 2% of its total geographical area of about 45 million ha. The population is scattered at about 41,800 villages with 74% of the population living in settlements of less than 5,000 people thus making difficult the extension of basic services to this group of the population. The natural topography of Yemen is divided into four major regions: the coastal region, the highlands, Tihama and Eastern plateaus.

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage of Population</th>
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<tbody>
<tr>
<td>Costal</td>
<td>10</td>
</tr>
<tr>
<td>Highlands</td>
<td>59</td>
</tr>
<tr>
<td>Tihama Plateau</td>
<td>11</td>
</tr>
<tr>
<td>Eastern Plateau</td>
<td>20</td>
</tr>
</tbody>
</table>

### Development Trends and Economy

The unification of Yemen on 22nd May 1990 marked a new era in the history of Yemen. Thirteen years after the development march in the united Yemen started, the country is still classified by the United Nations as one of the Least Developed Countries (LDCs). GDP per capita was $ 473 ($ 1.3 per day at nominal terms) in 2000, compared to $ 701 in 1990. The population grew from 12.9 million in 1990...
to 18.3 million in 2000, registering an annual population growth rate of 3.5%.

Almost 76% of the Yemeni population lives in rural areas. The under-15 age group represents 46.3% of the population. This translates into an increasing demand for educational and health services as well as access to clean drinking water and job opportunities.

The Yemeni economy is labeled a traditional one, with the agriculture sector accounting for 14.6% of GDP, and absorbing almost 52% of the workforce. It also constitutes 32% of the gross non-oil exports in 2000. Arable land is estimated at 1.6 million hectares, while the cultivated area is estimated at 1.3 million hectares. The agriculture land represents 2% of the total area of Yemen. Agriculture mainly depends on rainfall, thus making the agricultural activity subject to climate changes, such as drought and rain streams.

The Yemeni economy depends largely on oil revenues. In 2000, the oil sector accounted for 36.7% of GDP at the current price. Oil revenues contributed almost 63% of the central state budget and accounted for 90% of the gross commodity exports in 2000. This makes the economic activity vulnerable to fluctuations of the international oil prices. Moreover, the period 1990-2000 witnessed a remarkable change in the economic structure. The agricultural sector contribution dropped from almost 24.2% (1990) to almost 14.1% (2000) at current price. During the same period the industrial sector contribution (excluding oil and refinery) dropped from 7.4% to 4.2%, and the transport and communications sectors contribution also dropped from 14.8% to 10.3%.

However, the oil sector contribution has increased significantly, jumping from 13.4% (1990) to 36.7% (2000). The service sector is still leading in terms of its contribution to GDP. It contributed by 46.7% and 38% of GDP in 1990 and 2000 respectively.

Although the fishery and tourism sectors are promising ones, their contribution to GDP is still low. In 2000, these two sectors accounted for almost 1.07% and 0.66% respectively.

### Characteristics of Poverty

The internal and external shocks that hit Yemen in the 1990s exacerbated poverty, which has become a social and economic phenomenon of concern to the government, donors and local communities. The HBS (1998) indicates that 17.6% of the population is under-nourished, while 41.8% of the total population lives under the upper poverty line. A special feature characterizing poverty in Yemen is that most of the poor live in rural areas despite the growing urbanization trends. Poor families in rural areas are more vulnerable than those living in urban areas. Moreover, throughout the country, poverty levels vary from one governorate and/or district to another.

On the other hand, there is a causal link between the size of the family and the poverty level. A female-supported family or one that is supported by an elder man is more vulnerable than a family supported by a man. This is also the case with families having many children. Another important feature is that illiterate groups are more impoverished than literate or educated groups. Indicators also show that a large proportion of the population falls under the vulnerable groups who are at risk of falling into the poverty trap should they face natural, economic and/or social shocks.

### Government Efforts

Yemen development process, which kicked off more than three decades ago, followed different patterns of political and economic regimes, dictated by the division of the country into two parts. However, the central regime (central authority) was the dominant feature in both regimes. While the southern part of Yemen followed a socialist system, the northern part followed a liberal one. With the reunification in 1990, the unity regime followed a liberal economic system, adopting democracy and political pluralism, decentralization and enhancing the role of local authorities in managing local economic and social affairs.

In 1995, the Government initiated the Economic, Financial and Administrative...
Reform Programme (EFARP) to cope with the economic crisis. The series of policies and measures adopted by the government had contributed positively to economic stabilization, liberalization of trade and enhancing the private sector role in economic activity. This coincided with the launch of the First Five-Year Development Plan (1996-2000), having strategic pillars in line with the reform programme directives, which focused on addressing existing economic and financial imbalances, achieving significant economic growth and making the maximum utilization of available human and natural resources.

By the end of 2000, indicators have shown that the government efforts have achieved significant progress in improving gross economic indicators. The annual economic growth rate reached 4.4% and the inflation rate dropped to a single digit and stabilized the foreign currencies exchange rates. The budget deficit was reversed and turned into a surplus in 1999 and 2000 due to an increase in oil prices. The balance of payments saw a surplus and the foreign debt dropped after the agreement in 1996 with the Paris Club of Creditors.

Despite the satisfactory performance of the economic reform programme, its side effects have resulted in price hikes of commodities and basic services, as well as a drop in job opportunities. The devaluation of the purchasing power of the Yemeni Rial, coupled with the removal of subsidies on certain commodities (including basic commodities) and stabilizing the actual wages in the local market, have negatively affected the living standard, given the fact that price hikes have not been matched by a similar rise in real wages in the labor market.

Indicators suggest that the above measures have left an impact in terms of deteriorating conditions of the limited income and poor population.

Realizing these negative consequences on income, employment opportunities and standards of living, which coincided with the implementation of the economic reform programme, the government introduced a social security package, designed mainly to protect the poor.

The package includes the funds and programmes working mainly on owning of production assets, provision basic services and creation of temporary and long-term job opportunities.

The government's directions in the area of poverty reduction have culminated in drafting of Poverty Reduction Strategy Paper (2003/05).
The most important development indicators:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Indicator</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population (in millions)</td>
<td>18.3</td>
<td>2000</td>
</tr>
<tr>
<td>Annual population growth rate (%)</td>
<td>3.5</td>
<td>2000</td>
</tr>
<tr>
<td>Life expectancy at birth (LEB)</td>
<td>60.5</td>
<td>2000</td>
</tr>
<tr>
<td>GDP per capita (in US$)</td>
<td>473</td>
<td>2000</td>
</tr>
<tr>
<td>Foreign debt (as % of the GDP)</td>
<td>56</td>
<td>2000</td>
</tr>
<tr>
<td>Poverty rate (% of the population below the national poverty line)</td>
<td>41.8</td>
<td>1998</td>
</tr>
<tr>
<td>Rural</td>
<td>83</td>
<td>1998</td>
</tr>
<tr>
<td>Urban</td>
<td>30.8</td>
<td>1998</td>
</tr>
<tr>
<td>Percentage of children under-5 with low weight</td>
<td>15.9</td>
<td>2000</td>
</tr>
<tr>
<td>Net enrolment rate in basic education (%)</td>
<td>59.9</td>
<td>2000</td>
</tr>
<tr>
<td>Proportion of boys vs. girls in basic education (reaches grade 5)</td>
<td>55.7</td>
<td>2000</td>
</tr>
<tr>
<td>Child mortality rate (per 1000 live births)</td>
<td>94.1</td>
<td>2000</td>
</tr>
<tr>
<td>Maternal mortality rate (per 100,000)</td>
<td>351</td>
<td>1997</td>
</tr>
<tr>
<td>Percentage of people with access to safe water</td>
<td>35.9</td>
<td>1999</td>
</tr>
<tr>
<td>Rural</td>
<td>20.2</td>
<td>1999</td>
</tr>
<tr>
<td>Urban</td>
<td>80.9</td>
<td>1999</td>
</tr>
<tr>
<td>Percentage of illiteracy (15 + years)</td>
<td>55.7</td>
<td>2000</td>
</tr>
<tr>
<td>Rural</td>
<td>64.4</td>
<td>2000</td>
</tr>
<tr>
<td>Male</td>
<td>42.7</td>
<td>2000</td>
</tr>
<tr>
<td>Female</td>
<td>84.1</td>
<td>2000</td>
</tr>
<tr>
<td>Urban</td>
<td>33.9</td>
<td>2000</td>
</tr>
<tr>
<td>Male</td>
<td>19.7</td>
<td>2000</td>
</tr>
<tr>
<td>Female</td>
<td>47.8</td>
<td>2000</td>
</tr>
<tr>
<td>Health care coverage (% of population)</td>
<td>50</td>
<td>2000</td>
</tr>
<tr>
<td>Malaria coverage (% of population)</td>
<td>30</td>
<td>2000</td>
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Goal: 1

Eradicate Extreme Poverty and Hunger
The most important development indicators:

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of population with an income of less than $1 per day (according to Purchasing Power Parity (PPP))</td>
<td>10.7</td>
<td>5.4</td>
</tr>
<tr>
<td>Rural</td>
<td>12.4</td>
<td>6.2</td>
</tr>
<tr>
<td>Urban</td>
<td>5.2</td>
<td>2.6</td>
</tr>
<tr>
<td>Percentage of population with an income of less than $2 per day (according to Purchasing Power Parity (PPP))</td>
<td>47</td>
<td>23.5</td>
</tr>
<tr>
<td>Rural</td>
<td>50.2</td>
<td>25.1</td>
</tr>
<tr>
<td>Urban</td>
<td>36.4</td>
<td>18.2</td>
</tr>
<tr>
<td>Poverty gaps</td>
<td>10.7</td>
<td>5.4</td>
</tr>
<tr>
<td>Share of the most impoverished one-fifth of the population form national consumption</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>One-fifth of the pop</td>
<td>20</td>
<td>10</td>
</tr>
</tbody>
</table>


### 1 Current status and trends

During the first half of the 1990s, the Yemeni economy encountered several crises, which contributed to increasing the poverty levels, and to the deterioration of living conditions of the majority of the population. The HBS (1998) results indicated that the highest poverty level reached 41.8% of the population (6.9 million people).

On the income distribution, the survey found that 20% of the population earns no more than 8% of the gross income, the Gini coefficient of expenditure amounted to 0.343. Consequently, the percentage of population living on less than a dollar per day did not exceed 10.7% of the population while 47% of the population is living on less than two dollars a day, based on the Purchasing Power Parity (PPP) terms. Poverty in Yemen is a rural phenomenon. Indicators show that 83% of the poor people live in rural areas. This reflects the reality that Yemen is a rural society, as 76% of the population live in rural areas according to 1994 census.

### 2 Challenges

The Yemeni government exerted efforts to implement the economic and social development plans and programmes. Yet, these efforts have fallen short of lifting the human development indicators to high levels, and bringing down the current poverty levels. Computation of costs of achieving the MDGs show that Yemen would face several challenges, limiting its ability to achieve the MDGs by 2015. Following are some of these important challenges:

1. Limited ability to continue to maintain environment for a stable economic growth of over 5% per annum, and to enhance optimum utilization of available
resources that lead to increase of job opportunities;
2. Inefficient service delivery systems, particularly in education and health, where efficient delivery at a large scale is considered a driving force for economic growth, and consequently lead to poverty reduction;
3. Available resources fall short of preventing environmental degradation in marginal areas where the majority of the rural poor live. People in these areas depend on low-productivity environments, thus negatively affecting the environment and bio-diversity;
4. There is a scarcity of resources needed to help the poor and the most impoverished population and to improve their income and living conditions, through rural development programmes and projects to finance small enterprises for the poor;
5. Local authorities and organizations are unable to plan properly and execute development projects designed to narrow the poverty gap;
6. There is difficulty in sustaining a low inflation rate, capable of maintaining the purchasing power of the poor to enable them to meet their basic needs; and
7. There is a gender gap and inequality between regions.

**Supportive environment (policies and programmes)**

Determined to meet its obligations towards poverty eradication, the government adopted the following, as of the mid 1990s policies and programmes aimed at reducing poverty levels, and creating job opportunities:

1. Implementing the First Five-Year Development Plan (1996-2000), which was based on the following three strategic pillars: (i) achieving a yearly economic growth rate of 7.2%; (ii) addressing economic imbalances; and (iii) utilizing the relative advantages of human and natural resources;
2. Drafting Second Five-Year Development Plan 2001/05, aimed at reducing high poverty levels, maintaining support for economic stability, achieving genuine growth and sustainable development, diversifying the economic and production base, generating new job opportunities and increasing productivity, enhancing the economy’s competitiveness and developing public services;
3. Drafting Poverty Reduction Strategy (PRS), aimed at reducing poverty level to 36% by the year 2005 and creating job opportunities to ease unemployment; and

**Priorities for development assistance**

Within the framework of the building of a strong partnership with international donors and institutions, there is a need for support in the following areas:

1. Rural and social development projects, designed to increase production and provide jobs for the poor people in the production sectors;
2. Basic infrastructure services for the densely populated poor areas;
3. Assistance in the preparation of policies and programmes designed to prevent soil erosion and ensure sustainable environment and sustainable sources of income for the poor;
4. Enhancing capacities of the local authorities and communities and empowering people to manage their available resources for sustainable livelihood;
5. Preparation of policies, programmes and projects to address gender gap and inequality between regions; and
6. Continuation of the 1995 Economic Financial, and Administrative Reform Programme in order to capitalize on the results so far achieved.
Reducing Extreme Poverty: Monitoring and Evaluation Environment

<table>
<thead>
<tr>
<th>Elements of monitoring environment</th>
<th>Assessment</th>
</tr>
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<tbody>
<tr>
<td>Data gathering capacities</td>
<td>√</td>
</tr>
<tr>
<td>Quality of recent survey information</td>
<td>√</td>
</tr>
<tr>
<td>Statistical tracking capacities</td>
<td>√</td>
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<tr>
<td>Statistical analysis capacity</td>
<td>√</td>
</tr>
<tr>
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<tr>
<td>Monitoring and evaluation mechanisms</td>
<td>√</td>
</tr>
</tbody>
</table>

The Financial resources needed to reduce extreme poverty

During the 1990s, the Yemeni economy achieved a genuine average annual growth rate of 5%. However, this is not enough to halve poverty by 2015.

To achieve the MDGs, it needs to achieve an average annual growth rate of approximately 8%. This expectation depends on existing disparities in the per capita income level (Gini coefficient registered 0.343 for expenditure in 1998). The average economic growth rate level requires higher levels of investment and savings. It also requires intensive efforts to attract Foreign Direct Investments (FDIs).

Estimated resources required to meet this goal based on 8% annual economic growth scenario

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<th></th>
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</thead>
<tbody>
<tr>
<td>Total required resources</td>
<td>10,524</td>
<td>36,338</td>
<td>2,105</td>
<td>3,634</td>
</tr>
<tr>
<td>Total public expenditure</td>
<td>9,281</td>
<td>29,995</td>
<td>1,856</td>
<td>3,000</td>
</tr>
<tr>
<td>Additional resources required (financial gap)</td>
<td>1,243</td>
<td>6,343</td>
<td>249</td>
<td>634</td>
</tr>
</tbody>
</table>
Reduce by half the proportion of people who suffer from hunger between 1990–2015

Status at a glance

Will target be reached by 2015?

- Probably
- Potentially
- Unlikely
- Insufficient data

State of supportive environment

- Strong
- Fair
- Weak
- Weak but improving

Indicators | 1992 | 1997/98 | 2015
--- | --- | --- | ---
Percentage of under-five children who are under weight | 30 | 46 | 15
Percentage of population below food poverty line | N/A | 17.6 | 8.8


Current status and trends

According to HBS (1998), 17.6% of the population is below the food poverty line, 87% of which live in rural areas under food poverty.

During the last decade, food consumption, particularly wheat, has been increasing due to high population growth rate of 3.5% and urbanization in major cities. On the other side, national production of grain has declined from 765.3 thousand tones (1990) to 672.2 thousand tones (2000) and agricultural land of grains decreased from 844.8 thousand hectares to 619.6 thousand hectares during the same period.

As a result, Yemen imports most of its food needs to fill the consumption gap. The cost of imported cereal has increased from US$ 218.59 million (1990) to US$ 313.04 million (2000). Self-sufficiency of food is about 37% (2000), while the cost of imported food products has increased from US$ 537.74 million to US$ 726.56 million in the years 1990-2000.

Despite achievements under health and nutrition, Yemen still falls below the level to fulfill the MDGs. Statistical indicators show a spread of malnutrition among children. The results of the DHS (1997) shows that 52% of the children under-five in Yemen suffer from chronic malnutrition, whereas this ratio raises even up to 56% in rural areas compared to 40% in urban areas. The proportion of child malnutrition also differs from region to region whereas in the coastal regions is 42%, it is 59% in the mountains, and 53% in the plateaus and desert regions.

In addition, 46% of the children are underweight according to the DHS (1997), while this number reaches to 50% in rural areas as compared to 36% in urban areas. This ratio rises to 52.1% in mountainous regions and drops slightly to 46% and 43.2% in the coastal, plateau and desert region respectively.

Economic factors are the main causes of the deterioration in the nutrition level. They are: low per capita income, decline
of remittances to families from the Yemeni immigrants especially from Gulf States since the Gulf crisis, rise in inflation, allocation of unreasonably large portions of family expenditures on Qat, which reached an average of 11.2% of expense as compared to 52.9% for food according to HBS (1998).

Considering the above indicators, the difficulties facing Yemen in achieving MDGs by 2015 become clear. This will require increasing efforts and capacities at all levels to accomplish high levels of improvement in food security and mother and child health, to reduce the levels of malnutrition in Yemen.

### Challenges

The main challenges that face government in raising the level of food security in Yemen are:

1. Poor food harvesting, limited agricultural extension services and a lack of capacities for rural women;
2. Limited agriculture land and scarcity of water resources, lack of incentives for planting crops of less water usage and limited utilization of modern irrigation methods;
3. Limited financial support to farmers and food producers, fishermen, for rural development projects and modernization of farming techniques;
4. Lack of programmes to rehabilitate terraces; curbing soil erosion and desertification;
5. Lack of policies that limit planting of Qat, which crowd out on the expenses of other important basic food crops;
6. Low coverage of health services and mother and child health care especially in rural areas; and
7. Limited support for nutrition and school health programmes and basic family health services.

### Supportive environment

The government has designed the following policies and programmes to raise the level of food security:

1. Increase agricultural production to improve food security as well as farmers income, reduce the level of poverty and address unemployment;
2. Improve food production and develop an appropriate agriculture statistical information system;
3. Improve Social Safety Net programmes and projects especially for the rural population
4. Raise health service coverage through a number of health programmes to combat malnutrition, lower child mortality rate, and improve the quality of services for mother and child health; and
5. Raise the quality of social services, particularly health care, through applying the system of health regions, with focus to rural regions, and improve other services such as water, electricity, access roads and education.

### Priorities for development assistance

Within partnership framework with donors and international agencies, support is needed in the following areas:

1. Utilization of modern methods and technologies to improve agricultural productivity to reduce food gap in the various components of the Yemeni food basket;
2. Water conservation and capacity building of water resources management;
3. Implementation of programmes to improve water storage and re-charge of ground water reservoirs;
4. Encouragement of farmers to use modern irrigation methods;
5. Placement of effective policies and mechanisms to support agricultural and fisheries extension service for sustainable food harvesting;
6. Reduction of fertility rates with special focus on poor families; and
7. Support to improve nutrition, mother and child health care, raising primary health care coverage especially in remote areas.
5 Reducing Hunger: Monitoring and Evaluation Environment

<table>
<thead>
<tr>
<th>Elements of monitoring environment</th>
<th>Assessment</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Strong</td>
</tr>
<tr>
<td>Data gathering capacities</td>
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</table>
Goal: 1

Eradicate Extreme Poverty and Hunger
Reduce by half the proportion of people living on less than a dollar a day by 2015

The most important development indicators:

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of population with an income of less than $1 per day (according to Purchasing Power Parity (PPP))</td>
<td>10.7</td>
<td>5.4</td>
</tr>
<tr>
<td>Rural</td>
<td>12.4</td>
<td>6.2</td>
</tr>
<tr>
<td>Urban</td>
<td>5.2</td>
<td>2.6</td>
</tr>
<tr>
<td>Percentage of population with an income of less than $2 per day (according to Purchasing Power Parity (PPP))</td>
<td>47</td>
<td>23.5</td>
</tr>
<tr>
<td>Rural</td>
<td>50.2</td>
<td>25.1</td>
</tr>
<tr>
<td>Urban</td>
<td>36.4</td>
<td>18.2</td>
</tr>
<tr>
<td>Poverty gaps</td>
<td>10.7</td>
<td>5.4</td>
</tr>
<tr>
<td>Share of the most impoverished one-fifth of the population form national consumption</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>One-fifth of the pop</td>
<td>20</td>
<td>10</td>
</tr>
</tbody>
</table>


Current status and trends

During the first half of the 1990s, the Yemeni economy encountered several crises, which contributed to increasing the poverty levels, and to the deterioration of living conditions of the majority of the population. The HBS (1998) results indicated that the highest poverty level reached 41.8% of the population (6.9 million people).

On the income distribution, the survey found that 20% of the population earns no more than 8% of the gross income, the Gini coefficient of expenditure amounted to 0.343. Consequently, the percentage of population living on less than a dollar per day did not exceed 10.7% of the population while 47% of the population is living on less than two dollars a day, based on the Purchasing Power Parity (PPP) terms. Poverty in Yemen is a rural phenomenon. Indicators show that 83% of the poor people live in rural areas. This reflects the reality that Yemen is a rural society, as 76% of the population live in rural areas according to 1994 census.

Challenges

The Yemeni government exerted efforts to implement the economic and social development plans and programmes. Yet, these efforts have fallen short of lifting the human development indicators to high levels, and bringing down the current poverty levels. Computation of costs of achieving the MDGs show that Yemen would face several challenges, limiting its ability to achieve the MDGs by 2015. Following are some of these important challenges:

1. Limited ability to continue to maintain environment for a stable economic growth of over 5% per annum, and to enhance optimum utilization of available
resources that lead to increase of job opportunities;
2. Inefficient service delivery systems, particularly in education and health, where efficient delivery at a large scale is considered a driving force for economic growth, and consequently lead to poverty reduction;
3. Available resources fall short of preventing environmental degradation in marginal areas where the majority of the rural poor live. People in these areas depend on low-productivity environments, thus negatively affecting the environment and bio-diversity;
4. There is a scarcity of resources needed to help the poor and the most impoverished population and to improve their income and living conditions, through rural development programmes and projects to finance small enterprises for the poor;
5. Local authorities and organizations are unable to plan properly and execute development projects designed to narrow the poverty gap;
6. There is difficulty in sustaining a low inflation rate, capable of maintaining the purchasing power of the poor to enable them to meet their basic needs; and
7. There is a gender gap and inequality between regions.

Determined to meet its obligations towards poverty eradication, the government adopted the following, as of the mid 1990s policies and programmes aimed at reducing poverty levels, and creating job opportunities:
1. Implementing the First Five-Year Development Plan (1996-2000), which was based on the following three strategic pillars: (i) achieving a yearly economic growth rate of 7.2%; (ii) addressing economic imbalances; and (iii) utilizing the relative advantages of human and natural resources;
2. Drafting Second Five-Year Development Plan 2001/05, aimed at reducing high poverty levels, maintaining support for economic stability, achieving genuine growth and sustainable development, diversifying the economic and production base, generating new job opportunities and increasing productivity, enhancing the economy's competitiveness and
developing public services;
3. Drafting Poverty Reduction Strategy (PRS), aimed at reducing poverty level to 36% by the year 2005 and creating job opportunities to ease unemployment; and

Priorities for development assistance

Within the framework of the building of a strong partnership with international donors and institutions, there is a need for support in the following areas:
1. Rural and social development projects, designed to increase production and provide jobs for the poor people in the production sectors;
2. Basic infrastructure services for the densely populated poor areas;
3. Assistance in the preparation of policies and programmes designed to prevent soil erosion and ensure sustainable environment and sustainable sources of income for the poor;
4. Enhancing capacities of the local authorities and communities and empowering people to manage their available resources for sustainable livelihood;
5. Preparation of policies, programmes and projects to address gender gap and inequality between regions; and
6. Continuation of the 1995 Economic Financial, and Administrative Reform Programme in order to capitalize on the results so far achieved.
### Reducing Extreme Poverty: Monitoring and Evaluation Environment

<table>
<thead>
<tr>
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### The Financial resources needed to reduce extreme poverty

During the 1990s, the Yemeni economy achieved a genuine average annual growth rate of 5%. However, this is not enough to halve poverty by 2015.

To achieve the MDGs, it needs to achieve an average annual growth rate of approximately 8%. This expectation depends on existing disparities in the per capita income level (Gini coefficient registered 0.343 for expenditure in 1998). The average economic growth rate level requires higher levels of investment and savings. It also requires intensive efforts to attract Foreign Direct Investments (FDIs).

<table>
<thead>
<tr>
<th>Estimated resources required to meet this goal based on 8% annual economic growth scenario</th>
<th>Total (in $ millions)</th>
<th>Annual Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total required resources</td>
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</table>
Target 2

Reduce by half the proportion of people who suffer from hunger between 1990–2015

Status at a glance
Will target be reached by 2015?

- Probably
- Potentially
- Unlikely
- Insufficient data

State of supportive environment

- Strong
- Fair
- Weak
- Weak but improving

<table>
<thead>
<tr>
<th>Indicators</th>
<th>1992</th>
<th>1997/98</th>
<th>2015</th>
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<tbody>
<tr>
<td>Percentage of under-five children who are underweight</td>
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<td>46</td>
<td>15</td>
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<td>Percentage of population below food poverty line</td>
<td>N/A</td>
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1 Current status and trends

According to HBS (1998), 17.6% of the population is below the food poverty line, 87% of which live in rural areas under food poverty.

During the last decade, food consumption, particularly wheat, has been increasing due to high population growth rate of 3.5% and urbanization in major cities. On the other side, national production of grain has declined from 765.3 thousand tones (1990) to 672.2 thousand tones (2000) and agricultural land of grains decreased from 844.8 thousand hectares to 619.6 thousand hectares during the same period.

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Considering the above indicators, the difficulties facing Yemen in achieving MDGs by 2015 become clear. This will require increasing efforts and capacities at all levels to accomplish high levels of improvement in food security and mother and child health, to reduce the levels of malnutrition in Yemen.

2 Challenges
The main challenges that face government in raising the level of food security in Yemen are:
1. Poor food harvesting, limited agricultural extension services and a lack of capacities for rural women;
2. Limited agriculture land and scarcity of water resources, lack of incentives for planting crops of less water usage and limited utilization of modern irrigation methods;
3. Limited financial support to farmers and food producers, fishermen, for rural development projects and modernization of farming techniques;
4. Lack of programmes to rehabilitate terraces; curbing soil erosion and desertification;
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6. Low coverage of health services and mother and child health care especially in rural areas; and
7. Limited support for nutrition and school health programmes and basic family health services.

4 Priorities for development assistance
Within partnership framework with donors and international agencies, support is needed in the following areas:
1. Utilization of modern methods and technologies to improve agricultural productivity to reduce food gap in the various components of the Yemeni food basket;
2. Water conservation and capacity building of water resources management;
3. Implementation of programmes to improve water storage and re-charge of ground water reservoirs;
4. Encouragement of farmers to use modern irrigation methods;
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## Reducing Hunger: Monitoring and Evaluation Environment

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</tr>
</tbody>
</table>
Goal: 3

Promote Gender Equality and Empower Women
Despite an increase in female enrolment rates since 1990, male enrolment rates remain higher. Girls enrolment in basic education increased from 44.6% in 1990 to 55.7% in 2000.

In the secondary level, girls enrolment rates are still low despite the improvements of the 1990s. Girls enrolment rates in secondary education increased from 13.7% in 1990 to 36.6% in 2000, and so was the case with higher education, with enrolment rates rising from 28% in 1990 to 32.3% in 2000.

Nevertheless, indicators show that a significant proportion of girls are still out of school, particularly in the primary education stage, despite the State's commitment to provide equal opportunities for boys and girls alike.

Data also shows disparities between rural and urban areas. Girls average enrolment rate in rural areas was 29.5%, as compared to 73.2% in urban areas. Therefore, it is difficult to achieve equality in basic, secondary and higher education. This requires continuous efforts. Despite the efforts towards realizing this goal, much still need to be done.

Women empowerment is progressing slowly as big proportion of this segment of the population is illiterate.

The average female illiteracy rate was 74.1% in 2000, compared to rural areas, where female illiteracy rate was as high as 84.2%.

Despite moderate female participation rate in the various economic sectors, particularly the rural agricultural sector, the rate of paid female workers in the non-agricultural sector was as low as 7% in 2000.

Despite serious efforts in increasing women's participation in political, economic and social activities, progression in this endeavour is far behind. Currently, only a woman is occupying a seat at the Parliament out of 301 members, two women out of 101 seats at Shoura (consultative) Council and only 35 women out of 7,192 members in the newly elected Local Councils.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>1990</th>
<th>2000</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of girls to boys in basic education</td>
<td>44.6</td>
<td>55.7</td>
<td>100</td>
</tr>
<tr>
<td>Proportion of girls to boys in secondary education</td>
<td>13.7</td>
<td>36.6</td>
<td>100</td>
</tr>
<tr>
<td>Proportion of girls to boys in tertiary (University) education</td>
<td>20.5</td>
<td>32.3</td>
<td>100</td>
</tr>
<tr>
<td>Proportion of women in paid-work in the non-agricultural sector</td>
<td>N/A</td>
<td>7.0</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: Ministry of Education
Despite the above, women's participation in the executive bodies has recently increased. There is a woman Minister, and several female Under Secretaries. Their number is on the increase in such positions as General Directors and lower administrative levels. Increasing overall women's active participation remains a major government priority.

2 **Challenges**

1. Poverty: Low household income and family's inability to meet basic requirements has forced many girls to leave education;

2. Drop-out: Drop-out rates among girls in the various education stages are on the increase and peak among the fifth and ninth grades class, and in the secondary and tertiary education stages;

3. Early marriage: Several indicators and social studies have found that early marriage is one of the most important factors contributing to girls dropout from the education system, particularly from secondary and tertiary education;

4. Lack of female teachers: female teachers only account for 20% of the entire teaching force in the basic and secondary education (16.2% in urban areas and 5.3% in rural areas);

5. Lack of awareness among student's guardians about the importance of girls education, particularly from basic and secondary education stages is yet another major obstacle;

6. Lack of proper training opportunities and facilities for women;

7. Low levels of social awareness about the importance of women's work; and

8. The spread of certain habits and traditions that influence men towards women.

3 **Supportive environment**

The government has adopted several strategies, policies and programmes stressing equality and equal educational opportunities for all. Yemen's Strategic Vision (2025) aims at promoting and ensuring education for girls, particularly in rural areas, and reducing the gender gap with the aim of increasing girls enrolment rate to 95% in line with the Poverty Reduction Strategy.

The Girl's Education Strategy aims at providing basic education to girls in the school age group (6-14 years) and improving quality of girls' education through the development of programmes and activities designed to meet the actual academic and practical needs of girls. The Literacy and Adult Education Strategy, however, underlines the importance of girls education and the need to change unjustifiable attitudes towards educated women. The Basic Education Strategy reaffirms the State's commitment to make every possible effort to provide quality basic education to and to meet the development needs of every child in the school age group (6-14 year) by 2015. It also aims at increasing enrolment rates in basic education and reducing the gender and inter-regional gaps. It also stresses the need to raise girls enrolment rate to 27% of the total gross enrolment rate.

The Second Five-Year Development Plan aims at expanding enrolment opportunities for girls and activating the role of the educational system in advancing women's status in the family and society.

4 **Priorities for development assistance**

Development assistance by partners is needed towards enhancing Yemen's efforts to achieve this goal and implement the programmes and related policies designed to enhance women's role in society. This may be through:

1. Increasing enrolment rates of schooling girls;

2. Reforming the education sector to improve quality;

3. Enhancing institutional capacity of education institutions;

4. Increasing budget allocation;

5. Addressing regional inequalities and internal inefficiency;

6. Addressing the relevance of curricula;

7. Promoting women's political participation and supporting the increase the number of women in decision-making positions; and

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<td>Monitoring and evaluation mechanisms</td>
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</tbody>
</table>
Goal: 4

Reduce Child Mortality
Reduce by two thirds the mortality rate among children under-five (U5) by 2015

Status at a glance
Will target be reached by 2015?
Probably  Potentially  Unlikely  Insufficient data

State of supportive environment
Strong  Weak  Weak  but improving

1) Current status and trends
Statistical data show that almost 50% of the population are covered by health services, and that health coverage has not yet reached the targeted levels. Moreover, contagious and endemic diseases are widespread in the country.

The demographic survey indicators of 1997 indicate that the under-five mortality rate (U5MR) has dropped down from 122 per 1,000 in 1990 to 105 in 1997 (112 in rural areas and 98 in urban areas). In light of this slow progress, Yemen will not be able to achieve a 2/3 reduction in U5MR by 2015.

The Demographic Surveys of 1992 and 1997 have found that fever, diarrhea, respiratory infections were the most killer diseases among children under-five.

Poor environmental conditions, coupled with malnutrition, low levels of health awareness and disparity in immunization coverage collectively contribute to the outbreak of the six child-killer diseases, all of which can be prevented by immunization. Immunization coverage in Yemen during 1999-2000 period were as follows: TB 78%, DPT 72%, Polio 72%, Measles 68% and Hepatitis "B" 14%.

Numerous challenges hamper official Yemeni efforts to reduce U5MR:
1. Poor quality of health services, which encompasses lack of human resources, particularly women health workers, lack of medical equipment and drugs;
2. Income and poverty: Low income level and poverty have impacted negatively on the health of children and exacerbated their suffering particularly as a result of malnutrition. 50% of rural children are suffering from malnutrition as opposed to 36% in urban areas;
3. Public expenditure: Low levels of public expenditure on the health sector (4.5% of State's total budget and 1.5% of the GDP in 2000);
4. Water and sanitation: Stagnant water and poor sanitation led to an increase in infant and child mortality rates to 72 and 136 deaths per 1,000 live births for urban and rural areas respectively;
5. Maternal health: Almost 66% of the women do not have access to health services. This, in turn, has contributed to low birth weight (LBW), a major cause of U5MR; and
6. Low turnover to primary health care

2) Challenges

<table>
<thead>
<tr>
<th>Indicators</th>
<th>1990</th>
<th>2000</th>
<th>2015</th>
</tr>
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<tbody>
<tr>
<td>Under-five child mortality rate (per 1,000 live births)</td>
<td>122</td>
<td>94.1</td>
<td>40.6</td>
</tr>
<tr>
<td>Infant mortality rate (IMR) (per 1,000 live births)</td>
<td>83</td>
<td>69.4</td>
<td>27.2</td>
</tr>
</tbody>
</table>

Source: Central Statistical Organization, DHS (1992 and 1997)
facilities in rural areas. Indicators show that one third of health care units receive no more than three patients a day.

The government has adopted a number of programmes and policies, designed to improve the health sector in general, while at the same time focusing on reducing the U5MR to 40.6 deaths per 1,000 live births by the year 2015. These programmes include the following:

1. Public Health Sector Strategy;
2. Reproductive Health Strategy;
4. Second Five-Year Development Plan; and

These strategies and policies have focused on the following major aspects:

1. Underlining the importance of an active partnership between the government, and Civil Society Organizations, in the health field;
2. Provision of basic health services for public health facilities, particularly in rural areas in order to meet 80 to 90% target of the primary health care needs; and
3. Promoting awareness about public health, through improvement of school curricula and development of audiovisual materials on communicable diseases and the dangers of HIV/AIDS to health and economy.

In order to streamline the development partnership with the various international and local organizations, it is essential to focus development assistance on the following:

1. Support the implementation of reproductive health and population strategies and policies;
2. Implement Recommendation of 20/20 Basic Social Study (BSS) in respect of increasing Government budget and donors up to 20%;
3. Systematic vaccination campaigns;
4. Extending Primary Health Care (PHC) services to rural areas; and
5. Increase public expenditure on the health sector.

### Tracking Under-Five Mortality Levels: Monitoring and Evaluation Environment

<table>
<thead>
<tr>
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<tr>
<td>Monitoring and evaluation mechanisms</td>
<td>✓</td>
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</table>
Goal: 5

Improve Maternal Health
Reduce by three-quarters (3/4) the maternal mortality ratio (MMR) by 2015

Status at a glance
Will target be reached by 2015?  Probably  Potentially  Unlikely  Insufficient data

State of supportive environment
Strong  fair  Weak but improving

<table>
<thead>
<tr>
<th>Indicators</th>
<th>1990</th>
<th>2000</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMR (per 100,000 live births)</td>
<td></td>
<td>351</td>
<td>87.8</td>
</tr>
<tr>
<td>Deliveries attended by trained medical cadres</td>
<td>16</td>
<td>22</td>
<td>43.7</td>
</tr>
<tr>
<td>Pregnancy care level</td>
<td>26</td>
<td>34</td>
<td>49.3</td>
</tr>
<tr>
<td>Prevalence of modern contraception methods</td>
<td>6.1</td>
<td>10</td>
<td>19.5</td>
</tr>
</tbody>
</table>

Source: Central Statistical Organization, DHS (1997)
* Figures prorated based on 1990-97 achievements

Current status and trends
Despite improvements of several indicators related to reproductive and public health during the 1990s, Yemen is still one of the countries grappling with health problems affecting the entire population, particularly maternal and child health. The maternal mortality in 1997 was 351 per 100,000 births, according to DHS (1997). No updated MMR for 2000 are available. Many factors, including early marriage and pregnancy, malnutrition, poor quality health services, anemic pregnant women and low levels of health coverage are the direct causes of high MMR.

Prevalence of traditional contraceptives during the 1990s was low. Data suggests that the prevalence rate of contraceptives was as low as 10% in 1992, but increased to 22% in 1997, while the prevalence rate of modern contraceptives increased from 6.1% in 1992 to 10% in 1997.

The demographic survey data of 1997 indicates that oral tablets were the most prevalent method with 3.8% use rate, followed by the loop with 3% and breastfeeding with 8.0%.

Deliveries attended by medical specialists are still very low. Such births constituted 16% of total deliveries in 1992 and slightly increased to 22% in 1997. This means that the vast majority of deliveries take place at home, using the traditional methods, which jeopardize the health of mothers and children. Data shows that 67% of maternal mortality cases are attributed to bleeding followed by decayed pregnancy, hepatitis, which is the most recurrent, and finally heart diseases.

This demonstrates beyond any doubt that lack of access to maternal care facilities are major factors associated with high mortality rate.
A review of the trends of maternal mortality indicators over the past period will disclose that Yemen needs additional financial and human resources to achieve this goal by 2015.

### Challenges

Efforts to reduce MMR coupled with improved delivery of reproductive health services would contribute to improving the health situation, provided that the following challenges are addressed:

1. Poor levels of health services, resulting in greater risks of mortality due to pregnancy-related complications and unhealthy reproductive health practices;
2. Low investments in the primary health care sector notably in rural areas, leading to poor and/or non-existent emergency delivery system and lack of medical equipment at maternal health facilities;
3. Lack of qualified human resources in health facilities, particularly in the field of reproductive health at Primary Health Care (PHC);
4. Spread of contagious diseases, including malaria, TB and typhoid, which altogether contribute to higher mortality rates; and
5. Weak institutional, administration and planning capability and low wages for health cadres that lead to demotivation.

### Supportive environment (policies and programmes)

All policies and programmes currently adopted will contribute to the reform of the health sector and other health sub-sectors. These programmes and policies include the following:

1. Reproductive Health and Family Planning Strategy;
2. Population Policy and Programme of Action;
3. Health Sector Reform;
4. Poverty Reduction Strategy; and
5. Recommendation of 20/20 Basic Social Study (BSS).

Therefore, progress in achieving this goal depends on the efforts made by the health authorities to implement the Reproductive Health and Family Planning Strategy, which focuses, in many of its targets, on adolescents.

It is anticipated that the education sector will also contribute to reducing MMR, through the introduction of population education curriculum to the education system.

The Poverty Reduction Strategy has also stressed the need to increase allocations for the health sector to enable it to address the basic health needs of society. This implies the allocation of additional resources to upgrade and expand investments to the health system to enable it to cut the MMR, IMR and U5MR and to promote the use of contraceptives to the extent possible.

### Priorities for development assistance

The Development partners could contribute to the realization of this goal through:

1. Braiding the financial gap to improve the quality of reproductive health services;
2. Increasing public health expenditure;
3. Coordinating and integrating reproductive health inputs towards improving the quality of reproductive health services;
4. Expanding and promoting safe motherhood services;
5. Upgrading administrative skills and competencies of the administrative cadres at the governorate and districts health facilities;
6. Training both female and male health cadres;
7. Promoting usage of several contraceptive options;
8. Working on a compact to increase public health expenditures and donors health assistance as per the 20/20 BSS recommendations;
9. Improving PHC services in rural areas; and
10. Establishing mobile health services.
### Elements of monitoring environment

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Goal: 6
I care ... Do You?
Combat HIV/AIDS, Malaria and Other Diseases
The pandemic of the Acquired Immune Deficiency Syndrome (AIDS), based on recent African experience, is no longer only a health problem, but also a complex socio-economic issue. So far, the pandemic is not widely spread in Yemen. Official data indicates an increasing number of registered HIV/AIDS cases from one in 1990 to 874 cases in 2000. Men account for 77% of the cases, compared to 23% for women. Incidence rate among the Yemeni nationals was 44.5% as opposed to 55.5% among the foreigners living in Yemen during 2000.

Two HIV/AIDS Situation Analysis Studies were conducted in 2000/01 covering five highly populated cities. The Situation Analysis cited existing factors that would facilitate the spread of HIV in the country, both among high risk and vulnerable groups as well as the population in general.

Recently, the government has approved a National Strategy to Combat HIV/AIDS, which was prepared in cooperation with international organizations, key line ministries and Civil Society Organizations to address the findings of the two Situation Analysis Studies.

In its efforts to halt the spread of HIV/AIDS, the government is facing a number of challenges, including:
1. Scarcity of financial resources needed to halt the spread of this epidemic;
2. Lack of awareness among decision-makers and the public at large about the seriousness of the disease, the risks it poses to public health and the magnitude of its scale in national economy, as well as lack of information and knowledge about means of transmission and prevention;
3. Weak institutional set-up and lack of capacities of staff of many key institution cadres including the National AIDS Programme;
4. Insufficient monitoring and surveillance of blood donations and blood transfusion; and
5. Stigmatization at all levels.

A National AIDS Programme, established at the Ministry of Health and Population, has been mandated to oversee and coordinate the implementation of national strategies and policies, as well as raising the awareness of the Yemeni Population, which geared towards:
1. Reducing incidence of the epidemic and the HIV-related diseases;
2. Preventing the spread of HIV and strengthening blood transfusion services to protect the people; and
3. Implementing a long-term programme, aimed at promoting awareness among families and individuals of the dangers of the diseases and means of prevention.

It should be noted in this regard that the Strategies of Health Sector Reform and Poverty Reduction have both emphasized the risks that HIV/AIDS poses to the people’s...
livelihood. Both Strategies underline the need to make every possible effort to control the disease and halt its spread, and employ all possible means to achieve this goal.

1. Supporting government efforts to implement the strategy through supporting capacity building efforts at all levels; and
2. Supporting nationwide awareness initiatives.

### Priorities for development assistance

Halting the spread of HIV/AIDS requires intensive efforts from all development partners to help Yemen to fight this epidemic, through:

#### 5 Halt HIV/AIDS: Monitoring and Evaluation Environment

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Halted and begin to reverse the incidence of malaria and other major diseases by 2015

Status at a glance
Will target be reached by 2015?

- Probably
- Potentially
- Unlikely
- Insufficient data

State of supportive environment

- Strong
- Fair
- Weak
- Weak but improving

Indicators | 1990 | 2000 | 2015
--- | --- | --- | ---
Proportion of Malaria-infected population as percent of all reported diseases | 22.9 | 35 | 3
Malaria incidence per 100,000 people | 1,263.4 | 1,532.0 | N/A
Annual incidence rate of TB per 100,000 people | 12% | 31% | 3%
TB coverage rate | 28% | 70.2% | 100%

Source: Central Statistical Organization

Current status and trends

Malaria is one of the widespread communicable diseases in Yemen. It affects all age groups, and is considered a major cause of mortality. Although there is limited statistical information about the number of malaria cases, available data shows that malaria incidence rate is almost 21% of the population, whose 60% live in infected areas. Malaria incidence in 1990 accounted for almost 23% (1,263.4 per 100,000) of the total number of reported cases, and has increased to 35% (1,532 per 100,000) in 2000.

Early in the year 2000, the Yemeni government implemented the National Strategy for Combating Malaria. As a result of this, coverage rate increased to 89% by the end of 2000, according to the short term Direct Observation and Treatment Strategy (DOTS). Should such performance be sustained, Yemen would be able to halt and reverse malaria incidence by 2015.

Yemen is one of the countries with high tuberculosis (TB) incidence rates in the region. Efforts to reduce TB incidence rates were modest in the 1990s.

In 1990, available data indicates that incidence of TB cases was 12% per 100,000 of the population, which increased to 31% per 100,000 of the population in 2000. This indicates that the TB Control Programme is still not accessible to most of the patients despite the fact that coverage rates for contagious tuberculosis have increased significantly from 28% in 1990 to 70.2% in 2000.

This remarkable improvement on expansion of TB coverage was a result of the adoption of the World Health Organization (WHO) strategy, designed to discover 70% of the existing cases and to treat 85% of the reported cases by the year 2005, through the implementation of DOTS, which has achieved a high 83% rate during 1990s. If this coverage and service to TB patient is maintained and efficiently improved, Yemen might be able to halt and reverse TB incidence by 2015.

As regards other contagious diseases, the 1990s decade has witnessed a drop in the incidence of communicable and contagious diseases. Statistics show that the measles coverage rate reached 79% in 2000. Data also implies that efforts to eradicate polio have been successful. The drop in the number of reported cases from 1,998 cases in 1990 to 117 cases in 2000 attests to this success.
Diarrhea diseases and severe hepatitis among children are two major causes of child mortality. These diseases accounted for 42% and 30.7% respectively of all child deaths attributed to all diseases in 1990, and dropped in 2000 to 34.1% and 0.1% respectively.

**Challenges**

The government is grappling with a multitude of accumulated problems, limiting its ability to improve health and control contagious diseases. Following are the major challenges:
1. Limited financial resources to combat malaria, TB and other communicable diseases;
2. Poor coordination among various programmes working in Yemen;
3. Poor quality of laboratory services for malaria and TB testing, inaccurate diagnosis, poor management and monitoring at all levels; and
4. Limited supervision and support.

**Priorities for development assistance**

Following are the areas of development assistance priorities:
1. Support translating the National Malaria Strategy into programmes and projects;
2. Strengthen laboratories’ capabilities, improve research and development on malaria and TB to support efforts for prevention from the spreading of malaria and TB;
3. Ensure sustained implementation of the DOTS method for acceleration of TB treatment; and
4. Development of human resources capabilities, provision of necessary equipment and necessary drugs to address treatment of malaria, TB and other contagious diseases.

**Supportive environment (policies and programmes)**

Within a National Malaria Framework, the government has taken a decision to integrate malaria combating related activities into the national health institutions structure, which is also aiming at:
1. Drawing up a binding remedial strategy for all health institutions to ensure proper treatment of malaria cases and follow up on the implementation of the strategy;
2. Preventive treatment at the incidence spots;
3. Training and rehabilitation of the cadres in charge of combating malaria; and
4. Improving public awareness and guidance.

The Second Five-Year Development Plan (2001/05) aimed at reducing by 16% the annual malaria death, and reducing malaria morbidity by 10%. It also aimed at reducing TB incidence and TB-caused mortality to the lowest levels possible, and to make public the use of DOTS to reach 100% of the Yemeni population.

**Halt Malaria and Other Diseases: Monitoring and Evaluation Environment**

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Costs for meeting this goal in the health sector suggest the provision of an integrated health services package, including reduction of maternal mortality rates, under-Five child mortality rates and controlling HIV/AIDS.

<table>
<thead>
<tr>
<th>Resources</th>
<th>Total (in millions US Dollars)</th>
<th>Annual Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total resources required</td>
<td>1,210</td>
<td>3,033</td>
</tr>
<tr>
<td>Total public expenditure</td>
<td>696</td>
<td>1,747</td>
</tr>
<tr>
<td>Additional resources required</td>
<td>514</td>
<td>1,286</td>
</tr>
</tbody>
</table>
Goal: 7

Ensure Environmental Sustainability
Target 9

Integrate the principles of sustainable development into country policies and programmes; reverse the loss of environmental resources by 2015

**Indicators**
- % of forest areas
- GDP per tonne of consumable energy
- Dioxide emissions (metric tonne per person)

**Status at a glance**
- Will target be reached by 2015?
  - Probably
  - Potentially
  - (Unlikely)
  - Insufficient data

**State of supportive environment**
- Strong
- Fair
- Weak
- But improving

<table>
<thead>
<tr>
<th>Indicators</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of forest areas</td>
<td>1%</td>
<td>0.9%</td>
</tr>
<tr>
<td>GDP per tonne of consumable energy</td>
<td>$2.5</td>
<td>$4.4 (1999)</td>
</tr>
<tr>
<td>Dioxide emissions (metric tonne per person)</td>
<td>0.7</td>
<td>0.9 (1999)</td>
</tr>
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</table>

Source: Ministry of Planning and International Cooperation

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Yemen is facing enormous severe environmental problems, which can be summarized as following:

1. Water crisis: Yemen is one of the countries with the scarcest water resources in the world. This is due to the dry climate prevailing in 90% of Yemen's total area, and to high evaporation rates, in addition to the over-utilization and excessive pumping of ground water. The average drop of water levels in most basins ranges between 1-8 meters per year. Water depletion throughout the country stands at approximately 138% of the annual renewable water. Should pumping continue at the same levels, then it is expected that most water basins would be depleted within a period of 15-50 years;

2. Degradation of soil resources: Yemen's cover of soil resources is extremely limited. Arable land constitutes 2% of the total area of land. The cultivated land is 1.3 million hectares, i.e. 2.4% of the total area and 68.8% of the arable land. Therefore, the deterioration of soil resources poses a genuine environmental threat, due to high salinity of soil and desertification, which threatens approximately 97% of the land throughout the country and destroys almost 3 - 5% of arable land every year;

3. Forests: The annual depletion rate of forest areas during the period 1990-2000 was 1.04% due to a host of factors, including agricultural activities, over-grazing and wooding. Statistics indicate that 60% of the population is still using wood as fuel. What is so alarming is that the plant cover is being overdepleted. Depletion exceeds tree-planting by far thus creating a serious environmental situation;

4. Biodiversity: Quick environmental deterioration has resulted in a clear recession of the wild plant cover, thus causing a threat to wild life and bio-diversity in general. This situation has recently pushed the government to declare some forest areas wildlife reserves to protect rare species. The Yemeni government has signed several international agreements, set to safeguard bio-diversity, such as the international agreement for protecting bio-diversity, the agreement on preventing desertification and the agreement on the protection of threatened plants and animal species;

5. Marine and coastal environment: Threats to coastal environment are multitudes. They include: construction expansion on coastal cities, demolition of coasts, sanitation, ships waste. Environmental degradation threatens fisheries, which could be a rich resource if properly preserved; and

6. Urban environment: The urban environment faces many problems, the most important of which are: severe shortage of sanitation which covers only 44% of the urban houses; inefficient systems
as only 70% of such waste is collected. Most often, such waste is dumped in areas that are not too far from the cities. Hazardous (poisonous) gas emissions from factories, electricity generation plants, transport vehicles and waste burning are yet other important factors contributing to urban environmental degradation.

These problems are further aggravated by the poor environmental management, thus making it difficult to predict whether it will be possible at all to achieve the international goal of "ensuring environmental sustainability" by the year 2015.

Enhanced role of CSOs in addressing environment related issues

Since the early 1990s, there has been an increase in the number of Civil Society Organizations (CSOs) concerned with environmental issues, comparing to one organization prior to 1990. Preoccupations and concerns of these organizations have covered a multitude of areas, including chemical and radiological pollution, preserving bio-diversity and preventive health, etc. The CSOs' activity in the area of environment protection was reflected at three levels:
1. Organizations and societies active in the field of protection in general. There were 31 societies by the year 2000.
2. Organizations specializing in a specific aspect of environment protection, such as the pollution prevention societies, including among others the palm-trees protection societies, horses and water protection societies.
3. Local development societies, which dedicate part of its activities to environment protection activities, including the development of water resources, palm-tree planting, water and stream harvesting, combating desertification developing range land, and preventing over-cutting of trees, protecting fisheries and implementing sanitation projects, cattle breeding, developing bee-hives and conservation of heritage, etc.
(Source: Human Development Report-Yemen 2000/01)

Challenges

1. Reducing poverty and ensuring sustainable environmental resources by introducing income-generation programmes in the rural areas;
2. Implementing policies and laws relating to environment protection and adopting firm and strong measures against violations;
3. Encouraging stakeholders' participation, including local communities, local authorities and NGOs, in the management of environmental resources and encouraging the private sector to invest in such areas as "fighting" pollution and solid waste recycling;
4. Enforcing the principle of "the violator pays" in relation to urban environment;
5. Encouraging income-generation activities in rural areas to ensure resources sustainability;
6. Promoting awareness about sustainable utilization of natural and environmental resources; and
7. Management of environmental information, research and control.

Supportive environment (policies and programmes)

Since the early 1990s, the government has taken effective steps to direct more attention to the environment. It established the Environment Protection Council in 1990, after which it passed the Environment Protection Law in 1995. In 1996, it established the National Water Resources Authority. In the same year, the government drafted the National Environment Action Plan, and then the National Desertification Control Plan. It has recently finalized draft National Bio-diversity Strategy. It has also adopted important measures to conserve water and improve water management. These measures culminated in the adoption of the National Water Strategy and the recent issuance of the Water Law in 2002.

At the unofficial level, concern for the environment has been reflected in the formation of several national societies working for the environment, (See box), albeit their role was below expectations.

Researchers, individuals and/or academic institutions have shown increasing interest in environmental studies and research.

The adoption recently of the Poverty Reduction Strategy will have a direct impact on environment sustainability. Work is also underway on the drafting of the Rural Development Strategy, which aims at reducing rural poverty, achieving resources sustainability, and minimizing risks for the poorest categories of the rural population.

However, institutional structures are not yet strong enough, nor are environmental legislations, which are weak inter-related and lacking executive bills, let alone the poor implementation of these laws and bills and the poor database.
Development partners can provide effective support in the following areas:

1. Capacity-building programmes based on improving management, planning, and institutional structures, as well as developing human resources and promoting environmental awareness;

2. Follow-up and environmental evaluation to enhance capacity in policy formulation, analysis, research and environmental studies;

3. Supporting Yemen's efforts to develop environmental management. Support is also needed to develop capacities at the central authority and stakeholders levels, in the implementation of the principle of broadening participation in management of environmental resources;

4. Developing information systems to improve knowledge and data base and enhance its role in the evaluation of environmental resources; and

5. Technical assistance in the field of energy substitutes for impoverished rural concentrations.

### Reverse Environmental Losses: Monitoring and Evaluation Environment

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The general trend in Yemen suggests that the achievement of the MDG by the year 2015 will not be possible for the following reasons:

1. Scarcity of water resources in Yemen and weak sources of coverage, thus reflecting negatively on the water distribution programme;

2. High annual population growth rate of 3.5% and expansion of economic activity, thus creating an increasing demand for water; and

3. Water pollution and low quality of water in most basins, aggravated by water salinity in coastal areas.

Water resources in Yemen have reached a critical stage, threatening with a crisis, thus making water security a national challenge requiring enormous efforts. Expectations indicate that water reserves will not be sufficient for the coming few years. Official data shows a deficit of 900 million cubic meters, noting that these predictions are based on the present levels of demand, which, in reality, are at their lowest levels. Consumption of water from municipal sources constitutes only 7-10% of water consumption. The average per capita of municipal water ranges between 11 and 30 cubic meters per annum. It is most likely that the consumption rates will further drop as a result of population and economic growth, and rapid urbanization rate of 8% per annum.

The general trend for the period 1990 - 2000 suggests stable access to drinking water at the national level, despite the fluctuations witnessed during this period.

The National Poverty Survey has shown that 36% of all Yemeni families receive drinking water from the main water network, while the remaining 64% receive water from other sources, including, in order of priority: water wells (with and without pumps), streams and springs, covered and uncovered pools, dams, etc.

In light of the data and information available, it will be difficult to achieve the MDG of reducing the proportion of population who does not receive safe drinking water by the year 2015.
The challenges facing the achievement of the goal of providing sustainable access to safe drinking water by the year 2015 include the following:

1. Implementing Water Sector Restructuring Strategy, and enhancing its administrative capacity, in addition to applying decentralized financial and administrative policies in managing water policies;
2. Encouraging and organizing the participation of the private sector in the area of water supply, operation and management, and ensuring broader participation from the cooperative societies and local councils in the governorates, as well as the water users committees in rural areas;
3. Establishing an institutional, financial and technical partnership between the central and local authorities and the non-governmental organizations to ensure access to safe drinking water;
4. Enhancing and strengthening the institutional structure of the users groups in rural areas and providing them with financial and technical support to enable them to carry out maintenance works of the drinking water facilities;
5. Widen the covering of sanitary institutions;
6. Establishing central and local monitoring systems to ensure access to safe drinking water supplies;
7. Giving priority to the allocation of investments to the areas and communities with no access to safe drinking water; and
8. Developing new water supply initiatives in urban areas to cope with the increasing demand for water.

The government has approved National Water Strategy and Poverty Reduction Strategy, while Rural Development Strategy is being prepared. All these strategies are set to support the drive to provide access to safe drinking water, particularly in rural areas, as a major goal to reduce existing disparities. The overall policies affecting the utilization of water, particularly prices of diesel, water consumption rates and canceling or reducing the government subsidies to water are being reviewed and corrected. In 1977, the government applied a decentralized system in urban water departments. It also followed a similar approach for the drinking water and sanitation reform programmes. Under this programme, local establishments, run on a commercial basis, have been established. It is feared that the implementation of the cost recovery principle will reflect negatively on local communities and the poorest beneficiaries.

Under Water Sector Reform Strategy, improvements in access to safe water hinge on the private sector participation in urban areas through decentralization and privatization. But in rural areas, there is no other option than cost sharing by the beneficiaries/stakeholders. Success of local communities in the management of water projects will depend on the local communities’ ability to plan and manage these projects. Beneficiaries should also participate in the decision-making process on the use of water for drinking and irrigation purposes. A recently passed Local Administration Law assigned local authorities to perform such functions as management and coordination of individual initiatives. It also provided for the allocation of a proportion of the local authorities annual budgets to the local authorities to encourage individual initiatives. Moreover, it called for the formation of associations comprising members from the beneficiaries to manage, operate and carry out the necessary maintenance of the projects.

The demand-driven method has already been implemented, but on a very limited scale, which makes it difficult to yield tangible results in the foreseeable future. The Water and Sanitation Reform Programme aims at drafting a national strategy for the sanitation sector with the ultimate goal of protecting environment and preventing water resources pollution. The programme still faces such problems as insufficient evaluation of water resources, scarce financial resources and skilled manpower, inability to enforce laws, lack of monitoring systems, inefficient data collection systems. The enforcement of the Water Law requires a greater role for the local communities in the management of the programme and an organizational and practical role for the government.
Access to Safe Drinking Water: Monitoring and Evaluation Environment

Priorities for Development Assistance

Due to the great disparities in access to safe drinking water between rural and urban areas, development assistance provided by partners should focus on supporting the goals of improving access to safe water in rural areas, giving special consideration to the following matters:

1. Building national capacities at the local and central levels to help to implement the Water and Sanitation Reform Sector;
2. Building the capacities of those involved in planning, management and maintenance of the water infrastructure to expand coverage of safe drinking water in rural areas;
3. Creating a national information system to ensure safe drinking water supplies;
4. Finalizing assessment of water reserve in water basins, controlling of water resources and monitoring the factors affecting it;
5. Providing support to experiments, research and activities capable of contributing to the efficient utilization of water resources;
6. Establishing and applying quality assurance systems, quality control and scientific laboratories;
7. Accomplishing the sanitation and treatment plants in the various cities;
8. Applying modern technologies for water rationing purposes; and
9. Establishing a comprehensive system to upgrade and maintain the water network to reduce water loss.

Access to Safe Drinking Water: Monitoring and Evaluation Environment

Elements of monitoring environment

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Strong</th>
<th>Fair</th>
<th>Weak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data gathering capacities</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of recent survey information</td>
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<tr>
<td>Statistical tracking capacities</td>
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<tr>
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<td>✓</td>
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</table>

Financial Resources Needed to Achieve the Safe Drinking Water Goal:

To achieve the MDG of ensuring access to safe drinking water, tremendous efforts need to be made to increase the number of households receiving safe tapped drinking water. Currently, the coverage rate of this service is very low. The table below shows the required resources and the funding gap for the period 2001/15.

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total resources required</td>
<td>438</td>
<td>1,540</td>
<td>88</td>
<td>154</td>
</tr>
<tr>
<td>Total public expenditure</td>
<td>357</td>
<td>1,147</td>
<td>71</td>
<td>115</td>
</tr>
<tr>
<td>Additional resources needed</td>
<td>81</td>
<td>393</td>
<td>17</td>
<td>39</td>
</tr>
</tbody>
</table>
Goal: 8

Develop a Global Partnership for Development
**Target 11**

Develop further an open trading and financial system that is rule-based, predictable and non-discriminatory. Includes a commitment to good governance, development and poverty reduction at the national and internationally.

**Target 12**

Deal comprehensively with developing countries’ debt problems through national and international measures to make dept sustainable in the long term.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of deficit (surplus) in the balance of payments as a % of GDP</td>
<td>-1.97</td>
<td>16.4</td>
</tr>
<tr>
<td>Proportion of foreign debt as a % of GDP</td>
<td>114</td>
<td>65</td>
</tr>
<tr>
<td>Proportion of debt service as a % of total exports of goods and services</td>
<td>12.4</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Source: Central Statistical Orgaization and Central Bank of Yemen

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1. **Current status and trends**

Since 1990, Yemen has been facing great internal and external shocks, which have greatly affected the performance of the national economy, thus leading to remarkable shortfalls in the various economic balances. To address these shortfalls, the government has prepared the First Five-Year Development Plan (1996/2000) and Second Five Year Development Plan (2001/05). At the same time, the government has adopted Economic, Financial and Administrative Reform Programme in 1995, which includes several policies and measures, including:

1. Reform the central budget and tax and customs systems;
2. Reform the monetary sector (the central bank, other banks and financial market);
3. Reform of the foreign trade (exchange rates system, customs tariff, importation and exportation transactions); and
4. Improve management of foreign and domestic debt.

The government efforts yielded positive results, including: stability of the financial situation after bringing the budget deficit under control and maintaining it at an acceptable 3% level of GDP. The Yemeni currency’s exchange rate against other currencies has stabilized as a result of floating of exchange rate thereof. The average annual change in the exchange rate stabilized between 4-5%. Inflation rates have been contained at acceptable rates ranging between 3-10% during the reform period. Lastly, a surplus in the balance of payments has been achieved, coupled with accumulation of international reserves.

In another development, a number of laws and legislations have been amended with a view to giving more independence to the Central Bank. The Banks’ Law has also been amended to ensure an efficient banking system and to provide efficient financial brokers services. The Banking sector has been developed and equipped with modern payment systems. Banks and financial institutions activities have also been expanded, through the strengthening of their financial positions and removing restrictions on capital movement, especially restrictions on current accounts and capital accounts, as well as currency conversion.

The foreign trade structure has also undergone major changes. The trade system has become more open after removing all restrictions on commercial transactions; and customs tariffs have
been reconsidered. Free competition was further enhanced. All these positive developments have made the trade sector more responsive to external and internal changes.

In preparation for accession to World Trade Organization (WTO), Yemeni government has adopted several measures.

A national committee, mandated with the task of making preparations for negotiations with WTO, has been formed. In 1999, Yemen has acquired an observer status in this organization. Foreign trade regulation memo is currently under review, in preparation for the full accession to the organization.

No sooner had government initiated action on the preparation of its development plans in the early 1970s, then it resorted to external borrowing to finance most of its projects. By the end of 1995, Yemen's total foreign debt amounted to $9,984 million or 176% of its GDP. The proportion of debt burden to exports of goods and services was about 73.7%.

With adoption by government of Economic, Financial and Administrative Reform Programme, Yemen has qualified to reduce and reschedule its foreign debt with Paris Club of Creditors, in accordance with terms of Napoli Convention. As a result of this, foreign debt has become approximately 65% of GDP, while proportion of debt burden was reduced to less than 17% of total value of exports of goods and services. Yemen did not benefit from Highly-Indebted Poor Countries (HIPC) initiative, which qualifies beneficiary countries to enjoy longer grace period, longer repayment period and low interest rates on loans. With improvements in economic performance, International Finance Institutions (IFIs), in cooperation with government, embarked on the preparation and implementation of a programme of technical cooperation, providing loans and aid to support government's efforts in economic and social development. For this purpose, government, in cooperation and coordination with the World Bank, has worked out and implemented strategies for country assistance covering the periods 1996/98, 1999-2002, and 2003/05. Moreover, the International Monetary Fund (IMF) loan programmes have been adopted to help to stabilize balance of payments. Yemen's foreign debt from International and Regional Organizations account for approximately 40% of gross current debt, while bilateral debt and trade facilities account for remaining 60%.

2. Challenges

1. Using foreign aid to finance infrastructure projects and basic services in a manner set to address development challenges;
2. Removing all restrictions and risks facing the flow of foreign aid and enhancing the capacity of the institutions responsible for its management and utilization;
3. Maintaining trade and payment balances at safe levels, through increasing and diversifying non-oil exports;
4. Attracting foreign capital through joint investments to enhance export activities; and
5. Utilizing bilateral and multilateral agreements, as well as Arab and regional economic blocs to establish free trade and on industrial area.

3. Supportive environment

(policies and programmes)

To face up to the challenges limiting the participation of donors in solving many development problems, government, through the implementation of Five-Year Development Plans, Economic and Financial Reform Programme and through the preparation of the Poverty Reduction Strategy (2003/05), has clearly demonstrated its commitment to improve Yemen's economic and social situation and to upgrade the performance of its institutions to stimulate economic growth and accelerate the pace of development. Government also committed itself to increasing its investments in projects' infrastructure, creating the right environment for increasing private sector investments, pursuing market mechanisms, through liberalization of prices, removing of government subsidy on several goods and services, and removing all restrictions limiting trade flows.

To facilitate integration of Yemeni economy into regional and international markets,
government has adopted a number of programmes and projects, such as the Export Promotion Programme, the Small Businesses (Enterprise) and Handcrafts Promotion Programme, the Port Cities Development Programme. It has also adopted strategies and policies related to promising economies, and establishment of industrial areas and compounds, in addition to free zones.

Moreover, government has committed itself to applying policies and measures designed to enhance restructuring efforts, and establish Yemeni financial market as an additional instrument to mobilize local and foreign savings to finance small development projects.

4 Priorities for development assistance

1. Improve government performance and enhance the capacity of government institutions to maximize proper utilization of foreign aid to reach secure borders and win donor’s satisfaction;

2. Continue to remove all obstacles hampering free markets, and encourage local and foreign private sector investments, in accordance with rules and regulations in force; and

3. Channel foreign aid towards creation of a proper environment that will facilitate Yemen’s accession to the WTO, through financial aid, technical and technological investments and through advantages and exceptions offered to the Least Developed Countries (LDCs).

5 Partnership for Development: Monitoring and Evaluation Environment

<table>
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<tr>
<td>Existing Capacity for:</td>
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<td>Information Survey of Quality of</td>
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Yemen MDG-2003