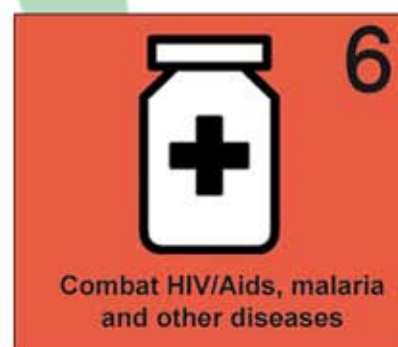




Yemen Report

2010

Millennium Development Goals





Republic of Yemen
Ministry of Planning & International
Cooperation



United Nations Development
Programme

The Second National Millennium Development Goals Report

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List of Acronyms:

CBY	Central Bank of Yemen
CSO	Central Statistical Organization
CSOs	Civil Social Organizations
DHS	Demographic Survey
DPPR	Development Plan for Poverty Reduct
GCC	Gulf Cooperation Council
GDP	Gross Domestic Production
HBS	Household Budget Survey
HDI	Human Development Index
LDCs	Least Developed Countries
IFPRI	International Food Policy Research Institute
LNG	Liquefied Natural Gas
IT	Information Technology
MDGs	Millennium Development Goals
MoIT	Ministry of Industry and Trade
MoPIC	Ministry of Planning and International Cooperation
NAPA	National Adaptation Programme of Action
NC	National Communication
NGOs	Non-Governmental Organizations
NWC	National Women Committee
ODA	Official Development Assistance
SAM	Social Accounting Matrix
U-5	Under-five mortality rates
UNFCCC	United Nations Framework Convention on Climate Change
WDS	Women Development Strategy
WHO	World Health Organization
WTO	World Trade Organization

Preface:

The second Millennium Development Goals Report (2010) is launched to assess the level of progress towards achieving the MDGs after a decade of the UN Millennium Summit held in September 2000, which was attended by His Excellency, Mr. Ali Abdullah Saleh, President of the Republic of Yemen. Since then, the Government has implemented a number of development plans and strategies at the macro and sectoral levels including the second Five Year Development Plan (2001-05), Poverty Reduction Strategy, the third National Development Plan for Poverty Reduction (2006-2010) and the National Reforms Agenda. These plans and strategies serve as rings in the chain of the MDGs 2015.

This progress report acquires its importance from being a tool to assess the effectiveness of policies, programs and projects of development plans towards achieving the MDGs. It presents real and objective picture of the achieved progress, helps identify the bottlenecks and obstacles to implementation and, accordingly, proposes a number of prioritized interventions that need to be included in the future programs and work plans. This Report, therefore, can serve as a key reference document in the preparation of the fourth National Development Plan (2011-2015), the implementation of which will coincide with the last five years of the MDGs remaining cycle (2010-2015).

In order to improve the state of the supportive environment related to MDGs, the Government has embarked during the past few years on implementing a wide range package of actions and interventions within the National Reforms Agenda. This package has contributed in improving the state institutional capacity to enhance transparency and accountability and improve effective and optimal utilization of resources. Government interventions focused on reforming the judiciary and enhancing its autonomy and separation of powers, issuance of an anti-

corruption legislation, a financial disclosure bill, overhauling public procurement system and issuance of the public procurement bill based on international best practices and joining EITI. Reforms also focused on improving the business-enabling environment. A new investment law, an income tax law and amendments to the customs law have been also approved. Moreover, a land registration bill, public-private partnership and special economic zones legislations have been developed in accordance with best international practices.

Despite the importance of the efforts exerted by the government to reach the MDGs, the structural challenges and additional challenges, which the process of development in Yemen encounters, have undermined the ability to reach them. The MDGs, while being ambitious, are attainable if the national and international efforts work together and sufficient resources are available. Before being an international commitment, the achievement of these goals is a moral and human obligation of the government towards its people.

Lastly, I would like to express my appreciation for the outstanding effort of National Team in the preparation of this report in cooperation with UN System in Sana'a and the effective participation of the relevant government organizations and Yemen's Partners in Development.

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Introduction:

In September 2000, the United Nations General Assembly organized the Millennium Summit which brought together World leaders from 189 countries. The conference concluded with the Millennium Declaration which recognized the importance of peace and development for all peoples of the world. Eight goals, to be known as the Millennium Development Goals (MDGs) emanated from this declaration, each of which was given a number of targets and indicators in order to measure the progress achieved within each one of them. Following are the major eight goals:

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.
8. Develop a global partnership for development.

For the purpose of monitoring progress in achieving these goals at the national level, a number of review reports were prepared. The most important of these are the first National Report 2003, the Assessment Report of the Sectoral Needs to rehabilitate Yemen to achieve the minimum level of human development in 2005 as well as a comparative study to evaluate national development plans and strategies in achieving the MDGs in comparison with the Arab Region.

Sustaining these efforts, the Ministry of Planning and International Cooperation prepared, in cooperation with the UNDP, the second MDG progress report 2010. To do that, a supervisory committee, chaired by the Deputy Prime Minister, Minister of Planning and International Cooperation, was formed along with a technical committee which included members representing concerned government agencies, development partners in the private sector, CSOs and donors. Five thematic working groups were also formed (poverty, education, gender, health, water and environment and development partnership).

In order to expand the circle of participation in the preparation of the second national MDGs progress

report and help disseminate awareness about MDGs, the national dialogue extended from the central level to the local level. A series of extended meetings were held to discuss and enrich the report in Aden and Hodiedah University in which all relevant stakeholders in and outside the government took part as well as academicians and interested individuals in these two governorates and the adjacent governorates.

The second MDG progress report adopts simpler approach that analyzes the progress of each individual goal, identifies challenges that hinder achievement and accordingly describes key policies and programs that are currently adopted by the government or that should be incorporated in the future development plans and programs so as to address such challenges and obstacles. The report also lists the resources needed to achieve the MDGs and the progress made in expenditure.

The report implies that Yemen has a potential to meet some of the MDGs such as (i) universal primary education; (ii) reduce child mortality; (iii) halt and begin to reverse the incidence of malaria and other major diseases if concerted efforts will be directed towards addressing some of the key challenges. Meanwhile, some progress was achieved in some goals but it remains below the desired level to reaching the specific targets. These include gender equity and environment sustainability. Conversely, the performance in some other goals relapsed, particularly goals related to extreme poverty and hunger eradication and reduction of maternal mortality.

Despite the dedicated efforts and serious steps the Yemeni government is taking to further consolidate its partnerships with all its partners in development with the view to achieve these goals by 2015, however, under the current structural challenges as well as the new challenges created by the negative effects of the global financial crisis, food crisis, climate change and the security problems (which have exhausted important portion of the country's human and financial resources and cast bleak prospects on investment climate), it is expected that Yemen will remain an off track country and will not achieve most of the MDGs by 2015. This is mainly due to limited available financial resources and the enormous size of the required funding (US \$ 48.4 billion).

Actual spending on the MDGs-based projects and programs could not go beyond 8.6% of the required funding.

To reconfirm its commitment to achieving the MDGs, the Council of Ministers (the Cabinet) discussed the Second MDGs Progress Report on 4 May 2010 and decided to have it further discussed in an extraordinary cabinet meeting in order to provide wider room for focused discussion. This meeting was held on 7 May 2010 and approved the following:

- 1- The formation of a technical committee from the concerned government agencies and development partners. The committee will develop a matrix of actions related to MDGs based policies and programs and identify the appropriate mechanism of implementation.
- 2- Work to incorporate the actions referred to above in the fourth Five Year Plan for Economic and Social Development as well as the future strategies, plans and programs with the view to ensure mobilization and disbursement of domestic and foreign resources to accelerate implementation of projects and programs of the Development Plan and MDGs.

In implementation of the above, MOPIC will carry on coordinated efforts with the relevant government agencies and development partners in order to put in place action-oriented, prioritized and time bound programs that will be integrated with the macro and sectoral development plans, the Public Investment Program and consequently incorporated within the General State Budget. Meanwhile, MOPIC will continue to monitor and evaluate the progress achieved towards reaching the MDGs.

Background:

Yemen is classified by the United Nations as one of the Least Developed Countries (LDCs). Despite the improvements that were made over the last two decades in which Human Development Index (HDI) has shifted on HDI from 0.402 in 1990 to 0.575 in 2009, thus ranking Yemen at 140 out of 182 countries. Yemen will remain an off track country due to a number of difficulties and challenges that impede MDGs achievement. On top of these difficulties is the high annual population growth rate of 3%. Almost 74% of the Yemeni population lives

in rural areas. The under-15 age group represents almost 50% of the total population. This translates into an increasing demand for basic services and infrastructure projects that outstrips the government's ability to deliver. In order for the country to move towards achieving some of the MDGs, it would require, on one hand, vigorous efforts from the Yemeni politicians, social figures and full engagement of community and religious leaders at all levels to reduce the population growth by half during the remaining period of MDG cycle 2010-2015. On the other hand, serious work needs to be taken to diversify and expand sources of national income.

First: Economic Situation:

During the period 2001-08, Gross Domestic Product (GDP) achieved an annual growth rate at the average of 5%. The estimated growth rate in 2009 accounted at 4.7% and according to the projections of the Ministry of Planning and International Cooperation GDP is expected to grow in 2010 to about 7.6% boosted by the first exports of the liquefied natural gas. However, the continued drop in oil production will slow the GDP growth rate and in the effort to alleviate poverty. Also the continuous population growth at the current rates will further exacerbate the situation and undermine most of the efforts exerted to achieve the MDGs. This will be reflected in the high rates of poverty and widespread malnutrition especially with the serious challenges the government is facing in covering educational, health and infrastructure services for all population.

The agriculture sector in Yemen is labeled a traditional one. It mainly depends on primitive methods and rain steams which make it vulnerable to extreme climate changes such as draught and floods. The sector also faces various challenges the most important of all is the scarcity of water resources. It absorbs almost 30% of the work force and accounts for 11.4% of GDP (current prices) in the average during the period 2001-08. However its exports did not exceed 1.2% of the gross non-oil exports in 2008. Arable land is estimated at 1.6 million hectares, of which the cultivated area is estimated at 1.3 million hectares. The agriculture land represents 2% of the total area of Yemen.

Despite the declining trends in oil production Yemeni still depends on oil as the main engine of growth.

The oil sector accounted for 30.2% of GDP at current price (as an average for the years 2001-08) Oil revenues contribute to almost 70% of the central State budget and accounted for over 90% of the gross commodity export in 2008. This makes the economic activity vulnerable to fluctuations of the international oil prices and decline in oil production which started in 2001. The effect of this will be serious financial shakes that will weaken financial sustainability and deficit control and as a result the chances of financial, fiscal and economic stability will continue to be dependent on more susceptible variables and more changing factors that are too difficult to be checked or controlled.

The economic and fiscal reforms adopted in 1995 resulted in a relative control over the budget deficit and kept it within safe boundaries. Average deficit rate to GDP during the years 2001-08 amounted to about 2.3%. However, the fall in the government's share of oil receipts in 2009 has led to a wide fiscal deficit of 9.3% of GDP in the State General Budget while non-oil revenues have not improved public finance situation despite the efforts exerted to achieve growth in these exports. Financing public deficit is therefore one of the most serious challenges the government is facing which has forced it to adopt rationalized and austere policies to cut public expenditures. This was followed by partial cutback in fuel subsidies as political realities prevent major cutbacks. Although the Ministry of Finance can use Treasury-bill sales to the banking sector to finance the deficit, the current range of deficit requires more government reliance on foreign grants and concessional borrowing. This underlines the need for the Yemeni Government and the donor community to exert the necessary efforts to finalize the disbursal of remaining monies committed during the London Donor Conference in 2006.

Inflation rates during 2001-08 reached an average of about 11.1%, a relatively high rate that is attributable to a combination of domestic and foreign factors. These include the growth of the cash supply at higher rates than GDP growth rates and the imported inflation due to high prices of imports. However, Inflation marked significant fall during 2009 to an estimated

average of just 8.4%, compared to 10.8% in 2008. This happened on the backdrop of steep declines in the prices of foodstuffs, basic commodities and fuel as a result of the economic recession associated with the global financial crisis. Yet, with the return of high prices and the sharp rise in Qat prices, inflation has picked up once more to reach 8.8% in the second half of 2009. Inflation rate is expected to rise in 2010 due to the weakening Yemeni riyal and the recent limited cutback of oil subsidies.

Recently, the Yemeni Rial currency has depreciated its value among other foreign currencies following relative stability during the period 2006-08. Depreciation rate in 2009 reached about 3.6% but it continued to rise at an accelerated pace to reach 7.4% in the first quarter of 2010. As a result, the Central Bank of Yemen was forced to inject a substantial amount of money estimated at over US\$ 876 million into the local market during the first three months of 2010.

Despite the important progress Yemen has achieved in "Doing Business Report 2009", business environment in Yemen has been hit by the adverse impacts of the recent security problems in Sa'ada, the political unrest in some parts of the southern governorates in addition to acts of piracy committed by Somali pirates along the Yemeni coasts. As a result, foreign investment flows into the country remarkably retreated in 2009 after the completion of works on the LNG facilities. It should be mentioned here that investment climate in Yemen still struggles with numerous administrative and organizational obstacles.

Second: Social Situation:

Unemployment has increased from 13.7% in 1999 to 15% in 2008 of which 11.5% male and 40.9% female. This is attributed to the fact that total workforce in the agriculture and fishery sector has dropped from 43.9% in 1999 (male 43.1% and female 53.1%) to 31% in 2004 (male 30.1% and female 41.5%), which is mainly due to drought, urbanization and increased poverty among rural population. Moreover, unemployment among youth is estimated at 53%. This is a reflection of miss match between labor force supply and demand as indicated in demand survey analysis report of 2003.

While 280,000 students complete their secondary education annually, higher education is only limited to about 60,000 student which is the current capacity of both public and private universities. This means that about 220,000 secondary graduates annually with limited experience cannot access the productive market, thus adding the numbers to the youth unemployment. The report suggested a number of policies measures to remove the miss match between labor force supply and demand and help create more job opportunities for the youth by diversifying sources of the national income and reducing dependence on oil as the major source of economic growth.

Despite the improvement in the education sector as seen in the increased rates of enrollment at all levels of education (basic, secondary and vocational), illiteracy rates are still high at 47.2% (25.7% in urban areas and 54% in rural areas.) The wide gap between enrollment rates in urban and rural areas is explained by the high rates of urban enrolment. While rural population account for 74% of total population, the number of rural students in general education (basic and secondary) reached 1,547,000 in the school year 2008-09 compared to 3,361,000 students in urban areas. This is almost at the ratio of 1:2. This is happening despite the increase in the number of schools in rural areas which reached 13,575 in 2009 compared to 2086 schools in urban areas. The implication here is that there are other factors for the low enrollment rate in rural areas including limited awareness of the need to education, widespread poverty and low incomes which explain the increasing number of students dropping out from education to work. Also, girls' enrollment rate failed to reach the desired targets as males/females ratio reached about 74.8% to 58.8% in both basic and secondary education in 2008. The gap here is linked to the low awareness of the importance of girls' education, early marriage and the limited number of girls' schools particularly in rural areas.

On health, some health indicators saw improvement during the target period. However, they remain off track to achieving the MDGs by 2015. Coverage of health services in 2008 was limited to 67% of total population. This is mainly pertaining to insufficient health facilities and medical staffs. Ratios of doctors, nurses and beds per 10,000 people were 2.8, 5 and

7 respectively. Low quality and quantity level of health services is engendered by a number of factors including limited financial resources to improve the health sector aggravated by the high population growth rate and the many scattered population settlements. Low health awareness at the community level, especially with respect to maternal and child health care is also another challenging factor.

Third: Good Governance:

The success of development efforts in Yemen is not only dependent on making available the human and financial resources but more importantly on how to use these resources. For this purpose, the government has approved the National Reform Agenda (phases one and two) for the period 2006-10. The NRA serves as a framework to strengthen the effectiveness and efficiency of government performance and aims to create the climate conducive to attracting investment at the domestic, regional and international levels. The NRA covers a wide range of reforms including the independence of the Judiciary, administrative, economic and fiscal reforms, modernization of the civil service, improving business and investment climate, combating corruption, increasing transparency and accountability as well as enhancing political and democratization reforms.

Emerging Challenges:

a) Climate Change

The harsh environment already set a major challenge for the people of Yemen before the consequences of the climate change. Yemen is the most-water stressed country in the world and one of the 10 poorest countries in water resources with water per capita share of less than 120 cubic meters per year. Ground water tables, which are the main water source, are depleting on a very fast speed, especially in Sana'a and other major towns such as Taiz, Abyan and Hadhramout. The increasing demand for water caused by the constant high population growth presents enormous stress on the already scarce water resources due to the high rates of ground water extraction which outstrip the ability

to replenishment. Water scarcity on the other hand threatens food security by reducing agricultural productivity, as well as hindering human health and economic development. Water scarcity can also lead to additional environmental stress, which might lead to increase suffering of the poor and to the widening of poverty map in the country.

On 24 – 25 October 2008, floods and heavy rains caused one of the most serious natural disasters in Yemen in the last decades. The most affected areas are in the Governorates of Hadhramout and Al-Mahrah. The floods caused significant damage to houses, infrastructure and the agricultural sector destroying or considerably affecting the livelihoods of about 700,000 people. 73 people were also killed and over 3,000 families internally displaced, corresponding to 20,000 – 25,000 persons most of them are women and children.

It is expected that climate change will have multiple and adverse effects on the fundamental pillars of sustainable, environment, economic and social development. It also undermines the country's ability to reach the MDGs and other development targets, not the least poverty reduction and environmental sustainability. Maintaining environmental sustainability requires combined efforts to address challenges related to climatic changes and conservation of natural resources particularly energy, water and soil. Also, selection of appropriate adaptation strategies will be critical as adaptation is a priority for ensuring the long-term effectiveness of national efforts to eradicate poverty and achieve sustainable development through the decisions of the United Nations Framework Convention on Climate Change, (UNFCCC). Work has been initiated to develop the adaptive capacity of poor people and poorer countries (including Yemen) to cope with the impacts of climate change. As part of the National Action Program for Adaptation (NAPA,) the Government of Yemen has initiated the following Programs:

1. Develop and implement Integrated Coastal Zone Management programs.
2. Conserve water through reuse of treated waste water and irrigation saving techniques.
3. Develop and implement an awareness program on adaptation to the potential impacts of climate change.

4. Establish and maintain a database for climate change and adaptation.
5. Plant and re-plant mangroves and palms for adaptation to projected sea level rise.
6. Develop and implement programs to improve Yemen's preparedness to cope with extreme weather events.
7. Rainwater harvesting through various techniques including traditional methods.
8. Rehabilitation and maintenance of mountainous terraces.
9. Promotion of research on drought resistant and heat-and salinity- tolerant crops.
10. Design and implement sustainable land management strategies to combat desertification and land degradation.
11. Sustainable management of fisheries resources.
12. Incorporation of climate change and adaptation into school education.

b) Global Financial Crisis

The impacts of the global financial crisis have found their way to the Yemeni economy through different channels including the sharp decline in world oil prices within the increasingly relative importance of the oil sector in the components of domestic product. Oil sector is closely interconnected with the other sectors and oil revenues predominantly control public revenues as oil is the main commodity in the national exports. This has made the national economy extremely vulnerable to the shocks of world oil prices which have resulted in a number of economic imbalances (e.g. in the State budget and balance of payments) forcing the economic stability to lose ground as has been reflected in the depreciation of the Yemeni Rial and inflation.

On another aspect, the repercussions of the global financial crisis have impacted the national economy through the decline of the direct flows of foreign investment and financial remittances of the Yemeni expatriates due to reasons linked to the economic situation in other countries. Internal factors have also multiplied the impact of the global financial crisis including the drop of oil production, security problems and the difficult investment climate.

Status at a Glance
Will Yemen be able to achieve the MDGs?

Goals and Targets	Status	Progress towards goal	MDG likely achievement	Supportive environment	Comments
Goal 1: Eradicate extreme poverty and hunger					
Reduce poverty by half	Extreme poverty	Progress is not enough to reach the goal if current trends persist	Unlikely ↓	Weak but improving ↓	Poverty rates deteriorated since 2005 because of new domestic and global developments
Reduce hunger by half	Moderate hunger				
Goal 2: Achieve universal primary education					
Universal enrolment in basic education	Moderate enrolment	Progress is enough to reach the goal if current trends persist	Likely ↑	Good ↑	Quantitative indicators have improved but quality is still low
Goal 3: Promote gender equality and empower women					
Female enrolment in basic education	Far from required rate	Progress is not enough to reach the goal if current trends persist	Unlikely ↓	Weak but improving ↓	Progress is good in some governorates and cities but low in general
Women’s share in paid jobs	Low share				
Women’s representation in parliament	Very low representation	Deteriorating			
Goal 4: Reduce child mortality					
Reduce under five child mortality by two thirds	Moderate mortality rate	Progress is enough to reach the goal if current trends persist	Likely ↑	Fair →	Coverage of health services is generally low in Yemen
Measles immunization	Good coverage				
Goal 5: Improve maternal health					
Reduce maternal mortality by three quarters	High mortality	Deteriorating	Unlikely ↓	Weak ↓	Very low health awareness in rural areas and limited qualified medical personnel
Access to reproductive health services	Limited services	Progress is not enough to reach the goal if current trends persist			
Goal 6: combat HIV/AIDS, Malaria and other diseases					
Halt and reverse HIV/AIDS prevalence	Low prevalence	Incomplete data	Unlikely ↓	Fair →	Insufficient funding to reaching the goal
Halt the prevalence of TB and Malaria	Prevalence regressing	Improving	Likely ↑	Fair →	
Goal 7: Ensure environmental sustainability					
Recovering deforestation	Very low coverage	Progress is not enough to reach the goal if current trends persist	Unlikely ↓	Weak ↓	Scarce water resources is one main challenge to development in Yemen
Halve the number of people who have no access to safe drinking water	Low coverage				
Halve the number of people who have no access to improved sanitation services	Very low coverage				
Improved living conditions of inhabitants of poor neighborhoods	Moderate rate of inhabitants of poor neighborhoods	Progress is not enough to reach the goal if current trends persist	Likely ↑	Good ↑	
Goal 8: Develop a global partnership for development					
Internet users	Low use	Progress is enough to reach the goal if current trends persist	Likely ↑	Good ↑	Despite the increased number of subscribers, IT is not widely used in development areas

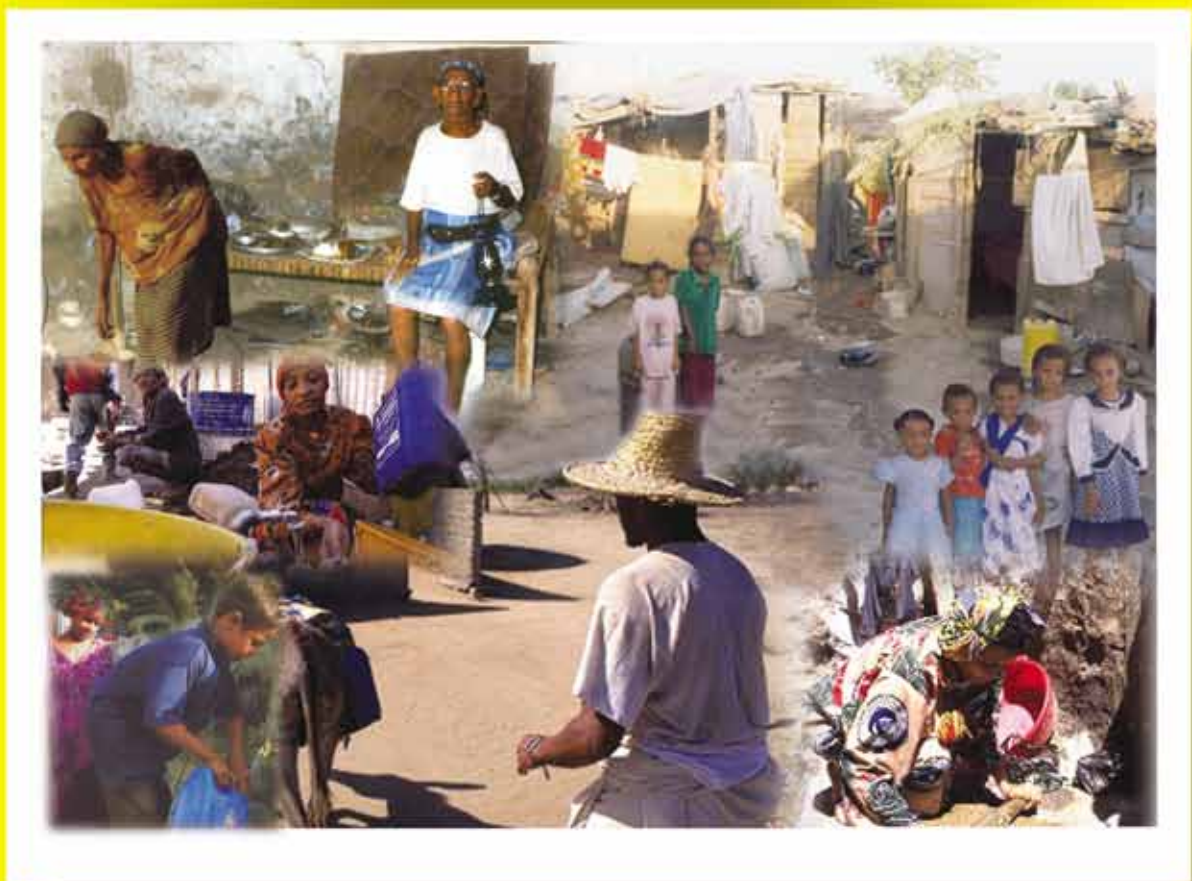
National Indicators

<i>Indicator</i>	<i>Value</i>	<i>Year</i>
<i>Demographic Indicators</i>		
Population	22,198,000	2008*
Population Growth Rate %	3	2004
Life expectancy at birth	62	2009
Ratio of urban population to rural population	3:7	2008
<i>Economic Indicators</i>		
GDP Growth rate (at fixed Prices)	4.7	2009*
Inflation Rate	8.8	2009
Yemeni Rial exchange rate (Rial/\$ Dollar)	202.9	2009
Deficit of the Overall budget as ratio of GDP (%)	9.3	2009
Oil exports as ratio of GDP (%)	24.9	2008
Imports as ratio of GDP (%)	30.1	2008
Trade surplus as ratio of GDP (%)	-1.15	2008
<i>Important MDGs Indicators</i>		
Rank in Human Development Index (HDI)	140/182 (HDI 0.575)	2009
Percentage of population who live on less than \$ 2 per day	46.6	2005
Percentage of population who live under the national poverty line (upper)	34.8	2005
Share of the poorest 20% of population of national consumption	9.6	2005
Rate of under five malnourished children	42.9	2003
Rate of population who suffer form food poverty	12.5	2005
Net rate of enrollment in basic education	69.8	2008
Ratio of female/male in basic education	74.8	2008
Under five child mortality rate per 1,000 live birth	78.2	2006
Infants mortality rate per 1,000 live births	69	2006
Maternal mortality rate on birth per 100,000 births	365	2009
Total number of registered/reported HIV/AIDS cases (aggregated)	2,828	2009
Rate of malaria infection per 100,000 person	600	2009
Rate of positive TB infection per 100,000 person	34	2008
Area of lands covered with forests %	1.5	2005
Rate of protected land and sea areas	1	2005
Rate of population who have no access to improved water sources	52	2008
Rate of population who do not use improved health sanitation	77	2008
Rate of external grants to GDP	0.2	2008
Rate of exports and imports to GDP	61.5	2008
Telephone lines per 100 person	4.3	2008
Mobile phones subscribers per 100 person	27.1	2008
Internet subscribers per 100	1.4	2008

* Estimated data



Goal 1:
Eradicate extreme poverty
and hunger



Goal 1: Eradicate extreme poverty and hunger



Target 1.A:

Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day

Status at a glance

Will target be reached by 2015?

Probably Potentially **Unlikely** Insufficient data

State of supportive environment

Strong Fair **Weak but improving** Weak

Current status and trends:

Development plans and strategies adopted a set of policies and programmes aimed to achieve growth, development and contribute to the poverty reduction. As a result, national poverty proportions declined from 40.1% in 1998 to 34.8% in 2005¹. Notwithstanding the modest decrease in the national poverty proportions, the number of poor remained the same - at 7 million person as in 1998. This was due to the high annual population growth of 3%, which absorbs three quarters of the annual increase in real consumption (4%). This means that the real increase in the per capita consumption is only 1% per annum. Keeping the above in view, Yemen can achieve MDG1 by 2015, only if there is an increase in real per capita consumption growth from 1% per annum to 4% per annum², which would not be easy to achieve in light of modest GDP growth projected for the coming period. This would require adoption of vigorous policies and programmes to reduce rapid population growth and on the same time raise economic growth beyond 8%.

The urban rural disparity in the reduction in poverty ratios indicates that in rural areas, where 84%

¹ The year 1998 was taken as a baseline to evaluate progress in achieving MDG1 due to the lack of reliable data on household budget prior to 1998. Thus why to meet the target is very challenging.

Due to the lack of accurate information on the proportion of population living on less than USD 2 per day, the national (higher) poverty line was used as an alternative. It expresses the insufficiency of income to meet food and non-food needs of the household (clothing, accommodation, education, health, transportation).

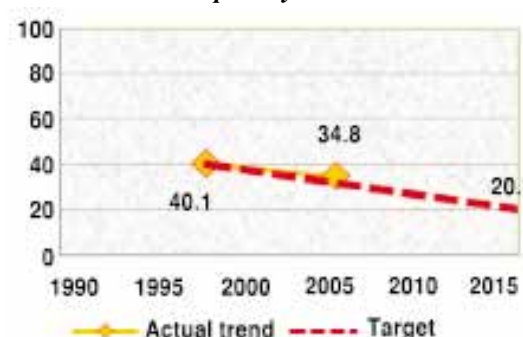
² Poverty assessment report, household budget survey 2005/2006, general report, October 2008.

*Poverty Major Indicators
Table (1-1)*

Indicators	1998	2005	2015
People under national poverty line %	40.1	34.8	20.1
Urban	32.3	20.7	16.2
Rural	42.5	40.1	21.3
Proportion of population below \$2 per day (PPP) (%)	47	46.6	23.5
Poverty gap	10.7	8.93	5.4
Share of poorest quintile in national consumption	8.0	9.6	12

Source: Household Budget Survey 2005/06

Figure(1-1):Proportion of population below upper poverty line



of poor people live, a modest decline from 42.5 % in 1998 to 40.1 % in 2005/2006 was achieved. The decline in poverty percentage in rural areas of 2.4% was significantly less than the decline of 11.6% in urban areas during the same period from 32.3% to 20.7%.

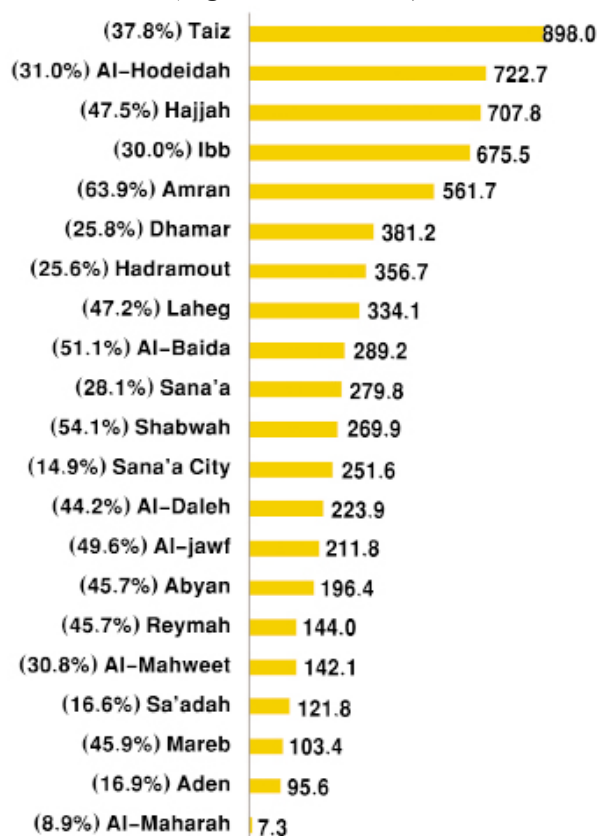
The geographic distribution of poverty represents a major challenge for the government, as Yemen's population is scattered across 133,000 settlements across the rural areas, which undermines the efforts to provide basic services in the rural areas. The disparity in poverty reduction across rural and urban areas is explained by a number of reasons, the most important of which is that urban areas benefited more from economic growth based on the service sector growth against a modest role for the agricultural sector which is imperatively correlated with poverty in rural areas. The proportion of workers in the agriculture sector declined from 43.9% of total workers in 1999 to 31% in 2004. The decline in the share of agriculture could be mainly attributed to the adverse impact of the climate change including scarcity and fluctuations in rainfall, limited financing opportunities, low productivity of the agricultural sector, especially because this sector is still adopting traditional practices and not introducing modern production techniques.

Goal 1: Eradicate extreme poverty and hunger



On the other hand, the results of household budget survey 2005/2006 indicated that there is a sharp contrast in the number of poor at the provincial level as illustrated by Figure (1-2). This partially due to disparity in the distribution of wealth, high number of people in the poorest governorates, especially people living in rural areas, with about 45% of the total poor in Yemen live in rural areas of five governorates i.e. Taiz, Hodeidah, Hajjah, Ibb, and Amran, which requires orientation of the priorities of poverty reduction efforts towards these rural areas, according to a poverty map and poverty characteristics of these areas.

Figure(1-2):The number of poor under the national poverty line and proportion to the population in 2005 (Figures in Thousand)

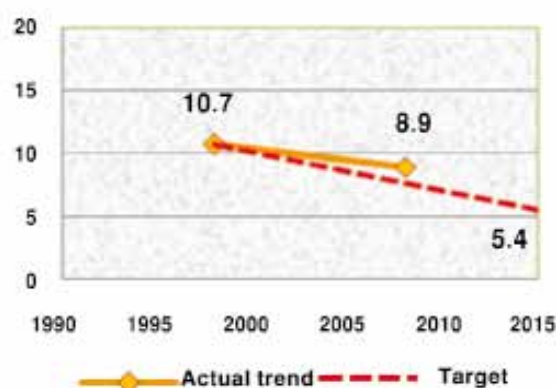


Source: Household Budget Survey 2005/06

At the level of poverty distribution by gender, it is noted that there are no statistical data for poverty feminization in Yemen as there is no major difference between poverty incidence among families headed by women and families headed by men. Families headed by women represent 8% only of total families. The average poverty incidence among families headed by women is 35% against 32% for families headed by men. This difference is not substantial in statistical terms.

The poverty gap ratio reflects the depth of poverty (distance from lower poverty line) and the analysis of the poverty gap indicates an improvement as poverty gap which went down from 10.7% in 1998 to 8.9% in 2005. The decline of this percentage also shows that the poorest of the poor were among those who benefited the most from poverty reduction efforts. In order to release all poor population from poverty trap, there is a need to fully bridge the gap between actual spending of poor families and the poverty line level estimated during 2005/06 by 124.4 billion YR annually (i.e. 4% of the GDP)³. However, taking into account the new developments in Yemen after 2005⁴, the requirements for relieving poor people from poverty have substantially increased.

Figure(1-3):Poverty gap ratio



At the level of governorates, the HBS 2005/05 data shows an increase in poverty gap in Al-Baidhah, Shabwa, Mareb and Amran as these governorates are characterized by high poverty incidence in their rural areas. Moreover, poverty severity in rural areas is four times the corresponding values in urban areas and in this respect the governorates of Al-Maharah, Aden, Capital and Sa'adah recorded the lowest levels of poverty nationwide.

As for the distribution of income, HBS 2005/06 results indicates an improvement in the share of consumption of the one fifth poorest population in national consumption, by 1.6% percentage points to 9.6% of total consumption in 2005/06 compared to 8% in 1998, which means that this indicator is on track to achieve the target of 12% by 2015.

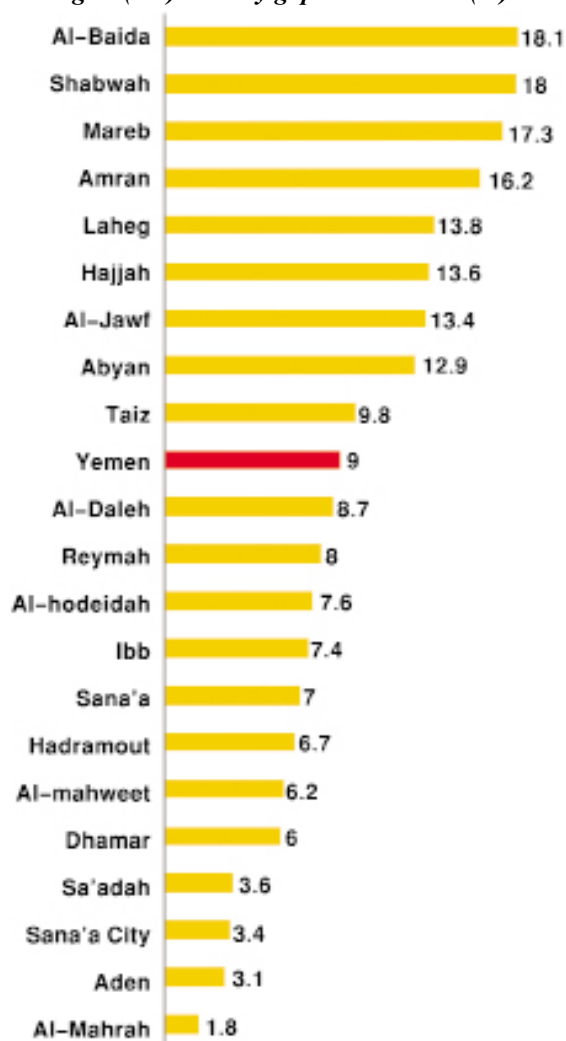
³ Source: Poverty assessment report, household budget survey 2005/2006, general report, October 2008.

⁴ Since 2006, Yemen experienced a number of internal and external shocks that negatively affected poverty levels including food crisis, global financial crisis, and catastrophic impact of climate change and instability of the security situation.

Goal 1: Eradicate extreme poverty and hunger



Figure(1-4):Poverty gap ratio in 2005 (%)



Source: Household Budget Survey 2005/06

It is worth mentioning that the HBS 2005/06 indicates an improvement in this percentage in rural areas recorded 7.7% compare to urban areas of 6.1%, while on the same time the 2005/06 survey results shows disparities in distribution of national income. The top one fifth of the population consumes 38.5% of total spending while the bottom one fifth of the population consumes only 9.6% of the total incomes. This means that the spending ratio of low income group to the high income group is 1:4. This inequality of distribution of national income is starker in the urban areas where the one fifth of the bottom income group receives only 6.1% while the top one fifth receives 46.6% of the total of their spending, which translates to the ratio of 8:1 between the richest and the poorest groups. To tackle this disparity, there is a need to pursue effective policies to ensure more equitable distribution of income and reduce disparities in the national wealth distribution.

Target 1.C:

Halve 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 but improving** Weak

Current status and trends:

The underweight among under-5 children is a major challenge that human resources development faces in Yemen. The data shows that against a sharp increase in this indicator from 30% in 1992 to 46% in 1998 there is a slight reduction to 42.9% in 2005. This indicates that the prevalence of underweight amongst under-5 children is far short of the 2015 target of 15%. This situation highlights the seriousness of the malnutrition as classified by WHO. The continuous increase of this indicator despite the improvements in other poverty indicators during the reported period is an indication of lack of focus of the poverty reduction efforts towards under-5 children.

Hunger Major Indicators

Table (1-2)

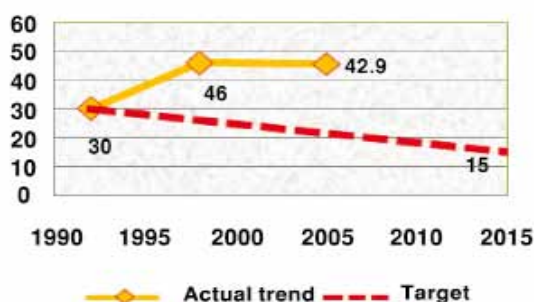
Indicators	1992	1998	2005/06	2015
Percentage of under-five children who are under weight	30	46	42.9	15
Percentage of population below food poverty line	n/a	17.6	12.5	8.8

Source: Central Statistical Organization, DHS (1992 & 1997) and HBS (1998 & 2005/06)

Goal 1: Eradicate extreme poverty and hunger

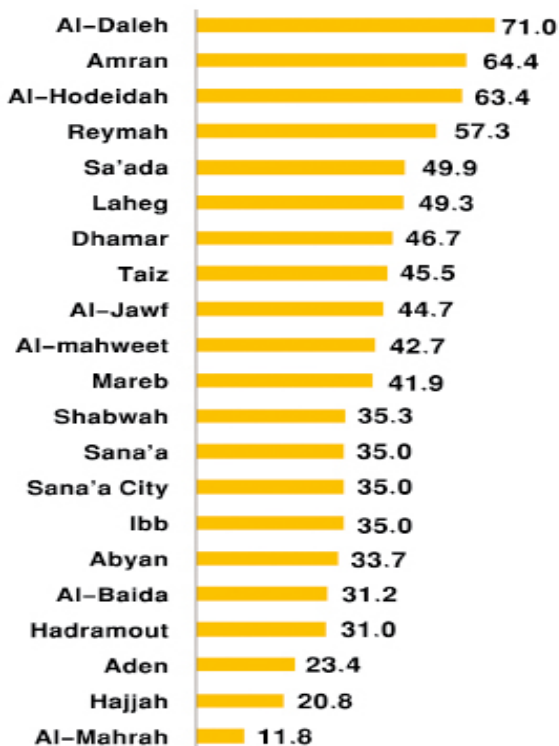


Figure(1-5):Prevalence of underweight children under five years of ago



The HBS result of 2005/06 shows sharp disparities across governorates. The proportion of underweight under-5 children in the poorest performing governorates was Al-Dhaleh (71%), Amran (64.4%) and Al-Hodeidah (63.4%) and in the better performing governorates were Al-Maharah (11.8%), Hajja (20.8%) and Aden (23.4%).

Figure(1-6):Prevalence of underweight children under five years of ago in 2005 (%)



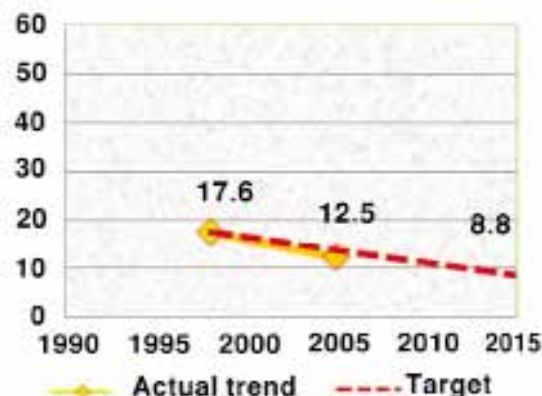
Sources: IFPRI, February 2010

The factors for under-5 children underweight are low income; the lack of quality health services for mothers and children; the lack of health awareness in rural areas; and the big average size of families with resulting high dependency rates (especially for the rural poor families) and consequently, the inability of families to take care of their children.

With regards to the proportion of population below the minimum level of dietary energy consumption (i.e. 2,200 daily average of calories intake), the percentage of people living under food poverty line decreased from 17.6% in 1998 to 12.5% in 2005. It is evident from this that Yemen may be able to achieve this goal if this momentum is maintained. However, the international food commodity price increases have adversely undermined Yemen's efforts towards reducing the number of people who suffers from hunger.

Despite the subsequent decreases in international food commodities prices since the last quarter of 2008, food security remains a major challenge in the light of Yemen's high dependency on basic food commodities import, since about 90% of wheat flour and 100% of rice is imported. With the continuous deterioration of the purchasing power of the national currency due to the decline of the value of the Yemeni Rial vis-a-vis foreign currencies, food prices are increasing resulting in further deterioration in diet of poor people and, consequently, expanding the circle of food poverty.

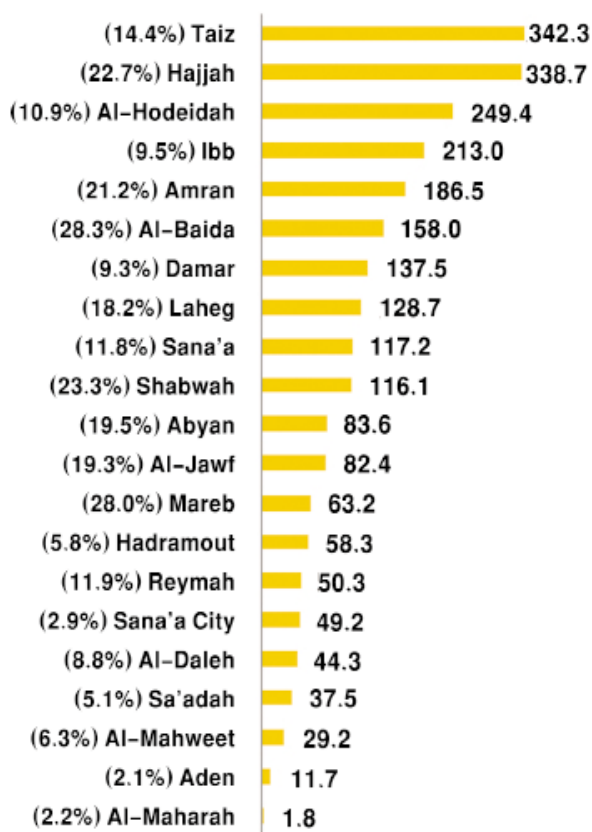
Figure(1-7):Proportion of population below food poverty line (%)



Goal 1: Eradicate extreme poverty and hunger



Figure(1-8): Number of poor under the food poverty line (thousand and %) and proportion to the population in 2005



Source: Household Budget Survey 2005/06

Challenges:

Yemen encounters a number of challenges that diminish its ability to achieve MDG 1. These challenges may be divided into main and emerging challenges, which are as follows:

a. Main challenges:

- High population growth rate of 3% per annum increases the pressure on basic services delivery and labor market. In addition the population is dispersed over settlements of 133,000 clusters, some of which are inaccessible due to mountainous terrains and lack of access roads, limiting the delivery of services to all population groups as delivery costs are high and cannot be absorbed by the Yemeni economy.
- Poor human resource development due to widespread illiteracy (45.3% of adult population); the spread of child labor; and high

dropout rates from education system. Limited health care services to mothers and children, especially in rural areas, reflecting itself on productivity levels and, consequently, income levels and ultimately incidence of poverty.

Frame (1-1): Social Safety Net

Social safety net was established to mitigate the adverse impact of the economic reforms programme such as reducing the subsidies on basic goods and services and replacing this with a set of social programmes that directly target the poor. The problems of the social safety net are centered on the lack of clear rules defining its components, targeting mechanisms, evaluation standards for projects, services and subsidies as well as the conditions for inclusion or exclusion of activities in its system. The expanding proportion of poverty represents a challenge for the social safety net diminishing its effectiveness and efficiency under its current situation and resources.

Source: Third DPPR 2006-2010

- Deficient infrastructure, including poor power and water supplies, coverage of which is limited to 42% and 26% of the population respectively. This is in addition to the limited rural roads networks depriving people from basic living needs and increasing costs of goods and services, higher delivery costs for basic services, which leaves many of the rural areas isolated and unattended.
- Disparities in poverty ratios⁵ across rural-urban divide with higher incidence in rural areas and across governorates.
- Scarcity of water resources, exacerbating Qat problem and its increasing cultivation, reducing the cultivation and availability of water for other crops. Qat consumes more than 23% of water used for agriculture. In addition Qat claims 9.3% of total average household family spending.
- Widening food security gap especially in the light of low agricultural productivity, limited financing options and access to credit by

⁵ Even if the target level of poverty at the national level is reached by 2015, many governorates and districts will remain far below the target level.

Goal 1: Eradicate extreme poverty and hunger



farmers and fishermen.

- Limited coverage of social safety net, including cash transfers provided through the Social Welfare Fund that cover only 14% of the poor people and only 4% of those below the poverty line in 2005.
- The plummet and steadfast decline in crude oil production and the share of government. The government's share declined from 103 million barrels in 2000 to 59.5 million barrels in 2009. This declining trend is expected to continue in the future, adversely affecting public finance sustainability and weakening the government's ability to implement rural development and poverty reduction programmes. It also reduces the government stock of foreign currency and, therefore, devaluation of the national currency, rampant inflation and decreasing purchasing power of the poor.

b. Emerging challenges:

The Yemeni economy faced several unexpected internal and external shocks imposing financial burdens on the economy resulting from additional expenditures. The effect of these shocks is expected to continue for several years to come and they include:

1. Food and global financial crisis:

- The key contagions of food and global financial crisis in the national economy are represented in the high food prices, the decline of crude oil prices and the decrease in foreign direct investment, as well as decline in remittances from Yemeni immigrants abroad. Also at the same time a number of sectors related to the external economy were affected including tourism, trade and business services (i.e. finance and insurance).
- Adverse repercussions of this crisis are reflected in the decline of oil revenues by 50% in 2009 resulting in exacerbating budget deficit (9.3% of GDP in 2009), the decreasing ability of the state to allocate funds for development projects, the deteriorating current account of the balance of payment and the decreasing foreign exchange reserves, which put pressure on the exchange rate. As a result of this, the growth of non-oil GDP declined from 7.5% in 2008 to 4.2% in 2009.

Impact of food and global financial crises on key development indicators

Table No. (1-3)

Poverty indicators %	2005	*2009	Deviation
Population under national poverty line	34.8	42.8	8
Urban	20.7	29.9	8.7
Rural	40.1	47.6	7.8
People living with less than USD 2 per day	46.6	47.6	1.0
Economic indicators	2008	**2009	Deviation
Crude oil revenues growth (million US\$)	53	-50.1	-103
Growth of public expenditures and net lending	29.7	-16.8	-46.5
Net budget deficit / GDP	-4.0	-9.1	6.2
Crude oil price (US\$/barrel)	95	62	-39.5

Source: *World Bank estimations, IFPRI estimations, draft food security strategy

** Actual initial data from the Ministry of Finance and the Central Bank of Yemen.

- Regarding the impact on poverty levels, estimations indicate that these crises diminished accomplishments at poverty reduction during 1998 and 2005/06. The increase in the percentage of people below the national poverty line by 8 percentage points to 42.8% in 2009 exceeding the poverty percentage in the base year 1998 (40.1%). As for food poverty, this issue is a major cause for concern. The percentage of food insecure people is about 32% in 2009, i.e., 7.5 million people who cannot get sufficient food. In the same direction, these crises led to an increase in the underweight children by 130 thousand children between 2005 and 2009⁶.

2. Climate changes:

Climate changes severely affected Yemen and resulted in a flood disaster in 2008. The adverse impact of fluctuating rainfall levels affected the agricultural sectors output. These climate changes worsened the situation of food insecurity and increased poverty levels and the malnutrition circle threatening setbacks in the MDG 1 achievements in particular and the remaining MDGs in general.

6 Comprehensive Food Security Survey, 2009 and IFPRI estimation



3. Security threats

These threats arise from terrorist acts of Al-Qaida organization, the Houthi insurgents in Sa'adah governorate as well as the sabotage acts in some of the southern districts. These acts damaged the already overstretched basic infrastructure, basic services, public and private properties in these areas. In addition, these sabotage acts contribute adversely on the government efforts to diversify the economy to some of the promising sectors such as tourism, industry and manufacturing and undermine efforts in creating an enabling environment for investment by the Yemeni private sector before the foreign investors. Such threats exacerbate poverty phenomenon resulting in increase of unemployed people across the country. Despite the recent ceasefire agreement with Al-Houthi group in Sa'adah governorate and the positive impact of this step on security and development, if other security threats continue, serious negative impacts are expected on the future efforts for poverty alleviation and reduction in unemployment.

Policies and programmes:

The Yemeni government adopted in its current and future plans and strategies, a number of development policies and programmes aimed at reducing poverty levels, creating job opportunities and improving food security levels including:

- Intensify awareness raising programmes on population issues, engaging influential public figures, increase access to family planning means, free distribution of contraceptive and other means to ensure increased utilization of these means, in order to reduce the high rate of population growth.
- Give priority to labor-intensive investments in all economic and productive sectors with a focus to the rural development.
- Strengthen social safety programmes and mechanisms to expand social protection and provide services to the poor through direct interventions of the network (Social Fund for Development, Public Works Project and Social Welfare Fund).
- Expand the mechanism for microfinance of projects and programmes to provide credit and enable poor, especially rural women to access productive assets.

Frame (1-2): Poverty alleviation from poor population perspective

Listening to the opinions of poor people supports creating solutions meeting their requirements. Poor people (men) find it essential to ensure a stable source of income from the government, creation of job opportunities, building water dams, reclamation of agricultural lands, supporting agricultural production in addition to the provision of loans to start small enterprises. Most poor women deem it essential to reduce prices, ensure free education and health services in addition to the creation of jobs, increase wages and salaries and provide training. Women emphasize on the need to provide food items in villages to save transportation efforts and time. They also demand more people are covered by social safety nets.

- Develop human resources of poor through developing training and guidance programmes to improve their productive skills and capacity.
- Improve cash assistance system of the Social Welfare Fund in terms of the payable amount of assistance and targeting approach.
- Finalize formulation of the national food security strategy and commence its implementation.
- Increase awareness among people on the negative impacts of Qat cultivation and consumption.
- Improve efficiency of water usage for irrigation of crops and rainwater harvesting.
- Produce improved drought-resistant seeds, support agricultural research and link them to extension services.
- Transformation from local administration to local governance; improve the Zakat collection and spend its revenues for poverty reduction and building capital assets for the poor.
- Revise economic policies to enhance their effectiveness in accelerating economic growth, improving enabling environment for investment that will lead to job creation and income generation. This is in addition to intensifying efforts to expand oil and gas explorations.
- Focus on rural development based on the poverty map through:
 - o Linking the rural economy to the growth of urban centers through developing

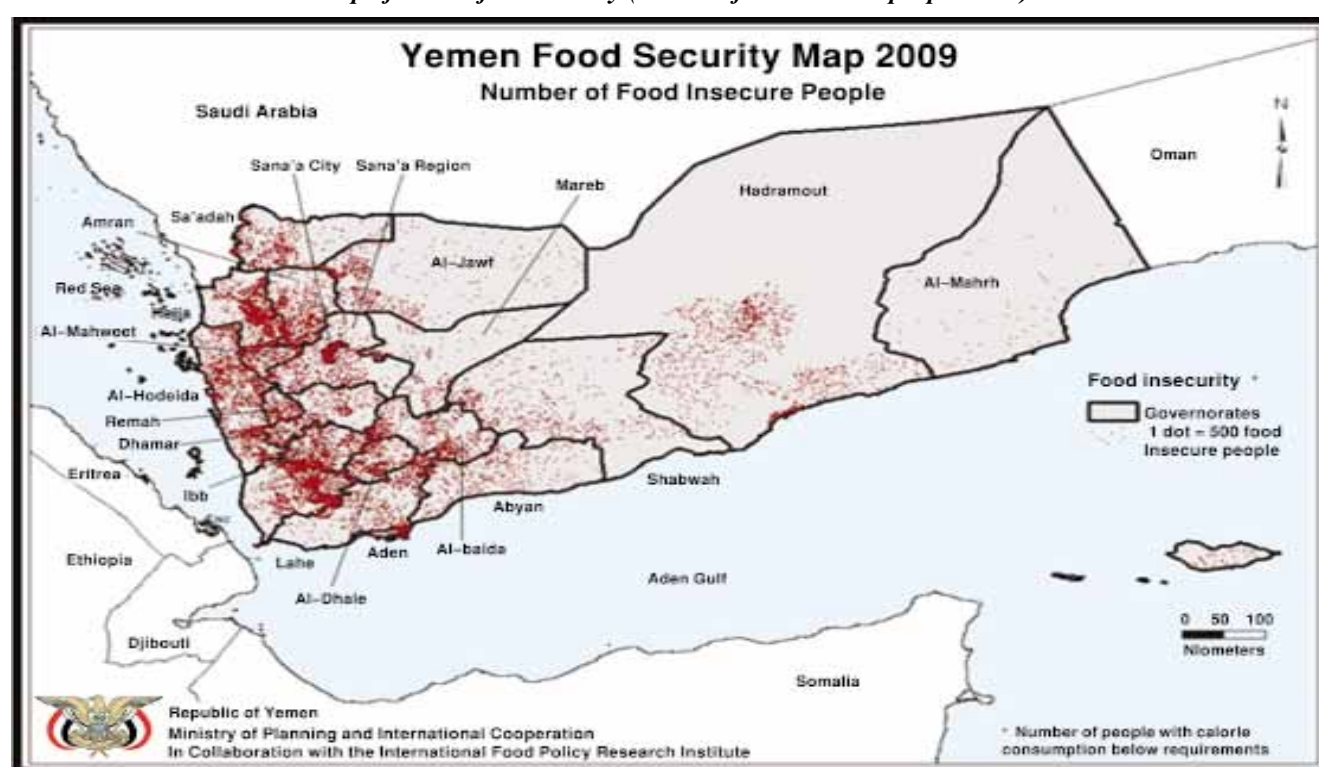
Goal 1: Eradicate extreme poverty and hunger



- the agricultural sector, the optimum exploitation of fisheries resources and reviving the tourism sector.
- o Expand education and health services, especially basic and girl education, maternal and children health care.
- o Provide infrastructure services that respond to the needs of the poor.

- Strengthen partnership with the private sector and civil society organizations through participation in implementation and financing development programmes and poverty reduction related initiatives in addition to enhancing partnerships with donor agencies for poverty reduction.
- Integrate Yemeni economy to the economies of the Gulf Cooperation Council countries to allow additional Yemeni labor force to enter Gulf countries labor markets in order to improve income that will lead to poverty reduction, as well as encourage Gulf countries investment in Yemen.

Map of Yemen food security (Number food insecure people 2009)



Reducing extreme poverty: Monitoring and Evaluation Environment:

Elements of monitoring environment	Assessment		
	Strong	Fair	Weak
Data gathering capacities	✓		
Quality of recent survey information	✓		
Statistical tracking capacities		✓	
Statistical analysis capacity		✓	
Capacity to incorporate statistical analysis into policy. Planning and resource allocation mechanism		✓	
Monitoring and evaluation mechanisms			✓



Goal 2:

Achieve universal primary education



Goal 2: Achieve universal primary education



Target 2.A:

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

Status at a glance

Will target be reached by 2015?

Probably **Potentially** Unlikely Insufficient data

State of supportive environment

Strong **Fair** Weakbut improving Weak

Current status and trends:

Government of Yemen has paid special attention to achieving universal primary education as part of its development trends and priorities of public expenditure. The school construction rate today is 3 schools per day. By evaluating the level of progress made in the enrolment rates in primary education, data indicate that the net enrolment rate has increased from 52.7% in 1990 to 62.5% in 2004. In order to increase the enrolment rate of primary education, the National Strategy for Development of Basic Education has been implemented since 2004.

Ministry of Education works for the acceleration of achievement of the Public Education Strategy's goals through three integral programs; family incentive program, Inclusive Development of Schools and infrastructure program. In response to such efforts, the enrolment rate has rapidly increased to reach 69.8% in 2008. And for girls it reached 61.5%.

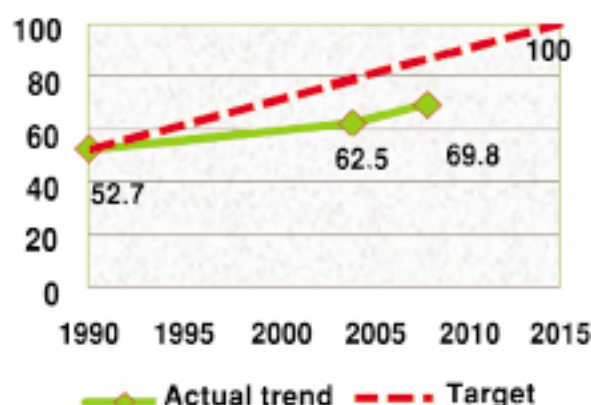
It is evident through the above that the progress made remains far from reaching the target. However, the pace of progress made during the last four years brings hope of the possibility to get close to the target by providing access to basic education to all by 2015.

Basic Education Major Indicators
Table (2-1)

Indicators	1990	2004	2008	2015
Net enrolment rate in basic education (%)	52.7	62.5	69.8	100
Pupils reaching grade 5 (%)	65.3	68.7	70.7	100
Educated people in 15-24 age group (%)	61.0	69.8	n/a	100

Source: Ministry of Education and Census December 2004. Year 2008 is based on projection by Ministry of Education

Figure(2-1):Net enrolment ratio in basic education (%)



In regards to primary education (classes 1-6), it has increased as compared to the basic education (1-9) as it scored a net enrolment rate of 75.3% in 2008 (82.3% for male and 67.9% female).

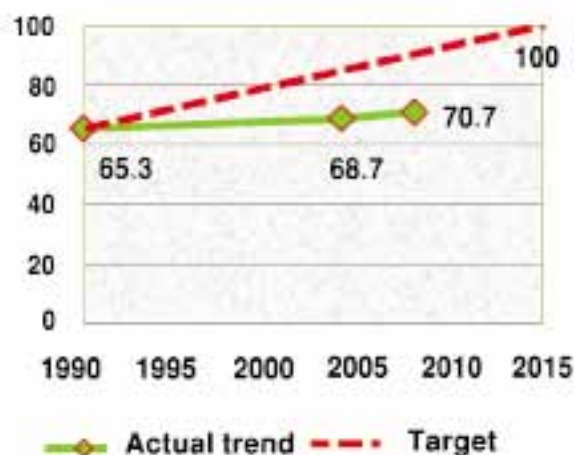
Acceleration of the level of achievement towards the desired goal requires addressing the root causes that limit the enrollment in basic education, including child labor, lack of availability of teachers (including female teachers). In addition to the difficulty of transportation to school and the low level of awareness of the importance of education and its usefulness for some families which is reflected in the lack of desire in education. To overcome these causes should expand existing programmes for incentives, family and the provision of infrastructure with proper facilities and the development of the school administration giving priority to the neediest districts that with low educational levels.

With regard to the percentage of students who make it to the fifth grade, this has increased modestly from 65.3% in 1990 to 68.7% in 2004 and then to 70.7% in 2008. The percentage of students who reach the fifth grade of females is 64.7% against 75.5% of male students which indicates a gender gap of 10.8 percent.

Goal 2: Achieve universal primary education



Figure(2-2):Proportion of pupils who reached fifth grade of primary education (%)



It is obvious from the above that Yemen remains out of track especially in light of the continued drop out and repetition problems in basic education. Despite the decline in the drop-outs in the last period, it remains an evident challenge that is hard to ignore as it accounted for 7%, with a higher percentage in the boys classes reaching 7.8% for boys and 5.8% for girls in 2008. This requires more effective procedures to be taken to stop it.

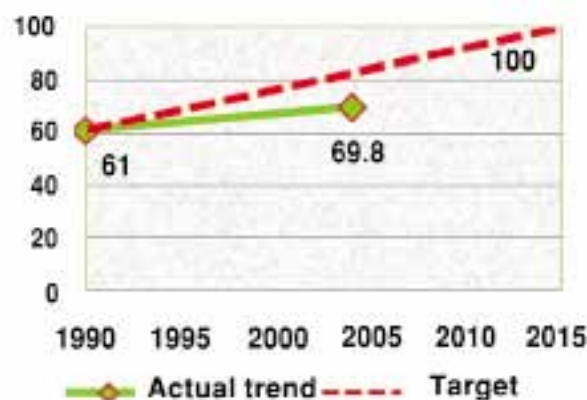
Data indicate that the percentage of repetition in the basic education reached 9.4% for both sexes; 11.2% females and 8.2% males which mean that instead of spending 9 years to complete the basic education, students who repeat spend 13, an increase of 4 years above the limit. Therefore, the issue of educational efficiency is brought to light as the sixth grade completion rate is 53.3%, the ninth 35% which constitutes a financial and human waste.

With regards to literacy rates among the age group of 15-24, it increased from 61% in 1994 to 69.8% in 2004 which indicates that it also remains way below the target. This is mainly due to low standard of living for a large segment of the population.

The proportion of illiteracy among the population at the age group 15-24 years is 21.6% of the total illiterate, which is 6.8% of the total population. Moreover, education indicators show reduction in the rate of illiteracy among the population age group of 10 and above from 55.8% in 1994 to 45.3% in 2004. While the illiteracy rate for the age group (15-24) 31% in 2004 (11% in urban areas and 40% in rural areas) compared to 61% in 1990, according to these indicators, Yemen will not be able to eradicate illiteracy among young people aged 15 -24 years old by 2015. This calls for strenuous efforts to raise the

rate of literacy and literacy among young people. Illiteracy is one of the factor weakens the ability of families to let their children to attend to the school.

Figure(2-3):Literacy rate of 15-24 years old (%)



The illiteracy level among the population of the age group 15-24 is approximately 21.6% of the total number of illiterate people and 6.8% of the total population. This requires rapid action to increase the literacy rates among youth as illiteracy weakens the family's ability to help in educating its children.

The education indicators suggest that illiteracy rates has declined among the younger population of 10+ from 55.8% in 1994 to 45.3% in 2004 while the illiteracy level among males is 29.6% against 61.6% of females in 2004. According to these indicators, Yemen will not be able to eliminate illiteracy among youths of the age group 15-24 by 2015.

Challenges:

Despite the developments made in the enrolment rates of basic education, there are still some challenges that slow further development, curb the efficiency and weaken the quality of output, most important of which are:

- High population growth (3%), big family size, young age structure of the population which increases the demand for educational services in a way that exceeds the capacity of the educational system.
- Wide spread of population that hinders the provision of schools to the population habitation, especially in the rural areas.
- Wide-spread illiteracy in the society as high as 45.3% and weak awareness of the importance of education.
- Low level of income for a wide group of the



society which led to the prevalence of child labor and their dropping out from education.

- Insufficient financial resources to cover the educational requirements; facilities, libraries, laboratories, curriculum development along with the operational and maintenance costs which results in weakening the efficiency of the system.
- Low level of qualification and training among teachers and backward educational methods.

Policies and programmes:

In order to overcome the challenges facing the educational system, effective policies and programs must be adopted:

- Expand the coverage of educational services by focusing on priority areas and encourage the private sector to increase its investments in the education sector.
- Conduct awareness raising campaigns to encourage parents to send their children to school and involve civil society and local authorities in the implementation of these campaigns.

- Expand family incentive programs to encourage poor families in rural areas to send and retain their children in school as well as enforcing the law on preventing child labor.
- Prepare for a national campaign to eradicate illiteracy.
- Secure maintenance and operation expenses, increase spending efficiency on education through proper monitoring and control, as well as improve teachers' discipline.
- Activate the role of instruction and guidance sector and improve means and methodologies of evaluating teachers and students' assimilation, as well as improvement of schools administrations.
- Retrain teachers and provide them with necessary skills, especially those who come from high school, improve education methodologies and develop school curricula.
- Expand the introduction of computer laboratories in schools and start teaching English language from 4th class.
- Enforce the decision related to abolishing school fees to cover all students.

Achieving universal primary education: Monitoring and Evaluation Environment:

Elements of monitoring environment	Assessment		
	Strong	Fair	Weak
Data gathering capacities		✓	
Quality of recent survey information		✓	
Statistical tracking capacities			✓
Statistical analysis capacity		✓	
Capacity to incorporate statistical analysis into policy. Planning and resource allocation mechanism		✓	
Monitoring and evaluation mechanisms			✓



Goal 3: Promote gender equality and empower women





Target 3.A:

Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels of education no later than 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** Weak

Current status and trends:

The Government has committed itself to the Beijing work approach which insists on enhancing women's position and removing all the constraints that prevent women from taking part in all walks of life in addition to adopting the concept of gender equality in the context of national legislation and the provisions of Islamic law. GOY supports women issues and is taking the necessary measures. The National Women Committee was formed and Women Development Strategy was issued besides the establishment of women directorates in many Ministries aiming at mainstreaming gender concept in development plans and programmes. The number of organizations concerned with women issues has also increased. With this increase in the number of gender related institutions, gender disparities still persist in the country. However, the situation is improving compare to the previous period and the road is still long to bridge the gender gap.

Female enrolment in education has witnessed a steady improvement during the period 1990-2008. However, it remains below the male enrolment rate. In basic education, the female to male ratio increased from 44.6% in 1990 to 70.6% in 2004 and then to 74.8% in 2008 which reflects the increasing awareness in the community of the importance of girl education.

Gender Disparity Major Indicators
Table (3-1)

Indicators	1990	2000	2004	2008	2015
Proportion of girls to boys in basic education (%)	44.6	55.7	70.6	74.8	100
Proportion of girls to boys in secondary education	13.7	36.6	44.8	58.8	100
Proportion of girls to boys in tertiary (university) education	20.5	32.3	35.3	37.5	100
Proportion of Educated females to males in the age group 15-24 (%)	34.1	n/a	57.8	n/a	100

Source: Ministry of Education and Central Statistical Organization

Concerning differences among governorates, the highest enrolment rate was recorded in the Capital Municipality 92% followed by Al-Mahrah 85%, and then Aden 82%. This is attributed to the availability of educational services, high awareness level and relative improvement in the livelihoods in these governorates. Therefore, it is probable that these governorates will be able to reach the MDG by 2015 if they keep the same pace.

Frame (3-1)

Programme to support families to encourage girls education

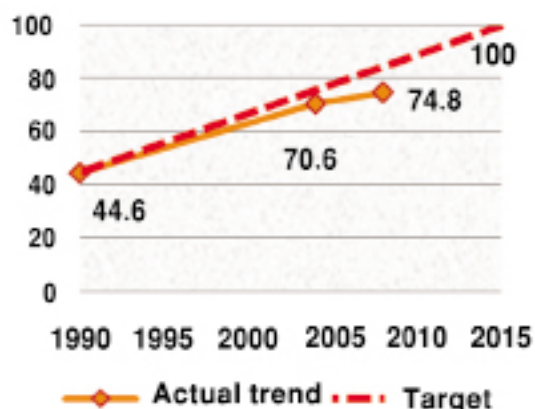
Children who belong to the poorest families are less likely to join schools, especially the girls in the rural areas. In consideration of which, the GOY's efforts in cooperation with several international organizations have been focused on the formation of coordination committees for the Ministry of Education offices in some districts in Taiz, Ibb, Lahj, Al-Hodeida and Al-Dhaleah. Household incentives program has been adopted to encourage the girls of the poorest rural areas to join schools and remain there through a number of incentives that include exemption from the school fees, distribution of school supplies, provision of the school uniform and offering food.

Goal 3: Promote gender equality and empower women

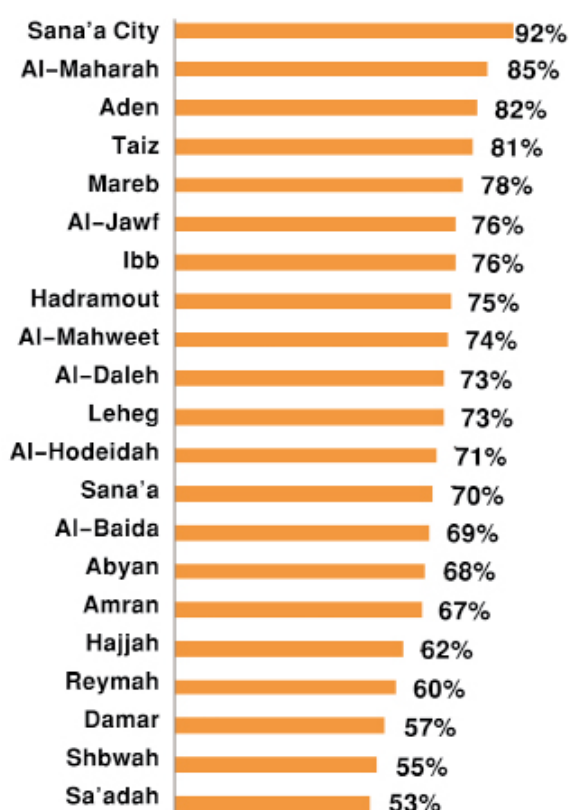


On the other hand, the female to male ratio in basic education remains below the target in most governorates particularly in Sa'ada, Shabwa and Dhamar.

Figure(3-1):Ratio of girls to boys in basic education (%)



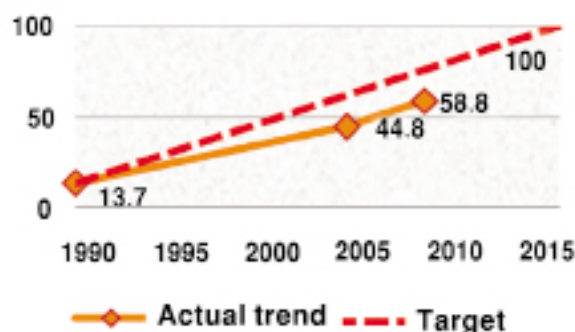
Figure(3-2): Ratio of females to males in the basic stage of the academic year 2007/2008



Sources: Education survey 2007/2008, Ministry of Education

With regard to public secondary education, the female to male ratio reached 58.8% in 2008 compared to 13.7% in 1990. These data show that the gender gap in secondary education remains considerable and require extensive efforts to get close to achieving MDG by 2015.

Figure(3-3):Ratio of girls to boys in secondary education (%)

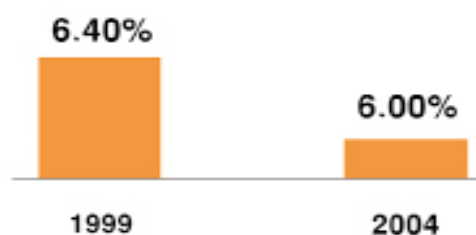


As far as the college education is concerned, the female to male ratio reached 37.5% in 2008 compared to 20.5% in 1990. Despite the progress made, the variation remains wide and is getting wider and wider as we move towards the higher educational levels. This is attributed to the dominance of traditions that prevent girls from pursuing education in addition to the prevalence of early marriage, especially in the rural areas and the girl's participation in farming as a result of poverty.

Hence, the final outcome of lower female educational levels is the considerable prevalence of illiteracy as it recorded 61.6% among girls 10 years old and up in 2004 against 29.6% among males of the same age category. Illiteracy among females in the rural areas accounts for 71.7% in 2004 which is almost double that in the urban areas (36%).

With regards to women economic participation in the non-agricultural sectors, data show that it is weaker as compared to the achievements made in education. In 1999, the working female employees on the payroll accounted for 6.4% and then this rate declined in 2004 to reach 6%.

Figure(3-4):Share of women in wage employment in the non-agriculture sector



Source: Central Statistical Organization



On the other hand, the women's contribution to the unpaid work like household chores, agriculture, livestock breeding and babysitting is on the rise. The situation gets worse in the rural areas that lack the necessary infrastructure and basic services which burden the women with the responsibility of collecting water and firewood from long distances and under difficult circumstances. Due to the non-availability of statistic data on the type of work that women engage in the unregulated sector, their participation in economic activities seems low despite the reality on the ground.

In terms of the women's political participation, despite the rapid efforts made in the past to integrate women in the political life, such as equal vote rights, candidacy for the Parliament and local councils, their participation was more obvious in the voting process rather than membership itself as the latter remains very low during consecutive legislative terms. Women only occupy one seat of 301 in the Parliament, two seats in the Shoura Council and 38 seats in the local councils. Concerning women representation in the executive institutions, women have been assigned two ministries in two successive cabinets (Ministry of Human Rights and Ministry of Social Affairs and Labor). Women's share in the government's executive bodies increases as there are some female deputy ministers and the number keeps increasing as we get to the lower administrative levels as general directors and below. Lately, the government tendency towards granting women a larger representation in some governmental bodies as deputy ministers and general directors has been announced.

Challenges:

The expansion of women participation is hindered by an interrelated set of economic and cultural obstacles. This is on top of;

- Weak community awareness of women issues and the cultural heritage that minimizes the importance of women role along with prioritizing male education and early marriage.
- Poverty prevalence and low incomes especially in the rural areas.
- Shortage of female teachers in the rural areas which reduces the chances of girls enrolling and staying in school.
- Limited schools for girls in the rural areas as

the available schools are mostly coeducational which undermines girl education.

- Dropping out and illiteracy prevalent among girls led to limited employment opportunities.
- Limited access by women to productive assets
- The considerable variation in the educational levels between rural and urban areas and across governorates with the concentration of the majority of female-focused activities in the main towns and their scarcity in the rural areas.

Policies and programmes:

- Activating the role of the media in introducing women issues and directing the religious messages towards advocating women issues.
- Activating the role of the local authorities in raising awareness among parents on the importance of female education.
- Increasing the number of female teachers in the rural areas by encouraging graduates of the Education Faculty to work in the rural areas and providing the necessary accommodation facilities.
- Allocating girls-only schools in various areas, especially the rural ones.
- Expanding the scope of family incentives to encourage more enrolment and continuation of study in the rural areas.
- Increasing the coverage of literacy centers and encouraging women to join them.
- Providing training centers to build women capacity for the illiterate women in order to help them learn professional skills that enable them to earn good income.
- Ensuring women's ownership of the production assets and facilitating their benefit from the microfinance program.
- Coordinating the efforts of the government and the CSOs to encourage women to get more involved in political and economic life and removing all the constraints preventing such involvement.
- Encouraging women to participate in the local and parliamentary elections as a candidates and voters.
- Increasing women participation in the governmental posts and providing the appropriate conditions for such participation

Goal 3: Promote gender equality and empower women



Promote gender equality and women empowerment: Monitoring and Evaluation Environment:

Elements of monitoring environment	Assessment		
	Strong	Fair	Weak
Data gathering capacities		✓	
Quality of recent survey information		✓	
Statistical tracking capacities		✓	
Statistical analysis capacity		✓	
Capacity to incorporate statistical analysis into policy. Planning and resource allocation mechanism		✓	
Monitoring and evaluation mechanisms			✓



Goal 4: *Reduce child mortality*





Target 4.A: **Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate**

Status at a glance
Will target be reached by 2015?

Probably **Potentially** Unlikely Insufficient data

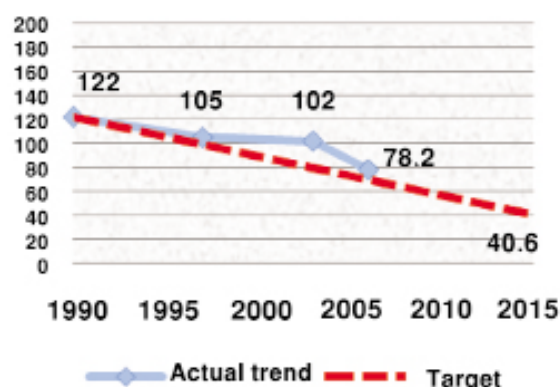
State of supportive environment

Strong **Fair** Weak but improving Weak

Current status and trends:

The health sector witnessed some improvement in health services to citizens in recent years. Health services coverage increased from 54% in 2004 to 67% in 2008. Basic services and outreach activities substantially improved. In 2005, only immunization services were provided, but by 2008, a full package of basic services is being provided in 64 districts⁷.

Figure(4-1):Under-five mortality rate (per 1000 live births)



Despite the government efforts to develop the health sector and improve services provided to the people and the notable improvement in some health indicators, yet Yemen is still among the group of countries substantially suffering from health problems and diseases. Therefore, there is a need for national solidar

U-5 Mortality Major Indicators
Table (4-1)

Indicators	1990	1997	2003	2006	2015
Under five mortality rates (per 1000 live births)	122	105	102	78.2	40.6
Infant mortality rates (per 1000 live births)	83	75	75	69	27.2
Proportion of 1-year-old children immunized against measles	52	43	66	74.9	100

Sources: Demographic survey 1992, 1997. Family health survey 2003 Multipurpose Cluster Survey 2006

ity to save the lives of children who die but could have been saved.

By tracking progress level in reducing child mortality rates, it is noticed that mortality rates amongst children under five decreased from 122 cases per 1000 live births in 1992 to 78.2 in 2006. Also, infant mortality rates decreased from 83 cases per 1000 live births in 1992 to 69 cases in 2006. By this, the progress level in reducing child mortality rates during the period until 2006 is on track to achieve the goal of reducing under-five child mortality, while progress was slow for infant mortalities and is not on track to achieve the goal by 2015.

For the purpose of accelerating the reduction of child mortalities, efforts were intensified in the field of immunization of children against fatal diseases. The national coverage rate by vaccines (third dose of tri-penta vaccines) has reached approximately 87% in 2008. New vaccines were also added (penta vaccine 2005). The streptococcus pneumonia vaccine will be added in 2010 as well as the vaccine for Retroviruses in 2011.

In addition to the above, the launching of national campaigns against polio, measles and tetanus played an integral role in reducing child mortalities⁸. Yemen managed to achieve the objective of being a polio free country, according to the WHO standards in 2009; three years after no more polio cases were discovered.

⁷ Number of districts in Yemen is 333.

⁸ The health survey of 2010 will evidently show the impact of immunization campaigns in reducing child mortalities.

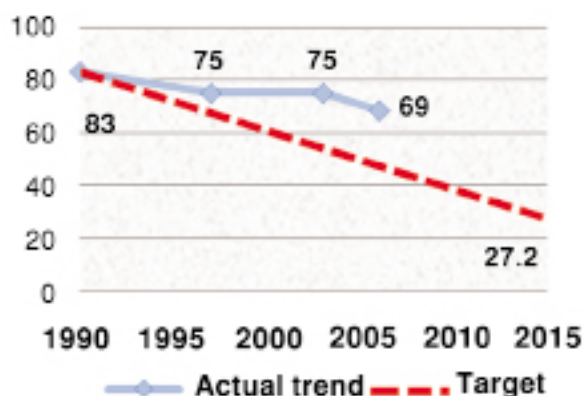
Goal 4: Reduce child mortality



In the field of combating measles, national campaigns implemented during the period 2006-2009 managed to control the spread of the virus and not recording any deaths attributed to measles. This disease used to be a key cause for child mortalities claiming thousands of lives every year (about 5000 children in 2005). In addition, there is a substantial decrease in number of patients from dozens of thousands to dozens of cases that are diagnosed and treated before any fatal complications. In the field of tetanus combating, a number of campaigns were implemented targeting more than 3 million women in the age group 15-45.

Generally, Yemen's ability to achieve the goal of child mortalities reduction by 2015 or beyond fully depends on overcoming the hindering challenges. One of these challenges is the widespread malnutrition where 53.1% under five children are dwarfed while 46% are underweight (mild and severe) and 12.4% are thin (severely underweight). These percentages increase in rural areas more than the urban ones.

Figure(4-2): Infant mortality rate (per 1000 live births)



Challenges:

Health sector faces enormous challenges that limit the ability of the government in achieving the goal of reducing mortalities among children under five years old to 2/3 the level of 1990 by 2015. The key of these challenges are:

- Widespread population scattering as well as the insufficiency of financial resources allocated to the health sector to fulfill enormous and increasing needs. Consequently, coverage of health services, especially in rural areas, is still low.
- Lack of qualified health staff and medical equipment.

- Low quality of preventive, diagnostic and curative services in most health facilities.
- High incidence of child malnutrition due to lack of awareness on the importance of breastfeeding, the inappropriate nutritional practices and the widespread poverty, especially in rural areas.
- The spread of infectious diseases among different population groups, especially children.

Policies and programmes:

Within its policies and strategies, Yemen is adopting a number of policies and programs to improve the health status and reduce child mortalities. Among these policies are the following:

- Increase the share of health sector in the overall state budget spending.
- Expand the coverage of health services to include services in facilities and outreach services in remote areas.
- Engage the private sector and civil society organizations in implementing public health programmes and strengthen community-based initiatives through voluntary work.
- Build the capacities of health staff on child care by adopting a programme to continuous education in order to improve the quality of health services.
- Increase health awareness among different society groups, especially mothers, through different media means.
- Provide basic drugs for all health facilities and to support medical supply and provision of medicines for childhood diseases.
- Strengthen primary health care programmes.



Under-five mortality levels: Monitoring and Evaluation Environment:

Elements of monitoring environment	Assessment		
	Strong	Fair	Weak
Data gathering capacities		✓	
Quality of recent survey information		✓	
Statistical tracking capacities			✓
Statistical analysis capacity		✓	
Capacity to incorporate statistical analysis into policy. Planning and resource allocation mechanism			✓
Monitoring and evaluation mechanisms			✓



Goal 5: Improve maternal health



Goal 5: Improve maternal health



Target 5.A:

Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio

Target 5.B:

Achieve, by 2015, universal access to reproductive health

Status at a glance

Will target be reached by 2015?

Probably Potentially **Unlikely** Insufficient data

State of supportive environment

Strong Fair Weak but improving **Weak**

Current status and trends:

The health situation in the country witnessed an expansion in the provision of reproductive health, basic and comprehensive obstetric services. The number of health facilities providing reproductive health and obstetric services largely increased during past period. However, these achievements are not meeting the expectations in view of increased demands.

However, data in the above table indicate that maternal mortality rates worsened and kept away from its defined track. Maternal mortality rates increased from 351 cases per 100,000 live births in 1997 to 365 cases in 2003 with an increase of 14 cases. The reason for the increase is that the percentage of mothers not receiving health services was 55% in 2003. Results of family health survey in 2003 indicate that 57% of dead women suffered from health problems before their death reflecting a deficiency in ante-natal health care provided to women. Also, 45.3% of deaths suffered from vaginal bleeding before death, 40.4% experienced severe fever and 32.5% went into complete coma. This is a reflection of poor health care for women during delivery. In addition to above, most deliveries (77.2%) take place at home using traditional means that puts the health of mothers and infants at risk. About 84.3% of maternal mortalities were in home based deliveries.

**Mortality and Reproductive Health Major Indicators
Table (5-1)**

Indicators	1990	1997	2003	2006	2015
Maternal mortality rates (per 100,000 births)	n/a	351	365	n/a	87.8
Deliveries attended by qualified medical staff	16	22	24.8	36	100
Women receiving Antenatal Care	26	34	45	47	100
Use of family planning means among women	9.7	20.8	23.1	n/a	100

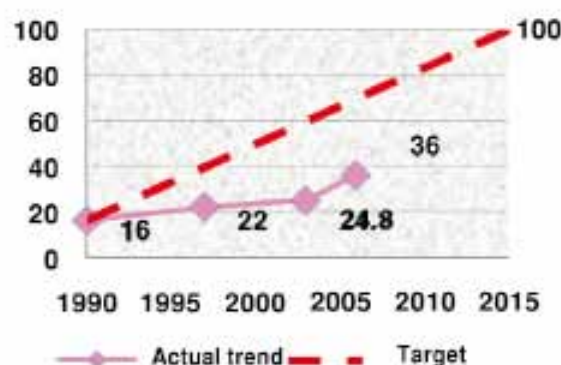
Source: Demographic Survey 1997, Family Health Survey 2003, Multipurpose Cluster Survey 2006

The percentage of mortalities among women aged Maternal less than 20 years old represents one third of the total mortalities. Such an indicators requires more awareness regarding risks associated with early pregnancy. The results of the national census 2004 show a decrease in the reproduction rates among women under 20 years old to 52% against 66% in the national census of 1994.

Maternal mortality rate indicators is one of the most complex development indicators as it does not reflect effectiveness of the health system only but also the effects of social, economic, cultural and geographic factors on the lives of mothers.

On the other side, deliveries by qualified medical attendants increased from 16% of the total deliveries in 1992 to 24.8% in 2003. According to the multipurpose cluster survey 2006, the percentage of deliveries attended by qualified health staff was 36%. In light of that, the achieved level of progress is still insufficient to reach the target of this indicator by 2015.

Figure(5-1):Ratio of birth attended by skilled health worker



Goal 5: Improve maternal health



As for ante-natal care, the percentage of women who received ante-natal care increased from 26% in 1991 to 47% in 2006. Despite this progress, the desired target is difficult to achieve.

With regards to the utilization rate of family planning methods, it continued to increase from 9.7% in 1992 to 23.1% in 2003 due to the improvement of women education and employment in addition to the expanding coverage of health care in governorates. However, this progress is still far behind of the target of reaching 100% usage of family planning means by 2015.

As the Yemeni government is committed to reduce maternal mortalities and make available reproductive health services, the government worked to strengthen reproductive health services and increased their scope through different interventions such as increasing the number of emergency obstetric centers under a comprehensive plan covering all governorates, approving the policy of free deliveries in government health facilities and the free distribution of family planning methods in these facilities. It is expected that these interventions will contribute to achieving the target and reducing maternal mortalities and will be reflected in the national health survey in 2010.

Best practices were introduced in some facilities leaving a positive impact on improving services provided to mothers and newborns under a quality improvement program in health services.

Challenges:

Despite the efforts made to reduce maternal mortalities and improving reproductive health services, still there are various challenges that hamper the achievement of the goal of improving maternal care. The key of these challenges are:

- Low coverage of health services especially in rural areas.
- Low number of qualified female health staff and their unwillingness to join service in rural areas.
- Lack of medical equipment, especially for emergency obstetric care.
- Widespread malnutrition and anemia among mothers.
- Limited financial resources for reproductive health and family planning services.
- Lack of awareness regarding seriousness of

early pregnancy, the importance of health care during pregnancy and delivery and the birth-spacing.

- Low education levels among women, especially in rural areas.
- Poor empowerment of women in making decisions related to reproductive health and associated rights.

Policies and Programmes:

To accelerate the progress towards achieving MDG 5 related to reducing maternal mortalities by three quarters by 2015, the following actions should be taken:

- Update the reproductive health strategy and adopt a new strategy for health development of women.
- Expand the scope of maternal, newborn and obstetric care services in all governorates.
- Expand the provision of quality reproductive health services to cover all health facilities.
- Train students in a diploma course on emergency obstetric care, newborn resuscitation and anesthesia.
- Pay more attention to training midwives on maternal health services in light of the needs in rural areas.
- Motivate health staff (especially females) to work in rural areas by increasing their wages and providing appropriate accommodation and in-kind incentives.
- Establish enough post for recruitment of doctors and midwives.
- Supply necessary medical equipment and free obstetric care drugs for facilities providing these services and family planning.
- Mobilize support for reproductive health issues among decision makers, civil society organizations and local communities.
- Adoption of the draft law at the parliament setting the marriage age.
- Introduce the prepaid health voucher system for reproductive health services (delivery, post-delivery, newborn health).
- Increase health awareness among women and the society by the mother and child issues, reproductive health, family planning and nutrition using local volunteers.

Goal 5: Improve maternal health



Improve maternal health: Monitoring and Evaluation Environment:

Elements of monitoring environment	Assessment		
	Strong	Fair	Weak
Data gathering capacities			✓
Quality of recent survey information			✓
Statistical tracking capacities			✓
Statistical analysis capacity		✓	
Capacity to incorporate statistical analysis into policy. Planning and resource allocation mechanism			✓
Monitoring and evaluation mechanisms			✓



Goal 6:
Combat HIV/AIDS, malaria
and other diseases





Target 6.A: Have halted by 2015 and begin to reverse the spread of HIV/AIDS

Status at a glance
Will target be reached by 2015?

Probably Potentially **Unlikely** Insufficient data

State of supportive environment

Strong **Fair** Weakbut improving Weak

Current status and trends:

Yemen is a country with very low HIV/AIDS incidence level. However, the level of awareness of the seriousness of the disease is still insufficient. It is noted that the number of registered cases is increasing from 1 in 1990 to 2,882 cases in 2009. However, the registered cases may not reflect the total number of affected people due to the difficulties in surveying the disease as a result of the Yemeni traditions and customs that stigmatize the disease infected patient, leading many patients not to notify their conditions.

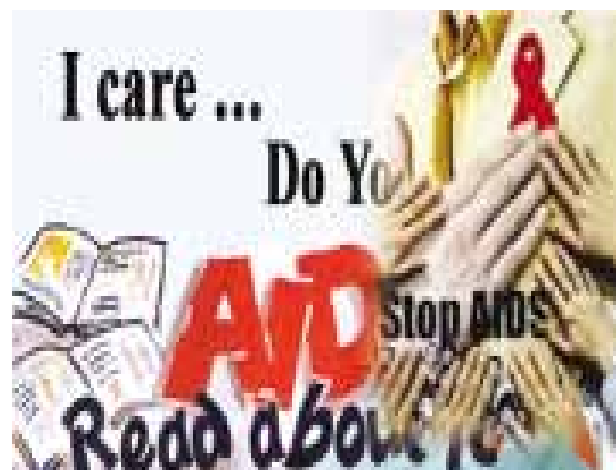
AIDS incidence among men is more than women with men representing 66% of all cases. There are several factors for the spread of this disease including the lack of religious motivations, the poor educational level and the inability of generating income especially in environments of widespread poverty, illiteracy and poor health level.

HIV/AIDS Major Indicators
Table (6-1)

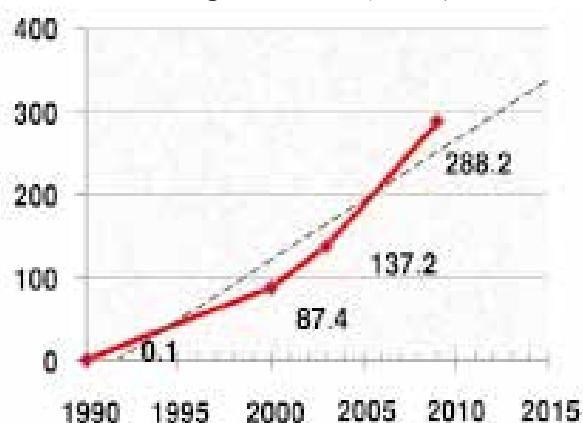
Indicator	1990	2000	2003	2009
Number of registered AIDS cases (aggregate)	1	874	1372	2882

Source: National AIDS Combating Programme 2009

In order to control and prevent the spread of AIDS, the government is making serious efforts. A national strategy for AIDS combating and prevention was developed. In addition five free medical care and treatment centers were established in the governorates and 17 centers for counseling and testing were also established. In addition, four centers providing services for the prevention of the virus transmission from mothers to babies were established.



*Figure(6-1):Accumulative number of
HIV registered cases (in tens)*





Target 6.C:

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

Status at a glance

Will target be reached by 2015?

Probably **Potentially** Unlikely Insufficient data

State of supportive environment

Strong **Fair** Weakbut improving Weak

Current status and trends:

Data indicate that there is a decline in malaria cases from 1263 cases per 100,000 people in 1990 to 600 cases per 100,000 people in 2009. In addition, mortality rates associated with malaria decreased to 5.9 death cases per 100,000 people in 2009 as a result of the malaria combating activities in endemic areas. Malaria spread rates in 7 governorates of Tihama region decreased from 48% in 1998 to 8% in 2008. Continuous campaigns also managed to eradicate malaria in the Socotra archipelago where no malaria cases were recorded since 4 years. The archipelago represents a role model for success in eradicating malaria by 2008. In the past, positive malaria smears were up to 54% in 2000.

Figure(6-2):Ratio of incidence of malaria per 100,000



Malaria and Other Diseases Major Indicators
Table (6-2)

Indicator	1990	2000	2006	2009
Malaria incidence per 100,000 people	1263	7968	1040	600
Malaria related deaths per 100,000 people	n/a	8.8	10	5.9
Annual cases of tuberculosis per 100,000 people	45	41	34	3
Success rate of tuberculosis treatment subject to short term treatment under direct supervision (%)	22	79	85	n/a
Coverage of health services for tuberculosis (%)	28	72	85	100
Mortalities attributed to tuberculosis per 100,000 people	15	15	7	n/a

Sources: Malaria and Tuberculosis Combating Programmes, Ministry of Public Health and Population

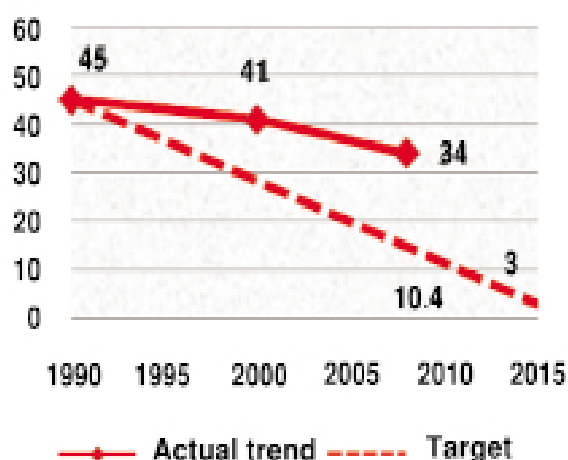
Generally speaking, available statistics indicate that the incidence of malaria declined from 35% of the population in 2000 to 26% in 2006. This comes as a result of the implementation of a national strategy by the government for combating malaria with quantitative and qualitative expansion in integrated and diverse prevention interventions such as spraying 283,825 houses with long lasting pesticides in malaria prevalence areas. The number of protected people is about three million by 2009. The long lasting saturated bed nets distributed to people in target areas is 990 thousand nets during the period 2004-2009. During the next three years, additional 3 million nets will be distributed. The anti-malaria combination therapy was introduced. 259,295 anti malarial doses were distributed to health facilities in the Republic of Yemen in addition to using rapid diagnostic tests (strips) in health centers as well as focusing on supplying this method to remote areas.

Despite these efforts, malaria still represents a critical and serious health issue in Yemen. Therefore, the future strategy aims at reducing the number of cases by 75% by 2015 meeting the motto of the international malaria day launched this year "Counting Down to Eradicate Malaria". This means that if the work momentum is increased and there is a reduction in the population growth, it will be possible to achieve this target by 2015.



With regards to tuberculosis, data indicate that there is a decrease in the annual incidents of new tuberculosis cases from 45 new positive tuberculosis cases per 100,000 people in 1990 to about 34 cases in 2008. Official statistics show an increasing trend in tuberculosis combating programme services from 28% in 1990 to 85% in 2008. Success in the treatment of TB cases subjected to short term treatment under direct supervision was 85% by end 2008 of the total cases while TB associated deaths were 7 cases per 100,000 people at the end of 2008.

Figure(6-3): Annual incidence of tuberculosis per 100,000



Challenges:

There are several challenges that diminish the government's ability of meeting this goal by 2015. The key of these challenges are:

Main Challenges:

First: Combating AIDS

- Limited infrastructure for surveillance and diagnosis especially in international ports. In addition, there is weak monitoring mechanism in the refugee camps.
- Poor awareness of the hazards of this disease.
- Limited financial resources for conducting field surveys, fostering surveillance mechanisms and providing health care for patients as well as limiting the spread of the disease.
- Stigmatization and discrimination against the disease.

Second: Stopping the spread of malaria and other diseases:

- Limited number of health centers in highly populated areas especially in rural areas.
- Weak laboratory diagnosis and limited number of qualified doctors working in this field especially in rural areas.
- Insufficient financial resources for combating Malaria, Tuberculosis and other infectious diseases.
- Poor level of laboratory tests for infectious diseases.
- Low awareness regarding seriousness of infectious diseases and the importance of conducting laboratory tests.
- Poor coordination between different programmes operating in Yemen.

Emerging Challenges:

Global Financial Crisis:

The government's ability to provide health facilities with necessary equipment to combat AIDS, malaria, tuberculosis and other diseases has weakened due to the decline in the state revenues attributed to the global financial crisis and the decreasing production of crude oil.

Climate change:

Global warming and increasing temperatures lead to the creation of a favorable environment for the spread of diseases and epidemics, especially malaria.

Policies and Programmes:

First: Combating AIDS:

- Expansion in the construction of health centers, increasing their coverage and enhancing their role in providing counseling and advisory services to AIDS patients.
- Provide anti retrovirus medications and distribute these medications to patients as well as the medications for opportunistic infection.
- Issue laws and regulations to protect the rights of those living with the disease and protect the society from AIDS.
- Increase awareness programs by AIDS hazards and encourage notification about cases as well as combat negative behavior against AIDS patients.

Goal 6: Combat HIV/AIDS, malaria and other diseases



- Expand services for prevention of AIDS transmission from mothers to babies.
- Focus monitoring mechanism in cities near refugee gatherings, in addition to enhancing control mechanisms on blood transfusion.
- Introduce AIDS concepts in education curricula in schools, institutes and universities.
- Enhance coordination with stakeholders and involve NGOs and CSOs in AIDS combating activities.
- Develop curative programs obligatory to all health institutions to ensure appropriate handling of malaria cases and follow up implementation.
- Quality trained staff in combating malaria and improve the level of health education.
- Support outreach services to expand the scope of health services.

Second: Halting the spread of malaria and other diseases:

- Increase the number of health facilities and provide them with necessary laboratories.
- Support plans for improving quality of laboratory diagnosis and train doctors on the manual of anti-malarial medications.

Halt malaria and other diseases: Monitoring and Evaluation Environment:

Elements of monitoring environment	Assessment		
	Strong	Fair	Weak
Data gathering capacities		✓	
Quality of recent survey information		✓	
Statistical tracking capacities		✓	
Statistical analysis capacity		✓	
Capacity to incorporate statistical analysis into policy. Planning and resource allocation mechanism			✓
Monitoring and evaluation mechanisms			✓



Goal 7:
Ensure environmental sustainability





Target 7.A:

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

Target 7.B:

Reduce biodiversity loss, achieving, by 2015, a significant reduction in the rate of loss

Target 7.C

Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation

Target 7.D:

By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

Status at a glance

Will target be reached by 2015?

Probably Potentially **Unlikely** Insufficient data

State of supportive environment

Strong Fair Weak but improving **Weak**

Current status and trends:

Yemen suffers from the limited stable arable lands that do not exceed 2% of the total natural area which is dominated by desert and mountainous areas. This is in addition to the continuous deterioration in the arable lands by 1.8% annually during the period 1999-2006 as a result of the water erosion, the creeping of sand dunes, desertification and salty soil, in addition to the expansion in road construction, industrial and residential construction and weak environmental awareness of the dimensions and impacts of natural resources deterioration.

Sustainable Development Major Indicators Table (7-1)

Indicator	1990	2000	2005
Proportion of land area covered by forest	1	0.9	1.5
CO2 emissions (MT/capita)	0.7	0.9	*1
Used energy units (kg) per 1000 USD of GDP	298	331	*371
Consumption of ozone-depleting substances (MT)	---	1,904.5	**2,542.1
Proportion of terrestrial and marine areas protected (%)	---	---	1

Sources: UN Global monitoring data_updated_2007
UN Global monitoring data_updated_2006
YEM_MPIC_MDGs National Report_2003

Access to Improved Water Major Indicators Table (7-2)

Indicator	1991	1999	2008	2015
Proportion of population without sustainable access to an improved water source.	65.1	61.6	52	32.6

Sources: YEMENationalPoverty_Survey1999
YEM_CSO_MHMBs 2005-2006

Safe Accommodation Major Indicators Table (7-3)

Indicator	1994	1999	2005	2015
Proportion of families having safe accommodation.	84.5	87.1	92	100

Sources: Central Statistical Organization, Poverty Survey 1999, Census 2004 and YEM_CSO_MHMBs 2005-2006.

Improved Sanitation Major Indicators Table (7-4)

Indicator	1994	2004	2008	2015
Proportion of population with no access to improved sanitation.	89.4	84.1	77	44.7

Sources: Ministry of Water and Environment and Census 1994 & 2004

Statistics point out that the percentage of lands covered by forests until 2005 remained around 1.5% of the total area of Yemen. Preserving green areas requires more attention to the Tree Day and make this day as a national day with various events.

As for CO2 emissions, there was a limited increase to reach approximately 1 MT per capita compared to approximately and 0.7 MT per capita in 1990. Despite this increase, the share of the Yemeni person of CO2 emissions is still among the lowest averages



at global level, which goes up to 12MT in developed countries and approximately 3 MT in developing countries.

With regard to the used energy units, an increase was recorded from 298 kg/1000 Dollars of the GDP in 1990 to 371 in 2004.

As for the consumption of ozone-depleting substances, data indicates that there is a limited increase in the consumption of these substances. The consumption of the Ozone-depleting substances increased from 1904 MT in 2000 to approximately 2542 MT in 2007 with an annual growth rate of 4.8%.

With regard to protected land and sea areas, despite the existence of approximately 36 natural locations with high environmental characteristics and features qualifying them to be natural protected areas, yet so far only six locations were announced as protected areas, namely: Otmah, Socotra, Hawf, Buraa, Wetlands in Aden and Kamaran. The total area of these locations is 4500 km² representing 1% of the total area in 2005. The Environment Protection Authority is currently working to finalize studies to announce three natural protected areas in the near future including Balhaf as a coastal protected area, Sharma-Jathmoon as a sea protected area in Hadhramout and Erf as a land protected area in Taiz.

Frame (7-1) Phenomena of fish depletion

The Government of Yemen ensure that the biodiversity of marine life is maintained, which contribute to the reduction of phenomenon of depletion of fish wealth through the preparation and implementation of management programmes for fishing, as well as training of fishermen on the technical operations and international standards on fishing and export of fish products. Moreover, the Government is also strengthening the supervisory role of the Coast Guard and introduced boat registration, in addition to training of local researchers on coastal marine ecosystems and biological.

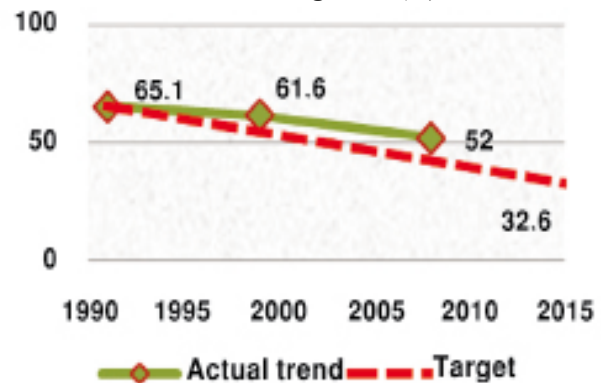
Yemen suffers from scarcity of renewable fresh water resources due to the low rainfall rate (800mm annually in western highlands, 250 in lowlands and 50mm in coastal plains), while annual consumption

of water is witnessing steady increase as a result of the annual population increases and growing economic activities. This results in the depletion of the water reservoirs. There is also the random drilling of wells and traditional methods of water usage for agricultural purposes. The annual deficit of water is exceeding one billion square meter, exceeding one third of the annual consumption.

Renewable water sources in Yemen reach 2.5 billion m³ (1.5 billion m³ of groundwater and 1 billion m³ of surface water), while annual consumption is 3.4 billion m³. Therefore, the current annual water deficit is app. 0.9 billion m³ compared to a deficit of 0.4 billion m³ in 1990. The deficit is expected to reach 1 billion m³ in 2010.

Efforts made to provide drinking water resulted in the reduction of the percentage of people who do not access safe drinking water from 65.1% in 1991 to 52% in 2008. However, the percentage of rural population who cannot access safe drinking water is 53% compared with 43% of the urban population for the same year.

Figure(7-1):Proportion of population don't access clean drinking water (%)



In the field of sanitation, the percentage of population not using improved sanitation services is still high at 77% of the population in 2008. Despite a slow progress during the period 1994-2008, there is still wide gap between urban and rural areas. The coverage of improved sanitation services in rural areas is up to 32% of the population while it is only 22% in rural areas in 2008. This issue requires the mobilization of more efforts from the government to expand the coverage of an improved sanitation services for protection of the environment, especially in rural areas.

With regards to urban development, the third five-year plan 2006-2010 included a package of policies



and actions aimed at reducing slums and random constructions. The rapid population growth in Yemen, during the past four decades and the lack of rural development, contributed to the increasing trend of domestic migration from rural to urban areas, especially the main cities. This issue resulted in more random constructions in the fringes of main cities and increased pressure on basic services and difficult access to these services, especially education and health services. Still more than 8% of the population in 2005 cannot access safe accommodation.

Challenges:

There are a number of challenges weakening the government ability to achieve the 7th MDG by 2015. The key of these challenges are:

A- Main challenges:

First: Environmental sustainability challenges:

- Weak environmental awareness of the dimensions and consequences of natural resources deterioration and the risks of climate changes.
- Weak enforcement of laws related to environmental protection and deficient mechanisms of environmental impact assessment.
- Deficient urban planning systems, especially the policies for urban planning and land usage in cities and rural areas.
- Low community awareness by the importance of natural protected areas resulting in adverse practices in these protected areas such as firewood collection and hunting.
- Limited financial support to the declared protected areas resulting in poor administrative and control activities. This is in addition to the lack of national staff competent to manage protected areas up to international standards.
- Lack of information on the status of species threatened by extinction.

Second: Safe water, improved sanitation and accommodation challenges:

- The rapid population growth increases the pressure on water resources utilization and the demand for water and sanitation services. The

widespread population scattering increases the costs of service delivery especially in light of the current limited resources.

- Scarcity of water resources and drought that hits most areas of Yemen in addition to the poor water management.
- Random drilling of public and private artisan wells in a way inconsistent with ground water replenishment. This practice threatens to gradually deplete ground water.
- Difficulty to finance high-cost water projects.
- Big crop areas depending on ground water in irrigation (31% of the total crop area in 2008). This is in addition to the wasting of water in flood irrigation where the loss is about 70%. Moreover, the cultivation of Qat uses a substantial portion of available water.
- Poor awareness about water conservation and rationalization.
- Construction violations especially in cities and the lack of the effective control by concerned bodies due to the lack of master plans and the inability of accommodating increasing population.

B- Emerging challenges:

1. Global Financial Crisis:

There are in direct adverse effects for the global financial crisis on the realization of the objective of preserving environmental resources and ensuring their sustainability. This is due to the decline in public finance revenues depending on oil sector revenues, which represents more than 70% of public revenues. This is attributed to the decline in international oil prices in international markets since the last quarter of 2008. Therefore, this restricted the government ability in investing in various infrastructure including investments in providing improved water sources for the population and providing appropriate sanitation services. Moreover, the government ability in investing in environmental resource development and maintaining naturally protected areas declined.

2. Climate Changes:

Global climate changes resulted in adverse impact on the achievement of MDGs, especially the goal of sustainable environmental resources. Key aspects of climate change effects may be highlighted as follows:

- Global warming phenomenon and increasing earth temperature resulted in fluctuation in the quantity of rain and seasons. In this respect, the



First National Notification on Climate Changes Yemen 2001, delivered to the United Nations Framework Convention on Climate Change Secretariat 2001, pointed out to the expected decline in rainfall by at least 24%. This issue exacerbates the problems of desertification and lack of food security in the coming decades.

Frame (7-2) 2008 Floods disaster

October 2008 floods that affected the Governorates of AL-Mahara and Hadhramout has caused major destruction to houses, basic infrastructure including irrigation system and agriculture land and livestock, as well as displacement of almost 700 thousand people. Estimated losses of this disaster were at the range of US \$ 1.6 billion.

- Risks of rising sea level with associated consequences of sea waters overflowing on to the Yemen coasts inhabited by large portion of the population in addition to economic losses in public and private properties.

Frame (7-3) Tsunami Disaster

Follow-up to Tsunami disaster, which caused a number of environmental damages and economic losses, the Government of Yemen had approved an Integrated Coastal Areas Management Plan and established a Marine Earlier Warning System that has also taken into consideration monitoring of hurricanes and other types of disasters. With the help of regional and local assistances, the Government has also established a fund for reconstruction of the affected areas as a result of Tsunami and compensation of affected population.

- Increasing temperatures with associated health hazards and spread of diseases.



Policies and programmes:

First: in the field of ensuring environmental sustainability:

- Activate the law on environment protection and develop legal, legislative and procedural frameworks to protect the environment, land and marine species at risk and management of natural resources.
- Raise the awareness on the sustainable use of natural and environmental resources and building a modern system for environmental information.
- Assess environmental impact of projects, activate the system of environmental management of industrial facilities and industrial zones, power generation stations and improve these facilities to be up to international best practices and apply the procedures of best production
- Implement regulations and laws related to natural protected areas and increase efficiency of their management in addition to implementing the plans regarding the creation of proposed natural protected areas.
- Serious thinking in alternative fuel means in rural areas and construction materials that guarantee the non-utilization of trees for these purposes.
- Declare a national day for trees where events are held to encourage plantation of trees nationwide.

Second: In the field of providing safe water, improved sanitation and safe accommodation:

- Implement national water strategy.
- Finalize the institutional arrangements by developing the organizational structure and regulation of the Ministry of Water and

Goal 7: Ensure environmental sustainability



Environment and the Environment Protection Authority.

- Work to reduce the depletion rate of groundwater, finalize the assessment of the water reservoirs in the aquifers, monitoring water resources, monitoring indicators, developing water resources, qualifying agricultural and water sectors to benefit from water harvesting projects, artificial rains and desalination of salty groundwater.
- Regulate drilling operations of artisan wells; develop a water map for water aquifers and a water database.
- More engagement of local communities in planning, evaluation and monitoring of water resources management and encourage the participation of the private sector and cooperatives in water supply projects.
- Conduct a comprehensive survey for the impact of water changes on water sector and other relevant sectors.
- Secure financial resources for construction of new drinking water projects and continue replacing old water supply networks that links with new networks.
- Increase the coverage percentage of sanitation services in urban and rural areas and increase the level of treatment of waste waters.
- Plan new urban and semi-urban zones to encourage investments, income generation and to accommodate increasing population.
- Develop a national strategy for cities development to ensure sustainable growth in main and secondary cities and surrounding areas in line with environmental standards.
- Decrease the tendency for migration from rural to urban areas by creating job opportunities and income generating activities in rural areas while preserving natural resources along with paying attention to rural planning and provision of infrastructure and services.

Integrate principles of sustainable development; Access to safe drinking water; and achieve improvement lives of slum-dwellers: Monitoring and Evaluation Environment

Elements of monitoring environment	Assessment		
	Strong	Fair	Weak
Data gathering capacities			✓
Quality of recent survey information			✓
Statistical tracking capacities			✓
Statistical analysis capacity			✓
Capacity to incorporate statistical analysis into policy. Planning and resource allocation mechanism			✓
Monitoring and evaluation mechanisms			✓



Goal 8:
Develop a global
partnership for development





Target 8.A:

Develop further an open, rule-based, predictable, non-discriminatory trading and financial system

Current status and trends:

Commercial and financial system:

The foreign commercial system has become wider and more open as evident through the data in table (8-1). Constraints on commercial transactions have been lifted, custom tariff has been reconsidered, manipulation cancelled and competition reinforced. A number of reforms have taken place to upgrade the efficiency of foreign commerce including the issuance of the foreign commercial law which allows foreigners to do business in Yemen without a local partner.

With regards to joining WTO, steps have recurred towards it, starting with Yemen obtaining membership as an observer in 1999 and the successive procedures that took place including the amendments on economic, financial and commercial laws to make them compatible with WTO rules and in order to pave the way for a full membership of the organization. Hence, Yemen has made good progress towards being a member as it has almost concluded the multilateral negotiations and agreements signed with USA, China, EU and Australia while negotiations with the remaining countries are underway.

Frame (8-1)

Ranking of Yemen on Global Doing Business Report of 2009

Yemen has made a remarkable progress in Doing Business Report 2009, as it was positioned 98th out of 181 countries worldwide compared to the 123rd in 2008 report.

In order to activate the role of the financial sector, being the sector through which commercial transactions are done with the world, the government has initiated several reforms related to liberating the banking sector on top of which comes the decision to allow foreigners to open new banks without a local partner as well as to update some banking laws

Trading and Financial System Major Indicators Table (8-1)

Indicator	1991	2000	2005	2008
Exports and imports share to GDP (%)	29.4	60.9	60.5	61.5
Percentage of Foreign capital in the banking sector to the total capital (%)	18.9	30.0	29.2	32.5

Sources: Annual statistics book 2008, foreign trade bulletin 2003, annual reports by Central Bank of Yemen for the years 1991-1999 2005-2008

and regulations aimed at enhancing the integrity of the banking sector. This has reflected in an increased foreign capital in the banking sector from 18.9% in 1991 to 32.5% in 2008.

Good governance:

The government has undertaken a wide variety of administrative reforms and legal amendments since 2006, including:

- The judicial system now enjoys financial and administrative autonomy. Moreover, several administrative measures were also adopted in the areas of judicial reform in the institutional aspects, improvement of regulatory aspect for commercial courts, special courts for public funds and juvenile justice.
- Various reforms took places on the modernization of civil servant service.
- Budgeting, tenders and bids procedures have been improved.
- The one-window system is applied for all commercial transactions and commercial legislations improved.
- The election of the Supreme National Anti-Corruption Committee and joining the Transparency Initiative for Quarrying Industries.
- Approving the election of governors and district managers and enabling local authorities to approve development plans.
- Finalizing the establishment of the Regional Center for Productive Training in cooperation with the international donor states and organizations.

In enhancement of the above reform efforts, the government endorsed the second phase of the National Reform Agenda for 2009-2010. Ten priorities have been approved in order to address the major bottlenecks facing the development work in Yemen and establishment of “friends of Yemen group” in London meeting of 27 January 2010 to support reform programme in Yemen.



Target 8.B: Address the special needs of the least developed countries

Current status and trends:

The development cooperation relations between the Yemeni government and the donor community based on transparency and credibility have contributed to widening the donors' map to include 28 donor states and parties. In addition, the number of foreign NGOs working in Yemen has increased to reach almost 30 international and regional organizations. As a result, the amount of pledged funds reached 5.76 billion USD during and after the Donors' Meeting in London 2006. Despite the significance of such pledges, the per capita share of assistance and simple loans remained low, averaged 15 USD per capita, which average for the less developed countries is 44 USD. This comes despite weak development indicators of Yemen regarding achievement of the MDGs, which are adopted by the donor states as a benchmark for allocation of funds. This is primarily attributed to the limited number of industrial countries which put Yemen in its priority foreign assistance list (3 of 22 industrial states). Grants to Yemen did not exceed 0.2% of GDP in 2008 after it reached 0.4% in 2005 and these percentages are small in general compared to development needs of Yemen, and similarly data indicate little assistance for trade capacity building which did not exceed 0.5 %. Moreover, Yemen is one of the least developed countries seeking to join the World Trade Organization, which requires on priority basis for development assistance to build trade capacity in the context of special and differential treatment enjoyed by States of similar category, however, Yemen is one of the least benefits of this type of aid.

In order for Yemen to be integrated in the GCC and to strengthen cooperation and partnership, several steps were taken in consistency with the resolutions of the GCC summit, starting with the Muscat Summit which endorsed the integration of Yemen in several GCC organizations (GCC health ministers' council, Education Bureau, Social Affairs and Labor and Arabian Gulf Football Championship). The GCC Summit in Abu Dhabi in December 2005 boosted the

**LDCs Needs Major Indicators
Table (8-2)**

Indicator	1990	2000	2005	2008
The foreign grants to GDP (%)	n/a	0.3	0.4	0.2
The official development assistance presented to build commercial capacities from ODA(%)	0.1	0.4	0.4	0.5

Sources: MoPIC, Ministry of Industry and Trade

Frame (8-2) Distribution of London CG Pledging for Yemen

The November 2006 London Consultative Group Meeting allocations reached 83.1% of the total pledges. The total funds that agreements were signed for accounted for 57% of the total pledges by the end of 2009. These allocations were variably distributed among production sectors with 5.1% while the largest amount (54.8%) was allocated for infrastructure projects followed by human development 19.6%. The remaining sum (21%) went for Social Safety Net, Good Governance and institutional reforms. For the sake of accelerating the pledges' allocation and making them available to fund projects, Friends' Yemen Meeting that was held in Riyadh in February 2010 recommended that the funding agreements between Government of Yemen and donors have to be finalized by the end of 2010.

tendency In order for Yemen to be integrated in the GCC and to strengthen cooperation and partnership, several steps were taken in consistency with the resolutions of the GCC summit, starting with the Muscat Summit which endorsed the integration of Yemen in several GCC organizations (GCC health ministers' council, Education Bureau, Social Affairs and Labor and Arabian Gulf Football Championship). The GCC Summit in Abu Dhabi in December 2005 boosted the tendency to qualify and integrate the Yemeni economy in the GCC economies as it supported development projects and infrastructure in Yemen and later on the preparation for an international donors' conference in London under the



sponsorship of the GCC General Secretariat in mid November 2006 and the following sponsorship of the Investment Opportunities Conference in Yemen in 2007. In 2008, Yemen was given membership to the GCC Organization for Industrial Consultancies and the Measurement Authority of the GCC. In continuation of these steps, the GCC exceptional summit in 2009 took a decision to absorb Yemeni skilled employment in the GCC countries labor market.

The trade partnership between Yemen and the GCC countries has grown from US\$ 3.5 billion US\$ 5.1 billion a reflection of 48% increase during the period 2005-2008. This partnership is expected to grow further with the setting up of three joint free zones in the coming years, in addition to the joint investment projects allowing production elements to move back and forth in Yemen and the Gulf countries.

Frame (8-3)

The role of civil society organizations in development:

There are many physical and regulatory constraints that have weakened the role of civil society organizations in development, but these organizations have developed over the past years and their numbers have increased to 4,369 organizations by end 2008. These organizations have played vital role in some developmental areas such as:

- Provide health and education services (primary health care, reproductive health and population education, training, rehabilitation and literacy), especially in rural areas;
- Poverty alleviation initiatives through promotion and development of small income generation projects, provision of cash assistance and in kind to the poor and marginalized groups;
- Work in the field of human rights and the defense of freedoms, as well as working are the areas related to childhood, youth, women and disabled; and
- Contribute to the development of local communities and environmental awareness rising.

Target 8.D:

Deal comprehensively with debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

Debt Major Indicators

Table (8-3)

Indicator	1990	2000	2005	2008
Debts' costs service ration of goods and services exports (%)	12.4	1.8	1.7	2.4
Foreign debt to GDP (%)	114	49.8	29.2	21.6

Current status and trends:

The efforts made to rationalize the use of foreign debts have reflected in the decrease in the foreign debt ratio to GDP from approximately 49.8% in 2000 to 21.6% in 2008. Foreign debt service remained within 2.1% of total exports on an average during the same period. Yemen's relations with the Arab and other foreign countries along with the international funding organizations have improved, leading to obtaining more simple loans, funds and technical and development assistance. It is worth noting, however, that the value of the foreign debt did not decrease as in absolute value as it remained close to 5.5 billion USD during the period 1999-June 2009. On the other hand, the domestic debts' burden kept on increasing to reach 11% of GDP while its service charges account for 2% of GDP for the same year. Domestic debt is represented in the treasury bills that were issued to finance the deficiency in the Public Budget which accounted for 9.3% in 2009. Due to the weak financial sustainability in Yemen as a result of the ongoing decline in oil production and oil revenues, the World Bank transferred its loans portfolio to Yemen into grants.



Target 8.F:

In cooperation with the private sector, make available the benefits of new technologies, especially information and communication

Private Sector and IT Major Indicators
Table (8-4)

Indicator	1990	2001	2008
Percentage of population subscribing in landline phones per 100 person	1.1	2.2	4.3
Percentage of subscribers in mobile phone services per 100 persons	n/a	0.8	27.1
Subscribers in the internet per 100 persons	n/a	0.04	1.4
Internet users per every 100 persons	n/a	0.3	6.9

Source: the General Corporation for wire and wireless Telecommunication

Current status and trends:

The period 2000-2008 has witnessed a tangible development in various areas of IT and telecommunication. The number of information units in 2001 rose to 186 including 99 governmental information units. This number has been increasing ever since to reach over 380 information units by the end of 2006. With the inception of the Internet Service in Yemen in 1996, the number of hosted bodies on the Yemeni Gate to Internet has doubled to reach 55 with a capacity of 550 MB in mid 2007. As a result, the number of internet cafes has doubled to reach 925 nationwide by the end of 2007. In addition, the number of information and research centers as well as libraries and various information institutions has significantly increased to reach 53 in 2007.

Meanwhile, the government has endorsed the proposal of the National IT program (e- government), through which a public website for e-government in the web including for the governorates.

The number of subscribers in the landline phone increased from 1.1% in 1990 to 4.3% in 2008). The capacity of the landline network has reached 1337 thousand subscriber in 2008 while the planned capacity to reach 1.533 million is expected by the end of 2015 with a 15% increase. As far as the mobile phone service is concerned, it was introduced

in 2000. However, the number of subscribers of this service has significantly tripled increasing at the rate of 278% annually despite the increase in prices of such service after the introduction of several service providers from governmental and private corporations to increase competition. As a result, the phone density (phone/100 citizen) of mobile phones increased from 0.8% for each 100 person in 2001 to almost 27.1% in 2008. With regard to Internet services, it was introduced in Yemen in 1996 but its expansion did not actually take place until the Internet Cafes started to blossom in 2004. Nevertheless, the percentage of subscribers continued to increase by 75.5% per annum during the period 2001-2007 leading to a corresponding increase in the ratio (subscribers/100 persons) from 0.04% in 2001 to approximately 1.4% in 2008. Hence, the internet users increased from 0.32% in 2001 to 6.89% in 2008.

Challenges:

There are several challenges facing Government of Yemen in its quest to form a global partnership for development. On top of which are:

A- Main challenges:

- Limited financial and absorption capacities of national economy and weak investment attraction.
- Weak competitive potentials of non-petroleum exports in foreign markets and weak contribution to the export's structure (10% of total exports).
- Delays in the procedures of signing funding agreements and accessibility to funds allocated for development projects by some donor countries and organizations.
- Issues of integration within the regional and international economies are linked to some internal and external factors and variables.
- The need for significant investment to keep pace with rapid technological developments of information and communication technology, adapted to the old networks.
- Rough topography and population dispersal which leads to higher costs for landline communication networks and services.
- Low per capita income in general and weak IT awareness amongst the Yemeni population which leads to less utilization of technology.

Goal 8: Develop a global partnership for development



- Weak local and foreign investments in the IT sector and shortage of specialized staff.

B- Emerging challenges:

The global crisis has affected the foreign transactions sector as follows;

- Government share of crude oil exports declined by 56.7% in 2009 based on preliminary data.
- The bulk of official reserves of foreign currency declined by 15% and about 10.8% during the first quarter of 2010 due to decline Government share of crude oil export on the one hand and the falling crude oil prices per barrel in the global market on another hand.
- The devaluation in the Yemeni Rial exchange rate against the USD by 3.4% in 2009 also a further devaluation of 7.4% during the first quarter of 2010.

Policies and programmes:

- Strengthening the role of the financial sector in financial intermediary through accelerating the establishment of a stock market and boosting the confidence in the banking system and reforms.
- Undertaking an investment promotion strategy in Yemen and pursuing the reforms in the investment climate including review of the financial and commercial laws related to improving the investment climate and finalizing the study of exploring and appraisal of investment opportunities.

- Reinforcing non-oil exports through establishing a financial institution to fund goods and services' exports.
- Finalizing the procedures to join WTO.
- Conducting a study on the setting up of free zones between Yemen and the GCC countries and preparing a road map draft to integrate Yemen in the GCC.
- Finalizing allocations of donor pledges and signing the grants' contracts to fund development projects and provide financial resources for them.
- Preparing studies to define the funding needs of Yemen according to a programme that covers the period until 2015.
- Increase absorptive capacities
- Integrating IT development programmes into the sectoral development strategies.
- Promoting investment in technology and raising the awareness of individuals and projects of the importance to adopt modern technology.
- Establishing an IT college and equipping it with a specialized educational staff.

Develop a global partnership for development: Monitoring and Evaluation

Elements of monitoring environment	Assessment		
	Strong	Fair	Weak
Data gathering capacities		✓	
Quality of recent survey information		✓	
Statistical tracking capacities			✓
Statistical analysis capacity		✓	
Capacity to incorporate statistical analysis into policy. Planning and resource allocation mechanism			✓
Monitoring and evaluation mechanisms			✓

*Needs required to
achieve the Millennium
Development Goals*

Status on MDGs Financing:

MDGs Needs Assessment Study that was carried out in 2005 indicated the total investment required by Yemen to meet MDGs by 2015 would be at the magnitude of US \$ 48.4 billion over a period 2006-2015. The resources envelope of US \$ 30.7 could be mobilized from domestic and external sources and US \$ 17.7 billion was considered to be a financing gap over the next ten years (2006-2015) an average of 1.77 billion dollars annually.

The analysis indicated that Yemen is an off track country to attain the Millennium Development Goals by 2015, mainly due to decline in actual spending on MDGs related programmes and projects over the current third MDG-Based National Plan for Poverty Reduction (2006-2009). The analysis conclusions are as follows:

- The total actual expenditures on the MDGs related programmes and project amounted to \$ 3.86 billion (8.6% of the total needs US \$ 48.4 billion) during the period 2006-2009, of which the amount of \$ 1.12 billion came from grants and loans provided by international community to Yemen.
- The resources enveloped that is required for the remaining period (2010-2015) to achieve the MDGs is at around \$ 44.5 billion, which requires tremendous effort for these resources to be mobilized and utilized within the remaining period to achieve the MDGs by 2015.
- Despite the results of 2006 GC Meeting in London, in which US \$ 5.76 billion were pledged, an amount of US \$ 38.78 billion would required to be mobilized to address the MDGs related programmes and projects during the remaining period (2010-2015).
- In view of a narrow timeframe required to achieve the Millennium Development Goals and due to decline of internal resources as result of economic hardship, it is expected that Yemen would be able to attain MDGs beyond 2015 only if external resources would be made available to ensure implementation of MDGs related programmes and projects.

Priority areas of focus:

The priorities of development assistance aimed at achieving the Millennium Development Goals as follows:

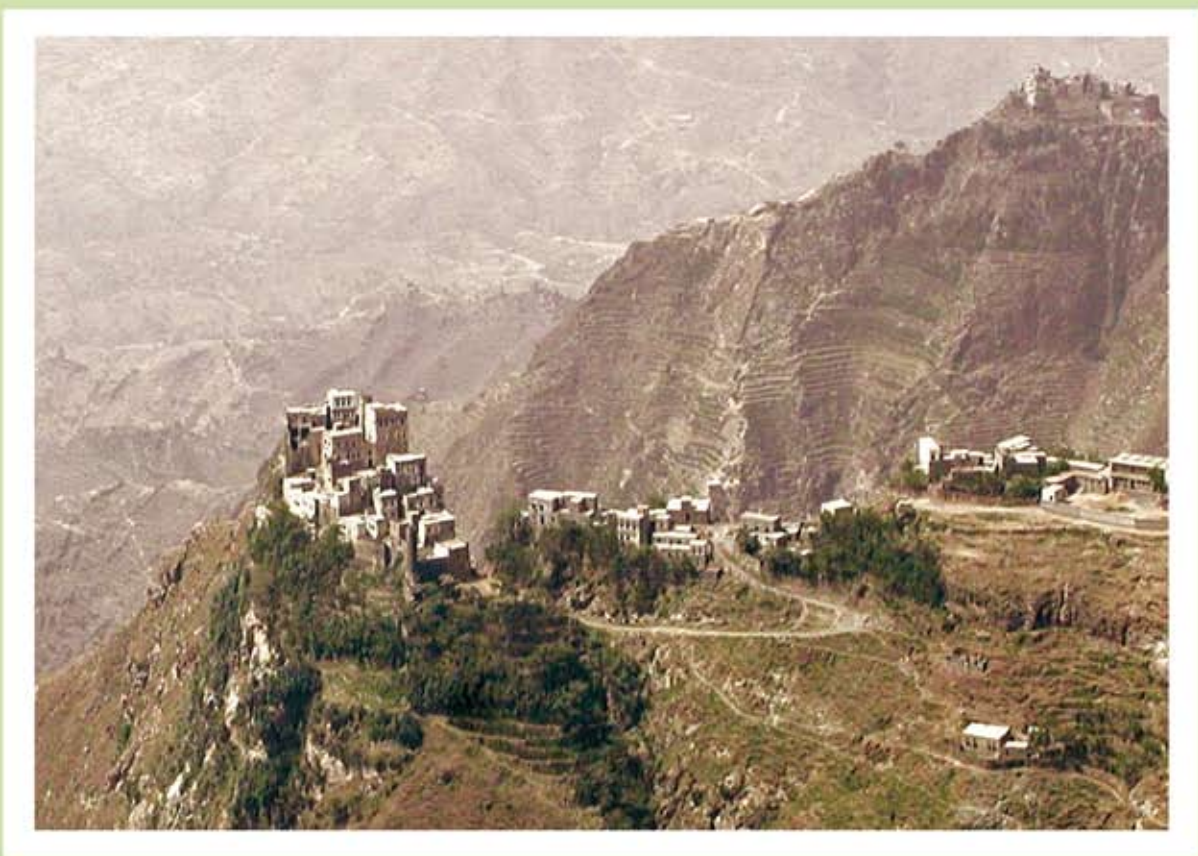
- Support rural development through improved infrastructure and provision of education with specific focus on girls education, health services and access to clean drinking water.
- Supporting social projects aimed at developing the capacity of the poor and increases their productivity.
- Support projects aimed at raising the efficiency of the agricultural sector, fisheries and applying modern methods.
- Improve educational institutions in different levels and enhance education curricula and boost up absorptive capacity of educational institutions. Expansion of family incentive programmes to encourage girls and children from poor families to enroll in education, especially in rural areas.
- Support and facilitate the empowerment of women economically and politically and to reduce inequalities between both sexes.
- Support awareness programmes and enhance the potential of population, reproductive health and universal immunization of children and provide necessary health service (including family planning) in all areas of the Republic, with a special focus in the rural areas.
- Reorientation of medical personnel and rehabilitation of medical centers and facilities in to improve health status of the population in general.
- Support governmental efforts and strategies aimed at halting the spread of diseases, immunodeficiency syndrome (AIDS), malaria, tuberculosis and other diseases and provide required technical assistance, financial and material resources to treat the sick and to minimize spreading of diseases, as well as raise health awareness among the population as means of prevention of diseases spreading.
- Strengthen the government's efforts to preserve environmental resources, water and building a database for monitoring and evaluation of environmental resources.

- Support Government efforts to expand coverage of safe water and improved sanitation, and study possible means for rational utilization of water resources and improve ground water tables in strategic catchment areas.
- Provide technical assistance to Yemen to qualify to join the World Trade Organization and granting special and differential treatment for least developed countries and give more flexibility in the accession negotiations.

Table (9-1)
The level of progress in spending on sectors of the Millennium Development Goals (million dollars)

Sectors	Requirements 2006-2015	Actual expenditure on the sectors of the Millennium 2006-2009		Mobilized the resources required 2010-2015	The proportion of actual expenditure% of the total requirements Percentage (%)
		Local	Foreign		
Health	14131	134.03	145.08	13852	2.0
Public Education	16309	87.80	160.63	16.120	1.5
Technical and Vocational Education	3995	118.59	69.92	3.813	4.7
Higher Education	1964	121.2	29.5	1.813	7.7
Agriculture	1904	83.06	141.82	1.679	11.8
Fish	226	5.76	12.0	208	7.9
Roads	3657	1368.43	338.60	1.950	46.7
Electricity	2532	478.8	225.4	1.828	27.8
Water and sanitation	3677	372.11	248.88	3.056	16.9
Total	48395	2769.77	1371.83	44.319	8.6

Source: Ministry of Planning and International Cooperation



2010