

Chapter 2
Human Resource Development, Social Protection,
Environment and Natural Resources, and
Infrastructure

Introduction

This chapter assesses achievements in three pillars of the PRS: human resource development, social protection, and infrastructure. It highlights the links among them and their mutual impact on results, reinforcing the integrated nature of the development process and of measures for reducing poverty. As in the previous chapter, focus will be on the most significant achievements by tracking and analyzing sectoral indicators.

Human Resource Development

According to the PRS objectives and policies, upgrading the quality of life and enhancing the human capital in Yemen rest on improving health, raising educational attainment, and providing adequate social care that supports the incomes of the poor and the quality of their life. Achievements in these areas are strongly linked to a set of factors that relate to the adopted policies and measures, and to the available financial resources.

Population and Public Health

The Population Situation

Yemen's high population growth, estimated at between 32% -3.3%, has a clear impact on economic development and on the life of the people. Population growth is also closely linked to poverty and is negatively reflected in people's lives. Providing social services that meet the needs of the growing population requires major investments that strain the public budget and undermine poverty reduction efforts.

Indicators show declining population growth and falling total fertility, from 6.8 children for each woman in the Demographic Survey of 1997 to 5.8 children in 2003. The average number of live births also decreased slightly over the same period, from 4.9 to 4.8. This is due to higher average age of first marriage, from 20.8 years in 1994 to 23.3 in 2003. Better understanding of reproductive health as well as expanding family planning programs have contributed to these improvements. Beneficiaries of family planning services totaled 185,633 women in 2004, and contraceptive prevalence rose from 20.8% in 1997 to 23.1% in 2003 compared to 23% target.

Controlling population growth has been an absolute priority, as it relates primarily to cultural and awareness issues. Focus was directed toward increasing public awareness on the dangers of rapid population growth through various media channels and other communication methods. A national strategy was drafted for media, education, and communication that integrates views and priorities, and enhances coordination among the various entities engaged in the media work. During 2003 and 2004, 285 minutes of awareness dialogue on population issues were produced and broadcast through both TV channels. The central and local radio stations produced and broadcast 3,848 minutes of awareness raising on various population issues in the same period; of which 720 minutes were broadcast in 2004. Articles on population issues continued to appear in weekly

private sector and government newspapers; a page devoted to these issues is included in the *26 September* and *Guards* newspapers, which target military and security forces.

Sensitization workshops were conducted on population issues and the concept of PRS at the central level and in a number of governorates, including Hajjah, Al-Dhali'a, Lahj, and Hadhramaut. Similar seminars were held for the legislative and executive branches, highlighting their role in dealing with high population growth. Preliminary results of the 2004 Population Census have shown a decrease in population growth to 3.02%, which reflects the relative success of policies and measures adopted by the government.

Several policy and coordination activities were carried out in 2003 and 2004 at both the central and local levels, including preparations for a National Conference on Population to address the challenges based on the population national policies and their alignment with the PRS policies and the Millennium Development Goals. A plan was drawn up to address major population problems such as fertility, maternal and infant mortality, basic education, gender equality and women's empowerment, adolescence and youth, and HIV/AIDS. Efforts are under way to complete the plan and implement it.

Table (2.1): Changes in Major Indicators

Goal	Indicators	Base Year Data	2004 planned	2004 Actual	
Improvement of real GDP	Average rate of GDP growth	5.1	5.3	3.6	
	Average rate of non-oil GDP growth	4.7	6.5	4.4	
	Growth rate of real per capita GDP	1.6	2.1	0.2	
	Population (millions)	18.3	20.8	19.7	
	Fertility	5.9	5.3	5.8	
	Maternal mortality (per 100,000 births)	351	314	365	
	Infant mortality (per 1,000)	67.8	61.5	84.3	
	Under 5 mortality (per 1,000)	94.1	84.1	99.8	
Control of population growth	Population growth rate	3.5	3.1	3.02	
Reduce poverty	Poverty rate (1998)	Total	41.6	38	
		Urban	29.9	26.1	
		Rural	45.1	41.6	
Increased health care coverage	Percentage coverage	Total	50	63.8	63
		Urban	80	80	80
		Rural	25	39.6	41
Increase basic education school enrollment		Total	62	67.6	68.9
		Male	77.2	81.2	82
		Female	43.9	52.7	53.3
Increase in university science graduates		12.2	15.6		
Increase in water and sanitation services	Percentage of population with water from public network	Total	57.4	64.5	
		Urban	64	68	62.4
		Rural	-	32	34
	Percentage of population with sanitation services	Total	6.2	7.8	
		Urban	33	40	38
Increase coverage of electricity service	Percentage of population with power from the national grid	Total	30	38.5	37
		Urban	65.7	96.9	88
		Rural	17	22	21
	Electricity losses (percentage)	Total	38	28	25.8
Connecting rural areas to markets, and easy access to services through expansion of road network	Asphalted roads (km)	6,586	2,050	1,436	
	Gravel roads (km)	3,915	1,750	-	
	Rehabilitated asphalt roads (km)	-	233	256	
	Improved and strengthened roads (km)	-	210	-	
	Roads undergoing routine maintenance	-	2,143	7,617	
Reinforce role of social welfare	Number of beneficiaries	450,160	570,160	650,000	
Expansion of pension coverage	Number covered	Gov. and public sector	415,000	450,949	474,879
		private sector	45,000	66,000	71,103
	Number of pensioners	Gov. and public sector	40,473	56,089	59,932
		private sector	1,120	5,728	2,260
Narrowing gender gaps	Gender development index	0.428	-	0.427	

Health Care and Improving Peoples' Health

The PRS considers health care, especially primary health care, as a right of citizens, a basic pillar of society, and an important area for reducing poverty. Health services are based on the needs of the people rather than their ability to pay. In the past two years, many health facilities were completed, including one major hospital in Sharab (Ta'iz), 28 health centers, and 105 health units. These facilities contribute to improving the provision of health services; however, although they are located in rural areas where most of the poor live, the population is widely dispersed among thousands of settlements, and many people are still far from a health services facility.

Public expenditures on health rose from 1.4% of GDP in 2002 to 1.8% in 2003 and 1.9% in 2004 compared with a target of 2.1%. This share is low compared with international standards and even with expenditures in countries that are socioeconomically similar to Yemen. Public expenditure priorities need to be reviewed and a higher share allocated for health, especially primary health care. Cost sharing in health services has contributed to providing additional resources to health facilities and incentive to its staff, hence improving service quality and expanding coverage. However, some studies concluded that it is denying more of the poor from obtaining such services. The government is pursuing its policy of ensuring free health services to those holding social welfare cards, in addition to encouraging NGOs to provide free medical services to the poor.

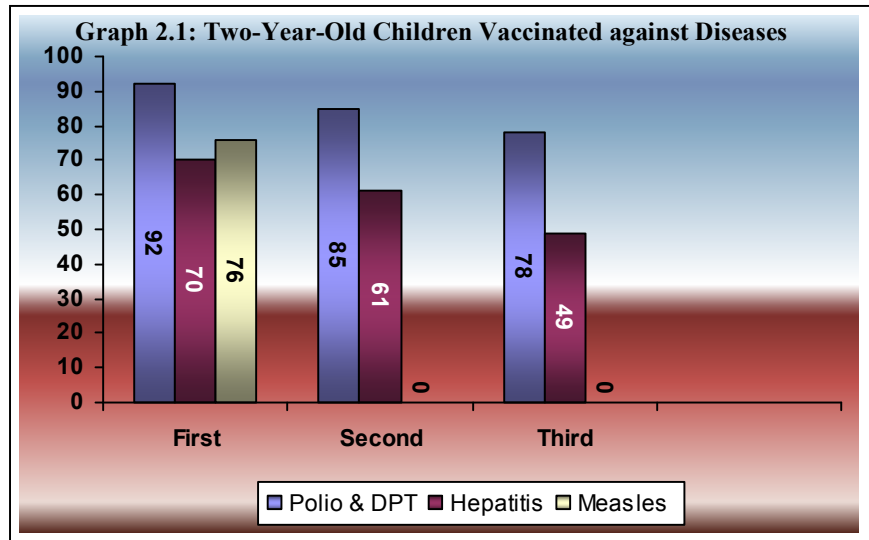
The Drug Fund distributed YR700 million in free medicines in 2004, compared with YR544 million in 2003. The increase resulted from continued donor support. The Drug Fund has been distributing free medicine through major hospitals to ensure reaching the poor and the needy, and the National Drug List also has been updated to include more safe medicines at affordable prices.

Reproductive health services are available in 63% of the public health facilities. There has been noticeable improvement in maternal care, and the percentage of mothers who obtained prenatal care increased from 26% in 1997 to 45% in 2003. Tetanus immunization rose from 26.9% of pregnant women in 1997 to 31.5% in 2003. On the other hand, newborn and infant mortality, which had declined from 37 newborns per 1,000 births in 1992 to 33.6 in 1997, and from 82 infants to 75 per 1,000 over the same period; increased between 1997 and 2003, to 35.7 newborns per 1,000 births and 84.3 infants. This setback is attributed to continued malnutrition, especially in poor and remote areas that lack health services, in spite of improvement in preventing diarrhea among children from 29% of children in 2003 to 26% in 2004.

Mortality among children under five years old declined from 104.8 per 1,000 to 99.8 over the same period 1997–2003 compared with a target of 84.1, although the ratio of underweight children under five years old remains relatively constant (46%-to 45.5%). Disparities exist, however, with respect to gender (46% for males and 45.1% for females) and geographic distribution (36.7% for urban and 47.9% for rural). Vaccination of children against the six diseases (diphtheria, polio, tetanus, typhoid, measles, and mumps)

saw noticeable improvement, with comprehensive immunization reaching 66.4% in 2004 at 3,573 immunization locations.

Yemen also realized significant achievements in controlling endemic and contagious diseases that are major causes of continued poverty. Malaria incidence declined from about 34.9% in 2001 to 32.8% in 2002 and 25.5% in 2003. The decline is attributed to the intensification of community health awareness programs and the mobilization and coordination of



efforts. Prevention activities were intensified in disease-conducive environments, with the distribution of 14,600 mosquito repellents and the spraying of 36,622 houses with pesticide, in addition to the provision of free medicines. With respect to schistosomiasis (bilharzias), the government, in partnership with donors and in collaboration with local and international NGOs, continued to fight the disease by covering 56 new districts and treating 439 ponds, 41 dams, and 36 water streams.

Yemen is very close to meeting the international goal of full coverage for combating tuberculosis, with coverage reaching 98% at year-end 2004 in 263 districts.

Year	Districts	Schools	Students	Examined Patients	Treated Patients
2003	36	178	72,615	17,926	39,209
2004	56	321	129,799	18,892	66,762

As for HIV/AIDS, Yemen has paid special attention to this matter, although the country has not seen many cases so far. In 2003, the government drafted a national strategy for preventing and combating HIV/AIDS; implementation began in 2004. A total of 47 training courses were organized, targeting media and health personnel, including nurses, lab technicians, and other health workers; 65,000 awareness brochures were distributed. Yet, conditions remain that undermine efforts to eradicate these diseases, the most significant of which is the population dispersion that impedes delivery of health services

to afflicted areas. Other factors are lack of community participation, inadequate financial resources, and a shortage of qualified health workers.

These factors have also hindered the implementation of the Health Sector Reform Project supported by the International Development Agency (IDA) since 2003 to reinforce public health programs. Its programs include combating malaria, providing primary and preventive health care, upgrading health management systems, and improving the efficiency of health resources and information systems. In 2003–2004, the project used only 5.2% of its budget.

The primary cause of unsatisfactory health services is poor health management at all levels and the lack of a clear framework for regulating the activities of the various sectors. In addition, follow-up and monitoring of strategies and plans are weak, and coordination is lacking among entities that provide government services and the private sector and NGOs. The Ministry of Health needs to be restructured, using the successes of other countries with similar challenges as a model. The ministry needs to create a general directorate for quality control and a mechanism for coordination among health sector entities

The Yemeni government, with support from the World Bank and the British Overseas Development Association, convened two workshops in early 2005. The first workshop reviewed the health sector reform strategy and linked it to PRS objectives and policies, assessing the current situation and defining problems and obstacles, especially in unimplemented components. The workshop proposed practical measures for improving basic services provided at health centers and units, including preventive and therapeutic services. Workshop participants also discussed the activation of a referral system to rural hospitals and to large hospitals in cities. The second workshop focused on enhancing coordination among international supporters of the health sector. The committee established under Cabinet Order No. 99 of 2004 (consisting of representatives from the Ministry of Finance, Ministry of Planning and International Cooperation, and Ministry of Public Health and Population) has identified projects in the health sector that are obstructed and has recommended remedies in terms of personnel and expenditures for operations, buildings, and equipment.

Education and Training

Education and training are among the most important development objectives. PRS policies have focused on the need to provide poor people with access to education, to combat illiteracy, and to narrow the gender gap. The strategy aims to increase enrollment for both sexes and ensure adequate educational opportunities in all regions.

Combating Illiteracy and Reducing Poverty

Illiteracy is one of the causes of poverty; literacy, especially for females, has become an

instrument for poverty reduction. In 2003/2004, the government expanded services in 945 literacy and adult education centers, of which 646 are in rural areas, and closed 583 centers to consolidate informal and formal education centers. Total enrollment was 50,663 students (88% female) in the 2003-04 school year, compared with 45,270 the previous year. However, these numbers are low considering the magnitude of the problem, and illiteracy remains a major challenge that requires serious attention.

Basic Education

The government pursued improvement in basic education by constructing 317 new schools in 2003 and 735 schools in 2004. An additional 244 schools were rehabilitated in each of those two years; and 451 schools were expanded in 2003 and 374 were expanded in 2004. A total of 8,767 classrooms were built in 2003 and 9,342 classrooms in 2004. Work also commenced in various governorates on 34 educational complexes accommodating 420 classrooms. More than two-thirds of the new school buildings were in rural areas. The increase in schools and classrooms led to higher enrollment in basic education: 67% in 2003 for both sexes and 53.7% for females. In 2004, total enrollment surpassed the target to 68.9%. Female enrollment dropped slightly to 53.3%, although the number of female students rose to 1,530,000, exceeding the target by 1.2%.

Negative attitudes toward educating girls are common, in spite of the fact that education fees are waived for children of poor families, especially female students, in compliance with the social welfare law. Food distribution such as wheat and cooking oil continued covering 106,169 female students in 1,272 basic education schools in addition to providing meals to 248,244 female students in 2004.

Construction of new schools was possible because the education sector's share of public expenditures increased from 17.2% in 2003 to 21.9% in 2004. The Ministry of Education prepared an integrated proposal to separate appropriations for basic education and ensure that these funds are used to expand and improve the quality of basic education. The government has begun implementing the Basic Education Strategy, which includes objectives and policies for raising enrollment and narrowing geographical disparities and the gender gap.

The development and quality enhancement of education relies on those responsible for supervising education, including teachers and administrators, and on curricula, syllabi, and provision of other educational tools. Since 2003, budget allocations to governorates are based on real needs, and the MoE implemented the 2004 Education Plan that includes distribution of students'

Box 2.1: Basic Education Expansion Project

The Basic Education Expansion Project (BEEP), with support from the World Bank, started in 2001 in four districts in Sana'a Governorate. In 2002, its scope expanded to cover 61 districts in Sana'a, Amran, Al-mahweet, and Al-dala' governorates. The project succeeded in reaching poor and deprived communities, and in implementing the government policy on decentralization, building the capacity of teachers and administration at the district level, improving spending efficiency, lowering the costs of building schools, and ensuring that schools are operating. Enrollment rates rose, especially for girls. The number of girls in first grade surpassed the number of boys in most schools supervised by the project, and girls' enrollment rose from 53% in 2002 to 62% in 2004. The government, in collaboration with donors, is committed to expanding the project to all governorates and improving the quality of basic education.

seats, equipment and labs according to governorates needs. Also, redeployment of teachers at the school level has been completed.

The number of teachers has increased to fill more than 10,000 new teaching positions, many by graduates of faculties of education, in particular those who will be working in rural areas. Moreover, 1,300 positions were assumed by Yemenis as part of the expatriate replacement program. The government adopted a mechanism for determining the need for female teachers based on specialization and the needs of deprived and poor regions. Total teaching and administrative staff in schools rose from 205,683 in 2003 to 209,880 in 2004, at 2% increase; female staff increased by about 27.6%, and women now represent 21.5% of the total. The number of teachers increased from 171,396 in 2002/03 at an annual increase of 1.7%, of which 36,025 are females increasing at 4.5%.

The first phase of redistributing male and female teachers has been completed at the school, district, and governorate levels, in accordance with the new principles and legislation. Preparations are under way to implement the second phase: developing training manuals for teachers of grades 1–3 and writing syllabi and guidance manuals for kindergarten and syllabi for arts and physical education. Syllabi and required skills have already been revised for Islamic and Quranic education, Arabic, mathematics, science, and social studies. The revisions were disseminated through five training programs for 18 teachers from each governorate. The syllabi were tested in some schools, and a quantitative and qualitative analysis was undertaken of the level of absorption by teachers and students.

In 2003 and 2004, schools in all governorates were supplied with teaching tools, maps, and 45 types of glass and wooden fixtures that were produced during 2003 and 2004. In addition, 199,380 chairs were distributed during 2004; 330 school broadcast systems were installed; and 200 workshops and 250 laboratories were furnished and equipped. Fifty secondary schools for girls were furnished and equipped, with support from the Basic Education Expansion Project (BEEP), which aims to ensure equal opportunity in education and equity in distributing educational services through decentralization.

Training and rehabilitation played a significant role in improving the performance and quality of education; 10,334 teachers were involved in training and rehabilitation programs. The first and second stages of the BEEP Training Program for 450 trainers were implemented in the governorates of Sana'a, Al-Mahweet, Amran, and Al-Dhali'a. UNICEF financed the Rural Female Teachers' Training Program for 643 newly recruited female teachers in 11 governorates. The Education Development Project (EDP) provided incentives for female students in faculties of education. The Teacher Trainers' Program financed by UNICEF and GTZ was implemented at the core schools for 303 male and female trainers at the central level and in 10 governorates at the local level. The second phase of the training, funded by GTZ, reached 500 teachers in Ibb and Abyan.

BEEP training in the four governorates targeted 2,279 science and math teachers and 7,949 teachers in other fields, and a training program was conducted for 220 English language teachers. At the beginning of the 2004/05 school year, a two week training

program was offered to 14,000 teachers in 107 districts; the program includes 574 training sites and a training force of 562 specialists. Preparations are under way to offer broader training for 35,000 teachers, instructors, and school administrators at the national level.

The Ministry of Education undertook measures, besides constructing school buildings and classrooms, to reduce classroom overcrowding. These measures included rescheduling classes; for example, allocating morning shifts in rural areas for basic education and afternoons for secondary schooling. In segregated basic and secondary education schools, the morning shift is for girls and the afternoon shift is for boys. More classrooms have been opened for girls and more female teachers have been hired. In 2004, the Ministry of Education allocated YR12.6 billion (including YR2.7 billion of foreign funds) to build classrooms to reduce overcrowding. As part of the Fast Track Initiative, Yemen obtained a \$10 million incentive grant for the 2004 Basic Education Program, to be used as a comprehensive intervention in the governorates of Al-Beidha, Dhamar, Al-Hodeida, and Hajjah. The government will build 342 classrooms in 114 locations to increase enrollment in basic education and meet demand in the neediest and poorest areas. Part of the grant has been earmarked for limited interventions in Al-Jouf, Shabwa, and Lahj, which suffer from low enrollment and a shortage of schools and teachers.

In 2005, the Yemeni education system is undergoing a qualitative transformation to promote basic education. Almost \$120 million (\$65 million in foreign funds) is being allocated to support the Basic Education Strategy for the years 2005–2009. The goals are to build schools and increase enrollment, especially among girls. The strategy also aims to reduce overcrowding in classrooms, improve the efficiency of basic education teachers, and upgrade the curriculum and deliver it to students early in the school year. Preparations have been completed to draft the Secondary Education Strategy and the Public Education Strategy; the latter includes basic education, technical education, eliminating illiteracy, and kindergartens. The government aims to reach over 90% enrollment by 2015 through the implementation of these strategies and the Fast Track Initiative.

The results have been good in basic education, with growing external assistance, a larger share of total expenditures, and a clear and well-defined vision for the sector. This experience can be extrapolated to the health sector, which has yet to overcome the stalemate in its development and achieve momentum in its policies, programs, and instruments according to the modernization plan. The health sector can learn from the experience in the education sector, especially as both sectors enjoy priority status in the PRS. The Partnership Agreement is a good example of how to mobilize external funding and coordinate efforts.

Technical Education and Vocational Training

The PRSP focused on technical education and vocational training (TEVT) because of the inverse relationship between this training and poverty and unemployment. The PRS

targeted an increase in enrollment in technical and vocational institutes, and the expansion and development of these institutes according to labor market needs. The PRS also emphasizes establishing new fields suitable for women and opening up job opportunities. In 2003–2004, 15 technical institutes were constructed; 7 of these were built in 2003 at a total cost of YR225.6 million. Another 20 institutes were completed at a cost of YR314.2 million. Construction work continued in 21 projects during 2004, with total spending of YR208.4 million.

With respect to externally funded projects, work has begun in 11 projects and studies are under way to build 9 training institutes. Eight vocational training projects costing YR 86.9 million were also completed, and the Marine Institute in Aden was completed at a cost of \$3.5 million. Contracting the construction of the Technical Institute in the Capital Secretariat was finalized. Two projects each in Al-Dhali'a and Ibb were implemented, costing YR185.2 million and funded by the Social Fund for Development.

Targeting the Poor

TEVT has direct social objectives and is targeted toward low income people, the unemployed, and those covered by the Social Welfare Law. The TEVT sector faces challenges that limit its ability to expand and target poor regions and groups. The Ministry of TEVT has introduced new programs such as technical degrees in vocational institutes, along with pursuing continued learning programs that accommodates the largest number of

trainees possible. The Ministry of TEVT oversees 24 industrial vocational institutes, 11 technical training institutions in industrial, commercial, marine, agricultural, hostelling and tourism fields in addition to 21 vocational institutes. It also supervises 3 community colleges with a total capacity of 17,152 male and female students. To ensure financial sustainability, of the 17,169 enrolled 4,647 students were in continued learning and 1,813 in the parallel schemes. Those schemes contribute to reducing pressures on this type of education. They also help mobilize resources through cost sharing to ensure their sustainability.

Box 2.2: Benefits to the Poor from TEVT in 2004

- Implementation of new programs and support of existing programs in 15 training institutions in rural areas and one program in the Central Prison.
- Execution of 24 cooperative training programs in 24 vocations; 964 students participated in 230 production, industrial, administrative, and agricultural locations.
- Training of 4,647 persons (including 882 women) in various fields through short courses that helped them acquire sufficient skills to obtain jobs and protect them from destitution.

Table 2.4: Enrollment in Technical Education and Technical Training by Institute and Governorate in 2004/05					
Governorate	Two-Year Training Institutions	Three-Year Training Institutions	Two-Year Technical Institutes	Community Colleges	Total
Capital Secretariat	1426	1275	427	0	3,128
Aden	908	470	1,225	930	3,533
Ta'ez	1,053	627	1,840	0	3,520
Hodeida	650	398	0	0	1,048
Hadhramaut/Mukalla	277	245	385	0	857
Hadhramaut/Seyoun	300	0	0	0	300
Hajjah	181	144	248	425	998
Ibb	474	80	105	0	659
Abyan	440	133	34	0	607
Dhamar	357	107	317	0	781
Lahj	153	0	47	0	200
Sana'a	0	0	0	1,048	1,084
Al Mahweet	54	0	97	0	151
Marib	35	0	0	0	35
Amran	189	0	0	0	189
Reimah	115	0	0	0	115
Total	6,562	3,479	4,725	2,403	17,189

Current training institution capacity cannot accommodate all applicants. In 2004/05, 7,733 persons applied for 3,549 places in the two-year training program; for the three-year program, 1,985 persons applied for 1,064 places. To upgrade the technical and vocational institutes and centers, and increase their capacity to meet the needs of the labor market, the Ministry of TEVT is coordinating with the private sector and employers to develop an integrated system. The private sector has been involved in preparing and assessing training curricula, evaluating TEVT graduates to ensure that their skills are appropriate for the labor market, and participating on local TEVT advisory councils.

Higher Education

Higher education graduates contribute to the development of society, especially if they have the skills needed in the labor market. In 2003, the Ministry of Higher Education began restructuring and improving higher education to keep pace with developments in science and technology, to meet the needs of the labor market, and to help achieve the objectives of development and poverty reduction. Expanding public universities focused on establishing faculties and departments relating to science and practical fields such as engineering. The Private Universities Law of 2003 directs private universities to focus on those fields and on new fields of specialization that meet the needs of the labor market for skilled personnel.

The Ministry of Higher Education began drafting the Strategy for Higher Education and Scientific Research in 2004; the strategy aims to enhance scholastic levels and make higher education available to more students, while improving skill acquisition and interaction with modern technology. The ministry is drafting regulations for sending students overseas, restricting overseas scholarships to fields that are not offered domestically in order to save allocations and divert them to support other policies. The admissions policy for higher education emphasizes increasing female enrollment, which rose to 8 % in 2003 and 26.7% in 2004.

Social Protection

The government adopted the Social Safety Net (SSN) as an integrated package for reducing poverty by increasing productivity in local communities and poverty pockets. The SSN aims to improve the living conditions in poor regions through development projects and activities, especially infrastructure, in addition to social protection and continued emphasis on qualitative investment in human resources and building human capacity through better health and education. SSN activities include projects for integrated intervention and cultural heritage, and work with special needs groups. At a total cost of \$87.4 million, 1,120 projects were executed in 2004 throughout the governorates.

Targeting Poor Groups and Regions

The SSN's traditional and modern components provide social protection and introduce its services to the poor. The government has sought to mitigate the adverse effects of the Economic, Financial and Administrative Reform Program (EFARP) with new programs to protect poor groups and reduce poverty. The Social Welfare Fund (SWF) cash assistance scheme continued to grow, reaching 65000 families in 2004, an increase of 10000 over the previous year and exceeding the target of 570,160. Distribution of cases is based on using various poverty indicators at the district level, and more responsibility is being delegated to local councils in terms of targeting and in adopting strict criteria for selection. The government is reviewing the insufficiency of cash payments, although these small amounts help provide for the essential needs of targeted families. Criteria for

targeting and selecting beneficiaries have been tightened, and post offices are being used for distribution. More than 80% of beneficiaries received payments through a post office in 2004, an increase of 40% over the previous year. SWF mechanisms need further revision in terms of targeting, amount of cash payment, the cases covered, and the possibility of transferring some cases to alternative mechanisms.

The SFD and the Vocational Training Fund are cooperating in a new program to train targeted families. About 5,000 beneficiaries in the Ta'iz, Ibb, Lahj, and Marib governorates and the Capital Secretariat took advantage of training in various fields, such as leather manufacturing, sewing and embroidery, handicrafts, and first aid treatment. The program helps families become productive and has been enhanced by the provision of small and micro credit for trained families, to enable them to set up small businesses and create their own job opportunities.

Other SSN projects have also adopted small and micro credit programs for poor families, as they are the most successful mechanisms for combating poverty. These 33 projects lent \$2.3 million in 2003 and 2004, of which only 12 projects were in 2003 at a cost of \$392,000. In 2002, the Republican Decree set up the Bank of Hope for Small and Micro Credit, with capital of \$5.5 million. The government supplied \$2.5 million and the Arab Gulf Program for Supporting the UN Organizations deposited \$2 million. The private sector has not yet deposited its share of \$1 million, so the bank's activities did not commence in 2004.

Social safety net programs have rehabilitated and trained 7,700 families over 2003-2004; of which 4,500 families were trained in 2003 at more than 60 centers through the national Program for Productive Families. In 2003-2004, 12 new centers were established. SSN programs and projects reach poor groups in most districts and regions. Studies assessing the impact of these projects have shown the diversity and innovation in their operations, and their insistence on targeting the neediest regions. These assessments were based on international standards and criteria tied to efficiency, cost of implementation, and impact on the ground, in addition to targeting in accordance with the development concept of local community participation.

Social protection was offered not only through the modern SSN, but also through traditional means of expanding comprehensive social care to marginalized and less fortunate groups and those with special needs. In 2004, 65 projects were carried out at a cost of \$3.8 million, including 13 projects for training and institutional support for associations and institutions that care for special needs groups. Eighteen projects supported activities to merge special education with mainstream education; nine projects protected and improved residential conditions; three projects supported health services, including psychiatric services; and two projects developed strategies and policies. Interventions were also undertaken to improve the conditions of women and female prisoners and to train teachers to cope with children who are deaf or have hearing impairments. Twelve integrated interventions were implemented; projects in 2004 focused on production and marketing skills in areas such as farming and beekeeping,

while also encouraging the role of women as leaders in these activities and supporting literacy, health, and environmental awareness activities.

Social Insurance (Pensions)

Social insurance programs help protect the livelihoods and economic conditions of the insured, especially those who are unable to work. Pensions also help people in retirement and old age. These programs protect employers, especially small businesses, from financial strains when their workers claim end-of-service payments. The number of insured persons in the private sector was 54,890 in 2002, 64,297 in 2003, and 71,103 in 2004 surpassing the target of 66,000. Approximately 2,500 businesses were covered in 2002, 4,181 in 2003, and 5,937 in 2004. The number of beneficiaries rose from 1,658 in 2002 to 1,896 in 2003 and 2,260 in 2004, which is below the target of 5,728. The General Pensions Corporation paid out YR204.5 million in 2004. The corporation also provided compensation in 2004 in 997 cases of disability or death, for a total of YR328 million; there were 950 cases in 2003.

The corporation's revenues increased from around YR3 billion in 2003 to YR3.5 billion in 2004. Some of this increase came from investing its funds, as social insurance programs play an important role in supporting economic development by investing in projects that contribute to growth and provide job opportunities. Returns from treasury bills rose to YR9 billion in 2004 and those from dollar deposits to YR10.5 billion. Revenues also came from investments in a number of companies, banks, and health enterprises. Total investments amounted to YR21.6 billion and shareholding returns to YR1.5 billion.

The number of civil servants and employees of public and mixed sector enterprises covered by the Law of Insurance and Pensions increased to 474,879 at the end of 2004 surpassing the 450,949 target. Pensioners numbered 59,932 in 2004 compared with 56,089 target, for which the Pension Authority paid YR8.7 billion. Pensions are channeled through 136 postal outlets, which makes it easier for beneficiaries to receive their pensions. Insurance installments paid by the insured to the corporation amounted to YR20.9 billion in 2003.

Investments made by the General Authority for Pensions grew to about YR130 billion in 2004; these are primarily in treasury bills and cash deposits. The General Authority and the General Pensions Corporation are attempting to expand and diversify their investment portfolios, despite the limited channels for investment. Both entities are at risk and have no clear strategy for achieving financial viability.

Social Affairs

Attention to special groups is justified by the suffering of the people in these groups from multiple difficulties, including poverty. Comprehensive programs are required to help these people. Institutional and legal systems are needed to rehabilitate and train people to cope with these difficulties in a

Table 2.5: Social Protection Activities				
Area of Activity	2003		2004	
	Male	Female	Male	Female
Care and rehabilitation for persons with disabilities	1,781	706	3,620	1,383
Orphans	3,260		3,499	55
Juveniles	1,314	72	899	52
Street children	120	-	300	-
Children receiving comprehensive social services	500	500	1,776	1,303
Child laborers	500		2,359	1,674
Package for Safe Childbirth	120,023		434	

way that reduces the impact on their families and society. The Ministry of Social Affairs and Labor (MSAL) in cooperation with local authorities, local and international NGOs, and others who are active in this field, works to avoid duplication of services and to provide services to all afflicted persons. The MSAL aims to upgrade the human resources of social protection agencies through training, rehabilitation, and attracting competent staff. It develops programs to address social problems arising from poverty, such as displacement, begging, child labor, juvenile delinquency, and disability.

Integrating Women into Society

The government, in its attempt to reduce poverty, has adopted a policy of mainstreaming women and addressing gender issues in all economic, social, political, and cultural areas. Republican Decree No. 25 of 2003 envisioned such reformation and established the Higher Council for Women, which is chaired by the prime minister. Council members include a number of ministers and representatives of other relevant government agencies and NGOs, in addition to the chairwoman of the National Women's Committee (NWC), her deputy, and the committee coordinators in the Capital Secretariat and governorates. The council is responsible for integrating gender issues into development. In 2003, the cabinet approved the Strategy for the Development of Women to promote the role of women according to the Beijing Agenda by integrating gender issues into major development pillars. The NWC expresses the needs of women and contributes to integrating the gender dimension in national plans and strategies in order to reduce poverty among women.

Despite efforts to encourage women's participation in parliamentary and local council elections and in government, including in senior positions, such participation is still limited because of lack of awareness and the difficulty of confronting traditional forces. The NWC has called for a quota system in all elected councils at both the central and local levels and formed a team of political dignitaries to lead this campaign. The team has met with members of Parliament and the Consultative Assembly and leaders of the political parties. The NWC is continuing its dialogue with political parties to ensure that women acquire 10% of parliamentary seats and 10%-20% of local council seats. The response to these initiatives is expected to be generally positive.

Various government agencies have drafted national strategies to narrow the gender gap in all development efforts, such as the Basic Education Strategy, the National Strategy for Working Women, the National Strategy for Eliminating Illiteracy and Adult Education, the Strategy for Integrating Gender in the Mainstream of Agriculture and Food Security, and the Proposed Strategy for Women and the Environment.

Efforts to enhance women's capacity have been manifested in courses, seminars, and workshops that deal with issues of concern to women; for example, Measuring the Poverty of Women, Encountering Violence Against Women, Gender Budgeting, and Determining Basic Needs for Women for the Third Five-Year Plan for Development and Poverty Reduction (2006-2010). Programs and projects directly targeted women in cities and rural areas, especially in the fields of reproductive health, education for girls, elimination of illiteracy, training and rehabilitation, enhancing job opportunities, agricultural development, and fighting poverty. Staffs of ministries and sectors have received training in gender mainstreaming concepts and have been involved in counseling, technical support, and research and studies, as well as in developing tools and instruments that contribute to this task.

Civil society organizations also have encouraged women to participate in economic activities and acquire new skills; organizations have provided training and rehabilitation, and paved the way for women to acquire simple vocational skills they can use in income-generating work. These organizations also have encouraged women to establish small and micro enterprises, such as poultry breeding, sheep fattening, apiculture, and using leather and wool. They have helped organize exhibitions where women can market their products.

Seventy-nine civil society organizations participated in raising awareness of the PRS, using the PRSP Popular Version in various communities and among women. These NGOs conducted their activities with support from national and international funding agencies. They also relied on the voluntary work of their members and supporters to involve women in the movement toward development.

To demonstrate its commitment to include women, the government has amended some discriminatory laws; most significantly, the Law of Personal Identity, the Law of Naturalization, the Law Regulating Prisons, and the Civil Conditions and Civil Registry Law. The constitution and the laws now confirm the full equality of men and women in

public employment, work, and wages, and in obtaining qualifications, promotions, and vacations. In fact, women may enjoy special privileges in terms of working hours and vacations. The Revised Labor Law of 2004 stipulates that employers of 50 or more women must operate a nursery for their children.

Environment and Natural Resources

Environmental problems are exacerbated by economic activities, a growing population, and urbanization. Sustainable development requires a balance between economic development and the conservation of natural resources and protection of the environment. The government of Yemen is including environmental protection policies and programs and the maintenance of natural resources in development plans, as well as in sectoral policies and strategies. The PRSP includes environmental objectives and policies and the prudent management of natural resources, reflected in measures to be taken by the relevant sectors. In 2003 and 2004, the government continued to link poverty reduction and environmental protection, and reinforces integration of national and sectoral policies and plans; the government enhanced the capacities of its agencies and of NGOs for sustainable use of the environment and natural resources. Government agencies and NGOs provided qualitative and quantitative information that was entered in the Poverty Monitoring System, which will be standardized and made available to all sectors.

Conserving and Protecting the Environment

The PRSP highlighted the significance of strengthening the management of natural resources, empowering and involving beneficiaries, employing the poor in environmental projects, and enhancing the role of women and youth in preserving the environment. In 2003, the government strengthened the institutional structure and technical capacity of environmental management through several decrees: the Republican Decree for Establishing the Ministry of Water and Environment (MWE); cabinet decrees concerning the institutional, legislative, and technical conditions of the ministry; and a decree establishing the Directorate of Environmental Tourism in the General Tourism Authority (GTA). In 2004, a cabinet decree established the General Environment Authority (GEA) and created a biological safety unit in the GEA. GEA branches were proposed for the governorates of Shabwa, Hodeida, and Ta'ez. Other departments were also set up to adopt and carry out mechanisms for marine protection and the prevention of pollution. Work remains to complete the institutional structure and identify the tasks and responsibilities of the MWE in order to avoid duplication with regional development authorities, rural development projects, and bilateral projects.

In 2003, the government reviewed Environmental Protection Law No. 26 of 1995 in light of recent developments and changing conditions, and amended its bylaws to ensure protection of the environment. In addition, documents for the implementation of the Master Plan for Preserving and Developing Socotra as a natural sanctuary were submitted to the cabinet. In 2003 and 2004, preparations were under way to establish sanctuaries on the Red Sea Coast (Al-Khokha, Al-Luhayyah, Al-Tahieitah, and Koba), and at Belhaf-Bir Ali in the Shabwa, Bura'a in Hodeida, Houf in Al-Mahara, and Gitmoun in Hadhramaut.

Surveys were carried out for these sanctuaries and a plan was completed for the integrated management of the coastal area in Aden.

Some measures were initiated in 2003 to coordinate support for environmental management by creating a donor information system and training staff to draft project proposals and identify needs. Government agencies have established partnerships to coordinate environmental protection and the preservation of ecological balance and to assess environmental impacts and their relationship to poverty. The National Action Program for Marine Environmental Protection (onshore activities) was completed, but could not be implemented because of funding problems. The government issued Law No. 16 of 2004 concerning the protection of the marine environment from pollution, and coordination is under way among the General Authority for Marine Affairs, the GEA, the International Marine Organization, and the Regional Authority for Preservation of the Environment of the Red Sea and the Gulf of Aden. The goal is to formulate a general plan for environmental emergencies.

Also in 2003, a draft resolution was submitted to the cabinet on controlling the use of ozone-damaging material, and efforts continue to gain its approval. The cabinet issued a resolution ratifying Yemen's accession to the Kyoto Protocol on protecting the environment from climatic changes. In 2004, draft legislation was prepared to control the import and use of materials that deplete the ozone. A decree was issued on the International Framework Treaty on Climatic Change, in accordance with the Kyoto Protocol; however, the protocol measures have yet to be implemented.

A decree was also issued regarding the Protocol for Controlling Cross-Border Transport and Elimination of Hazardous Waste (Basel), and the National Strategy for the Integrated Management of Hazardous Waste was approved. The National Strategy for Bio-Diversity and its action plan were drafted, as were the National Plan for Static Organic Material and the Implementation Plan for the Stockholm Treaty for Static Organic Material. Approval was granted for international treaties on procedures for advance consent on the transport of hazardous chemicals and pesticides.

In 2003, the Institutional Capacity Development Project supported some NGOs in the implementation of environmental projects. The Program for Small Grants and Capacity Building of NGOs supported by the Global Environment Facility program was launched primarily targeting poor households. A training program was conducted in which 36 NGOs participated, and several other capacity-building activities were undertaken with NGOs during 2003 and 2004.

Also, 35 environmental clubs were established in schools in the Capital Secretariat, Hadhramaut, Amran, and Dhamar; 19 clubs were established in the Utumah District in Dhamar in 2004. These clubs have achieved noticeable success in spreading environmental awareness, especially during local and national events. However, there is a need to expand such activity to other governorates and to issue a guidance manual for the clubs and an environmental manual for teachers.

Environmental agencies carried out 10 studies and field surveys in 2003 and issued their respective technical reports. These studies included assessments of the environmental situation and the available natural resources in Kamaran Island, Jabal Arf, Sharmah-Gitmoun Sanctuary, and the Bir Ali-Belhaf area. The reports also included a study of the ibex in Gitma area; an environmental impact assessment of the leather tannery in the Bani Matar area; an assessment of using treated wastewater for irrigation in the cities of Amran, Hajjah, Yarim, Ibb, and Aden; and a study of the use of organic wastes for producing fertilizer in Zabid. A field survey was carried out on waste disposal at 170 medical and health facilities in the Capital Secretariat. The final report on assessing land deterioration was issued and a national map was produced by the National Natural and Renewable Resources Research Center.

The central poverty monitoring unit studied the relationship between poverty and the environment in six regions representing various environmental problems. The Environmental Protection Agency (EPA) published the second issue of its report on the state of the environment in the Republic of Yemen, which is updated every five years. Also in 2004, studies and surveys focused on the marine and coastal environment, including a survey of biodiversity in locations at the Red Sea.

The Strategy on Women and the Environment was drafted, focusing on enabling women to contribute to achieving sustainable development, preserving the environment, and managing natural resources. Training courses on women and the environment were carried out, workshops were conducted, and lectures were given to raise awareness.

However, in spite of all these activities, difficulties remain in diagnosing environmental problems and identifying solutions because of the weak role of research centers and specialized university faculties in carrying out studies, research programs, and field surveys.

In environmental sanitation, concerned government agencies continued field inspections of grocery stores and restaurants, and those that violated regulations were closed. In 2003, around 1,200 tons of food unfit for human consumption were destroyed; in 2004, 68,342 tons were destroyed. The total estimated solid waste discarded in all governorates in 2003 was 1.3 million tons because of piling up from previous years; in 2004, it was only 365,000 tons. Pesticides used to control the spread of flying and crawling insects and to get rid of stray dogs amounted to 1,059 kg in 2003; they were reduced to 118 kg in 2004. Notwithstanding improvements in the past two years, environmental sanitation continues to be a problem because of institutional deficiencies.

Water Resources

Water resource problems are manifested in water scarcity and rationing, inequitable distribution, and poor management. Excessive pumping of groundwater and random drilling of wells are the primary causes of water depletion. Some water basins are being depleted at a rate of 25%– 40% a year, and deterioration of water quality and salinization are occurring. Urgent measures are needed to maintain the basins, especially

in Ta'ez, the Capital Secretariat, Sa'ada, Rada'a, Delta Tuban, and Delta Abyan. Cisterns and water hydraulic projects aim at recharging water aquifers and expanding cultivated land horizontally and vertically. In 2004, almost 1,069 projects were completed in rural regions to support farmers' livelihood at a cost exceeding YR 995 million compared to YR 774 mn in the previous year.

The government has issued new water policies, addressing aspects of sustainable management of water and stressing the need for environmental protection. The participation of public and private sectors as well as local communities is essential; all must adopt approaches to respond to demand and ensure sectoral cooperation and coordination. Gender awareness and mainstreaming, and reinforcement of appropriate technologies, such as rainwater harvesting techniques, are part of the solution.

The executive bylaws for the Water Law were drafted in 2003, and the cabinet issued resolutions relating to water quarantines in affected water basins in Sa'ada and Ta'ez. The regulations aim to prevent exploitation of water resources in the basins and encourage surface water harvesting projects and programs, and the construction of cisterns and dams in suitable locations. The regulations also seek to codify water rationing and curtail the expansion of irrigated agriculture.

The Sana'a Water Basin Committee was formed to draft the basin's plans and programs, supervise implementation, and coordinate with local communities. The financing agreement of Phase One of the Water Management Project of Sana'a Water Basin was signed with the World Bank, and measures were taken to activate the loan and start the project. A branch of the General Water Resources Authority was established in Sana'a Governorate.

In 2003, samples were collected and sources of surface water, groundwater, and shallow water pollution were analyzed under the water quality and pollution monitoring project. Plans were made to establish water committees in critical regions, and processes were developed to issue permits and register well drilling in major basins; specifications and standards were determined for well drilling. A study was conducted on the water situation of Bir Ahmed field in Aden as a prelude to quarantining this region.

Water management plans were also drawn up for Tuban, Abyan, Ta'ez, Sa'ada, and Hadhramaut. Consulting companies presented final reports on the economic and social aspects of the Tuban, Abyan, and Wadi Hadhramaut regions, as well as reports on water quality, socioeconomic conditions, and water use in Wadi Al-Ghail, Hajdah, and Warzran in Ta'ez. Final reports also were submitted on water quality, mathematical models of groundwater flow, use of land, and the inventory of wells, as well as a geophysical study and a report on test pumping in Wadi Hadhramaut, Wadi Tiban, Wadi Abyan, and the Sa'ada Basin.

In 2004, the Water Law was amended and the National Water Sector Strategy was prepared, along with its investment program. Regulations for issuing drilling permits were revised and a mechanism was put in place to monitor drilling rigs. Cabinet

resolutions were passed to establish committees to supervise and manage the Ta'ez Water Plan and to define protected areas in Beir Ahmed (Aden), AL-Kaedah (Ibb), and Dimon (Tarim- Hadramout). A study is under way in Al-Katae field which supplies Hodeida with water. Assessments of water sources for Tyban, Abyan, Hadhramaut, and Sa'ada were completed, and arrangements were made to install 136 meteorological stations to monitor wadis in the Amran, Ta'ez, Lahj, and Hadhramaut regions.

Activities in 2003 and 2004 included implementation of the Periodic Monitoring Program for the Surface Water Observation Network, collecting information from water basins, non routine visits to some wadis during the flood seasons, and field visits to collect information on groundwater tables in basins under GAWR. Work also continued on a water and climate database that will be linked to a geographic information system (GIS).

A public information department was set up in 2003 to directly communicate with people and to formulate an integrated public information program with regard to domestic water use. The department produced information materials in 2004 targeting farmers. Water permits have been issued on condition that modern irrigation systems are used. Water user groups are being established in Wadi Hadhramaut and Ahwar, Sa'ada, Sana'a, and Ta'ez to provide integrated management of water and irrigation projects.

Infrastructure

Population density and geographical and economic factors contributed to confining infrastructure services to major cities and the surrounding areas. The rural population has limited access to such services, despite their importance for improving livelihoods and providing business environments that attract private investment.

Water and Sanitation

Potable water supply improved noticeably during 2003 and 2004, especially in urban regions, where coverage reached 62.4% of the population in 2004 compared with 68% target. The quantity of water produced totaled 118.4 million m³ in 2004, compared with 114.5 million m³ in 2003. Local water corporations carried out major maintenance work for water and sanitation networks, replacing worn-out lines and faulty meters. Committees were formed to resolve administrative losses and violations. The quantity of water used increased to 64% of water produced in 2004, compared with 62% in 2003. Beneficiaries numbered about 3,203,000 in 2004, an increase of 100,000 over the target.

In rural areas, potable water coverage increased over the two years by 4%, reaching 34% of the rural population in 2004 exceeding the 32% target. Likewise, sanitation services expanded in the major and secondary towns, where coverage reached 37% in 2003 and 38% in 2004. The number of beneficiaries of the public sewerage networks also rose, from 1,135,000 people (203,000 connections) in 2003 to 1,629,000 people (215,000 connections) in 2004. The amount of sewerage treated in treatment plants was estimated at about 29 million m³ in 2003 and 30 million m³ in 2004.

Electricity

Electricity coverage remained at around 40% of the total population, with service from the unified grid of the Public Electricity Corporation (PEC) or from rural electric projects managed by local councils.¹ This sector received increased attention in 2003–2004, reflected in an increase in installed power to 922 MW in 2004, compared with 856 MW in 2002. Growth is attributed to two primary factors. The first is the implementation of a broad maintenance program for the existing stations in Ras Katenib, Mocha, Al-Hiswa, and Al-Mansoura, and the construction of new power plants, such as the first phase (30 MW) and second phase (60 MW) of the Hizyaz power plant and the Al-Hali, Khourmaksar, and Usaifirah power plants (10 MW each). The second factor is the reduction of network waste from 27% in 2003 to 25.8% in 2004 (although waste is as high as 50% in some secondary towns). Technical and administrative measures adopted by PEC to reduce waste include replacing internal networks and old and worn-out transmission lines. A slight improvement occurred in consumers' share of electricity, amounting to 236 kw per subscriber in 2003. These measures, along with improved collections and fines for delinquent payments, led to an increase in revenues to 81% of operating costs, compared with 76% in 2000. Financial fines amounted to YR 101 million in 2004, while disconnections increased to 8,665 in the capital secretariat of Sana'a.

Access of the Poor to Electricity

Subscribers to the PEC grid increased rapidly during 2003–2004 at an annual rate of 7%, reaching 1,061,453 subscribers in 2004. However, this increase did not reduce the rural-urban gap, as electric service is concentrated in major cities and governorate capitals. Growing demand in cities and the lack of a clear policy for providing service to poor and remote areas are behind this discrepancy. The government is drafting a Power and Rural Electrification Strategy that explores alternatives for providing electrical power to the rural population within the framework of cooperation with the World Bank. Rural electrification projects in 2003 and 2004 covered most governorates and benefited about a million inhabitants. So far, the return from and impact of those projects do not match the high cost, because of the lack of standards for operating and managing them.

New Sources of Power

PEC faces a problem in covering the cost of sold electricity because of the high cost of fuel for generation coupled with an escalating tariff system that subsidizes poor and low-income households. The first 200 kw consumed is charged at YR 4 per kw, which is less than 25% of its cost. The government compensates the PEC for the subsidy by around YR 6 billion per annum. The government is considering alternatives for generating power at a lower cost, such as gas generation. The Marib Gas Power Station, with a capacity of 300 MW, is expected to begin operating in 2007. The cabinet has approved a contract

¹ The percentage has been measured against total population (number of subscribers with the PEC multiplied by average family size plus the population in rural regions covered by rural electricity projects).

with the executing company and evaluated bids for the Marib-Sana'a transmission line. The project will commence in the second half of 2005.

The generation of low-cost electrical power helps raise coverage in secondary cities and towns as well as rural areas. It also attracts private sector investment in the sector, although the private sector has not yet been involved in developing new and renewable energy, apart from very small pilot projects. The Electricity Law aims to create positive conditions for these activities, and the Ministry of Electricity and PEC have established units for new and renewable energy. This initiative deserves the support of donors; it will make services available to populations far from major cities.

Roads

The roads sector occupies a leading position among the infrastructure sectors. Roads are essential to make services available to the poor and to strengthen links between urban and rural regions. This sector occupied the top spot in the investment budget in 2003–2004, with a share of 18%; however, only 1,436 km (70% of the target) were asphalted and 2,536 km paved. Financial allocations were used to settle previous obligations or advance payments for new projects. Also, the sector is still operating without a law regulating its affairs and a strategy that sets priorities, including poverty reduction.

Strategic Roads

The PRSP and the Second Five-Year Plan (SFYP) emphasize the completion of the coastal strip roads and those linking internal regions of the country. These priorities are based on socioeconomic considerations and the importance of regional integration through linking Yemen with Saudi Arabia in the north and Oman in the east. This coastal road covers 1,760 km and cuts across nine governorates.

So far, 1,298 km of asphalt and 1,195 km of road excavation have been completed on the coastal roads. In 2003-2004, excavation and asphaltting were also completed in other sections: 144.2 km of asphalt and 303 km of road excavations. The remaining sections of the coastal roads including the tunnels are expected to be completed in the coming two years. Two international companies completed 80% of the study and technical designs for the highway through Amran, Sana', Dhamar, Ibb, Ta'ez, and Aden, which will cost \$6.1 million. The road will pass through eight governorates and serve five other governorates. It will benefit the largest population density in Yemen and will accommodate the largest amount of traffic in the entire network.

Meeting the Needs of the Poor

The government has set up a Rural Road Development Program aimed at ending the isolation of rural areas and facilitating the transport of rural products to markets and to the cities. The program also aims to increase economic returns to the rural population by 12% through the implementation of 33 road projects that will benefit about 3,512,000 people in 13 governorates. Since 2002, the first phase of the program has completed four

road projects (87 km) and rehabilitated the Nuqbah-Al-Ahmar road (115 km). Six other projects are more than 50% complete, while 10 more are less than 30% complete. Additional projects are in the study and design preparation stages.

Road Maintenance

In a Road and Bridge Maintenance Fund (RBMF) diagnosis of road conditions, 35% of roads were in excellent condition, 26% were in good condition, 16% were in satisfactory condition, and 23% were in a bad condition. During 2003–2004, the RBMF carried out maintenance work on several roads. An asphalt layer was added on 256 km, while routine maintenance was performed on 7,617 km and emergency maintenance on sections damaged by floods and rainwater runoff. The total cost of maintenance was YR57,580,000 in 2003, compared with YR165,448,000 in 2004.

The RBMF does not receive sufficient funds to meet its commitments. Projects are deferred and roads deteriorate, especially in the absence of technical standards and specifications.

Transport Sector

The transport sector is vital and supports the growth of various production and service sectors; however, it suffers from poor performance as a result of sporadic efforts and the multiplicity of authorities and institutions that oversee work in the sector. It also lacks a national strategy that sets goals and objectives.

Marine Transport

Yemeni ports were affected by the attacks on the American destroyer ship *USS Cole* in December 2000 and the French oil tanker *Limburg* in October 2002. The number of arriving ships decreased as a result of increasing war risk premiums. However, indicators are showing signs of improvement over the past two years, and the government has negotiated with insurance companies to reinstate the previous rates. The primary achievements of the marine transport sector in 2003 and 2004 were in maintaining and renovating jetties, marine facilities, and equipment. Studies and designs for port construction in Brum, Khalfout, and Socatra have been completed. The government is promoting private projects in the ports and reorganizing the Ship Yard Company in preparation for privatization. The government took over the container terminal in Aden Free Zone from the Yeminvest Company, according to a settlement agreement signed by both parties. Bids for a new port management are presently under evaluation.

Air Transport

Air transport service is limited to the national carrier Yemenia. The government is considering opening up to other airlines to liberalize air transport and get the best service at the lowest cost. Cabinet Resolution No. 168 of 2004 invited air cargo companies to operate in Yemen beginning in 2005, to encourage the export of perishable goods. In

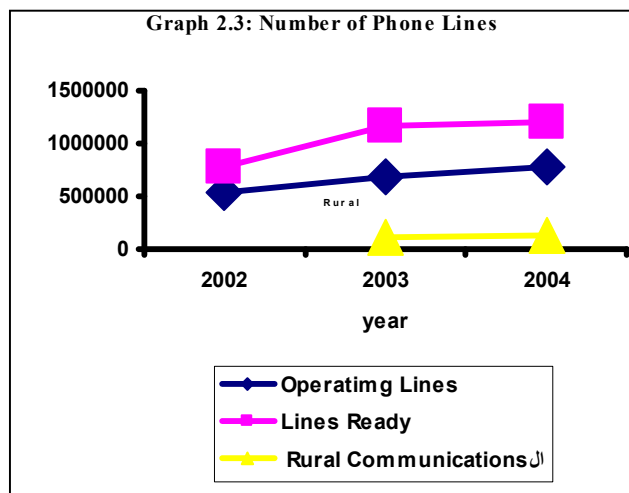
2003, the government began preparations to construct a modern airport in Sana'a to accommodate the growing air traffic. The site has been chosen and technical studies and designs completed, but the project is proceeding at a slow pace.

Land Transport

Despite an increase in private companies providing international passenger services, from 2 in 2002 to 22 in 2003, 40% of these companies do not have the proper institutional setup nor the required financial means to provide adequate services. In 2004, 360 surplus staff members of the General Corporation for Land Transport were transferred to the Civil Service Fund, as a prelude for privatizing the corporation. Transport Law No. 30 of 2003 and its 2004 bylaws aimed to free cargo land transport from the control and monopoly of the truck drivers syndicate. These laws have reinforced the participation of the private sector in improving land transport services, leading to the reduction of its cost by almost 50%.

Telecommunication and Information Technology

Telecommunication and information technology have become basic elements for economic, social, and cultural advancement in the 21st century. They also create job opportunities and bring peoples and nations closer. The telecommunication sector has exceeded targets set in the SFYP in light of Yemen's Strategic Vision 2025.



Access of the Poor to Telecommunication Services

During 2003–2004, the government adopted measures to improve access of the poor to telephone services. The government facilitated the delivery of service and the reduction of subscription fees from YR22,000 to YR17,000, with the possibility of paying in installments. Subscriptions for calls between rural stations have been reduced from YR1,300 to YR800, and the per minute cost from YR12 to YR1. Fares and tariffs on international calls have also been reduced.

Rural telecommunication increased from 3% of total ready lines in 2000 to 10% in 2004, primarily as a result of expanding coverage in rural areas surrounding major cities and in governorate capitals. However, this percentage is still very low compared with the rural

population. Mobile phone service, on the other hand, showed improvement in services and reduction in prices, primarily as a result of the introduction of Yemen-Mobile at the end of 2004 as a third service provider. The government is inviting other new operators in 2005 to improve services and reduce prices further. The Ministry of Telecommunications and Information Technology will supervise and regulate the services, enforcing legislation and creating a suitable environment for competition among private sector companies. The General Telecommunication Institute provides ongoing training courses and supports girls by offering a 50% discount of the training fee.

Internet Service

The General Corporation for Telecommunications adopted measures in 2003–2004 to improve Internet services, including the breakup of the Teleyemen monopoly and the entry of the corporation as a second provider. The corporation provided new facilities, waived subscription fees, canceled the monthly subscription charge, lowered prices, and doubled the number of portals from 1,500 in 2003 to 3,000 in 2004. It also introduced the Super Yemen Net service, which allows the use of the telephone while the Internet is connected. The number of subscribers increased by 150% to 66,735 subscribers in 2004, although the service is still confined to the four major cities. Also, the 100,000 Computers Project was launched in 2003; 15,000 had been distributed by year-end 2004 to civil servants.

Postal Services

The rapid progress in telecommunication and information technology requires a quantitative and qualitative transformation in postal services. The postal service provides 13 kinds of services, of which 7 are mail and 6 are financial. The number of postal savings accounts increased by 25.5% in 2003–2004. Pension payments by post offices expanded by 25%, while social welfare payments to the poor and those with special needs increased by 77%. The experiment of payment through post offices is expanding annually, including new towns and districts. This system avoids the high costs and deficiencies associated with traditional means of payment, and ensures delivery to the payee.

Housing and Urban Planning

The government's housing projects were limited during 2003–2004. Some projects were completed, resulting in 2,720 housing units for persons with disabilities, war veterans, municipal sanitation workers, nomadic Bedouins, and the people of border areas. These units are distributed among four projects in three governorates. In addition, 149 urban plans were executed in major and secondary towns, with a 40% share for the Capital Secretariat and Aden. Yemen suffers from an outdated housing policy that could not cater to the needs of the poor and low income people, in addition to improving conditions in slum neighborhoods. The sector also lacks a strong land registration system to protect properties, purchase regulations, law enforcement, and aerial pictures for the cities.