

Goal: 1



Eradicate Extreme Poverty and Hunger



Target 1

Reduce by half the proportion of people living on less than a dollar a day by 2015

Status at a glance

Will target be reached by 2015?

Probably Potentially **Unlikely** Insufficient data

State of supportive environment

Strong fair **Weak but improving** Weak

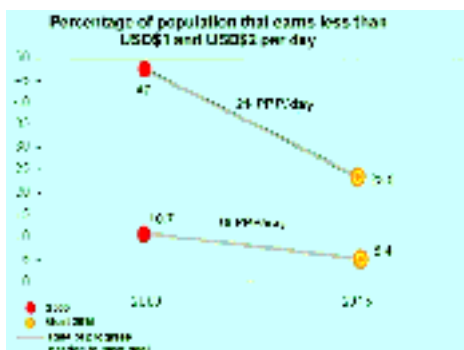
The most important development indicators:

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

Source: Central Statistical Organization, Household Budget Survey (1998) and National Poverty Survey (1999)

1 Current status and trends

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



On the income distribution, the survey found that 20% of the population earns no more than 8% of the gross income, the Gini coefficient of expenditure amounted to 0.343. Consequently, the percentage of population living on less than a dollar per

day did not exceed 10.7% of the population while 47% of the population is living on less than two dollars a day, based on the Purchasing Power Parity (PPP) terms. Poverty in Yemen is a rural phenomenon. Indicators show that 83% of the poor people live in rural areas. This reflects the reality that Yemen is a rural society, as 76% of the population live in rural areas according to 1994 census.

2 Challenges

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

1. Limited ability to continue to maintain environment for a stable economic growth of over 5% per annum, and to enhance optimum utilization of available



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

3 Supportive environment (policies and programmes)

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

1. Implementing the First Five-Year Development Plan (1996-2000), which was based on the following three strategic pillars: **(i)** achieving a yearly economic growth rate of 7.2%; **(ii)** addressing economic imbalances; and **(iii)** utilizing the relative advantages of human and natural resources;
2. Drafting Second Five-Year Development Plan 2001/05, aimed at reducing high poverty levels, maintaining support for economic stability, achieving genuine growth and sustainable development, diversifying the economic and production base, generating new job opportunities and increasing productivity, enhancing the economy's competitiveness and

developing public services;

3. Drafting Poverty Reduction Strategy (PRS), aimed at reducing poverty level to 36% by the year 2005 and creating job opportunities to ease unemployment; and
4. Implementing of Social Safety net package, aimed at addressing negative impact of the 1995 Economic, Financial and Administrative Reform Programme (EFARP).

4 Priorities for development assistance

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

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



5 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			

6 The Financial resources needed to reduce extreme poverty

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

To achieve the MDGs, it needs to achieve an average annual growth rate of

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

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

(in \$ millions)	Total		Annual Average	
	2001-2005	2006-2015	2001-2005	2006-2015
	Total required resources	10,524	36,338	2,105
Total public expenditure	9,281	29,995	1,856	3,000
Additional resources required (financial gap)	1,243	6,343	249	634



Target 2

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

Status at a glance

Will target be reached by 2015?

Probably Potentially **Unlikely** Insufficient data

State of supportive environment

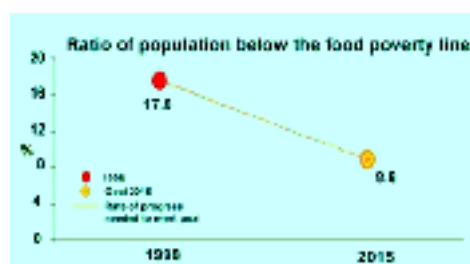
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Indicators	1992	1997/98	2015
Percentage of under-five children who are under weight	30	46	15
Percentage of population below food poverty line	N/A	17.6	8.8

Source: Central Statistical Organization, DHS (1992 and 1997) and HBS (1998)

1 Current status and trends

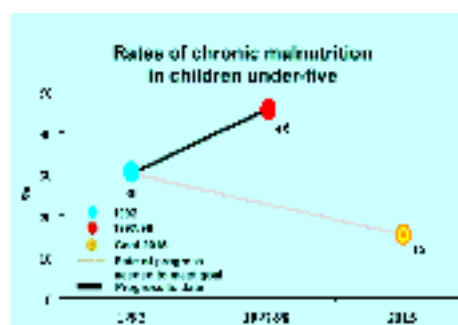
According to HBS (1998), 17.6% of the population is below the food poverty line, 87% of which live in rural areas under food poverty.



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

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

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



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

Economic factors are the main causes of the deterioration in the nutrition level. They are: low per capita income, decline



of remittances to families from the Yemeni immigrants especially from Gulf States since the Gulf crisis, rise in inflation, allocation of unreasonably large portions of family expenditures on Qat, which reached an average of 11.2% of expense as compared to 52.9% for food according to HBS (1998).

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

2 Challenges

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

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

3 Supportive environment (policies and programmes)

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

1. Increase agricultural production to improve food security as well as farmers income, reduce the level of poverty and address unemployment;
2. Improve food production and develop

an appropriate agriculture statistical information system;

3. Improve Social Safety Net programmes and projects especially for the rural population
4. Raise health service coverage through a number of health programmes to combat malnutrition, lower child mortality rate, and improve the quality of services for mother and child health; and
5. Raise the quality of social services, particularly health care, through applying the system of health regions, with focus to rural regions, and improve other services such as water, electricity, access roads and education.

4 Priorities for development assistance

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

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



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