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PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR DEMOCRATIC YEMEN

Note by the Administrator

I. PROCESS OF THE PROGRAMMING EXERCISE

1. Constraints of limited natural resources and inadequate investment capital, combined with more recent problems such as the flood disasters of 1981 and 1982, and declining remittances from Yemenis abroad have slowed the pace of development in Democratic Yemen. It is against this background that in 1985 the Government decided to place priority on maximizing the return on past investments in designing its Third Five Year Plan and in beginning the country programming process for the fourth cycle. The continuing close dialogue between officials of the Ministry of Planning and the UNDP office was augmented by a joint review of UNDP assistance in the third cycle, a World Bank review of the Second Five Year Plan, and a study by the Food and Agriculture Organization of the United Nations (FAO) of the agriculture and fisheries sector.

2. The Resident Representative's note to the Government emphasized the need to learn from experience gained by the Ministry of Planning, UNDP and the major executing agencies during implementation of the third country programme. The note recommended the adoption of two central themes in the fourth country programme: (1) the development of human resources in planning and in the productive sectors of the economy and (2) the strengthening of the institutional framework to increase the development impact of projects, particularly where the basic needs of disadvantaged segments of the population, especially those in isolated rural areas, would be addressed. The Government incorporated these recommendations fully into the fourth country programme.

3. The Government has welcomed a UNDP role in aid co-ordination, not only within the United Nations system but also with a view to broadening the base of bilateral support. This is of special interest to the Government because of the growing complexity of co-financed projects where each agency has different approval and management approaches. Expanding co-operation among donors supporting Government agencies is increasingly avoiding duplication and assisting in focusing on development assistance priorities. Such co-financing arrangements within the framework of the fourth country programme are illustrated by the agreement of the United Nations Capital Development Fund (UNCDF) (in principle) to contribute \$1 million in support of a seed multiplication programme and the agreement of the Arab Gulf Development Fund for the United Nations (AGFUND) to co-finance \$850,000 for the establishment of a national post-harvest centre. It is expected that more funds will be forthcoming during the 1987-91 programme cycle from UNDP-administered and other sources to support the development activities of the country.

## II. THE FOURTH COUNTRY PROGRAMME

4. The distinguishing feature of the programme is its concentration on a select group of four interrelated objectives: (1) enhancing national planning capabilities, (2) maximizing the return of the productive sectors, (3) supporting investments in transport and communications and (4) addressing basic human needs. These objectives are closely related to the national development strategies set forth by the directives for the Third Five Year Plan (1986-1990) and support the Government's decision to shift the emphasis from a growth-oriented policy based on the continuing injection of capital investment to one in which growth is achieved through improvements in efficiency and labour productivity by:

(a) A consolidation of the productive base of the economy, through increased returns on past investments;

(b) An alleviation of infrastructure constraints on production; and

(c) A consolidation of gains achieved to date in meeting the basic human needs of the population.

5. The productive sectors of agriculture, fisheries, and industry have been allotted 59 per cent or \$6.8 million. A planning project, which will have the largest single allocation with an estimated IPF input of \$2.2 million, is designed to upgrade the skills of nationals in planning techniques, use of modern macro-economic indicators and improved project preparation, appraisal, monitoring, and evaluation. This should contribute substantially to the efficient operation and management of the development process and result in economic gains and higher productivity.

6. The new programme will maintain interesting recent trends in utilizing IPF resources: the use of short-term consultants instead of resident experts to promote greater national responsibility for project implementation; rationalized and expanded overseas training of nationals, carefully selected for overall

Government development priorities; reduced administrative support expenditures to provide only the minimum necessary logistical and administrative support; and expenditure on equipment only where it is essential to support technical assistance.

7. Democratic Yemen, which has a constitution that establishes the legal equality of women and a positive record in women's rights, is now attempting to promote greater participation of women in development through a strengthened institutional framework involving projects in several sectors. For example, UNDP assistance in agriculture and livestock is expected to benefit rural women. A specific project with an estimated IPF input of \$250,000 has been included in the country programme for improving the secretarial and administrative skills of women in the civil service. It should be noted that several United Nations agencies, e.g. the United Nations Fund for Population Activities (UNFPA), the United Nations Children's Fund (UNICEF), the World Health Organization (WHO) and the World Food Programme (WFP) have active and continuing programmes oriented to welfare of women and children. Nevertheless, UNDP will continue to play the catalytic roles of (a) providing a support mechanism for the integration and co-ordination of national, bilateral and multilateral efforts and (b) the identification of needs for follow-up projects.

8. The country programme has given special attention to addressing the basic human needs of the Democratic Yemen's rural and nomadic communities, both on the mainland and the island of Socotra. This responds to the Government's continuous efforts to reduce the level of absolute poverty and to improve overall living conditions, especially for the Bedouins, the most disadvantaged group, through health and education services and water supply facilities. A UNDP initiative has led to the development of a special Action Plan for Socotra, designed to attract support from a number of donors for implementation of a carefully coordinated assistance package during the fourth country programme period.

### III. MANAGEMENT OF THE COUNTRY PROGRAMME

9. Although the momentum of the programme was slowed by the civil unrest of January 1986, there was a rapid recovery and the country has fully absorbed the assistance foreseen in the third country programme. The IPF of \$12,762,000, including a borrowing of \$336,000 from the 1987-91 cycle, was almost fully delivered at the end of December 1986, one indication that there is no absorptive capacity constraint. This trend is expected to continue in the new cycle.

10. Particular emphasis will be given to improving the design of projects based on a careful evaluation of sectoral constraints affecting implementation and with careful attention in the formulation stage to ensure that the objectives are realistic in terms of the availability of adequate financial resources, essential manpower resources and an appropriate policy framework. In addition to maintaining the very effective Tripartite Review (TPR) and project evaluation systems which are now in place in Democratic Yemen, a mid-term review is scheduled for late 1988 to assess overall implementation performance and to adjust the programme wherever necessary. The unprogrammed reserve of \$1.15 million is expected to provide the

necessary leeway for any readjustment of the IPF outlays to individual projects, as well as to respond to the Government's requests for high priority technical assistance requirements which might arise during the five-year period covered by the fourth programming cycle 1987-91.

#### IV. RECOMMENDATION OF THE ADMINISTRATOR

11. The Administrator recommends that the Governing Council approve the country programme for Democratic Yemen.

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