GOVERNING COUNCIL
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Agenda item 3(d)

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR

DEMO CRATIC YEMEN

UNDP assistance requested by the Government of Democratic Yemen
for the period 1982-1986

Illustrative IPF for 1982-1986: $17.250 million

INTRODUCTION

1. The Ministry of Planning prepared this country programme in collaboration with
the UNDP Office in Aden in accordance with the development objectives and various
sectoral priorities as specified in the Government's Second Five-Year Plan (SFYP)

2. The programming process evolved in several stages: (i) an assessment of the
previous country programming experiences carried out by a UNDP consultant late in
1980; (ii) a joint UNDP/Government seminar to familiarize the Government staff
with the methodology of preparing the country programme and the technique of design-
ing projects for assistance from the United Nations system; (iii) sectoral review

Note: In accordance with decision 81/15, adopted by the Governing Council on
27 June 1981 (E/1981/61/Rev.1, Annex I), the third country programme for Democratic
Yemen is being submitted to the Council without an accompanying note by the
Administrator.

The previous country programmes for Democratic Yemen and the accompanying notes
by the Administrator were issued under the document symbols DP/GC/PDY/R.1 and
DP/GC/PDY/R.2 and DP/GC/PDY/R.1/RECOMMENDATION and DP/GC/PDY/R.2/RECOMMENDATION,
respectively.
discussions, involving the Ministry of Planning, the sectoral Ministries, the UNDP Resident Representative and representatives of the United Nations agencies in the country, which took into consideration sectoral studies, project reviews and evaluations carried out by the United Nations specialized agencies in addition to the UNDP consultant's assessment report; and (iv) consultations among the Ministry of Planning, sectoral Ministries and the UNDP Resident Representative's office in order to maintain consistency between the country programme and the development priorities of the SFYP.

DURATION, TIME-FRAME AND ANTICIPATED RESOURCES

3. The duration of this country programme is five years, 1982 - 1986, which coincides with the third UNDP programming cycle. There is only one year's difference between the duration of the country programme and that of the SFYP, 1981 - 1985.

4. The illustrative IPF for the third cycle is $17.25 million of which 80 per cent, or $13.8 million has been taken into account for programming purposes during the period.

HIGHLIGHTS OF THE PROGRAMME

5. The country programme for the third cycle conforms faithfully to the priorities established by the Government. For different reasons, the substantial investments made in the development of agriculture, fisheries and industry have not significantly advanced the realization of established objectives and targets. Accordingly, this programme reflects a determined concentration of UNDP technical assistance over the next five years on improving the economic performance and ensuring more productive investments in the development of these sectors. The programme also places high priority on the development of transport and communications. Furthermore, special attention has been attached to the development of human resources in these and other sectors. Taking all the relevant sectors into account, as much as 50 per cent of the resources available for programming has been earmarked for UNDP assistance to educational and training programmes and institutions. Another special feature of the programme is the utilization of United Nations Volunteers.

NATIONAL DEVELOPMENT OBJECTIVES AND PROGRAMMES TO BE SUPPORTED BY UNDP

6. In the decade of the 1970s, the Government of PDRY pursued vigorously a strategy of developing the economy within a socialist-oriented framework. The main direction of the Government's development programmes was to transform the service-oriented economy into a production-based economy.

7. The SFYP (1981-1985) was launched to reinforce the expansion and strengthening of the productive capacity of the economy. Accordingly, the policy for the SFYP focuses on the following objectives:
(a) Achieving an annual growth rate of 7.9 per cent in GDP, thereby increasing the per capita GDP by 46.5 per cent during the plan period;

(b) Attaining sustained growth by expanding the material and technological base of the economy, particularly in agriculture, fisheries and industry;

(c) Improving the efficiency and productivity of the labour force and encouraging participation of women in development;

(d) Improving the balance of payments and realizing a higher degree of mobilization of resources for development;

(e) Achieving a higher degree of food self-sufficiency;

(f) Improving standards of education, health, housing and other social services;

(g) Achieving rapid improvement in the physical infrastructure of the country.

The SFYP gives top priority to the industrial sector allocating 29 per cent of the total plan outlay; the allocation for transport and communication is 18 per cent; agriculture, 11.9 per cent; education, 5.5 per cent; fisheries, 5.4 per cent; health, 2.6 per cent; and other sectors, 27.6 per cent.

8. This review shows that the objectives of the SFYP continue to emphasize the rapid development of the productive sectors (industry, agriculture, and fisheries) and infrastructure. In view of the acute scarcity of trained manpower in the country, the plan also stresses the development of human resources in all fields. The strategy of the Government is, therefore, to concentrate technical assistance over the next five years on: (i) finding viable and immediate solutions to the problems and constraints which retard the growth of the productive sectors; and (ii) training of Yemenis to plan and execute the development programme.

9. This calls for implementation of comprehensive training programmes for various cadres and increasing the number of trainees in the technical institutions. The scarcity of trained personnel in almost all sectors of the economy has been identified as one of the major constraints of PDRY's Development Programme. To deal with this, the Government, as discussed earlier, intends to utilize about 50 per cent of the available UNDP resources during the third cycle, 1982-1986, for continued technical assistance to various training and educational institutions started during the previous programming cycles.

10. Another important activity for UNDP assistance in meeting the Government's development objectives is the promotion of organized and institutionalized sectoral capabilities in industry, fisheries and agriculture.

A. Agriculture

11. The major goal of the SFYP in agriculture is to increase the production of food crops and livestock in order to better satisfy domestic consumption needs and to increase the output of agriculture products used as raw materials for industry,
as well as to expand the country's export capacity. To achieve these ends, the agricultural strategy emphasizes the need for intensive irrigation, and the use of improved agricultural technology and high-yielding varieties of food crops to overcome constraints in the development of agricultural production in State and Co-operative farms as well as to reduce food losses. Considering the constraints in this sector, the Government has identified the following priority activities for UNDP technical assistance during 1982-1986.

12. Improved Farming Systems and Strengthening of Extension Services: This is a follow-up project to succeed the on-going UNDP-assisted project, Improvement of Crop Production (PDY/75/019). It consists of assistance to fields of extension, pilot farms, farming systems research and economics. The current project and its two preceding phases have made commendable progress in the establishment of the Agricultural Research Center at El-Kod. The proposed project is also expected to benefit from the research work carried out, from time to time, by the network of regional and global research institutions (ICARDA, ICRISAT), as well as to promote TCDC. A certain project association and exchange will also be maintained with the proposed regional project, Agricultural Research (FAB/80/005). The proposed UNDP assistance would be $1.5 million during this cycle. As UNDP funds available for the project are limited because of heavy commitments in other equally important projects, the Government is making serious efforts for soliciting support from bilateral and other multilateral sources to complement UNDP inputs.

13. Establishment of Seed Development Programme: Production of seeds was started in 1978 with financial and technical assistance from the FAO-Near East Co-operation Programme (NECP). By and large, the country continues to depend heavily on imports of different categories of seeds for various crops. The Government feels that in order to raise the per unit yield of such major crops as wheat, maize, sorghum, potato and cotton, extensive use of good seeds of high-yielding varieties, coupled with optimum use of complementary inputs, will be necessary for achieving the planned targets. The Government thus desires to use UNDP technical assistance for rapid development of institutionalized capability for seed production and distribution. Similar to the previous project, this one is expected to be involved in co-operative activities with regional programmes as well as with international agricultural research institutions. A provision of $1.1 million has been earmarked for this project. As UNDP funds available for this project are limited because of heavy commitment to other equally important projects, the Government is making serious efforts for soliciting support from bilateral and other multilateral sources to complement UNDP inputs.

14. Control of Desert Locust: The current regional project Desert Locust Survey and Control (RAB/75/010) will terminate by 31 December 1981. The project has been extremely helpful towards achieving control of this menace and in training field personnel. However, the position in PDRY is not yet such as to warrant leaving the responsibility for locust survey and control to the national service. In the circumstances, the Government has requested a two-year extension of the project. An amount of $.14 million from the national IPF has been requested for this purpose.
15. **Livestock Development:** Livestock and livestock products form a very significant part of the agricultural sector. It contributed about 31.6 per cent to the total value of agricultural production in 1980. The main constraints to livestock development include harsh environmental conditions, poor level of management, scarcity of manpower, non-availability of feed and shortage of health control measures. The Government envisages the utilization of UNDP assistance for a project related to the prospects of expanding and improving the raising of goats and sheep, especially by harnessing the natural bent of the Bedouin for possessing livestock and by paying more attention to a number of individually owned sedentary livestock enterprises. The proposed project will also include a component of animal production research and animal health surveys. The Government has requested $0.8 million of UNDP assistance for this project during the next IPF cycle.

16. **Agricultural Census:** The current UNDP/FAO-assisted project, Development of an Integrated System of Agricultural Statistics (PDY/76/O09), has been preparing the ground for a comprehensive agricultural census as the central part of developing an integrated system of agricultural statistics. In the Second Five-Year Plan, funds needed for carrying out the agricultural census were allocated and part of the field work should be completed before the end of this phase of the project. However, the country is still in need of substantial technical assistance for an extended phase. The cost of the additional UNDP assistance requested amounts to $0.6 million.

17. **Reduction of Post-Harvest Losses of Farm Outputs:** The Government envisages the utilization of resources from the Special Measures Fund for LDCs for the extension of the on-going small FAO-funded projects. Food Loss Reduction at State Co-operative Farms (PFL/PDY/001), in order to provide the technical assistance component required for the UNCDF $1.1 million grant project aimed at the construction of four grain storage warehouses in four Governorates. This is expected to reduce the country's post-harvest grain losses by 1500 to 2000 tons a year. The proposed UNDP/SMF assistance requested for this project amounts to $0.2 million.

18. In the SFYP, emphasis is placed on irrigation development, as water is the major limiting factor for development of agriculture. The Plan, therefore, has allocated 70 per cent of total agricultural investments for development of irrigation. This field is, so far, receiving assistance from the World Bank, IFAD, FAO, the U.S.S.R, and Kuwait Fund. UNDP is helping the Government in elaborating a national plan to combat desertification as well as developing several conservation projects.

B. **Fisheries**

19. From various perspectives, fisheries are important for PDRY. Not only do they provide protein for domestic consumption (about 25 per cent of the total requirement annually), their product is also a good source of foreign exchange earnings. This sector has great potential and the production may go up to 425-650 thousand tons from the present level (72,000 tons) with a certain amount of planned effort. The SFTP recognized this fact and has allocated YD 29.2 million (US$ 85 million) with the aim of doubling fish production by the end of this plan period.
20. The main strategy of increasing fish production during the plan period is the discovery and exploitation of new stocks, including non-traditional species, and the maintenance of levels of existing catch through improved management of the country's fisheries. In this context, the Government envisages the utilization of UNDP technical assistance for a project aimed to improve the management and operations of the National Corporation for Fish Marketing. The project will also give due attention to the improvement of external marketing operations to enhance the targeted increase of fish exports. The requested assistance amounts to $0.8 million. Other areas identified for UNDP assistance, subject to availability of resources, include: (i) deep-sea marine research; and (ii) experimental aquaculture development project.

21. The Government has also recommended the extension of the three on-going UNDP/SMF-assisted projects: Fishery Quality Control Laboratory (PDY/79/O01), Fishery Library (PDY/79/O12), and Fisheries Extension Service (PDY/79/O13). The establishment of a laboratory is necessary to ensure that fish and other marine products marketed either abroad or at home meet health requirements and acceptable commercial standards. The second project will assist the Ministry of Fishwealth in the establishment of a fishery library, while the third will assist in the establishment of a Government fishery extension service to train fishermen in modern methods relating to fishing gear, fishing vessels, fishing techniques and fish processing.

22. In addition to these and the proposed extension of the UNDP/FAO regional project, Red Sea and Gulf of Aden Fisheries Development (RAB/77/O08), the Government is receiving technical and financial assistance from the World Bank and several bilateral programmes. The World Bank will assist the Government with the establishment of fishing villages and the expansion and improvement of personnel training for fisheries. The Government is also willing to participate in and benefit from the various regional and international resources surveys and feasibility studies of fishery resources which have been planned to take place under UNDP/FAO auspices in the 1980s.

C. Industry

23. As mentioned earlier, the industry sector is given the leading role during the SFYP for economic development of the country with an allocation of YD 147.6 m. (US$ 430 m) which amounts to 29 per cent of the total Plan outlay.

24. The main features of the industrial strategy during this plan period are: first, more emphasis on idle capacity for improvement of productivity rather than horizontal expansion of industries; and second, more planned investment for modernization of existing industries which aim at providing for the basic needs of the people and using more domestic raw materials. The major impeding factors of industrial growth are lack of know-how for industrial planning and feasibility studies, absence of industrial consultancy and financial institutions, inadequate manpower in the entire hierarchy, and inadequate preventive maintenance in industries.

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25. To overcome these constraints the Government envisages the training of some 1,700 technicians and managers during the plan period. The Ministry of Industry is also making necessary arrangements to establish a corporation for industrial consultancy through bilateral assistance. Moreover, the Plan includes provisions for such institutions as a central laboratory for quality control and standardization and for investment opportunity studies.

26. So far the Government has received UNDP technical assistance in the form of the UNDP/UNIDO-assisted project Industrial Advisory Unit (PDY/76/014) which provided various kinds of support and began to strengthen the institutional and staff capabilities in the Ministry of Industry for the preparation of projects and feasibility studies. Assistance through a number of SIS projects has also been extended to this sector. However, in order to complement the Government efforts, the Plan envisages the utilization of UNDP technical assistance to the tune of $2 million to further strengthen the institutional and staff capabilities of the Ministry of Industry for the management, monitoring and direction of existing manufacturing industries as well as the implementation of new industrial projects.

D. Transport and communications

27. Civil Aviation: The air transport programme, during the SFYP, involves expansion of Aden airport, improvement of the landing facilities in several other airports and increase in the flying fleet of ALYEMDA, the national carrier. The current UNDP/ICAO-assisted project, Civil Aviation Administration and Aviation Safety Services (Phase II) (PDY/76/007) will terminate by the end of 1981 but the Government requests an additional amount of $1.7 million as UNDP assistance during 1982-1986 for further improvement of the civil aviation infrastructure and human resources.

28. Telecommunications: The development of communications includes projects for improvement of telecommunications within the country and establishment of an earth satellite station. The Government envisages the utilization of UNDP technical assistance which amounts to $0.5 million for an advisory team in telecommunications to co-operate with the Yemen Telecommunications Corporation in the implementation of these projects. Another area in this sub-sector, which had been identified for UNDP assistance but could not be covered due to the scarcity of IPF funds, is the establishment of an in-country facility for training of telecommunications personnel.

E. Education

29. In spite of continuous efforts by the Government, the illiteracy rate in the country, is still very high. The Second Five Year Plan aims at expanding and improving the standard of general education. General education has recently been re-organized and the curriculum and syllabus have been revised, incorporating population education in the curriculum with UNFPA assistance. With assistance from the WFP, the Government established 20 mobile schools for Bedouin children.

30. The problem affecting expansion of general education is a shortage of qualified teachers. About 50 per cent of teaching staff are from abroad. They are expected to be replaced by graduates from teachers training programmes at the Higher College
of Education, Aden University. But these training programmes are still very weak because of a lack of adequate instructional equipment and materials and effective teaching methods. They cannot, therefore, produce quality teachers to meet the requirement. The Government has requested UNDP assistance for a new project needed to help make up these deficits. The additional UNDP assistance requested is $0.45 million.

F. Health

31. The Second Five-Year Plan stresses the importance of primary health care, and emphasizes preventive rather than curative health services. This new strategy takes into account, inter alia, the goals of the International Drinking Water Supply and Sanitation Decade and the WHO-endorsed objectives of "Health for All by the Year 2000". Implementation of the strategy will necessitate a basic re-orientation of the country's health care personnel. To meet this need, the Government proposes that UNDP assist a phase III project for the modification and further development of the training programme of the Institute of Health Manpower Development (IHMD). The re-organization of the PDRY's general educational system, discussed above, also calls for important changes in the Institute. The proposed project would respond to this need as well. The IHMD, an institution of central importance for the health sector, is already the object of UNDP assistance under an on-going Phase II project (PDY/75/009). It is being supported by UNFPA, UNICEF, WFP and the Swedish Save the Children Fund. The additional UNDP assistance presently requested will amount in value to about $1.5 million.

G. General development issues, policy and planning

32. Since 1974, the planning machinery in PDRY is centralized in the Ministry of Planning. But the planning machinery is still weak. While the senior level cadres are being given training abroad, skilled personnel at mid-level and lower level of the planning machinery is scarce. The Government wishes to achieve the capability of preparing better articulated development plans based on better research, skillful analysis, carefully formulated strategies, systematic problem identification and reduction, and sound methods and techniques of planning. The proposed means of achieving this end is a Development Planning Centre. The Government has therefore requested UNDP assistance to the extent of $1.5 million for the establishment and development of such a centre.

33. Strengthening of the Government Computer Centre in the Central Statistical Organization (CSO): In order to strengthen the CSO capabilities, especially data collection, analysis of demographic data and data processing, the Government envisages the utilization of joint UNDP and UNFPA assistance for the procurement and operation of adequate computer and data recording equipment to replace the existing small computer provided by UNFPA. The new computer system will be used for the upcoming agricultural census to be conducted in 1982 and the population census planned to be conducted in 1985, as well as for other diversified statistical applications in the fields of planning, finance, public administration and trade. The proposed UNDP assistance amounts to $0.4 million and the UNFPA joint financing required is about $0.285 million.
H. Workers' education

34. In 1975, the Government established a Workers' Education Institute to train teachers and develop teaching materials to support country-wide programmes for educating workers, especially trade unionists. The Institute has received assistance from international union federations and UNFPA and has benefited from ILO and UNDP inputs in the form of teaching personnel. The second phase of the UNDP-assisted project Workers' Education (PDY/76/019) which is aimed at developing the capabilities of the Institute, is due to termination at the end of 1981. The Government has requested UNDP assistance for a third phase of the project with a provision for $0.255 million.

I. Co-operative and rural development

35. The Government of PDRY has selected co-operatives as a principal means of organizing production in agriculture, fisheries and handicrafts. The number of co-operatives is gradually increasing. The co-operative Institute at Dar Sa'ad is the principal instrument available to improve the functioning of co-operatives and the co-operative departments. Currently there is an on-going UNDP/ILO-assisted project, Strengthening the Co-operative Institute (PDY/76/012), due to be completed by end of 1981, for improving the functional capability of the Institute. But the Government requests further UNDP assistance to this project as the programme of the Institute is undergoing significant changes and the Government wants to complete the process. The required UNDP assistance for this Institute would be $0.6 million.

36. About 10 per cent of PDRY's population is Bedouin and they own 40 per cent of the total livestock. The Government, during the SFYP, plans to improve their socio-economic condition and to integrate them into the main-stream of Yemeni society. Since 1973, there has been UNTCD executed project, Bedouin Development (PDY/79/002) currently financed by UNDP which is helping the Government through provision of watering points, community development activities and improvement of animal husbandry and pastures. In order to consolidate the results of previous phases, the Government has requested UNDP assistance for a follow-up project for strengthening the institutional capacities of the central and local authorities in order to draw up a long-term strategy for the development of the Bedouin areas. An amount of $0.5 million has been proposed to be utilized as UNDP assistance for this purpose.

J. Foreign trade

37. The Ministry of Commerce and Supply, with state trading corporations as its operational wings, handles all exports and imports including the relevant commercial activities. A programming and review mission from UNCTAD and the International Trade Centre (ITC) visited the country during April 1981 and made an assessment of the constraints and deficiencies in the methods of operation and deficits in the competence of personnel in trade. On this basis, the Government envisages the utilization of UNDP assistance in the third cycle for a project which aims at establishing a trade information unit, developing import procurement, providing an advisory service for policy and techniques, giving assistance to state trading organizations as well as improving the export promotion capability of the Ministry of Trade. Provision will be made, within the context of the external sector, planning, for providing technical support and assistance in the management of external resources, including debt monitoring. The requested UNDP assistance amounts to $5 million.