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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR YEMEN

Note by the AdministratorProgramme period

1983-1986

Illustrative IPF for 1982-1986

US\$30 million

I. Nature of the programming exercise

1. The third country programme for Yemen was prepared by the Central Planning Organization on the basis of sectoral discussions with executive ministries and agencies. Advice and assistance was provided by the UNDP Resident Representative at all stages of the programming exercise. UNDP headquarters, through the Regional Bureau for Arab States, provided guidance and support prior to and during the preparation of the programme.

2. The country programming exercise was an integral part of the preparation of Yemen's Second Five-Year Development Plan (1982-1986). Sectoral studies undertaken in the context of the Plan, with the assistance, *inter alia*, of the World Bank (through a UNDP-assisted project on development planning) and the Economic Commission for West Asia (ECWA), were utilized for the purpose of country programme preparation. In turn, sectoral reviews undertaken for the country programming exercise by the International Civil Aviation Organization (ICAO), the International Telecommunication Union (ITU), the World Meteorological Organization (WMO), and other agencies of the United Nations system were regarded by the Government as contributions to the Five-Year Plan as well.

*The notes by the Administrator concerning the previous country programmes for Yemen were issued under the document symbols DP/GC/YEM/R.1 RECOMMENDATION and DP/GC/YEM/R.2/RECOMMENDATION.

3. The country programming exercise consisted of the following steps:

(a) A critical review undertaken by the Government and UNDP in mid-1981 of all ongoing UNDP-assisted projects. This resulted in decisions regarding the continuation or discontinuation of the projects reviewed;

(b) Discussions and negotiations between the Government and UNDP, on the one hand, and other multilateral and bilateral donors, on the other, concerning the latter's planned assistance to Yemen. The talks focused in some instances on the co-financing of UNDP-assisted projects; in others, on the full take-over of activities supported by UNDP during the second country programme;

(c) The identification of technical assistance needs and the compilation of pipeline proposals on the basis of sectoral studies and reviews and other available documentation, on the assumption of resources not being a limiting factor;

(d) A series of meetings, held in March-April 1982, between the Central Planning Organization and sectoral ministries, on the one hand, and between UNDP and other agencies of the United Nations system represented in Sana'a, on the other, which focused on defining priorities for the UNDP-assisted programme for 1983-1986; and

(e) A round-up meeting held in April 1982 between the Central Planning Organization and UNDP to determine finally the content of the third country programme.

II. Relation of the country programme to national development objectives

4. Basically, the strategies and objectives of the Second Five-Year Plan are the same as those of the First Five-Year Plan. The Second Five-Year Plan, however, represents a shift of emphasis from the development of infrastructure to the expansion of the productive sectors. This change is particularly pronounced in relation to agriculture and fisheries.

5. In keeping with the Government's perceptions regarding the optimal use of UNDP assistance, the third country programme will mainly focus on institution-building and the generation of national capabilities within the framework of the continued need for the country to strengthen planning and plan implementation capacities at both the central and sectoral levels. This, too, was the central theme of the country programme for 1977-1982. The third country programme, however, has a noteworthy feature which was not an important attribute of the previous programme. The new programme includes a block allocation for pre-feasibility and feasibility studies, a similar earmarking for technical support to projects and activities assisted by the United Nations Capital Development Fund (UNCDF), and a provision for the development of an investment promotion centre. This injection of investment orientation into the country programme is consistent with the Second Five-Year Plan's emphasis on the expansion of the productive sectors.

III. Content and phasing of the country programme

6. A striking feature of the third country programme is its financial framework. It is the Government's expectation that anticipated resources available under the indicative planning figure (IPF) and from the Special Measures Fund for the Least Developed Countries, amounting in value to some \$17.8 million, will be supplemented by Government and third party cost-sharing funds totalling \$49.2 million. The result is a programme of substantial magnitude.
7. The anticipated cost-sharing resources include sums which are still being arranged. The Government continues to be engaged in discussions with potential third party donors with regard to these contributions. Once these discussions are completed as anticipated, the level of third party cost-sharing in Yemen for the duration of the third country programme will exceed the ceiling established by the Council in its decision 82/5. The Administrator believes, in the light of Yemen's technical assistance needs as a least developed country, that the restriction should be waived in this instance and accordingly recommends that the Council approve the country programme as submitted by the Government. The Administrator feels that the UNDP field office in the country will be able, on the basis of its authorized staffing table, to cope with the workload that will be generated by the cost-sharing contributions. Should this not be the case, he will undertake appropriate negotiations with the Government to resolve the problem.
8. The Government has stated in the country programme document that it will conduct an annual review of the programme. These reviews, supplemented by the semi-annual country programme management plans which the Resident Representative will prepare, will serve as a basis for the continuous programming of UNDP assistance during the period 1983-1986. These arrangements will enable the Government and UNDP jointly to ensure that actual approvals and expenditures are kept in conformity with the availability of financial resources at any given time. In addition, it is noteworthy that the Government proposes to use the annual reviews as a means of defining progressively the detailed content of the programme, in keeping with needs as they emerge. The reviews will also be used as an instrument of co-ordination between UNDP-assisted activities and other programmes.
9. Excluding funds kept in reserve, the resources programmed for the third country programme amount to almost \$64.6 million. Of this, 23 per cent has been allocated to agriculture, forestry and fisheries; 21.8 per cent, to general development issues, policy and planning; 19.2 per cent, to transport and communications; 9 per cent, to human settlements and community development; 7.7 per cent, to health; and 6.6 per cent to natural resources. The remainder is shared by employment, industry, science and technology (meteorology), education and international trade and development finance.
10. While based on the objectives and priorities of the Second Five-Year Development Plan, the third country programme responds also to international development policies and priorities. Of particular interest is the attention

given to the following issues: (a) the International Drinking Water Supply and Sanitation Decade; (b) the participation of women in development; (c) the needs of the poorest segments of the country's population; and (d) self-sufficiency in food production. Equally noteworthy is the effort made to respond to the Governing Council's request to Governments to increase the pre-investment content of country programmes.

11. Yemen has today the second largest United Nations Volunteers (UNV) programme in the world. The third country programme will witness a significant expansion of the utilization of volunteers in the country.

12. The Government of Yemen organized in April 1982 an international conference at which it discussed the country's Second Five-Year Development Plan with its external development partners. The Government feels that the holding of this conference coincided with the intent of the Substantial New Programme of Action adopted by the United Nations Conference on the Least Developed Countries when it requested the governments of least developed countries to establish aid consultative groups or other similar arrangements where they do not now exist. The Government has informed UNDP that it proposes to organize in 1984 a second meeting in conjunction with a mid-point review of the Second Five-Year Development Plan. It has further stated that it may seek UNDP assistance in connection with this meeting.

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