

**CONSULTATIVE GROUP MEETING FOR THE  
REPUBLIC OF YEMEN  
London, UK  
November 15-16, 2006**

**CHAIRPERSON'S CONCLUDING REMARKS  
November 16, 2006**

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This Consultative Group meeting for Yemen bringing together 39 donors and agencies has represented an important step in the process of enhancing the partnership between the Government, development partners and neighboring GCC countries. The Government briefed us on recent progress in economic and social reforms, particularly in implementing its National Reform Agenda focusing on governance; outlined its vision for the future development of Yemen as contained in its Development Plan for Poverty Reduction; and presented concrete areas where it was seeking assistance in the context of its 2007-2010 Public Investment Programme. Development partners expressed their appreciation for the considerable progress that Yemen has made, identified areas where Government may need to focus more upon as well as their planned assistance to Yemen in the coming years. The following were the main messages that emerged from the discussions over the last two days.

First, the Government is to be commended for re-commencing difficult economic, governance and social reforms and is encouraged by all development partners to continue these home-grown reforms. Further, the meeting welcomed the announcement by His Excellency the President that Yemen will be joining the Extractive Industries Transparency Initiative. The Third Socio-Economic Development Plan for Poverty Reduction provides a framework for the continuation of these reforms. This plan focuses on the key development challenges (declining oil resources, the need to generate non-oil growth, high population growth, poor human capital, water scarcity, poor infrastructure and limited access to social service delivery) and identifies the key programs needed to address these challenges, namely investment, technical assistance, and policy and institutional reforms

Second, the Government is committed to continuing to implement its National Reform Agenda to reform the governance systems needed to implement the Plan. It has completed many of the key legislative steps and institutional reform actions that provide the underpinning for the agenda and it will stay the course in fully implementing the National Reform Agenda. Simultaneously, in order to maintain the reform momentum, the Government will be developing, in consultation with its development partners, the next phase of the National Reform Agenda in the coming months.

Third, the draft 2007-2010 Public Investment Programme is a commendable document as it represents the first major effort to prioritize the country's investment needs consistent with the overall macro-economic framework. While further refinements will be undertaken in the coming months to further rationalize and streamline investment priorities, donors have agreed to support the PIP and have made indicative commitments of at least USD 4.7 billion, or over 85% of the funds needed for its full and successful implementation. Development partners agreed to increasingly use country systems to provide their support commensurate with progress in improving procurement and public financial management systems. They also agreed to continue to harmonize their activities and leverage each other in delivering their assistance.

Fourth, there are considerable economic benefits for all countries in enhancing the partnership between Yemen and the neighboring countries of the Gulf Cooperation Council. Further technical work will be needed in the coming months to establish a practical plan of actions in order to advance this partnership in a systematic manner over the short- to medium-term.

Fifth, as greater economic growth will result from private sector decisions and activities, the Government is engaging in an enhanced dialogue with foreign and domestic investors through an Investor's Conference which is scheduled for February 2007.

Finally, the CG agreed to meet again in two years. In the meantime, in order to maintain momentum, meetings between the government and donors would take place every six to twelve months to review the progress made in implementing the commitments made by both parties at this CG meeting. The first such meeting would take place in about six months around May 2007.

I would like to end by thanking the authorities for the considerable effort that they put over many months into ensuring this successful CG meeting and to particularly thank President Saleh who took the time to personally join us. I would also thank all the development partners for coming to this meeting and continuing a tradition of constructive dialogue with the Government. I would like to thank the Gulf Cooperation Council for helping to prepare the CG and in ensuring the very high level representation from its member countries. I would like to thank our hosts, the United Kingdom, for their warm hospitality and excellent arrangements in hosting this meeting in this beautiful historical landmark.

Thank you all for your kind attention and I declare the meeting closed.