



Statement
on Behalf of the
United Nations System
By
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at the
Yemen Consultative Group Meeting
London 15-16 November 2006

Excellencies, Honourable Ministers,
Ambassadors, Ladies and Gentlemen,

Good morning to you all.

Let me begin by thanking the Co-Chairs of this meeting, His Excellency Mr. Abdul-Karim Al-Arhabi, Minister of Planning and International Cooperation of the Republic of Yemen and Ms. Daniela Gressani, World Bank Vice-President for the Middle East and North Africa region, for the opportunity to speak today.

My appreciation also goes out to our gracious host, H.E. Mr. Gareth Thomas, MP and Parliamentary Under-Secretary of State for International Development, Dr. Mohammad Kirbash, Minister of State for Finance and Industry of UAE, and Mr. Abdulrahman Bin Hamad Al-Atiyah, Secretary-General of the Gulf Cooperation Council.

It is indeed an honor to address this high level forum on issues so dear to my heart, while representing the United Nations family.

I sincerely believe that our being here today attests to our common commitment – in true partnership with the government and people of Yemen – to attain the ambitious, yet achievable, development agenda that is before us.

Since unification, Yemen has made steady progress in the various dimensions of human wellbeing, as indicated in rising values of the UNDP Human Development Index. The most recent Human Development Report for 2006 – released only days ago in Cape Town, South

Africa – ranks Yemen at number 150 out of 177 States. This represents an increase in the Human Development Index from 0.394 in 1990 to 0.492 in 2004.

Clearly, much has been achieved since 1990. And yet, as we all know, Yemen is faced with numerous challenges to human development. Many of these obstacles are detailed in the UN’s own analysis – the Common Country Assessment – and include:

- The need to strengthen mechanisms for ensuring transparency and participation;
- Overcoming stubborn gender disparities;
- Rectifying the inequitable and unsustainable use of water resources; and
- Reversing jobless growth, especially in the face of a rising population.

Without a concerted development effort – by the Government of Yemen, the United Nations, OECD donors, GCC member countries, and all of our development partners – current negative trends threaten the future of prosperity for Yemen.

For this reason our gathering today is so important. We must seize the opportunity presented by the MDG-based “Third Development Plan” to cement a new compact between Yemen and its development partners.

Together, our starting point is clear and articulated in the country’s recently approved 5-year “Development Plan for Poverty Reduction” (DPPR 2006-2010).

This Plan recognizes the need to combine economic growth with the fair distribution of its benefits. In a nutshell, the Plan aims to raise the growth rate from an average of 4% during the previous period to over 7% so as to address the dual challenges of income poverty and unemployment.

Achieving this result will require a change in the way that we develop policies, engage partnerships, and ensure implementation. It will also require seeing through a vision of a virtuous cycle of economic growth that improves human capability and vice versa.

For its part, the United Nations will continue to focus on promoting this synergy and broadening the scope for the participation of women and the disadvantaged in economic activities, while addressing the needs of children and youth. At the same time, we will work to improve access to basic social services and promote economic governance.

The Government is also aware of the need for major improvements in transparency and participation, and to that end, launched a national reform agenda in December 2005. That agenda has already yielded results that will continue to be built upon, in order to improve economic and political governance, notably the business enabling environment. In the area of governance reform, the UN system is uniquely positioned to be Yemen's principal partner. This is because of our mandate in relation to human rights instruments, and the trust that the Government has in our objectivity.

The Government of Yemen is also committed to tackling the population issue and redressing gender disparities. Here too, the UN system will be a critical partner in the implementation of the "National Population Action Plan". We will also work together to realize objectives outlined in the Third Plan pertaining to women's empowerment.

The Public Investment Plan (PIP), calls for a total public investment of \$12.6 billion over the plan period. It focuses on basic infrastructure, including water supply and sanitation; human resource development, governance and population issues addressed through policy interventions. Further investments in civil service reform and better reproductive health services are envisaged.

More work is needed in refining the Public Investment Plan, notably by adding more interventions in the areas of governance and population. Also important is the urgent need to focus on achieving food security through increased agricultural productivity. It is noteworthy that the funding for the Public Investment Plan is expected to come roughly in equal measure from national and foreign sources. This demonstrates the Government's substantial commitment to mobilizing national resources, especially when compared with the average LDC, where most public investment is funded from external sources. This national commitment needs to be acknowledged and, I trust, it will be supported by the commitment of external partners.

A number of Yemen's development partners have raised concerns regarding the ability of the country to effectively absorb higher levels of public investment. In preparation for the CG meeting, UNDP commissioned a study of options on implementation modalities, which recommended a flexible and pragmatic approach to aid delivery.

The study emphasizes the importance of government agencies retaining policy setting roles. It also suggests that an appropriate implementation modality be chosen from a menu of options, taking into account the different levels of capacity across sectors and Yemeni entities. The long term objective is to channel most assistance through the national budget, in line with the Paris Declaration on Aid Effectiveness.

In the meantime, however, a mix of different modalities are suggested. These include continued use of Project Implementation Units (PIUs), direct contracting by donors, use of the UN system and entities such as the Social Fund for Development and the Public Works Programme. On this last point, let me reiterate that the United Nations also has a wealth of experience with other modalities, such as joint programming, multi-donor and other special trust funds. One thing we have learned is that the effectiveness of any modality depends upon clear exit strategies and building national capacity, so that over time, most aid will be mainstreamed into national development processes.

Clearly, the Third Plan's ambitious targets for breaking the circle of slow and narrowly-based economic growth on the one hand; while tackling problems associated with a rising population; depleting water and oil resources on the other, will only be met if there are concerted efforts by Yemen and her development partners.

The MDG compact, which commits Yemen to redirecting its national resources towards meeting MDG goals, (recognizing that development partners will also do their part through increasing ODA and opening up market opportunities), provides an excellent foundation for Yemen's development.

The new Development Plan is premised on achieving MDG targets and has benefited from the work of the UN Millennium Project in assessing the cost of meeting the MDGs by 2015. The successful implementation of the Plan should lay the foundation for sustained broad-based growth by dealing with infrastructural constraints and developing the human capabilities of Yemenis.

Yemen's development partners in general, and the Gulf Cooperation Council (GCC) and its member countries in particular, have a critical role assisting the country to reach the MDGs.

Albeit with a clear understanding that additional support is linked to maintaining the pace of reform and redirecting national resources towards development.

The UN system also stands ready to support the people of Yemen and their development partners in further to refine the Compact and translate its intentions into actions.

The recently approved UN Development Assistance Framework (UNDAF) clearly articulates the roles required of the Government of Yemen and the UN system in support of the implementation of the Third Plan. And, in accordance with a rights based approach to development that supports and monitors human dignity.

And like the national Development Plan, the UNDAF sets itself ambitious targets for resource mobilization and programme implementation over a five year period (from 2007 to 2011). Regular resources of concerned UN agencies account for roughly half the targeted amount, with the other half to be mobilized from Yemen's development partners. Of course, the UN does have the capacity to substantially increase the size of its programme in Yemen, should more funding become available.

Moreover, the UN can assist in building up the capacity of the Government of Yemen to handle increased flows of assistance in a transparent and accountable manner. In this regard, the UN is willing to continue to play and expand its role in support of donor coordination, making sure that the extra flow of resources to Yemen – we hope to follow from this meeting – will be used to the greatest benefit of my fellow Yemenis.

In conclusion, Honourable Chairs, Excellencies, ladies and gentlemen, my dear colleagues, I wish the participants of this distinguished and important conference every success in cementing new partnerships, and putting those partnerships into practice for a future of prosperity that the people of Yemen so desperately want and so much deserve.

Thank you very much.

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