

Pledging Statement

Gareth Thomas, Parliamentary Under Secretary of State for International Development

Thursday 16th November, Donor Pledging Statements

H.E. President Saleh, Ministers, Ambassadors, Chair, Ladies and Gentlemen...

The UK has been leading on ensuring concrete actions by the international community to deliver the 2005 global commitments to increased aid. I believe that Yemen provides us with a compelling case for scaling up engagement and aid and I am pleased to announce that the UK will be providing £117 million to Yemen over the next four years to support the Development Plan for Poverty Reduction. In line with DFID's advocacy to ensure long term predictability of aid, following the CG, we intend to prepare a Development Partnership Agreement with Yemen to support our substantial increased aid resources. I am speaking for the entire UK government in making this substantial commitment. We will ensure all of our capacity and effort across the UK Government is focussed on addressing poverty and supporting stability in Yemen.

I say compelling because: Yemen has high levels of poverty; is extremely vulnerable to even further increases in poverty and inequity; is substantially under-aided; and the Government has set out and confirmed its commitment at the highest levels to implementing an ambitious reform agenda.

As we have heard, Yemen is one of the poorest countries in the world. It will not achieve the MDGs without considerable increases in international aid resources. We are also well aware of the seriousness and complexity of the medium-term challenges Yemen is facing: declining oil revenues; high population and unemployment growth; severe water scarcity; high illiteracy levels; and weak capacity to deliver services to a very scattered population. Yemen is clearly vulnerable to even higher levels of poverty and inequity.

During my recent visit to Yemen and our meetings over the past two days, I have been convinced that the President and his senior Ministers' are aware of the magnitude of the challenges Yemen is facing and I have been impressed with the President's personal determination and leadership to

tackle the problems. In short, the UK is committed to supporting the Government of Yemen's reform efforts to tackle poverty and address its future challenges.

I urge Yemen's other Development Partners to do likewise. The scale and nature of Yemen's challenges requires a concerted international response. The Government of Yemen has made considerable efforts over the past two years to encourage increased international and regional assistance and to establish better mechanisms for aid management. Importantly, the Government is a signatory to the Paris Declaration and to improving the effectiveness and impact of international aid.

Given the extent of poverty in Yemen, I have been surprised by how few donors and how little aid Yemen receives compared to other countries in similar position. This CC provides an opportunity for the international community to rectify this situation. We have been briefed on the President's National Reform Agenda, the new Development and Poverty Strategy, the new Public Investment Programme and the new Aid Policy: all these new initiatives have been undertaken by the Government to ensure the international community has the necessary confidence to invest more aid to achieve the best impact and results on the ground. While we recognise that there is still much work to be done - as the Government has said, all remain 'works- in-progress' - the Government of Yemen has provided donors with a vision and sound basis for increased engagement and aid.

Once again, I want to take the opportunity to recognise the importance of the engagement and support from the GCC. Yemen has provided a unique opportunity for OECD donors and the Gulf States to work closely and cooperatively in the build up to this conference. Across the UK Government we are committed to ensuring this relationship is maintained and enhanced in the future. Yemen's future economic progress and stability will rely heavily on the substantial support from the GCC states.

The UK's increased aid to Yemen will focus on three key areas: firstly, supporting the National Reform Agenda and strengthening governance, particularly improving public financial management in Government and providing better access to justice services for poor people; secondly, ensuring more economic opportunities for poor people by supporting the priority investments in the Public Investment Programme; and, thirdly, by investing even more in people with a priority on education, particularly for

girls. As we scale up our aid, the UK will continue to work closely with Yemen's other development partners to ensure better streamlining, coordination and alignment with the Government's priorities.

The UK is under no illusions as to how difficult it will be for the Government of Yemen to implement the necessary measures and reforms, particularly given key institutional capacity constraints. It will take sustained political leadership from the President and his senior Ministers and it will be a long hard road. But the UK is making a long term commitment to Yemen.

We urge others to do likewise.