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Enabling poor rural people to overcome poverty in **Yemen**

Rural poverty in Yemen

The Republic of Yemen is one of the driest, poorest and least developed countries in the world. Poverty and food insecurity are strongly linked with the depletion and degradation of land and water resources. It is one of the most water-stressed countries in the world – each Yemeni's average share of renewable water resources is about one tenth of the average in most Middle Eastern countries and one fiftieth of the world average.

Poverty affects nearly 42 per cent of the country's population and is mainly a rural phenomenon. Over 80 per cent of poor people reside in rural areas, and almost half of them live on less than US\$2 a day. Small-scale farmers, sharecroppers, landless people, nomadic herders and artisanal fishers all suffer from inadequate access to basic necessities such as land, safe water, health care services and education. The population is young and growing rapidly. Two thirds of Yemenis are under 24 years old, and half are less than 15 years of age. More than 50 per cent of all children suffer from malnutrition. Women are also particularly disadvantaged. In addition to their heavy domestic workload, they provide 60 per cent of the labour in crop cultivation and more than 90 per cent in tending livestock. Despite their vital contributions to the



rural economy, women have very limited access to economic, social and political opportunities. Many are illiterate and on average they earn 30 per cent less than men. Poverty is most prevalent in the highlands, the semi-desert areas in the east and northeast, the sand dune strip and areas of the central Tihama plain, and in fishing villages on the Arabian Sea. Food insecurity is most severe in rural highland areas where population densities are high and landholdings are very small. Although only about 2.5 per cent of the country's land is arable, agriculture is the backbone of the rural economy, with around 90 per cent of rural households involved in crop or livestock production. However, due to low productivity few households can support themselves on agriculture alone and most rely on income from employment or remittances. The main agricultural areas are the terraced, mostly rainfed highland zones and irrigated lowlands in the centre and along the coasts of the Red and Arabian Seas. Yemen produces a limited variety of crops, including coffee, fruit, pulses and vegetables. Khat, a controversial mild stimulant drug is also produced. It plays a major role in the economy, accounting for 8 per cent of gross domestic product (GDP) and 40 per cent of agricultural GDP. Nearly 15 per cent of the workforce is employed in its marketing and production, which uses 40 per cent of the country's water resources. Typical households spend five times more money on khat than on education. A significant portion of the terraced farming system is deteriorating because of neglect and lack of maintenance, and the country's fishery resources have been subject to overexploitation. As a result, Yemen is a food-deficient country that produces less than a third of its needs and imports nearly US\$1 billion worth of foodstuffs annually, including 70 per cent of its wheat and 90 per cent of its rice.

Eradicating rural poverty in Yemen

The Government of Yemen's Strategic Vision 2025 is a long-term plan to transform the economy into middle-income country status by 2025. It focuses on supporting rainfed agriculture, expanding water harvesting, improving water-use efficiency, cultivating crops such as coffee, potatoes and vegetables, and controlling the cultivation of khat. It also includes investments in research to improve the productivity, quality and competitiveness of the fisheries sector by enhancing marketing infrastructure for refrigeration, storage and processing.

Yemen's poverty reduction strategy paper and the associated five-year development plans aim to reduce the proportion of the population living below the poverty line. Poverty reduction rests on what are referred to as the four pillars of the strategy: economic growth, human resources development, improved infrastructure and social protection. Projects described in the most recent five-year plan increased public investments by nearly US\$6 billion. In view of the critical shortage of water resources, the development plan recognizes that the future of agriculture depends on increasing investments and improving the efficiency of both the rainfed sector and the existing irrigated sector. It also proposes a number of other activities, including developing and marketing export crops, and improving access to credit and financial resources for rural households. It seeks to upgrade the livestock sector by improving animal health and livestock extension services, introducing better rangeland management practices, and establishing producer associations and groups that will increase the bargaining power of livestock producers.

IFAD's strategy in Yemen

IFAD is currently one of the two largest donors supporting Yemen's rural agricultural sector. IFAD has worked in Yemen since the Fund's creation, and has acquired a wealth of experience and knowledge of the economy and society, and developed a wide network of partners in the country. IFAD's goal in Yemen is to achieve improved, diversified and sustainable livelihoods for poor rural women, men and young people, especially those who depend on rainfed agriculture and livestock production systems in the poorest areas. IFAD has three main strategic objectives in Yemen:

- empowering rural communities by strengthening partnerships with civil society organizations and using community-driven approaches so that poor rural people can manage local community development activities;
- promoting sustainable rural financial services and pro-poor rural enterprises by developing savings and credit associations for disadvantaged groups in remote rural areas and developing rural enterprises that provide jobs for the unemployed, especially young people and women;
- enhancing food security for poor households by restoring the productive agricultural base and improving productivity so that poor households can produce enough for household needs and a surplus that can be sold.

Popular participation, gender balance and environmental sustainability are emphasized in all of IFAD's initiatives.

In recent years IFAD's approach in Yemen has focused increasingly on the creation of economic and employment opportunities for poor rural people. IFAD has recently supported the establishment of the Economic Opportunities Fund, a sustainable public-private partnership that provides investments in rural financial services, economic infrastructure and value chain development.

Programmes and projects: 21

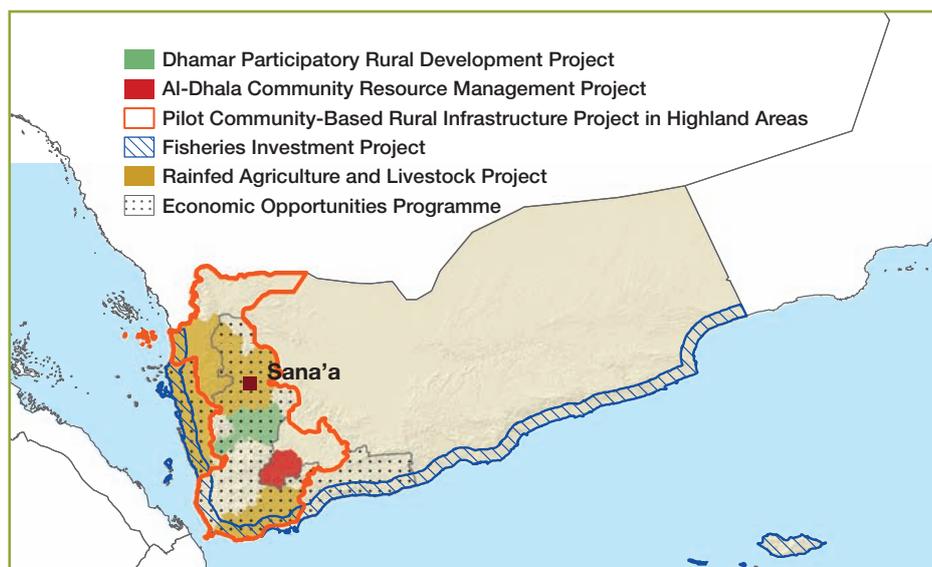
Total cost: US\$668.3 million

Total financing from IFAD:
US\$223.9 million

Directly benefiting: 573,240 households



Ongoing operations



Total cost: US\$32.9 million
IFAD debt sustainability framework (DSF) grant: US\$9.1 million
Duration: 2011-2017
Cofinancing: European Union (US\$5.3 million); Islamic Development Bank (US\$13.3 million)
Directly benefiting: 45,000 households

Fisheries Investment Project

This nationwide project, covering all nine maritime governorates along the Yemeni coast, is managed by the Economic Opportunities Fund. It aims to improve the economic status of small fisher households by creating sustainable and diversified economic opportunities for poor women and men in fishing communities.

The project participants include small-scale fishers, fishers' organizations, and poor households in coastal communities interested in engaging in aquaculture or starting up microbusinesses.

Total cost: US\$38.6 million
IFAD DSF grant: US\$12.9 million
Duration: 2010-2016
Cofinancing: European Union (US\$9.7 million); Islamic Development Bank (US\$10.5 million)
Directly benefiting: 14,000 households

Economic Opportunities Programme

The programme seeks to create economic opportunities for poor rural people. It works with smallholder and landless households to develop value chains for three high-value agricultural commodities: coffee, honey and horticulture products. These value chains have significant potential for reducing poverty and increasing economic growth through export market expansion and rural job creation. The programme also promotes microbusinesses to meet demand for goods and services in rural areas.

The participants include coffee producers with small terraced landholdings, smallholder farmers, sharecroppers, and landless households interested in protected horticulture, mobile honey production and rural small businesses. Women constitute the key target group for microbusinesses.

Total cost: US\$42.2 million
IFAD loan: US\$16.6 million
Duration: 2009-2014
Cofinancing: World Bank, International Development Association (IDA) (US\$19.6 million)
Directly benefiting: 185,000 households

Rainfed Agriculture and Livestock Project

This project helps reduce rural poverty and improve the management of natural resources in five of the most disadvantaged areas of the governorates of Al-Mahweet, Hajjah, Hodeidah, Lahej and Sana'a. Rapid population growth is causing increased pressure on natural resources in these areas where the local economy is predominantly based on rainfed agriculture and livestock. The objectives of the project are to:

- assist smallholder farmers, herders, landless people and woman-headed households to strengthen their processing and marketing systems, protect assets such as soil, water, rangelands, seeds and animals, and increase off-farm household income;

- upgrade and diversify production while reversing rapidly increasing resource degradation, by fostering participatory management of natural resources;
- introduce microfinance services and promote the development of new microenterprises, income-earning activities, access to markets and partnerships with the private sector.

Through activities in 23 districts, the project supports efforts to make soil conservation and water harvesting more effective in the uplands. It also empowers poor communities to participate in and benefit from community-based development planning and implementation.

Pilot Community-Based Rural Infrastructure Project for Highland Areas

In the highlands, isolation and a lack of basic infrastructure limit development and contribute to poverty. As a result of difficult conditions in rural areas, migration to urban areas is increasing.

The project's goal is to improve the living standards of poor rural people in remote highland communities by:

- empowering communities to have a role in improving infrastructure;
- reducing isolation and improving mobility and access to markets and services;
- institutionalizing community-led access road improvement within the national framework for road development;
- improving the access of poor households to sustainable drinking water supplies.

The project focuses on upgrading the lowest category of roads, known as quaternary roads, which reach the most disadvantaged villages in the highlands. To maximize the project's benefits, all village access roads improved under the project will be linked to other upgraded rural roads, and priority will be given to links with intermediate road networks in IFAD project areas in Dhamar, Al-Dhala and Raymah. The project will also link village access roads with improved intermediary roads in the poorest districts of 11 highland governorates.

Al-Dhala Community Resource Management Project

Almost one third of rural people in Al-Dhala Governorate are poor, and most of them live in villages in remote areas. The project aims to improve their living standards and income security by supporting better management of the resource base and to increase opportunities for generating income.

The specific objectives of the project are to:

- build the capacity of communities to plan, manage, implement and monitor their own development activities;
- provide access to water and protect and restore the natural resource base;
- equip and support farming households to enable them to improve their agricultural output and pursue other opportunities for generating income;
- empower poor people to participate in and benefit from community-based planning and implementation, and develop their institutional capacity.

Total cost: US\$14.0 million
IFAD loan: US\$10.8 million
IFAD DSF grant: US\$1.8 million
IFAD grant: US\$400,000
Duration: 2007-2013
Directly benefiting: 60,000 household

Total cost: US\$22.8 million
IFAD loan: US\$14.3 million
Duration: 2007-2014
Directly benefiting: 15,600 households

The project works to promote women's development and ensure that they are an integral part of the community's decision-making processes. It builds community institutions that are capable of sustaining development and maintaining momentum.

Dhamar Participatory Rural Development Project

Total cost: US\$24.1 million

IFAD loan: US\$14.0 million

IFAD DSF grant: US\$7.5 million

Duration: 2004-2012

Directly benefiting: 26,000 households

The Dhamar Governorate includes an important agricultural zone. Poverty is widespread in highland villages where up to 70 per cent of the people are poor. Entire communities live in conditions of deprivation, with a standard of living that has remained unchanged for hundreds of years. Women, who have the main responsibility of raising livestock, producing crops and managing their households, are largely illiterate, have limited rights of ownership or control of assets, and their participation in social and civic affairs is restricted.

The project's principal goals are to improve the food security of subsistence farmers, increase family incomes and improve the living conditions of small farm households and village communities in Dhamar. It also works to develop poor people's participation in planning and implementing activities.

Project activities are designed to:

- empower communities, particularly women and poor people, to participate in and reap the benefits of development planning under the project;
- remove physical, infrastructural and social constraints;
- equip and support farm households to increase output so they can secure basic food supplies, produce marketable surpluses and develop income-generating activities.



Completed operations

Al-Mahara Rural Development Project

Total cost: US\$17.8 million
IFAD loan: US\$12.2 million
Cofinancing: United Nations Development Programme (UNDP) (US\$665,000)
Duration: 2000-2009
Directly benefiting: 6,750 households

Raymah Area Development Project

Total cost: US\$17.0 million
IFAD loan: US\$12.1 million
Duration: 1998-2007 Directly benefiting: 12,000 households

Southern Governorates Rural Development Project

Total cost: US\$38.4 million
IFAD loan: US\$11.3 million
Cofinancing: World Bank, IDA (US\$19.7 million)
Duration: 1998-2005
Directly benefiting: 8,250 households

Tihama Environment Protection Project

Total cost: US\$11.7 million
IFAD loan: US\$9.8 million
Cofinancing: UNDP (US\$86,000)
Duration: 1995-2002
Directly benefiting: 7,000 households

Fourth Fisheries Development Project

Total cost: US\$39.8 million
IFAD loan: US\$6.5 million
Cofinancing: European Union (US\$16.3 million); World Bank, IDA (US\$13.1 million)
Duration: 1992-1999
Directly benefiting: 3,500 households

Agricultural Credit Project

Total cost: US\$42.3 million
IFAD loan: US\$15.0 million
Cofinancing: Arab Fund for Economic and Social Development (US\$19.0 million)
Duration: 1991-1998
Directly benefiting: 15,465 households

Eastern Regional Agricultural Development Project

Total cost: US\$24.5 million
IFAD loan: US\$10.5 million
Cofinancing: Islamic Development Bank (US\$7.1 million); UNDP (US\$500,000); World Food Programme (US\$500,000)
Duration: 1989-1997
Directly benefiting: 9,100 households

Southern Regional Agricultural Development Project

Total cost: US\$28.5 million
IFAD loan: US\$2.5 million
Cofinancing: Arab Gulf Programme for Development (AFESD) (US\$299,000); Swiss Agency for Development and Cooperation (SDC) (US\$5.8 million); World Bank, IDA (US\$12.3 million)
Duration: 1988-1996
Directly benefiting: 120,000 households

Central Highlands Agricultural Development Project

Total cost: US\$20.0 million
IFAD loan: US\$4.0 million
Cofinancing: United Kingdom's Department for International Development (DfID) (US\$1.0 million); World Bank, IDA (US\$8.0 million)
Duration: 1985-1991
Directly benefiting: 8,325 households

Agricultural Research and Development Project

Total cost: US\$32.4 million
IFAD loan: US\$5.8 million
Cofinancing: Italy (US\$8.9 million); World Bank, IDA (US\$6.0 million)
Duration: 1983-1991
Directly benefiting: Local research scientists



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Third Fisheries Development Project

Total cost: US\$21.4 million

IFAD loan: US\$5.0 million

Cofinancing: AFESD (US\$8.6 million); European Union (US\$3.4 million); World Bank, IDA (US\$6.0 million)

Duration: 1983-1988

Directly benefiting: 700 households

Wadi Beihan Agricultural Development Project

Total cost: US\$18.1 million

IFAD loan: US\$6.0 million

Cofinancing: World Bank, IDA (US\$8.0 million)

Duration: 1982-1988

Directly benefiting: 4,150 households

Agricultural Support Services Project

Total cost: US\$14.6 million

IFAD loan: US\$9.8 million

Duration: 1981-1985

Directly benefiting: 11,200 households

Southern Uplands Rural Development Project Phase II

Total cost: US\$81.7 million

IFAD loan: US\$14.0 million

Cofinancing: Swiss SDC (US\$6.0 million); United Arab Emirates, Abu Dhabi (US\$10.0 million); World Bank, IDA (US\$17.0 million)

Duration: 1981-1984

Directly benefiting: 60,000 households

Tihama Development Project III (Wadi Mawr)

Total cost: US\$87.6 million

IFAD loan: US\$12.0 million

Cofinancing: European Union (US\$3.0 million); Germany, Kreditanstalt für Wiederaufbau (US\$8.4 million); Kuwait Fund for Arab Economic Development (US\$12.7 million); DfID (US\$3.2 million); World Bank, IDA (US\$15.0 million)

Duration: 1980-1988

Directly benefiting: 6,200 households

Building a poverty-free world

The International Fund for Agricultural Development (IFAD) works with poor rural people to enable them to grow and sell more food, increase their incomes and determine the direction of their own lives. Since 1978, IFAD has invested about US\$13.2 billion in grants and low-interest loans to developing countries through projects empowering about 400 million people to break out of poverty, thereby helping to create vibrant rural communities. IFAD is an international financial institution and a specialized UN agency based in Rome – the United Nation's food and agricultural hub. It is a unique partnership of 167 members from the Organization of the Petroleum Exporting Countries (OPEC), other developing countries and the Organisation for Economic Co-operation and Development (OECD).

Contacts

Omer Zafar
Country Programme Manager IFAD
Via Paolo di Dono, 44
00142 Rome, Italy
Tel: +39 06 5459 2348
Fax: +39 06 5459 3348
E-mail: o.zafar@ifad.org

For further information on rural poverty in Yemen visit the Rural Poverty Portal: <http://www.ruralpovertyportal.org>



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International Fund for Agricultural Development
Via Paolo di Dono, 44
00142 Rome, Italy
Tel: +39 06 54591
Fax: +39 06 5043463
E-mail: ifad@ifad.org
www.ifad.org

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