

Preface

Since 1990, Yemen has made good progress in a number of areas, including the reunification of the two parts of Yemen, political liberalization, poverty reduction and education; and more recently security improvement. These are not small achievements, given the severe shocks which have affected Yemen during this period, namely the Gulf war and the repatriation of over 800,000 Yemenis, the civil war of 1994, and terrorism acts.

However, the challenges facing Yemen remain enormous: high poverty level, high unemployment, huge gender gap, high population rate, poor access to public services, poor governance, and rapid depletion of its two main engine of growth--oil and groundwater resources. Yemen needs to reform much more and much faster to avoid being trapped in a spiral of low growth/high poverty.

To enhance awareness and dialogue among the Yemen citizens on the development agenda for their country, the World Bank, in collaboration with the Ministry of Planning and International Cooperation of Yemen, conducted a two-day high-level Roundtable on "Growth, Employment and Social Progress". The four World Bank regional flagship reports on Trade & Investment, Governance, Gender, and Employment have been used as background material for the development of the agenda and content of the proposed discussions.

The Roundtable was very successful, judging by the level of attendance, the size and composition of the audience, and the level of discussions. Some 300 senior participants attended the conference representing all segments of the society: Government, Parliament, Shura Council, Private Sector, NGOs, Political Parties, Local Councils, and donors. A special effort has been made to ensure adequate participation of women: one in six participants was a highly qualified women. The discussions were lively, substantive and productive.

It was clear throughout the conference that the Yemenis were eager to participate in the development of their country and contribute to the development agenda. One key message came out quite clear during the conference that is the need on the part of the government, the civil society and the development partners to act now. Time is running out for Yemen. Many participants believe that Yemen is at a critical crossroads and far reaching reforms need to be taken in order to face the challenges arising from the decline in oil production and underground water. The roundtable provided a timely opportunity to discuss these challenges.

Yemen is a country well-endowed with resources: human, cultural, and natural (mountains, ports and beaches, fisheries, mineral). Deeper and wider economic reforms are needed to ensure the efficient use of these resources. Attaining the Millennium Development Goals would require the resumption of growth—pro-poor growth—which in turn would require the promotion of private sector development and the investment in people (lower fertility rate, higher enrollment rate and good basic health coverage).

A word of caution. It should be highlighted from the outset that the report represents the views of participants and not those of World Bank and Government. In particular, the specific recommendations listed in attachment 1 represent a list of ideas that need to be thought through, prioritized, sequenced and made consistent within an overall development framework. As such, these ideas are useful as inputs into the formulation process of the third 5-year development plan.

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