



USAID/ERLP

# ECONOMIC GROWTH, RECOVERY, LIVELIHOODS, AND AGRICULTURE

Yemen, the poorest country in the Middle East and North Africa region, is suffering from the most severe humanitarian crisis in the world. Ongoing conflict, the war in Ukraine, high fuel prices, and the effects of climate change have exacerbated the country's food insecurity. Exports fall far short of covering food imports and Yemen's banking system is in turmoil. The United Nations estimates that at least 600,000 people have lost their jobs, with more than 25 percent of businesses and more than 40 percent of female-owned businesses shuttered.

Since 2020, USAID, through the USAID Economic Recovery and Livelihoods Program (USAID ERLP), has supported the Republic of Yemen Government by strengthening its macroeconomic institutions—the Central Bank of Yemen, Ministry of Finance, and customs and port authorities—to buttress the country's fragile economy and increase international trade. At the same time, USAID is boosting household incomes of farmers, fisherfolk, and small businesses by creating entrepreneurial opportunities that encourage people to invest labor and local resources to generate productivity and jobs.

## USAID'S APPROACH

### POLICY REFORM

USAID provides training and support to help the Central Bank establish a stable monetary policy and exchange rate management system to keep inflation in check and work to ensure that money circulates to stimulate business and job growth. USAID is laying the groundwork for a more robust and transparent revenue policy and administration framework to meet policy objectives. Through USAID ERLP, we also work to ease the flow of commercial and

humanitarian goods and services through Yemen's borders and ports.

## **PRIVATE SECTOR COMPETITIVE ENGAGEMENT**

USAID supports small- and medium-sized enterprises (SMEs) across economic sectors and increases productivity and market linkages of networks of smallholder farmers and coastal fisher folk. Specifically, USAID ERLP focuses on training, technical support, and programs that strengthen market linkages for agriculture and agribusiness ventures that can employ large numbers of Yemenis. Ultimately, USAID helps increase employment, incomes, and livelihoods of Yemeni families.

## **KEY RESULTS**

Since 2020, USAID has:

- Helped the Central Bank develop a framework for annual monetary planning, which helped stabilize prices for Yemeni people and businesses;
- Provided support to the Central Bank to meet international transparency standards, including a new monthly Economic Bulletin. This publication provides a snapshot of Yemen's current economic status by summarizing macro-financial performance and related policy/regulatory developments. This level of transparency builds confidence for financial stakeholders, international donors, and others;
- Helped establish Yemen's first foreign exchange auctions, which have increased transparency by countering corruption and stabilized Yemen's volatile foreign exchange rates;
- Strengthened the Ministry of Finance's ability to prepare, manage, and monitor the national budget, which will aid the delivery of government programs and services;
- Reduced wait times from 25 to three days at the Port of Aden's Ma'llaa Terminal, Yemen's primary gateway for imported food, goods, and essential humanitarian supplies;
- Supported Yemen in implementing 17 World Trade Organization trade facilitation agreements, which help increase imports of essential goods, including humanitarian aid, food, fuel, and medical supplies.
- Helped over 2,000 Yemenis secure stable jobs in the healthcare, education, textile and garment, light manufacturing, and agriculture/agribusiness sectors;
- Helped 7,380 SMEs access \$27.2 million in loans from partner financial institutions to help them grow successful businesses and support investments to increase production;
- Delivered 186 training sessions to more than 5,800 farmers—40 percent of whom were women—to modernize farming techniques, improve product quality, enhance production, and increase rural household incomes;
- Assisted farmers through support and training by promoting simple, high-potential climate-smart farming technologies, including greenhouses, tunnel farming, drip irrigation integrated with plastic mulching, solar-fed water pumping, animal fattening, and modern beehive techniques; and
- Facilitated 400 sales agreements worth more than \$5 million between Yemeni agri-producers and local and international buyers of fish, coffee, honey, livestock, tomatoes, onions, chili peppers, and watermelons.