ECONOMIC GROWTH, RECOVERY LIVELIHOODS, AND AGRICULTURE FACT SHEET

USAID strengthens Republic of Yemen Government institutions to promote the creation of a stable macroeconomic environment that facilitates trade and stimulates job creation, while also supporting sustainable livelihoods and improving agricultural performance.

As a result of the ongoing civil war, Yemen is suffering the largest humanitarian crisis in the world. USAID is working with international and local partners to rebuild key social and economic institutions, help address the underlying causes of instability, and build the foundation for durable peace and prosperity to foster Yemen’s future resilience.

Since the beginning of the civil war in 2014, Yemeni households have seen their incomes slashed while prices and inflation rise. Basic economic activities have ground to a halt. Oil and gas production and exports are at fractions of pre-crisis levels. Exports are virtually non-existent and the banking system is in turmoil. The UN estimates at least 55 percent of the workforce has been laid off since the civil war began and over a quarter of businesses have closed. Diminishing purchasing power and a devastated agricultural sector have also led to food insecurity.

USAID programs enable Yemenis to improve their economic and food security by supporting small and medium-sized enterprises, helping create jobs, and improving farm productivity and linkage to markets. In addition, USAID supports prioritized macroeconomic reforms needed to help stabilize a collapsing economy and reestablish a functioning trade regime. Such work includes supporting the Central Bank of Yemen and facilitating the flow of commercial goods and services through Yemen’s ports.
USAID’S RESPONSE AND EXPECTED RESULTS

USAID and its partners, including the private sector, are working to ensure that job creation and income enhancing opportunities reach a broad spectrum of Yemenis, including women, youth, and ex-combatants. USAID and its partners are also assisting the Central Bank of Yemen, and supporting trade facilitation (including Customs reform), to boost trade flows and stabilize the economy.

Through the Yemen Economic Stabilization and Support (YESS) Program, USAID is building the capacity of small-and-medium-sized enterprises (SMEs) in health care, food processing, and other sectors to create sustainable jobs. From October 2018 to June 2019, commercial banks, using lending products developed for SMEs, have provided loans to over 1,800 customers with a total value of $11.5 million. Through June 2019, technical assistance to SMEs and workforce development efforts, for instance training and job fairs, created over 3,000 jobs. YESS is also training over 5,000 farmers across 11 governorates on ways to increase their productivity; it is also improving market access in the coffee, honey, horticulture, and livestock sub-sectors. Nearly 3,700 farmers participated in a technical training program, anticipated to increase household incomes by up to 20 percent, benefitting 26,000 households.

YESS technical assistance to the CBY-Aden is part of a multi-donor effort to restore management of the financial sector and improve liquidity conditions by strengthening key central banking functions, such as currency management and foreign exchange operations. In addition, YESS is reducing critical obstacles to humanitarian and commercial trade, through, for example, conducting training on improved risk management and streamlining customs procedures at the Port of Aden. As a result, customs processing times fell from five days to two days and the percentage of shipments inspected declining from 100 percent to 70 percent between October 2018 and March 2019. To cement these gains, YESS has facilitated the creation of a Trusted Trader Program at the Yemen Customs Authority.