BACKGROUND INFORMATION

Unemployment - and especially youth unemployment - is one of the most important challenges faced by Yemen, and one of the main factors of political instability and insecurity.

In 2010, the overall labor force participation rate was as low as 39.5% - only 10.1% for women while the unemployment rate was at 17.8% - but as high as 54.6% for women. Widespread unemployment and poverty, as well as the lack of social justice, fuelled the protests of 2011. The crisis caused a 12.8% GDP decline in addition to a significant deterioration of the economic environment which particularly affected job opportunities for young people. While GDP has started recovering since 2012, the estimated economic growth is not sufficient to solve the problems of unemployment, especially as Yemen continues to struggle with a very intense demographic pressure due to an annual population growth rate of 3%. Young people in the age group 15-29 years represent one-third of the Yemeni society, and 45% of the population is below 14 years of age. The growth of these young groups seeking work is expected to continue and further strain the absorption capacity of the labor market.

While acknowledging that addressing unemployment is a long-term endeavor, the Government of Yemen (GoY) is determined to start tackling the issue in a systematic manner. This firm commitment, included in the Mutual Accountability Framework (MAF) approved at the Donors Meeting held in Riyadh in September 2012, led to the endorsement of the Youth Employment Action Plan (YEAP) 2014-2016 by the Council of Ministers in September 2013.

METHODOLOGY

GoY sought the technical expertise of UNDP, through its Emergency Capacity Development Facility (ECDF) to support the elaboration of the YEAP. The process followed a participatory approach including the establishment of an intergovernmental task force and extensive consultations with key Government institutions, private sector, youth organizations and civil society. This exercise has also benefitted from the technical support of the Arab States Regional Bureau of the International Labor Organization in Beirut.

KEY FACTS ABOUT THE YOUTH LABOUR MARKET

- The share of young Yemenis that are neither in education, training or employment (NEET) is extremely high (48.1%), which means that they do not contribute to the economy and are not prepared to enter the labor force.
- Youth unemployment rates are more than three times higher than for adults and important gender discrepancies exist as the unemployment rate is 3 times higher for young women.
- Women are absent from economic activity as 9 out of 10 do not participate in the labor force.
- Young working men are concentrated in three main sectors: agriculture, retail and construction.
- Great disparities exist between governorates regarding the shares of youth that are not in education, employment or training. Those disparities are likely to relate to the poverty levels in the respective governorates and also to the availability of education institutions.
YEAP OVERARCHING GOALS

To ensure a strategic and comprehensive approach leading to the creation of sustainable job opportunities for the current and future Yemeni youth, the YEAP aims at reaching the following policy objectives and results:

1. Ensure that youth employment is at the heart of Yemen’s economic and development policies and initiatives
2. Stimulate the private sector to increase youth employment
3. Create immediate and sustainable job opportunities
4. Improve job quality
5. Enhance youth participation, especially for the marginalized and disadvantaged
6. Contribute to the achievement of the relevant Millennium Development Goals

YEAP PILLARS

YEAP aims at increasing opportunities for youth employment and providing decent and productive jobs especially for young people entering the labour market every year. To achieve this objective, the YEAP is built on the following three key pillars:

Pillar One: Immediate job creation through employment intensive programs

The objectives are: (i) to increase the number of youth benefiting from the current employment intensive programs by 50% a year; and (ii) to develop sustainable solutions to implement and improve employment intensive programs targeting the youth.

To this end, it is proposed to establish a programme to provide youth in targeted areas with a guaranteed number of days of work per year.

Pillar Two: Build the youth capacity and promote the role of job rich economic sectors in increasing youth employment

The objectives are: (i) link the outputs of the education and training system with the needs of the promising sectors skills; (ii) improve developmental policies in key sectors to increase youth employment; (iii) foster the entrepreneurial spirit among the youth by targeting 2,000 male and female youth every year; and (iv) achieve an annual growth rate of 6% in youth employment during the period of YEAP implementation.

The following activities will be pursued:

1. Conduct fiscal and monetary policies that promote job rich sectors and related investments.
2. Provide labor market information and analysis in the targeted sectors.
3. Improve coordination mechanisms and pathways between education and skills development programs.
4. Establish apprenticeship programs in the informal and formal economy.
5. Design and implement a quality assurance framework, and accreditation processes for greater funding efficiency.
6. Enhance work opportunities by promoting employment culture in Yemen.
7. Provide financial and technical support for males and females initiatives and projects.
8. Develop youth skills to start and develop projects. Develop SMEs in the targeted sectors and increase access to financing and business services.

In addition, the following activities will be pursued:

1. Increase the absorptive capacity and coverage of the different government programs: SFD, PWP, Economic Opportunities Fund at the level of the targeted governorates and districts.
2. Rehabilitate the Agriculture and Fishing Promotion Fund according to its specific mandate.
3. Coordinate with relevant donors programs to expand their activities including the WFP.
4. Build the capacity and provide equipment to the additional youth who have been hired.
5. Implement new approaches and pilot projects in youth intensive employment programs (i.e. skills development, assets ownership, saving).
6. Include skill development components within employment intensive work programs in order to improve the capacity of youth to set-up their own economic activities.
7. Provide incentive and grants to the youth participating in employment intensive projects and facilitate their exit from such projects.
Pillar Three: Facilitate young women and men transition to domestic and external labor markets

The objectives are: (i) improve public labor offices; (ii) develop the education system to better prepare the youth to enter the labor market; and (iii) increase available opportunities for youth employment in decent jobs outside the country.

The following activities will be pursued:

1. Equip and strengthen the public labor offices in the targeted governorates and districts.
2. Maximize the role of the public labor offices and expand the outreach of their services through coordination with and supervision of private employment agencies and NGOs that provide employment services.
3. Promote labour market information systems.
4. Develop participatory activities and work related coaching for students in basic education (last grade) and students in secondary education and university.
5. Develop and implement bilateral agreements with hosting countries to improve working conditions for the Yemeni youth.
6. Implement skills development programs in cooperation with the hosting companies to upgrade skills of the Yemeni youth.

IMPLEMENTATION AND EVALUATION MECHANISMS

The creation of the Supreme Council for Youth Employment and of its Technical Secretariat will guarantee the oversight and coordination function of the Youth Employment Action Plan. The Supreme Council will comprise of government representatives (50%) and representatives of the private sector and youth organizations (50%).

The main implementing agencies in charge of implementing the Youth Employment Action Plan are: Ministry of Social Affairs and Labor, Ministry of Planning and International Cooperation, Government Funds, and Local Authorities.

BUDGET AND IMPACT

The budget for the implementation of the activities and reforms included in the YEAP is estimated at USD 948 million over the period 2014-2016.

<table>
<thead>
<tr>
<th>Pillar</th>
<th>EXPECTED IMPACT</th>
<th>USD(M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Immediate job creation through employment intensive programs</td>
<td>Expansion of existing public investments and social development programs and increase of beneficiaries by 50%</td>
<td>535</td>
</tr>
<tr>
<td>II. Build the youth capacity and promote the role of job rich economic sectors in increasing youth employment</td>
<td>Growth of the microfinance network; establishment of industrial zones to attract job-creating investment; financing technical education and vocational training facilities; self-employment projects for young men and women</td>
<td>323</td>
</tr>
<tr>
<td>III. Facilitate young women and men transition to domestic and external labor markets</td>
<td>Increased access to public employment offices in the governorates to help the youth reach job opportunities inside and outside Yemen.</td>
<td>90</td>
</tr>
<tr>
<td><strong>Total USD (Million)</strong></td>
<td><strong>948</strong></td>
<td></td>
</tr>
</tbody>
</table>
### YEAP ACTION PLAN OCTOBER - DECEMBER 2013

<table>
<thead>
<tr>
<th>Measures and actions</th>
<th>Responsible agencies</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Required resources (USD)</th>
<th>Source of funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1- Prepare and submit to the Cabinet a draft decision to create the Supreme Council for Youth Employment and its Technical Secretariat</td>
<td>MOSAL, MOPIC, PMO, Private Sector, Youth Organizations</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2- Complete YEAP preparation especially the detailed matrix with accurate costing and identification of executing agencies</td>
<td>MOSAL, MOPIC, Task Force (in coordination with Social Fund for Development and Public Works Project)</td>
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<td></td>
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<tr>
<td>3- Organize consultation meetings with the governors and local authorities regarding the YEAP</td>
<td>PMO, Ministry of Local Administration, MOPIC, MOSAL, Governors</td>
<td></td>
<td></td>
<td></td>
<td>5,000</td>
<td>UNDP</td>
</tr>
<tr>
<td>4- Identify and develop projects that reflect YEAP policies and priorities by establishing contacts with the relevant agencies, local authorities, funds and youth organizations and also carry out field visits and incorporate projects in the plan</td>
<td>MOPIC, MOSAL, local authorities, SFD, PWP, Youth Organizations, Private Sector</td>
<td></td>
<td></td>
<td></td>
<td>15,000</td>
<td>UNDP, ILO</td>
</tr>
<tr>
<td>5- Conduct meetings with donors and development partners to present YEAP project proposals to obtain the necessary allocations from the pledges earmarked for Yemen</td>
<td>MOPIC, Ministry of Finance (MoF), Executive Bureau (EB)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>6- Ensure technical, logistical support and equipment from donors to the Technical Secretariat of The Supreme Council for Youth Employment (over the three year period)</td>
<td>MOPIC, MOSAL, EB, UNDP, ILO</td>
<td></td>
<td></td>
<td></td>
<td>5 Million*</td>
<td>Various donors</td>
</tr>
<tr>
<td>7- Organize a national conference on youth employment and the launching of the YEAP</td>
<td>PMO, MOPIC, MOSAI</td>
<td></td>
<td></td>
<td></td>
<td>5,000</td>
<td>UNDP</td>
</tr>
<tr>
<td>8- Approve a package of projects and start implementation within the first six months of 2014 in consultation with the Funds and the other implementation agencies</td>
<td>MOPIC, MOSAL, SFD, PWP, Youth Organizations and other concerned agencies</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

*(operational costs of Technical Secretariat of Supreme Council over the three year period)*

**Duration**
October 2013 to December 2016

**Localization**
Ministry of Planning and International Cooperation, Ministry of Social Affairs and Labor

**Contacts**
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