

Yemen fulfills promise to create supervisory body for donors' pledges

Yemen may finally be able to more quickly and effectively have access to large sums of money that have been pledged as aid for a nation in the middle of a political transition.

On Monday in the presence of Mohamed Al-Sadi, Yemen's planning and international cooperation minister, along with the British minister for international development, Alan Duncan, Yemen's government officially established an Executive Bureau to accelerate the donors' pledges.

The creation of such a body has been sought after by the donors, known as the "Friends of Yemen" since a meeting in Riyadh, Saudi Arabia in September 2012 in which the international community gifted \$7.9 billion to Yemen.

However, Yemen has received only a fraction of the money due to Yemen's history of corruption and lack of transparency, something the new bureau is supposed to remedy.

The World Bank says that as of September, of the almost \$8 billion pledged over a year ago, \$6.9 billion has been allocated to specific programs and \$2.2 billion has been disbursed.

"The bureau was established to make sure the pledges that Yemen is supposed to receive are properly used in the field of public service and developmental projects," said Hadi Al-Arabi, the manager of new bureau.

"The Yemeni government will use pledges to improve education, health services and to provide people with pure water and food security."

"I am very proud to have been present at the launch of the Executive Bureau which promises to play a vital role in attracting the funding for projects which will drive faster economic growth and deliver real improvements to people's lives," said Duncan at a press conference at the British ambassador's residence on Monday.

Duncan also encouraged the Yemeni government to take measures to build its economy independent of donor aid.

"These steps include the lifting of fuel subsidies which absorb over a quarter of governmental expenditures, the abolition of ghost workers and the establishment of a genuinely independent and effective anti-corruption commission," he said.

Although the World Bank has urged donors to follow through with their pledges, Yemen's slowness to enact economic reforms promised to donors has not instilled confidence, said economist Rasheed Al-Hadad.

Al-Hadad said Yemen's hesitance to do away with fuel subsidies is understandable given the country's current economic and political climate. While the international community argues the abolition of such subsidies would grow Yemen's economy in the long run, Al-Hadad says average citizens would be unable and unhappy to absorb the hike in price of fuel as a result.

Al-Hadad said Yemen also has to use the newly created oversight body to restore trust in Yemen's ability to effectively direct donor money towards development.

He said many of the plans to use the pledged money that have been put forward fall short of donor expectation which include support for the private sector and other ways to curb unemployment.

The Executive Bureau will be operated by the Yemeni government with cooperation and oversight from the U.K., the World Bank and the European Union.