



Memorandum of Understanding
Between
Government of the Republic of Yemen
and
Yemeni Private Sector



This Memorandum of Understanding (MoU) sets for the terms and understanding between the Government of the Republic of Yemen (represented by the Ministry of Planning and International Cooperation) and the Yemeni Private Sector (represented by the Federation of Yemen Chambers of Commerce and Industry) to initiate Public and Private Dialogue mechanisms that would lead to private sector engagement in economic growth and sustainable development.

Background:

Despite the important progress Yemen has achieved in the "Doing Business Report 2009" (where it ranks 98 out of 181 countries), the business environment in Yemen has been hit by the adverse impacts of the Arab Spring of 2011 and the recent security problems, the political unrest in some parts of the southern governorates in addition to acts of piracy committed by Somali pirates along the Yemeni coasts and inflow of refugees from the Horn of Africa. Due to these consequences, Yemen's ease of doing business further deteriorated in global ranking from 129 in 2013 to 133 in 2014. As a result, foreign investment flows into the country remarkably retreated in 2009 after the completion of works on the Liquefied Natural Gas (LNG) facilities. Furthermore, the investment climate in Yemen still struggles with numerous administrative and organizational obstacles, and more recently with fragility and security instability due to the lack of rule of law in greater parts of the country.

It is estimated that over five million Yemeni expatriates have migrated worldwide. Key Yemeni business community members abroad have been estimated to possess business worth of hundreds of billions of US Dollars. Even the Yemeni business community in the country is considering investing abroad due to the lack of enabling pro-business environment in Yemen. More importantly, the private sector community would like to see a qualified and committed government that is able to secure pre-requisites for businesses in the country that will contribute to economic growth through the sustainable creation of new jobs. Moreover, Yemeni investors would also like to see a functioning judiciary system that imposes the rule of law, and also the creation of a space for an effective dialogue between the Government and the private sector to allow for the realization of appropriate legal reforms. In general, infrastructure such as power generation is weak, and this would require to be upgraded gradually.

Political Economic Context:

Yemen is at an important crossroad of a political and social transition. The transitional government under President Hadi is embarking to implement the outcomes of the 565-member National Dialogue Conference (NDC) that concluded on 25 January 2014 with 1,850 recommendations for the future state of Yemen. A new constitution is being developed this year to be initially drafted by a Constitution Drafting Committee and shared for review and consultations with the public. A number of the NDC outcomes are sensitive and contentious, requiring tactful political negotiations to be moved forward. This includes the regional boundaries and distribution of power under the new federal structure, transitional justice for past human rights violations and unlawful dismissals of civil servants and land/property-seizure, security sector reform, and the removal of ghost-workers and double dippers, fighting

corruption, amongst others. Other outcomes will require the reform of state institutions to accountably and effectively manage public services, justice, security, the economy and to create job opportunities and development for the widely impoverished population, especially for the youth and women.

The transition is challenged by a number of compounding issues. Frequent sabotage of oil pipelines and the electric power transmittal lines by tribes and groups with grievances against the Government of Yemen has seriously impacted Yemen's oil sector which accounts for 70% of GDP and the major source of foreign currency income. In 2013, there was nearly \$1 billion (20%) reduction in oil and gas revenues and declining production trends are continuing in 2014. Due to this fiscal crisis, the Government has phased-out some of the fuel subsidies that amount to \$3 billion (above the combined budgets of Education and Health Sectors) or a third of the national budget. The economic impact of the frequent and extended power-cuts and fuel shortages have yet to be assessed, however, agricultural products are already withering due to the lack of diesel generator-pumped ground water.

Yemen witnessed critical events that affected a lot of the Yemeni provinces, including the capital, Sanaa that ended with signing of the "Peace and National Partnership Agreement" on 21 September 2014 addressing the three demands: 1) revise downwards the prices of fuel, 2) changing the Cabinet of Ministers and 3) implementation of the National Dialogue Conference outcomes.

Yemen is highly dependent on declining oil resources for revenues. Petroleum accounts for roughly 25% of GDP and 70% of the total government revenues. The on-going disruptions to oil production/export through the Marib Pipeline¹ reduced government revenues in 2011 as well as in 2012/2013 with fiscal deficit reaching 9.3% of GDP in 2011, in spite of higher oil prices, narrowing slightly in 2012 to 6.4% of GDP. Real GDP contracted by 10.5% (estimation) in 2011, because of falling oil outputs and social and political unrest. It slowly regained to 2.1% in 2012 and 4.2% in 2013. As per Central Bank of Yemen bulletins, the country earned just US\$ 671 million from crude oil exports for the period of January to May 2014, which is 40% less compared to same period of last year (2013). Moreover, the Central Bank of Yemen reserves has shrunk to US\$ 5.1 billion², its lowest level since end of 2011. All social indicators remain on a continuous deterioration. Poverty has increased from 35% in 2006 to 54.4% in 2011 and unemployment among youth and women has increased beyond 50%.

¹ Marib Oil Pipeline was damaged on 14 March 2011 and export of oil only resumed on 16 July 2011, and several times the pipeline was again damaged interrupting the production of crude oil, which is the main source of foreign currency for the country. More than once, the Saudi Government has directly supplied Yemen with oil to overcome the oil supply crisis in the country.

² Not enough to cover 5 months of exports, while Yemen imports more than 80% of its food basket and medicines from abroad

Purpose:

The main purpose of this initiative is to support both the Government of Yemen and the Yemeni private sector to identify a clear path for private sector engagement in economic growth and sustainable development as per the outcomes of the National Dialogue Conference which has been concluded on 25 January 2014, and as per the requirements of the Peace and National Partnership Agreement signed by the majority of political parties on 21 September 2014, as well as the MDG Acceleration Framework (MAF) adopted by the Government on 25 October 2014.

This objective will be accomplished by undertaking the following clustered interventions:-

1. New Constitution:

The private sector to provide comments within two weeks on the first draft of new Constitution once it is being tendered for comments by the Constitution Drafting Committee. (Action by: the private sector)

2. Economic and Social Council:

- a) The new Cabinet should request the private sector to name its representative(s) (i.e. 50:50 representations private sector and Government of Yemen) to the Economic and Social Council. (Action by: Prime Minister and the private sector)
- b) The private sector should declare a commitment to the social responsibilities entrusted to it, especially in the field of environment preservation and Employment of labor and contribute to the rehabilitation of youth and women, as well as the support of the government and the enhancement of security, which is a necessary condition for investment and extending the authority law.
- c) The private sector should complete on an urgent basis its institutional structure that represents it and reform its organizational, administrative, financial and technical structure and raise it to a high-level position to be engaged in an equal and effective partnership with the Yemeni government.

3. Public-Private sector Dialogue (PPD):

Issuance of a Decree or Administrative Order no later than the first quarter of 2015, for the establishment of the PPD mechanism at central and local levels. The Private Sector will submit a proposal on the PPD Framework with the Government. (Action by: Government in consultation with the private sector).

4. Small and Medium Enterprises (SMEs):

- a. A Joint Technical Committee composed of the key institutions of the Government of Yemen, the private sector, trade unions, syndicates, and academic institutions will be formed to revisit the current SMEs Strategy and propose corrective measures to allow for sectoral growth and absorb unemployed youth and women in rural and urban centers. The formation of the committee should be finalized within two months after this Memorandum of Understanding enters into force and the work of this Joint Technical Committee must be completed within three months after the formation of the Committee. (Action by: Government of Yemen, development partners and the private sector)
- b. By no later than the beginning of the first quarter of 2015, the private sector in cooperation with development partners should finalize preparatory work to support SMEs/communities in three regions of potential which are Al-Janad, Tihama and Aden with respect to:
 1. Value-chain development for local products in particular dairy
 2. Diaspora engagement
 3. Allocating funding from the “Skills Development Fund” for specialized trainings in branding and packaging of local products, as well as marketing skills (mainly for business intermediaries to help rural populations in the marketing of their products)

5. Reform Matrix:

- a. To finalize a joint Reform Matrix by the first quarter of 2015. (Action by: Government of Yemen and the private sector with technical support from IFC, GIZ, CIPE and UNDP);
- b. To start the implementation of the reform matrix by all parties by the second quarter of 2015.

6. Initiative from Private Sector

The private has tendered an initiative to establish and rehabilitate a modern police stations in a number of selected cities, according to a specific criteria that will be developed by a joint committee of the private sector and the Government of Yemen represented by the Ministry of Interior by the first quarter of 2015.

Reporting:

All parties involved in the implementation of this Memorandum of Understanding and its reform matrix are required to report on progress to the signees of the MoU on a quarterly basis. Bi-annual meetings will be jointly organized by the private sector and the Government of Yemen with the participation of all stakeholders to review progress of work and follow-up actions.

Funding:

This MoU is not intended to be a funding mechanism for its implementation. However, respective international organizations (i.e. IFC, GIZ, CIPE and UNDP) may provide technical support for the implementation of this MoU from their ongoing projects in the country. These international organizations shall work in a harmonized fashion to avoid duplication and to ensure value-for-money for their funded activities.

Duration:

This MoU is signed on good faith and may be modified by the mutual consent of authorized officials from (list partners). This MoU shall become effective upon signature by the authorized officials from the (list partners) and will remain in effect until modified or terminated by any one of the partners by mutual consent. In the absence of mutual agreement by the authorized officials from (list partners) this MoU shall end on 31 December 2017.

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Signed on the Behalf of Government of
the Republic of Yemen

Signed on the Behalf of the Yemeni Private
Sector

Dr. Mohammed Al-Maitami
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Mr. Mohammed Abdo Saeed Anam
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of Commerce

Date: 18 November 2014

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The Framework of the Joint Reforms between the Government and the Private Sector

Issue	Goal	Suggested Executive Reforms	Implementing Party	Time Table for Implementation
Security Situation, the Authority of the State, and the Supremacy of the Law	<ul style="list-style-type: none"> - Increasing security and stability and strengthening the authority and power of the state in all of its lands. - Creating an accurate electronic database of all of the citizens that serves reforms in all political, security, economic, and social aspects.³ - Protecting public property, including the electrical wires and oil pipelines. 	<ul style="list-style-type: none"> - Increasing the competence of the management of the security agencies to achieve security and stability. - Completing the implementation of the security spread - Drafting a law to prohibit carrying weapons and a law to combat terrorism - Quickly starting on the national ID number for citizens - Stopping the attacks on the electricity, oil pipelines, and the people’s bio resources 	The Government	Medium Term
		<ul style="list-style-type: none"> - Adopting internal security policies in the buildings of the private sector and having positive interactions with security forces. 	The Private Sector	
The Institutional and Legislative Framework of the Partnership between the Public and Private Sectors	<ul style="list-style-type: none"> - Establishing a partnership between the public and private sectors and increasing the expected returns from the projects of this partnership so as to meet the requirements of 	<ul style="list-style-type: none"> - Issuing a law for a partnership with the private sector. - Establishing a supreme council for the partnership with the private sector. - Enacting the role of institutions to ensure deposits to contribute to increasing the confidence of the people making deposits and the money available to invest in joint projects - Holding a dialogue and partnership conference between the government and the private sector - Decreasing the support given from the general state 	The Government	Medium to Long Term

³ This should be linked to the Bio-metric voter registry project – Support to Elections during Transitional Period (multi-donor funded project)

Issue	Goal	Suggested Executive Reforms	Implementing Party	Time Table for Implementation
	development. - Including the private sector in investment in the infrastructure. ⁴	budget to the many different economic institutions that are in loss and announcing a part of their stocks to be sold publically. These institutions should be managed by shareholders other than the government. - The private sector carrying out its true role towards the development process.	The Private Sector	
Problems with Lands, Contracts, and the Real Estate Record	- Stopping the increasing problems with lands, contracts, and the real estate record, as well as the loss of civil rights.	- Reviewing and developing the law of the real estate record to ensure the stability of real estate ownership and all real estate rights. - Legislating the real estate record and approving it as a part of the judicial system. - Lowering the cost of solving land disputes.	The Government	Short Term
Ensuring the competence of the performance of commercial courts	- Developing commercial courts in a way that increases its competence and makes it compatible with development in business. - Speeding up the sessions of trials regarding the private sector - Ensuring the independence of the	- Developing the Commercial Law, Commercial Company Law No. 22 of 1997 and Commercial Brands and Copyrights in accordance with current developments. - Increasing the ability to look into disputes between investors and the government - Implementing an effective mechanism to quickly implement rulings by developing the work mechanisms in commercial courts to quickly look into investment suits and disputes. - Establishing an information network in commercial courts in addition to a department specializing in making complaints on the Internet.	The Government	Short Term

⁴ Starting with power generation

Issue	Goal	Suggested Executive Reforms	Implementing Party	Time Table for Implementation
	judiciary	<ul style="list-style-type: none"> - Making real progress in efforts expended to ensure the independence of the judiciary. 		
Procedures to Register Investment Companies	<ul style="list-style-type: none"> - Speeding up the process of registering investment companies in accordance with simplified and highly competent administrative systems. 	<ul style="list-style-type: none"> - Developing the one window for the registration of investment companies and finishing all of the procedures related to this. - Finding a mechanism to solve the problems relating to brands, trademarks, and logos to decrease the number of conflicts relating to commercial names and trademarks. - Stopping the discrimination in the right of agency between local and international agencies. - Developing the manuals for investment companies in Yemen and uploading it to a website. - Having the Ministry of Finance prepare a special manual with Yemeni environmental standards and requirements. 	The Government	Short Term
Investment Environment	Providing the requirements of a suitable investment environment for the private sector that is attractive for local and foreign investment	<ul style="list-style-type: none"> - Completing the enactment of a one-window system in the office and branches of the General Investment Authority to ease and simplify the procedures required to register and implement investment projects. - Easing and simplifying the legal and administrative procedures that investors have to deal with. - Working to better the performance indicators in the Doing Business Report issued by the World Bank. This is agreed upon between the government and its sponsors (it is included in the executive list of the joint 	The Government	Short to Medium Term

Issue	Goal	Suggested Executive Reforms	Implementing Party	Time Table for Implementation
		<ul style="list-style-type: none"> responsibilities between the government and its sponsors). - Reviewing the laws and legislations relating to investment and working to make a unified investment law so that it is easier and more attractive for investment in all areas of the Republic of Yemen. - Issuing the organizational regulations for the government entities related to investment as well as the executive regulations and legislation. - Reenacting the activities of the ministerial committee responsible for reforming the legal and legislative environment for investment. - Restructuring the government entities that are responsible for investment, including staffing it with a people that have competence and integrity. - Completing the implementation of the information infrastructure for investment, finishing the investment steps through Customer Relation Management, and developing the website of the General Investment Authority. 		
		<ul style="list-style-type: none"> - Adhering to the laws and legislation organizing investment. 	The Private Sector	
Investment Marketing	<ul style="list-style-type: none"> - Investment marketing for Yemen in foreign countries and helping others know about investment opportunities in Yemen in order to attract investment, 	<ul style="list-style-type: none"> - Working to find an effective marketing program for investment and agreeing with a single government entity to market Yemen in cooperation with the institutions of the private sector and civil society organizations. - Preparing a Master Plan with the locations suggested for investment in the Republic of Yemen. 	The Government	Short Term
		<ul style="list-style-type: none"> - Working with the government to market investment in Yemen and implementing initiatives for these 	The Private Sector	

Issue	Goal	Suggested Executive Reforms	Implementing Party	Time Table for Implementation
	especially Yemeni investors who live abroad.	activities.		
Good Governance Principles and Combating Corruption	<ul style="list-style-type: none"> - Strengthening the principles of good governance and combating corruption. 	<ul style="list-style-type: none"> - Working to speed up the work of drafting the new constitution to determine the type of economy of the state and the role of the private sector in development. It should also achieve separation between the legislative, judicial, and executive branches to ensure the supremacy of the law. - Making special mechanisms for integrity in work, like: <ul style="list-style-type: none"> o Opening channels for companies to report requests for bribes o Compliance programs for the projects owned by the government, as well as private projects - Building the capabilities to implement the requirements for integrity for working in the anti-corruption authority and other agencies, as well as in business associations and unions. This should be done in cooperation with international partners. - Making national legislations that combat corruption in accordance with international standards and requirements, including the standards that were established by the United Nations Convention to Combat Corruption and the Agreement of the Organization for Economic Development and Cooperation to combat bribery, and ensuring their application. - Adopting a national strategy to combat corruption that can include special steps concerning integrity in companies and establishing a mechanism to monitor and follow up with its implementation. 	The Government	Short to Medium Term

Issue	Goal	Suggested Executive Reforms	Implementing Party	Time Table for Implementation
		<ul style="list-style-type: none"> - Implementing the principle of clarity, transparency, and accountability in implementing investment laws and legislation. 		
		<ul style="list-style-type: none"> - Adhering to mechanisms of integrity, transparency, and cooperation with the government in combating corruption and bribery. - Companies shall adhere to preparing regulations and systems to organize their work - The importance of there being a board of directors for companies, as well as the separation of management from ownership - Adopting financial and accounting systems that are developed and accurate. - Companies shall have a special constitution for them 	The Private Sector	
Investing in Promising Industrial Sectors and Small Industrial Projects	<ul style="list-style-type: none"> - Directing investment to promising and productive sectors and encouraging investment in small and micro industrial projects in order to contribute to the increase of production on the one hand and raising the employment rate on the other. 	<ul style="list-style-type: none"> - Helping small investors to get the necessary financing to carry out their investment projects, in addition to encouraging financing to establish small, micro, and medium sized projects. <p>Allocating a percentage of the subsidies for petroleum extracts to support agricultural development projects (tools, training and awareness, markets, and storage).</p> <ul style="list-style-type: none"> - Preparing an investment map of the Republic of Yemen for the promising industrial sectors, and developing the website of the General Investment Authority in order to make marketing more effective and make information easier to get for investors. 	The Government	Short to Medium Term
		<ul style="list-style-type: none"> - Contributing to the development and modernization of the map of investment opportunities in Yemen by preparing studies of the sectors of investment. This map should ease getting real, promising, and profitable opportunities and serve as competition for 	The Private Sector	

Issue	Goal	Suggested Executive Reforms	Implementing Party	Time Table for Implementation
Duty Free Zones and Industrial Zones	<ul style="list-style-type: none"> - Enacting free zones and economic areas and taking full advantage of the available opportunities for investment in preparing a suitable environment for industry and investment that leads to providing job opportunities. 	<p>the governorates, all of which is reflected in the map.</p> <ul style="list-style-type: none"> - Establishing an economic and commercial area in the Wadhah Port in Hadramawt and Altowal on the border with the Kingdom of Saudi Arabia. A balanced economic zone should be established on the Yemeni-Omani as economic investment zones. - Issuing a law for private economic zones. - Prepare a strategic plan to establish a number of comprehensive industrial areas in some of the governorates of Yemen. - Returning the private lands in the private sector allocated for tourist projects and completing the actual hand over for all of the sectors determined by Ministerial Decree No. 65 of 1993. This decree determined the lands and borders of the Free Economic Area in Aden, including Block D in Hadeed Mountain. It also decreed that the military bases be removed from Blocks F and D for the project for the air cargo village. - Returning the Aden cargo harbor (the harbor of the free economic area) to the management of the Free Economic Zone and developing it and repairing it, including its infrastructure, facilities, services, and expansions. - Relooking into the legislation for the free economic and industrial zones to strengthen the investment environment and competitive ability of the administrations of these areas in order to attract investment. They should be very competitive in order to attract investment from the free economic zones of nearby countries. 	The Government	Medium to Long Term

Issue	Goal	Suggested Executive Reforms	Implementing Party	Time Table for Implementation
		<ul style="list-style-type: none"> - Focusing on developing the Free Economic Zone in Aden as an economic model so that the experiment can be used later for other economic and industrial zones near it or in other parts of the country, including Al Mukala and Hodeida. - Restructuring the Free Economic Zones in Aden and building its capabilities in accordance with new investment principles. - Amending the legislation for Free Economic Zones and industrial zones to strengthen the investment environment and competitive ability of the administrations of these areas. - Providing financing required to establish infrastructure projects and develop free economic zones by either: - Allocated a number of promises from sponsors from the implementation of the suggested projects in the Free Economic Zone in Aden, which were handed over to the Ministry of Planning and International Cooperation, including the project of the Heavy and Medium Industries Zone in Block L. The estimate for the cost of this project is 300 million USD. The cargo and air shipping village project in Block F, which is estimated to cost, should also be considered. The grants given from the Dofil Partnership to develop the free economic zones in both Aden and Hodeida. - Presenting investment initiatives and feasibility studies to develop these areas and invest them in the best way possible. - Preparing investment visions for the participation of the private sector in developing the free and economic zones. 	<p>The Private Sector</p>	

Issue	Goal	Suggested Executive Reforms	Implementing Party	Time Table for Implementation
Reforms in the Energy Sector	<ul style="list-style-type: none"> - Providing 60% of the support for diesel that is used for electricity. - Decreasing the amount of under the table spending on oil companies and companies that are contracted with them. - Encouraging competition in importing and transporting petroleum extracts and ending the smuggling of petroleum extracts. - Limiting the manipulation of the amount of petroleum given and ending one of the main ways of corruption, smuggling, and abusing government funds. 	<ul style="list-style-type: none"> - Quickly finishing and operating Marib 2 Gas Plant - Quickly fixing the price of extraction for oil and gas and the service contracts in the different petroleum blocks. All types of monopoly in the contracts shall be removed. - Immediately stopping the monopoly of transportation and distribution of petroleum extracts on land or in the sea and encouraging the private sector to establish and manage reserve tanks of petroleum extracts in each region. The fees and taxes enforced on petroleum extracts shall be removed, and the allocations of petrol and diesel for officials and important people shall be stopped. - Setting the real price of fuel (diesel) for the electricity utility and providing direct support for the bills of citizens with limited income. 	The Government	
Infrastructure	<ul style="list-style-type: none"> - Developing the infrastructure and 	<ul style="list-style-type: none"> - Quickly implementing the phased program for stability and development (relating to the infrastructure and 	The Government	

Issue	Goal	Suggested Executive Reforms	Implementing Party	Time Table for Implementation
	improving the services provided to the people while limiting the losses that the government takes for the economic units that are supported by the state.	<p>social infrastructure) according to the promises agreed upon between the government and the sponsors.</p> <ul style="list-style-type: none"> - Developing investment legislation, including the legislative framework that organizes private investment in public service and infrastructure building projects, in order to ensure that investment is easy. - Establishing a number of public companies in the administration of public facilities (harbors, transportation, communication, electricity, water, and mining). - Opening up investments in the communication sector 		
Participating in Preparing Economic Policies, Strategies, and Development Plans	- Increasing the role of the private sector in drawing economic and development policies and ensuring its partnership in all of the stages of preparation and implementation.	<ul style="list-style-type: none"> - Establishing a joint committee between the government and the private sector concerned with participating and discussing the strategies, policies, plans, programs, and laws that are provided by the government or the private sector, and coming up with joint decisions from the development partners. - Enacting the role of civil society organizations. 	The Government	
		<ul style="list-style-type: none"> - Establishing a department tasked with economic information, research, and studies in the general association of chambers of commerce. - Establishing a committee in the union called the economic policies committee. - Establishing legal departments in the general union of chambers of commerce and its branches in the governorates and giving them the required legal experts. 	The Private Sector	
Taxes and Customs	- Developing tax and customs revenues and limiting tax evasion.	<ul style="list-style-type: none"> - Providing clear tax approvals. - Solving problems with accumulated taxes - Embodying the supremacy of tax laws on income and profits from the private sector. 	The Government	

Issue	Goal	Suggested Executive Reforms	Implementing Party	Time Table for Implementation
		<ul style="list-style-type: none"> - Reforming and developing the tax authority and reforming the legislative system for the tax and customs authorities. There should also be some solutions to limit tax and customs evasion. - Strengthening the procedures for voluntary holding. - Giving full authorities to the branches of the customs and tax authorities in the governorates relating to investment dealings. 		
Sales Taxes	-	<ul style="list-style-type: none"> - Simplifying the steps and increasing the speed of dealing with those charged - Transparency in tax returns - Adhering to paying the customs and taxes that are owed 	The Private Sector	
Competitive Abilities	<ul style="list-style-type: none"> - Strengthening the competitive capabilities of the economy to help it attract investments at good rates and to improve the competence and performance of the partnership. 	<ul style="list-style-type: none"> - The private sector shall adhere to implementing the tax code for sales by providing the following: <ul style="list-style-type: none"> - Record of accounts - Recording big charges - Having organized ledgers - Agreeing on a mechanism for implementing the law. 	<ul style="list-style-type: none"> - Establishing an administrative unit specializing in competitiveness that puts in place strategies and policies to ensure that competitiveness is increased. - Improving the indicators of the business environment, especially in simplifying and easing carrying out business (starting activities, getting guarantees, protecting investors, trading across borders). 	<ul style="list-style-type: none"> - Committing to implementing the standards of the government and modern administrative systems. - The private sector shall take initiative by preparing a mechanism for developing competitive ability.

Issue	Goal	Suggested Executive Reforms	Implementing Party	Time Table for Implementation
Bank Financing	<ul style="list-style-type: none"> - Strengthening the role of the financial sector in financing investment in development and partnership projects. - Energizing the money cycle and energizing development and investment. 	<ul style="list-style-type: none"> - Determining a specific ceiling for investment of banks in Treasury Bonds, which allows an increased amount of finances to go towards partner projects. - Establishing investment preserves that include a group of banks that fund projects there. - Raising capital of commercial banks to strengthen their ability to fund projects and partnership - Allow the financial sector to get government fees 	The Government	
		<ul style="list-style-type: none"> - The private sector shall take the initiative by preparing partnership mechanisms to strengthen and encourage the aspects of funding for private sector projects. 	The Private Sector	
Employment	<ul style="list-style-type: none"> - Raising the employment rate among youth and accommodating workers. 	<ul style="list-style-type: none"> - Putting in place standards and criteria for foreign workers coming into Yemen, and this should be limited to very narrow cases in accordance with the capital of the project. - Energizing neglected projects by allowing them to benefit from capital that is not being used, like the spinning and sewing factories, and the cement factories. - Starting to implement a strategy to employ youth by the government in partnership with the private sector and civil society. - Training Yemeni youth for the local and regional labor market in complete coordination with the different Ministries of Education and the institutions of the private sector. 	The Government	
		<ul style="list-style-type: none"> - Investing in training projects that meet the needs of the private sector. - Providing exceptional work opportunities to excellent students. - Preparing a mechanism to develop private hiring 	The Private Sector	

Issue	Goal	Suggested Executive Reforms	Implementing Party	Time Table for Implementation
		offices.		