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| **UNITED NATIONS DEVELOPMENT PROGRAMME AND MINISTRY OF LOCAL ADMINISTRATION , YEMEN** |
| **LOCAL GOVERNANCE SUPPORT PROJECT** |
| **REVIEW AND LESSONS LEARNED EXERCISE** |
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**ACRONYMS**

|  |  |
| --- | --- |
| COCA | Central Administration for Control and Audit |
| COM | Council of Ministers in Yemen (Cabinet) |
| DEO | District Executive Office |
| DLDSP | Decentralization and Local Development Support Program |
| DMC | District (Council) Management Committee |
| GCC | Gulf Cooperation Council |
| GCS | Governorate Executive Organ for Civil Service |
| GEO | Governorate Executive Office |
| GIZ  GMC | German International Cooperation  Governorate (Council) Management Committee |
| GOY | Government of Yemen |
| GS | General Secretary |
| HBC | High Budget Committee |
| HRD | Human Resource Development |
| LA | Local Authorities |
| LAL | Local Authority Law |
| LC | Local Council |
| LDF  LDP  LG  LGSP  MOE | Local Development Fund  Local Development Programme  Local Governance  Local Governance Support Programme  Ministry of Education |
| MOF | Ministry of Finance |
| MOLA | Ministry of Local Administration |
| MOPIC | Ministry of Planning and International Cooperation |
| MOPWH | Ministry of Public Works and Highways |
| MOCSAR | Ministry of Civil Service & Administrative Reform |
| NDC  NGO | National Dialogue Conference  Non-Governmental Organisation |
| PFM | Public Finance Management |
| PSA | Production Share Agreement |
| PWP  SCER | Public Works Programme  Supreme Commission for Elections and Referendum |
| SDF | Social Development Fund |
| SOE | State Owned Enterprises |
| SME | Small and Medium Enterprises |
| TOR | Terms of Reference |
| UNCDF  UNDP | United Nations capital Development Fund  United Nations Development Programme |

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1. Scope and Objective

While it is acknowledged that since 2003, the Government of Yemen has made various strides towards decentralisation, effective local governance and local development, it stands a great risk of losing the momentum and the corollary investment. This is accounted for by the stagnation in the local governance process due to the “revolution” and also the pertinent transitional period necessary to establish a national consensus among others on the structure and nature of local governance. This situation therefore requires a new focus to sustain the momentum created in the sector and required to facilitate the development of alternative responses to the local governance quest and the ultimate preparation for the implementation of the selected trajectory.

Whatever the case, “local development cannot wait” and the pursuit of effective local governance to support this process cannot be relegated for reason of transitional activities. It is based upon this that the Ministry of Local Administration (MOLA) and UNDP set up the process to:

* Review the implementation of the LGSP in the light of the accomplishment of DLDSP
* Identify the keys issues associated with local development in Yemen
* Identify and document key lesson from UNDP Local Governance interventions in Yemen
* Make key recommendations for UNDP engagement in the transitional period and in the future

The scope of the review will be limited as much as possible to UNDP interventions (DLDSP and LGSP) and other related Interventions on Local Governance but as and when needed given the intense development partner activities in the sector possible references would be made to the Social Fund for Development (SFD), the USAID and the World Bank who have significant interventions on Local Development in Yemen.

1. **Review Methodology**

The review process focused on two major information gathering actions, which are; **intensive document scan** for the needed secondary information and **targeted discussions with key stakeholders** for confirmation of established facts and positions.

Further discussion with UNDP Management and technical team indicated the clear expectation from the task and what the result is intended to be used for. An interaction with the principals of the Ministry of Local Administration (MOLA), confirmed the expectation and added the needed dimension to predicate any recommendations for future actions on the government’s trajectory and the discussion on alternative governance structure for Yemen.

The intense document scan included principal governance sources such as the Gulf Cooperation Council Agreement, the Transitional Action Plan by MOLA, UNDP country strategy, the draft Policy Paper on Options for Future form of Government and Decentralisation and the Programme documents for DLDSP and LGSP.

The information facilitated in identifying the main stakeholders for local governance in Yemen and the possible information to be obtained from them. The information from these sources was basically to establish priorities and to examine the level of coordination for local governance and local administration. The key stakeholder sources included central ministries in charge of planning, civil service and finance; development partners including the World Bank, USAID, Social Fund for Development and GTZ; Personnel of the Local Administration from selected Governorates and Local Councils and Civil Society Organisations (CSOs).

The views and opinions obtained from these sources served as the basis for analysis, establishment of patterns and drawing of reliable conclusions for the task.

1. Country Context
   1. **Overview of Development Conditions in Yemen**

Yemen is one of the poorest countries in the Arab region. It faces daunting social, economic and security challenges and has limited natural resources, most notably scarcity of water and limited arable land which is only 2.91 per cent of total land area. According to the MDG Report 2010, Yemen is unlikely to achieve most of its Millennium Development Goals by 2015. Gross Enrolment Ratio in basic education remains low at 65 per cent (with a gender gap in basic education of 31.78%)[[1]](#footnote-1). Half the population has limited access to basic health services and access to reproductive health and family planning services is low. Gender disparity remains a major challenge; with most of the MDG indicators associated with women unlikely to be achieved. Yemen was also severely affected by the food crisis and the increase of food prices had a direct impact on many households, especially the poor and vulnerable groups. According to 2010 WFP’s Comprehensive Food Security Survey 32 per cent of the population is food insecure and 13 per cent of the children under-5 were wasted and 56 per cent stunted (HHS 2005/06).

This country however has a great potential to be drawn from its physical position and population. It is positioned right at the entry of the Indian Ocean opening of the Gulf of Aden linking the fastest growing regions in the world, Asia and Eastern Africa to Europe. To the east of Yemen are the oil capitals constantly seeking areas of new investments, a potential yet to be capitalised upon. With a youthful population of 50 per cent and the natural penchant for commerce and private entrepreneurship, Yemen could easily become a bulk breaking point for trade and commerce between Africa, Arabia and Asia.

The exploitation on this potential has been constrained by repeated conflict and crisis since 2004, which has generated a different set of needs and has tested the population’s capacity to cope, especially among the most vulnerable. The root cause of conflict and disputes is **the lack of development and lack of access to basic social services**, which raises the issue of equity in the distribution of resources and underpins the need for a long term development vision to be in place. This makes very pertinent the role of local development and service delivery in the development quest of Yemen.

* 1. **National Development and Transitional Process**

There are two documents which are very fundamental to the future development of Yemen. These are the Fourth Five-year Development Plan for Poverty Reduction (DPPR 2011-2015) - approved in February 2011 and the Gulf Cooperation Council Implementation Agreement (GCC), which subsequently became the basis of a tangible workplan presented in the Transitional Programme for Stabilization and Development (TPSD). The DPPR 2011-2015 recognized the crisis and the importance of job creation as the central focus for development and poverty reduction. The Plan consequently identified four priorities: (i) stimulating economic growth and reducing unemployment; (ii) strengthening social protection; (iii) accelerating progress on the Millennium Development Goals (MDGs); and (iv) enhancing good governance.

Secondary concerns include building partnerships for development, integration into the GCC, women’s empowerment, improving infrastructure, increasing development (including local, balanced development), implementing a reform agenda, and results-based monitoring and evaluation (M&E). The Plan is credited as remaining relevant in tackling the root causes of the development challenges however it is also acknowledged that a review may be required to reflect the worsening of the macro-economic and fiscal status since March 2011.

The GCC Agreement became the *defacto* supreme law for Yemen as it states “Agreement on the Gulf Initiative and its Implementation Mechanism shall replace any constitutional or legal arrangements in effect, and they shall not be challenged in government institutions”. Very critical to the transitional process is the period after the presidential election, which has been done since February 2012. The period from the inauguration of the President till 2014 is described in the agreement as Phase II.

The Phase II started with the inauguration of the President and the authority to rule with the “National Consensus Government”. The National Dialogue Conference (NDC) has been created and respective shares of representation agreed upon. It is anticipated that the Conference will begin its discussions presently soon as it has a life-span of not beyond six months.

The NDC has a number of stipulated functions but of specific interest to local governance are the formulation of a national constitution, repair of government structure and political systems, protection of weak category and their rights (children and women) and finally the definition of development priorities and programmes for creating better work opportunities.

The NDC has three critical months for the “formulation of a new constitution” and “submit it for a referendum”. Given the two sets of practices that have pertained in constitutional conventions, the constitution may contain the detail and comprehensive statutes on local governance or it may have the primary provisions and assign the details to be contained in parliamentary provisions in the form of Legislative Instruments. Whichever form the NDC may propose, the constitution will by and large contain the form, structure, authority and resource allocations to the multi-level governance systems (federal, con-federal or unitary).

The approval of the new constitution may be followed by a series of elections, parliament, presidential and most expected local government elections. Local Governments whichever form may have to go through clear orientation, the development of content guides in response to the constitutional provision for local governance.

Notwithstanding the necessary passage through the legal corridor, local development and service provision cannot wait. The overwhelming mandate given to the President by the people indicates a clear expectation of improvement in their lives and livelihoods and behoves development partners including UNDP to continue with the development momentum at the local level and indeed initiate new ones.

* 1. **Decentralisation and Local Development Under the Transitional Process**

The Republic of Yemen was established in 1990 and from the onset established a significant legal basis for local governance in Article 146 of the Constitution of Yemen establishing the principle of decentralisation with democratically elected councils and provides for local authorities at the Governorate and District levels. In 2000, Parliament passed the Local Authority Law of February 2000 (LAL), the framework for decentralised local government. While subsequent statutes were issued by presidential decrees including the Executive Regulation of the Local Authority Law, decree 269 of 2000 (ER), the Financial Bylaws of the Local Authority, decree 24 of 2001 and the Organisational Bylaw for Governorates and Districts, decree 265 of 2001 to regulate the local governance process.

Article 4 of the LAL establishes local government as a pillar of government and provides the legal foundations for the Yemeni inter-governmental system based on the following four principles:

* Broadened popular participation through elected local councils;
* Financial decentralization;
* Administrative decentralization; and
* Decentralization of service delivery.

The Government of Yemen’s vision for decentralization and local governance was in 2005 well captured by UNDP and presented by the figure below.

**Figure 1.The Government of Yemen’s Vision for Decentralized Governance**

***Local Development***

**Produces Local Development & Alleviates Poverty through:**

1. **Improvement in the Quality & Scope of Coverage of Public**

**Infrastructure and Services**

1. **Enhanced Environment for Economic Activity**

**Contributes to National Development through:**

1. **Growth in Locally Generated Revenues**
2. **Expansion in the Scope & Scale of Economic Activity**
3. **Efficient Utilization of Public Funds**

**Decentralized Governance**

**National Development**

**Improved Services**

**Economic Development**

***Reduced Poverty***

**An Efficient & Effective System of Local Administration**

1. **Responsive to Community Needs**
2. **Equitable, Accurate & Transparent at Allocating Public**

**Resources and Effective at Delivering Services & Supporting**

**Economic Growth**

1. **Effectively Manages Natural Resources & Protects Environment**

Source: *DLDSP Progress report 2005*

In 2003 the DLDSP took to the piloting of this local governance and development arrangements. DLDSP was implemented by the UNDP/UNCDF and the Ministry of Local Administration (MOLA). This eventually attracted the support and participation of USAID, the Social Fund for Development, the French, Denmark and Italy. The Program was designed to support three levels of government in Yemen: the Centre, the Governorate and the District levels addressing the policy, institutional and capacity dimensions of the local authority system. Four essential goals characterize this system:

* Transparent and predictable fiscal transfers from the central government.
* Appropriately simple procedures for district-level revenue mobilization and public expenditures management, including participatory strategic planning, investment programming, annual budgeting, project implementation and procurement, local assets management, accounting and reporting, and monitoring and evaluation.
* Adequate central, governorate, and community-level institutional arrangements, to support and monitor the performance of the local councils.
* Citizen understanding of the role of the local councils, and their ability to participate in all levels in the decision-making process.

DLDSP provided both technical and capital assistance for piloting the LG system on the ground in 48 selected target districts. The hope was that those districts will adopt improved policies/institutions and actual investments to develop local infrastructure and services, promote economic development, manage natural resources and protect the local environment.

At the end of DLDSP the pilot had developed several manuals to guide planning, budgeting, project management and reporting at the local level; some level of capacity had been developed through training and facility support for the District and later the Governorates. Direct financial support has also been provided for 48 districts. Significantly, the programme proposed a National Decentralization Strategy (NDS), which was approved by Cabinet and further developed a National Decentralization Plan (NDP). The NDP was never approved thus the key actors in Yemen local governance and local development process; USAID, SFD, France, GIZ, and lately the World Bank thus followed their discrete project initiatives at the district and governorate levels. The Ministry of Local Administration (MOLA) has lost significant coordinating role and in the absence of a platform for the development partners to cooperate, the support for local governance has assumed several parallel and competing initiatives.

There is no developed plan for local governance during the transitional period and the action plan of MOLA does not in any way reflect a clear sequence. The discrete plans and initiatives by the respective development partners and SFD continue. Coordination even during the crucial transitional period for local governance and local development are far from desired. While the central government transfer continues, there is no challenge to the fact that the momentum created for the local governance and development process has vividly subsided.

* 1. **UNDP Country Strategy**

UNDP Yemen programmatically is focusing on six key areas, which are **Good governance, Aid and gender, Conflict prevention and early recovery, Environment and Poverty reduction**

The transitional context behooves UNDP to focus on the immediate term to promote an environment in which all stakeholders, in particular youths, can participate in and contribute to economic and democratic governance reforms at all levels. It will further engage in transitional and transformational processes, such as elections and constitutional reform, including providing technical support to the Supreme Commission for Elections and Referendum, Parliament and to other relevant democratic institutions. In particular and in this context UNDP will also support and provide the required assistance to transitional local governance institutions. As a key principle UNDP will also provide support to enhance transparency and accountability and promote democratic values, and to strengthen processes promoting human rights and access to justice.

UNDP’s technical assistance will be provided to support the development of inclusive and equitable policies and strategies for growth in the non-oil sectors – growth that leads to the creation of jobs that pay decent wages. While adaption to impacts of climate change will be mainstreamed into the sectoral policies, the support to rural areas, on food security initiatives, increase pilot interventions to improve productivity, and expand the income-generation base, will receive a special focus among women and youth.

UNDP will further strengthen the resilience of local communities and build capacities for adaptation to climate change; support programmes on biodiversity conservation; and promote clean development. UNDP will lead and coordinate issues on sustainable management of natural resources and disaster risk reduction.

Finally UNDP will promote the empowerment of women and youth to engage in the expected economic and democratic governance reforms and facilitate their participation in the political transition process. UNDP will also support processes in overcoming gender barriers, collect disaggregated data and mainstream gender in all its programmes.

1. Programme Profile
   1. **Development objective and outputs for DLDSP and LGSP**

The Decentralisation and Local Development Support Programme (DLDSP) as indicated earlier was developed by UNDP and UNCDF to serve as the primary programme for local development in Yemen. The programme was thus subsequently joined by the other development partners supporting local development including USAID, the Social Fund for Development, The French, Denmark and Italy.

The DLDSP began in 2003 and has operated since then through the Technical Secretariat supporting decentralization in MOLA. Initially, the program sought to activate 6 pilot districts in 2 governorates within the framework of the newly introduced Local Authority Law Number 4 of 2000 (LAL) and to introduce enhanced procedures for public expenditure management (PEM). During its first phase from 2003-2004, the programme conducted a preliminary assessment of the legal and policy framework of Yemen’s local authority system, its institutional structures and operational procedures and capacities.

The DLDSP’s Programme Document underwent a Substantive Revision in 2004 which led to the re-orientation of the programme during its second phase, from 2005-2007. The Substantive Revision focused on two main outputs, institutional development and capacity building, on the one hand, and policy and strategy development on the other hand. At the same time, the DLDSP expanded its scope geographically. At the end of 2005, the program was operating in 28 districts in 6 governorates and, at the end of 2006, in 48 districts in 8 governorates.

During the second phase, the programme deepened its investigation and experimentation in the areas of policy and the legal framework for decentralization, the local authority institutional structures and systems of operation as well as the administrative and service delivery capacities. It sought to use the lessons learned from its pilots to inform the National Decentralization Strategy (NDS) and the National Decentralisation Programme (NDP).

The LGSP unlike the DLDSP, which was pioneering, was planned to provide institutional and capacity building support for the National Decentralization Programme Management Structure. Unlike the DLDSP, which focused on piloting a Public Expenditure Management (PEM) system at the local level in the first phase and developing a strategy and an action plan for its up-scaling and implementation at the second phase, the LGSP established a very wide range of focus spanning the entire spectrum of the levels of governance. It specifically aimed at developing the capacities of the **Ministry of Local Administration** (MOLA) and **other central institutions** to enable them undertake their assigned roles within the Local Governance system and implement related activities in the *National Programme* towards the transition to a Local Governance system. The project was also planned to directly support the process of institutional and capacity development of the **Governorate and District tiers** to enable them to undertake their redefined mandates as Local Governments and to perform their newly assigned functions. Building on the experience of the Decentralization and Local Development Support Programme (DLDSP) it was to further strengthen and develop the base operating systems, procedures and capacities of Local Government units, including institutionalizing the District Facilitation Team approach and extending this to **all** Governorates and Districts. Lessons derived from the implementation of project activities on the ground were again to contribute to inform **policy-making at the central level**. Focus was to be given to ensuring public participation and transparency to promote a broad sense of ownership of the national governance reform agenda. A focus on **Gender mainstreaming** was also to be maintained in project activities at all levels.

The LGSP was further to support participatory Local Development Planning processes, with an increased emphasis on integrating **Local Economic Development** and **Natural Resource Management** components to accelerate the achievement of the MDGs and the promotion of broad-based local development. The LGSP was to build on Local development plans to target strategic investment in local development initiatives to enhance leverage for **local resource mobilization**.

It is clear from the discourse that while the DLDSP was clear and focused on PEM and development of a national strategy for the two phases respectively, the LGSP had a very broad agenda touching on all the facets of building a multi-level development governance process without clear demarcation of phases, sequence and schedule.

**Figure 2. DLDSP Logical Framework**



Source: *DLDSP Evaluation report 2006*

* 1. **The Theory of Change for DLDSP and LGSP**

The core hypothesis of the DLDSP though not stated explicitly in the programme document or in substantive revision it was stated in the evaluation documents and seen as very apt and succinct. It states that:

*“The hypothesis underlying the work of the DLDSP is that by strengthening local governance, building institutional capacity for service delivery and supporting national decentralization and policy strategy development, the programme will contribute to improved delivery of social, economic and environmental services in a way that helps reduces poverty in Yemen directly within the pilot areas and, indirectly, in the country as a whole, though the demonstration effect it provides.”*

The logical framework for the DLDSP is illustrated in Figure 2 below. The basic logic, taken from the programme document, is that of the standard Local Development Programme (LDP)[[2]](#footnote-2), with the overall goal being poverty reduction, the immediate objective being social, economic and environmental development. At the centre are three outputs: improved services, institutional development and capacity building, and policy and strategy development, with corresponding activities and inputs. Note, however that the arrows representing the substantive vevision in 2004, indicate increased attention to **institutional development and capacity building** in the pilot areas and to policy and strategy at the national level.

The LGSP in the programme documented stated that the aim was to build on the successes of the DLDSP. At the central level, LGSP was to maintain public participation in decision-making through the establishment of a participatory mechanism to inform policy reforms at the central level. The logic of the two programmes (DLDSP and LGSP) in practical terms expressed a very simple common logic of establishing the evidence

**Figure 3. Logical Process for DLDSP and LGSP**



Source: *Authors’ Construct 2012*

at the local level through piloting. The improved administrative capacity at the local level for participatory planning, budgeting, implementation and accountability backed with the needed capital incentive could result in improved service delivery and attract further investment. The evidence from the pilot would be used as lessons to advocate and trigger a national process. The national acceptance would be expressed in the form of new policies, statutes, strategies and implementation plan. This far, it can be concluded that the two programmes achieved but beyond this, as shown the figure 3, are the influence of the functions and capacity of MoLA, the other coordinating ministries as well as sector ministries and development partners. This would further require a change in the way of doing business at the Governorate level and these have not been achieved to drive the logic home.

* 1. **Programme implementation for DLDSP and LGSP**

The DLDSP brought together the UNDP, UNCDF, and Social Fund for Development, USAID, and the Governments of Italy, France and Denmark to support decentralization in Yemen. The Programme was implemented by the UNDP/UNCDF in partnership with Ministry of Local Administration (MoLA) through the Direct Execution (DEX) modality.

The Programme was led by an internationally recruited technical support team which guided pilot field operations and provided guidance for decentralization related policy reform work intended to enhance the local governance system. The DLDSP was supported by a nationally recruited Mobile Team (MT) of specialists who provided technical support and guidance to governorate-based District Facilitation Teams (DFTs). The DFTs were recruited by the DLDSP from within the governorate structures and were managed and guided by the MT to provide direct support to pilot districts on institutional development and activation, and capacity development in public expenditure and asset management.

The DFTs support the work of Core Teams (CTs) recruited from within the Districts, who are responsible for activating district structures through their involvement in public expenditure and asset management and strengthening the relationships between the districts and their communities through the involvement of the latter in participatory planning, implementation, monitoring and evaluation of infrastructure and associated services.

These innovative implementation arrangements represent, in effect, a hybrid of the direct execution (DEX) and national execution (NEX) modalities. They have proved particularly successful in Yemen, and will be commented on in more detail in the report, notably in the sections on lessons and recommendations.

The DLD in the first phase was able to establish the local PEM process in six districts and extended eventually to 22 then finally to 48. With the attraction of other partners, the project’s depth and physical extent grew rapidly. The second phase saw the development of several manuals and reports as well as the proposed NDS and the NDP documents.

The LGSP adopted almost all the implementation modalities under the DLDSP except that there was more clarity. The Project was to be implemented by MoLA using National Implementation modalities. This involves a cooperative operational arrangement in which Government entities take responsibility and assume accountability for the formulation and management and reporting on UNDP supported projects. The subsequent arrangement for the implementation is the same as the DLDSP. The Local Development Fund to be set up by UNCDF was to be governed by a separate memorandum of understanding, to be signed between the parties concerned.

**Figure 4. The Project Organisational Structure for DLDSP ad LGSP**

**Project** **Management**

Chief Technical Advisor (CTA)

National Project Manager (NPM)

Project Board

**Senior Beneficiaries**

Ministry of Local Administration & Ministry of Planning & International Cooperation & Others

**Executive**

Ministry of Local Administration

**Senior Supplier**

UNDP & UNCDF

**Project Assurance**

UNDP Governance Team (UNDP/ UNCDF Programme Officer

**LGSP Support Team**

1. Finance Manager
2. Admin Assistant

District Facilitation Teams at Governorate Levels

**Working Groups:**

1. Inter-Ministerial Committee
   1. Technical Committee
2. Local Government Forum
3. Partners Group
4. Legal Group

National Project Director

The LGSP project document was signed in April and launched in May 2010. It took quite some time to get the PMU established with staff and other facilities. Eventually the capacity was brought to an appreciable level with the establishment of internal systems for funds management and performance assessment.

The later end of 2010 and almost the whole of 2011 were taken by the disturbance and finally in 2012 the decision was taken to focus on the development of the internal capacity of MOLA on the basis of the assessment undertaken in 2009. In 2012 to date therefore a community of practice for Gender in Local Development was established, an internal strategy for MOLA and the development of policy options for Local Governance for consideration by the National Dialogue Conference.

It is clear that while the LGSP had intended to continue with the gains of the DLDSP, the situation has made it quite intractable, demanding a new look at activities during the transitional period, 2013-2014 and the future under the prospect of the NDC.

1. **Programme Relevance and Key Lessons**

This section of the report focuses on a review of various aspects of the programme to extract key lessons and use it as the basis of recommendations for subsequent decisions and actions. The discussion will follow the areas of Programme design, policy development, capacity enhancement and service delivery and investment, and partnership and cooperation.

* 1. **Relevance and Design of the LGSP**

The review of the programme design specifically targets the LGSP, as much of the accomplishment to date is in the design and practically no implementation yet.

* + 1. ***Relevance of Development Problems and Objectives of LGSP***

A local governance and local development programme for Yemen at the time the LGSP was developed was very timely and strongly relevant. Coming at a time a National Decentralisation Strategy had been approved by the cabinet and a draft national Decentralisation Programme was on its way, there could not be any propitious time to reinvigorate the local development process than this. The obvious assumption was that the national decentralisation programme was readily available to be rolled. A critical assessment however reveals that in the design, this gapping opportunity was missed as the design process muffled up piloting activities with the national implementation process. The overlap of piloting and up-scaling is common in many Local Development Programmes (LDP), typical of UNCDF, but should be made very clear in the activity framework indicating which ones are limited under piloting and which ones are of national coverage.[[3]](#footnote-3) This is important as while the piloting may require massive technical attention for guidance and extraction of lessons the scaling-up may require a lot of political support for registering ownership.

The LGSP, according to the change theory, was expected to provide the implementation machinery for the National Decentralisation Programme (NDP) providing a clear trajectory and coordination for its management. However the LGSP was even far broader than the DLDSP which moulded the process. It virtually covered the whole spectrum of LDP in one programme without any clear phasing and prioritisation. The fragility of the country in terms of cohesiveness, capacity and resources paucity were clearly overlooked in the design given the magnitude of the activities and the requirements. While the national process has not been clarified and implementation process formally initiated, the LGSP at the design state had already included in its objectives focus on local economic development, emphasis of Gender mainstreaming and also capacity development at the governorate level. These are indeed very meaningful but the relevance lies in the ability to operationalize the developed NDP.

The crises period indeed exposed the level of vulnerability of the designed LGSP. As the key document central to its operation, the NDP did not receive the necessary accent before the crisis the core path of the programme was disoriented. The challenge of charting an alternative path depended on MoLA, which already has its challenge developing its own path in the midst and after the crisis. Facilitating a structural change for local governance during a transitional period may not be feasible as it may connote impairment to the process however pertinent issues related to local development that could be addressed without massive systems change could have been anticipated by the programme design. The notable thing is that just after the crises comparable programmes under SFD, USAID and GIZ are running and focusing on supporting local development initiatives on the ground to keep the momentum.

* + 1. ***Engaging with Partners, Donors and Stakeholders***

A programme is indeed as good as the value of its stakeholders’ perspective on it. There were very credible commendation by stakeholders on DLDSP but on the LGSP, their perception was very tainted to the extent that some stakeholders were wandering whether indeed UNDP/UNCDF launched a second programme to continue with DLDSP[[4]](#footnote-4). It was acknowledged that at the design of the DLDSP the involvement of development partners in decentralisation were limited but a lot of effort was put in building partnership during the implementation and this yielded a lot of dividends as by the closure of the programme all the development partners, CSOs and key private agencies involved in local development were either part of the programme or cooperating. In designing the LGSP, it was expected that this gapping opportunity would have been built upon with key development partners and ministries becoming programming partners or role players in the implementing of the programme. The project document however had the two UN agencies and the Government of Yemen as the only signed partners. The crucial activities listed on the LGSP however also required the cooperation and participation of the development partners and most importantly the agreement of Ministry of Finance for which there was no indication this was existing. It is also not surprising the development partners as well as the CSOs and even the government agencies indicated that the fundamental ingredient missing in the local governance support process is “coordination” for which they expect UNDP as having all the potential to play that role. It should however be noted that in the fourth quarter of 2012 a Governance Working Group for Donors and UN was established. Nevertheless, while development partners and government considered LGSP as one of the parallel and competing programmes for local development, the crucial role of coordination was absolutely ignored.

* + 1. ***Quality of Design of LGSP***

The quality of the design process and output for the programme at this stage can best be judged by its level of inclusiveness, logic of design, adaptability and its pivotal role in the current development trend in Yemen. The level of inclusiveness in the design process has aptly been registered in the discussion of the partnerships. The key parties indicated, their role in the design of the LGSP was far below expectation given the relationship established under DLDSP. The design logic follows a typical UNCDF LDP with piloting, capacity development and eventually up-scaling through influencing policy. This logic works very well with the assumption of the key partner, MoLA having the needed capacity and great influence in government. In a situation where there are other ministries such as MoF, MoPIC, MoCS and other sector ministries with key interest in local governance, which are at the periphery of the design process, then a more difficult position is created for MoLA and subsequently the programme itself. In the document it is acknowledged that the capacity of MoLA is limited and thus the programme is going to build the capacity of MoLA following a 2009 assessment to be able to use it for the implementation. This immediately questions the Results and Resources Framework (RRF) of the programme and the time allotted for capacity building for MoLA before the inception of other activities.

The LGSP’s adaptability depends on the built in flexibility at the project implementation and its management process. As it is clear that a shift of the project to respond to the new political environment is becoming challenging is all the more an indication that the built in elasticity of the project focus is very limited. Finally the pivot of the current local development process of Yemen is provision of support to the transitional process and keeping the momentum for local development with a high level of inclusiveness and resilience building. The programme in response to its design could easily be adopted to respond to keeping the local momentum and also realign its policy and capacity development work to support the transitional process but this will amount to amending not only the programme logic but the entire RRF. The huge funding gap constituting about 60% of the total fund without any committed source is a programming risk and may affect the implementation of the programme.

* + 1. ***Key Design Lessons***

The technical content and process of the LGSP has a lot of lessons to share for UNDP Yemen for immediate decisions and for long term strategies in local governance support. Some of the striking lessons are that:

* The local governance system is part of a multi-level governance process that interacts to provide the management system for local development. A local governance system is as good as the entire nation governance arrangement. An effort to ensure local development through an effective local governance process should thus be part of an entire effort at addressing governance and its improvement in a country.
* UNDP as clearly spelt out by the other Development Partners is expected to play a key coordinating role in mobilizing and leading the support for local development in Yemen. Its programmes are thus expected to reflect as such. Its convening power among development partners, an established development trustee of the Yemenis Government and a key development advocate for communities and marginalized groups, this pivotal role can only be played by UNDP. In a crisis environment it is not the single intervention which matters but the ability to pool along other interventions to harmoniously respond to a planned process is most essential and this is UNDP’s urge.
* The time lapse between DLDSP and the launch of LGSP was a clear decider period for the UNDP/UNCDF intervention. The DLDSP ended while the National Decentralisation Programme was yet to be approved, none of the manuals produced by the PEM piloting process had been adopted by the Government of Yemen and the implement machinery of the programme was still project-based. Without any base established for scaling-up, the DLDSP should not have been folded up as it did. If anything the LGSP should have followed up back to back taking advantage of the partnership momentum. UNDP/UNCDF similar processes in Uganda, Bangladesh, Tanzania and Liberia are cases to buttress this.
* In a project design, we should be able to distinguish clearly in areas of piloting and areas of up-scaling and the up-scaling plan should be made part of the programming process. Aspects of a programme when successful could be adopted and up-scaled without necessarily completing the full programme course.
* Enlisting all the partners expected to cooperate in a programme at the onset to be part of the planning and the design is very advantageous. In future programming efforts, development partners, public institutions and key CSOs that have vital roles in the programme should be offered the opportunity to be partners or identified as service providers and incorporated in the design. This could be facilitated by formal MoUs between the parties.
  1. **Policy Environment and Development for Decentralisation and Local Development**
     1. ***Key policy Issues***

The policy environment for local Governance and its development was shaped principally by Article 146 of the constitution of Yemen which established the principles for decentralisation. Subsequently parliament in 2000 and 2001, Parliament passed a number of laws and regulations to establish the framework for decentralised local government.[[5]](#footnote-5) These were the Local Authority Law of February 2000 (LAL), the Executive Regulation of the Local Authority Law, decree 269 of 2000 (ER), the Financial Bylaws of the Local Authority, decree 24 of 2001 and the Organisational Bylaw for Governorates and Districts, decree 265 of 2001. Article 4 of the LAL establishes local government as a pillar of government and provides the legal foundations for the Yemeni inter-governmental system based on the following four principles:

* Broadened popular participation through elected local councils;
* Financial decentralization;
* Administrative decentralization; and
* Decentralization of service delivery.

The subsequent implementation of the policy has faced with several challenges. There are elected councils, which establish a good basis for representation and inclusiveness but the councils are very much gender bias and a clear under-representation of women and youth. The council is also sterile to a large extent because the executive committee as the administrative body is largely accountable to the central government. Holding local leaders accountable also depends on the vigilance of local citizens and access to relevant information. Unfortunately in both cases the local communities are quite apathetic compared to interest in national political issues.

Fiscal decentralisation to a large extent is still a facade as systematically central government transfers to governorates and districts has reduced by nearly 50% between 2009 and 2011. The worst case in 2011 was where the actual amount received was less that 30% of budgeted creating a big fiscal dent for the local governments. The fiscal space available to the local governments in the form of internally generated revenue has also been encumbered by the central government by allocating limited and non-yielding heads to the local governments. Own source revenue are less than 4% of the total revenue of the governorates while at the district it is negligible. The fiscal ability of the local governments to prepare their own budgets and raise predictable sources of revenue to fund approved items is very far from realization. In a situation where the national resources are dwindling because of the drop in proceeds from oil prospects of improving the fiscal situation to favour local governments is low. Nevertheless, establishing the principle is very much itself a motivation.

Administrative decentralisation has been a long sought process to increase effectiveness of development response and efficiency in service delivery. From 1990 to current any review of the governance process makes the attempt to alter the process but the willingness to implement has been far and between. Yemen till today still has a mixed brand of a skeletal devolved administration. This forms the direct executive set up of the local governments and deconcentrated technical units, which are locational outlets of the central ministries and sectors at the local government level. The technical units are indeed responsible for service delivery related to their respective central ministries and are directly accountable to these ministries along the vertical hierarchy. The elected councillors thus practically have no supervisory or accountability control over these local centrally-managed administrative units.

Service delivery in a national setting involves a little more complex process which becomes a mutual responsibility of a multi-level governance system. The decentralisation in this respect is based upon the defined roles and function of the respective governance levels. The situation in Yemen presents clearly an undefined functional situation, which is even made worse by the array of NGOs and CSOs that are involved in the delivery of service. Accountability for services is thus very murky and functions are not defined. There is also clearly no relationship between funds allocation and responsibilities in terms of service management.

It is thus very perfect to describe the Yemeni local governance system as a political devolution with deconcentrated administrative and fiscal systems.

* + 1. ***UNDP Initiatives and Response***

The response of UNDP to policy response for decentralisation and local governance in Yemen has been through direct programming on local governance. The DLDSP initiated the process through piloting and laying the evidence for policy influence. The development of the National Decentralisation Strategy aptly established the apparatus for policy implementation. Subsequently, the LGSP was to continue the process aimed to provide support to the Government of Yemen in its efforts to articulate and implement the policy, legal and regulatory reforms. These were recommended by the NSTLG to create the enabling environment for transforming the current local authority system to a local Governance system. The Project was also to provide support to MoLA and relevant national programme management bodies to identify and amend relevant articles of the constitution and formulate a new local government legislation to provide the legal framework for an effective and responsive local governance system. This was to include the development of a participatory mechanism to ensure broad stakeholder participation and ownership in the legal reform process. It was also to support relevant agencies to achieve the alignment of key sectoral legislation with the legal framework for local governance.

LGSP was to also actively support Yemeni institutions to learn from the experience of other countries in developing the policy and legal frameworks necessary to support the transition to a local governance system. In this regard the project was to lay particular emphasis in fostering linkages with countries that have faced similar contextual challenges in implementing decentralization reforms, such as high levels of poverty, high percentage of remote rural populations, strong tribal or clan based social structures and localized armed conflict. LGSP was to particularly support the development of South-South cooperation (including twining arrangements) as a means for developing on-going exchanges of contextually relevant information and experience.

As indicated earlier, although the LGSP was launched in late 2010, its implementation has been quite sporadic and the approved programme activities rendered very difficult to follow. The effort in this respect has been a targeted selection of activities deemed relevant by the project team at MoLA. These activities are mainly to support the Gender directorate to implement policies in gender mainstreaming. In terms of LG policies there has been a virtual freeze of activities for three years and still dragging.

* + 1. ***Key Opportunities and Challenges***

The response to the policy requirement for local governance process in Yemen could be facilitated by many opportunities that have existed and still existing. Some of these opportunities must be capitalized upon in a timely manner. The opportunities include:

* General regard that the national governance process cannot be separated from local governance
* Development partners strong commitment to facilitate effective governance
* General appreciation of local governance as a tool for improved service delivery
* The on-going National Dialogue

In the discussion on the political situation, the greatest opening for local governance is that there is obvious perception that the national dialogue must have the local governance process at the heart of the deliberations. This implies that any review to strengthen the national governance process would also affect the local governance system. This presents the greatest opportunity to draw attention to the key areas of local governance where policy implementation has been hanging since the end of the DLDSP.

It is explicit from the discussion with development partners and their programme for the year that all the key supporters, World Bank, USAID, France, GIS, Netherlands and SFD are all committed to facilitating the review and implementation of policies for local governance. This support presents the greatest opportunity for coordinating the effort of development partners for continuing with policy implementation and any additional reviews emerging for the national dialogue.

The linkage of local governance to inclusive governance and improved service delivery has been well indicated in the LAL 2000 and also in the National Decentralisation Strategy (NDS) provides a strong opportunity for policy imperative in support of local governance. The demand for inclusive governance and improved service delivery, expressed by the “revolution” also provides a lot of credence for local governance and opportunity to improve multi-level governance.

The greatest opportunity for the review and implementation of local governance policies is the national dialogue process. This offers the opportunity first to examine the state of local governance and identify constraints in the light of the determined national structure. The review on the policy direction for local governance could thus be included in the draft national constitution as a parent law where legislative accountability could be demanded. This is a timely opportunity for which if the right advocacy is adopted could facilitate the greatest policy change.

The pursuit of the local governance policies is equally besieged by numerous and varied challenges, which must be acknowledge. The challenges include:

* A country recently united under an agreement
* Highly skewed distribution of natural resources
* Limited capacity and resources
* Challenged democratic principles and perceived exclusion.

Recent history has it that North Yemen and South Yemen (People's Democratic Republic of Yemen) eventually formed a united republic in 1990, but their politics had been marked for decades by infighting, assassination attempts and the spectre of military coup. Not long after unification, disputes over power sharing led to leaders from the South declaring a separate state, but a swift and ruthless campaign in May 1994 quashed this rebellion.

<http://www.time.com/time/world/article/0,8599,2028740,00.html#ixzz2Id8gL5KI>

The susceptibility of the union thus makes any sharing of power within or co-terminus to the previous boundaries an uncomfortable political situation. Again the concentration of power at the centre has been erroneously been deemed as an indication of strength of the union. Any effort therefore at establishing a local governance system is considered to be a dissipation of the central power and thus covertly resisted by politicians at the central level.

The major source of national revenue to Yemen is oil and this accounts for nearly 70% of national public revenue. The oil deposits and activities related to it are concentrated in the Western part which leaves the Eastern part of the country quite deprived, depopulated and again faces the challenge of access to water. A decentralised system in this respect might be limited because a large chunk of resources for many of the sub-national governments may have to come through central government transfers. This practically limits the extent of fiscal authority that could be granted to sub-national governments eventually creating a challenge for the pursuit of formidable and effective local governance.

Establishing local governance and implementing required policies implies that a capable system should be established at the sub-government level. The challenge in Yemen is that having and supporting personnel with the needed capacity to fill the 22 governorates and 333 districts with some covering a population of less than five thousand is nearly impossible. As the question of viability comes into play here, the real challenge is obtaining and retaining people with the right skill, knowledge and ability to deliver on the policies and impact at the local level to attract support. This remains a potent challenge to policy pursuit for effective local governance.

* + 1. ***Key Policy Lessons***

There may be several lessons to be ascertained from the policy process but the most significant ones are captured and discussed below.

* Any process to make significant policy changes in local governance implementation must register a consensus among the key stakeholders which includes MoLA, MoF, MoPIC, MoCS as well as some key sector institutions; key development partners supporting local governance, the local government actors including the elected leaders, the key non-state actors at the local level and the administrative class at the local level, who are the key implementers.
* For a policy to be accepted and effectively implemented there must be clearly defined expectations and relative impact on the stakeholders. If the expectations from a policy change are not defined as realised in the LGSP, in a situation where the policy environment is changed it would be very difficult to follow up with the required review and refocused action.
* There must also be well defined policy implementation mechanism and procedures to establish a commendable policy change. These are in terms of roles, functions and responsibilities for individuals and institutions. If this is not done, there are clear gaps in terms of communication, capacity and even funds for implementing the policy. What is even worse is that there is no accountability and this clearly manifested in the LGSP and even to some extent in the DLDSP.
* The quality and durability of a policy depends on the level of congruity with existing policies and value-added to on-going processes. If the implementation of a policy would require the review of many other policies then there is the need to pursue and ascertain the harmonisation before the implementation else it would lead to conflicts. The implementation of many of the manuals developed under the DLDSP required such harmonisation pursuit with other ministries and sectors to facilitate the implementation.
* The capacity of a programme to move and carry out a policy change depends on the relationship it is able to establish with the key stakeholders and influence the decision cordon. Moving a policy change and its implementation in local governance, which touches on the political, administrative and financial structure of a country, requires more than one programme regime to accomplish. The needed capacity within and outside the programme must be incrementally built to response to the policy implementation sequence. A programme change within the confines of a programme thus only survives as long as the programme duration and not beyond.
  1. **Capacity Adequacy and Development for Decentralisation and Local Development** 
     1. ***Key Capacity Building Issues***

The most critical issue, which received a total agreement with a meeting of stakeholders from governorate and district level, as the greatest hindrance to establishing an effective local governance system in Yemen, is “inadequate capacity for local governance administration”. Capacity building is described in various forms but whatever the case it brings out the inadequacy of the resources: individual, institutional, funds and systems involving some of the issues discussed below.

A local governance system practically requires resources for the **political** (representation) process, the **planning** process, which covers the entire PEM and the **implementation** and **reporting** process. Undertaking such a task in 333 districts requires a massive outlay of personnel, funds and operational facilities. The situation even becomes more challenging when in addition the government would have to field supervisors and personnel to ensure quality control at the 22 governorates. The numbers aside the personnel would also need to have the required skill, knowledge and ability to respond to the divers’ decision-making responsibilities at the local level. The obvious lack of such a capability at the sub-national level in Yemen is one of the biggest development issues.

A functional capacity is well utilized when there are defined processes, roles and functions at the multi-levels of governments. The indication at the sub-national levels clearly shows programmes, though owned by government are managed by development partners or an ascribed team. The team controls the implementation and carve their own processes and procedures (manuals), which often are not approved by government. In many of such cases development activities portray all manner of functional overlaps, redundancy, gaps and obvious waste. The principle of assigning defined roles and functions facilitates the development and mobilisation of capacity requirements to respond but the uncoordinated matrix system between sectors and multi-level of government portends a critical problem.

The MoLA which is responsible for sub-national institutions has not established any capacity development plan for the institutions and neither for the personnel. The assessment document that is available was conducted by the ministry itself in 2009 and this did not go further to include sub-national institutions. The standard response has been through the various programmes, initiated with development partners, developing manuals and conducting training workshops for staff and other stakeholders at the sub-national level to apply these manuals. So long as there are resources to back the manuals they are utilised and the application halts with the resource cut. There is thus a proliferation of manuals, workshops, varied and sometimes conflicting training workshops available for personnel and other stakeholders.

There is also a massive challenge of with resources. Procedures may be provided and personnel trained but there are no resources to put these skills to work. Local stakeholders at the district level indicated how local personnel were trained in local public expenditure management (PEM) and went ahead and prepared local plans but the required resources for the implementation of the plans were never provided or obtained. This invariably has created a planning fatigue districts thus only respond to request where resources are available and often through programmes.

It is very clear that capacity is only a relative to a role and functions and so long as these roles and functions are not well defined the quest for capacity development and improvement will be based on a conjectured situation.

* + 1. ***UNDP Capacity Development Initiatives***

UNDP’s interventions, in this respect, are represented by the DLDSP and LGSP programmes. The DLDSP focused its capacity development activities at the district level so that the local administration could master the local public expenditure management system especially the management and reporting on capital funds. The response to the capacity gaps at the governorate and national level was very late in the programme’s cycle and very little was done in this respect.

The LGSP was however to undertake specific actions in respect of institutional development and support for local development. For institutional development, UNDP under the LGSP was to provide direct support to the National Programme management body and its relevant direction and oversight bodies to support the development, management and monitoring of the National Programme for Local Governance. This was to include support for a broad based communications strategy, a resource mobilization strategy and the establishment of a donor forum to ensure harmonization of support for decentralization and local governance.

The project was specifically to support the Ministry of Local Administration (MoLA) to build internal understanding and ownership of the *National Programme* agenda and to develop appropriate organizational relevant capacities to carry out its functions and mandate within the local governance system. Where appropriate it was to build on the existing analysis of MoLA’s institutional arrangements and organizational capacities undertaken under DLDSP. LGSP was to further focus particularly on building core central functions such as information management communications and, monitoring of LGU performance.

The project was to work with other central and sectoral ministries as appropriate to support relevant central and sectoral ministries to align their institutional arrangements at the central and local level with the evolving institutional architecture of the LG system. The Project was also to provide support to these ministries on the alignment of national planning and resource allocation processes with Local development planning approaches and to ensure information on assistance to local governance and decentralisation is integrated into national ODA System at MoPIC.

The project was also to provide capacity building support to local government units at governorate and district levels including the development of a complete set of base operating and administrative systems. It was also to support the institutionalization of District Facilitation Teams, based on the experience of DLDSP, and their extension to all Governorates and build the capacity of governorates to monitor and follow up LGU performance at district level. Support was also to be provided to build the capacity of Local Councils and community organizations in promoting inclusive dialogue with all local stakeholders to address community issues and foster social cohesion.

With capacity development support for local development, the project was to provide for the gradual deployment of evolving governorate and districts to contribute more effectively to the promotion of sustainable and equitable local development and social cohesion. This effort was to build upon the process initiated through the DLDSP, which introduced and activated PEM procedures and capacities and support specific target LGs to use this foundation to deploy their mandate and assigned functions to deliver primary social services, promote local economic development and manage natural resources. The local development planning process was to be strengthened to foster inclusive dialogue, promote equitable resource access and service provision and strengthen local accountability.

This implies within the four year span of the project its was expected the follow up with institutional capacity development of the national ministry, MoLA, continue with providing the support for the alignment of the respective sectors and finally build on the capacity of the local councils and community organisations to respond to social cohesion, local economic development and the provision of social services. One does not need any rigorous analysis to conclude that with the pertaining challenges the programme was well beyond what it could accomplish in four years compared to what DLDSP achieved in six years.

* + 1. ***Key Capacity Development Challenges and Opportunities***

Though Capacity development is seen as the core area of support by many of the development partners for local governance, the result is recognised as insufficient to propel the required local development. Beside the UNDP/UNCDF effort there are other interventions from the Social Fund for Development (SFD), USAID, GIZ and other bilateral agencies such as the French, Italy and the Dutch focused on capacity development for local governance. The effort however could be facilitated by taking advantage of certain opportunities which includes:

* Stakeholder consensus that Capacity Building is Key focal Area for Local Governance
* Coincidence of Reviews and Planning of New programmes for Local Governance
* Recognition by Development Partners that UNDP could provide the needed coordination for Capacity Development
* Existence of two potential institutions (the National Institute for Administrative Science and Sana’a University) and a lot of developed manuals on LG

The stakeholders consulted during the review unanimously agreed that capacity development is the key area requiring concern in the local governance process in Yemen. This consensus is a gapping opportunity to initiate an indicative plan by MoLA with support of the development partners to guide a medium to long term capacity development strategy for local governance.

The coincidence of reviews and planning of new local governance intervention programmes of many of the development partners provides the opportunity to influence and coordinate. At the time UNDP/UNCDF is reviewing their interventions, USAID, WB, GIZ and SFD are also reviewing or planning new programmes for local governance. It is a very opportune moment for the government to influence the process through their inputs and create the platform for harmonisation of processes.

One of the challenges of capacity building in local governance is the hijacking of the process by development partners and without any coordination. This indeed also exist in Yemen but the difference, which turns into an opportunity is that the development partners consulted (WB, USAID, SFD, GIZ) are looking up to the UNDP for coordination and facilitation of harmonisation among themselves and with the government process. This has become a concern well captured by one of the respondents, “this is a ready opportunity which has not been capitalised upon by UNDP and the ministry has not facilitated the process either”, coming from a minister of state. This coordination function when initiated will go a long way to avoid repetitions, waste and gaps and harness the synergy to support a more sustainable capacity building process.

The final opportunity for local governance capacity development which has not been harnessed is the existence of two institutes for training in Public Administration in Sana’a which offers the brightest potential for the training of personnel for sub-national governments. Regular turn out of graduates with planning, administration and community development skills from the universities provide a regular source of skills to replenish needed requirements. Supporting the university, developing necessary curricular and improving the existing faculty at Sana’a University brings this to an initial vital effort to accomplish this. The National Institute for Administrative Science (NIAS) can be supported to focus on organised in-service training for local government staff.

These opportunities are however confronted by other potent challenges which are intrinsic and long lasting that any attempt to streamline the local governance capacity development process in Yemen must deal with them.

These challenges though many, the key ones are:

* Multiple existence of manuals for training and process in local development
* Non-existence of a capacity development plan
* No defined budget for local governance capacity development
* Competing institutional roles and functions

The multiple existence of training manuals and guidelines for the public expenditure management (PEM) cycle at the local level creates confusion. Depending on the programme a stakeholder is on (UNDP, SFD, GIZ, USAID) one would be exposed to a tailor-made process and skill requirements for local development. The worse situation is when one is even exposed to different reporting processes by programmes and at variance with what is required by the responsible ministry. Until these capacity development inputs are harmonised and approved by the government taking into consideration the respective needs of public ministries such mishaps will persist.

The situation is aggravated by the fact that there is no existing capacity development plan for the local governments although there is a capacity assessment report on MoLA in 2009 and the ministry has subsequently developed an action plan out of it. In spite of the fact that the plan covers only the Ministry, it is not that elaborate to cover for the absence of a comprehensive capacity development plan.

There is also no defined budget or established fund for capacity development for local governance. The result is that there is no systematic capacity development process and consequently depends on fall out of local governance projects of development partners. The respective programmes thus determine the capacity development activity, and funds are directed by the programme resulting in a continual funding of immediate demands without any medium term considerations. The obvious justification for the short term outlook of capacity development is the transitional period and the expectation that subsequent output of the national dialogue may change the capacity need for local governance.

The final challenge to capacity development for effective local governance has to do with the murky situation regarding functional assignments and roles. The training of local planning officers was requested by MoPIC, it was however also brought up as a responsibility by MoLA while in reality the SFD was undertaking the training of planning officers on the ground. This is just a case but there are several of these murky responsibility areas which lead to competing actions and accountability thus frustrating any systematic effort at capacity development for local governance.

* + 1. ***Key Lessons***

There are a lot of key lesson from a review of the UNDP intervention on capacity development for local governance.

* There is the need to define roles, functions and responsibilities among actors and institutions at the respective governance levels. This is very necessary as the expected role and functions would indicate the capacity requirement. If capacity development is carried out without a clear assignment of roles it only becomes a speculative process as was realised under the UNDP/UNCDF interventions.
* Following the above lesson it comes out clearly that an LG capacity development process in Yemen must be predicated on a thorough and comprehensive assessment of the existing capacity at all the levels of governance in relation to the subject matter. The assessment would be able to reveal process gaps, skill gaps, knowledge gaps, equipment and operational gaps pertaining to individuals and institutions at the local government sector.
* Developing a comprehensive capacity development plan for local governance is very essential in any effort to lay a system process for effective local development. The capacity development plan would require MoLA to play a central role coordinating the government institutions and agencies, UNDP creating a converging point for development partners to harmonise and prioritize these actions, provide a chronological sequence for action and mobilization matching resources. This is what the UNDP/UNCDF interventions missed hence creating the environment for piece-meal solutions.
* The responsibility for training and skills development under capacity building for local governance cannot be relegated to local institutions and NGOs. The uncoordinated and discrete workshops would only continue to create divergence between skills and needs. The coordinated process would have to be based on a provision of a regular source of personnel with skills, knowledge and ability at the local level and another source for in-service training.

* 1. **Investment and Service Delivery at the Local Level**

Services represent the visible outputs of development initiatives. Effective delivery of basic services, particularly to the poor, is therefore a key element in the achievement of households’ wellbeing and ultimately the MDGs. These services include safe water supply, sanitation, energy, primary education, health care and the list of services presented in LAL 2000 to be provided by local governments. In a decentralized system the provision of services is a multi-level governance responsibility since each of the governance levels has a responsibility and a function to perform to realize these services. A non-performance of any of these tiers creates a problem for the delivery.

* + 1. ***Key investment and service delivery issues***

Article 147 of the constitution of Yemen makes the local authorities agents of central government as the “governorates and the district executives” ultimately report to the president. The service provision responsibility is thus administratively the *bonafide* functions of the respective ministries with agents acting on their behalf at the local level. While it is agreed that the functional allocation of service delivery may be feasible for practical purposes, it does not follow any defined pattern. While in some urban areas local government provides and manages some services, in other areas especially the rural areas services are managed directly by units of the central government. The effect in all cases, according to the MDG report for 2010 is not remarkable.

The report opens that Yemen is unlikely to achieve most of its Millennium Development Goals by 2015. Gross Enrolment Ratio in basic education remains low at 65 percent (with a gender gap in basic education of 31.78%). Half the population has limited access to basic health services and access to reproductive health and family planning services is low. Gender disparity remains a major challenge; with most of the MDG indicators associated with women unlikely to be achieved. Yemen was also severely affected by the food crisis and the increase of food prices had a direct impact on many households, especially the poor and vulnerable groups. According to 2010 WFP’s Comprehensive Food Security Survey 32% of the population is food insecure and 13 percent of the children under-5 were wasted and 56% stunted (HBS 2005/06). This is the obvious edifice of a challenged service delivery and management system.

While the respective functions for service delivery are well captured by the statutes, Article 146, the implementation is a challenge because the functions are not matched with the requisite resources and capacity to respond. The greatest challenge however remains creating the necessary practical institutional harmony for service delivery and management. The challenge is with the financial and administrative decentralization process: starting from determination of functions, funding, determination of service delivery criteria, reporting to capacity development efforts. It can be concluded that there is confusion on which local authority should do in relation to public service delivery, as the comprehension and perception varies from one agency to another and from one governorate and even from a district to another.

According to the national strategy studies report (2010) Key service sector ministries such as ministries of education, health and agriculture are still delivering and managing local projects that should have been transferred to local authorities under the LAL 2000.

The issues of local public expenditure management is also an obvious challenge established by the national decentralization strategy and confirmed by the DLDSP and the LGSP documents, however this to date has not been resolved as it was registered as one of the keys areas of concern by the MoLA’s plan of action. While the matter has been addressed primarily as a capacity problem through training (nearly 2800 of local government staff trained under DLDSP alone), the problem is a systemic one. The development planning process which begins the process has become a technical document initiated by the Executive committee and views from the local councils on the respective plans are considered peripheral. While it is expected that Governorates provide strategic direction on plans by district, in most cases however, the views are established post-ex seeking to change elements of the approved plans of districts.

The challenge of implementing local development plans have been seriously hampered by the often gross mismatch between plans and resources. While it is noted that locally generated resources are just around 4% of annual expenditure, the disparity between approved budget transfers and actual in 2011 were more than 60%. This makes funding for the plans unpredictable, unreliable and unstable. Ability of local authorities to raise local revenues is hampered in the first place by the general poverty level in most of the districts and also the generally prosperous rateable sources are encumbered by the central government.

The Constitution does not mention *political* decentralization, but specifies that the administrative units (Governorates and Districts) shall have democratically elected Councils which are meant to “propose”, “monitor” and “audit” the programs and projects implemented by the local administration. Although, it refers to the Council’s power to “supervise” the local administration, the extent of real (horizontal) accountability of the local administration to the Councils, remains unclear. The financial audit however is supposed to be carried out by COCA but it is unable to audit the accounts of all 333 districts and 22 governorates on time. The result is that some districts have not had financial audit for some years and yet continue to receive transferred funds. The system of financial audit must be strengthened in parallel with the increased fiscal decentralisation.

* + 1. ***UNDP’s Investment and Service Delivery at the Local Level***

UNDP’s initiative towards improved service delivery and enhanced investment at the local level; has been primarily through the DLDSP and for a lesser part on the LGSP as planned. The strategic influence has been through an improved local public expenditure management (PEM) system and the establishment of the Local Development Fund (LDF).

Manuals on planning, budgeting and project implementation were developed for local governments and nearly 3000 people at the local were trained under DLDSP. The LGSP plan in this respect was to continue and expand the District Facilitating Team and sponsor to continue with the training and recording of lessons from the implementation. The assumption was that an organised public expenditure management system would enhance the delivery of services and institute a process of accountability for resource use.

The DLDSP piloted the Local Development Fund (LDF) in six and later to 28 districts as a basis to enhance an expeditious local investment in services. The LGSP also had planned to support the broadening of the functionality and provide more capital for target LGs to more effectively finance their service delivery, LED and NRM interventions and to leverage additional resources from public, donor as well as private sector sources to supplement their own source contribution to the implementation of their integrated local development strategies. The LGSP was also to support the effort of target LGs to identify other local development (sector focused or thematic) interventions that will be delivered through parallel modalities by donors or central government agencies and consolidate to achieve better alignment with local development plans and local development objectives.

One of the most optimistic activities LGSP set itself to accomplish is costing of the local development task at hand. It was to undertake an analysis to determine the state of local development in target localities and determine the capital and recurrent resource requirements for closing the local development gap. This effort involved a baseline study of service coverage, level of economic development and the state of natural resources, and concludes with an analysis of the capital and recurrent cost needed to close this gap.

The caveat is that while the DLDSP initiated many of these processes, the LGSP for obvious reasons could not reach up to the direct services associated with service delivery and the LDF. It is clear however that much of the functions associated with local service delivery and investment are handled by the service sector ministries and their respective units at the local level. This implies that UNDP’s specific project to the respective sectors such as health, water and agriculture and even to planning directly affect local service delivery parallel to the programmatic process through local governments.

* + 1. ***Key Challenges and Opportunities of Local Service Delivery and Investment***

The challenges associated with local service delivery and investment is a lot, spanning the whole multi-level governance structure.

* There is no one document which describes the service delivery system in Yemen and all the projects initiated to respond to the dilemma only behaved as ostriches, being comfortable with segments of the statutes and pinning its strategy on it. DLDSP and LGSP for instance settled on the LAL 2000, which fastidiously established that local services and investment must be managed by local governments. The standing statutes of Article 146, 147 as well as the statutes establishing the respective sector ministries however renders the LAL 2000 nearly sterile on its provisions for local government responsibilities. So long as these statutes have not been harmonized and the legislative conflict resolved, the responsibility for service delivery and investment continue to swing on the pendulum.
* The policy strength on local service delivery and investment is the next vital challenge, which has been another source of contention. The policy situation for service delivery has been interpreted in many ways making interpretation varied among the local governments. Guiding and monitoring policy implementation thus has to be taken on discrete basis among the local governments. Any effort to deal with the constraints of service delivery and investment would have to respond to this challenge.
* Inadequate capacity has been touted several times as a challenge but it becomes more aggravated in respect of service delivery and investment. Service management involves the planning, budgeting, resource mobilization, project management, and asset management and operation. This requires functional response capacity at all the levels of governance (national, governorate, district, community). The lack of personnel with knowledge, skill and ability to respond to these functions remains a key challenge yet to be candidly responded to by several project responses including LGSP.
* The challenge of resources remains most potent against adequate service delivery and investment. Within a ten year period the local governments have spent an average of less than 1% on maintenance while capital investment accounted for 13% of total expenditure. Given the quantum sum involved only the highly populated urban areas are able to continually maintain a third of their planned service support MoPIC (2010).

These challenges may be enormous but there are existing opportunities which provides a great potential resolution nexus for some of the challenges to effective service delivery and investment at the local level.

* The statutes and the policy on service delivery and local investment may be very confusing but it provides the greatest evidence of recognition of a problem and the willingness to respond to it. The foundation laid by these principal statutes in the constitution, LAL 2000 and the respective sector legislations could be harmonized under the new constitutional development and arrangement. This would require the necessary technical guidance and analysis to support the carvers of the new constitution.
* There abound a lot of arrangements for the provision of local services in many countries and a collection of experiences have been compiled which should be at the disposal of decision makers. Decentralized cooperation, which has been piloted by UNDP for the past seven years has been mainstreamed and remains a tool to facilitate local governments of successful service delivery to share such experiences with teething ones.
* The groundwork which has been established by the previous intervention including the DLDSP, the PWP and the SFD provide a great opportunity for turning the capacity for service delivery and management around. The manuals on PEM and revenue management study results require a review and endorsement by the government to give premium to the application.
  + 1. ***Key Lessons on Local Service Delivery and Investment***

The lessons for UNDP interventions and programming environment give credence to important lessons for service delivery and investment.

* A local service delivery system requires a comprehensive guidance which clearly articulates the functions and roles at the respective levels and also for the multi-stakeholders at each level. Sticking at the local government level to improve service delivery is thus a discrete stir which only survive for the duration of a project and fails to create a sustainable intervention. A comprehensive assessment of the service delivery system is required to propose an optimum process for each service.
* The business acumen of Yemenis and the huge private investment potential in neighboring countries is yet to be exploited and attracted into the provision of services and this was not taken into consideration in the UNDP local development interventions. The potential role of the private sector in service provision has to be given due consideration.
* The public administrative structure and institutional structure for service delivery must be established to sustain a sustainable system instead of a temporary provision established on the basis of a project or a non-permanent institution.
* UNDP’s support to create a coordinating platform among the service sector ministries, development partners and MoPIC and MoLA is very crucial in setting the service delivery and investment agenda.
  1. **Partnership and Development Coordination**

Partnership and coordination is very vital in programming in local governance as it covers array of stakeholders at all the multi-levels of governance and include the public and private sector as well as civil society. The pursuit of any effective local governance process must thus endeavour to involve as many of the stakeholders in the planning, execution and assessment. In Yemen therefore a review of the partnerships and coordination in the local governance process becomes pertinent for the drawing of lessons.

* + 1. ***Key Issues***

One of the obvious issues which stand out with regard to local development in Yemen is coordination of interventions and harmonizing of work plans and programmes. This invariably begins from the government itself. MoLA expectedly is to be responsible for coordination of local development interventions and act as the de-facto owner of all processes and programmes of local governance. The proliferation of local programmes by public institutions in some cases in the same sector by different ministries pointedly thwarts the coordinating role of MoLA for local development. The direct intervention by MoPIC, MoFA, Public Works and other sector ministries at the local level without any recourse to MoLA is an obvious challenge to coordination and the central role of this ministry in local development.

The development of programmes on local development has also not created the opportunity for partnership and collaboration from the onset. In the case of the DLDSP, the original project had only three partners, UNDP, UNCDF and the Government of Yemen. It was only at the second phase in 2006 that it attracted the cooperation of USAID, France and Danish while SFD and GIZ cooperated with the programme. In the evaluation therefore it was noted that while the programme implementation attracted the other partners because of the exhibited acumen, the planning did not receive that much cooperation. In the subsequent effort this implementation partnership has totally broken down and each of the key development partners has initiated their own discrete local development programme. The partners include World Bank, USAID, GIZ, SFD and France.

As the government coordination effort for local development is weak and contested by MoLA, MoPIC and MoF, the alternative would have been stronger development partner coordination. However, there is no platform created for that purpose and thus arousing similar competition among the development partners. This situation only leads to discreet work plans and actions resulting in parallel efforts, gaps and overlaps.

The other vital issues of partnership is at the local level which involves the role of community leaders, civil society groups, local private sector and local interest groups. These local institutions have been organised along discrete programmes thus participation and cooperation of local institutions have been predicated on programmes instead of being part of the regular local governance process.

The final issue is that for effective coordination these partners should have a platform at each level (central, governorate, district, community) for harmonizing the activities of all partners and also for creating the necessary vertical linkages. This is very necessary for avoiding communication gaps, policy gaps, capacity gaps and indeed resource gaps, which are very obvious in the organisation of the implementation process for decentralisation and local development in Yemen.

* + 1. ***UNDP’s Response to Partnerships and Coordination***

UNDP’s response in this direction again is represented in the DLDSP and the LGSP spanning from 2003 till present. The DLDSP had succeeded to build a strong base in forging partnership with major development partners (USAID, France, Italy, Denmark, and including two national institutions i.e. SFD and PWP) during project life span (2003-2009). For DLDSP, almost 45% of resources were mobilized from these donors to support the local development agenda, in which Public Expenditure Management procedures were tested in selected districts. The development of the National Decentralisation Strategy (NDS), which was approved by the then Cabinet had the support of all the key partners as well as the community groups.

The LGSP was to build on this experience and also expand to include other potential donors such as the Gulf Cooperation Council (GCC) countries and key UN agencies (like UNICEF, UNIFEM & UNFPA) with the focus to support GoY. The effort was towards what has been articulated in the NSTLG, to address local institutional building and infrastructure, to attain local development outcomes.

Towards this end a **Partners Group** was to be established and chaired by the Ministry of Local Administration as part of the project efforts to enhance Government ownership. This Partners Group was to be composed of all key donors (identified under DLDSP), GCC countries, Ministries of Finance and Planning, Chambers of Commerce, PWP and SFD, as well as key line ministries i.e. Ministries of Health, Education, Water and Environment, and Social Affairs and Labor, Yemen Women Union and National Women Committee. The aims of the PG were:

1. Ensure donor and partners alignment of their intervention at local level;
2. Ensure coordination at all levels (sectoral and sub-sectoral, etc.);
3. Resource mobilization to address local development needs (basic infrastructure and service delivery, local economic development and natural resource management at local level); and
4. Sharing of information and exchange of experience and lessons learned.

The Partners Group was to convene twice a year and the project was to provide technical and logistical support, as well as preparation of minutes of the meeting, distribution and follow-up on its recommendations.

The project would prepare a Memorandum of Understanding identifying the roles and responsibilities of the Partners Group in order to maximize alignment of different stakeholders’ initiatives, improving coordination and build strong sense of ownership by the Government of Yemen. This MoU was to be shared in draft form with all members of the Group before been endorsed and signed by them. The MoU was expected to become an instrumental annex to this project document upon its signature.

The LGSP project was also expected to work closely with the Public Financial Management Reform project that was to be implemented by the World Bank starting January 2010 (tentatively). This was to make sure that the Public Expenditure Management model that was introduced at the district level under the DLDSP on a pilot basis was incorporated in the PFMR. The systems and procedures it had introduced would be used at the national level. The LGSP had to engage with the World Bank in all discussions, working sessions and preparation for the transformation to the fiscal decentralization.

Consultations with the on-going Government Civil Service Reform Project (CSRP) was also be institutionalized to ensure that CSRP directives and human resources management arrangements are responsive to the requirements of transformation of local administration to local government.

It must be noted that although very lofty ideas were propounded in the project document on partnerships and coordination, practically very little was done even at the time of planning the programme and developing the project document. The obvious evidence is the fact that the DLDSP ended with nearly eight reliable partners cooperating but the LGSP document managed to sustain the original UNDP, UNCDF and added only UNIFEM. The immediate result was the huge funding gap while partners such as GIZ, WB and USAID were developing their own local development programmes whiles national programmes such as SFD and PWP were fundamentally pursuing programmes duplicating the intended activities in the LGSP.

It can be concluded that while the DLDSP made very significant strides in facilitating partnerships, the LGSP in practical terms failed to sustain the initiative and did not exhibit any indication of working towards what has been spelt out in the project document. The question is could the partnership pursuit be continued under the current circumstance and development environment.

* + 1. ***Key Partnership Opportunities and Challenges***

The current donor environment raises the best prospects for partnership which can also be taken advantage of for local development. The development partners in Yemen have already formed the core partnership to facilitate and support the governance agreement initiated by GCC. It is quite a coordinated fashion, specific support roles have been assigned and clear benchmarks and indicators established for accomplishment regarding the national dialogue process and the rebuilding of the state of Yemen. It is this opportune environment the Government of Yemen and UNDP in particular can take advantage of and organise the stakeholders in fostering a concerted and coordinated effort towards a focused local development support.

The next biggest opportunity is the arrival of new donor sources creating the potential for resource mobilization for local governance initiatives. The new entrants from both the Arab Region and the West present an opportunity to resell the local development initiatives to solicit their interest and support. In the face of the tightening global financial situation, Yemen is unique and has to capitalize on the situation by government and development partners as well.

Local governance has been asserted as very central not only for development purposes but also for the integration and reconciliation of Yemen as acknowledged by the GCC agreement and the proposed policy document. The interviews with some key development partners (WB, USAID, SFD, GIZ) as well as the leadership of some ministry (MoLA, MoPIC, MoF) do recognise that given the modest gains from the DLDSP, the pursuit of effective local governance provides a keen opportunity for sustainable local development and social reconciliation. The consensus on the role of local development in the national dialogue and nation building effort of Yemen is an obvious opportunity yet to be utilized.

The final opportunity was created by the ripples of the revolution, which created exceptional local awareness and demand for accountability. This provides potential opportunity for the national dialogue to facilitate the momentum through the creation of a focus and direction for this new local energy and dynamism.

The above discussion goes to substantiate the fact that in spite of the current struggle to establish the needed partnership for local development but as much as taking advantage of these opportunities would be expected to respond to other challenges that are to be contended with.

The revolution and the subsequent national dialogue created a situation where development partners are competing to reposition themselves. This has led to a veiled competition among development in terms of relationship with government and influence in the respective sectors. Cooperation is therefore viewed and accepted by other development partners with caution. The challenge and inability of the government ministry to provide the necessary condition but content with dealing each separately makes this challenge more difficult to deal with.

The temporality created by the “transitional” process facilitates quite an unpredictable state making medium term planning very uncertain. This is worsened by the psyche in many of the ministries where any significant policy move is resisted. In this state development partners are thus hesitant to make any commitment especially where it involves other partners in this “uncertain” environment. Seeking to undertake concerted cooperation for promoting local governance is thus becoming less attractive.

The final challenge has to do with mobilizing resource challenge in a time that there is global crunch. This becomes even more difficult when it is to support a process in a country which is just coming out of a disturbance and worse to support local governance which is deemed more remote from direct oversight. The implication of this is that more effort must be put in stating and presenting the case of Yemen to obtain the required resources.

* + 1. ***Key Lessons***

The discussion above and the interaction with the stakeholders reveal a lot of lessons that could improve the current situation regarding Local Governance and also for future programming purposes.

* It is imperative that facilitation of partnership must be anchored by government with a definite institution assigned to this responsibility. The partnership and coordination activities should not be limited to those at the national level but should also involve the stakeholders at sub-national level. The mobilisation of the development partners and the harmonization of activities could be more viable if undertaken by one of the development partners in this case UNDP given its neutral and convening status.
* The invitation and indeed the pursuit of partners should be vigorously undertaken right at the planning and programme development stage. It should be viable to begin the programme with the due commitment and cooperation secured as part of the endorsed programme document. With the basic partnership and cooperation secured soliciting for additional partners could continue. It is also vital that at the centre of this process is a responsible government institution.
* Specific tools should be developed to facilitate partnerships and coordination of programming and implementation for local development. Actions such as the development and approval of an umbrella indicative programme by government for local development, the development and approval of common manuals and guidelines for local development processes and training, harmonised reporting processes for sub-national institutions to government and to development partners should be undertaken. The institution of an annual review meeting on local governance and local development for all key stakeholders has also been used by UNDP in other countries and has facilitated partnerships and coordination.
* Specifically for UNDP the key lesson is that it has to harmonise its own programmes and the implications for sub-national coordination, stretch further to harmonize their programmes with other UN agencies. As UNDP works with multiple ministries it further has to coordinate and harmonise its programmes with its local development initiatives. Finally as indicated earlier, such a basis provides that necessary credence to lead the development partners in forging effective partnership for local governance and local development.
* Finally it should be noted that competing for programme support, as it is among Yemeni public institutions and for resources and among development partners for influence, does not in any way facilitate effective local development. It only leads to dissipation of effort and the development of multiple and parallel processes.

1. **Key Conclusions and Lessons learned**

The discussion in the last chapter brings in salient conclusions and cogent lessons for improving programming and programme management in Yemen. This chapter thus presents the main conclusions and key lessons based upon the information accessed and analysed.

* 1. **Key Conclusions and Observations**

The key conclusions from the discussion give an indication of the main areas of attention in respect of local governance programming. The areas are:

1. While the timing of the DLDSP was very pragmatic and created the necessary basis for the germination of a viable local governance process, the winding-up of the programme compared to the usual experience of UNDP/UNCDF was relatively drastic. This is because the necessary policy changes to take up the pilot experiences has not been done; the manuals and guidelines developed from the programme had not received government adoption and approval; the National Decentralisation Programme has not been endorsed and the partnership modalities had not be instituted. The time-lapse between DLDSP closure and the implementation of the LGSP, which was about two years in reality, affected the take-off of the LGSP as a lot of momentum had been lost and competing programmes took up the space.
2. The design and packaging of the LGSP did not take into consideration that unlike many of the LDP by UNDP/UNCDF, the endorsement phase has not been completed and undertook an elaborate design of the LGSP adding on issues of local government centred promotion of local economic development (LED) in addition to intricate local fiscal processes. The overloaded programme led to a play down of the priority activities left hanging from the DLDSP. The monitoring of assumptions and alternative paths were very weak implying a very inflexible programme design and track.
3. The quality of the programme management was put to test at the time of implementation resumption and the decision for the review of the document and process. It was clear after the “revolution” that the project document in that state was not implementable in the given environment and an immediate review should have followed but this was not done posing a challenge to the management.
4. The current capacity of MoLA is deemed inadequate for providing an effective policy drive for institution and managing an effective local governance system for local development. While the emphasis had been placed on the formation of the Inter-ministerial committee on decentralisation to provide the political drive the technical drive was and still far from desired. The policy exploits which were quite a success under the piloting phase could not be justified for implementation due to capacity challenges.
5. Capacity development, under the LGSP and for local development in general was not organised to be sustainable. There is indeed no comprehensive capacity assessment report apart from the one on MoLA in 2009. The capacity development support process is based on discreet programmes not strong enough to establish an institutionalised process. Capacity development effort for local development has been haphazard and indeed the expectation of UNDP to provide the coordinating platform for concerted capacity development effort has not materialised. The potential that existed in the National Institute for Administrative Science and the Public Administration Faculty and Centres of the Universities have not been utilised.
6. The key stakeholders at the sub-national level (governorate and district) appreciated greatly the initiatives under the DLDSP and much reference is made to the sub-projects undertaken under the Local Development Fund. Reference is also made to the training opportunities and the associated manuals for the local officials and community leaders. The recognised challenge was the confusion on reporting systems between the sector ministries and the devolved sub-national governments.
7. Ten years after the launching of the DLDSP and followed by the LGSP, these programmes are largely seen as UNDP/UNCDF programmes instead of a national process led by MoLA. This perception, well expressed by all the stakeholders, affects relationship with partners especially government officials in other ministries and other development partners. It also limits the influence of the initiative and defines the reach within the programmes’ scope and duration. Management decisions were challenged by the capacity of MoLA and hinges primarily on UNDP/UNCDF technical staff and consultants.
8. The initial effort by UNDP/UNCDF to secure partnership for the LGSP did not yield much result and the inception partnership was weak to the extent that while development partners did not know much about the programme, government saw it as one of the many programmes on local development. Partnership for local development is very weak, as MoLA and the other related Ministries, MoPIC and MoF deal with development partners on individual basis while local structures also relate to them based upon respective programmes.
9. The resource gap for the LGSP was nearly 50% creating a lot of uncertainties as the key development partners had also initiated their own local development programmes. The prospect for closing the resource gap, without the initial commitment was very unlikely.
10. The pertaining political environment and the general perception of temporality and not conducive for the implementation of an elaborate local development programme such as LGSP. In all the discussions three key areas were repeatedly mentioned.
    * 1. Support to the transitional process; specifically on issues of local development
      2. Undertake to support service delivery structure and systems at the local level
      3. Facilitate specific interventions on social cohesion, reconciliation and facilitate local involvement in the national dialogue process.
    1. **Lessons Learned**

The lessons from the discourse are revealing and very significant as well and would have implications for the UNDP local governance practice, programming in Yemen, and programme implementation in general in post-crisis and conflict countries. The discussion is thus arranged to follow:

* Programme transition and design
* Forging partnerships and collaboration
* Programme implementation
* National transition issues
  + 1. ***Lessons from programme transition and design***
* It is acknowledged that the DLDSP accomplished a lot but the programme closed with very vital loose ends and critical outstanding activities. The closure of a project should take into consideration vital uncompleted activities and if the follow-up is not “back to back”, a possible extension to accomplish such vital task should be recommended and negotiated.
* The LGSP was designed by a team of consultants supported by a technical team from UNDP and UNCDF. The LGSP as the main UNDP and only UNCDF local development programme in Yemen was to build on the gains of DLDSP and complete the implementation gaps while facilitating the up-scaling of viable initiatives. The technical design of this programme, anticipated to be the central programme of local development for Yemen, must solicit the leadership of the Yemeni government and the technical involvement of the key development partners in the design.
* The magnitude of the resource gap became an issue such that it engaged the government and UNCDF for a while as it proved to be unrealistic. Resource gap is necessary as it is one of the measures to assess the relevance, timeliness and quality of a programme. The explicit resource support is an indication of the attractiveness of a programme. The gap must however be realistic and must also be based on initial possible commitment and discussions.
  + 1. ***Forging Partnership and Collaboration***
* Securing partnership and collaboration should be planned and be considered to be part of a project’s planning activities. The project’s conception should indicate the potential partners and collaborators as often it is demand driven. An outlay of key government partners, often ministries, development partners and civil society organisations, and private sector should be identified and ranked. The greatest lesson here is that the key partners should as much as possible be made part of the programme development process and commit to sign on as partners where feasible. Where becoming an endorsed partner is not possible, there should be a MoU between the partner and the endorsed partners stating the kind and scope of the collaboration.
* Framing the relationship with local government technical personnel and communities leaders by a project always limits the scope and duration of interventions noted from the discussion. Establishing a relationship with the local staff and communities should be from the perspective as the owners of the intervention thus incrementally seeking to transform through capacity improvement, changes in regulations and processes, and strengthening of local systems and procedures.
* Although local governance is a multi-level and multi-stakeholder intervention, the role of the civil society organisations and private sector is particularly important. If we should desire to go beyond the usual government cordon of participation then we should deliberately promote the involvement of CSOs, and the private sector. It becomes one of the potent means of instituting accountability and attracting and sustaining the involvement of minority and marginalised groups.
  + 1. ***Programme Implementation***
* Every policy change in a local governance process has a huge political implication. It might require a change in structures, positions, systems, statutes, regulations, procedures and institutional relationships. A proposed sweeping policy change on local governance and implementation as noted on the LGSP and also in the National Decentralisation Plan requires a profound ground work and established consensus among the stakeholders before initiating the process.
* Advocating for a change to LAL 2000, facilitating the restructuring of the MoLA, Governorates and Districts, facilitating change in delivery systems of sector ministries at the local level, changing the fiscal systems at the local level including the LADF, revolutionising the reporting systems at the district level to facilitate accountability, mainstreaming gender and all this kept in a project process after 2011 in Yemen is a clear recipe for failure. Policy changes must be kept to the barest and indeed implementation stretched over a reasonable duration to contain the level of risk.
* A capacity development process for local governance should be predicated on a thorough local institutional capacity assessment. A clear and negotiated capacity development plan should be developed and involving key stakeholders, government and partners. The plan should cover the breath of the capacity development requirement for local development and identify what can be covered under a programme and what may be taken up by others. An institution of a regular capacity development process is as important as the short term facilities provision, workshops and study tours listed in the programme.
* Capacity development activities should be undertaken with the explicit knowledge and involvement of the responsible government counterpart as well as the other development partners to avoid duplication and overlaps especially at the community and district levels. It bores down to effective planning of the capacity development interventions and emphasis on inclusion in the process.
* Facilitating the development of local plans (public expenditure management cycle) and local Investment must be accompanied by a reasonable access to resources whether from government, development partners or raised locally to respond to the plan. This helps in preventing planning fatigue on the part of the local communities and motivates the local technical group to adhere to the culture of establishing a relationship between plans, budgets and actual expenditure.
* The facilitation of local projects must take into consideration the systems and capacity for managing the asset. The necessary local institutions responsible for the operation must be identified and be held accountable.
  + 1. ***National Transition Issues***
* During a transitional process, there is a general “wait and see” attitude which gravely affects service delivery and most crucially at the peripheral areas which will not be obvious to development partners. A local development response in such circumstance would therefore prioritise the facilitation of continual provision of services and provide for the resilience of the local people during this period of apparent development doldrums.
* During the transitional period the opportunity is provided to assess current systems and creates the opportunity for putting across alternative thinking and means of improvement. To facilitate this therefore, local communities could be engaged in community actions facilitated by deliberate programmes to facilitate social cohesion and reconciliation.

1. **Key Recommendations**

The recommendations are practical propositions and steps for Government and UNDP to respond to the change and transitional environment and also future engagements with respect to local governance and local development in Yemen.

There are three major concluding recommendations that could be drawn the discussions coming from views of stakeholders:

1. The UNDP/UNCDF support response to the Government of Yemen for Local development cannot definitely continue as it is and would require a total revamping or new programme for local development all together.
2. Refocus the local development response during the transitional period to be relevant to the current issues and the immediate future
3. Reconfigure a new partnership arrangement for local development support in Yemen for the post-transitional period with a defined role for UNCDF where feasible most likely after the agreed definition of the local governance system by the NDC.
   1. **UNDP/UNCDF Support**

There is no argument that the LGSP is potentially an elaborate programme well thought through and in spite of some of the highlighted shortcomings would have moved the local development trajectory to a point but has indeed been overtaken by events. The experience is that programmes that go through such drastic political environmental change when only adjusted and not redesigned becomes an albatross of irrelevance with time. UNDP and UNCDF had similar encounters in Congo DR and Malawi and presents relevant lessons to draw on to support this conclusion.

The compliment of UNDP and UNCDF in this endeavour gives credence to integrated response to local governance and local development. This potential becomes more relevant when a multi-governance process is strengthened as anticipated in Yemen. The complementarity is where UNDP grounding in the policy and capacity development of local governance and using its convening urge to facilitate coordination, while UNCDF positions its technical acumen and exploits in local fiscal engineering to facilitate local investment and service provision. The modus to optimise the gains from this partnership lays in the **explicit definition of assignments** in the project documents and the managerial agreements. There are such cases in Bangladesh, Somalia and Malawi which could be good practices for this partnership.

* 1. **Programming during the Transitional Process**

A clear appreciation of what the transitional process entails for Yemen’s local development process defines clearly what could be expected from UNDP and UNCDF for the Government of Yemen. The transitional process involves the national dialogue process, which is a discussion and agreements of form and structure of government for Yemen. This primarily determines among others the political and administrative structure of the local governance system. This dialogue will end up with a constitution enshrined with the decisions and would be resorted to a referendum. The constitution would define the broad policies for local governance, the institutions and the authority of such institutions. Following the constitution therefore the local governance system would entail the selection of local representatives, definitions of roles, the moulding of the administrative systems, accountability and platforms for engagement with citizens. Finally, the necessary orientation has to be organised for the local representatives, administrators, communities leaders and members as well as local civil society groups and interest groups, and a new momentum galvanised for local development.



In the face of this therefore, it has been proposed that during the transitional period, the local governance intervention of the government and UNDP’s support should focus on providing support for the national dialogue. This is very necessary to bring local governance and local development to be one of the focal areas for the dialogue. Reaching the local stakeholders and involving them in the dialogue process is very essential to create ownership, inclusiveness, easy access and acceptance of the results. This could be done through establishing a relay of local networks and focal points for discussions and information sharing.

The second area requiring programming emphasis, as shown by Figure 4, is the development of interventions which will facilitate reconciliation and facilitate social cohesion. Such initiatives should be centred on targeted investments in response to community social needs and the creation of livelihood opportunities. Specific efforts should be made to complete some of the initiated uncompleted investments projects under DLDSP and LGSP to re-establish community confidence.

The third area requiring pressing intervention is the organisation of development partners and key stakeholders for the planning, execution and coordination for local development interventions. UNDP must create a platform where development partners can discuss their respective plans and harmonize with other partners and develop concerted actions. Discussions with government could thus be done as a partners group is better organise. The most recent case is in Ethiopia, where UNDP was able to organise a partnership platform and mobilized resources to for the Developing Regional States Programme.

It is also strongly recommended for UNDP to take advantage of having partnerships with all the key ministries and sectors to facilitate harmonization of the multiple initiatives to reduce the overlaps and duplication.

* 1. **Programming Beyond the Transitional Period**

The period after the promulgation of the new constitution and its implementation presents new challenges to local governance and the programming support requirements. The recommendation is that after the new constitution the focus should be on operationalizing the new process for local governance and indeed for local development.

The programme should facilitate the development of corresponding policies, processes, system and institutions for the local governance process. Even if the old system is maintained, it is acknowledged that it would require an intensive revamp to withstand and contain the governance and for that matter development optimism. It will require support to development the multi-level governance relationship, the administrative process and even spatial extent as well as the level of fiscal autonomy to the sub-national governance institutions. The reporting and accountability systems, level of inclusiveness especially of women and youth in decision-making would all require support in the medium term programming.

The greatest challenge which has been noted in all the LGSP quarterly reports has to do with capacity development requirement in terms of institutional structure, leadership, knowledge and skills, and accountability. The programme would have to provide medium to long term responses to capacity development creating the cadre of people with skills to respond to the need and working within an institutional framework that allows for the application of maximum potential to deliver.

Programming after the constitutional process should also give the utmost importance to government ownership and UNDPs coordination responsibility among the development partners. This is very necessary to create one vision for the local development process and defined support responsibilities for respective partners towards a concerted action. Similar successful processes of such have been used in Bangladesh, Uganda, Rwanda, Cambodia, Somalia and Ghana for which UNDP played this pivotal role. Many of such UNDP coordinating acumen in this respect involved the Bank, EU and others to support the respective governments on a common platform.

The Government must institute an annual Monitoring and Evaluation forum for representatives of the stakeholders in local development to review activities of the year against set targets. The forum should also be used to review the medium term local development strategy. UNDP initiated similar process in Uganda and Rwanda and it has proved very effective.

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# ANNEXES

**Annex 1 INFORMATION GATHERING GUIDE**

|  |  |  |  |
| --- | --- | --- | --- |
| **Lesson Area 1: Appropriateness of LGSP design as a sequence to the DLDSP?** | | | |
| Focus | Proxy Indicators | | Information sources |
| * Relevance of project to the pertaining issues and problems * Responsiveness of design to targets, funding, chronology * Potency of coordination and management arrangement * Facilitation of ownership * Quality of technical support * Sustenance of gains of DLDSP | * Problems indicated responded to * Level of Fund mobilised * Perceived level of conflicts in decisions * Level of local stake in decision making * Technical support gab * Level of sequel activities by LGSP from DLDSP | | * Project team (MoLA, UNDP) * Selected Districts’ Management * Other DP working on LD |
| **Lesson Area 2: Influence of UNDP interventions on LG policies and governance environment in Yemen** | | | |
| * Effect in legislation and statutes * Effect on multi-level governance framework * Effect on roles, functions and assignments * Effect on national planning and budgetary process * Effect on accountability and reporting * Effect on national cohesion and social capital development | * Legislative changes due to LG interventions * Changes in structure of governance (authority). * Changes in defined roles and functions of Districts * Changes in planning and budgeting process affecting the districts * Changes in frequency of reporting and accountability at local & national level * Changes in level of identity and community action | | * MoLA * MoF * MoP * Selected Districts’ Management |
| **Lesson Area 3: Responding to developing the right capacity for Multi-level Governance in Yemen.** | | | |
| * Effect on individual skills, knowledge and ability * Effect on systems, procedures and response * Effect on institutions, operations and citizen engagement * Effect on level and quality of local decision-making * Effect on sustaining opportunities for local capacity development * Effect on non-state actors | * Staff at district level with matching of functions and skills * Gap between decisions and action * Level of openness to local institutions * Proportion of implemented decisions taken at local level * Initiated Local capacity initiatives on-going * Level of involvement of private sector and CS in LD. | | * MoLA * Selected Sector Ministries * Selected Districts’ Management * Selected Private operators and CSOs at the local level |
| **Lesson Area 4: Increasing investment and improving service delivery at the local level in Yemen** | | | |
| * Effect of level of capital expenditure at the local level * Effect on responsiveness of local services * Effect on local resource mobilization * Effect on local accountability and financial reporting | * Level of marginal increase in local capital expenditure * Perception of service delivery at the local level * Level of change in local resource * Perception on local accountability | * MoLA * MoF * Selected Districts’ Management * Selected Private operators and CSOs at the local level | |

1. The information is from The National MDG report compiled in 2010. [↑](#footnote-ref-1)
2. Local Development Programme is the programme process embodying a set of tools applied in a development logic using a local development fund, a performance grant system, as an incentive for decentralization while local developing local capacities to manage a local public expenditure management system. A successful pilot is then used as evidence to advocate and influence policy for scaling-up. UNDP and UNCDF have applied this in 39 countries successfully. [↑](#footnote-ref-2)
3. The case of Uganda, while the LDP process is national the LED piloting covers only 15 out of the 140 districts; while in Somalia the programme covers the whole country, the piloting of the LDF covers only 14 districts under Somaliland and 10 under Puntland as at end of 2012 [↑](#footnote-ref-3)
4. Discussions with USAID, SFD, GIZ, MOLA, MOPIC, WB and selected Local Government staff and CSOs at Governorates and Districts revealed this information. [↑](#footnote-ref-4)
5. This section is based on the findings of Pyndt (2005) Yemen: Study of Policy Options for the System of Sub-National Governance, Final Report, Chapter 2. [↑](#footnote-ref-5)