Yemen:
Decentralisation & Local Development Support Programme

Executive Summary of
Final Evaluation Report

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Acronyms

CBOs	Community-Based Organisations
COCA	Central Agency for Control and Audit
CTA	Chief Technical Adviser
DANIDA	Danish International Development Association
DDC	Dryland Development Centre
DEX	Direct Execution
DFT	District Facilitations Teams
DLDP	Decentralisation Local Development Programme
DLDSP	Decentralization and Local Development Support Project
DPCU	Decentralisation Policy and Coordination Unit
EOs	Executive Offices – implementing agents at local level
ET	Evaluation team
GLA	Governorate |Local Authority
GLASP	Governorate Local Authority Sub-Program
DLASP	District Local Authority Sub-Program
GNI	Gross National Income
GDP	Gross Domestic Product
GIS	Geographic Information System
GOY	Government of Yemen
GTZ	German Technical Cooperation
GWDD	General Women Development Directorate
HLC	National High Level Committee
IMC	Inter-Ministerial Committee
IMF	International Monetary Fund
IT	Information technology
LA	Local Authority
LAL	Local Authority Law
LDP	Local Development Programme
LADF	Local Authorities Development Fund
MDGs	Millennium Development Goals
M&E	Monitoring and Evaluation
MIS	Management Information System
MOCS	Ministry of Civil Service
MOLA	Ministry of Local Administration
MOF	Ministry of Finance
MOPIC	Ministry of Planning and International Cooperation
MWE	Ministry of Water and Environment
NWRA	National Water Resource Authority
n.d.	Not date given
NEX	National Execution
NDP	National Decentralisation Programme
NDS	National Decentralisation Strategy
NGOs	Non-Governmental Organisations
PEM	Public Expenditure Management
PRSP	Poverty Reduction Strategy Paper
PWP	Public Works Programme
SFD	Social Fund for Development
SMT	Shadow mobile team
TC	Technical Committee
TOR	Terms of Reference
TS	Technical Secretariat
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Program
USAID	United States Agency for International Aid

1. PROJECT SUMMARY

Country: Yemen

Full Project Number: 00015627

Project Title: Decentralization Local Development Support
                                            Programme (DLDSP)

Sector: Development Administration/Public
                                            Administration and Management

Executing Agency: UNCDF

Implementing Agency: UNDP/UNCDF

Execution modality: Direct Execution

National Counterpart/Beneficiary: Ministry of Local Administration

Approval Date: 01 September 2003

Duration: 2003 - 2007

Total project cost: US$ US$9860000

Financing
- UNCDF: US$ 1,762,000
- UNDP: US$ 2,583,221
- Social Fund for Development: US$ 2,350,000
- USAID: US$ 2,253,300
- The Government of Denmark   US$ 432,000
- The Government of Italy   US$ 262,756
- The Government of France   US$ 248,520

Evaluation Date: October-December 2007

2. PROGRAMME PROFILE

Understanding the context

2.1.1 The country context and status of decentralisation in terms of strategy, policy and implementation

The Republic of Yemen (ROY) was established in 1990 with the merger of the Yemen Arab Republic (North Yemen) and the People's Democratic Republic of Yemen (South Yemen). The country covers some 527,970 sq km and is characterized by an unequal geographic distribution and a relatively low density of the population (less than 40 people per sq km on average). It had an estimated population of 21.1 million with a GDP per capita of USD903 in 2004.

Article 146 of the Constitution of Yemen establishes the principle of decentralisation with democratically elected councils and provides for local authorities at the Governorate and District levels. In 2000 and 2001, Parliament passed a number of laws and regulations to establish the framework for decentralised local government. Article 4 of the Local Authority Law (LAL) establishes local government as one of the pillars of the state and provides the legal foundations for the Yemeni inter-governmental system, based on four principles: broadened popular participation through elected local councils; financial decentralization; administrative decentralization; and decentralization of service delivery.

Programme Summary

2.21. Programme description

The DLDSP began in 2003 and operates through the Technical Secretariat for Supporting Decentralization within the Ministry of Local Administration (MOLA). The DLDSP's Programme Document, which envisaged a standard LDP approach, underwent a Substantive Revision in 2004. The Substantive Review 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.

Service delivery, which was a separate output in the Programme document, was subsumed under the Substantive Revision's output, 2.3 which states that: "Effective District Authorities with Enhanced Capacities in Public Expenditure and Resource Management and the promotion of social and economic development and the alleviation of poverty". The Evaluation team looked closely at this departure from the conventional LDP model. The DLDSP approach opened the prospect of a far larger role for an LDP in policy making, donor coordination and early up-scaling of a programme. It raised the prospect of connecting local piloting with national policy formulation and programme roll-out from near the beginning of a programme rather than sequentially after some years of piloting. More problematically, it raised the question whether institutional capacity development at the governorate and district level can, in practice, effectively subsume improved service delivery, or whether, service delivery is better identified, and pursued,

as distinct output in its own right, as in envisaged within conventional LDP, and was intended in the DLDSP's original Programme Document.

2.2.2 Hypothesis

The Programme Documents do not provide an explicit core hypothesis. Drawing on the DLDSP's logical framework as set out in the Substantive Revision, the team constructed the following hypothesis:

Programme Hypothesis
• **The Programme Hypothesis is that:** 　－ "By strengthening local governance, building institutional capacity for service delivery and supporting national decentralization and policy strategy development, the DLDSP • **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."

2.2.3 Intervention strategy

The DLDSP's intervention strategy was to combine piloting with policy and strategy development at an early stage of the programme, rather than waiting for its piloting work to be completed before taking on national policy and strategy work. The main focus of its piloting work was to "activate" the existing local government institutions within the framework of the LAL and to strengthen their capacity in Public Expenditure Management (PEM), following which it gave growing support to the pilot districts to undertaken infrastructure and service delivery. By "activating", the DLDSP meant mobilizing the staff within these institutions to plan and budget for local development within the existing institutional framework and LAL, and then to use the experience gained from this process to inform national decentralization reforms, rather than to reform the local authority structures in the first instance. At the same time, the DLDSP moved early in its work to mobilize other donors to support the up-scaling of its activities geographically, by including a growing number of governorates and districts supported financially by others. The mission gave particular attention to these innovative dimensions of the DLDSP.

2.2.5 Programme budget and approval

The Programme Document for the DLDSP was prepared and signed in July 2003, initially as a pilot, to be expanded at a later stage. The DLDSP began with a budget of US$1,966,032.00 with the following breakdown: UNDP US$1,346,332.00, UNCDF

US$52,500.00, Capacity 21[1] US$117,200.00, Dryland Development Centre[2] US$100,000.00, and Third Party Cost-Sharing of US$350,000.00.[3] The Substantive Revision of 2004 provided for a budget of US$9,860,000.00. The contribution of the various donors is set out in Table 1.

Table 1. DLDSP Funding and Expenditure 2004-2007 (US$)

Donor	2004	2005	2006	2007	Total	%
UNDP	1346332	913750	700000	1000000	3960082	0.35
USAID	0	1590000	663300	0	2253300	0.20
Italy	0	0	362757	0	362757	0.03
Social Fund for Develop.	350000	200000	1000000	1000000	2550000	0.22
UNCDF	250000	104200	700000	500000	1554200	0.14
DANIDA	0	0	432000	0	432000	0.04
France	0	0	0	248520	248520	0.02
Total funding	1946332	2807950	3858057	2748520	11360859	
Total expenditure	1092131	2246105	3104478	2108893	8551607	

2.2.6 Intended results

The programmes aims and expected results are:

1. To support the formulation of national decentralization reform through activating the local authority system, to gain an in-depth understanding of its policy and legal framework, institutional structures and operating systems and capacities.
2. To develop statutory procedures for the operations of the local authority system, with a focus on public expenditure and asset management for the governorate and district local authorities and to enhance these procedures in a number of pilot areas for eventual national replication.
3. To redefine functional assignments for the performance of primary functions (financial management, HR management, planning, auditing etc.) and services delivery (health, education, agriculture, water etc.) at the various levels of governance and test adjusted functional assignments in pilot governorates and districts with a view to informing the National Decentralization Strategy.
4. Based on these redefined functions, assess the institutional structures and define institutional realignment strategies for the Ministry of Local Administration, the governorate and district local authorities.

2.2.7 The scope and location of the programme

The DLDSP is based within the offices of MOLA in Sana'a. By the end of 2006, the Programme was operating in 48 districts in 8 governorates, namely 14% of all districts and 38% of governorates in Yemen. The DLDSP started with a Chief Technical advisor

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[1] Capacity 21 is a UNDP initiative that flowed from Local Agenda 21 which came out of the United Nations Conference on the Environment and Development of 1992. It supports innovative capacity building approaches to environmental degradation, social inequity and economic decline.
[2] The Dryland Development Centre is a UNDP Thematic Centre based in Nairobi, Kenya, that promotes development and poverty reduction in dryer parts of the world.
[3] An unfunded balance in the original document which needed to be mobilized during the course of the project had to be mobilized.

and Financer Officer, and then expanded to a staff of 18 by 2007, after recruiting 6 international and 9 national experts to manage the different components of the Programme. In addition, the governorate core teams and district facilitation teams seconded to the DLDSP part time numbered some 22 staff at the time of the mission.

2.2.8 Partnerships foreseen in the programme document

UNDP/UNCDF function as the implementing/executing agencies for the Programme. The principal partnership is with MOLA, guided by the Technical Secretariat (headed by the MOLA Deputy Minister for Local Development) of the High-Level Inter-Ministerial Committee (IMC), which is chaired by Prime Minister. The Social Fund for Development (SFD) and The Public Works Programme (PWP) in the Ministry of Planning and International Cooperation (MOPIC) are key implementation partners. In the Substantive Review, USAID and the Government of Italy where identified as partners contributing funding. The Government of Denmark and France have subsequently become partners.

Programme status

2.3.1 Programme status against plan

Table 2, summarises the current programme status against the plan as set out in the results framework of the Substantive Revision.

Table 2. Expected outputs, achievements and remaining challenges

Expected outputs	Achievements	Remaining challenges
1. A strategy for implementation of decentralisation reforms is formulated, adopted and implemented (2005-2007)	• A solid draft NDS produced that provides an analysis of the current legal & regulatory framework,	• The contents of the draft NDS produced by the DLDSP is not as widely known or understood as it should be in government. • The president's vision has raised questions about how DLDSP should move forward with its variant of decentralistion
1.1 A national strategy and an implementation plan for decentralization and local governance is in place and activated	• A draft NDS and implementation plan for decentralisation and local governance formulated	▪ MOLA has not taken full ownership of DLDSP's work nor has the capacity to run with this work ▪ DLDSP has lost some of its momentum within the NDS process, with other actors seeking to take over.
1.2 An enabling fiscal decentralization policy is in place	▪ Outlines of a fiscal decentralisation policy sketched ▪ Guidelines & manuals produced & being used ▪ Training of Core Teams and DFTs has taken place ▪ Coordination of Councils & Executive Organs around budgeting & planning ▪ Budgeting process is well developed and linked to	• The fiscal decentralisation policy needs to be completed and adopted by government.

	- district development plans - DLDSP now covering 48/333 (14.4%) districts and LADF used in 28/48 of districts - DLDSP's has shown the feasibility and effectiveness of fiscal decentralisation	
1.3 The coordinated implementation of sector decentralization and its integration into the local authority structure	- The draft NDS sets out in some detail the mandates, functions, structures, capacity and financial requirements of all the government institutions involved in decentralization, namely, the local authorities, including - Districts and governorates, the primary and sector ministries, national authorities (water & electricity), social Fund for Development & Public Works Programme and the technical and oversight structures for decentralization.	- The implementation plan for sector decentralisation needs to be finalised with the sector ministries, approved by government and implemented.
1.4 Coordinated donor support to the implementation of decentralization reforms and the strengthening of local authorities	- A coordination forum for donor support in place and has played a major role in enabling the up-scaling of the DLDSP programme	- The donor forum will need to be expanded and linked to the NDS for the roll-out of the NDP.
1.5 Enhanced awareness and buy-in at the central and local levels and among the public and private sectors and civil society	- An awareness campaign was mounted by the DLDSP and has helped enhance understanding and support for decentralisation	- A new awareness campaign is needed to deep understanding of the difference between de-concentration and decentralisation, drawing on the President's idea of decentralised governance.
2. Institutions are developed and activated to operate the local authority system and contribute to local development	- The main achievement of the DLDSP has been to: - activate the districts (in the sense of mobilizing the actors within the district departments) to plan, budget and manage public expenditure, thereby achieving - demonstrating the feasibility, relevance of decentralized planning and budgeting.	- The DLDSP has yet to fully pilot the whole PEM cycle, notably the dimensions of community participation and service delivery - Community and women's participation remain limited - The efficiency of this method of service delivery has yet to be demonstrated.
2.1 A well focused institutional structure and activated departments at MOLA providing effective support to local authorities and shaping related policies at the central level.	- A comprehensive institutional development and capacity building plan for MOLA has been produced.	- The capacity building plan has to be fully endorsed and implemented to bring MOLA's capacity to a level where it can effectively take over implementation.
2.2 A well functioning and integrated local authority structure at the governorate level with effective departments and a coherent and integrated relationship between the administrative, legislative and	- Within the pilot districts, significant progress has been made in terms of defining the mandates, structures and functions needed by the local authority and through their activation, already there are	- The next step is to translate the mandates and functions described by the DLDSP into policy reforms and to implement these in the governorates and

executive branches, providing support to districts.	• Significant improvements in PEM in all pilots visited, and already • Expansion from 2 to 8 governorates and 6 to 48 districts based on donor mobilization.	districts to bring about effective devolution.

2.3.2 Fiscal status and performance

Figure 1 illustrates funding and expenditure over the four year period. Note the peak in 2006, followed by a slowdown thereafter. Figure 2 illustrates DLDSP expenditure by 7 budget categories (i.e. international consultants, travel, local consultants, local staff, equipment and furniture, capital grants, operation costs) for all three years of project operation (2004-2006), including funding from all donor sources.

Note that the proportion of funds going to capital grants is 60%, while operating costs and local staff amounted to 20%, indicating that the bulk of expenditure went into the provision of infrastructure and services through the LADF. This represents a substantial achievement, especially given the main focus of the DLDSP, which was on building the institutional capacity of the local authorities rather than on the piloting of infrastructure and service delivery modalities. It means that considerable through-put of funding went to provision of services, the output that leads to poverty reduction within the LDP model. Some 12% of the funding went to international consultants, main for studies supporting policy, legal and institutional development. Given that this was a major focus of the work after the Substantive Review, this represents a high return for expenditure laid out.

Figure 1. Funding and Expenditure 2004-2007

Figure 2. DLDSP Expenditure by category
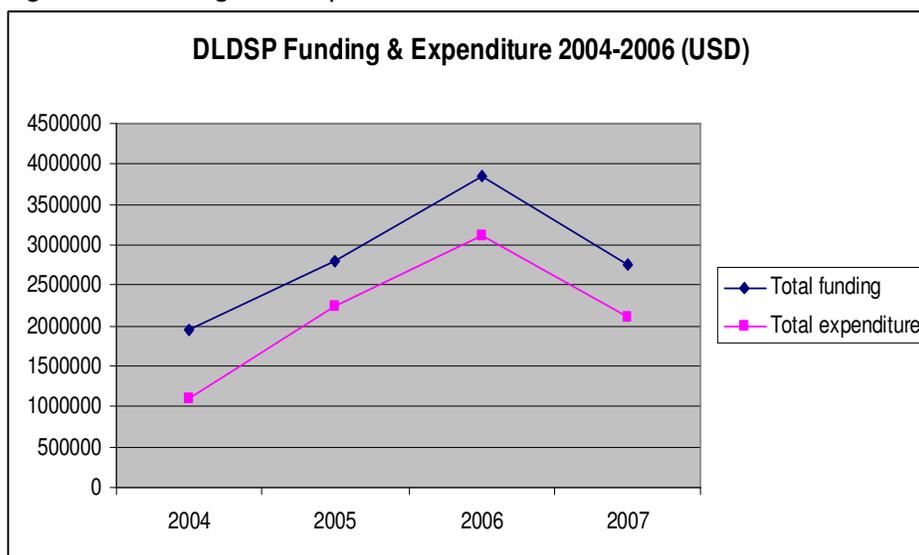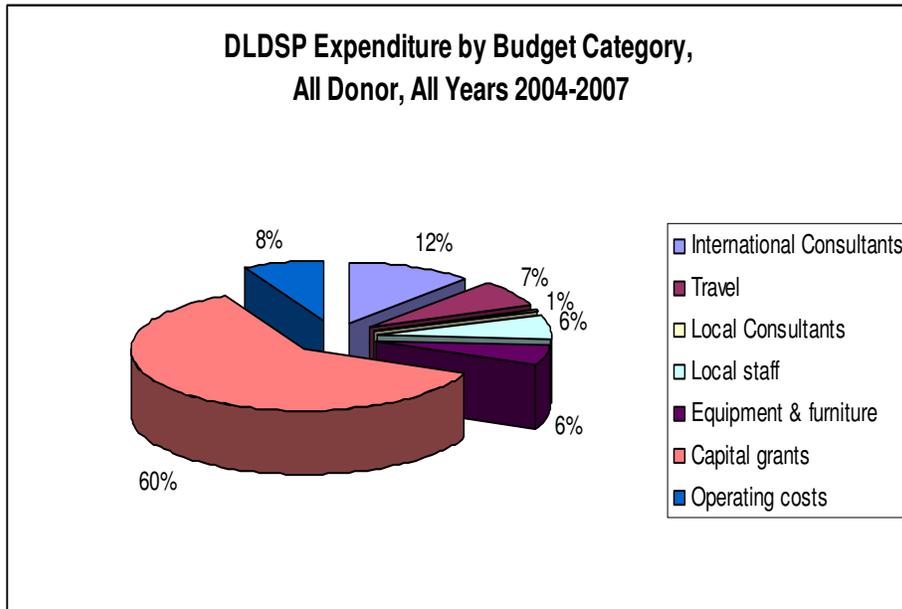

DLDSP Expenditure by Budget Category, All Donor, All Years 2004-2007

- International Consultants
- Travel
- Local Consultants
- Local staff
- Equipment & furniture
- Capital grants
- Operating costs

8% 12% 7% 1% 6% 6% 60%

3. PURPOSE OF THE EVALUATION

Evaluation purpose

The TOR defined the mission as a "strategic evaluation" of project performance during the period 2003-2007, for two main reasons. Firstly, although technically a Final Review, the mission was much closer in approach to a Mid Term Review because of the stage that had been reached by the DLDSP, closer to the middle than the end of the Programme. Secondly, the DLDSP had pioneered innovations that were of interest to the UNCDF and UNDP in terms of the LDPs internationally.

The team formulated the following core questions, based on the programme hypothesis, to focus the evaluation.

Core Question for Evaluation
Is it true that in Yemen the DLDSP has: - strengthened local governance   - built institutional capacity for service delivery   - supported national decentralisation policy & strategy   **and, by these means:**   - improved the delivery of social, economic and environmental services in a way that has reduced poverty in the country?   **In addition, is this approach**   - more effective than competing approaches with the same objective?

Programme cycle

During its first phase, between 2003 and 2005 the DLDSP focussed on activating 6 pilot districts in two governorates. During its second phase, from 2005 to 2007, the Programme gave increased attention to the policy & legal framework for decentralization and to activating local authority institutional structures and systems of operation. Infrastructure and service delivery were subsumed under the objective of institutional development and capacity building of local authorities. By the end of 2006, the programme was operating in 48 districts in 8 governorates.

4. KEY FINDINGS: ACHIEVEMENTS AND CHALLENGES

Results achievement: Institutional development and capacity building

4.1.1 Objectives of component

The objective of this component is to develop and activate institutions to operate the local authority system and contribute to local development.

4.1.2 Overall finding on Institutional development and capacity building

The team's overall finding is that the DLDSP succeeded in pioneering an innovative and effective way of activating local government through the creation of a Mobile Team (MT) based in Sana'a and the use of this team to train District Facilitation Teams (DFTs) in the governorates, which, in turn, supported Core Teams (CTs) in the districts. Through this mechanism, the DLDSP successfully built capacities in the pilot districts to plan and budget for local development. The DLDSP's efforts to create a "Shadow" Mobile Team[4] (SMT) within MOLA came later in the Programme and it is too soon to judge their effectiveness. The main remaining challenges for the DLDSP at the local level are to deepen and strengthen community, especially women's, involvement in all phases of the planning, budgeting and implementation, and, at the national level, to build the capacity of MOLA to take over the DLDSP's implementation work.

4.1.3 Output 2.1 A well focused institutional structure and activated departments at MOLA providing effective support to local authorities and shaping related policies at the central level

Achievements

The Technical Assistance Team and Technical Secretariat
The DLDSP started with a Chief Technical advisor and Financer Officer then it expanded to a staff of 18 by 2007, after recruiting 6 international and 9 national experts to manage the different components of the Programme. Staff in the governorates and districts seconded to the DLDSP number 22. A Technical Secretariat (TS) made up of senior MOLA staff was established to facilitate the implementation of the program.

MOLA
A number of sector studies were conducted to assess the state of sector decentralization in education, health, water and environment and agriculture.[5] In addition the DLDSP commissioned studies on the architecture and state of development of the sub-national

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[4] The term "shadow" is a misnomer as it implies that the DLDSP remains the driver. It should be replaced by a more appropriate term.
[5] Tydermand P (2005) Policy Issues to Consider for Clarification in National Decentralisation Strategy (Review of Studies 6th September)

system of government, sector decentralization and fiscal decentralization.[6] A study was undertaken of the legal framework for decentralization and the reality on the ground through a sample of governorates and districts.[7] Two studies assessed MOLA's institutional arrangements against its intended future role and a fourth reported on progress.[8]

At the end of the second quarter of 2006 the DLDSP set up an institutional development team made up of staff from MOLA's departments with technical support from the Institutional Development Advisor of the DLDSP. This team drew up an institutional development plan that has been approved by MOLA, apart from the unresolved question of the configuration of departments in MOLA. However, at the time of the mission, only a "quick-interventions track" had been implemented, mainly focussed on providing facilities for various departments within MOLA.

Establishment of operational staff at the central and local level:
Capacity Building Activities
An operational team specialized in institutional development and capacity building, called the Mobile Team (MT) of 4 people was created and its positions filled with externally recruited, qualified national staff. The MT received training as trainers from international experts qualified in this area. This enabled them to provide technical support to the District Facilitation Teams (DFTs), in the governorates, which numbered 32 people, including 2 females, and the Core Teams (CTs) in the pilot districts, which numbered 1200 people, in 48 districts (around 22-25 in each district) at the time of the mission .

While the DLDSP's approach is similar in appearance to the classic technical support approach in which external experts set up a separate programme unit and seek to build the capacity of their counterparts with a parallel government structure, it differs in three important ways. Firstly, the DLDSP was established within MOLA, not as an external implementing unit. Secondly, the focus of the MT was on building the capacity of the DFTs and Core Teams themselves to activate the governorate and districts structures, which meant that they became the agents of change within these structures, rather than the external experts playing this role directly. Thirdly, the DFTs and Core Teams constituted networks of change agents that meet regularly to discuss progress and plan further steps, which creates a dynamic for change within the beneficiary institutions themselves, rather than this dynamic being vested within a parallel implementing agency, which is the classic approach. The same idea underlies the establishment of the SMT, but its workability has yet to be tested due to the late start on this aspect of the DLDSP's work.

Challenges

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[6] Pyndt H (2005) Yemen: Study of Policy Options for the System of Sub-National Governance, Final Report, 15 July
[7] Pyndt H (2005) Yemen: Study of Policy Options for the System of Sub-National Governance, Final Report, 15 July
[8] DLDSP (2006) Bridging the Gap: MOLAs Institutional Report, First Draft and DLDSP (2007); Redefining the Ministry of Local Administration: An Institutional Development Proposal; DLDSP (2007) MOLA's Institutional Development Process: Progress Report.

Although the efforts of the DLDSP have been significant in terms of activating the districts to undertake budgeting and planning and in terms of capacity building, there are important challenges remaining:

- The fact that the NDS has not yet been approved means that there is no official overall national goal, vision and mission for decentralization.
- MOLA still lacks the capacity to engage effectively in internal and external policy discussions related to the definition and implementation of decentralization reform.
- MOLA has limited ability to formulate policies and strategies and to guide the actions of the line ministries working on local service delivery.
- MOLA's institutional structure does not yet match accurately the scope of its intended role in guiding and supporting local government.
- Although the "quick interventions" to improve MOLA's capacity are being undertaken, the recommendations aimed a restructuring the ministry were not fully approved at the time of the mission.
- The President's initiative on local governance, declared in September 2007, creates a further challenge and an opportunity for the DLDSP. On the one hand, it may require the review and revision of work already done. On the other, it may provide further support for the DLDSP's approach, which is precisely to promote decentralised governance.

4.1.4 Output 2.2 A well functioning and integrated local authority structure at the governorate level with effective departments and a coherent and integrated relationship between the administrative, legislative and executive branches and providing effective support to district authorities

Achievements

DFTs, made up of 3-4 people in each governorate, are operating in the pilot governorates with the aim of providing technical support for the pilot districts. The DFT's members are seconded staff from the departments of the executive organs at the governorate level. They were trained intensively by the MT and receive a small stipend, travel and accommodation allowances from the DLDSP. The DFT's activate the districts by establishing and supporting Core Teams. The CT members are drawn from the administrative departments of the Executive Offices (EOs) and the district Diwans and include local council members and representatives from community based organizations (CBOs).

DFTs were established in 6 governorates serving 28 districts during the first phase of the Programme and then were expanded to 8 governorates servicing 48 districts, with technical support from the Social Development Fund (SDF) and Public Work Project (PWP).

The DFTs and CTs represent one of the most important innovations introduced into the LDP model by the DLDSP. They represent networks of agents of change working within the existing structures of local government. They bring about change by activating the staff within the existing structures of government in a way that generates a change dynamic that improves the functioning of these structures. Activation in this way sets up a change dynamic that provides invaluable information to inform national policy and institutional change. The fact that these teams are made up of permanent staff in the

governorates and districts creates the possibility that the change process may be sustained over time.

Challenges

Notwithstanding the very substantial achievements of the DLDSP through the MT, DFTs and CTs, notably through the institutionalisation of planning and budgeting, there remain some important challenges.

Institutional overlap and confusion
- The sample of districts visited by the mission revealed duplication and overlapping tasks and responsibilities between different government bodies within the governorates/ districts on the one hand and between them and the central ministries on the other hand.
- Job descriptions in government bodies at central level, including MOLA, and local level are unclear, leading to role confusion.

Capacity problems
- At the governorate level capacity limitations undermine the ability of their organs to support and supervise the districts authorities.
- In the Diwans, departments have either not been established or are established but without staff. Even in the best staffed districts there is a real need of capacity building to perform their roles and responsibilities effectively.
- There is a shortage of funds coming through the national budget for capacity building.
- No fund exists in the governorates or districts for training, while the central government ministries run hardly any such training activities.

Human resource policies
- Human resource development is dominated by the central government organs given. Decisions on hiring are made at the centre by the Ministry of Civil Service and in general they do not cover the needs of the local government bodies.
- There is no clear vision for human resource development. The main focus of the General Directorate in MOLA, in terms of personnel management, is the daily discipline of the staff of the Ministry. The same may be said at the governorate and district level.

Gender
There is a serious lack of involvement of women in the Programme. In some districts visited by the ET there were no women CBOs involved at all, and in those districts that had involved women representation was poor.

4.1.5 Output 2.3 Effective District Authorities with enhanced capacities in Public Expenditure & Resource Management and the promotion of social and economic development and the alleviation of poverty

Public Expenditure Management (PEM) is the main component of the capacity building done by the DLDSP. In addition, DLDSP also focused on strengthening the capacity of local authority staff in managerial skills such as administration (reporting, documenting, filing), communication skills, conducting meetings, problem analysis and basic computer skills to provide a foundation for their functions.

Diwan departments in most pilot districts have had their staff increased and have been provided with necessary equipment in accordance to the assessment of the physical premises and institutional and departmental assessment conducted by the DFTs under the supervision of the MT.

Very substantial work was done in preparing and using training manuals. Two in-house training guides/manuals on PEM were used during the first stage to train the MT.[9] Three training manuals were produced for use by the trainees.[10] Regional training workshops were conducted for the DFTs, the CTs and representatives of local CBOs during the period 2004-2007, mainly in planning, budgeting and management. Work is still on-going to complete the training materials and provide training courses on the other phases of the cycle of PEM.

There is a growing focus on building the capacity of the General Directorate of Training and Institutional Development in MOLA, including the SMT made up of staff from MOLA's departments. In building the capacity of the SMT, the aim is to guarantee the sustainability and continuity of the work initiated by the DLDSP to be undertaken by MOLA.

As a result of the aforementioned training all pilot districts prepared their developments plans and local budgets based on realistic needs addressed in the plans that were developed in a participatory manner. This is one of the major achievements of the DLDSP.

4.1.6 Critical factors affecting results achievement

The excellent work done by the DLDSP, particularly with the DFTs at the level of the governorates and the CTs at the level of the districts, is the outstanding factor behind the Programme's success in the area of capacity building for local planning and budgeting. These innovations are of relevance for LDPs internationally.

4.1.7 Sustainability
The future sustainability of the Programme depends a great deal on whether the DLDSP is successful in building the SMT within MOLA. Substantial capacity has been built in the pilot governorates and districts in the form of the DFTs and CTs, but this now needs to be re-enforced and extended to the rest of the country and it is MOLA that will have to play this role.

4.1.8 Lessons
1. The DFTs and CTs represent networks of change agents that can activate existing structures, build capacities and confidence in decentralisation.
2. The shift from the Programme Document to the Substantive Review came at the cost of deeper community participation and early attention to infrastructure and service

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[9] DLDSP (2005) Trainers' Guide: Public Expenditure Management Cycle, Project Tendering & Implementation and DLDSP (2005) Participants' Book: Public Expenditure Management Cycle, Project Tendering & Implementation.
[10] DLDSP (2005) District Planning and Budgeting Process; DLDSP (2006) Trainer's Guide: Public Expenditure Management Cycle, Project Tendering and Implementation and DLDSP (2006) Participants' Book: Draft Trainers' Guide in Public Expenditure Management Cycle, Project Tendering & Implementation.

delivery. The goal of involving the local communities, especially women, should be more vigorously addressed earlier in a programme cycle.

3. Gender issues should be built into programme design from the outset and then vigorously pursued, notwithstanding the difficulties that this presents.

4.1.9 Recommendations

1. The DLDSP should move rapidly and vigorously to implement the MOLA's institutional development plan.

2. The DLDSP should move rapidly to building the capacity of the SMT in MOLA to take over its task of supporting the DFTs and CTs.

3. The DLDSP should strengthen the General Directorate for Training in MOLA so it can meet the challenge of building capacity in the governorates and districts.

4. In the pilot areas, the DLDSP should give more attention to capacity building for local CBOs, in particular women's organizations, to enable them to participate in planning, budgeting and in local development.

5. As a matter of urgency, the DLDSP should complete the training materials on PEM in cooperation with the SFD and the PWP.

Results achievement: Fiscal decentralisation

4.2.1 Objectives of component

The aim of this component is to use the Local Authorities Development Fund (LADF) to encourage the pilot districts to apply statutory procedures within the Public Expenditure Management Cycle developed by DLDSP on behalf of MOLA.

4.2.2 Overall finding on this component

The overall finding on this component is that the DLDSP achieved important success in its piloting of planning and budgeting at the district level, revealed not only in the plans produced but also in the level of expenditure achieved. Less success was achieved with national policy reform and this has provided a brake on developments at the local level because the districts have limited own revenue bases and because their plans are often overridden by the governorates.

4.2.3 Output 1.2 Enabling fiscal decentralization policy in place

Achievements

The DLDSP facilitated the conduct of in-depth studies on Policy Options for Finances and Financial Management and on Local Revenues in Yemen. The study reports were translated into Arabic and disseminated among stakeholders, but there were no workshops conducted based on these reports to inform national discussion.

Challenges

A great deal of additional work is still needed on the formulation of fiscal decentralization policies. It will be essential to complete the set of in-depth studies already undertaken

with further studies specifically on the costing of decentralised administration and service provision at the governorate and districts levels.

4.2.4 Output 1.4 Coordinated donor support to the implementation of decentralization reforms and the strengthening of local authorities – establish and maintain a Local Authority Development Fund

Achievements

DLDSP has excelled in mobilizing donor support, notably for the LADF. Within 4 years of operations, it positioned itself as the main platform for funding from donors to support the decentralization process, and raised a total of US$ 11.3 million from 7 donors. The reasons for this lie in its innovative and coherent implementation approach, effective and persuasive team leadership and the creation of a donor coordination forum that had the confidence of its donor partners.

In consultation with MOLA, the Ministry of Planning and Ministry of Finance, DLDSP established the LADF in 2005 as a mechanism for externally supported fiscal transfers to pilot districts and for piloting a fiscal transfer system to the districts based on locally identified needs.

All the districts with LADF allocations received very substantial training from DLDSP in planning, budgeting and information about tendering and implementation of investment projects, as has already been signalled above in the component dealing with Institutional Development and Capacity Building.

The implementation of these projects is a tangible outcome of the training on and off the job provided by the DLDSP teams. In comparison, the evaluation mission found that unassisted districts are hardly in a position to produce the district development plans and annual investment programs.

Challenges

Some remaining problem areas in the financial system need to be addressed in the next stage of the DLDSP's work:

1. There are too many sources of district local revenue, many of which are not very productive and may not even yield enough revenue to cover collection costs. The existing sources of revenue are uncategorized.
2. The pool of central transfers (*Daam Markazi*) and criteria for transfer of funds from it to the districts is in need of reform.
3. Although the districts are authorized by law to implement investment projects within their geographic boundaries, some development projects are still planned, funded, and implemented by higher levels of government and then passed on to local authorities, which are expected to operate and maintain them without adequate resources.
4. The internal auditing function at district and governorate level is very weak, and is generally carried out only by the MOF, whereas the local authority should play an important role. The next step needed is to fully integrate the financial management function into the district and governorate diwans.
5. Against the intensions of the Local Authority Law (LAL), the audit reports of the Central Agency for Control and Audit (COCA) sent to the governors are not always

passed on to the district councils, which limits the ability of the district councils to take corrective actions.

Results achievement: Planning, infrastructure and service delivery

4.3.1 Objectives of component

The objective of this component is to increase the quality and coverage of physical and social infrastructure and services.

4.3.2 Overall finding on planning, infrastructure and service delivery

The overall finding on planning, infrastructure and service delivery is that this area of the DLDSP's work suffered to some degree from being subsumed under capacity building and institutional development within the Substantive Revision. Community participation, especially of women, is one aspect of the DLDSP's work in this area that suffered, as reported in the section above on this component. Another is preparation for project design and implementation, which resulted in some projects not becoming operational due to lack of provision of operations and maintenance. Despite these weaknesses, the team's overall assessment is that considerable positive results were achieved in this area of the DLDSP's work. The proportion of total programme expenditure that went to infrastructure and service provision through the LADF was very substantial, at 60%. The provision of service by capacitated local authorities holds promise of being more sustainable (once it has been fully worked out) than the approaches being pursued by other agencies, such as the Social Fund for Development (SFD) and the Public Works Programme (PWP), which largely by-pass the local authorities.

4.3.3 Output 1: Improved quality and coverage of social infrastructure and services in 6 pilot districts, according to plans and programmes adopted by the LA.

Achievements: planning

The DLDSP produced a comprehensive planning manual that covers the complete process and gives detailed guidance for the production of a development plan and associated budget. The planning manual has been used to develop a Trainers Guide and Participants Handbook and training has taken place in all the pilot districts. (See section 4.1.5 above for details on these manuals). Based on the discussions held in the districts and the plans produced, this training has been very successful. In all the districts visited, development plans had been produced and, considering the length of time since the process started, these are very impressive.

The core teams are an innovative solution implemented by the DLDSP to overcome some of the inefficiencies inherent in the structure of the districts. They have been successful in bringing key players from the district and the community together to take responsibility for the development planning process.

A district level information system was established and data was collected at each of the 48 districts manually to ground planning, implementation and impact monitoring

activities. This data will be gradually stored into the DADS developed Information System and used electronically. Each district has an information technology (IT) specialist and has been provided with 3 computers.

Challenges: planning

Community participation is currently largely left to the councillors in the districts. The effectiveness of this varies considerably depending on the presence of NGOs and CBOs. A more formalised and systematic approach to community participation, connected with the implementation cycle would strengthen the DLDSP's approach. A community participation manual is currently being produced which should address this but there is an urgent need to complete this work and implement it.

On some projects, such as a number of the clinics visited, the buildings are complete but are not yet operational. This reveals inadequate planning prior to the construction of the buildings, something that requires changes in the planning and budgeting processes.

Economic development and environmental projects are starting to be introduced in the plans but were not prioritised strategically. Even where environmental and LED projects were included in the development plan, the law prevented them from being funded by the LADF. These elements, although an integral part of the original programme document, have yet not received much attention in practice.

Achievements: physical Infrastructure

Using the list of projects provided by the DLDSP as the sauce, funding has been provided for a total of 281 projects in 6 governorates and 28 districts. Except in 4 districts, where between $US88 000 and $US99 0000 was spent, well in excess of $100 000 was spent on infrastructure through the LADF in each participating district. These are major achievements, especially given the relatively late start on the implementation of these projects.

Procurement procedures and Tendering

Although the DLDSP has not yet completed its procurement training manual, which is currently in draft form, current laws are being used for guiding the process and rigorous procedures are being used for project specification, call for tenders, costing (bills of quantities), adjudication of tenders received, tender award and contracts. The findings of the mission are thus that while the processes currently being used are legally sound within the current laws, earlier production and use of the procurement training manual would have strengthened this dimension of the DLDSP's work.

Project Design

For the majority of the projects visited, the designs were provided centrally (from Sana'a) by the line ministries and were chosen from a set of standard designs. This approach has some advantages in that a consistent level of product is created across the country but the designs are Sana'a centric and often do to not fit into the local environment, even though from a technical point of view, they are satisfactory and will perform the function required of them. The team will comment on this in the recommendations.

Challenges: physical infrastructure

Draft manuals for procurement have been prepared and have been circulated for comment. These documents have not yet been updated and training on them has not yet taken place, again a reflection of the low priority given by the DLDSP to infrastructure and service delivery relative to district level capacity building.

Some of the designs used, such as an animal health unit in Hadramout, were quite inefficient and for a single story building, in an area that does not have earthquakes, a concrete frame had been used in conjunction with concrete blocks. This seemed an unnecessarily conservative design with the consequent cost penalty.

Achievements: implementation of Physical Projects

The quality of the product that was inspected in the three governorates and 5 districts was generally good, but only 10 of the projects visited were complete so that comment on quality is restricted to those that were complete.

All contracts are undertaken by formal contractors appointed by means of a tender procedure. However, the tender documents do not provide for incentives for the use of local labour, labour intensive construction methods or the use of local materials.

In every district visited, the costs of projects procured locally rather than centrally were considerably lower. The reason for the higher cost of centrally procured projects is that the contractor who wins the tender sub-contracts the work to a local contractor and takes a portion of the cost as a fee. The district officials strongly hold the view that it is more efficient to appoint local contractors directly and the mission endorses this view.

Challenges: implementation of projects

Of the projects visited by the team, only one could be considered very unsatisfactory, namely the water distribution project in Abyan, which had PVC pipe to the houses with portions which were not buried. However, of the 10 projects where construction was complete, only 5 were in use. The specific reason why the projects were incomplete varied from case to case, but the common denominator appears to be the lack of adequate preparation of the project prior to construction, including the lack of community participation. More preparation to resolve these issues is needed prior to commencement of construction, as will be recommended later.

Challenges in the wider environment

Although the DLDSP's planning process is comprehensive and impressive, a number of interviewees noted the problem of there being insufficient funding for projects in the development plan. This tends to undermine the planning process. There is clearly a threshold of funding needed to make the planning effort worthwhile. Operation and Maintenance (O&M) of projects is a problem. The main reason appears to be that much of the funding provided is for capital projects and may not be used for O&M.

There is a high degree of buy-in to the development planning process and the resulting development plans, but there are still a number of agencies and ministries who are not using the plans, or they are using them only partially. The reasons are, firstly, that there are a number of parallel processes and structures involved and, secondly, that there is insufficient capacity in districts to undertake the work.

The structure of the districts, particularly with regard to the EOs, is inefficient, with each line ministry having its own sub-structure, often doing similar tasks. A single infrastructure department with a good mix of skills could improve service delivery at lower cost.

Women are absent from the construction environment meaning that this resource which is so important in many countries is not being effectively utilised and this has a negative impact on service delivery and local economic development.

4.3.4 Output 2. Best practices in dry-land management and water conservation are identified, disseminated and applied in at least 2 pilot districts

Achievements

The DLDSP developed proposals and a diagram for a decentralized model of governance for water was negotiated and agreement reached with a designated team from the National Water Resource Authority of the Ministry of Water & the Environment. This modality was developed by the DLDSP, NWRA and GTZ and is to be piloted by the DLDSP with specialized technical support in water resource management.

Challenges

The process of appointing relevant staff was to take place in 2007 but suitable candidates did not emerge in the first round of interviews. This is to be followed up in 2008.

Results achievement: Gender

4.4.1 Objective

Gender was emphasised in the Programme Document or Substantive Revision, but is included here for its importance to all UN programmes.

4.4.2 Overall finding

The lack of attention to gender in the Programme Document and Substantive Revision was a serious weakness that has affected the Programme in many ways including the composition of staff within the DLDSP, role of women in the SMT, DFTs and CTs and, more generally their role in the decision making and implementation process. The DLDSP has begun to address this weakness and further steps are needed in this direction.

4.4.4 Achievements, challenges, lessons and recommendations

Achievements

The DLDSP has increasingly begun to integrate gender issues into its work, notably in the institutional development plan for MOLA, despite the fact that they were not highlighted either in the Programme Document or in the Substantive Revision.

Some of the services delivered in the pilot districts supported by the DLDSP favour girls and women, notably roads, schools and rural water projects. The difficulty of including women in such activities was evident from the field work.

The Institutional Development program for MOLA aims to adopt gender-sensitive policies across the Ministry, particularly in area of area of human resource management.

The General Women Development Directorate in MOLA received a minimum of office equipments and furniture from the Program.

Challenges

There is no clear vision or objectives in Program Document or the workplans with respect to women, and this is contrary to UN policies.

There is gender imbalance on the staff of the Programme. Of the DLDSP staff, only 4 people out of 18, namely 22%, are women, and most of them are in secretarial positions.

Very little institutional development and capacity building work targets women.

The National Women Development Strategy has not informed gender mainstreaming in MOLA in term of policies, programmes and projects. Furthermore, the work of the General Women Development Directorate (GWDD) has not been taken into account in the Programme. [11]

At the governorate level 2 out of 28 women were DFTs members. In general women are absent in the governorate official bodies (EOs, Diwans) or they are there in small numbers and in the lowest positions. For this reason, they are not well represented in the DFTs, because the staff of the DFTs are drawn from the highest ranking officers in the governorates.[12]

Few women CBOs took part in the CTs in the pilot districts that were in charge of developing plans and budgets. Of those who did participate, most lacked the capacities needed for effective participation within the CTs.

Lessons

Gender should have been highlighted in the Programme Document and should be give high priority in the current and any future work of the DLDSP.[13]

Not including women in participation at the policy level leads to gender blind policies and strategies.

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[11] It the comments on the draft final report, the DLDSP submitted the following comment on this sentence: "My understanding is that the first draft of the NDS, prepared with DLDSP support, contained a section addressing gender, and the need to promote gender-sensitive local development."

[12] The DLDSP, in its comments on the draft final report states: "Note that at the time of the mission, or shortly after, GD for Women's Development at the Governorate level were established by decree".

[13] In the comments on the draft final report, the DLDSP submitted the following comment on this sentence: "It is also worth referring to the fact that DLDSP actively encouraged the nomination of qualified women officials in the Ministry to participate in MoLA's Mobile Team. About thirty per cent of team members are female".

Women's involvement in the entire development process should not be seen as a privilege; it should be seen as an absolute necessity.

Recommendations

1. Gender should be integrated as a cross-cutting issue in all components of the program. In addition the Programme should create a sub-component for gender, in order to highlight the issue.
2. The DLDSP should increase the number of qualified women on the program staff, applying the UN affirmative action policy to bridge the gab between men and women in the public sphere.
3. The Programme should incorporate the objectives of the Women Development Strategy (WDS) in the program and support the (GWDD) to fulfil its role and mandate as a gender focal point affiliated to the Women National Committee.
4. Support should be given to the introducing gender-sensitive policies across the Ministry, particularly in area of area of human resource management, as set out in the DLDSP's programme for MOLA's institutional development.
5. The DLDSP should include the Women Development Department in MOLA in its activities and target the Women Development Directorates in the governorates offices for institutional development and capacity building activities.
6. The Programme should provide more support for women in CBOs at the districts level in term of institutional development and capacity building.

Results achievement: Awareness campaign

4.5.1 Objective

The main objective is to develop and implement an outreach program for informing the staff of central government Ministries about the goals and anticipated outcomes of decentralization and about options for sector decentralization strategies.

4.5.2 Overall finding

The awareness campaign was carried out, but the evaluation mission found that it had not been fully effective in bringing across the meaning of decentralisation and how it differs from de-concentration. Several key players within the ministries visited conflate these two terms in their thinking and understanding at a more popular level is even less developed.

4.5.3 Achievements, challenges, lessons and recommendations

Achievements

To achieve this objective an international consultant was recruited, who drafted a report on a Public Awareness Campaign, in March 2007. This report suggests a number of activities to build on the work that has already been already done by the DLDSP in the pilot districts. The overall objective of the Public Awareness Campaign as described in the report is to create a strengthened partnership between the local authorities and the public by increasing awareness of citizen rights and responsibilities within the local

authority system, and by improving the understanding of the local authority officials of the system and their responsibilities to the public.

Progress was made by identifying focal points from service delivery ministries, namely Education, Health, Water and Environment, Electricity and Agriculture. These sector ministries were tasked with articulating the sector decentralization reform package and disseminating information on it to their departments to get their support for the decentralization process. In addition, an awareness enhancement program was implemented at the governorates and district levels that targeted local authority structures, including councils, Diwans and EOs.

As part of the Awareness Campaign, the DLDSP issued 6 newsletters, in English, focussing on its activities. The fact that these were not translated into Arabic restricted their access to donors and a highly educated social elite.

Challenges

The proposal for the public awareness campaign came very late in the Programme, nearly 7 months before the end of Phase 2.

The targeting of the civil society through the CTs in pilot districts limited the scale of impact of the Awareness Campaign.

Lessons

A wider campaign is needed to deepen understanding of decentralisation and to familiarise the wider public about it.

The means of publicising its work currently being used by the DLDSP should be improved, for example by translating the newsletters into Arabic and distributing them to all actors at the central and local level.

Recommendations

1. The public awareness campaign should be translated into a program with action plans and allocated sufficient fund to implement this plan.
2. Mass media, in particular radio and TV, should be used to spread the message.
3. Civil Society, including NGOs, CBOs and the private sector, should be targeted as potential strong stakeholders, supporters and advocates for decentralization.
4. Arabic versions of the DLDSP newsletters should be produced and distributed widely, especially amongst decision makers in order to increase their awareness of decentralisation and encourage them to take decisions favourable to its promotion.

Results achievement: Policy and strategy

4.6.1 Objective

The Substantive Review set out the "Formulation of a strategic framework for the implementation of decentralisation reforms" as its second main objective.

4.6.2 Overall findings on policy and strategy

The DLDSP's effort to take up national policy formulation early in the life of the programme and to coordinate donors around the up-scaling of the programme geographically using its model of decentralisation was a success, notwithstanding the fact that some of the momentum was lost by the Programme with the loss if its Chief Technical Advisor late in 2007. It demonstrates the potential for the UNCDF/UNDP to play this enlarged role in other LDPs internationally. The pre-conditions for this are a substantial, well staffed and dynamically led programme team and the support for decentralisation from the country's political leadership at the highest levels, not only symbolically but also in terms of the championship of decentralisation from within the political oversight structures to which the Programme team reports.. Effectiveness of this approach depends on creating a mutually supportive relationship between the Programme team and the primary government partner (in this case MOLA). The sustainability of the Programme depends on the transfer of capacity to the government partner earlier in the programme than has been the case with the DLDSP.

4.6.3 Achievements, challenges, lessons and recommendations

The team's main finding on policy and strategy is that the DLDSP made major strides in developing the outlines of a National Decentralisation Strategy (NDS) and Programme (NDP), but that, despite its considerable efforts, this work was not sufficiently widely known, and where known, sufficiently understood, amongst key decentralisation stakeholders.

The report is backed by a set of well-designed PowerPoint slides dated January 2007, that illustrate the work of the DLDSP. The slides are a major achievement in themselves. They provide an accessible, visual illustration in summary form of the work of the DLDSP's work, the current situation of all the key institutions involved in decentralization and how this would change with the realization of a future vision of decentralisation.

Taken as a whole, the slides identify five areas of focus for a national decentralization strategy: mandates, functions, structures, capacities and finances. The slides summarize the main recommendations made in terms of these five dimensions for the local authorities and the main national actors involved in decentralization.

The team's assessment is that draft NDS and the slides taken together represent the substantial realization of the aim of formulating "a strategic framework for the implementation of decentralisation reforms" set out in the Substantive Revision. They provide an innovative model for decentralisation policy that has the potential to be applied not only in Yemen but elsewhere.

Turning to the wider issue of the shift in approach between the Programme Document and the Substantive Revision, the main findings of the ET are that this shift had both positive and negative effects on programme performance. A positive outcome was that it enabled the team to draw rapidly and effectively on experience gathered in the pilot areas to inform national policy and strategy development. The shift, coupled with the geographical up-scaling of its activities, drew the DLDSP's attention away from its development objective, namely that of testing models of social, economic and environmental service delivery, which the team found was lagging behind the other areas of the Programme's work.

Challenges

Thus, the team concluded that three important challenges remain on the policy and strategy work: 1) to complete the work on the NDS, taking into account the President's vision and the Local Authorities Conference organised by MOLA in December, 2) to simplify and disseminate the NDS itself, and 3) to provide focussed training workshops on this policy framework for key national actors in government.

Critical factors affecting successful implementation of results

External factors affecting achievement of the DLDSP's results

Strong support for decentralisation in Yemen, backed by the Local Authority Law of 2000 provided generally fertile ground for the work of the DLDSP. Contradictions between the LAL and laws governing the work of the primary and sector ministries have made it difficult for the DLDSP to fully achieve its aims of activating the local authorities within the framework of the LAL. The President's vision of decentralised governance provides a powerful impetus to take the DLDSP's work of policy and institutional reform further towards a decentralised governance system.

Programme related factors

There are a number of programme-related factors accounting for the successful achievement of the DLDSP's results. Firstly the existence of a large, well capacitated, well resourced and effectively led programme team was critical to success. Mobilising donor support enabled the up-scaling of programme activities, another critical element of success, though the additional work placed a heavy burden on the MT in particular.

Factors that militated against full achievement of programme results were the early departure of the Chief Technical Advisor, the late start to institutional development and capacity building within MOLA and incomplete piloting of infrastructure, service delivery and community participation.

Institutional and implementation arrangements

The use of a MT, based in Sana'a, DFTs in the governorates and CTs in the districts represents a major innovation and a hybrid of the traditional DEX/NEX distinction. It is a hybrid in the sense that the DFTs and CTs were staffed by people from the governorates and districts and played an important role in executing the programme, even if these structures were not officially recognised as part of government. The DLDSP has sought to use a similar idea in terms of capacity building within MOLA, in the form of a SMT, which holds promise, but has come late in the process.

Programme management

An important factor explaining the success of the DLDSP is the division of labour between the UNDP and UNCDF. The UNDP provides core support to the DLDSP enabling the program to function at the policy, institutional and capacity development levels. The UNDP also supported the program by initiating dialogue with potential

donors. It plays a critical role in the strategic positioning of the DLDSP based on its access to national government at the highest levels.

UNCDF developed the scope and technical methodologies of the program, was designated as the executing agency for the Programme and provided capital financing to initiate it. UNCDF funds DLDSP access to specialized UNCDF expertise and finances its core technical team and to carry out strategic policy studies in support of strategy formulation. The UNCDF provides strategic technical guidance to the Programme on capacity development at the local level and guidance on policy formulation.

The departure of the Chief Technical Advisor in October 2007 made it difficult for the rest of the team to bring the DLDSP's work fully to completion, notably in the policy and strategy areas, and to respond to important changes in the national context, notably the President's vision enunciated in September 2007.

Technical backstopping

The DLDSP was marked by a high level of technical expertise on the Programme team and, judging from the reports and training manuals produced, as well as the performance of the DLDSP itself, the technical backstopping for the DLDSP was of a high standard.

Sustainability of results

The sustainability of the Programme depends on a number of factors. First among these is the political will at the highest levels in the country to drive the decentralisation reform process to its conclusion, which will require a good number of years of further effort. The President's intervention in September 2007, against the background of successful experimentation by the DLDSP, holds out the hope that resistance to decentralisation from some ministries can be overcome.

Second is the ability of MOLA to take over and run the Programme in the context of implementation of the NDS and NDP. This will depend a great deal on the effectiveness of the Institutional Development and capacity building plan formulated by the DLDSP and (at the time of the mission) awaiting full approval by MOLA.

A third important factor is the willingness of the donor community and implementation partners, notably the SFD and the PWP, to progressively shift their orientation from service delivery that runs parallel to local government to service delivery undertaken by local government, with investment funding channelled through LADF.

A fourth factor is additional proof, in practice, that decentralised service delivery meets the needs of the poor more effectively and at lower cost than other methods, including centrally-driven delivery and parallel approaches such as those of the SFD and PWP.

A fifth factor is the widening and deepening involvement of communities not only in planning, but also in implementation, monitoring and evaluation of development projects. This involvement needs to go further than election of local councillors. It needs to be accompanied by the growth of the civil society organisations of the poor, especially including women, youth and sector-focussed organisations.

In the longer term, the sustainability of the approach to decentralisation developed by the DLDSP will depend on the successful reform of government policy and institutions, a progressive increase in the transfer of funds for capital investment and operations and maintenance from national to local government and the progressive increase in the self-generated revenue base of the local authorities. This is a long term process that requires sustained donor support for many years to come.

Strategic positioning and partnership

At the time of the Evaluation Team's mission it was clear that the DLDSP had to some degree lost the initiative in terms of its policy and strategy work. It is urgent for the future of the Programme to replace the capacity lost with the departure of the Chief Technical Advisor. There is an urgent need for the DLDSP to re-position itself in relation to the President of Yemen's vision for decentralised governance and pursue this component of its work.

The DLDSP has proposed the mutation of the programme into two components, a Decentralisation and Policy Coordination Unit (DPCU) and a Decentralised Local Development Programme (DLDP). This recommendation makes a good deal of sense, should be discussed with the bodies involved and implemented during the next phase of its work, discussed below.

Future UNDP/UNCDF roles

The division of labour between the UNDP and the UNCDF, described in the section on Programme Management above, works well and should be continued into a third phase of the DLDSP, beginning in 2008. During this phase, the UNDP should help the DLDSP reposition itself in response to the President's vision, help it mobilise donor support to for the continued up-scaling of its work within the framework of the evolving NDS and NDP.

The DLDSP should complete its strategy and policy work, complete its piloting work (including in the areas of economic development and environmental protection), enhance its donor coordination work and undertake further studies and experimentation as set out in the recommendations below. It should draw MOLA more closely into all these aspects of its work within a clearly laid out time frame that corresponds with the implementation of its institutional development and capacity building plan for MOLA. To achieve all this requires strong team leadership backed with sufficient resources.

Summary of findings

The slide below returns to the evaluation team's core questions to provide a compact statement of the overall findings of the mission as context for the more detailed findings below.

Summary of Findings in Response to Core Question

- **The Evaluation Team found that the DLDSP has:**
  - substantially strengthened local governance in the pilot districts, and this needs to be deepened through increased community involvement (direct as against representative democracy)
  - very effectively built institutional capacity within the pilot districts for budgeting and planning, and further work is needed to demonstrate that this translates into more effective service delivery, notably in the LED and environmental spheres
  - very substantially supported national decentralisation policy & strategy and this now needs to be made known in the right quarters and aligned with the President's vision,

- **and, by these means has,**
  - in a good number of its projects, improved social service delivery in a way that meets the needs of the poor, but has yet to demonstrate this in the economic and environmental spheres.

- **In addition, this approach,**
  - while it has not as yet demonstrated that it can produce services at lower cost than, for example, the SFD and PWP, holds out the promise of providing services at similar costs, more sustainably once its delivery models have been fully tested.

5. LESSONS

Programme level lessons

1. The DLDSP has demonstrated the feasibility and effectiveness of combining piloting with national policy and strategy work from an early stage of a LDP's implementation and its work serves as a model for LDPs in other countries.
3. The experience of the DLDSP shows that combining a DEX modality with a substantial element of NEX, in the form of the DFTs and CTs, provides a very effective means of building capacity and promoting a change dynamic, again, a model that can be adapted and further developed in other countries.
4. The SMT represents an attempt to apply the same idea, but the lesson in this case is that institutional development and capacity building within a programme's main partner ministry needs to begin much earlier in a programme.
5. The UNDP/UNCDF should ensure that new leadership comes into office at the time of the decommissioning of existing leadership, rather than allowing a long interregnum, which creates uncertainty and a loss of momentum that can destabilise a programme's work.

Partner specific lessons

1. The existence of a strong, mutually supportive, relationship between the UNDP and UNCDF, based on a division of labour in which the UNCDF manages and disburse funding for all capital investment and international technical advisory support, while UNDP manages and disburses are funding for national capacity building and certain policy related advisory activities is important to the durability and success of a programme.[14] In Yemen, the UNDP went to some degree beyond these roles as stipulated in the Guidance Note, in that it helped secure the positioning of the programme within national government, being able to connect at a higher level politically than DLDSP staff when this was needed. While this basic division of labour in Yemen was appropriate, there remain a number of operational areas in the relationship between the two organisations that need improvement.[15]

2. The UNDP/UNCDF can, and should, play a pivotal role in donor coordination, within and outside the UN Family, and this can help overcome the widespread problem of duplication, fragmentation and geographical unevenness of local development that characterises many local development initiatives. To achieve this requires a well capacitated, dynamic team, appropriately embedded within government, with strong support from the UNDP and sufficient resources to sustain its work over a long period.
3. With respect to the DLDSP's partnership with government, the main lesson is that it is critical to ensure a strong sense of ownership by government, notably the main implementing partner, early in the process, and to establish clear milestones for the transfer of programme activities to the government partner, linked to indicators of increased capacity in government to take over the programme implementation.

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[14] These roles are set out in the UNCDF/UNDP, Guidance Note, 2007, p. 3.
[15] In its comment on this section of the draft report, the DLDSP indicated that it remains a challenge to ensure that that operational policies and procedures contribute to DLDSP's ability to deliver effectively and that, importantly, consideration should be given to setting of Daily Sustenance Allowance (DSA) rates closer to actual costs in the field.

6. TEAM COMPOSITION

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