The Recovery
& **DEVELOPMENT**
Consortium

DFID Yemen Social Fund for Development – Institutional Evaluation

SFD Evaluation 2009 – Final Institutional Evaluation Report

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Abbreviations	
BEDS	Basic Education Development Strategy
CBO	Community Based Organisation
CGAP	Consultative Group to Assist the Poor
CSO	Civil Society Organisation
DFID	UK Department for International Development
DLDSP	Decentralisation and Local Development Support Programme
ELD	Empowerment for Local Development
GARWSP	General Authority for Rural Water Supply
GIS	Geographic Information System
GoY	Government of the Republic of Yemen
IE	Institutional Evaluation
IIP	Integrated Interventions Programme
MoE	Ministry of Education
MoLA	Ministry of Local Administration
MoSAL	Ministry of Social Affairs and Labour
NGO	Non-Governmental Organisation
SFD	Social Fund for Development
SWF	Social Welfare Fund
UNDP	United Nations Development Programme

Executive Summary

Every three years an evaluation of the Yemen Social Fund for Development (SFD), which includes institutional as well as impact-oriented components, is conducted. This report presents the findings of the Institutional Evaluation carried out in 2008 and 2009 as part of the wider 2009 SFD evaluation. The Institutional Evaluation and this report focus on SFD's institutional impact, through an analysis of its practices, projects and programmes, and institutional development in the country at national and sub-national levels. It also aims to elucidate SFD's role in strengthening governance and community empowerment structures conducive to poverty alleviation and to outline possibilities for SFD's future role within Yemen's evolving developmental and institutional context.

In assessing institutional impact at the national level, four sectors were identified, the findings of which are as follows:

1. ***Water***: SFD is a small player in the water sector but is perceived by stakeholders to have moved considerably in the last year to align its activities with the National Strategy on Water rather than to continue to pursue its own, separate approach. This engagement has, in turn, enabled it to influence the National Strategy by leading it to increasingly reflect the value of rainwater harvesting for some geographical locations. SFD is perceived to be innovative in embracing and piloting new technologies in the sector, an opportunity that is not afforded to many other stakeholders. It is also acknowledged to be a partner who has clear approaches, has invested the time of its staff in discussing the National Strategy, and which constructively puts forward implementation-oriented ideas for the Strategy. It is deemed to have a comparative advantage in harnessing and transferring international best practice to the Yemeni context, and it has notably done so with regard to sanitation. Such innovation is a highly valued contribution that strengthens SFD's role in the water sector.
There has been an agreement at the national level to prepare a map identifying those areas that are suitable for rain water harvesting and for mechanised systems. This map is likely to resolve many of the contentious issues among stakeholders in the sector. SFD contributions to such a mapping process should be treated as a high priority to ensure that SFD's ability to co-mingle geographical and geological criteria with poverty criteria is used in the most effective manner. Once the map is completed, it will be an important instrument for influencing funding allocation in the water sector. This is likely to mean that in the future SFD will need to fund from this database, an issue it will need to balance with its current approach of responding to community requests.
Greater coordination with the General Authority for Rural Water Supply (GARWSP), especially in managing and evaluating projects, was advocated by senior government officials, as was the need for SFD to pay more attention to sustainability and to ensure that community groups have the requisite skills to manage water projects.

2. ***Local Administration***: SFD has had an intensive level of engagement with the Ministry for Local Administration (MoLA), the value and contribution of which was openly recognised by senior officials at MoLA. Furthermore, SFD's contribution to the development of the National Strategy on Decentralisation is well acknowledged. It is viewed a trusted partner of the Ministry, and its work is deemed to be underpinned by transparent approaches and plans. It also serves as a catalyst for attracting funding from additional donor institutions.
SFD's demand-driven approach to funding projects was well-established before the Local Administration Law in 2000 and the establishment of local councils in 2002. Since then, decentralisation has begun to take root, albeit slowly, culminating in the National Strategy on Decentralisation in 2008. Senior officials in MoLA indicate that these changes necessitate that SFD revisit its model of directly responding to community requests and move towards a model

of selecting projects for funding from local council priorities[1]. To the present time, SFD has demonstrated a great deal of flexibility in determining the focus of its engagement with MoLA and local authorities; however, in the future it will need to ensure that MoLA is in the driving seat in terms of supporting local authorities and regulating and monitoring sub-national governance. On the other hand, if decentralisation is to succeed MoLA acknowledges that it needs considerable assistance and has indicated that SFD can play the role of key strategic partner and technical resource.

Three areas in which SFD can complement and enhance the role of MoLA were identified by government officials: (i) the provision of tailored capacity building for its different sub-sectors; (ii) assistance with organisational analysis to identify gaps and build MoLA's internal capacity for institutional development both centrally and at governorate and district levels; and (iii) the enhancement of gender capabilities within MoLA and the provision of assistance related to the development of policies on gender and development.

3.   ***Education***: SFD has developed effective education programmes for special groups such as those with disabilities, gifted and talented children, as well as programmes to promote rural girls education. Recipients are very complementary about the support provided by SFD, as it has given them access to programmes, methods, technology and expertise that cannot be provided by the Ministry of Education (MoE) in the current economic climate. However, the MoE's plans for scaling up such programmes are unclear, though the MoE has expressed its intention to mainstream the SFD programme for gifted and talented children. Efforts need to be intensified to ensure that the MoE and SFD develop an approach to scaling up and mainstreaming other successful SFD activities lest promising opportunities should be lost. Greater coordination with Departments within the MoE is also required especially on inclusive education and literacy and adult education.

In particular, SFD should develop an internal strategy for promoting its long-standing work on inclusive education, mainly through NGOs, with the MoE. While recognising that the resources and capacity of the Department for Inclusive Education are limited, SFD can add value by working with the Department to define a vision (and perhaps agree a three-year programme of work) that would include capacity building, engagement of the MoE so that specialist groups of children can be mainstreamed within the education system, and the establishment of a system of oversight for organisations (primarily NGOs) involved in the sector. To advance such objectives, SFD should review its internal structures to assess whether more could be achieved by transferring inclusive education to its Education Unit from its Health and Social Protection Unit. Doing so would also result in inclusive education being integrated within SFD's Memorandum of Understanding and ongoing dialogue with the MoE. Similarly, there may be a case for bringing all literacy programmes under the Education Unit rather than, for example, under the Integrated Interventions Programme. Such a restructuring would promote greater coordination with those ministries and departments directly responsible, an issue of concern to government officials[2].

4.   ***Social Protection***: Close collaboration exists between SFD and the Ministry for Social Affairs and Labour (MoSAL), which is responsible for social protection. Such an outcome may be facilitated by the fact that the Minister for Social Affairs and Labour also serves as the Vice-Chair of the Board of Directors of SFD. Key areas of support provided by SFD to MoSAL have been in the following: (i) building institutions, (ii) strengthening data systems, (iii) supporting and regulating NGOs, (iv) providing assistance with the development of strategies such as the Disability Strategy, and the Social Protection Strategy, and (v) conducting studies (for instance,

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[1] Comment by Mr Mohamed M Zeman, Deputy Minister for Local Development.
[2] Greater coordination with central Departments was called for by the Heads of the Inclusive Education Department and the Literacy and Adult Education Department.

on child labour and poverty assessments). At an operational level, there has also been strong cooperation between SFD and the MoSAL on special needs and disability, and the Social Welfare Fund within MoSAL has developed a microfinance programme drawing on the experience of SFD. It has also modelled its monitoring and evaluation activities on those of SFD.

Looking to the future, the MoSAL has a mandate for a number of areas that have yet to receive much attention, and the Ministry needs the support of partners such as SFD to address the problems of juvenile offenders, street children, orphans, child labour and child trafficking. With its resources and its ability to harness international expertise, the Ministry expects SFD to play a facilitation role to enable the Ministry to grapple with these serious problems. Moreover, the Ministry would like SFD to support the implementation of the various internally-oriented strategies that have been developed, including action plans and training programmes, in addition to its programmes. As SFD is seen to have considerable resources for social protection, the MoSAL would like to see SFD provide capital investment while the Ministry continues to provide its own running costs.

In assessing SFD's impact at the decentralised level two programmes were reviewed, the Decentralization and Local Development Support Project (DLDSP), which is funded by many donors (the first of which was SFD), and the Empowerment for Local Development (ELD) programme developed by SFD based on ten years experience.

- *DLDSP*: The main focus of DLDSP at the decentralised, sub-national level has been on strengthening local authorities at the district level. In this regard it has been effective in strengthening administrative, financial, and technical systems, and district-level staff members are in place and possess the capacity to function. District officials have been trained in revenue collection and procurement, and guidance has been developed on public financial and project cycle management. A high level of awareness has been generated among the different levels of decision making (e.g. governorate, district and community) on their respective roles and responsibilities. This awareness raising has facilitated improved local planning with defined responsibilities at each level. Planning is based on data collection and has followed a systematic methodology.

- *ELD*: The Empowerment for Local Development programme, still in its pilot phase, mobilises communities to lead their own development and to strengthen the links with the district authority. From the perspective of the communities, ELD has reversed the planning process from top-down to bottom-up. Decisions are based on data collected at community level, and a systematic approach to planning is followed, thus ensuring transparency and accountability. As a result, communities and *uslas* (sub-districts) are able to feed their priorities into a district plan. Greater equity in projects is promoted as they are more evenly distributed across the district, and community involvement makes it easier to follow up on projects. Social auditing committees help to resolve issues which arise. The main constraints to realising the objectives of ELD are that there is limited recognition of the process or support ensuing from the sector bureaus at governorate level, and the lack of fiscal decentralisation such that the plans that are developed cannot be funded. Both of these constraints are giving rise to high levels of frustration and could undermine the process unless they are dealt with rapidly.

  More broadly, if the ELD approach is scaled up and adopted nation-wide, implicitly it will prompt SFD to re-assess whether its current practice of primarily working on a sectoral basis supporting individual projects is the most relevant model or whether SFD should move towards becoming a more strategic resource supporting governorates and districts in terms of capacity building and the provision of financial resources. SFD needs to have a dialogue both internally and with its partners to prepare for this challenge.

  With regard to the further development of the ELD model, three issues should be considered by SFD: (i) the leadership and executive organs (sector bureaux) at the governorate level need to be included in the model so that officials operating at this level better understand and more

fully recognise the value of ELD; (ii) costs need to be reduced to make the model more attractive for adoption by MoLA; and (iii) marketing of the district plans developed at the local level needs a considerable boost so that funding for projects is forthcoming. If not, expectations should be managed to avoid generating tensions with higher-level governance institutions. Ultimately, if the investment is to be justified, ELD must deliver better services for communities. One option is for donors who are committed to supporting decentralisation to earmark funds to support district plans developed under the ELD model.

Concerning SFD's models of *community participation*, two approaches were considered, the Integrated Interventions Programme (IIP) and the community contracting used in water and road projects.

1. The model of the IIP of providing a sustained input over a number of years appears to be successful in mobilising remote and marginalised communities to lead and manage their own development, an opportunity that would not otherwise be open to them. IIP has been effective in motivating, training, and mobilising communities to prioritise their needs, plan their own development, and create representative structures and relationships within and between communities. Overarching committees as well as specific sector committees in areas such as health, literacy, agriculture and education have been set up to plan, manage and monitor community development. Communities are running schools, piped water systems and literacy classes, and there appears to be a correlation between provision of water and enrolment of girls in schools and women in literacy classes.

    The IIP offers important learning on community participation for other SFD programmes. Areas which should be documented include (i) sustaining community development committees including their transition to registered community based organisations, (ii) deepening the engagement of women in the development process (not only at the consultation stage), (iii) building social cohesion and trust among communities, (iv) building the capacity of the community to manage essential services, and (v) managing relationships with district authorities.

    SFD is in the process of decentralising the management of IIP to the branch level, a move that should prompt the review of skills available at branch level to support a multi-dimensional development programme as opposed to single sector projects. On the other hand, decentralised management will enable the IIP projects to access technical expertise in a number of areas such as education/literacy.

2. Concerning community contracting, the transparent approach adopted at community level has been important in gaining community confidence. The election of committees, the transparent contracting process, the posting of financial records in public places, and the holding of community meetings all serve to give credibility to the elected committee, encourage households to make a community contribution, and help to diffuse opposition to the project. These systems of transparency, accountability and equity are new to communities and reputedly have laid a basis for further work to be undertaken by the project committees in relation to good governance practice and to sustainability, though there are few if any examples, as yet.

    A recurrent theme, and area of concern in both the IIP and community contracting programmes is that of community contributions, and the findings of the evaluation suggest that their application is not straightforward, is controversial for many communities, and needs reassessment. Community members have expressed a hesitancy to require contributions from low income households. Given a context of national economic decline and rising poverty levels, SFD needs to reassess its approach to community contributions to ensure that it is not placing undue hardship on low-income households or is not a cause of tension within communities.

Cross-Cutting Concerns

SFD's Role in Conflict-Sensitive Development: While conflict, with regard to either sensitivity or prevention, is not incorporated into the majority of SFD's literature or vocabulary, it is highly relevant to staff members implementing the Fund's activities. In practice, staff, especially those at the branch level, are working in contexts of conflict; for some, dealing with disputes is a daily task. As SFD's allocation of resources extends to all districts in the country, and given its role as one of the few (if not only) organisation to have nation-wide reach, it is able to operate in areas which may be deemed inaccessible by others due to violence. Having robust and transparent policies, systems and procedures is deemed, by SFD staff, to be the backbone of SFD's ability to withstand external pressure, and its neutrality as an organisation is key to its ability to operate in nearly all communities. Operationally, given the prevalence of conflicts at multiple levels, staff have developed skills and strategies to avoid and mediate disputes. Yet, there is neither policy nor means of recording prevention or mediation efforts available in SFD. As a result, opportunities for systematising approaches and developing good practices have been missed (though not necessarily lost).

This evaluation endorses the view of SFD staff members, that a series of workshops should be held to exchange experiences of managing conflict and to develop a set of procedures and case studies. While recognising that each situation will require a tailored response, these could include: (i) the development of specific approaches to mediation, (ii) the establishment of ad hoc but accepted bodies to address conflict, and (iii) the creation of a permanent data base related to conflicts and their resolution.

With regard to the role of NGOs in conflict prevention, overall, it appears that the NGOs that are funded by SFD do not recognise their relation to conflict or directly engage in activities which they consider to closely involve or relate to conflict. Rather, they consider that conflict vulnerability, as related to their work, concerns the weakness and relative immaturity of civil society in Yemen as well as poor governance practices such as nepotism and a general lack of accountability by the leadership of individual NGOs. These are issues to be taken up by the forthcoming strategy for working with NGOs currently being developed by SFD, though some specific recommendations are contained in the body of the report.

Gender issues: There is a consensus that while women may be consulted in the determination of project priorities (especially when there are separate consultations for men and women), few are involved on subsequent committees or in decision making processes. This is an issue that needs to be addressed by SFD, perhaps by drawing on its own experiences. For example, the IIP has attained a solid level of participation, and the methods which led to this success could be examined and replicated in other SFD activities. Furthermore, SFD should also reappraise opportunities for women to engage in paid employment to ensure that they are not being explicitly or implicitly excluded.

The Future of SFD

Looking to the future it is evident that SFD has a comparative advantage in supporting institutional development and capacity building at all levels of governance and government, including within specialised departments in ministries, governorates, districts and communities. It will also be important to strengthen links between these levels to avoid the current situation where lack of adequate understanding and buy-in at the governorate level is a constraint to implementing plans developed under the ELD programme.

As ministries and departments gain additional capacity, it is incumbent upon SFD to redouble its efforts to align its activities with government policies and strategies and to actively support not only the development of strategies but also their implementation. Where such strategies are absent but have relevance to SFD's work, it should seek to encourage the development of such strategies (e.g. inclusive education), particularly in sectors in which SFD has been working for numerous years.

As decentralisation takes root and bottom-up planning is consolidated, SFD will be challenged to move away from its demand-driven approach to funding projects and towards support of elements of district plans. SFD will need to re-assess whether its current practice of primarily working on a sectoral basis, whereby it supports individual demand-driven projects, is the most relevant model or whether, as is the trend with other social funds, SFD should move towards becoming a more strategic resource for MoLA by supporting governorates and districts in terms of capacity building and the provision of financial resources.

As a key instrument of social protection, SFD needs to clarify its role in relation to the implementation of the national Social Protection Strategy. SFD has developed a strategy for mainstreaming gender within its programmes; to realise this strategy, SFD will need to intensify its efforts to ensure that women as well as men are able to participate in determining their own development. Furthermore, as previously highlighted, SFD must enhance its capacities to operate in a conflict-sensitive manner and, in particular, to extract and build upon the impressive but uncoordinated level of expertise developed by its branch-level staff.

SFD needs to intensify efforts to coordinate with government officials at all levels and between the levels. Similarly, there needs to be coordination with the specialist departments at the national level to gain their input and support for programmes implemented at the sub-national levels.

A number of informants from different government ministries suggested that SFD should have a point for coordination so that those external to the organisation can harness the full range of opportunities/resources. Some indicated that they are familiar with only one section of SFD when other support may also be beneficial to their work.

Figure 1: Administrative Map of Yemen

1 Introduction

Yemen's Social Fund for Development (SFD) was established in 1997 as an administratively and financially autonomous agency to help implement national social and economic plans. The SFD is supervised by a Board of Directors chaired by the Prime Minister and composed of members representing the government, the private sector and civil society. The Board defines and approves the SFD's general policies and plans and monitors its performance and progress in achieving goals.

The SFD achieves its goal of poverty reduction through four main programs:

1. *Community development* initiatives facilitate access to basic social and economic services—mainly in rural areas deprived of such services, as well as some urban areas.

2. *Capacity building* of local partners, along with efforts to support capacities and organize communities and some government agencies and nongovernmental organizations (NGOs).

3. *Small and Microenterprise Development* projects enhance small and microfinance services by supporting intermediaries such as NGOs and financial institutions, and develop the business sector to provide non-financial services for small entrepreneurs.

4. *Labor-intensive works* focus on creating job opportunities to temporarily absorb unskilled workers[3].

These four programmes cover projects in a wide range of sectors and sub-programmes, including education, water, environment, health, groups with special needs, rain-fed agriculture, rural roads, integrated interventions, training, organizational support, cultural heritage and small and micro-enterprise development. The programmes are run by different units within SFD and while there is some coordination across some programmes, they are largely designed and implemented independently of each other. The Table below illustrates the focus of the Institutional Evaluation in relation to different sectors and the Unit within SFD responsible for implementation.

Sector	Implementing Unit	Elements Reviewed by Institutional Evaluation
Water	Water & Environment Unit	Contribution to National Water Strategy Community Contracting in water projects
Local Administration	Training & Organizational Support Unit	Contribution to building capacity within the Ministry of Local Administration. Empowerment for Local Development Programme. Decentralised Local Government Support Programme (provision of funding for districts)
Education	Education Unit	Improved quality of education Inclusive Education Adult Education & Literacy
Social Welfare	Health & Social Protection Unit	Building capacity within the Ministry for Labour & Social Affairs.
NGOs	Health & Social Protection Unit (for NGOs focusing on special needs) Training and Organisational Support Unit (all other NGOs)	NGOs and Conflict

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[3] Social Fund for Development, Annual Report 2008.

Roads	Agricultural & Rural Development Unit	Community Contracting in Roads Integrated Interventions Programme

With a projected significant drop in oil revenue, the slow pace of both economic growth and public sector reform, and increasing tensions in parts of the country, it is expected that the Government of Yemen (GoY) will find it increasingly difficult to deliver services. Evidence of this trend is already emerging as government ministries, departments, and agencies have taken extensive cuts in their budgets during the present financial year. In parallel, the rising cost of living, especially food prices, and low employment rates result in households facing great difficulty in fulfilling basic needs.

This scenario places increasing challenges on SFD to simultaneously support service delivery while building capacities of government agencies and other service providers. Its Mid-Term Vision draws attention to the need for 'major and increasing attention to building up the capacities of its local partners' and commits SFD to 'scaling up and maximum employment of SFD's proven strengths and accumulated experiences in enhancing national capacity'. The Vision recognizes SFD's role in *institutional strengthening and partnership* with line Ministries at the central level and their associated implementing agencies, including NGOs, local authorities at the district and governorate levels, communities, and the private sector (including chambers of commerce, Small and Medium Enterprise associations, and private handicraft exporters/importers).

SFD's vision is that its '*indirect* contribution to national public/private implementation capacity, through both "expertise transfer" and cooperative arrangements for implementation and policy development, will become progressively more important. This indirect contribution, which can also be termed "outward synergy", is the fundamental objective of SFD's acting upon the institutional strengthening and partnership theme'.[4]

Moreover, the security situation in Yemen means that SFD is constantly adjusting 'what' is done and 'how' it is done, to adapt to such conflict and insecurity. While SFD does not have a specific remit or policy on conflict vulnerability, it is not immune; branch managers and their staff are constantly dealing with tensions and disputes, are sometimes intimidated, and in certain circumstances it has organised training in conflict resolution for staff and consultants[5]. SFD staff members consider that poverty is the main underlying cause of conflict, and low education levels make the resolution of conflict difficult. The likelihood of further economic decline, as oil revenues drop, is likely to further exacerbate the problem.

This Institutional Evaluation, which is part of the wider 2009 SFD evaluation, complements the quantitative survey and qualitative study which comprise the impact evaluation. The objective of the Institutional Evaluation is: '*to assess and document the institutional impact of SFD at the policy as well as institutional level and at both the national and local/community level.*

Specifically, the ToRs highlight the need to assess and outline:

- SFD's impact, through its practices, projects and programmes, on wider institutional development in the country;
- SFD's role in strengthening governance and community empowerment structures conducive to poverty alleviation; and

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[4] The Vision states that: SFD unequivocally accepts that 'policy' is the province of GoY and its general and sectoral Ministries. However, SFD can contribute significantly to GoY's policy-making capacities through (a) dialogue, e.g. on sectoral strategies (b) capacity-building technical assistance, and (c) pioneering experimental and innovative approaches in cooperation with Ministries and other partner-institutions. These three 'modes' - which are already all in fact operated by SFD - overlap and complement each other

[5] The Training & Organisational Support Unit has organised training in conflict resolution for community committee members, local council members and recent rural graduates (who may be facilitating development processes). The training includes definitions, types of conflict, & skills in conflict resolution, communication, conflict analysis, negotiation and social mediation.

- Possibilities for SFD's future role within the Yemen development and institutional context.

Article 6 of Law No. (10) of 1997 Concerning the Establishment of the Social Fund for Development gives SFD a mandate to '*Assist local institutions in developing their capacities and upgrading their efficiency in providing services*'. In keeping with this mandate, the 2009 Institutional Evaluation focuses upon SFD's impact at the national, local (district) and community levels as well as upon NGOs and civil society. This evaluation does not approach these various impacts and levels/actors in isolation but rather with an appreciation of the linkages and dynamics between them. Complementary interactions between all levels of governance and non-governmental actors are critical in sustaining gains in good governance and institutional development.

Methodology

The framework for analysis used is provided in the following diagram (Fig. 2).

Figure 2: Institutional Impact of the SFD
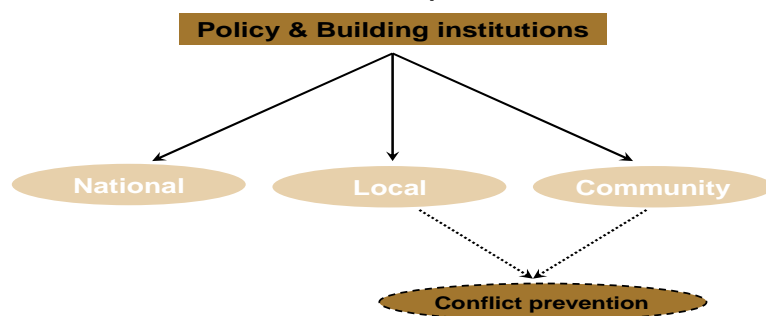
The methodology for the Institutional Evaluation was developed in conjunction with SFD in January 2009 and is described in *Phase 1 Methodology and Design Report and Implementation Plan* (Feb. 2009). In determining the focus of the evaluation for each sub-objective, the following issues were considered:

National Level Impact

Sub-objective: To review, assess and document SFD's impact on national policies and/or practices of other government agencies, and provide recommendations on how this can be increased in the future. Several sectors were considered for review including SFD's contribution to the Education Sector, the National Water Strategy, the Health Sector, strengthening the Ministry of Labour and Social Affairs, building the capacity of the Ministry of Local Administration and influencing the National Strategy on Decentralisation, and building a national Micro-Finance Industry. Given that SFD's contribution to the Health Sector was reviewed in the 2006 Institutional Evaluation, and that its role in building a national micro-finance industry is extensively documented, it was agreed that they would not form part of the 2009 Institutional Evaluation.

Local, District-Level Impact

Sub-objective: To assess the initiatives sponsored by SFD in support of the decentralization process in Yemen and make recommendations for further SFD support.

SFD is supporting two programmes focusing on decentralization, and it was agreed to review both. Decentralization and Local Development Support Project (DLDSP) is being implemented by UNDP while SFD funds activities in a number of districts. By contrast, SFD has developed its own approach to supporting decentralisation: The Empowerment for Local Development (ELD) Programme, and is

piloting it in three districts. As this programme is being implemented by SFD branch staff, and has not been the subject of external review to date, there was particular interest by SFD and some donors in including it in the Institutional Evaluation.

Community-Level Impact

Sub-objective: To examine and critique the various approaches to community participation used by SFD to build institutional capacity and empowerment at the local level.

Through its various programmes, SFD implements several approaches to the promotion of community participation. The approach selected is based upon the nature of the intervention. Significantly, the various approaches to participation are critical in mitigating conflict over resources within communities as well as in developing community members' ability to successfully resolve such issues. It was agreed to review two very different models: the Integrated Interventions Programme (IIP) which is a model of developing inclusive community structures and supporting extremely marginalised groups through the provision of 'integrated' rather than single-project support. SFD offers a long-term commitment with the aim of facilitating sustainable social development and a culture of self-help. By contrast, in the water and road sectors, SFD adopts the model of community contracting whereby the community oversees the implementation of construction (or rehabilitation) work.

NGO Sector Impact

Sub-objective: To explore, in depth, SFD's support to the NGO sector and to make recommendations to be the basis for the development of a strategy for SFD in this sector.

One of the recommendations of the 2006 IE was that SFD would develop a strategic approach for its engagement with the NGO sector. This process is now well-underway and a draft Strategy has been prepared. This demonstrates the potential value of the 2009 IE and its recommendations.

In consultation with the UK Department for International Development (DfID) and SFD, the crosscutting issue identified for the Institutional Evaluation is SFD's contribution to conflict prevention, resolution and management.

The field-based portion of the Institutional Evaluation was carried out in March and April 2009. The methodology included a series of workshops with sector-specific stakeholders, focus groups discussions with senior government officials, and interviews with key personnel from the following: SFD, ministries, governorates and district administrations, representatives of local communities and audit committee, local leaders and NGOs. A three-day field visit was undertaken to review the Empowerment for Local Development Programme. Unfortunately, due to security concerns, the international consultant was obliged to terminate her visit to Yemen shortly before its planned conclusion. The remaining work was completed by the local consultant, Khalid Dubai of Interactions Consulting.

Section 2 of the report reviews SFD's contribution at national level to the following four sectors: water, local administration, social protection and education. Section 3 examines its contribution to the decentralisation process in Yemen through SFD's pilot programme Empowerment for Local Development (ELD) and through its funding of the Decentralisation Local Development Support Programme (DLDSP). Section 4 assesses the benefits of community participation in SFD's Integrated Interventions Programme and in community contracting projects in the water and road sector. Section 5 reviews SFD's approach to conflict-sensitive development, the first time this lens has been used for SFD projects, while Section 6 looks at the role of SFD-supported NGOs supported in conflict prevention, resolution and management. The final section draws on international experience of Social Funds to provide guidance to SFD for its future direction.

Finally, it should be noted that SFD is one of the few government organisations to conduct an

evaluation of this nature, and a number of government stakeholders welcomed the transparency demonstrated by SFD in conducting such an evaluation with wide consultation.

2 SFD National-Level Impact

Sub-Objective: To review, assess and document SFD's impact on national policies and/or practices of other government agencies, and provide recommendations on how this can be increased in the future.

The terms of reference for the Institutional Evaluation state that 'SFD as an organisation has developed a culture and practices such as targeting and responsiveness to the poor, using data to direct its resources and interventions, as well as its participatory approach, and measurably high efficiency in terms of costs and implementation time'. Such practices are believed to have an impact on the policy and/or practices of other government agencies.

As already mentioned, during Phase 1, the methodology development component of the evaluation, it was agreed to review SFD's such impacts on education, the national water strategy, social affairs, and local administration. The Institutional Evaluation sought to explore SFD's contribution under the following key thematic areas:

1. *National dialogue:* Has SFD consciously extracted and sought to transfer lessons from the field into policy dialogue? Has SFD invested time and staff resources to participate in national dialogue in order to promote the dissemination and adoption of lessons from the field?

2. *Institutional: What has been* SFD's contribution to the institutional development of ministries at the national level and, as relevant, to sub-national, decentralised levels?

3. *Programming:* To what extent have ministries adopted or taken up any components of SFD's programmes? Has SFD effectively piloted approaches/interventions which have later been scaled-up and adopted/adapted into national frameworks?

4. *Governance:* To what extent has SFD's approach influenced 'how' the ministry operates in relation to such areas as transparency, accountability, poverty targeting and alleviation, data-driven decision-making, and procurement? Have issues of good governance – such as participation, transparency, accountability – been incorporated into national government systems and procedures? How and to what extent has gender been addressed?

5. *Complementarity with line ministry:* How does SFD's work complement that of the ministries? To what extent is SFD seen as a benchmark or exemplar? To what extent has alignment been achieved between SFD and relevant (and effective) ministerial frameworks? What additional collaboration, cooperation and support could or should be established between the SFD and the ministries.

This section reviews SFD's engagement with the four sectors in relation to each of the above themes.

2.1 Water Sector[6]

While there is a demand from urban water utilities that SFD should assist their municipalities in developing water and sanitation programmes, SFD is committed to focusing on rural areas. Hence, its main partner at central level is the General Authority for Rural Water Supply (GARWSP) rather than the Ministry for Water. SFD water projects focus on low-cost techniques, local knowledge and tradition in rainwater harvesting to provide communities with water. Its projects cover rainwater harvesting, piped water systems, small reservoirs, protection of springs and shallow wells, and training in water management and hygiene awareness.

2.1.1 National Dialogue

SFD, despite its relatively small role in the water sector[7], is acknowledged to be a partner of GARWSP which has clear approaches and which constructively puts forward ideas for the national strategy and for implementation. It is seen to have played an important role in convincing authorities of the applicability and value of rainwater harvesting for some areas, and the SFD has been active in placing community participation, community contributions, and water committees on the national agenda.

Until recently, the value of SFD's concentration on basic, low-technology methods was not recognised by either the Ministry of Water or other stakeholders[8] active in the sector, and was a point of contention. However, the recent National Strategy on Water recognizes this contribution. Recent agreements, following extensive discussions between stakeholders, have resulted in greater coordination and alignment of SFD's work with the National Strategy on Water. SFD considers that it has influenced the definition of water 'coverage' – the availability of 30 litres per capita per day of improved water within a fetching time of half hour round trip – included in the strategy. In addition, for the first time, protected water sources including rain water harvesting, protected springs, and shallow wells are also taken into consideration. If this strategy, with the SFD-promoted definition, is implemented, it could have significant impact on the workload of women and children, particularly in a country where so many communities are far from water and water collection points. Furthermore, the provision of improved water sources has a significant impact on school attendance given that children, particularly girls, are freed from burdensome and time-consuming water-collection duties. For example, in the field visit to Harodh, teachers indicated that the percentage of girls attending school had increased from 0% to 25% due to the reduced need to collect water from relatively distant sources.

Based on previous negative experience of mechanized water systems which were found to have serious maintenance and sustainability problems, SFD has been reluctant to fund such systems, a position that was not shared by the Ministry of Water or GARWSP. However, stakeholders, especially GARWSP, have acknowledged SFD's progress in reconsidering its position and in recognizing that there are communities where rain water harvesting is not an option and that mechanized systems may be the only option (e.g. in some coastal areas). This acknowledgement is seen by other stakeholders to be an important step for SFD in aligning with the national strategy. Additionally, SFD has changed its policy of rehabilitating traditional rain water harvesting tanks/cisterns which were unprotected, prone to pollution, and risked being used by both animals and humans. Since 2008, SFD now only funds cisterns that can be protected.

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[6] This data is based on a workshop with SFD stakeholders representing GARWSUP, water authorities in Dhamar, Amran and Sana'a governorates, municipal water authorities from Sana'a and Taiz, the University of Sana'a, NGOs, the Public Works Project, and UNICEF.

[7] As an example, in 2007, SFD approved projects worth about $7.1 million representing 7% of SFD commitments in that year.

[8] Other stakeholders, in addition to government water authorities, are the Dutch, GTZ, KfW, the Public Works Project, UNICEF, the World Bank, and more recently DFID.

There has been an agreement between the stakeholders involved in the water sector, including SFD, to prepare a national map identifying those areas that are suitable for rain water harvesting (primarily mountainous areas) and for mechanised systems (primarily coastal areas). This map is likely to resolve many of the contentious issues among stakeholders in the sector. Moreover, SFD is a co-funder of an assessment which GARWSP proposes to conduct on the effectiveness and sustainability of different systems around the country.

It has also been agreed to develop a unified standard and approach which includes community mobilisation, community contributions, and the participatory design of water systems. Based on its wide experience of implementing different models of community participation, SFD has a comparative advantage in participatory methodologies that extend beyond the water sector, which should be drawn upon. Doing so will necessitate close collaboration across the different units in SFD, especially the water, roads, integrated interventions and the training and organisational support units. Furthermore, recognising the experience of other stakeholders in the water sector will also be important.

GARWSP would like to see SFD review its requirement of a 50% community contribution for the rehabilitation of rain water harvesting tanks, as it considers the level to be a deterrent for many communities with serious water needs. This subject will be discussed in more detail below under community participation (Section 4) which indicates that the issue of community contributions is complex and controversial for many communities. While in general SFD is seen to have a good track record in poverty targeting, it will need to review its approach to community contributions. SFD should use these lessons and findings from such a review to inform policy making.

2.1.2 Institutional Development

In the water sector, SFD is not involved at the level of institutional development. SFD's focus in the water sector is on delivery of water systems primarily through rainwater harvesting rather than mechanised systems. GARWSP is complementary about the work of SFD in building the capacity for institutional development at district level, and would like to see this extended to the water bureaus at district level. This could be considered by SFD but whether the responsible unit, the Training and Organisation Support Unit, has the capacity at present to extend to sector ministries is doubtful.

SFD is seen to have contributed to the development of capacity in the sector through the training it has provided to a large number of engineers[9]. To improve its effectiveness, SFD has adopted an approach of training its consultants in all aspects related to the water sector, such as dam construction, irrigation, mechanised systems and rain water harvesting. It has also developed guidelines and manuals which are appreciated by stakeholders in the sector – e.g. *Design Manual for Drinking Water Systems* and *Design Manual for Small Reservoirs* – and guidance on the management of sanitation in rural areas.

2.1.3 Governance

Transparency and coordination: There have been thirteen different entities working in the water sector but they have been operating independently, a fact which makes transparency and coordination increasingly important. Recent coordination efforts by GARWSP has resulted in a commitment by all to develop a united plan by 2010 for rural water supply. This plan will be accompanied by an electronic database to be used by all stakeholders and on which the funding of projects will be determined.[10] If implemented, this system has significant implications for SFD; it would no longer independently determine which water projects to fund but rather would work within the framework of the national strategy and implementation plan based on its comparative

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[9] SFD has provided training to water engineers in a range of areas including dams, irrigation, rainwater harvesting.
[10] The proposed plan, it should be noted does not address the issue of transparent procurement of materials in the water sector.

advantage. It is noted that there are concerns in GARWSP that SFD will not be flexible enough to fund particular water systems, particularly mechanised systems. Given that there is now a National Strategy on Water, SFD, along with other stakeholders will have to align with the strategy. These issues are important from a donor perspective in furthering the principles of the Paris Declaration.

Poverty targeting: SFD is acknowledged to focus on the poorest areas and to have a poverty-oriented approach to resource allocation. Its particular area of comparative advantage is that its impact extends to the household level, unlike, for example, the Public Works Project, which is not able to reach to this level. However, some actors in the water sector would like to see SFD's targeting being guided by the priorities set at the governorate level rather than independently by SFD. They argue that this re-focused approach could still be achieved by poverty targeting in coordination with district councils on the relatively daunting condition that the councils have clear, data-based priorities. This issue of working with decentralised government entities is returned to later under the section on Decentralisation.

Gender issues: While women are responsible for water provision for the vast majority of households in Yemen, it is acknowledged that there is little involvement of women in the sector. SFD is not seen to have made a contribution to promoting women's involvement either at central or field level. In contrast, efforts by UNICEF and the Dutch to train female staff for field work (that is, social studies, community mobilisation and training) have had some success in that there are now 45 women working at central level compared previously with two. Such successes post a challenge to SFD to both recruit and train female staff/consultants to work with communities in the future and to build the capacity of female staff working in the sector at governorate and district level.

2.1.4 Programming

As previously noted, SFD has limited engagement in urban water provision except in roof top rain water harvesting. Senior management staff working in the urban water sector consider SFD to be effective in facilitating water associations and in providing funds for water projects and for studies and would like to see SFD scale up these particular activities. Stakeholders working in the urban sector also highlighted their hope that SFD would expand its mandate and begin delivering water to poor urban areas. However, NGO representatives and consultants suggest that there is a weakness in managing the projects in rural areas and that more training of communities in the technical aspects is required. They point to the need for SFD to pay more attention to sustainability and to revisit community groups to ensure that they have the requisite skills to manage the water projects. In general, many organisations have reportedly experienced difficulties when handing over water projects, and there is a sense that many communities encounter management problems. While on the one hand GARWSP representatives suggested that GARWSP may be able to play a role in supporting communities, in practice it experiences human and technical capacity constraints, as do the district councils.

In the water sector, SFD is seen to have the courage to use of new technologies, and being able to harness international best practices and to transfer them to Yemen. For example, based on international experience, including field visits and bringing experts to Yemen to share their approaches, SFD has revised its sanitation filtration systems. Some consider that the approach should be adopted nationally, but others have yet to be convinced of its appropriateness in the Yemeni cultural context. SFD should consider undertaking an evidence-based evaluation of its approach to assess the extent to which it has affected behavioural change in sanitation practices; findings of such an evaluation should be disseminated to stakeholders in the sector.

SFD's capacity to disseminate new innovations through workshops is appreciated. For example, staff members affiliated with the Public Works Project acknowledged that they are able to benefit from such events. SFD's role in highlighting the dangers of toxic waste and public environment awareness was also acknowledged.

2.1.5 Complementarities with the Ministry/Departments

As is evident from the examples above, under the section on *National Dialogue,* SFD is perceived by stakeholders to have moved considerably to align with the National Strategy on Water. This engagement has in turn enabled it to influence the Strategy. The next step is for SFD to have greater coordination of priorities with the water authorities. Such coordination is deemed by observers in the sector to be particularly important in geographical areas with very low water tables. There was also a call for the water authorities to be involved in the supervision of project implementation, both to assist in building the capacity of the authorities and to reinforce the position of government agencies such as GARWSP. They also saw a role for themselves in the evaluation of the projects to assess the relevance of different approaches.

2.1.6 Recommendations

1. SFD needs to continue to consolidate its commitment to aligning itself with the National Water Strategy, and to be seen to do so. Such a transformation will pose challenges. For instance aligning with government priorities at national and governorate level may, in some respects, conflict with its bottom-up approach to planning. That said, other moves towards coordination and harmonisation are singularly beneficial.

2. Contributing to the design of the proposed mapping of the country to identify those areas that are suitable for rain water harvesting and for mechanised systems is critical and should be treated as a high priority to ensure that geographical and geological criteria are mingled with poverty criteria. Once the map is completed, it will be an important instrument on which to base funding allocations in the sector and will move the sector away from its current demand-driven approach.

3. Innovation in embracing and piloting new technologies in the sector is a niche area for SFD and strengthens the argument for SFD to be a key partner in the sector. One such example is the need to evaluate its pilot sanitation programme in order to provide evidence of its impact upon behavioural change.

4. The findings of this evaluation concerning community participation (Section 4) indicate that the issue of community contributions is complex and controversial for many communities; SFD that will need to review its approach to ensure that it is not putting undue pressure on low-income households; it should also draw on the experience of other partners in Yemen. Moreover, SFD should critically examine its experience of community contributions and the related pitfalls and use the resulting findings to inform the proposed 'unified approach' to be adopted in the sector.

5. There is an opportunity for SFD to help build capacity of local councils, but such an activity requires greater coordination across SFD units than is currently the case. For example, the Water Unit does not have this capacity but the Training and Organisational Support Unit is acknowledged to have strong capacity in institutional analysis and development which could benefit the water sector but this is primarily targeted at the Local Administration sector. Similarly, SFD has developed a strategy on mainstreaming gender (the first government agency to do so) but this support has not penetrated to the national water sector, nor to governorate or district council level. In practice, this means that government partners usually have access to services offered by one unit, rather than having a more comprehensive support package from SFD.

2.2 Local Administration[11]

SFD has had an intensive level of engagement with the Ministry for Local Administration (MoLA). It has supported the development of the National Strategy on Decentralisation, has provided technical assistance to MoLA at central level, and has conducted institutional assessments and provided equipment at the decentralised level to six governorates. It also supports the implementation of the Decentralised Local Development Support Programme (DLDSP)[12]. The value and contribution of SFD was openly expressed by senior officials in MoLA who commented that 'SFD is a model...(and) this differentiates SFD from many other interventions'. SFD is seen to be effective in harnessing international best practice and adapting them to the Yemeni context. MoLA envisages that SFD, as a government agency, will continue to support it in terms of promoting social development and capacity building and in providing financial support.

2.2.1 National Dialogue

SFD's contribution to the development of the National Strategy on Decentralisation is well documented and will not be reiterated here (see *Aide Memoire*, Donor Review, Dec. 2008[13]). To summarise SFD's contribution, it is seen by the highest levels in MoLA to have played an important role, along with other partners, in contributing to the development of the Strategy. It participated in the higher committee and the technical working groups to develop the document and conducted workshops for local authorities to clarify and discuss the draft strategy; this was the first time that such a consultative process had taken place. The Ministry sees SFD as an important player in helping to build capacity and rehabilitate the local authority infrastructure in order to be able to fully implement the decentralisation process.

It is widely acknowledged that SFD has been instrumental in ensuring that the National Strategy on Decentralisation is inclusive of community participation. Its *Empowerment for Local Development (ELD)* programme, still in a pilot phase (discussed below under the section on Decentralisation), was considered influential in having the principle and methodology for community participation adopted in the strategy. SFD is also deemed by MoLA to have used its analysis of ELD to identify gaps and build critical elements into the National Strategy such as community participation.

Additionally, the adoption by MoLA of the concept of community contribution to projects to promote sustainability (minimum 20% in cash or in kind) is attributed to the advocacy of SFD and its effective use of advocacy materials such as video, brochures, presentations. However, the Ministry would also like to see SFD play a role in disseminating the concept of community participation to the public and, in particular, to the media in order to demonstrate that people are taking ownership of their own development.

SFD is seen to be poverty focused and to be effective in both gaining communities' trust and building their capacities. As a result, as one official stated, SFD is able 'to enter places where

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[11] This section is based on a focused group discussion with MoLA attended by the Vice Minister, deputy ministers, assistant deputy ministers, and all senior directors.

[12] The Decentralised Local Development Support Programme commenced in 2003 and operates through a technical secretariat for supporting decentralisation within MoLA. One the one hand it focuses on institutional development and capacity building, and on the other hand on policy and strategy development. At the end of 2005, it was operating in 28 districts in 6 governorates and, at the end of 2006, in 48 districts in 8 governorates.

[13] The Aide Memoire from the Donor Review Dec 2008 states the following: 'On the 28th October 2008 a final version of the National Strategy for Local Government was adopted by Parliament. SFD have been instrumental in ensuring that the National Strategy is inclusive of community participation. They have continued to provide both finance and facilitation support for workshops to discuss the draft strategy with local government and other stakeholders at governorate level. During the last 6 months SFD have conducted a further 7 workshops. SFD have been involved in both the higher committee responsible for the strategy and the technical drafting committee. Clearly the input of the SFD MD has played an important role in getting issues of community participation embedded within the strategy. The work of the TOS unit staff must be commended however in providing the strategy with high quality inputs.'

donkeys don't enter'[14]. Its nurturing of bottom-up planning, now to be adopted nationally is deemed 'a new revolution[15]'.

2.2.2 Institutional Development

At central level, SFD has provided technical expertise to carry out an institutional analysis of general administration within MoLA. The focus was on identifying barriers to realising the decentralisation objective and in helping staff to compare the ministry's regulations with what is happening in practice at the local level. It has provided training for Ministry cadres and has trained a team of trainers focusing on planning and budgeting in MoLA's administrative units; this training has been rolled out. MoLA staff have also been trained by SFD on how to monitor and follow-up on projects, and equipment (mainly computers) have been provided to assist in this process. Senior staff within MoLA responsible for training posited that the institutional arrangements within MoLA may not be such that it is able to maximise the effectiveness of such training, and suggested that an evaluation of the impact of such training be undertaken. SFD has also developed a module on how to conduct an Institutional Analysis in conjunction with one department within MoLA; this training can be replicated more widely within MoLA in the future.

The contribution of SFD to the development of training manuals, being piloted in the Decentralisation Local Development Support Programme, is also recognised by MoLA.

The Women's Department within MoLA is an example of a new unit that is looking to SFD for strategic as well as practical assistance, commencing with an institutional analysis. The recent establishment of Female General Directorates at the governorate level opens space for SFD to support women's empowerment throughout the country given that it was one of the first government agencies to develop a *Gender Mainstreaming Strategy*. The Women's Department would like SFD to play a more active role in building the capacity of female staff at central and local levels and to assist the Department in developing a database on the level of women's participation in both local administration and in community-level development committees. These moves would create a baseline on the current gender situation against which progress could be monitored. The Department also sees a role for SFD in redressing another notable problem: there are numerous plans in the country to assist women but little follow up and implementation at the local level. The Women's Department would also like to see greater focus by SFD on coordination of activities for women at the local level and support the newly created Female General Directorates. Furthermore, it looks to SFD to develop case studies of *how* to form committees at the community level in a manner that promotes and sustains women's participation[16].

At the governorate level, SFD is seen to be 'doing a good job'[17]. It has conducted institutional assessments with six governorates and helped identify gaps in human resources as well as in legal, technical, and institutional areas. SFD assists the governorates in preparing plans to fill the gaps and provides organisational support (mainly infrastructure and equipment) and training. It is seen as the only organisation to undertake performance evaluation sessions and to support interventions across a range of governorates. SFD has been commended for evaluating its work, though informants also suggested that SFD evaluate the manner in which governorate administrations have utilised assistance which has been provided given the wider institutional constraints referred to earlier. In terms of capacity building, in some governorates SFD has trained staff in procurement and budgeting, and has promoted greater synergies and a reduction in operational difficulties between executive offices (of line ministries) and the local authority through running joint workshops.

SFD is considered to be a strategic partner by those governorates with whom it works. It is perceived

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[14] Comment by Mr Mohamed M Zeman, Deputy Minister for Local Development.
[15] Senior official at the Ministry of Local Administration.
[16] SFD's Integrated Interventions Programme has had particular success in involving women in programmes alongside men.
[17] Comment by Secretary General, Ibb Governorate.

to be organised in its work; interventions are simultaneously able to support, for instance, education and infrastructure while also furthering the decentralisation process. Indeed, one senior government official ventured that SFD has given more support than MoLA in the decentralisation process. However, it should be noted that SFD has access to financial resources and has independence in decision-making, advantages not easily enjoyed by MoLA. Its *Empowerment for Local Development* pilot project (in Ibb governorate) was praised for establishing elected development committees at the district level that are addressing citizens needs. SFD is seen to have 'broken the psychological barrier'[18] between citizens and local authorities where projects are now transparently identified based on development plans rather than being seemingly selected at random and with little justification.

2.2.3 Governance

Many of the strengths of SFD defined by MoLA officials relate to areas of good governance, including:

- disbursing funds efficiently;
- flexibility as opposed to being bound by a cumbersome bureaucracy;
- solid capacity and effective management;
- a grounding in the realities of "the field";
- effective and easier systems for decision making, relative to the MoLA;
- a comprehensive database of information;
- a capability in gender mainstreaming not seen elsewhere; and
- financial stability for staff and correspondingly low rates of turnover.

In this respect, SFD is seen as a benchmark agency which is well organised and which has a system that is more developed than that of government; however, this is at least partly attributed to SFD's independence and its proven ability to attract external support. It was highlighted that a positive indicator is that donors commonly agree to support interventions where SFD agrees to be involved because it has rigorous assessment, procurement and monitoring mechanisms. The Decentralisation Local Development Support Programme was given as one such example.

In terms of uptake of SFD approaches, the Ministry has adopted SFD's methodology for planning, budgeting, funding, design and implementation at the local level. SFD's poverty focus is recognised, and SFD's method of poverty targeting was used to select the districts funded by SFD under the DLDSP programme. However, this was not the key priority used when selecting other locations funded by other donors – DLDSP is a MoLA programme and is subjected to a wider range of criteria than SFD .

MoLA developed a manual on procurement jointly with SFD and provided training for the national procurement committee on procedures and principles. At an operational level, SFD is seen to be accountable and transparent; one example provided by officials was a proposal that SFD and the Ministry of Education would cost-share a project in Bura'a, Al-Hodeidah. However, the contractor stated that, if the Ministry was to be involved, the costs would be higher given that he would certainly have to pay corruption money.

Officials see a role for SFD in creating an environment that facilitates citizens in accessing information in order to promote transparency and accountability. One such example is the rejection by SFD of a team of trainers nominated by the Ministry in favour of a public competition; this was the first time MoLA had placed a public advertisement for trainers.

MoLA officials would like a wider level of communication with SFD beyond the Training and Organisation Support Unit, and many are not aware of the full range of SFD's activities or of the

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[18] Comment by the Secretary General, Ibb Governorate.

potential for collaboration beyond their own, ongoing project with SFD. MoLA has stated that at present, given that the National Strategy is in place, its implementation is a huge challenge and that SFD also needs to be prepared to engage and provide support. Furthermore, MoLA intends to develop a national strategy for capacity building and expects that SFD will be a partner in its development and implementation.

2.2.4 Complementarities with the Ministry

There are memoranda of understanding between MoLA and SFD on such areas as institutional analysis, training and organisational support. SFD is a trusted partner for MoLA that is perceived to help the Ministry without any hidden agenda; this trust extends to both officials and beneficiaries. Furthermore, because SFD's work is underpinned by clear approaches and plans, it serves as a catalyst for attracting external donor funding.

MoLA does not consider itself a service provider to local authorities but as a coordinator that mobilises other partners/donors to implement programmes. Its primary focus is capacity development and monitoring and evaluation. SFD was established in 1997, well in advance of local councils which were founded in 2002, and hence MoLA sees SFD as a potential partner in building the capacity of both MoLA and local authorities at governorate and district levels.

Given that local councils came into existence after SFD, one senior official in MoLA[19] commented that SFD should take greater cognizance of elected councils. It was argued that SFD should move towards supporting development priorities of local councils rather than establishing its own programmes or working directly with communities, which risk being driven or co-opted by individuals; this issue is returned to in Section 3.2.3. He spoke of the need to establish a district-level system that would facilitate the tracking of all development interventions rather than assessment of individual projects. Finally, the need for SFD to support the on-going training and development of local representatives (understanding their as councillors, and skills in planning and budgeting) to accommodate the turn-over at election time, was emphasised.

2.2.5 Recommendations

1. SFD has developed an important relationship with MoLA where it is considered to be a trusted partner that has skills and resources. If decentralisation is to succeed, MoLA acknowledges that it needs considerable assistance and has indicated that SFD can play a role of a key strategic partner and resource. SFD is well placed to do so.

2. To the present time, SFD has had a great deal of flexibility in determining the focus of its engagement with MoLA and local authorities. However, in the future it will need to ensure that MoLA is in the driving seat in terms of supporting local authorities and regulating and monitoring the sector/process.

3. SFD's demand driven mode of operation was well-established before the Local Administration Law was issued in 2000 and prior to the establishment of local councils in 2002. A National Strategy on Decentralisation was formulated in 2008. As decentralisation takes root and bottom-up planning is consolidated, it will challenge SFD to move away from its demand-driven approach to funding projects, to supporting the funding of elements of district plans. SFD will need to re-assess whether its current practice of primarily working on a sectoral basis supporting individual projects is the most relevant model or whether SFD should move towards becoming a more strategic resource supporting governorates and districts in terms of capacity building and the provision of financial resources.

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[19] Comment made by Mr Mohamed M Zeman, Deputy Minister for Local Development.

4. Three areas were identified by officials where SFD can complement and enhance the role of MoLA in the future.

    - SFD may provide tailored capacity building for its different sub-sectors in order to help MoLA personnel understand their role and duties vis a vis governorates and their involvement with monitoring and evaluation. Specifically, this training should focus upon planning, budgeting, participation and participatory planning, gender mainstreaming, lesson learning, and decision making.

    - SFD should conduct and support MoLA in conducting organisational analysis to identify gaps and to build the Ministry's capacity for institutional development internally at the national, governorate and district levels.

    - SFD should assist MoLA in developing policies related to gender and development and should build the Ministry's capacity to further women's involvement and participation.

2.3 Social Protection[20]

SFD is considered to be a key partner with the Ministry of Social Affairs and Labour (MoSAL) in relation to social protection and disability issues. The Ministry indicates that it does not receive any external donor support, though recently it has commenced discussions with the World Bank. Additionally, due to the national economic decline, the Ministry has endured a fifty percent cut in its operational budget, similar to other ministries, and that it has insufficient resources to enable it to meet its mandate in relation to such issues as child protection, child labour, and women's unemployment. With the global economic crisis and recent food price increases, the Ministry states that more people are falling into poverty, yet its own budget has decreased significantly.

2.3.1 Facilitation of National Policies/Practices

At a policy level, SFD worked alongside the Ministry in developing the National Strategy for People with Disabilities and the Social Protection Strategy. At an operational level, there has been strong cooperation between SFD and the Ministry in the area of special needs and disability. SFD has undertaken the training of trainers in relation to special needs , has procured artificial limbs, and provided support for hearing aids while the Ministry provides local and running costs.

A poverty study, which underpins the food for work programme developed in response to the food crisis, is co-funded by SFD, the EU and the World Bank and is the first time that the Ministry and Social Welfare Fund Department conducted a study of this kind. SFD was responsible for the consultancy and was deemed sufficiently credible to manage the funds; it provided computers and some 330 digital cameras which allow for documentation through photographs, thus reducing the risk of false claims.

The Social Welfare Fund within MoSAL developed a microfinance programme based on Islamic Banking, and is modelled on the microfinance model promoted by SFD with microfinance institutions. Along with CGAP, SFD provided expertise, and SWF officials were taken by SFD on an exposure visit to Bangladesh. SWF's objectives are to provide training and credit to recipients of the Social Welfare Fund so that they can establish small scale enterprises. The Ministry states that the programme is particularly effective in rural areas, and an overall repayment rate of 90% has been achieved; women account for 70% of borrowers, similar to that achieved by SFD.

2.3.2 Institutional Development

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[20] This section is based on a focused group discussion with the Ministry of Social Affairs and Labour attended by the Minister, deputy ministers, assistant deputy ministers, and all senior directors.

SFD has supported the MoSAL with assistance related to infrastructure, data management, and the development of strategies such as the Disability Strategy and the Social Protection Strategy. SFD has funded studies in conjunction with the Ministry such as on child labour, a poverty study on identification of the poor – of direct relevance and applicability to the Ministry's work. In addition, SFD has supported organisational strengthening of the department that supervises NGOs and has procured the following: hardware, including a computerised network, furniture; it has also funded the building of centres for orphans and the disabled. Finally, SFD is also active in promoting the mainstreaming of disabled children into the education system (discussed below under Inclusive Education).

The direct organisational strengthening support provided by SFD to NGOs – through both the Training and Organisational Support Unit and the Social Protection Programme – is deemed by the Ministry to be strengthening the overall national framework for service provision, especially in relation to disability. SFD was also commended for establishing legal libraries, running workshops for NGOs on the legal framework, and organising training for the Boards of NGOs. These activities are seen to complement the work of the Ministry, which provides some financial support to NGOs, of which there are some 6,000.

The Social Welfare Fund in the Ministry places a high value on the support provided to establish electronic networking, which has facilitated coordination at the central level and more effective planning with the governorates. It claims its database is accurate and up to date and has increased overall effectiveness compared with its previous manual system. SFD has also helped with the decentralisation of management of the Social Welfare Fund across twenty two governorates through the provision of both hardware and training.

SFD also works with the Ministry in institutional strengthening of the Social Welfare Fund in three governorates, where training has been provided in data analysis and professional development. The Social Welfare Fund indicates that 20% to 30% of its 1600 staff have received training through SFD's Training and Organisation Support Unit.

The MoSAL claims to be second only to SFD in terms of monitoring and evaluation, a fact which it attributes to SFD-provided training and SFD-organised 'exposure visits' overseas.

2.3.3 Complementarities with the Ministry

Given its limited resource base, the Ministry looks to SFD as one of its main supporters; however, as SFD is an integral part of the social safety net system in Yemen, MoSAL expects more support. Currently, the Ministry receives about $400,000 from SFD, an amount which is deemed insufficient[21]. There is no formal agreement between the Ministry and SFD, but the Minister for Social Affairs and Labour is the deputy chairperson of SFD's Board of Directors. As the numbers of Yemeni citizens eligible for disability assistance has increased from 100,000 to 130,000, and as the numbers of NGOs working with disability has increased from 20 to 120, now employing approximately 1,000 staff, the Ministry considers that additional funding should be included in the Disability Fund.

The Ministry spoke of good coordination with SFD which has helped to reduce duplication and the harmonisation of support to NGOs that work with both institutions. SFD's procedures are not deemed bureaucratic, and payments from SFD are on-time and complete.

2.3.4 Recommendations

1. As one of the few government agencies working in the sector, SFD has played an important role in supporting MoSAL to build systems and procedures and develop targeted programmes, and will need to continue to do so.

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[21] Source: Minister of Labour and Social Affairs at a meeting with the consultant.

2. With regard to future needs, the Ministry has a mandate for a number of critical areas that have yet to receive much attention including those of juvenile offenders, street children, orphans, child labour and child trafficking. With its resources and its ability to harness international expertise, SFD should play a facilitation role to enable the Ministry to grapple with these serious problems.

3. SFD's support to the Ministry to develop national strategies in such areas as disability and social protection is much appreciated and should be considered a first step. SFD will also need to provide support for the implementation of related action plans to enable MoSAL to fulfil its role.

2.4 Education Sector

Supporting the education sector has been a major priority for SFD. From 1997 to 2007, it has funded over 3,000 education projects valued at US$301 million. In 2007, the education sector accounted for one third of all SFD expenditure. A majority of this funding is dedicated to the construction or rehabilitation of schools and classrooms, and SFD has been used as a benchmark for the design and costing of education infrastructure. The Minister of Education is on SFD's Board of Directors and there is a Memorandum of Understanding between SFD and the Ministry of Education (MoE) which sets out the division of labour between the two institutions.

SFD is acknowledged by informants to focus on the following: highly impoverished areas, education quality, and other niche areas such as children with special needs, gifted and talented children, girls' education, school mapping, and pre-school education. Expansion of infrastructure for basic education, which, as previously noted, is the largest form of SFD support to education, is based on a demand-driven approach; the other activities are primarily implemented through pilot programmes in various locations throughout the country.

The information contained in this section of the SFD Institutional Evaluation report is based on a workshop with participants representing all the education programmes which SFD supports. Informants were primarily from the governorate and district levels[22], and included both education sector staff and heads of schools. Interviews were also held at the national level with the Director of Literacy and Adult Education and with the Head of Inclusive Education at the MoE. Participation by other representatives from the MoE would have added value to the evaluation but was not possible during the course of field-based data collection. Regardless, the information gathered from the numerous sources consulted provides worthwhile insights into the role of SFD in implementing national policy.

2.4.1 National Dialogue

In 2002, the Government of Yemen developed a national Basic Education Development Strategy, the objectives of which are raising the enrollment rates to 95% by 2015, improving the quality of teaching, upgrading curriculum, school administration reform, improving fund management, decentralizing management of educational services, expanding the availability of school space for girls, using underutilized classroom space, instituting double-shifts, constructing new schools based on school mapping, enhancing community participation. SFD is an active partner (along with many others[23]) in implementing this strategy primarily by promoting access to basic education through

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[22] These include Inclusive Education, Pre-school Programme, Gifted and Talented Programme, Rural Girls Education, Administrative Decentralisation programme, Quality Education Programme, Literacy Programme, and the School Mapping Programme with the MoE.

[23] In 2004, a Partnership Declaration for Implementation of the BEDS was signed between the Government of Yemen and the World Bank, UNICEF, WFP, ILO, UNESCO, the Governments of Germany, United Kingdom, The Netherlands, France, and the European Union. The objective of this Declaration is to harmonize strategies and effectively allocate all government and

financing the construction and rehabilitation of classrooms, provision of basic equipment and furniture for schools, and in 2008 this accounted for the majority of the 49% of SFD funds. In addition, it pilots programmes for special groups. In 2009 alone, 526 projects were approved by SFD in its education sector work plan. The majority of these are based on a community-driven model whereby communities present proposals for the funding of infrastructure by SFD.

With regard to SFD's education programmes for special needs populations, three were highlighted by informants:

- The *Gifted and Talented Programme* aims to support efforts by the MoE to establish an institutional system to care for gifted and talented children. SFD is actively engaged in supporting the development and provision of a service for this exceptional youth population which has not previously been available. For example, it has supported a pilot programme that includes curriculum development, the provision of materials and furniture, and the identification and enrolment of talented students. To date, this intervention has been piloted in two schools in Aden, one in Taiz and one in Sana'a. SFD has funded experts from Jordan to work with MoE with a view to developing a national programme. Staff from the MoE have been trained and currently comprise a national technical team, and training courses have been run for teachers and administrative staff on the needs of gifted and talented students. The programme is now at a stage where it is ready to be mainstreamed within existing schools. Informants indicate that the MoE is committed to scaling up the programme. Indeed, the Ministry is considering restructuring one of its departments to accommodate the programme.

- To ensure that children with special needs receive public education, SFD has been involved in supporting *Inclusive Education* for many years through working with NGOs and a limited number of governorate administrations to provide services to children with special needs. The Department of Inclusive Education in the MoE has a broad definition of inclusive education that includes gifted and disabled children, street children, orphans and children involved in child labour; staff members in this department would like SFD to match this definition in order to include these marginalised groups. It points out that a national programme on inclusive education is key to delivering on the government's international commitments, children's rights under the Yemeni constitution, and the Millennium Development Goals. It perceives SFD as spending substantial resources on the provision of infrastructure and technical and administrative training for NGOs dealing with special needs, but argues that there is neither oversight nor follow-up on the work of NGOs. This raises the important issue of the need for SFD to evaluate its contribution to development outcomes for special needs groups[24]. The Department of Inclusive Education sees a key role for SFD in strengthening organisations working in the sector to develop policies and programmes, but it would also like SFD to work with it on developing clear criteria and regulations for all actors in the sector. The Department for Inclusive Education acknowledges that it lacks resources and has limited capacity; it is not recognised in the structure of the MoE (not on the organogram) and would need to be upgraded to a Directorate before it will be allocated operational costs. As an important player in the sector, the Department considers that SFD has a role in advocating on its behalf with the MoE. Furthermore, it would like SFD to advocate for, and work together with the Ministry and the Department itself to develop a national strategy and action plan for inclusive education which could, if implemented, significantly increase SFD's impact. Institutionally, inclusive education is managed by the Health and Social Protection Unit in SFD rather than the Education Unit, a structure that perhaps suggests that inclusive education is more welfare oriented that education oriented. SFD should re-appraise the structure to assess whether the

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donor resources for basic education.
[24] The current assessment that SFD is undertaking of NGOs, which will underpin its NGO Strategy should also inform the extent to which SFD is focusing on outcomes.

objectives for inclusive education could be better achieved by being part of SFD's Memorandum of Understanding and on-going dialogue with the MoE. Similarly, the Inclusive Education Department in the Ministry of Education points out that while a National Strategy on Disability was developed under the auspices of the Ministry for Social Affairs and Labour, and supported by the Health and Social Protection Unit in SFD, the MoE has not engaged in its implementation. SFD should review whether more could be achieved by bringing inclusive education under the Education Unit of SFD, and included in its dialogue and Memorandum of Understanding with the MoE.

- *Literacy and Adult Education* SFD supports literacy classes in many villages, especially under the Integrated Interventions Programme. However, relationships with the Literacy and Adult Education Department have been strained, and there is a perception at the central level that SFD acts independently and should coordinate its programmes with national annual plans. Currently, SFD is perceived as running its own programme on literacy with little reference to activities which other governmental stakeholders are pursuing at various levels. From SFD's perspective, trust and cooperation is slowly growing with the Department, and there has been constructive engagement on the recognition of providers of literacy training. For example, the Literacy and Adult Education Department within the MoE has accepted a legitimate role for NGOs, which are key partners for SFD in delivering literacy-related interventions, but will need to establish clear criteria for their involvement. The Department would like SFD to increase the scope and level of its activity related to literacy and adult education while ensuring coordination and focusing upon remote areas where SFD is deemed to have a comparative advantage.

2.4.2 Institutional Development

Under its quality programmes (*Quality Education, Rural Girls Education, Gifted and Talented Children's programmes)* SFD is considered to play an important role in capacity building of teachers and school management, but also to have contributed to changes in traditional attitudes towards education among parents through the training of parents councils. Through its various programmes (referred to in the Section under *Programming* below), it is deemed to support institutional development through the provision of a package of inputs, both hardware and software, such as capacity building, technical assistance, technology and infrastructure.

SFD is deemed by governorate and district level staff to have a comparative advantage in training and capacity development (directly and through consultants). Informants indicate that the MoE has limited capacity for training teachers and would like to see greater collaboration with SFD to improve overall levels of training. They indicate that the Ministry uses personnel trained by SFD to train others throughout the country. SFD is also perceived by senior staff within the Ministry of Education, to be promoting a move towards improved education quality rather than simply focusing on quantitative issues of access and is building capacity in the sector; it is also procuring new resources and technology that would not be available from the MoE.

Administrative decentralisation of education: SFD is providing funding for the building of district offices to support decentralisation (infrastructure, equipment and furniture). Support to the decentralisation of education management commenced in 2005, and, to date, SFD has built 13 district offices in five governorates. In 2008 it committed to scaling up and to build a total of 63 district offices. It is envisaged that that will achieve the following: (i) greater collaboration between the local Bureaus of Education and teachers, (ii) enhanced supervision of education processes at district level, (iii) improved communications between school administrations and the ministry's district offices, and (iv) stability of staff in district offices. By facilitating local textbook storage, SFD hopes to circumvent the process whereby head teachers collect the books at governorate level and charge families for the associated travel costs, a charge which creates a further disincentive for parents to send their children to school.

School mapping:[25] The MoE indicates that SFD has provided substantial support in the development of a school mapping programme which has enabled the MoE to develop a database on the status of all schools in the country. Under the programme, which is based in the central Ministry, SFD assisted in building capacity through the training of 30 staff in GPS mapping. In turn, the MoE trained a further three hundred staff. SFD organised initial training for ten staff on the Geographical Information System (GIS), and, later, the MoE sent these ten to Syria for further training. Now the Ministry has a considerable pool of expertise in school mapping, and has information and photographs on 14,833 schools throughout the country. As a result of the GIS system, the Yemeni Cabinet has issued a decree that resource allocation at the governorate level must be based on data contained in the school mapping programme.

The Gifted and Talented programme mentioned above is a further example of institutional development and is a programme that informants indicate should be scaled up based on the successes of the pilot programme.

2.4.3 Governance

SFD is perceived to be committed to starting and completing a project; a fact that is enabled by its strong resource base. On the other hand, the Ministry faces numerous constraints that are not encountered by SFD such as having to provide education for all regardless of location or context but with limited qualified capacity.

In terms of countering corruption, SFD is acknowledged to work with local authorities and communities and to have a 'black list' of contractors, a practice that is not used by the Ministry. Informants indicate that many people prefer projects to go through SFD to avoid corruption. While corroboration was not available, Al Dhale governorate reportedly wants all education projects to go through SFD.

2.4.4 Programming

In all its programmes – Inclusive Education, Pre-school Programme, Gifted and Talented Programme, Rural Girls Education, Quality Education Programme, Children with Special Needs, Literacy Programme – SFD is acknowledged by senior staff in the MoE to be very effective and to have impact. Issues identified by stakeholders in the education sector which SFD has facilitated are as follows[26]:

- Capacity of human resources in schools developed - teachers, specialists, administrators of schools, social workers, librarians;
- Relationships improved between student councils and school management, between teachers and students, and between the school administration and students. This is seen to promote a social contract that has resulted in less violence perpetrated against teachers;
- Understanding by parent councils of their role and participation in the school;
- Availability of supplies of equipment and musical instruments increased;
- Performance of students in exams increased; this in turn has lead to increased enrolment of children because schools have attained a better reputation;
- Enrolment of girls in rural areas improved and drop out rates are reduced; and,
- Activities increased both in and outside class e.g. science groups, interactive learning, theatre groups, girls scouts, student councils, newsletters, trips, festivals, and greater involvement of

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[25] The School Mapping programme is discussed in some detail in the Institutional Evaluation 2006; hence it is dealt with in outline here.

[26] These issues were identified at a workshop run by the Institutional Evaluation attended by 20 participants representing senior government staff responsible for education programmes from seven governorates, as well as school principals and teachers,

students in planning these activities.

However, the assessment of SFD's contribution was not universally positive. Key informants indicated that SFD does not fully appreciate the constraints faced by the Ministry; a specific example was that the Ministry must work with its existing staff and cannot move poorly performing teachers out of schools that are supported by SFD.

The pilot *Improving the Quality of Education programme* is considered by informants to be one of the major contributions of SFD in terms of building the capacity of teachers through training provided by international technical experts from The Netherlands and Lebanon, and through the introduction of technology. An example was provided of one head teacher who has functioned as a model for other teachers. The Bureau of Education at district level requested that she invite all head teachers in the district to see the improvement in her school which is based on a school plan and vision and which has strong support from parents and students. Commentators are similarly positive about the programme for Gifted and Talented Children.

In terms of *Literacy and Adult Education* there have been differences between the Ministry and SFD regarding the approach taken. The latter favours functional literacy and has presented its approach, which has been accepted in principle, to the MoE, though informants indicate that there is still resistance to adopting new methodologies. There appears to be a gradual, albeit slow, merger of the two approaches to literacy and adult education, an observation which is also applicable to the training of teachers. An important constraint for the MoE is that it has limited funds for literacy. For example, in Al Dhale governorate, ten teachers were trained in literacy but no funds were available to run subsequent classes.

2.4.5 Complementarities with the Ministry

As referred to earlier, there is a Memorandum of Understanding with the Ministry of Education which sets out the division of labour. However, some observers consider that, while the quality of SFD work is very high, it operates in parallel to the MoE. As one informant indicated[27], when SFD is upscaling *the Improving the Quality of Education Programme* it approaches schools directly rather than through the MoE at the governorate or district level. One corresponding suggestion was that there should be a coordination committee between SFD and the MoE at these sub-national levels in addition to at the national level.

Similarly, the national MoE appeared to be unaware of SFD's work at governorate and district level on either inclusive education or literacy. It was argued that, if the central level knows what is being proposed, the MoE can facilitate SFD's activities and add resources. The head of the Literacy and Adult Education Programme perceived a lack of trust on the part of SFD of central departments, and gave the example of where a list of trainees provided by the Department for Literacy and Adult Education to SFD was not accepted and that SFD conducted its own selection process.

On the other hand, internal communication appears to be a problem with the Ministry itself with reputedly poor delegation of authority or resources to the governorate level. For example, many participants at the Institutional Evaluation workshop, who were mainly from the sub-national level, were not aware of the existence of the MoE action plan. This lack of delegation or downward communication, combined with poor criteria for targeting, means that there is a risk of politicisation of resource allocation. Corruption is a further concern for many informants.

SFD's states that its strategy is to work with and strengthen individual departments within the Ministry that are committed to a specialist service, and it relies on them to advocate for scaling up e.g. SFD procured all the hardware and software for school mapping in three governorates and now it has been replicated throughout the country.

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[27] Head of Education, Sana'a Governorate.

One senior official in one of the specialist departments within the MoE argued that as SFD has substantial financial resources compared with many ministries, it should fund the annual plans of government departments, particularly those that seek to provide specialist services to marginalised groups. From an SFD perspective, its remit is specifically poverty reduction, not education for all. Moreover, it is concerned that the formulation process and content of such plans may not be sufficiently robust, transparent or accountable to enable it to allocate funding. The challenge therefore is for SFD to fully engage with the various specialist departments to influence their development and have an agreement which makes explicit SFD's contribution.

In 2009, SFD proposes to train fifty five district education offices and governorates on decentralisation, national strategies on basic and secondary education, and on education in the international context. It will also train them on how to advocate with the centre for their rights. In the future, SFD is also considering developing models to strengthen districts in different contexts including areas that experience conflict or are difficult to reach middle areas and better off areas.

2.4.6 Recommendations

1. Recipients are very complimentary about the support provided by SFD under its various programmes as it has given them access to services, methods, technology and expertise that cannot be provided by the MoE. However, the MoE's plans for scaling up such programmes are unclear, though the MoE has expressed its intention to mainstream the SFD programme for gifted and talented children. Efforts need to be intensified to ensure that the MoE and SFD develop an approach to scaling up and mainstreaming other successful SFD activities lest promising opportunities should be lost.

2. SFD should develop an internal strategy for promoting its long-standing work on inclusive education, mainly through NGOs, with the MoE. While recognising that the resources and capacity of the Department for Inclusive Education are limited, SFD can add value by working with the Department to define a vision (and perhaps agree a three-year programme of work) that would include capacity building, engagement of the MoE so that specialist groups of children can be mainstreamed within the education system, and the establishment of a system of oversight for organisations (primarily NGOs) involved in the sector. One suggestion is that SFD fund a roundtable discussion with an independent facilitator on inclusive education in order to learn the lessons of the last 12 years and to decide how existing resources can be used more effectively.

3. To advance such objectives, SFD should review its internal structures to assess whether more could be achieved by transferring inclusive education to its Education Unit from its Health and Social Protection Unit. Doing so would also result in inclusive education being integrated within SFD's Memorandum of Understanding and ongoing dialogue with the MoE.

4. Similarly, there may be a case for bringing all literacy programmes under the Education Unit rather than, for example, under the Integrated Interventions Programme. Such a restructuring would promote greater coordination with those ministries and departments directly responsible, an issue of concern to government officials.

5. SFD needs to intensify efforts for more effective coordination especially between SFD and MoE within the governorates and districts. This could be facilitated through joint planning and monitoring and evaluation exercises. This coordination needs to transcend the annual meeting which includes all directors of education at governorate level with the MoE. Similarly, there needs to be coordination with the specialist departments at the central level to gain their input and support.

3. Local, District-Level Impact

Sub-Objective: To assess the initiatives sponsored by SFD in support of the decentralization process in Yemen and make recommendations for further SFD support

Commentators argue that the Yemeni government has not yet been able to extend its agency, including its administration, police and judicial system, to many locations outside the urban areas where, to a large extent, tribal systems still prevail. The recent move towards Local Governance has meant a significant shift of responsibility from the centre to the local government level but without the accompanying requisite human and financial resources. The 2006 Institutional Evaluation identified that SFD was playing an important role in helping to strengthen governance structures at the local level and in establishing and fortifying links between local authorities and communities.

The potential role for participatory approaches to support decentralization, such as those promoted by SFD, is significant, especially in terms of depoliticizing local development plans, but also fraught with challenges. SFD is supporting two programmes focusing on decentralization, the Decentralization and Local Development Support Project (DLDSP), and the Empowerment for Local Development Programme (ELD), both of which were reviewed for this Institutional Evaluation.

3.1 Decentralization and Local Development Support Project (DLDSP)

SFD has a partnership with the UNDP to support the piloting of the DLDSP and was the first organization to provide funding, though many other donors have since come on board. The first phase of the DLDSP formally came to an end in 2008 but has been extended by a further six months to develop a number of guidance manuals.[28]

The programme had two main outputs: (i) the development of strategy and policy within the Ministry of Local Administration (MoLA) on decentralization and (ii) institutional development and capacity building. Strengthening local government institutions to plan and budget for local development and to build capacity in public expenditure management was a key component of the DLDSP. In addition, a facilitation team, chosen from the executive organs at governorate level, facilitated the process at the district level. DLDSP included a mechanism to provide budget support at district level (a parallel funding mechanism to support the implementation of district plans - the Local Authorities Development Fund). SFD's role has been in terms of providing funding to support work at the district level. Overall it has provided funding of about US$3.6 million, of which US$ 3.1 million is being provided in direct budgetary support. SFD's contribution supports four districts in each of four governorates. The total programme now covers 48 districts of which 28 districts – representing 14% of all districts and 38% of governorates in Yemen – have received $100,000 in direct support.

The Institutional Evaluation held a workshop on the DLDSP with participants from governorates, districts and community level, along with DLDSP staff and representatives of the MoLA.[29]

3.1.1 Impact on District Planning
From the perspective of DLDSP staff at central level and those nominated from governorate level to work with the project, a number of significant changes have occurred including:

- key executive organs representing the line ministries now have a presence at the district level;
- a minimum number of personnel have been allocated to work in the District Office;

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[28] Hindson, D. et al, Yemen: Decentralised Local Development Support Programme, Evaluation Report, April 2008
[29] Twenty one persons participated in the workshop (all men) representing the local structures (community representatives and district officials) from DLDSP targeted districts, the governorate mobile teams from the target governorates of Hodeida, Taiz and Amran, and staff from central level working at MOLA and/or involved in the management and supervision of DLDSP.

- administrative, financial and technical systems are operational, and the capacity of staff has been built to operate and maintain these systems;
- districts have been trained in revenue collection, preparation of bids and in overseeing the the preparation of investment programmes and the implementation of projects;
- guidance has been developed on public expenditure management and project cycle management;
- there is a good level of interaction between, and synergies among the structures of the local authorities facilitated by a core team drawn from within the district;
- there is a minimum level of office furniture and equipment; and
- the implementation of methodologies and plans have been facilitated through the additional funds provided by the project.

More significantly, perhaps, is the fact that these changes are observable by local communities/representatives who attest to the success of the DLDSP project in creating a high level of awareness among the different levels of decision making and on respective roles and responsibilities. This level of awareness has facilitated improved local planning with defined responsibilities at each level. Planning is based on data collection and has followed a structured path until the district plan is finalised.

The experience of DLDSP has generated wider consensus on the effectiveness of the project and the raised demand for its replication by other districts. The representatives of the local structures consider that DLDSP has set the base for a strong foundation and has developed the financial, technical and administrative capacity of the local authorities. The pilot project was also said to have generated a wider understanding of the importance of planning based on local priorities using a systematic methodology.

3.1.2 Participation

DLDSP has assisted in setting up the Core Team, which includes communities' representatives (both men and women) and civil society organisations (CSOs), to assume responsibility for planning, monitoring and evaluation of plans at the district level. Data collected by the DLDSP facilitation team underpins the district plan. It has also assisted in setting up beneficiary committees to be involved in the operation of sectoral projects which are directly managed and monitored by such committees; these committees also liaise with the procurement committee at district level. The involvement of civil society organizations is encouraged, and they are often involved in supporting the management of projects.

Transparency and accountability have also been enhanced through social monitoring whereby the district plan is widely publicized, being published in local newsletters and posted at the District Office.

3.1.3 Fiscal Decentralisation

The main constraint, shared by many other decentralisation projects, is the lack of resources to implement the district plans. Community informants indicate that DLDSP has not been able to affect resource allocations at the higher levels. However, they point to greater effectiveness and equity in the use of existing resources give that the planning process is clear and transparent, thereby reducing the risk of corruption or bias towards certain communities. Effectiveness is also enhanced because planning follows clear procedures and criteria for defining priorities towards which to apply the available resources. At the central level, DLDSP considers that it has been influential in the adoption of the concept of strengthening local financial resources within the national Strategy on Decentralisation.

3.1.4 Strengthening the State and Reducing Conflict Vulnerability

Informants at the workshop[30] argue that DLDSP has helped to strengthen the State by promoting systems and procedures that support service delivery and therefore, indirectly contribute to reducing conflicts which arise from bias in resource allocation within each district. Some examples provided include:

- local capacities for preparing plans and programmes, based on appropriate targeting criteria, have been developed;
- appreciation has grown surrounding the importance of decision making and planning based on primary and secondary sources of data;
- local authorities have prepared plans that are linked to budgets;
- local authorities have managed expenditure in line with government procedures for budget execution; this has improved the effectiveness of existing resources;
- administrative units have increased understanding and capacity on the Local Authority Law and its bylaws;
- DLDSP has contributed to the implementation of a number of projects and the completion of unfinished ones by providing external financial support to the investment program;
- the quality of skills has improved through capacity development, and hence improved activities; this is in marked contrast to non-supported districts;
- systems have been established for monitoring and evaluation of the local development programme;
- the experience has generated interest and enthusiasm among non-supported districts to adopt such an approach.

3.1.5 Constraints Encountered During Implementation

A key constraint is the lack of recognition of some governorates of the process. For instance, in the case of Al-Hodeidah, not only do finances flow through the governorate, but the governorate also decides which projects should be supported within the districts. Better approaches, however, can be seen in Taiz and Amran, where each governorate notifies the districts of the amounts available for each district. The districts then allocate this amount for various projects.

Furthermore, local actors highlighted the duplication of effort whereby plans must be developed in two formats – that of the government financial format and the project format, a lengthy process which consequently leads to delays in submission of plans. It might have been expected that given the DLDSP was a Ministry of Local Administration programme, that it would reconcile such issues.

Respondents were of the view that now that given the presence of a national Strategy on Decentralisation and a commitment to local governance, a national programme, drawing on the lessons of the DLDSP pilot activities, should be established by the MoLA to support districts.

3.2 The Empowerment for Local Development (ELD) Programme

The reach of government in Yemen, if at all, is to District level, but there is a gap below this level. Up to recently there has been no legal framework for cooperation between the District and citizens, but this has changed with the introduction of the National Strategy on Decentralisation which provides for transparent, community elections, and community participation, and gives a right for communities to mobilise under the district level. SFD staff consider that given their current capacity, local authorities are unable to do bottom up planning, and hence organised community groupings should be seen as a support to local authorities. The initiation of projects such as *Empowerment for Local Government* is an effort to overcome these constraints.

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[30] See footnote no. 29.

The Empowerment for Local Development (ELD) programme is a pilot project designed and fully funded by SFD based on its ten years of working at the decentralized level. ELD has been piloted in three districts (Jiblah, Al-Nadirah and Al-Haima in Ibb governorate). During the first 6 months of 2009, the program has extended to 7 districts, across 4 Governorates. These include Ibb, Sana'a, Amran, and Dhamar. There are currently plans to extend further,r to include during 2009 Mukala, Hodeidah, Aden and Taiz branches. ELD aims to fill the gap between communities and local authorities and to build capacity such that participation (not simply consultation) is institutionalized into the work of the local authorities. ELD seeks to build capacity at three levels – the community level through community development committees and their prioritised plans, the sub-district level (*uslas*), which includes representatives of a number of communities and which develops a prioritized plan at the *usla* level, and the district level, which develops a district plan based on the usla plans. It promotes a coordinated effort between communities, local authorities, private sector and NGOs.

SFD argues that this bottom-up approach, now adopted by MoLA and reflected in the National Strategy for Local Governance 2020[31], takes the focus off of the central government to deliver services. It instead aims to mobilise communities to do what they can independently accomplish while strengthening lines of communication between the community and local authority in order to build trust. It states that the approach is problem-based, programmatic (not sectoral) and results in balanced plans across the district.

The ELD programme also includes a social auditing component which has been developed as a problem solving (or conflict resolution) mechanism and has been effective in such areas as addressing sanitation and environmental concerns (e.g. water contamination resulting from the dumping of oil by small enterprises).

The Institutional Evaluation conducted a field visit to Jiblah, an urban location popular with tourists, adjacent to the district headquarters. Consultations were held with senior representatives of the governorate and district authorities, local councillors, community representatives and the social auditing committee. A field visit was also undertaken to the newest pilot site, Bani Usuf, at Farir Al Odeyn, which in marked contrast to Jiblah, is a remote, barren mountainous location, one and half hours from the governorate headquarters, where the rural appraisal exercise and the election of committee members and activators[32] were observed. Key areas of focus were the impact on district planning, the level of participation, the effectiveness of SFD's capacity building interventions and ELD's contribution to strengthening relationships between local authorities and communities. The applicability of planning, participation, capacity building and relationship-building to conflict resolution was also considered throughout.

3.2.1 Impact on District Planning

From the perspective of the governor, the benefit of ELD is that it focuses on the district level – other institutional building assistance provided by SFD is primarily at the governorate level. ELD is seen to bring a change in the planning, budgeting and procurement methods of the Districts; he also noted that communities are deemed to have a great capacity to contribute to, participate in, and to adapt to new methodologies. From the perspective of the communities, ELD has reversed the planning process from top-down to bottom-up and has fostered greater equity as projects are more evenly distributed across the district. Furthermore, community involvement makes it easier to follow up on projects. Decisions are based on data, and a systematic approach is followed, thus increasing transparency and accountability to citizens. The coming together of District officials and communities to develop a joint plan is seen as an achievement in itself.

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[31] Ministry for Local Authorities, National Strategy for Local Governance 2020, 2008.
[32] Activators are community mobilisers elected by the community.

The process of planning is considered to be conducted in a very democratic way by gathering the community together and electing and training activators, committees, and members of a monitoring board. Separate training was provided for men and women, and the process has created some awareness of gender disparities (e.g. for the reasons why girls drop out from school). As a result, male leaders are seeking to pay greater attention to issues such as girls' education.

The resulting plans are seen to be a reflection of communities' priorities, all feeding in to a single prioritised district plan. Relationships between communities and local authorities have been strengthened, and community representatives state that the experience has been positive overall and that a solid base has been laid for community engagement with local governance. While much remains to be done to see tangible results at community level, the enthusiasm observed during field visits that the community groups have for the process is impressive. One such example is the fact that the community committees have, in practice, been institutionalised into the district structure. There has also been closer engagement with NGOs, such as joint workshops.

According to districts involved, they now have the capacity to develop better plans than un-involved districts; plans are based on needs and the reality of the situation on the ground, and this in turn has reduced political interference. It sees the process of community participation as transcending individual projects, and that this has given an impetus to the local authority. Community members commented, however, that there is need for a two-way mechanism for feedback between the District and the community committees in that communities consider that they provide much information to the district but do not necessarily receive good feedback on developments within the districts from the local authorities.

From a gender perspective, the awareness creation has resulted in greater use by women of services provided by local NGOs (e.g. literacy classes and mobile health units). However, while there is a quota of two women to be elected to the community committee and one at the *usla* level. one woman commented that while the process had created awareness of gender issues, it did not translate into tangible projects for women. She posited that there are no specific provisions in the plan for women's priorities/interests despite a recognition by the community representatives that women's priorities are different (e.g. women wanted training in hairdressing and support for summer camps for children). While this is anecdotal evidence only, given the low level of women's participation in meetings and committees, SFD should review the extent to which women's needs are addressed in plans less they risk being marginalised.

3.2.2 Strengthening the State and Reducing Conflict Vulnerability

The central question is 'what is next' once the planning is completed, and this raises important sustainability issues. A lack of progress in fiscal decentralisation is a major constraint given that there are no funds available to implement the plans which have been developed. Recent cutbacks to government budgets further exacerbate this situation. The Ibb Governorate's budget base is low (though probably higher than many other areas). While there was an expectation that the Ibb budget would be doubled, only a 5% to 10% increase was forthcoming from central level. As one usla committee member summarised, *'SFD has supported building capacity, has facilitated the revitalisation of communities, given a sense of hope, but who will support the plans?'* It was also commented that if projects are not funded it may be reminiscent of the cooperatives in the 1970s which mobilised communities but which failed to provide sufficient subsequent financial support.

In general, due to budget constraints, the approach of Districts to project implementation can best be described as *incremental* in that projects can only be part-funded in any one year, and, as a result, take several years to complete. This has resulted in a backlog of incomplete projects in places such as Jiblah, and it has been decided that these should be finished before any new projects commence. No new projects from the ELD-led plans have been implemented at the community level, a fact that is affecting both the credibility of the community groups in the eyes of citizens and affecting the overall credibility of the ELD approach. For example, Jiblah has a list of some 150

projects contained in its district plan, and Al Odeyn has some 90 projects in its plan. Some *uslas* have become frustrated by the slow pace of funding for projects and are applying to SFD directly rather than through the district. SFD is proposing to release $500,000 for each district to enable projects to be funded, though this can only be a one-off solution. (In practice, this amount would fund only about four schools.)

SFD's view is that the district plan can be marketed to other donors and the private sector, but to-date additional funding has not been forthcoming. Communities suggest that SFD needs to be more proactive in assisting them in securing external funding. Community members highlighted that ELD districts may be negatively affected by the fact that donors perceive them to be well-funded (which is not the case) and, hence, not in need of additional support. Moreover, while ELD may have the potential to trigger community self-development, it has yet to prove sustainable in the absence of funding for projects, particularly in rural areas.

Community representatives say that there is limited buy-in or responsiveness by executive organs, especially at Governorate level, and that some within the executive organs (representatives of the line ministries at governorate level) are not aware of the plans that have been developed. Furthermore, the legitimacy of community committees and *usla* committees and their roles are not recognised by executive organs despite the National Strategy on Local Governance. Community representatives point to the need for greater coordination and awareness raising on the value of ELD among these executive organ levels and would like SFD to help develop a plan for creating awareness at the governorate level. This is a critical issue that SFD needs to address as it risks undermining the effort and investment made by SFD in relation to MoLA as well as to ELD-Districts. As an example, the District Health Office in Jiblah received none of its requested funding in the last budget from governorate, a practice that poses a considerable risk to bottom-up planning. One official commented that only 20-25% of what is received from the governorate is relevant to the needs identified in the local plans.

SFD is well placed to encourage coherence between governorate, district and community levels. Under a separate programme, SFD provides institutional support to selected governorates, including Ibb, where ELD is being piloted. An institutional analysis of the governorate was carried out, and the support provided is deemed by the governor to have helped to hasten decentralisation and to strengthen and enhance the local authority. In particular, the support it provides in building the infrastructure and staff capacity are deemed important priorities for the governorate.[33] However, overall institutional change is slow, and a key constraint to maximising SFD inputs is the lack of civil service reform which would provide additional qualified staff at the governorate and district level. Given this entry point, there is an opportunity for much greater coherence between the institutional support provided by SFD and the ELD in order to facilitate support from executive organs.

In addition to the issues related to fiscal decentralisation mentioned above, a further issue is how the costs of ELD can be reduced to enable it to be adopted/adapted by MoLA for scaling up. It is currently estimated that conducting the process which includes the carrying out of participatory rural appraisals in each community and *usla,* and elections of activators and committee members costs approx US$200,000 per district with a heavy input by consultants (two males and two females for each community). In Jiblah, the process took 35-40 days; this was reduced to about 23 days in the case of Al Odeya; (there are 20 districts in Ibb governorate). Other districts have requested SFD to start an ELD programme in their area but there is no informal take-up or replication on a district-to-district level, as yet.

Moreover, ELD is still at a pilot stage and while its principles and broad approach are extremely

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[33] In terms of building capacity, SFD is funding a 3-month diploma course in computers for 66 governorate staff, implemented by the university; it has also provided 34 computers, 10 printers, 1 laptop (for data shows), 4 photocopiers, 5 fax machines, micro phones, projector and furniture.

effective in mobilising communities and strengthening relationships between districts and communities, it has yet to prove that it can deliver services for citizens. The initial pilot sites were chosen by SFD headquarters; Jiblah presents a conducive environment in that it is urban, close to the governorate, and has a relatively high education level; the deputy governor is also from the district. The most recent site, Al Odeyn, does not have any of these elements, is remote from the district and was chosen on the basis of poverty, access to services and demographic indicators. In all three sites in Ibb, locations have been chosen where tribal issues are relatively weak, thus avoiding potential conflicts between the community committees and the local sheikh and giving space to the community and *usla* committees to evolve. Piloting of the approach in areas where the environment is less conducive has yet to take place; recent efforts to do so in Al Jowf were thwarted by security issues. The true test of ELD and its nationwide applicability will, it seems, only be known once new pilots which are coming on-stream are implemented.

Conflict prevention: District officials indicate that the ELD process has created more demands from the communities, but that they are also more understanding of the resource limitations of the district. The democratic approach to developing the plans, where people express their needs, has reduced tensions, and the fact that the communities have set their own priorities has given a sense of ownership. The allocation of (the limited) resources in a transparent way, and based on the prioritised plans, gives a greater sense of equality across the district, again reducing tensions and the likelihood of conflict with the state.

Community representatives have received training in conflict resolution and have been active in resolving disputes over the site or location of a project. A social auditing committee visits areas where there is a dispute (e.g. an unfinished project), carries out a survey/questionnaire concerning perceived problems, and, based on an analysis of the responses, proposes solutions to the parties involved in the dispute. In one case, a school that had remained unfinished for seven years was finally completed. In another instance, water sources had dried up, and the social auditing committee's investigation showed that the water was being collected by tankers for factories or for irrigating qat. Thereafter it was agreed that the water could not be sold. Tensions between communities, those with and without access to water, were resolved through contracting larger tankers to provide water and, in another case, through the construction of retention walls to avoid water leakage. Other examples of successful conflict prevention or resolution include resolving issues with contractors, collecting funds to repair an old sewage system.

The choice of pilot locations where there are no dominant sheikhs facilitates the mediation role of the community committee. Indeed, one commentator In Jibla stated that the auditing committee had assumed the role of the sheikh in other areas. From the Jibla District's perspective, the pressure on officials to resolve disputes is reduced through the participation of community members; for example, there is now an agreement in that District that the *usla* must sign before there is any takeover of land. The auditing committee has been institutionalised in the pilot districts, though there is nothing comparable at governorate level.

Women were not included in conflict prevention training which women leaders say would have been very helpful in dealing with family problems and divorce, early marriage, and various community disputes. Excluding them not only risks reinforcing their low status but is inefficient in that SFD invests consultants' time in mobilising and engaging women who are subsequently excluded from critical opportunities.

3.2.3 Implications for SFD and Recommendations

If the ELD approach was scaled up and adopted nationwide it would have a significant impact on how SFD currently carries out its work. SFD would no longer respond to individual community requests but, instead, would fund projects based on the ELD-generated local development plan. SFD branch-level staff consider this would be a more efficient approach than the current practise of carrying out a participatory rural appraisal for each project requested. Working within the

framework of such a district plan would also reduce the workload of staff and consultants. However, they caution that the expectations created by the planning process cannot be met due to the low level of financial support for districts. A high level of frustration is, thus, anticipated if such a situation persists.

Of potentially greater impact on how SFD works in the future is the extent to which decentralisation takes root. The current SFD model of directly responding to community needs was a model which was developed before local councils were established. Now that the focus of decentralisation is on local governance, and the fact that community participation is firmly embedded in the National Strategy on Decentralisation, the issue for SFD is whether it continues to work on a sectoral basis supporting individual projects or whether it moves towards becoming a more strategic resource supporting governorates and districts in terms of capacity building and provision of financial resources.

To a large extent, the current institutional analysis and development work which the Training and Organisational Support Unit is piloting with selected governorates is complementary and could become an integral part of the ELD model, thereby strengthening vertical linkages between the governorate, district and community levels. Indeed, this may be essential if the model is to succeed given that district officials and community members indicate that one of the main impediments to implementing the district plans developed under ELD is the lack of support from the governorate level. If SFD were to play such a role and scale up its work on institutional development with local authorities there would be considerable implications for the skill set it would require. Currently, branches are organised primarily along sector lines (health, education, water, roads etc.), and a high proportion of its consultants are engineers rather than specialists in community-driven development and participatory planning.

With regard to the further development of the ELD model, three issues should be considered by SFD:

1. At the governorate level both the leadership and the executive organs need to be included in the model so that individuals and institutions at this level have a greater appreciation for the participatory planning and community-driven development processes;
2. Costs need to be reduced to make the model more attractive for the adoption of MoLA; and,
3. Marketing of the plans developed at district level needs a considerable boost so that funding for projects is forthcoming. If doing so is not possible, expectations should be tempered. One option is that donors who are committed to supporting decentralisation would earmark funding to support district plans developed under the ELD model. Doing so will be particularly critical as ELD is increasingly applied to more challenging contexts with existing, traditional models of local governance dominated by sheikhs.

More broadly, if the ELD approach is scaled up and adopted nation-wide, implicitly it will prompt SFD to re-assess whether its current practice of primarily working on a sectoral basis supporting individual projects is the most relevant model or whether SFD should move towards becoming a more strategic resource supporting governorates and districts in terms of capacity building and the provision of financial resources. SFD needs to have a dialogue both internally and with its partners to prepare for this challenge.

4 Community–Level Impact

Sub-Objective: To examine and critique the various approaches to community participation used by SFD to build institutional capacity and empowerment at the local level

At the community level, SFD's participatory approach aims to develop needs-based service delivery as well as community mobilisation or empowerment. In addition to benefiting the provision of social, common goods, these two outcomes also help to build trust within and between communities (and the state) and, hence, promote social cohesion and avoid conflict. Community participation also helps to develop key components of good governance such as accountability and transparency.

Through its various programmes, SFD implements several approaches to the promotion of community participation. The approach selected is based upon the nature of the intervention. For example, the nature of participation in infrastructure projects is different to that practiced under the Integrated Interventions Programme (IIP), while the form of participation in community contracting is again distinct. Significantly, the various approaches to participation are critical in mitigating conflict over resources within communities as well as in developing community members' ability to successfully resolve such issues when they arise.

A key issue for the Institutional Evaluation is identifying the strengths and weaknesses of the different approaches and extracting lessons from those that have proven most effective. The evaluation focused on the following areas:

- *Impact on the development within the community* e.g. how participation in SFD projects has affected the community, the benefits of capacity building, observations on cross-sectoral impacts;
- *Participation* e.g. the extent of communities' participation in the project cycle; the effect of the participatory approaches on influencing the government at higher levels; and how gender roles and women's empowerment have been affected;
- *Strengthening the State and reducing potential conflict* How relationships between the community and the district have been affected and how the programme has helped (or not) to manage or mediate tensions or conflicts.

The following were chosen for review: the Integrated Interventions Programme and community contracting in the water and roads sectors. The Institutional Evaluation brought stakeholders together from a number of locations and included representatives of development committees, district officials, and teachers.

4.1 Integrated Interventions Programme (IIP)[34]

IIP is a model of developing inclusive community structures and supporting extremely marginalised groups through the provision of 'integrated' rather than single-project support. SFD offers a long-term commitment with the aim of facilitating sustainable social development and a culture of self-help. The programme revolved around institutional development and strengthening and is primarily aimed at community organization, empowerment, the development of external partnerships, and the strengthening of local authority procedures and capabilities. The approach seeks to build sustainable community structures which can lead and manage development at the community/*usla* level while providing technical training related to project planning and management. Over time the capacity of community development committees is built such that they graduate to become registered community based organisations (CBOs)[35]. More recently, the approach has evolved to provide training in relation to livelihoods in such areas as beekeeping, community veterinary

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[34] SFD Guidelines for Operations, Monitoring and Evaluation Manual, 2008 (draft), Chapter 10.
[35] SFD, *Integrated Community Development Programme*, Mid-Term Review, 2005

medicine, fruit growing, and crop diversification.

The programme was initially established in 2000 and piloted in four locations, and, following a mid-term review, was expanded in 2005 to a further four locations. Up to 2007, it has been managed from the central level in SFD but management is now in the process of being decentralised to branch level. This decentralisation of the management of IIP raises issues of the time constraints and capacity of branches, for whom supporting such a long-term commitment is relatively novel. Unlike the Empowerment for Local Development programme, IIP is a long-term commitment to communities and funds have been made available by SFD to implement projects.

4.1.1 Impact on Community Development[36]

In terms of initiating a community development approach, the IIP has been effective in motivating, training, and mobilising communities to prioritise their needs, plan their own development, and create representative structures and relationships within and between communities. Overarching committees as well as specific sector committees in areas such as health, literacy, agriculture and education have been set up to plan, manage and monitor community development.

At a sector level, informants refer to significant progress in both formal and non-formal education through the building of schools/classrooms and the introduction of literacy classes, especially for women. For example, in Al-Hodeidah there are 800 women attending literacy classes; in Lahj, nine literacy classes have been established for women. They confirm that the formation of Fathers and Mothers Councils to support schools has been effective in increasing enrolment, particularly among girls, while literacy eradication committees have raised awareness of the importance of education for women. There is a clear correlation between the provision of water in the communities and increase in school enrolment among girls who no longer have to spend long hours fetching water. A field visit to one community in Hajja during the design of the Institutional Evaluation found that girl's enrolment increased from 0% to 25%. However, communities point out that multiple factors have influenced the increased enrolment rate, including awareness raising of the importance of education, women's literacy classes and the construction of classrooms. With regard to literacy, informants point out that some of the teachers are not adequately qualified nor do they have the necessary skills. In one case, community representatives called for greater collaboration with the literacy programme at Governorate level.

As mentioned already, the more recent establishment of agriculture committees has seen the development of capacity in beekeeping, improved animal husbandry practices including the training of para-vets, and the growing of new crops for the market. Training for women in sewing and weaving has been introduced in an effort to generate income.

4.1.2 Participation

These achievements have been underpinned by a strong participatory approach and extensive capacity building of the communities in a range of areas, including community development, community contracting, situation analysis, communication skills, general education, water management, health awareness, midwife training for women (through the Higher Health Institutes), increasing the skills of traditional birth attendants, training of Father and Mother Councils, and the capacity building of literacy teachers. Communities say that this capacity development has equipped them to be able to carry out training as and when needed, and in the case of one, to register as an NGO. Communities are now providing and managing their own services – water, education, literacy, health and economic development. That said, informants indicate that high levels of illiteracy, low levels of awareness, poverty, and traditional customs, remain challenges.

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[36] The information provided on the impact of the IIP is based on informants who attended a workshop organised by the Institutional Evaluation in Sana'a on 29th March 2009. The y included twenty one men representing the development committees and local councils in three sub-districts where SFD operates in Hajja, Al Hodeidah and Lahaj governorates.

The participation of women is more extensive and at a deeper level of engagement than many other SFD projects, and in this regard IIP had important lessons to impart to other programmes in SFD. Not only have they been involved in identifying community priorities but are active members of community structures; some have been elected to the development committee as coordinators of programmes related to women (agriculture and sewing groups, animal health, health and education). Examples were provided of women managing water projects and participating on monitoring committees.

In an effort to promote employment of women, a training course in sewing and weaving was developed in Hajja. However, women do not have access to looms, sewing machines or micro credit when they complete the course, thus calling into question the sustainability of the approach. SFD should review this project to assess whether it offers women viable opportunities for income earning following the training that they receive.

More broadly, informants commented that the IIP has changed the perception of both the community, and women themselves, towards their roles in income generation and within the home. Significantly, they commented that the project challenged the perception that a woman's role is in the home and thus that girls need not go to school. In Al-Hodeidah, women now take their children for vaccination without being accompanied by a male relative and are participating in resolving issues between their children and the schools they attend.

An example of the changes in women's role was provided by representatives from Al-Hodeidah, as follows:

Box 1. Changes in the Role of Women in IIPs	
The role of women before IIP	**The role of women as a result of IIP**
Role of woman was exclusively at home.	Participate with men in all works.
Low status; doesn't have right to participate.	Well respected, and her views are valued.
Doesn't have the right to be involved in solving problems or giving her views.	Participate in the CBOs and in the elections of committee members.
Not allowed to go to schools outside her village.	Women are now able to travel from one village to the other to study, to teach, or to supervise activities.

4.1.3 Influencing Government at Higher Levels

The effect of the participatory approaches in terms of generating interest by local authorities in the communities varies depending on the geographical proximity of the community to the district headquarters. For example, in Al-Hodeidah, where the community is close to the district centre, joint plans have been developed and joint workshops have enhanced the relationship. Informants report greater trust and mutual respect on both sides, and this heightened level of respect has resulted in improved support by the council for the work of the community (e.g. requests are processed more rapidly than in the past). By contrast, in Lahj, the community (*usla*) chosen by the IIP is considered to be too far from the district centre to be able to maximise benefits, and communication in mainly over the phone rather than in person.

Direct and continuous contact with the district administration is important, as are joint workshops, to strengthen links and to maximise benefits for the communities. This is illustrated by the case of Al-Hodeidah where, following direct exposure by the General Secretary to the work of the

community, he became an advocate for projects in the village.

In Hajja, some of the approaches and activities have been replicated in the district. For example, coordination with development partners on health and education, more transparent bidding processes, formation of Mothers and Fathers Councils, and the development of a database based on participatory field studies. In some instances, the councils are forthcoming with the mandatory 20% contribution to community initiated projects.

4.1.4 Strengthening the State and Reducing Conflict Vulnerability

In some cases the local council has been supportive in resolving disputes over payment of community contributions, or in agreeing sites to be allocated for projects. In Hajja the community (*usla*) plan was developed jointly with the local council and submitted to the governorate for approval. The local council has endorsed the by-laws and procedures of the committees and supervises the work of committees, an example of how the project has helped to strengthen relationships between the community and the state. In turn, the council has adopted the IIP system of provision of tetanus vaccination of women attending literacy classes, evidence that they are willing to learn from communities. This relationship has been supported tangibly whereby the council has contributed through the provision of stationary, literacy books, and certificates as well as by writing articles for the newsletter and signing contracts with SFD. Also in Hajja, the council selected two people from the Development Committee (one man, one woman) for computer training provided by the council, thus providing evidence that the council is responsive and willing to invest in building capacity within the community. One member of the Development Committee, who has subsequently been elected as a Local Council member, openly attributes his success to the skills and experience he learnt under IIP.

There is evidence from Al-Hodeidah of strengthening relationships with state entities beyond the programme whereby the community assisted another adjacent *usla* to carry out a needs assessment and to develop a joint proposal with the local council to be submitted to SFD to fund a school in an area outside of the IIP sphere of activity.

On the other hand, there may be implicit negative effects emerging in the relationship between the communities and the local council. For example, in Hajja, the community were very frustrated by the previous lack of provision of services by the council (and became involved in the IIP). It now considers that the local council has largely forgotten about the *usla* because it is seen to have sufficient support from SFD. Neighbouring *uslas* are also envious and ask the local council to demand that SFD moves to their area. Informants indicate that such demands are embarrassing for the local council and are putting them under pressure to respond to the needs of the surrounding communities.

While community participation and decentralisation may contribute to conflict prevention and resolution within communities, between communities, and between local populations and the state, such an outcome is neither certain nor without qualification. Rather, community-driven development, if done in a patchwork manner through isolated pilot projects, may entrench mistrust and animosities between communities, thus engendering rivalry, decreased social cohesion, and conflict vulnerability. Local disputes may later be more prone to resulting in violence due to such tensions. Furthermore, where locally owned approaches to development and service provision cause the state to withdraw from communities, any conflict prevention benefits (or improvements in centre-periphery relations) may be undermined. Based on observations and experiences in East Africa, Latin America, Afghanistan, Lebanon, Egypt, and elsewhere, the departure of the state – while temporarily masking tensions between the citizenry and public officials/agencies – may later complicate the re-entry of government officials. The return of state authority or involvement in the future, if not accompanied by resources and done in a consociational spirit, may appear arbitrary, unwarranted, and meddlesome. While conflict may not necessarily result, the ebb and flow of government intervention is certainly associated with increased state fragility and, hence, conflict

vulnerability. In short, community-driven development must be accompanied by consistency on two levels: (i) it must be applied to all communities in an area and, on a national level, not be seen as privileging any sectarian or ethnic population; and (ii) it must be accompanied by a clear and beneficial role for officials (which should be set nationally and negotiated locally between officials and community representatives).

4.1.5 Recommendations

1. The findings of this evaluation indicate that the model of providing a sustained input over a number of years appears to be very effective in mobilising remote and marginalised commodities to lead and manage their own development, an opportunity that would not otherwise be open to them. SFD needs to learn the lessons from the IIP and encourage their wider replication by other marginalised communities.

2. Such lesson learning is likely to offer important messages for other SFD programmes in the areas of (i) sustaining community development committees including their transition to registered community based organisations, (ii) deepening the engagement of women in the development process (not only at the consultation stage), (iii) building social cohesion and trust among communities, (iv) building the capacity of the community to manage essential services, and (v) managing relationships with district authorities.

3. In view of the decentralisation of the management of the IIP to SFD branches (to the present time, the programme has been run from the SFD head office in Sana'a) SFD should reassess its skill complement at branch level to ensure that the requisite skills are available to run medium-term programmes such as the IIP.

4. Sectoral advisers at branch level should be encouraged to input to IIP in order that it can benefit from the technical expertise that is available e.g. educational expertise to support its work on literacy.

5. Where sectoral activities are being undertaken under the banner of IIP, this needs to be coordinated with both the sectoral unit in SFD and the responsible line ministry e.g. SFD Education Unit should have input to the literacy programmes developed by IIP, and the Department for Literacy and Adult Education in the Ministry of Education should be informed.

6. On the operation of IIP, SFD needs to critically assess whether income generation projects for women such as the sewing and weaving project in Hajjah are viable in the absence of micro credit to purchase the necessary machines and equipment, and a local market.

4.2 Community Participation in the Water and Roads Sectors[37]

Community contracting is a different model of community participation to the IIP in that involvement with the community is short term and is related to a specific project, as opposed to the overall development of the community. In the case of community contracting, the community oversees the implementation of the project. Participatory Rural Appraisal exercises are conducted, a committee is elected, and individuals are recruited to supervise the contractor and manage the funds. Communities must provide a contribution (cash, labour and/or locally available materials such as stone and sand), and maintenance committees are established.

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[37] This data is based on a workshop which brought together a range of stakeholders from different locations including representatives of road maintenance committees/water user committees, community leaders, and government officials.

In the water sector, SFD has revised its policies and approaches to water provision to reduce the vulnerability to conflict. For example, newly constructed dams should have a capacity for 80% water enabling the remaining 20% to run downstream to other communities. SFD no longer funds dams on their own but only does so when accompanied by irrigation systems. In such cases, the distribution of water must be agreed by the community in advance of construction. All new SFD interventions implemented by community contracting are to be for the use of only one community, thus avoiding the risk of dispute with other communities. In general, SFD restores or builds cisterns for one community only as it is difficult to get the mandatory community contribution from different communities who may not trust one another. Based on lessons learned related to the capture of resources and sustainability, SFD no longer funds mechanised systems, though, as discussed above, this approach is now being revisited especially for coastal communities for whom rainwater harvesting does not provide adequate water supplies.

In the road sector, SFD is supporting the rehabilitation of village access roads, a category of road not recognized as part of the national network. The main focus is on access between communities and markets (not to the District or administrative services). Much of the work is black spot treatment using dry stone that does not require cement, primarily in mountain areas. There is often a strong community contribution in terms of labour and locally available materials, resulting in reduced costs; there is also some development of construction skills among the local labour population through on-the-job-training[38].

4.2.1 Strengthening Governance and Local Empowerment Structures

The transparent approach adopted at community level has been important is gaining community confidence and in helping to eliminate suspicions among villagers about the mode of implementation. The election of committees, the public announcement of contracts, the bidding process, and the transparent opening of bids, are all deemed helpful in strengthening the project. These procedures give credibility to the elected committee, encourage households to make a community contribution, and help to diffuse opposition to the project. In particular, community representatives emphasised the importance of adhering to the bidding criteria when selecting contractors.

Implementation of the work is deemed to be transparent, and community members are informed of project expenditure with records being placed at public venues such as mosques, schools, shops, markets, and common qat-chewing locations. Financial records are photocopied and distributed to community leaders. There are often community meetings, and beneficiaries publicly pose their questions on what has been implemented. Informants indicate that these aspects are new to community members. The accountability of the committee to the community helps to improve performance and monitoring. However, members consider that at times it prompts lengthy community discussions, which, at times, are found to be frustrating and cause delays in project implementation.

Concerning the election of committees, informants indicate that when the election criteria and process are adhered to, it generates a sense of 'contentment and satisfaction' among beneficiaries; secret ballots are especially appreciated. In some cases, members of communities are 'recommended' for membership of committees, a practice which is deemed less satisfactory. Informants state that SFD's criteria for committee election should be put into effect in all instances.

Concerning the election of the accountant for the community project, currently done by secret ballot, informants consider that it is essential that this person is able to read and write and ideally have second level education to intermediate level. They consider that the chairman should have

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[38] It should be noted that this programme differs from road construction work carried out under the *Labor Intensive Public Works Programme* (transfer cash for work programme) established in response to the global food crisis.

completed secondary education.

With regard to training of community committees, informants indicate that the two-day training provided to the chairman, the project manager and accountant is insufficient for them to adequately carry out their responsibilities. Advance distribution of the training materials was identified as a possible help, as was the need for a consistent approach to the distribution of training materials.

4.2.2 Participation

Community contributions (cash and in-kind) are seen to confirm the importance of ownership of the project to the community. With regard to road construction or maintenance, where the project at hand is a critical and widely shared priority, there is little difficulty in motivating communities to contribute, and such contributions are seen to be fair and equitable. The election of committees is deemed to encourage impartiality.

However, it appears that some people are unaware of the justification for SFD-requested community contributions; the socio-economic hardship experienced by some households is seen to be a constraint to payment, and those responsible for payments are uncomfortable with pressuring community members, particularly those at the lower end of the socio-economic spectrum, to contribute. Indeed, a majority of informants were in favour of eliminating community contributions due to the low socio-economic status of rural communities, and the associated difficulties of collection.

Informants indicate that the level of community contribution varies depending on the project and that agreement on the level is done in consultation with the communities. Water projects require between 20-28% community contribution, which can be paid in the form of excavation work and stones. In contrast, data on eleven road projects indicates that the contribution varied from 2.5% (in Al-Maly, Yafee, Abian Governorate) to 50% (Osab, Dhamar, and Dhi Assufai and Al-Odain in Ibb governorate) of total project costs (see Table 2). This contribution is usually paid in the form of stones from the local community. Local councils are mandated to make a contribution of 20% to community self-initiated projects but informants indicate that this is rarely forthcoming, and communities do not rely on it. There is a perception by some informants that SFD does not encourage such contributions within its projects, but in the interests of generating local ownership, prefers communities to contribute themselves.

Box 2. Community Contribution to Road Projects		
Road Projects	**% of Total Project Value**	**Nature of community contribution**
Qabbaitah, Lahej	15%	stones
Otoma, Dhamar	10%	stones & support by the local council
Mabian, Amran	5%	stones and water
Al-Maly, Yafee, Abyan	2.5%	stones
Al-Haima, Sana'a	5%	stones
Maqbana Taiz,	5%	stones and construction work

Raima, Raima	17%	road clearance and stones
Osab, Dhamar,	50%	stones and provision of machineries
Dhi Assufal, Ibb	50%	stones
Al-Odain, Ibb	50%	stones
Samee, Taiz	15%	stones from citizens (an amount was paid by the governor, but never reached the Committee)

Lack of experience by some engineers in accurately estimating the volume of stones and sand required may be partly responsible for such discrepancies in the percentage contribution required. One example illustrated that the consultant engineer estimated that 30% stone and 70% sand was required, but during implementation the opposite transpired, and the community was responsible for the provision of stones.

4.2.3 Capacity Building for Future Development Support

While none of the communities which were consulted reported undertaking other projects beyond the scope and duration of the SFD involvement, informants consider that progress has been made. In particular they consider that the application of systems of transparency, accountability and equity has laid a basis for further work to be undertaken by the project committees in relation to good governance practice and to sustainability. Examples provided include increased awareness about the community contracting process, including: public announcements for contractors; the opening of bids opened in public on widely known pre-set dates in the presence of an SFD representative; and the award of contracts to the best bidders (lowest in price and ability to implement) in an impartial way according to the Operational Manual.

Furthermore, the fact that the project is a community priority, is supervised by the Project Committee, and implemented with the support and contribution of the community, is deemed by informants to provide assurances on the sustainability of the project beyond SFD support.

4.2.4 Women's Engagement

Informants indicate that women's priorities are considered at the design stage, especially when there are separate consultation meetings for women and men, implemented by a mixed male-female team from SFD. However, during implementation women are less visible. Even when women are represented on committees, their involvement is 'just for formalities' rather than active. High illiteracy, especially among rural women, was deemed a contributory factor, as was the fact that some projects, particularly in the case of roads, are far from women's' homes.

It is noted that in the social protection emergency programme (food for work), which often includes roads projects, women are active in head loading water and sand, evidence that women need not be excluded from construction projects. SFD will need to monitor the level of engagement of women in its road projects to ensure that jobs are open to them and to avoid the risk, and indeed the tendency, to implicitly bar women from having access to paid employment based on culture and tradition.

4.2.5 Strengthening the State and Reducing Conflict Vulnerability

The Project Committee is responsible for resolving disputes that arise, in consultation with the

community. Informants indicate that types of disputes include the following:

- *Recruitment of labour:* Two main types of conflicts emerge with contractors, firstly concerning the employment of local labour and secondly where community members/committees interfere in the work of the contractor. In a context where opportunities for wage labour are very limited, employment of local workers is a contentious issue for a range of reasons. Consider, for instance, the following examples: committee members tend to be biased towards employing labour from one segment of the community while excluding others; disputes arise between the Project Committee and the contractor when the villagers propose persons who are not qualified; communities are very unhappy when contractors bring in outside labour; and poor selection of labour by the villagers and the contractor sometimes leads to weakened implementation and results.

- *Recruitment of contractors:* Contractors from the local area are preferred by community members compared with contractors from outside in that they are less costly, are perceived to give a better quality product, they provide job opportunities locally, and there is a sense that local people have a right to the jobs if they can do the work. External contractors are perceived to be interested only in profits.

- *Land and property disputes:* In the road sector, disputes arise over multiple issues, including: the appropriation of land and property to expand/widen roads, damage to land during construction, the dumping of debris and rubble on land, and over the clogging or blocking of drainage systems. These are critical issues that need to be addressed by SFD during the design of the road, and their resolution is likely to require an arrangement for compensation for adversely affected parties. Guidance on how they are to be addressed needs to be adequately reflected in the SFD operational manual.

- *Personal injuries:* While no quantitative data is available, anecdotal evidence suggests that injuries are incurred by labourers and animals during construction and, in particular, through the use of explosives. SFD may need to consider introducing a system of labour standards for construction.[39]

- *Role of the Project Committee:* Insufficient understanding among the wider community on the role of the Project Committee can lead to (mistaken) suspicions that members receive financial rewards for their work. On the other hand, they do not appreciate that the role of the chairman in particular can be arduous, and in some instances is almost full-time.

- *Community contribution:* Collecting community contributions (as discussed above) is also a potential point of contact between the committee and poorer members of the community.

4.2.6 Recommendations

1. Given a context of national economic decline and rising poverty levels, SFD needs to reassess its approach to community contributions to ensure that it is not placing undue hardship on low income households. Options that could be considered are reducing the overall percentage contribution, moving away from the flat rate contribution and establishing a system of exemptions for poor households. Improving the skills of engineers such that they can more accurately estimate the volume of local materials (and hence community contribution) required would also reduce demands on already stretched households.

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[39] SFD may wish to draw on DFID research on Labour Standards in the Construction Industry in 2001-03 which includes a manual and practical guidance on how to prevent such accidents; see Ladbury, Cotton and Jennings, *Implementing Labour Standards in Construction, A Sourcebook,* Loughborough University, 2003 .

2. SFD needs to coordinate its approach to community contributions with the Ministry of Local Administration so that conflicting approaches are not introduced.

3. Concerning water projects, the Institutional Evaluation endorses the move by SFD to consider funding mechanised water systems to provide water supplies to poor communities where rainwater harvesting is not sufficient.

4. To ensure that women are not explicitly or implicitly excluded from employment opportunities, road projects need to reappraise what jobs are open to women and compare these with those available to women under the Labour Intensive Programme. The proportion of funding going to women's employment should be compared with the amount going to men, and a strategy for addressing a portion of any imbalance should be determined.

5. To ensure that poor people do not loose critical assets such as land, SFD needs to assure itself that adequate arrangements are in place for compensating adversely affected parties from road building/up-grading.

6. As a 'best practice organisation' SFD needs to implement and enforce labour standards in road construction/rehabilitation, whether labourers are in paid or voluntary employment. This will need to include awareness raising both among contractors and labourers on how to mitigate possible accidents, the adoption of protective garments, the introduction of a system of first aid on work sites, the monitoring and documentation of accidents, and the establishment of a mechanism so that injured parties can access medical care without jeopardising their livelihood.

5 SFD's Role in Conflict–Sensitive Development

5.1 Background: SFD and Conflict

SFD's policy on resource allocation is such that all districts receive an allocation based on poverty and population indicators. This means that SFD has reach in and is exposed to all parts of the country; it may be the only government agency in the country to have such comprehensive coverage. While conflict, with regard to either sensitivity or prevention, is not incorporated into the majority of SFD's literature or vocabulary, it is highly relevant to staff members implementing the Fund's activities. In practice, staff, especially those at branch level, are working in conflict situations. Some branches, such as Sana'a (which covers Sana'a, Al Jowf, Marib and Sada'a governorates), Amran and Aden, are working in conflict-affected settings on a daily basis.

A workshop[40], exploring SFD's role in conflict-sensitive development, held in the course of this Institutional Evaluation was the first such event of its kind and provides very useful insights. This workshop aimed to achieve the following:

- to map the main tensions/insecurities that SFD encounters,
- to examine how tensions affect SFD's analysis of development needs (in terms of access to services and resources),
- to map the distribution of SFD's activities across the country,
- to examine how security concerns influence perceptions (and the pursuit) of equity, neutrality and impartiality, and
- to extract lessons that have been learnt on the kind of mechanisms to be used to constructively prevent, mediate, resolve or otherwise "manage" conflict.

This event also sought to explore the role of community based organisations (CBOs) in conflict prevention and resolution. The following section addresses the findings of this workshop.

5.2 Introduction: Working in and on Conflict

While SFD generally enjoys good relationships with communities and is seen as a trusted partner, incidents have occurred in which staff members have been intimidated during the course of their work. Consider, for instance, the following examples:

- In Amran, a group of up to 10 armed men came to the SFD office and threatened staff.
- In Al Jowf, a team from the Empowerment for Local Development programme were attacked, and a volunteer sustained a gun shot wound.
- In Ibb governorate staff and consultants were threatened with guns when they sought to attain equity in the distribution of jobs under the intensive works programme (food for work).

Moreover, SFD is not immune to the common practice of hi-jacking vehicles in such areas as Amran, Abyan and Al Jowf. On one occasion in the South, an SFD vehicle was hi-jacked, and three female consultants were held for three hours while being threatened with weapons. These examples illustrate that SFD is frequently working in a conflict environment which inevitably affects 'what' is done and 'how' it is done, and there is evidence that SFD has already adapted its policies and practices to redress such issues.

SFD staff members perceive that traditional mechanisms of mediation functioned well for centuries and were handed down through the generations; while not commonly documented, they are implicitly understood by tribes. One example of where the roles and rules are documented is *The*

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[40] As this was the first time SFD staff had got together to discuss conflict issues, participation was limited to internal staff. The workshop was attended by all senior staff from SFD head office and branches, along with selected staff that are deemed to have a comparative advantage in conflict mediation. Due to the sensitivity of the issue it was not possible at this stage to garner independent views from other informants.

Rules of Barat and which sets out tribal relationships. However, staff consider that traditional ways of resolving conflicts and managing relationships are being diminished while at the same time the legal framework is not adequately established to replace the traditional system. When this is combined with levels of poverty and limited resources, staff consider that the environment is fertile for conflict.

In the early days of its inception, SFD attempted to use and build on traditional ways of working within communities (Quada), for example, using traditional rules for managing or repairing a school building. However, this system no longer pertains for development projects generally, and the view of staff is that it is probably undermined by too many projects and external agents. The exception to this is the SFD feeder roads programme which uses traditional systems of maintenance if it is effective and only establishes a maintenance committee if the traditional system is not functioning.

Conflict is also deemed to be increasing as urban areas expand into valuable land, and a weak registration system reinforces the potential for conflict. Open public lands such as hills and mountains are not protected by tribes or families but traditional boundaries are well known. Encroachment on such lands potentially provokes conflict.

The likelihood of further economic decline will further exacerbate the problem of poverty-linked violence. Conflicts are commonly viewed as and conducted in the name of tribal or political affiliations, though these two categories are not strictly distinct. The areas with the strongest tribal connections are in the central and northern highlands, including Al Jowf, Marib, Amran, and Sada'a. Conflict in other areas such as Ibb and the South, areas in which there is greater educational access and state presence, are deemed to be more political. In all areas, there is a perception that government does not act quickly enough to resolve disputes, that the judicial system is very slow and that the military is ill suited to intervene.

5.3 Types and Causes of Conflict[41]

The sources of conflict that affect SFD's work vary according to location. For example, in Mukalla, Hadramout, the main problems faced by SFD is with the local council. In contrast, in Aden, Amran, and Al Jowf governorates, tribal conflicts can result in areas where SFD cannot work and for reasons which are somewhat more complex and difficult to define. SFD staff identified the following sources of conflict specifically related to their work. These do not, for instance, include international or ideological sources to which SFD has little proximate relation.

1. *Inter-communal:* Conflict frequently occurs between two communities (or tribes) and this can easily be aggravated by the choice of location of projects.

2. *Tribal:* Disputes between tribes and threats of revenge killings can mean that there are some areas in which it is difficult to work.

3. *Political:* Incompatible political divisions (e.g. between the North and South) but also within the South are common.

4. *Relationship with the State:* Difference in policies/criteria for resource allocation between SFD and government (e.g. conflict with some local authorities who tend to politicise the identification of location for projects). There are also community problems with local councils (e.g. competing traditional and local leadership). Furthermore, competition between the local

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[41] On the issue of whether there is a sectarian dimension to conflict, SFD staff consider that Sunni and Shia's generally live in harmony, and that issues of access to are water the ability to earn a livelihood a paramount. The case of Sada'a is the exception and is perceived to have become extremist only in 2000. Even in Sada'a meeting basic needs is vital to the local community.

authority leadership and executive organs of line ministries, and confusion on their respective roles and responsibilities are also problematic. In certain situations, staff consider that the local authorities are incapable or unwilling to enforce regulations. For example, they have been unable to secure and protect sites allocated for garbage disposal in Al-Hodeidah and a school in Al Jowf.

5. *Legal disputes:* In such instances, laws are not clear and are not understood (e.g. the Local Authority Law).

6. *Disputes generated by projects:* The choice of location of projects can ignite old tribal disputes or where there are disputes between powerful families. In such situations, SFD has to invest time in understanding the underlying problems and negotiate a way forward, and staff say that the analysis of the problems has become more complicated. In some areas SFD has actively pursued and trained local consultants so that it can penetrate certain communities. A critical issue for SFD is the extent to which such disputes are recorded or documented for further reference. Undoubtedly branch managers and selected staff are a critical resource for SFD in conflict mediation as well as being the 'institutional memory' in relation to disputes, but the background to disputes, and the process of resolving it needs to be documented for future reference, as well as wider learning on how to address conflict.

Within SFD procedures, community contributions are acknowledged to be a source of dispute especially as the percentage of contribution varies across SFD projects (this is discussed in some detail above under the section on water and roads). In some instances, the reluctance of communities to pay the required amount of contribution has resulted in a change of priorities such that projects that require a higher percentage of contribution, such as water projects, were replaced by education projects.

Labour force conflicts occur, especially when contractors will not employ local labourers. Problems related to implementing contract regulations and late implementation have also emerged alongside conflicts related to procurement and technical specifications of projects.

Efforts by entities to politicise projects are also a difficulty. This is especially the case when local councils insist on paying the community contribution during political elections. In some cases this has resulted in the stalling of projects. Capture of resources is an area of discontentment and, potentially, conflict. Recently, SFD has had to stop its Integrated Interventions Programme (IIP) in Amran due to the capture of resources by one local politician. Similarly, in Taiz, a senior government official hi-jacked a water user committee and retains the funds for himself.

It must also be acknowledged that any definition of conflict cannot ignore structural, social conflicts such as those which women face due to their exclusion from decision-making processes. While not entirely or in all cases violent, these are likely to be more destructive, including physically, than many other conflicts being addressed.

Box 3: Geographical Variation in Conflict

The South is very fragmented politically, and there can be a reluctance to accept an official from another governorate or from the North. For example, community leaders in the South refused to meet with the SFD Head of Education because she was from the North. In the South, political divisions in one district has meant that SFD (and other agencies) cannot gain access. Conflict areas in the South which affect access are:

- Abyan (3 districts Al Mahfed, Geshen, Gaher):
- Lahj (1 district Toor Albaha): The EU has
- Abdala district where tribal conflicts with the

SFD has developed two health projects and supplied Razi hospital with emergency obstetric and medical equipment; it has also built a maternal and child care centre but is unsure if it will be operational;

supported the Governorate to the value of €1 million for building health units' infrastructure and procurement capacities; these funds are also being used to purchase computers for the offices of the governorate;

governorate are such that there is concern that any facilities provided will be destroyed.

5.4 SFD's Approach to Conflict-Vulnerable Situations

SFD personnel indicated that conflict tends to undermine the typical analysis process that SFD undertakes to determine development needs, and much effort and energy has to be devoted to understanding the problem and negotiating a solution. This is especially so in tribal situations. In some governorates where SFD is active, such as Al Jowf and Shabwah, the local populations are highly armed and have rapid recourse to the gun. In tribal areas, SFD staff appear to be constantly balancing tribal influence with more objective analyses of broader needs. For example, if one community or sheikh makes a request for a school, there is a risk that another will feel undermined, thus causing or reigniting dormant conflicts.

However, SFD has proven that it can work in such contexts and is trusted by the local communities. As a case in point, SFD supports schools, roads and hospitals in parts of Sada'a, such as Haidan and Sageen, which are particularly conflict-prone and in which there is little if any government presence. The same balancing act applies with regard to political parties in Ibb and other locations. However, to date, political pressure to acquiesce to local demands have been resisted by the Managing Director and the staff.

Having robust and transparent policies, systems and procedures are deemed by staff to be the backbone of SFD's ability to withstand such pressure. Yet, there is neither policy nor means of recording mediation efforts available in SFD. Thus, information for this evaluation is based strictly upon brief examples provided by SFD staff members. These examples have facilitated the identification of some procedures that have prevented, resolved or minimised conflict, as follows:

- Establishing and adhering to clear criteria to avoid bias in selecting and implementing projects e.g. system for targeting and allocating funds.
- Ensuring transparency at all times e.g. community contracts are publicly announced, bids are opened at a pre-set time and place within communities and supervised by SFD representatives.
- Being flexible in implementation of criteria to facilitate service provision in conflict areas e.g. modifying the standard number of students required in a community in order to enable schools to be built.
- Reflecting sensitivity in the use of terminology and not using terms that suggest a hidden agenda e.g. talking about women's situation in the local context rather than using the term gender mainstreaming.
- Forming committees, holding elections for committee membership, use of the ballot, providing equal opportunities at community level to access resources.
- Collecting community contributions from all especially when different tribes or groups are to share a facility such as a school.
- Training of local authority so that they understand their own roles and responsibilities, and so that they can give recognition to community committees.
- In districts where the allocation of funds is relatively limited due to low population size, SFD

has been creative with special programmes which are introduced to help close the gap (e.g. labour intensive work). As these programmes are relatively new, they may play a more prominent role over time.

Box 4 below provides further examples of lessons learnt.

As far as possible, staff build on traditional systems for conflict resolution. Engagement of the relevant sheikh is key but there are also traditional rules to which tribes generally adhered. For example, water is a very valuable resource and SFD will only support water projects where there is agreement about use of water. Staff say that there are very rich rules about distribution of water within and between tribes and that no external agent can interfere or resolve it – not even government. The system for distribution of water is deemed very sophisticated, rules are very tight with little elasticity. In drought periods water is distributed equally. In many areas the rules of water distribution is written both for drinking water and irrigation, especially in rural areas, Marib is one such example. SFD's work on restoring traditional water systems is important in this context.

SFD has a programme on cultural heritage accounting for 6% of financial commitments in 2007. It includes saving decayed or endangered sites and monuments of archaeological, architectural or historical importance including restoration of a number of mosques, parts of city walls, and documentation of artefacts of Hymiarite origin, amongst many others. SFD staff indicate that while there is a lot of sympathy for the work and people approve of it, the cultural heritage programme does not play a role in conflict prevention as people are detached from public monuments that don't have a direct benefit – not a priority. Indirectly there may be some benefit in terms of the creation of jobs, for example, in Taiz, 60% of workers on the heritage sites come from one area and are trained by Yemeni and Italians experts, and this has generated good ties with the community.

5.5. Distributional Effects of SFD's Work

Adherence to transparency and accountability systems are central to SFD being able to operate, even in difficult circumstances. As previously highlighted, every district in Yemen receives an allocation from SFD based on poverty indicators and population size[42]. As a result, SFD has reach into every district; it makes efforts to penetrate those districts that are remote and where other government bodies cannot reach because of geographical remoteness or political or tribal disputes. Moreover, SFD is seen to respond in times of crisis; for example it has increased its investment in Hadramout following the floods and loss of life in 2008. Similarly, it is introduced a labour-intensive programme to create employment as a response to rising food prices. This system of resource allocation is deemed to help reduce conflict.

The transparent means of allocating funds[43], distributing projects across the country, targeting within districts (according to pro-poor criteria) and actively seeking to work with communities that do not approach SFD under the demand-driven approach, are cornerstones which promote transparency and reduce conflict over resources. They also prevent political interference by the leadership in the councils, a characteristic that SFD had to rigorously resist in its early days when members of parliament were very reluctant to have an independent organisation. SFD considers that its neutrality is paramount.

This system has worked well for SFD, though the possibility exists to add a 'conflict lens' to its criteria for allocating funds. Doing so would, for instance, involve the targeting of assistance to

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[42] SFD's targeting policy allocates more financial resources to interventions and projects in poor and needy areas and communities. Targeting policy relies on the most recent poverty indicators for the country, derived from reports by the Yemeni government, World Bank and UNDP. As such, the SFD distributes available and expected allocations among the country's governorates, then the districts in each. SFD uses three types of targeting, geographic, sector and social (the latter relates to special needs or especially marginalised groups (Source, SFD Annual Report 2007).
[43] SFD uses seven targeting indicators reflecting living standards and availability of basic services using data from the 1994 Census and 1999 National Household Survey.

areas most affected by violence. For example, Geshan in Abyan is the poorest district in Yemen, and consists of scattered villages with small populations; hence the funds allocated for this district are limited. However, the area suffers from high levels of tribal violence and revenge killings are such that people only go out at night. SFD staff consider that this area would need a higher level of investment than is currently the case if development is to take place. Yet, there are concerns regarding doing so. On a practical level, areas which are affected by conflict tend to have limited absorption capacities. In parts of Al-Hodeidah, for instance, there are a number of other agencies such as UNICEF who are supporting the local authorities with funding, and they may not be able to successfully implement additional projects. On a strategic level, drawing upon international experience in contexts such as Afghanistan, the targeting of assistance based on "insurgency" or other forms of violence has created a "perverse incentive" for populations, particularly elites, to allow or engage in violent acts. Doing so is premised on the belief that added funds will be provided, thus creating a material or financial interest in support of conflict. Furthermore, a conflict-responsive approach to aid allocation may blur the lines between SFD and security services, a dangerous trend which would undermine the Fund's existing high level of credibility and access.

Staff would like to see SFD have more flexibility in being able to transfer some of the funds to undersubscribed areas, though it appears that doing so on the basis of conflict or violence may not be fully appropriate. Current mechanisms may suffice. While SFD resource allocation criteria and procedures are clear and are set out in the Operational Manual, there is flexibility especially for those branches that work in difficult areas to enable them to adapt to the local situation. For example, in the education sector, smaller-than-average schools can be built in locations such as Al Jowf so that conflicting communities are not required to share facilities. Doing so has helped to prevent conflict over projects but SFD will also need to caution against entrenching rather than overcoming divisions. While an alternative solution would involve pro-active mediation through the creation of a single school, inter-community differences are not easily overcome, and SFD is currently ill-equipped to engage in such activities. Furthermore, as previously noted, doing so would run the risk of SFD being perceived as a political rather than development actor.

5.6 Access and No-Go Areas

SFD staff are able to work in all areas in the governorates of Ibb, Taiz, Al-Hodeidah and Hadramout. In a small number of cases where access is restricted, this tends to be for short periods of time until conflicts are resolved. By contrast Abyan, Aden, Amran, Al Jowf, Dhamar, Lahj, Sada'a and Shabwah pose some challenges due, primarily, to tribal conflict. When access is restricted, it is usually a temporary phenomenon; in such situations, SFD retains the funding allocated for that district until conditions improve. When little progress is possible in the short to medium term, staff return after 6-8 months to see if they can begin work.

Staff consider that studies on particular communities are essential to understanding the history of relationships and conflict. Such a need has implications for the type of consultants that are available to SFD. In other words, it would require the introduction of new capacities and, likely, the training of current or new SFD personnel on conflict analysis and mapping.

A key factor to having access is the use of contractors, engineers and consultants from the local area. For example, in one location in Amran, where there is no local authority presence but high levels of tribal conflict, SFD is identifying and training consultants from that location in order to gain access. In Marib and Al Jowf, because SFD is seen as an arm of government, staff do not travel in SFD cars but prefer to hire cars. To reduce the risk of kidnapping, SFD uses engineers and other consultants from the conflict areas in places such as Kowlan in Al Jowf. When vehicles are commandeered, an understanding of the underlying causes is essential, and generally SFD branches work with the local sheikh to resolve the issue. Involvement of the police or military is often counter-productive and can lead to an escalation of the problem. This portion of the Institutional Evaluation and its emphasis on conflict should not be interpreted in any way to support the

intervention of security services within local, tribal conflicts.

5.7 Technical Issues

At an operational level, the Technical Unit within SFD manages contracts and is responsible for procurement. This Unit may have to step in where there are difficulties between the contractor and SFD, or where contractors seek to provoke a conflict at local level in order to obtain higher fees. It has an important role to play in mediating problems, and often determines the problems and training need of contractors. It promotes the needs to train 10 – 20 people in arbitration at each branch level, and is a strong advocate of arbitration in the case of disputes. It urges avoidance of the courts as it saves time, costs, and energy, and places a high value on the fact that the case is heard by a person with technical expertise such as an engineer rather than a legal expert.

5.8 Lessons Learnt on Preventing and Resolving Conflict

Staff consider that the objectivity of SFD gives it credibility. The perception that it is an unbiased, neutral broker enables them to have a positive impact on conflict vulnerability. While many problems confront staff, solutions have been institutionalised and its reputation is underpinned by some general approaches. These are outlined below.

- The 'culture of SFD' whereby its staff do not accept gifts or eat with beneficiaries is seen as positive. For example, at the outset of the Rainfed Agriculture Project, communities would not initially cooperate but became willing to do so once they became aware of SFD's ways of working.
- Cultural understanding and building upon positive customs and traditions are seen to contribute to easing the obstacles. Conversely, its efforts to address negative traditional customs has also contributed to its acceptance. For example, SFD has created special programmes for girls' education and specific projects for special needs groups. It has also developed projects to utilise cultural assets under the Cultural Heritage Programme.
- Following participatory approaches helps to reduce the dominance of leaders over "their" communities. SFD consistently seeks to focus on satisfying the lowest level of community need rather than catering to elites.
- Coordination and communication with the local authority, particularly clarifying respective roles and responsibilities, has proven effective.
- The careful selection of implementers, and providing adequate training to consultants and contractors, is also an effective approach.

In identifying the lessons that have been learnt in relation to preventing conflict, staff chose the framework of: a) tribal, b) community issues, c) political interference, and d) local authorities. These are set out in the following table.

Box 4 Addressing Conflict Vulnerability: Lessons Learnt by SFD

Tribal issues

Staff say that tribal issues, if well understood, are easier to deal with compared with political issues even in Al Jowf, Marib and Amran; political disputes are deemed more difficult to resolve/work within. By contrast, in locations such as Ibb and Taiz, where there are fewer tribes, the absence of a tribal framework can make it very difficult to resolve conflicts**.** *Key lessons:*

- Carrying out social studies, understanding local customs, and guiding communities towards development-oriented projects e.g. health, education.
- Adjusting implementation mechanisms to what is appropriate to the tribal situation.
- Knowing the different tribal components of the targeted community.
- Necessity of knowing the background of tribal conflicts and tribal power.
- Having the right staff who know the local customs.
- Using tribal customs in solving conflicts.
- Concerning community contributions, even in situations where there have been tribal disputes/wars, if communities are to share a resource such as a school, all are required to give a contribution, and this is considered fair and equal.

Community

Communities/locations that have clear social and community relations are easy to work in. By contrast, communities in places such as old cultural cities, are considered complicated and more sophisticated. Hence, problems are deemed difficult to solve. Tribal groups are deemed honest and straightforward once they are understood *Key lessons* :

- Project can be used as an instigator or way of solving disputes.
- If the intervention is the top priority for the community, the potential for conflict is reduced.
- Promote women's participation, and identify work that is suitable for women e.g. in labour intensive works so that they can have access to food/cash.
- Follow approaches that consider community collaboration, similar social strata, enhance participation, are transparent, and build on local customs and traditions.

Political issues

It is deemed essential to let all political parties to be involved in all activities; there should not be bias towards any party, and there should be no exceptions. *Key lessons:*

- Accept requests from all parties.
- Follow SFD criteria and targeting mechanisms for resource allocation.
- Staff to deal objectively with political issues – hence the importance of having the right staff.

Local authority

One cannot ignore the role of the district local authority; yet, at the same time, it is not possible to respond to all their requests. Lack of understanding on both sides can cause the duplication of efforts. At the decentralised level, the governorate level is more difficult to work with than the district authority, it is removed from the community and hence is less accountable to citizens than the district level. *Key lessons:*

- Partnership between local authorities and communities is the best form of sustainability.
- Training and awareness for members of local councils, local authority staff and executive organs helps understanding and responsiveness.
- Communications to be regular.
- Work to create the principle of partnership and support the role of local authority on a real partnership basis.
- Coordination, participation, exchanging plans.

5.9 Role of CBOs in Conflict Prevention

Turning to relationships at the local level, the Institutional Evaluation sought to understand how community-based organisations (CBOs) have addressed conflict and the potential for engaging them in conflict prevention and resolution. The evaluation also sought to better understand how decentralisation and participation lead to new interactions between the state, local leaders and communities and to identify conditions under which such interactions either generate or mitigate conflict.

In working at the decentralized and community level, SFD staff consider that CBOs have a role in facilitating access and penetration by SFD into communities and can help create a conducive environment such that the potential for conflict related to projects is reduced. A strong CBO can transfer understanding of SFD to other parties and can ease communication for SFD. Community committees help to organise operations, especially in communities with weak leadership, as they have an official/elected role that enables them to engage in all elements of the project cycle. Governance procedures introduced by SFD can overcome constraints, for example, transparent elections facilitate a move away from appointing a leader that is feared or dominant towards a leadership that represents a partnership between SFD and the community. Where maintenance or beneficiary committees exist within SFD projects, they can contribute to resolving or lessening conflicts, such as over who is recruited to work on a project, or land/property issues affected by road construction.

However, the approach varies from place to place. At one level, a community committee may help resolve conflict within the community, but it may cause problems with community leaders (sheikhs). In Al Jowf, strong tribal leadership is helpful; a committee that is perceived to be weak will be ignored; but in other contexts, the opposite may be true. As mentioned earlier, it is interesting to note that in piloting the Empowerment for Local Development programme, SFD choose sites where the traditional leadership was not strong in order to give community committees the opportunity to lead the planning process.

Staff's experience is that most committees are temporary rather than permanent structures. In the beginning of a project they help to resolve problems, but with time, this role becomes weaker, especially during the operation and maintenance phase. Even when training is provided, the composition may change with election of a new committee. This would suggest that those committees that are formed to facilitate a project have a limited role in longer term conflict prevention. On the other hand, SFD has found that projects established under the recently introduced emergency support to poor households, which had no committee, incurred more problems. Staff consider that the committee's role should be clear and explicit from the beginning, especially its role in regard to operation and maintenance, and that this might prompt communities to elect more efficient and effective people.

CBOs facilitating relationships with the State

In relation to playing a mediation role between communities and organs of the state, the experience is that community committees are ignored because there is no perceived legal basis for the relationship e.g. between the community and a school principal. The health sector is one area where SFD sought to institutionalise the relationship between community health committees (that had been trained and supervised for a year), and the Health Office but the committees were rapidly ignored and there was no follow-up from the Health Office.

In terms of facilitating implementation of sector policies, there may be divisions about bottom up planning and how to reconcile community priorities with local authority and government plans. Participatory rural appraisal methodologies help to resolve problems at community level but may arouse conflict with the sheikh, and community priorities may not be recognised as such by the

local authority. SFD staff point to the need to balance community priorities with national and district level sector priorities and targets, and to verify that projects are in line with national/district plans.

On the issue of whether or not to work with the existing leadership, the consensus is that the optimum scenario is where existing leaders are supportive. In terms of supporting the decentralisation process, the challenge is to bring elected representatives on board, harmonise their views with those of the community, and enhance their role so that the elected council member can be the main communicator/interlocutor. When implementing projects, if there is conflict among political parties, the neutrality of the implementing contractor is important, and on occasions SFD has had to change biased contractors.

Balancing the interests at governorate level is also a challenge; one Governor wished to jail an SFD officer who was overseeing a road project because it was not in line with the governor's priorities. As discussed earlier in the section on decentralisation, community needs, priorities and plans, even when agreed with the District authority, are often not recognised by the executive organs especially at governorate level.

5.10 The Need for SFD to Develop a Standardised Approach to Conflict?

The consensus of SFD staff is that each context has its own characteristics and that one common approach to conflict prevention does not work. That said, staff consider that there needs to be written procedures that help to create an institutional culture of how to deal with conflict. They suggested developing general policies to deal with conflicts, while the mechanisms to deal with individual situations will be case-specific.

SFD does not have in-house conflict prevention/resolution experts, but some project officers and the branch managers have attained a high level of skill in relation to conflict resolution. Staff consider that guidance on how to deal with issues should be documented. To minimise escalation of conflicts, staff say that every problem should be referred to branch level so that the issues and reasons behind the conflict can be understood – there is a sense that every problem and comment should be taken seriously. They would like to see clear procedures of operation to guide consultants and people working with SFD so as to avoid the risk of aggravating conflicts.

5.11 Recommendations

1. This evaluation endorses the view of staff that a series of workshops should be held to exchange experiences of managing conflict and to develop a literature and case studies in the area. It would also like to document problems and solutions.

2. As the awareness of the impact of conflict on its work increases, SFD could develop a number of strategies that would help provide guidance for staff on how to deal with certain conflict situations. These include:

    - the development of specific approaches to mediation;
    - the establishment of ad hoc but accepted bodies to address conflict; and
    - the creation of permanent data base related to conflicts and their resolution; these could be classified into such areas as types of conflicts, the parties involved, issues that required mediation, the approach adopted to mediation. While each situation is different, staff members could then draw upon these experiences to help determine which approach to take where (whether in the same community or in a comparable situation).

6   NGOs and Conflict[44]

Sub-Objective: To explore, in depth, SFD's support to the NGO sector and to make recommendations to be the basis for the development of a strategy for SFD in this sector.

This component builds on one of the recommendations of the 2006 Institutional Evaluation whereby SFD would develop a strategic approach for its engagement with the NGO sector. An active civil society, of which NGOs are key players, is an essential part of good governance in any country given their contributions to open, transparent, participatory and, at times, accountable decision-making processes. However, in the context of Yemen, the indigenous NGO sector is still in its infancy, lacks coordination and has minimal interaction or influence on national or sub-national policymaking and resource allocation.[45]

In line with the 2006 Institutional Evaluation, SFD personnel are in the process of commissioning a study that will develop and coordinate a survey of civil society organizations (CSOs) with which SFD has engaged or could engage. This study will assist SFD in developing a strategy for its engagement with the NGO sector. In this context, it was agreed that the added value of the Institutional Evaluation is to jointly host a workshop with those NGOs that receive support from SFD to examine the extent to which they have a capacity to engage in conflict prevention and conflict-sensitive programming. Representatives included agricultural and fisheries cooperatives, NGOs working with special needs groups (visually, physically and mentally impaired), women's organisations and an engineering syndicate.

Overall, it appears that the NGOs that are funded by SFD do not recognise their relation to conflict or directly engage in activities which they consider to closely involve or relate to conflict. Rather, they felt that conflict vulnerability, as related to their work, concerns the weakness and relative immaturity of civil society as well as poor governance practices such as nepotism and a general lack of accountability by the leadership of individual NGOs.

6.1 Mapping Sources of Conflict

A mapping of sources of conflict identified the following issues:

1. ***The National Level:*** Conflict vulnerability relates to the NGO sector and its relationship with the government. This relationship is marked by differences of opinion regarding the implementation of existing laws and the development of new laws to support marginalized groups. The NGOs also noted a lack of complementarities (synergies) between the State and NGOs and the interference of political parties in the work of NGOs. Information, communication and consistency also proved problematic, with a lack of clarity on government support, a perception that public resources were not distributed based on need and merit alone and a lack of awareness of the respective duties and rights of government and NGOs. Concerns were also raised pertaining to the poor monitoring and evaluation of NGOs by the government and the perception that those NGOs who are close to the Centre of decision making receive more support. In sum, the civil society representatives felt that their relation to the government was a source of conflict and that, given the existing politicization of particular NGOs, internationally common notions of non-state actors as neutral parties to conflict did not necessarily apply. A sentiment was also expressed that, given the somewhat unpredictable nature of government oversight of NGOs, those seen as inappropriately intervening in conflict-related (and, hence, political) activities could be placing themselves in jeopardy.

2. ***The NGO Sector:*** Conflict vulnerability relate to poor internal governance including non-

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[44] Information for this section of the report is based on a workshop on *NGOs and Conflict Prevention* organised by the Institutional Evaluation (Sana'a, 1 April, 2009). Twenty participants **(50% male and 50% female) represented seventeen NGOs from national level as well as NGOs from 5 governorates (Aden, Amran, Dhamar, Ibb, Sana'a)** .

[45] SFD Guidelines for Operations, Monitoring and Evaluation Manual, Non-Governmental Organisations, 2008 (draft),

compliance with laws and bylaws, political partisanship, unclear and unevenly applied financial regulations and insufficient accountability. NGO management was also found to be wanting, with NGOs' Management Boards demonstrating weak capacities and entrenched nepotism. They also failed, as required, to hold elections and lacked transparent mechanisms for decision making. Other challenges facing NGOs' included unclear roles and responsibilities, poor planning mechanisms, an absence of needs assessments or impact evaluation, a tendency to focus capacity development opportunities upon NGO elites and a failure to address gender equality when working with the target group. It was generally sensed that NGOs themselves reflected many of the governance issues which civil society representatives had attributed to the State. As a result, they do not necessarily reflect the values or attitudes, particularly related to transparency, accountability and equity, necessary to tackle conflict.

3. ***Between NGOs and Communities:*** Potential conflicts including NGOs and communities include the inappropriate management of expectations (which are often unfulfilled), a lack of transparency concerning NGOs' use of funds and, as a result, a general inability to secure the trust of beneficiaries. As a result, it appears that the presumed role of NGOs in representing vulnerable actors and providing bottom-up accountability does not necessarily apply, broadly speaking, to civil society in Yemen. Significantly, only a small minority of NGOs consulted as part of the Institutional Evaluation engage communities and beneficiaries in participatory planning to ensure that interventions are locally owned and based on local needs and priorities. As such, it appears that training on community-driven development with an emphasis on basic means of participation, communication and transparency will be required if Yemeni civil society is to productively engage with conflict directly or on a "mainstreamed" basis.

4. ***Between NGOs on a Local Level:*** Conflicts over access to resources are common, and there is a pervasive sense that those NGOs located closest to the State receive an unfairly high amount of resources. Concerns were also voiced relating to a lack of harmonisation and coordination mechanisms and networking within the sector and with cooperatives. Coordination and joint planning was also found to be rare among those working in the same sub-sector. Additional concerns revolved around a lack of transparency, weak monitoring and evaluation systems and the politicization of NGOs (which are frequently allied to political parties). While such challenges are significant, they are not wholly unique to Yemeni civil society and may not necessarily impinge upon select, apolitical NGOs' ability to engage in conflict prevention and conflict-sensitive development. However, greater coordination and improved relations among NGOs and other CSOs would make joint-planning and combined training on conflict sensitivity far more effective. A singular presence or voice would also allow NGOs, as with BOND in Britain, to jointly advocate for the needs of the vulnerable and, hence, contribute to decentralized decision-making and bottom-up accountability.

5. ***Between NGOs and Local Authorities:*** Conflicts emerge due to the lack of effective bylaws that define mechanisms for communication with the State, the exclusion of NGOs from planning, monitoring and evaluation at the local level and a lack of transparency concerning the amount of support that is available. Weak monitoring and evaluation of NGOs by public authorities and, again, politicization of some NGOs were also highlighted as major challenges. Given that NGOs in Yemen require functioning relationships with local authorities and given that many conflicts appear to occur between communities and public officials, civil society will find it difficult to productively engage with issues of conflict unless state-civil society ties are improved.

6.2 Engagement of NGOs in Conflict-Sensitive Development

Yemeni civil society representatives expressed a general consensus that while SFD has, thus far, not been directly engaging civil society organizations in conflict resolution, its support to NGOs indirectly mitigates conflicts. For example, in building the capacity of NGOs in strategic planning,

monitoring and evaluation and putting in place administrative and financial regulations, they are able to be more participatory and transparent. There are, thus, fewer conflicts between NGOs and the state and between NGOs and community members. Communities themselves benefit given that, in contributing to NGOs' planning processes, they are able to engage in a productive dialogue. Current efforts to promote partnership between SFD, communities, NGOs and government authorities, are also deemed to reduce tensions within the sector.

A few organisations have taken steps to protect themselves from conflict and ensure that they are perceived as being both neutral and impartial. They have done so by establishing systems and procedures for work, by improving financial transparency and accountability mechanisms, by renewing their registration with the Ministry for Social Affairs and by working towards a wider engagement in decision-making beyond their Management Boards. That said, NGOs primarily understand their relation to conflict as relating to their role within conflict (or instances in which they are a party to conflict). Civil society representatives were less prone to viewing themselves as third parties to conflicts between, for instance, two communities or between a community and the State.

That said, NGOs see 'conflict resolution', in particular, as an important priority. Yet, if given the choice between a service delivery project (such as in health or education) or a conflict resolution project, all participants said they would prefer to have the service delivery project but that conflict resolution could be a cross cutting issue or an integrated component of any project. As in many contexts, projects specifically and solely focused upon conflict tend to be viewed as political interventions or as wasteful given their lack of tangible, material benefits for vulnerable poplations. Given such sentiments, NGOs and other CSOs should be encouraged and, most importantly, trained to add a conflict-sensitive lens to their planning, implementation and evaluation activities.

6.3 Recommendations

The kind of support expected from SFD to help prevent or resolve conflicts in the sector may revolve around the following recommendations, which are broken into two sub-sections.

6.3.1 To Address Conflicts Involving NGOs

- SFD should participate in reviewing existing laws and bylaws and developing new laws and bylaws related to volunteerism and the NGO sector.
- SFD should advocate on behalf of NGOs to increase the government annual financial support for the sector.
- SFD should establish a Code of Conduct for NGOs which, in particular, addresses issues such as impartiality, neutrality and conflicts of interests.
- SFD should provide institutional support to NGOs such as a unified system for work procedures for all NGOs, assistance to put in place administrative and financial regulations, opportunities to build NGO staff capacity in participatory and strategic planning, train NGOs in fund raising and resource management, and promote monitoring and evaluation.
- Finally, SFD should develop clear criteria and standards for its engagement with NGOs in order to maximize its role as an intermediary in implementation of development.

6.3.2 To Address Conflict–Sensitive Development

- SFD should conduct an analysis of conflicts at various levels, from the interpersonal level to the national level, within Yemen. Such a study would focus upon the relationship between different levels of conflict and the "transmission" of tensions and conflict.
- SFD should organize capacity development opportunities, potentially by bringing in NGOs from conflict-affected regions such as Lebanon, to explain the notion of conflict assessments, transparency, participatory planning and conflict-sensitive programming. Core work related to the meaning of conflict and conflict sensitivity will need to be included in order to ensure that

NGO personnel understand the relation of their work to external conflicts between two parties.
- SFD should provide NGOs with the opportunity to share experiences and disseminate information related to conflict resolution/prevention and conflict-sensitive development methods.

7. Opportunities for SFD's Future Role

Sub-Objective: To conduct research from international experience to explore the future role for SFD, with a focus on the longer term sustainability of agencies that deliver services on behalf of government and the long-term efficiency and effectiveness of the approach.

This section is not intended to be an exhaustive overview of international experience of social funds but rather highlights those issues that are directly relevant to SFD and which may inform the planning of Phase IV of SFD. It begins with a brief overview of the evolution of the social fund model internationally and highlights some key lessons that have been learnt. It also discusses the general shift towards supporting local governance and decentralisation. It provides a brief comparison of the SFD model compared with other social funds, and finally highlights a number of issues for consideration.

7.1. Evolution of social funds internationally

The evolution of social funds has reflected a shift from crisis response, the creation of temporary employment and the provision of small infrastructure in the late 1980s towards enhancing communities access to basic services and infrastructure, particularly in health, education, water and sanitation, by the mid-1990s. There was a further shift towards community driven approaches in the late 1990s, and a move towards supporting decentralization, community driven development and microfinance by 2000. A World Bank study of social funds carried out in 2008[46], Social Funds as an Instrument of Social Protection: An Analysis of Lending Trends FY2000-2007, found that during the FY2000-07 period, the most common trend has been the increasing role of social funds in decentralization processes, by giving local authorities more responsibility for managing local level investments, and building capacity of these local structures[47].

The study found that 'while the model (of social funds) was sometimes tagged as "parallel" and undermining the core institutions of government, it has in practice sustained itself, and governments have retained the model because of the results it produces'[48]. It points out that with or without World Bank financing, governments have managed to sustain social funds[49]. Most governments recognise that social funds have been one of the few institutions to deliver results in poor communities, and hence have continued the funds beyond their originally intended short-term horizon. Of the 48 social funds that received support from the Bank between FY 1987-2000, the vast majority (35) still operate in some form. A large proportion (43 percent) of social funds implemented with World Bank support during FY2000-07 were repeater projects, evidence of the success and demand for social funds[50].

A further study, Evaluating Social Funds: A Cross-Country Analysis of Community Interventions (undated), found that 'short term impacts of temporary employment and shoring up of dilapidated or deficient local infrastructure have given way to an increased attention on sustainable service delivery and, more recently, on strengthening local level institutions and organisations'[51]. However, it points out that much depends on the country context in relation to progress on national decentralisation strategies.

Concerning the role of social funds, the study concludes that they are 'a complement to, and not a substitute for effective sectoral policies; nor should they try to fulfil the investment financing needs

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[46] De Silva, S. & Sum J-w, *Social Funds as an Instrument of Social Protection: An Analysis of Lending Trends FY2000-2007,* World Bank, July 2008.
[47] OED , 2002 p. 2
[48] p.4
[49] p.19
[50] p. 12
[51] *Evaluating Social Funds: A Cross-Country Analysis of Community Interventions (undated),* p. 147

of all poor communities'[52]. The impact and sustainability of social fund investments are heavily dependent on effective strategies for service delivery which are under the auspices of line ministries and local governments. Social funds must work with local governments, NGOs, communities and other development agents to leverage resources and carry out investments that serve the broader national objectives of poverty alleviation[53].

7.2. Lessons Learnt

A recent report from the World Bank, Social Funds as an Instrument of Social Protection: An Analysis of Lending Trends FY2000-2007 reviewed 49 social funds, including SFD. It identified some key lessons which include the following[1]:

Social funds have significant development impact by delivering basic social and economic services in poor communities and by strengthening local level capacities for improved local governance.

Social funds have demonstrated the merits of their institutional model as efficient, semi-autonomous bodies focused on promoting concrete results at the local level. As a result they have earned a permanent position in the institutional responses by many governments to poverty reduction and they have become an important element of the national system of service delivery.

Social funds are flexible institutional instruments whose objectives have changed over time to reflect the changing country context and government needs. For example, they have moved from being a source of safety nets for vulnerable groups to taking on a larger number of development objectives such as capacity building of local institutions.

Social Funds are unique in supporting informal mechanisms for managing risk at the community level, compared with other social protection mechanisms that serve the formal sector and operate at the individual or household level.

7.3. Supporting Local Governance

A review of social funds in five Latin American countries concludes that the issue is not whether social funds undermine local governments or not but rather how they can become an effective instrument of the country's decentralisation policy i.e. 'how their interactions with local governments, communities and sectoral agencies advance the decentralisation policy objectives and a more balanced approach to local development'[54]. The review points out that the increased commitment to decentralisation in the five countries has signalled the end of social funds as ad-hoc structures for financing and managing local infrastructure investment. Governments are integrating social funds into the institutions supporting governance and provision of services at the local level. This is being done through a variety of reforms – mergers of funds, absorption by line ministries, or the institutionalisation of social funds as permanent agencies with clearer and permanent mandates.

The roles being assigned to the social funds have two main elements (i) conditional, matching grant mechanisms that leverage local authority investments toward national priorities, and (ii) the implementation arm of a local investment national programme for poverty reduction, focusing on strengthening local government and community capacities for planning, financing and managing local infrastructure services in a participatory and accountable manner. Social funds are acknowledged to have a comparative advantage in developing and assisting with the implementation of systems and procedures for local investment management. The challenge however is to build on local government systems that are applicable to all local authorities, not a

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[52] ibid
[53] Ibid, p. 147
[54] Serrano, R. *Integrating Social Funds into Local Development Strategies, Five Stories from Latin America,* Social Funds Innovations Notes, World Bank, vol 3 no.1, Sept 2005.

social fund-specific system. All five social funds are transferring all or a substantial portion of their resources directly to local governments, and in some cases transferring funds further down to community groups. Participatory planning methodologies are fundamental to the process. In the case of El Salvador, the social fund only funds investments above $50,000 as a way to complement the focus on small scale projects that local governments tend to finance with their own resources[55].

A similar shift towards supporting decentralisation was found in Central America and came about in recognition that many social fund projects bypassed local governments. There was a realisation that 'even if local governments were unresponsive or corrupt, the solution was to reform them rather than skirt them and thereby undermine their relevance to their own citizens'[56]. In a review of three Central American Social Funds – Honduras, Nicaragua and El Salvador – resources for investment planning, contracting, implementation, and maintenance was shifted partially or radically to local governments. In so doing, the funds were able to create conditions at the local level that enabled the decentralisation processes to work well. The funds fostered new dialogue between communities and local governments concerning local investment priorities, and contributed towards institutionalising statutory guidelines for participatory and transparent municipal planning[57], achievements that are also attributed to the SFD Empowerment for Local Development Programme, discussed above. Moreover, by transferring funds as well as managerial and technical know-how to local authorities, they have enabled learning by doing and have increased capacity to manage infrastructure building. It should be noted that the funds still faced the challenge of increasing the involvement of communities beyond the planning stage.

7.4. A comparison of the SFD model with other Social Funds

The findings of a World Bank evaluation in 2002, Social Funds, Assessing Effectiveness, carried out by the Operations Evaluation Department (OED), reviewed 66 projects and enables a broad based comparison of SFD with other social funds. First, it found that social funds usually have a much higher degree of independence from line ministries and sectoral budgets. Second, social funds make decisions on allocation of resources among alternative investments– both across and within sectors and Regions. Third, they have acquired de facto long-term status, as their mandates continue to be extended on the strength of external funding with continuing accountability, usually to donors as much as to national stakeholders[58]. These are all features of the SFD in Yemen.

SFD shares a number of attributes with many other Social Funds. Most of the attributes identified by the Bank's evaluation are to be found in SFD also including 'learning organizations, adapting to changing country conditions, responding quickly and effectively to emergencies, establishing transparent operating procedures, putting sophisticated management information systems in place, and developing innovative approaches to community contracting and outreach'. Furthermore, they use operational manuals, management information systems, and have established procurement and disbursement procedures appropriate for community contracting[59].

The 'independent' institutional framework of SFD is comparable to the status of other social funds. SFD shares with other social funds the fact that it is a legal entity, independent of line ministries (as are 89 percent of other social funds), and accountable directly to the president or prime minister (64 percent of social funds). It is exempt from government regulations in hiring staff (95 percent of social funds), staff terms and conditions (93 percent of social funds), and government procurement

[55] Serrano, R. *Integrating Social Funds into Local Development Strategies, Five Stories from Latin America,* Social Funds Innovations Notes, World Bank, vol 3 no.1, Sept 2005, p.5.
[56] Serrano, R. & Warren, D. *Reingeering Social Funds for Local Governance: The Central American Experience,* Spectrum Magazine, Fall, 2003, p.44.
[57] ibid
[58] OED, 2002, p. 33
[59] OED, 2002, p.32-33

and disbursement procedures (83 percent and 74 percent of other social funds)[60].

Similar to other social funds SFD encounters coordination problems with line ministries. The World Bank evaluation found that while the autonomous arrangements referred to above have been key to the strengths of social funds in producing immediate outputs and in attracting external finance, they have also presented difficulties of coordination and accountability relative to mainstream public sector agencies, issues that also emerge in Yemen. Moreover, the role of social funds in relation to line ministries was found to be been inherently unclear, and coordination problems have been reported frequently. Many of these problems have been attributed to weaknesses in the ministries concerned, but, at the same time, the special status and mandate of social funds has, inter alia, made it difficult for them to have much impact on the deficiencies of mainline services[61].

A more recent study by the World Bank, Social Funds: A Review of Public Sector Management and Institutional Issue, highlights that relationships with sectoral agencies was found to be the most contentious issue in the relationship between the public sector and social funds. Social funds are often accused of undermining sectoral coordination and weakening line ministries, but it indicates that funds are developing ways to enhance synergies between the two. It also found that funds were contributing to institutional development and to demand for sectoral reforms by engaging communities and civil society in the quest for better service delivery[62].

Impact of SDF on public expenditure management. Like other social funds, SFD makes decisions on resource allocations independent of other government resources. A key issue to emerge from the World Bank evaluation is that because social funds control their resources and have independence on allocation of resources, they have been filling a parallel function in deciding the allocation of public resources, albeit that these decisions are based on geographical and poverty indicators. Given this context, it argues that coordination with line ministries that also perform this function is crucial, especially for large-scale social funds[63].

7.5. Issues for consideration on the future role of SFD

The World Bank evaluation (2002) highlights that social funds have continued to attract donor finance, refine operating processes, and expand their activities. It draws attention to the fact that there has been little movement to reduce their heavy dependence on external funding or to integrate them as mainstream government agencies. The lack of clarity in the role of social funds relative to other agencies is deemed an important issue to address as the scale and scope of their operations expand[64]. It also recommended that social funds (a) strengthen integration into country and sector strategies and poverty reduction strategies; (b) pay more attention to long term impacts; and (c) ensure efficiency of resource allocation.

7.5.1. Integration with country and sector strategies[65]

The development impact of social funds and the sustainability of their projects depend on the progress of broader institutional and public sector reform. Thus, an important factor in the long-term development impact of social funds is the extent to which they are integrated in sound strategies for their sectors of operation. Where such strategies exist, efforts are needed at the project design stage to ensure that social fund activities are fully consistent with them. Where no such strategy exists, the development impact of social funds will depend on other initiatives to develop sound sectoral strategies, and on the consistency of social fund activities with them. This

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[60] OED, 2002, p.33
[61] OED, 2002, p.33
[62] Bhatia, M. Social Funds: A Review of Public Sector Management and Institutional Issues, World Bank, May 2005, p. ix.
[63] OED, 2002, p.50
[64] OED, 2002, p.44
[65] OED, 2002, p.27

recommendation is consistent with the desire expressed by senior government officials for greater participation of SFD in developing new or supporting existing national strategies, for example in the water sector, in relation to social protection, literacy and adult education, inclusive education and disability. These issues are discussed earlier in this document.

Effective complementary actions at the central level are essential to the successful impact of the social fund and, even when the social fund focuses on working with local governments, it must be aligned with central government initiatives. This argument strengthens the rationale for SFD to continue to strengthen its engagement with central level ministries in order to improve the regulatory and fiscal environment for decentralized service provision.

7.5.2. Sustain long term development impact

International experience is that social funds are being called upon to shift from short term emergency programmes to longer term development impact and institutional development objectives as well as sustainable service delivery, however, the experience indicates that such a transition is sometimes difficult to implement (World Bank 2002)[66]. It cautions that in taking on these difficult challenges social funds are liable to meet the same constraints as other kinds of interventions and may lose the strengths on which their reputation has been built. For example, building capacity and social capital at the community level are time- and human resource-intensive processes, making disbursements potentially slower and less predictable, and argues for the tradeoffs should be explicitly addressed.

The new focus also requires significant changes in an agency's performance incentives, staffing, and skills mix. For example, if SFD is to increase its focus on building capacity of local government and community organisations it will need to reassess the skill complement of its staff, and especially its numerous consultants, many of whom come from an engineering background.

The World Bank evaluation states that while social fund projects have been successful in channeling substantial external resources toward local development, disbursing rapidly and achieving their physical output targets, their impacts on outcomes and welfare variables, and on community capacity building and social capital, have been mixed. It advocates that more attention is needed to the complementary inputs ("software" as well as "hardware"), and to ensuring the institutional arrangements necessary to achieve long-term impact from investments[67]. This is an issue that applies to SFD also, and examples are provided above from the water and inclusive education sectors. On the other hand, the integrated interventions programmes have practiced this approach for some years and have valuable lessons to offer other SFD programmes.

7.5.3. SFD's demand-driven approach

A key issue is whether SFD's demand-driven approach continues to be appropriate and effective. International experience indicates that the effectiveness of the demand-driven approach as used in social funds has been variable. It is argued that the approach does not necessarily mean that the social funds are responding to the highest priority problem of the community. The World Bank evaluation found that the community-based demand-driven mechanism allowed a bias toward certain sectors, in part because of the important role of those involved in instigating, formulating, and submitting the project e.g school headmasters/mistresses. It also advocates that before communities decide on projects, they should be acquainted with a wider menu of project options and their costs. To some extent at least, SFD's approach to undertaking participatory rural appraisals (PRAs) before requests are processed reduces this risk, but it is an issue for on-going monitoring.

Furthermore, and as already discussed, now that the focus of decentralisation is on local

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[66] *Social Funds, Assessing Effectiveness, Operations Evaluation Department*, World Bank, 2002, p.46
[67] OED, 2002, p.75

governance, and the fact that community participation is firmly embedded in the National Strategy on Decentralisation, the issue for SFD is whether it continues to work on a sectoral basis supporting individual demand-driven projects or whether it moves towards becoming a more strategic resource to MoLA supporting governorates and districts in terms of capacity building and provision of financial resources.

7.5.4. SFD's role in relation to social protection

A majority of social funds are instruments of social protection delivering a range of social services and focusing on the problems of social exclusion and poverty, while partnering with local institutions to implement activities that benefit vulnerable groups. A key issue for the future is how social funds can be better positioned as part of national systems of social protection. In the Yemen context, SFD has been an important instrument for social protection; for example, in 2005 it accounted for 40% of public expenditure in social protection. Looking to the future, SFD needs to clarify its specific social protection role and in doing so should take two issues into account. First, this institutional evaluation indicates that a blurring of the role of SFD has occurred in the eyes of some government officials in that there is an expectation that it should support mainstream line ministry programmes on a larger scale than is currently the case. This lack of clarity on SFD's remit is leading to misunderstanding and frustration amongst some other government agencies.

Second, now that a national Social Protection Strategy[68] has been formulated, it will be important for SFD is articulate how it will engage with the implementation of this strategy, a position that would be welcomed by the Ministry for Social Affairs and Labour. The strategy proposes that Yemen adopts three strategic objectives:

- Targeted social safety nets/assistance that would reach the poor in an effective way.
- Universal and functional literacy combined with effective child and youth development.t
- Adequate, affordable and sustainable social insurance[69].

SFD is well placed to respond to the first two of these three objectives. Already many of its programmes respond to objective 1 (for example, education, health, water, roads, integrated interventions, programmes for clients with special needs). SFD is also well positioned to support objective 2 on literacy though the issues discussed above will need to be addressed (see Section 2 on National Policies and Programmes).

7.5.5. Sustainability of Social Funds

The issue of sustainability of social funds themselves is raised in the study Evaluating Social Funds: A Cross-Country Analysis of Community Interventions (2004). It points to the fact that most social funds rely on international donor support and that while some social funds like Chile's Social Investment and Solidarity Fund, are fully domestically-financed, for many of the poorest countries donor financing will continue to play a critical role in supporting such programmes in the near future[70]. However, it has also been argued that social funds may be instrumental in attracting funding from other sources (foreign donors, community contributions) for investment or recurrent costs that would not otherwise exist[71]. The cross-country analysis study concludes that social funds have been effective in expanding access to basic social services in poor communities and have generated important welfare benefits. It considers the remaining challenge to be for social funds to find the best balance between community-led initiatives and national policies in the implementation of poverty reduction programmes.

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[68] Yemen, A Social Protection Strategy, Phase II, 2008. It defines social protection is as the approaches and instruments that aim to expand opportunities (e.g. through workforce development), reduce risk (e.g. through social insurance) and enhance equity (e.g. through social assistance that ensures minimum levels of subsistence).

[69] Yemen, A Social Protection Strategy, Phase II, 2008, p.10

[70] *Evaluating Social Funds: A Cross-Country Analysis of Community Interventions (undated)*, p.148.

[71] Bhatia, M. *Social Funds: A Review of Public Sector Management and Institutional Issues,* World Bank, May 2005.

Finally, while there is concern among SFD stakeholders that Phase IV of SFD should consider an exit strategy, international experience shows that as social funds move towards institutional development instead of mainly providing basic infrastructure, the emphasis is shifting from devising exit options to crafting evolution strategies[72].

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[72] Bhatia, M. *Social Funds: A Review of Public Sector Management and Institutional Issues,* World Bank, May 2005, p. ix.

Conclusions and Recommendations

SFD continues to be an important government agency that is making significant contributions at various levels. At national level it has influenced the development of national strategies, for example, in relation to water, decentralisation, disability, and social protection.

SFD has played an important role in relation to building the capacity of the Ministry of Local Administration, and is considered to be a trusted partner to assist the ministry as it seeks to implement the National Strategy on Decentralisation.

In education, it has developed a number of specialist programmes which are highly valued by those involved in such programmes such as those for gifted and talented children, rural girls education, and improvement in the quality of education. The challenge now is to work with the Ministry of Education to see how they can be scaled up. In order to support national initiatives in relation to inclusive education and literacy, SFD will first need to develop an internal strategy on both areas and consider bringing them under its overall Memorandum of Understanding with the Ministry of Education.

In all four sectors reviewed at national level, water, education, local administration and social labour and affairs, SFD's expertise in helping to build capacity was acknowledged and senior government staff indicated that they would welcome further support in this area.

At the local level, SFD has developed the *Empowerment for Local Development* (ELD) programme which is currently in a pilot phase. Communities indicate that it has helped reverse the planning process from top-down to bottom-up by including a social auditing component that has helped to resolve problems within the community. This component has also improved transparency, accountability and equity within districts. Three key issues emerge from ELD that need consideration by SFD and its stakeholders:

1. If the ELD approach was scaled up and adopted nationwide it would have a significant impact on how SFD currently carries out its work. SFD would no longer respond to individual community requests but, instead, would fund projects based on the ELD-generated local development plan.

2. Of potentially greater impact on how SFD works in the future is the extent to which decentralisation takes root. The current SFD model of directly responding to community needs was a model which was developed before local councils were established. Now that the focus of decentralisation is on local governance, and the fact that community participation is firmly embedded in the National Strategy on Decentralisation, the issue for SFD is whether it continues to work on a sectoral basis supporting individual projects or whether it moves towards becoming a more strategic resource supporting governorates and districts in terms of capacity building and provision of financial resources.

3. The ELD planning process has created expectations that cannot be met due to the slow pace of fiscal decentralisation to the district level. This is leading to a high level of frustration within communities, and unless funding is forthcoming there is a risk that communities will become disillusioned, and ELD will not achieve its potential effectiveness in delivering services for poor communities.

In terms of community participation, important lessons have been learnt by the *Integrated Interventions Programme* that should be captured and transferred across other SFD programmes, for example, on how to sustain effective community structures that can manage and deliver services to their people, or how to deepen the engagement of women in programmes. More broadly, the issue of community contributions to projects is complex and SFD will need to reassess its approach within different sectors to ensure that it is not putting undue pressure on poor communities.

Regarding the cross-cutting issue of conflict prevention, while conflict, with regard to either sensitivity or prevention, is not incorporated into the majority of SFD's literature or vocabulary, it is highly relevant to staff members implementing the Fund's activities. Having robust and transparent policies, systems and

procedures is deemed, by SFD staff, to be the backbone of SFD's ability to withstand external pressure, and its neutrality as an organisation is key to its ability to operate in nearly all communities. Operationally, given the prevalence of conflicts at multiple levels, staff have developed skills and strategies to avoid and mediate disputes. Yet, there is neither policy nor means of recording prevention or mediation efforts available in SFD, an issue that will need to be redressed.

The experience of other social funds indicates that as SFD prepares for Phase IV, it should build on its comparative advantage in supporting institutional development and capacity building at all levels of governance and government, and particularly in supporting decentralisation. A challenge that it will face is finding the best balance between community-led initiatives and national policies in the implementation of poverty reduction programmes.

While there is concern among SFD stakeholders that Phase IV of SFD should consider an exit strategy, international experience shows that as social funds move towards institutional development instead of mainly providing basic infrastructure, the emphasis is shifting from devising exit options to crafting evolution strategies. It also shows that there may be little movement to reduce SFD's heavy dependence on external funding or to integrate as a mainstream government agency.

The following table sets out the main recommendations of the report.

Recommendations

National Level		
Water Sector	1.	SFD needs to continue to consolidate its commitment to aligning itself with the National Water Strategy, and to be seen to do so. Such a transformation will pose challenges such as balancing top-down with bottom-up planning. That said, other moves towards coordination and harmonisation are singularly beneficial.
	2.	Give priority to contributing to the design of the proposed mapping of the country to identify those areas that are suitable for rain water harvesting and for mechanised systems to ensure that geographical and geological criteria are mingled with poverty criteria. Once the map is completed, it will be an important instrument on which to base funding allocations in the sector.
	3.	Programmatically, there is the need to evaluate SFD's pilot sanitation programme in order to provide evidence of its impact upon behavioural change.
	4.	The opportunity which exists for SFD to help build capacity of local councils in the water sector should be considered with the caveat that it would require a strengthening of coordination between the Water Unit and the Training and Organisational Support Unit.
Local Administration	1.	If decentralisation is to succeed, MoLA acknowledges that it needs considerable assistance and has indicated that SFD can play a role of a key strategic partner and resource. SFD is well placed to do so. To the present time, SFD has had a great deal of flexibility in determining the focus of its engagement with MoLA and local authorities. However, in the future it will need to ensure that MoLA is in the driving seat in terms of supporting local authorities and regulating and monitoring the sector/process.
	2.	Three areas where identified by officials where SFD can complement and enhance the role of MoLA in the future:
		▪ capacity building for its different sub-sectors
		▪ support MoLA in conducting organisational analysis to identify gaps and to build the Ministry's capacity for institutional development internally at

the national, governorate and district levels.

- assist MoLA in developing policies related to gender and development and build the Ministry's capacity to further women's involvement and participation.

Ministry for Labour and Social Affairs	1. SFD will need to continue to support the MoSAL to build systems and procedures and develop targeted programmes.
	2. As one of a few government agencies involved in Social Protection, SFD should support the MoSAL to grapple with a number of critical areas such as juvenile offenders, street children, orphans, child labour and child trafficking.
	3. SFD needs to review it role in relation to the implementation of action plans related to the national Disability Strategy and Social Protection Strategy, and support the MoSAL to fulfil its role.
Education	1. Efforts need to be intensified to ensure that the MoE and SFD develop an approach to scaling up and mainstreaming successful SFD activities lest promising opportunities should be lost.
	2. SFD should develop an internal strategy for promoting its long-standing work on inclusive education, mainly through NGOs, with the MoE. This will involved close cooperation with the Department for Inclusive Education.
	3. SFD should review its internal structures to assess whether more could be achieved by transferring responsibility for inclusive education to its Education Unit from its Health and Social Protection Unit.
	4. Similarly, there may be a case for bringing all literacy programmes under the Education Unit rather than, for example, under the Integrated Interventions Programme.
	5. SFD needs to intensify efforts for more effective coordination between SFD and MoE within the governorates and districts, but also with the specialist departments at the central level.
Decentralised Level	
Empowerment for Local Development	1. The current institutional analysis and development work which the Training and Organisational Support Unit is piloting with selected governorates should become an integral part of the ELD model, thereby strengthening vertical linkages between the governorate, district and community levels.
	2. Implementation of the National Strategy on Decentralisation (2008) will challenge SFD to move away from its demand-driven approach of funding projects, to supporting the funding of elements of district plans. More generally, SFD will need to re-assess whether its current practice of primarily working on a sectoral basis supporting individual projects is the most relevant model or whether SFD should move towards becoming a more strategic resource supporting governorates and districts in terms of capacity building and the provision of financial resources.
	3. If SFD were to play such a role and scale up its work on institutional development with local authorities there would be considerable implications for the skill set required, especially at branch level.
	4. Regarding the further development of the ELD model, three issues need consideration:
	- At governorate level, both the leadership and the executive organs need to

be included in the model in order to overcome some of the current constraints.

▪ Costs need to be reduced to make the model more attractive for the adoption of MoLA; and,

▪ Marketing of the plans developed at district level needs a considerable boost so that funding for projects is forthcoming.

Community Level	
Integrated Interventions Programme	1. To maximise the gains of the IIP, SFD needs to learn the lessons from the IIP and encourage their wider replication by other marginalised communities.
	2. Similarly, lessons should be captured and should inform other SFD programmes e.g. sustaining community development committees, deepening the engagement of women in the development process, building social cohesion and trust among communities, building the capacity of the community to manage essential services, and managing relationships with district authorities.
	3. In view of the decentralisation of the management of the IIP, SFD should reassess its skill complement at branch level to ensure that the requisite skills are available to run such medium-term programmes.
	4. Sectoral advisers at branch level should be encouraged to input to IIP in order that it can benefit from the technical expertise that is available.
	5. Where sectoral activities are being undertaken under the banner of IIP, this needs to be coordinated with both the sectoral unit in SFD and the responsible line ministry.
	6. On the operation of IIP, SFD needs to critically assess whether the income generation projects established for women such as the sewing and weaving are viable.
Community Contracting in Water and Roads	1. Review SFD's experience of community contributions to ensure that undue pressure is not being put on low-income households; the findings should inform the proposed 'unified approach' to be adopted at national level for the sector. The approach also needs to be coordinated with the Ministry of Local Administration so that conflicting approaches are not introduced.
	2. Concerning water projects, the Institutional Evaluation endorses the move by SFD to consider funding mechanised water systems to provide water supplies to poor communities where rainwater harvesting is not sufficient.
	3. To ensure that women are not explicitly or implicitly excluded from employment opportunities, road projects need to reappraise what jobs are open to women and compare these with those available to women under the Labour Intensive Programme.
	4. To ensure that poor people do not loose critical assets such as land, SFD needs to assure itself that adequate arrangements are in place for compensating adversely affected parties from road building/up-grading.
	5. As a 'best practice organisation' SFD needs to implement and enforce labour standards in road construction/rehabilitation, whether labourers are in paid or voluntary employment.

NGO Level

1. To address conflicts involving NGOs, SFD should:
   - Participate in reviewing existing laws and bylaws and developing new laws and bylaws related to volunteerism and the NGO sector.
   - Advocate on behalf of NGOs to increase the government annual financial support for the sector.
   - Establish a Code of Conduct for NGOs which, in particular, addresses issues such as impartiality, neutrality and conflicts of interests.
   - Promote a unified system of work procedures and regulations for all NGOs.
   - Develop clear criteria and standards for its engagement with NGOs in order to maximize its role as an intermediary in implementation of development.

2. To address conflict-sensitive development, SFD should:
   - Conduct an analysis of conflicts at various levels, from the interpersonal level to the national level, within Yemen. Such a study would focus upon the relationship between different levels of conflict and the "transmission" of tensions and conflict.
   - Organize capacity development opportunities, potentially by bringing in NGOs from conflict-affected regions such as Lebanon, to explain the notion of conflict assessments, transparency, participatory planning and conflict-sensitive programming. Provide NGOs with the opportunity to share experiences and disseminate information related to conflict resolution/prevention and conflict-sensitive development methods.

Conflict Sensitive Development

1. A series of workshops should be held to exchange experiences of managing conflict and to develop a literature and case studies in the area.
2. SFD could develop a number of strategies including:
   - the development of specific approaches to mediation;
   - the establishment of ad hoc but accepted bodies to address conflict; and
   - the creation of permanent data base related to conflicts and their resolution to help determine which approach to take where (whether in the same community or in a comparable situation).

ANNEX 1: LAW NO. (10)
OF 1997 – CONCERNING
THE ESTABLISHMENT OF
THE SOCIAL FUND FOR
DEVELOPMENT

ANNEX 1: Law No. (10) of 1997 – Concerning the Establishment of the Social Fund for Development

Article (5)

Objectives: The Fund aims to contribute effectively in the implementation of the State's plan both in the social and economic fields through enabling *individuals*, households, micro-enterprises and poor and low-income groups to get access to employment and production by providing services, facilities and lawful credits for embarking on service and productive projects. The ultimate objective shall be the contribution to the reduction of unemployment, alleviation of poverty, and handling the impact of the Economic Reform Programme and lessening the burden of its procedures affecting limited-income people.

Article (6)

Tasks:

1. Finance, directly or indirectly, productive and services projects carried out by individuals, households, micro-enterprises, and beneficiary groups and categories under lawful & facilitated conditions
2. Provide the required finance for social development activities, such as health, educational and environmental and other services, according to the Fund's objectives
3. Assist local institutions in developing their capacities and upgrading their efficiency in providing services
4. Generate new employment opportunities for the beneficiaries through private projects or assisting productive projects to improve standards of life of the rural poor and urban inhabitants and to increase their income level
5. Implement high-density employment projects, including roads improvement, water and sanitation, and maintenance for public utilities and foundations directly by the Fund in compliance with Article (5)
6. Support training and rehabilitation centres and enhance skills in relevant vocations.

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ANNEX 2:
METHODOLOGY AND
DESIGN REPORT AND
IMPLEMENTATION PLAN

ANNEX 2: Methodology and Design Report and Implementation Plan

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Acronyms and Abbreviations

DLDSP	Decentralisation and Local Development Support Programme
ELD	Empowerment and Local Development
GoY	Government of Yemen
HHI	Higher Health Institute
IE	Institutional Evaluation
MoLA	Ministry of Local Administration
NGOs	Non-governmental Organisations
SFD	Social Fund for Development

1. Background

The Government of the Republic of Yemen (GoY) faces significant challenges related to the capacity of state institutions and to effective service delivery, particularly outside of urban areas. The lack of access to basic services is not just a problem of the financing or infrastructure gap but stems from weaknesses of state policies, programmes and administrative systems, the lack of awareness regarding entitlements, the dearth of accountability between citizens and the state, and the population's exclusion from public policy and decision-making. As service provision exemplifies, the interface between government and citizens is limited, even at the district level. While there is an urgent need to (re)establish basic services, it is recognised that short-term interventions on their own will neither realise social development outcomes nor contribute to the goal of a stable society without complementary interventions related to improved governance and institutional strengthening.

While working within this context, the project appraisal document for SFD Phase III acknowledges that 'SFD continues to be a vital element of Yemen's social safety net as well as a main tool for building capacities in the country....SFD has become a model agency that positively affects the process of development in Yemen'.[73] Furthermore, the Institutional Evaluation (2006) of SFD found that 'it had evolved into a successful and 'model' organization in the Yemen context that operates on a nation-wide basis and has broadened participatory development efforts to rural and remote areas'.[74]

A particular strength of SFD is its contribution to nurturing governance structures at the decentralized (governorate and district) and community levels for planning and implementing development initiatives as well as to strengthening relationships between these various levels. Its role in supporting NGOs was also acknowledged. These impacts are seen as key to the medium and long-term strategic impact of SFD and provide guidance to SFD in its relationship with GoY.

The 2006 Institutional Evaluation (IE) recommended that:

- SFD articulate its future vision and role, firmly grounded in national policies and budgets;
- Establish objectives and priorities and move towards a programmatic approach;
- Strengthen alignment and coordination with line ministries;
- Upscale its proven approaches, pilots, systems and processes;
- Develop a strategy for working with NGOs;
- Maximise synergies across SFD's work streams; and
- Develop a communication strategy.

In December 2007, SFD finalized a Medium-Term Vision which was agreed with its stakeholders, and which reflects the above recommendations. At its core, the Vision emphasizes SFD commitment to be firmly focused on poverty alleviation, to combine its efforts ever more with those of other public and private institutions at the local and national levels, and to emphasize capacity-building of these partner institutions. The Vision sets out priority themes and defines key programmes.

SFD's Medium Term Vision has identified four priority themes[75]:

1. Community empowerment at the local level;
2. Increased attention to economic development;
3. Institutional strengthening & partnerships; and

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[73] World Bank, Project Appraisal Document for a Social Fund for Development III Project, Report No. 26885, Feb 2004, p.2.
[74] Jennings, M. Institutional Evaluation, Social Fund for Development, Feb 2006, p. 6.
[75] SFD Medium Term Vision, Dec 2007.

4.   Internal synergy & enhanced efficiency and capacity within SFD.

Themes are being translated into three operational programmes:

1.   Community development;

2.   Economic development and job creation; and

3.   Institutional capacity-building & partnerships.

1.1   Terms of Reference for the 2009 Institutional Evaluation

This Institutional Evaluation (IE), which is part of the wider 2009 evaluation, complements the quantitative survey and qualitative study.

The objective of the institutional evaluation is: '*to assess and document the institutional impact of SFD at the policy as well as institutional level and at both the national and local/community level.*

Specifically, the ToRs require the IE to assess:

- SFD's impact, through its practices, projects & programmes, on wider institutional development in the country;

- SFD's role in strengthening governance and community empowerment structures conducive to poverty alleviation; and

- Possibilities for SFD's future role within the Yemen development and institutional context.

The scope of the 2009 IE is SFD's impact at four levels: (i) national, (ii) local (district), (iii) community and (iv) NGO-sector. Not only is SFD's engagement at these four levels significant in its own right but, critically, it is the interplay between the various levels that will help sustain gains in good governance beyond the scope and duration of the SFD.

The crosscutting issue identified in consultation with DFID for the IE is SFD's contribution to conflict prevention and resolution. While SFD's policies and objectives do not specify conflict prevention, in practice, the context in Yemen is such that SFD staff is routinely confronted with tensions, including conflict over resources. The 2006 IE found that the participatory methodologies used by SFD were creating space to facilitate and mediate potential conflicts.

The consultant visited SFD between 12 and 27 January 2009 to discuss with SFD staff the specific areas of examination and methodology for the IE. As SFD has grown significantly in terms of the range of programmes that it offers, it is not possible to cover its institutional impact related to every sector and programmatic intervention. Discussions were held with the M&E Unit as well as with heads of all SFD units and select branches. A field visit was undertaken to sites in Harodh and Hadja to provide an understanding of the Integrated Intervention Programme (IIP), and a presentation on the framework for analysis was made to the Managing Director, Heads of Units and branches, and select SFD staff. The visit was designed to parallel the design mission for the Impact Assessment to ensure complementarity with the quantitative and qualitative studies[76]. The visit also coincided with two other SFD consultancies related to developing both an SFD 'strategy for volunteers' and a 'communication strategy'. It was agreed that, given the range of missions on-going in SFD at the time, a presentation of the framework for the IE would be presented to donors at the beginning of the implementation phase of the IE scheduled for March 2009.

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[76] See also Impact Evaluation Methodology and Design Report (draft) Dec 2008.

2. Framework for Analysis

With a projected significant drop in oil revenue and the slow pace of both economic growth and public sector reform, it is expected that the Government of Yemen (GoY) will find it increasingly difficult to deliver services. In parallel, rising cost of living, especially food prices, and low employment rates result in households facing great difficulty in fulfilling basic needs. SFD staff members consider that poverty is the main underlying cause of conflict, and high levels of illiteracy make the resolution of conflict difficult. The likelihood of further economic decline, as oil revenues drop, will further exacerbate the problem. While SFD does not have a specific remit or policy on conflict vulnerability, it is not immune; branch managers and their staff are constantly dealing with tensions and disputes, are sometimes intimidated, and in practice, SFD is constantly adjusting 'what' is done and 'how' it is done, to redress such issues. In certain circumstances it has organised training in conflict resolution for staff and consultants[77].

The challenging scenario described above places increasing challenges on SFD to simultaneously support service delivery while building capacities of government agencies and other service providers. Its Mid-Term Vision draws attention to the need for 'major and increasing attention to building up the capacities of its local partners' and commits SFD to 'scaling up and maximum employment of SFD's proven strengths and accumulated experiences in enhancing national capacity'. The Vision recognizes SFD's role in *institutional strengthening and partnership* with line Ministries at the central level and their associated national implementing agencies, including NGOs, local authorities at the District and governorate levels, communities, and the private sector (including chambers of commerce, SME associations, and private handicraft exporters/importers).

SFD's vision is that its '*indirect* contribution to national public/private implementation capacity, through both "expertise transfer" and cooperative arrangements for implementation and policy development, will become progressively more important. This indirect contribution, which can also be termed "outward synergy", is the fundamental objective of SFD's acting upon the institutional strengthening and partnership theme'.[78]

This institutional evaluation will seek to assess the progress being made by SFD in relation to these commitments; the framework for analysis is provided in the following diagram (Fig. 1).

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[77] The Training & Organisational Support Unit has organised training in conflict resolution for community committee members, local council members and recent rural graduates (who may be facilitating development processes). The training includes definitions, types of conflict, & skills in conflict resolution, communication, conflict analysis, negotiation and social mediation.

[78] The Vision states that: SFD unequivocally accepts that 'policy' is the province of GoY and its general and sectoral Ministries. However, SFD can contribute significantly to GoY's policy-making capacities through (a) dialogue, e.g. on sectoral strategies (b) capacity-building technical assistance, and (c) pioneering experimental and innovative approaches in cooperation with Ministries and other partner-institutions. These three 'modes' - which are already all in fact operated by SFD - overlap and complement each other

Figure. 1. Institutional Impact of the SFD
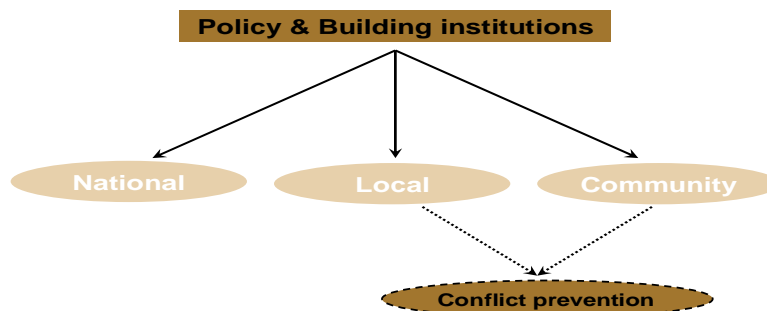
2.1 Framework and Methodology

Based on the above framework, this section sets out in more detail the issues to be examined during the evaluation, the format of which will include a number of workshops with stakeholders, supported by interviews and focused group discussions with key ministry personnel, representatives of governorates, districts and communities, NGOs and SFD staff. A field visit will also be undertaken to look at the relationship between these different levels.

2.1.1 National-Level Impact

Sub-Objective: *To review, assess and document SFD's impact on national policies and/or practices of other government agencies, and provide recommendations on how this can be increased in the future.*

SFD has developed a culture and practices such as targeting and responsiveness to the poor, using data to direct its resources and interventions, as well as its participatory approach, and measurably high efficiency in terms of costs and implementation time. Such practices are believed to have an impact on the policy and/or practices of other government agencies.

A range of possible impacts that could be evaluated were discussed and are outlined in this section. It was agreed that the IE will examine SFD's contribution to the education sector, the national water strategy, as well as a selected number of other sectors or processes. Detailed information regarding the sectors and programmes identified for in-depth examination are described below.

2.1.1.1 SFD's Contribution to the Education Sector

SFD has a number of programmes that contribute to the education sector objectives. A large part of its approach is facilitating access to basic education through the financing of construction and rehabilitation of classrooms and the provision of basic equipment and furniture for schools. SFD runs a number of targeted education programmes including in the areas of rural girls' education, improvement in the quality of education, pre-school education, a programme for gifted and talented children, a literacy and informal education programme, and the provision of institutional support to the building of infrastructure for selected district education offices. It also has a track record in developing cost-efficient designs for schools and corresponding procurement procedures (these latter issues were evaluated in 2006).

The 2009 IE will involve a consultation process with representatives from different units within the Ministry of Education to assess SFD's contribution on the following issues:

- *General:* SFD's contribution to a) Basic Education, b) other MoE programmes;
- I*nstitutional:* SFD's contribution to the institutional development of MoE at national level and at a decentralised level;

- *Programming:* The extent of uptake by the Ministry of any components of SFD's special programmes in the education sector, for example, from such areas as rural girls education, improvement in the quality of education, pre-school education, a programme for gifted and talented children, a literacy and informal education programme;

- *Governance:* Extent to which SFD's approach has influenced 'how' the ministry operates in relation to such areas as transparency, accountability, poverty targeting and alleviation, data-driven decision-making, and procurement;

- *Complementarity with line ministry questions:* How SFD's work complements that of the Ministry and whether SFD is seen as a benchmark in any way and perceptions of the education environment if SFD did not exist; and

- *Other:* What additional collaboration, cooperation and support could or should be established between the SFD and the Ministry.

2.1.1.2 SFD's role in influencing the National Strategy on Water

To the present time, SFD has largely focused on rainwater harvesting, protecting springs and shallow wells, and in particular on restoring traditional water harvesting mechanisms. These comprise a valued contribution to meeting community water needs. Until recently, the value of this contribution was not shared by either the Ministry of Water or other stakeholders active in the sector. However, the recent National Strategy on Water does recognize this contribution, and SFD considers that it has influenced the definition of water 'coverage': availability of 30 litres per capita per day of improved water within a fetching time of half hour round trip – this includes, for the first time, protected water sources including rain water harvesting, protected springs, shallow wells. If this is implemented it could have significant impact on the workload of women and children, particularly in a country where so many communities are far from water and water collection points. Furthermore, the provision of improved water sources has a significant impact on school attendance given that children, particularly girls, will be freed from burdensome and time-consuming water-collection duties. For example, in the field visit to Harodh, teachers indicated that the percentage of girls attending school had increased from 0% to 25% due to the reduced need to collect water from relatively distant sources.

There has also been an agreement at national level to prepare a map for areas suitable for rain water harvesting and for mechanised systems, and this is likely to resolve many of the contentious issues among stakeholders in the sector. Further, it has been agreed to develop a unified standard and approach including to community contribution (mobilisation, contribution, design of systems).

The IE will hold a joint meeting with the Ministry of Water and key stakeholders to discuss SFD's contribution to the National Strategy. The focus of the evaluation will include the following issues:

- *General:* SFD's contribution to the National Strategy on Water;

- *Programming:* Whether any elements of SFD's approach to the water sector have been taken up more widely in the Ministry;

- *Governance:* Extent to which SFD's approach has influenced 'how' the ministry operates in relation to such areas as transparency, accountability, poverty targeting and alleviation, data-driven decision-making, and procurement;

- *Complementarity with line ministry:* Extent to which SFD's work complements that of the Ministry. Whether SFD is seen as a bench mark in any way and what would be the situation in the water sector if SFD did not exist; and

- *Other:* What additional collaboration, cooperation and support could or should be established between the SFD and the Ministry.

2.1.1.3 Impact on other central level institutions

SFD considers that it has influenced the institutional environment in such sectors as microfinance, business development services, cultural heritage, promotion of community contracting with the Public Works Project, and providing the market with skilled professionals. It also believes that it has been effective in promoting the up-take of specific issues including:

- Targeting through the use of objective data;

- A participatory approach (citizenship participation has become the norm in government laws and practices, e.g. MoLA and MoE);

- Driving down unit price and improving procurement practices; and

- Up-take of Monitoring and Evaluation (e.g. many government projects have approached the SFD to learn from its MIS, and feel pressure to carry out evaluations as a result of its careful monitoring and results-oriented approach).

- In consultation with SFD, the IE will review a selected number of these sectors/processes. Evidence of the SFD's influence upon government policies and procedures will be addressed through the following overarching questions:

- Has SFD effectively piloted approaches/interventions which have later been scaled-up and adopted/adapted into national frameworks?

- Have key issues of good governance – such as participation, transparency, value for money, accountability – been incorporated into national government systems and procedures?

- How have gender issues been addressed?

- Have lessons from the field have been consciously extracted and inserted into policy dialogue?

- Has SFD invested time and staff resources to participate in national dialogue in order to promote the dissemination and adoption of lessons from the field?

- Has alignment been achieved between SFD and relevant (and effective) ministerial frameworks?

Given that the selection of sectors is critical, those which were considered and excluded, based on consultations with SFD and other stakeholders, are described below alongside the rationale for their exclusion.

2.1.1.4 Building of the National Microfinance Industry

SFD has played a premier role in helping to establish the micro finance industry in Yemen through facilitating the development of a National Strategy and Action Plan, providing the secretariat to the National Steering Committee overseeing the action plan, establishing the national microfinance network (with UNDP), establishment of the Amal Bank (through co-funding), developing a pool of trainers, supporting micro finance institutions through capacity building and finance, commissioning studies and market surveys, and providing business development services. However, it was agreed that this contribution is already well documented and does not necessitate repetition.

2.1.1.5 Influencing the Local Authority Law and the National Strategy on Decentralisation

It is widely acknowledged that SFD has been instrumental in ensuring that the National Strategy on Decentralisation is inclusive of community participation. SFD organized and facilitated a number of workshops to discuss the draft strategy with local government and other stakeholders at governorate level. Its' staff participated in both the higher committee responsible for the strategy and the technical working groups. This is a good example of SFD's contribution, but SFD considers that its role is well documented and should not be repeated (in the National Strategy, in the *aide memoir* of the December 2008 Joint Progress Review. Therefore, the IE will only refer to this success within the wider context of SFD's support to decentralisation, which is discussed at length in

Section 2.1.2 of this document.

2.1.1.6 Contribution to the Health Sector, especially Higher Health Institutes (HHIs)

SFD's positive contribution to strengthening the HHIs was examined as part of the 2006 IE. However, despite the various inputs (hardware and software) and providing technical assistance to support strategic planning, up-grading of staff skills, as well as scholarships and dormitories for students, SFD considers that the quality of the graduates is not adequate to meet the health needs of the communities. However, it was agreed that, as a specific evaluation of HHIs is to be commissioned during 2009, it would not be covered by the IE.

Taking forward the recommendations of the last IE, the SFD Health Unit is in the process of developing strategic partnerships with UNICEF to strengthen its approach, but such efforts are still at an embryonic stage.

2.1.2 Local, District-Level Impact

Sub-Objective: *To assess the initiatives sponsored by SFD in support of the decentralization process in Yemen and make recommendations for further SFD support.*

Commentators argue that the Yemeni government has not yet been able to extend its agency (including civil administration, the police and the judicial system) to many locations outside the urban areas where, to a large extent, tribal systems still prevail. However, the 2006 IE identified that SFD was playing an important role in helping to strengthen governance structures at the local level and in establishing and fortifying links between local authorities and communities. The potential role for participatory approaches to decentralization, such as those promoted by SFD, is significant, especially in terms of depoliticizing local development plans, but also highly challenging.

SFD is supporting two programmes focusing on decentralization, both of which will be reviewed by the 2009 IE.

2.1.2.1 Decentralisation and Local Development Support Project (DLDSP)

SFD has a partnership with the UNDP to support the piloting of the DLDSP. SFD was the first organization to provide funding, though many other donors have since joined the programme. The first phase of the DLDSP formally came to an end in 2008, but has been extended by a further 6 months to develop a number of manuals for districts[79].

The programme had two main outputs: (i) the development of strategy and policy within the Ministry of Local Administration (MOLA) on decentralization and (ii) institutional development and capacity building. Strengthening local government institutions to plan and budget for local development and to build capacity in public expenditure management was key. DLDSP included a mechanism, the Local Authorities Development Fund, to provide budget support at district level. SFD's role has been to support work at the district level, and, overall, it has provided funding of approximately US$3.6 million out of which US$ 3.1 million is being provided in direct budgetary support. The total programme now covers 48 districts of which 28 districts currently received $100,000 in direct support, representing 14% of all districts and 38% of governorates in Yemen.

It was agreed that the evaluation will hold a workshop on the DLDSP which will bring together participants from governorates, districts and community level, along with DLDSP staff and representatives of the Ministry of Local Administration. The issues for discussion are the same as for the Empowerment for Local Development programme, outlined below.

2.1.2.2 The Empowerment for Local Development (ELD) Programme

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[79] Hindson, D. et al, Yemen: Decentralised Local Development Support Programme, Evaluation Report, April 2008

This approach has been developed by SFD itself based on its ten years of working at the decentralized level. The programme has been piloted in three districts (Jiblah, Al-Nadirah and Al-Haima). A key element of ELD is filling the gap between communities and local authority, and building capacity such that participation is institutionalized into the work of the local authorities (not just consultation). ELD seeks to build capacity at three levels: (i) the community level through community development committees and their prioritised plans, (ii) the sub-district (usla) level though participatory planning and prioritisation, and (iii) the district level through capacity building and a district plan (based upon the usla plans). In each of these three cases, lower level plans are consolidated in order to form the basis for those at the higher levels.

SFD argues that this bottom-up approach, now adopted by MoLA and reflected in the National Strategy for Local Governance 2020[80], takes the focus off of the government to deliver services. It instead aims to mobilise communities to do what they can independently while strengthening lines of communication between the community and local authority in order to build trust. It states that the approach is problem-based, programmatic (not sectoral), and results in balanced plans across the district.

The ELD programme also includes a social auditing component which has been developed as a problem-solving (or conflict resolution) mechanism and has been effective in such areas as addressing sanitation and environmental concerns (for example, water contamination resulting from the dumping of oil by small enterprises).

It was agreed that the 2009 IE will involve a field visit to one of the three pilot sites to hold consultations with representatives of local authorities, councillors and community representatives in addition to assessing the effectiveness of SFD's capacity building interventions and its contribution to strengthening relationships between local authorities and communities.

Evidence of impact will be assessed for both the decentralised programmes through the following issues:

Impact on district development

- How participation in DLDSP and ELD has affected districts' management of District Development and various components of governance (for example, planning, data-driven prioritization, the creation of representative structures and public financial management);

- Extent to which capacity for service delivery has been enhanced in the local councils;

- Benefits of institutional support (for example, hardware and assessment or analysis); and

- Aspects of the process that have been institutionalized into the work of the local authority.

Participation

- Participation by communities (including both men and women) and civil society in the planning, implementation, monitoring and evaluation of plans and projects;

- The adoption of mechanisms to promote women's participation and to ensure that their interests are heard and accounted for;[81]

- The effect of the participatory approaches in terms of influencing government at higher levels (for example, influencing policy and resource allocation at lower levels of governance), or, conversely, whether participation has highlighted the lack of responsiveness by the state, hence contributing to conflict vulnerability; and

- Involvement of civil society groups.

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[80] Ministry for Local Authorities, National Strategy for Local Governance 2020, 2008.
[81] SFD, Gender Mainstreaming Strategy (2008-2010).

Strengthening the State and reducing potential conflict

- Extent to which the programmes have contributed to strengthening relationships between different levels of decision-making (e.g. communities and districts, districts and governorates, governorates and the centre) to support governance;

- Affect on vertical relationships between the state and civil society and horizontally (between public agencies or offices);

- Contribution to the management, mitigation or exacerbation of tensions or conflicts; and

- Extent to which the programme and its impact upon service delivery and decentralised governance either contribute to or mitigate state fragility and weakness.

2.1.3   Community–Level Impact

Sub-Objective: *To examine and critique the various approaches to community participation used by SFD to build institutional capacity and empowerment at the local level.*

At community level, SFD's participatory approach operates to develop needs-based service delivery as well as community mobilisation (or empowerment). In addition to benefiting the provision of social, common goods, these two outcomes also help to build trust within and between communities (and the state) and, hence, promote social cohesion. Community participation also helps to develop accountability and transparency.

Through its various programmes, SFD implements several approaches to the promotion of community participation. The approach selected is based upon the nature of the intervention, for example, the type of participation in infrastructure projects is very different to that practiced under the Integrated Interventions Programme (IIP), while the nature of participation in community contracting or rainwater harvesting is again distinct. Significantly, the various approaches to participation are critical in mitigating conflict over resources within communities as well as in developing community members' ability to successfully resolve such issues.

A key issue for the evaluation will be to identify the strengths and weaknesses of the different approaches, particularly in relation to conflict prevention, and to extract lessons from those that are proving to be most effective. *How* SFD promotes community participation and the systems and procedures that underpin governance – for example, consultation, elections to committees, transparency in procurement, mediation of conflict over resources, participation of women and targeting of the most vulnerable in the community – will be critical within this IE.

The focus of the evaluation will not only be on the establishment of accountable community groups which pursue their own development and productively interact with the state. While the existence of such groups represents a key achievement, the SFD should be deemed particularly successful, according to its aims and objectives, when community groups also gain the ability to shape institutions of government and to influence discussions at the local level. Simply put, the IE will assess to what extent the programmes help sustain gains in good governance beyond the scope and duration of the SFD.

Three programmes have been chosen for review and complement the quantitative and qualitative studies in the Impact Assessment which will assess the impact on beneficiaries.

2.1.3.1   Integrated Interventions Programme (IIP)[82]

IIP is a model of developing inclusive community structures and supporting extremely marginalised groups through the provision of 'integrated' rather than single-project support. SFD offers a long-term commitment with the aim of facilitating sustainable social development and a culture of self-

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[82] SFD Guidelines for Operations, Monitoring and Evaluation Manual, 2008 (draft), Chapter 10.

help. The IIP revolves around institutional development and strengthening, and is primarily aimed at community organization, empowerment and development of external partnerships while at the same time developing local authority procedures and capabilities. The approach seeks to build sustainable community structures which can lead and manage development at the community/*usla* level while providing technical training related to project planning and management. Over time the capacity of community development committees is built such that they graduate to become registered CBOs[83]. More recently, the approach has evolved to provide training in relation to livelihoods (e.g. training regarding beekeeping, community veterinarians, fruit cultivation and crop diversification).

By bringing together adjacent communities, the IIP seeks to build social cohesion, often among communities that previously did not trust each other and to increase trust, transparency, and accountability (e.g. in running a water distribution system or schools in Harodh and Hadja). This also brings a sense of wider community beyond the village to the *usla* level (sub-district). In the case of Harodh, a mixed community (Akhdam and others) were removed from their dwelling place in the town (valuable land) and relocated on the outskirts without any services. The community development committee succeeded in working with the local authority to secure title deeds for 140 households; in turn, SFD supported the building of schools, health centres and household water supply.

The institutional evaluation will bring stakeholders together from a number of locations and will include representatives of development committees, district officials and teachers (if schools were provided assistance) and will focus on the following issues.

Impact on community development

- How participation in the IIP has affected the community, particularly in terms of planning, prioritization of needs, and the creation of representative structures and relationships within/between communities;

- Elements of capacity-building component that have proved most useful;

- Observations of any cross-sectoral impacts (for instance, between water provision and school attendance or between women's literacy with girls' school attendance); and

- Extent to which women's participation and rights have been addressed (and reflected in the associated outcomes).

Participation

- Extent of communities' participation in the planning, implementation, monitoring and evaluation of plans and projects;

- Successes achieved and difficulties encountered;

- The effect of the participatory approaches on influencing the government at higher levels (for instance, at the district level); and

- How gender roles and women's empowerment have been affected.

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- How relationships between the community and the district have been affected (positively or negatively) and whether these relationships have highlighted the responsiveness or unresponsiveness of the state;

- How relationships across the district been have affected (between, for example, sectoral offices and the police); and

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[83] SFD, Integrated Community Development Programme, Mid-Term Review, 2005

- How the programme has helped (or not) to manage or mediate tensions or conflicts.

2.1.3.2   Community Participation in the Water Sector

There are two models of operation – community contracting (where the community implements the project itself) and commercial contracting of private-sector entities. In the case of the former, PRA exercises are conducted, a committee is elected, and individuals are recruited to oversee the contractors and manage the funds. Communities must provide a contribution (labour and/or locally available materials such as stone and sand), and water user committees are established. SFD considers that this process may reactivate traditional systems which have only been used in emergencies in recent times.

Conflict over scare water resources is not uncommon in Yemen, particularly in relation to ground water, mechanised supply systems and instances in which dam construction adversely impacts downstream communities. Many stakeholders argue that a government ruling is needed on water as a national resource. Revenue from mechanised systems is high and risks capture by elites. In contrast, where surface water is concerned, traditional rules are strong, inherited from centuries past, and are well known and respected in the local community.

SFD has revised its policies and approaches to water provision to reduce the vulnerability to conflict. For example, newly constructed dams should have a capacity for 80% water enabling the remaining 20% to run downstream to other communities. SFD no longer funds dams on their own and now only does so when accompanied by irrigation systems. In such cases, the distribution of water must be agreed by the community in advance of construction. All new SFD interventions implemented by community contracting are to be for one community, thus avoiding the risk of dispute. In general, SFD restores or builds cisterns for one community only as it is difficult to get the mandatory community participation contribution from different communities who may not trust one another. Based on lessons learned related to the capture of resources and sustainability, SFD no longer funds mechanised systems, though this policy is now being revisited for coastal communities for whom rainwater harvesting is not adequate.

The focus of the evaluation will be as follows:

- The strengths and weaknesses of community participation (with regard to assessments, community contributions, transparency, accountability, group formation and election of committees to oversee water usage);

- The experience of implementing the work, for example, the choice of manager and accountant, tendering process, allocation of jobs for labourers and relationships with the contractor. How disputes, particularly regarding the allocation of jobs, and between communities and contractors, were resolved;

- Extent of female participation, and the manner in which their priorities are represented;

- How water distribution responsibilities have been managed. Difficulties encountered. Extent to which the approach has built on traditional systems or have had to establish new structures, and what the experience has been;

- Extent of disputes and how these have been managed; and

- Whether water committees have undertaken any further work related, for instance, to management/governance and sustainability.

The evaluation is to being together a range of stakeholders from different locations including representatives of water user committees, community leaders, contractors, representatives of the General Rural Water Authority and will represent different types of water projects (e.g. rehabilitation of cisterns, construction of dams/irrigation, and the protection of shallow wells).

2.1.3.3   Community Contracting in the Roads Sector

SFD is supporting the rehabilitation of village access roads, a category of road not recognized as part of the national network. The main focus is access for communities to markets (not to the District or administrative services). Much of the work is black spot treatment using dry stone that does not require cement in mountain areas. The community participation process is similar to that described above for water (PRA, election of committee, selection of contractors, etc.). There are often sizable community contributions in terms of labour and locally available materials, resulting in reduced costs; there is also some building of skills. Conversely, problems have been encountered in the supervision of contractors that require greater clarification of the respective roles of consultants, contractors, and communities.

The focus of the evaluation will be on the following issues:

- The strengths and weaknesses of community participation (with regard to assessments, community contributions, transparency, accountability, group formation and the election of committees to oversee the roads rehabilitation and maintenance);

- The experience of implementing the work (for example, the choice of manager and accountant, tendering process, allocation of jobs for labourers and relationships with the contractor);

- How disputes, particularly regarding the allocation of jobs and between communities and contractors were resolved;

- Extent of women's involvement, and how are their priorities are represented;

- How road maintenance responsibilities have been managed in the face of difficulties (e.g. building on traditional systems and establishing new structures);

- Extent of disputes (regarding, for instance, compensation for land and community participation), and how have they been managed; and

- Whether the road committee has undertaken any further work related, for instance, to management/governance and sustainability.

The evaluation will bring together a range of stakeholders from different locations including representatives of road maintenance committees, community leaders, contractors and the Office of Rural Roads.

2.1.4   NGO Sector Impact

Sub-Objective: *To explore, in depth, SFD's support to the NGO sector and to make recommendations to be the basis for the development of a strategy for SFD in this sector.*

This component builds on one of the recommendations of the 2006 IE whereby SFD would develop a strategic approach for its engagement with the NGO sector. An active civil society, of which NGOs are key players, is an essential part of good governance in any country. However, in the context of Yemen, the indigenous NGO sector is still in its infancy, lacks coordination and has minimal interaction or influence on national or sub-national policymaking[84].

In line with the 2006 IE, SFD personnel are in the process of commissioning a study that will develop and coordinate a survey of civil society organizations with which SFD has engaged. This study will assist SFD in developing a strategy for its engagement with the NGO sector. In this context, it was agreed that the added value of the institutional evaluation is to jointly host a workshop with those NGOs that have a capacity in conflict prevention. Key questions to be addressed during this conflict prevention-related workshop include the following:

- The main sources of conflict vulnerability that organisations have encountered. This question will be discussed and demonstrated through a mapping exercise which will differentiate

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[84] SFD Guidelines for Operations, Monitoring and Evaluation Manual, Non-Governmental Organisations, 2008 (draft),

between national-level issues and those which are more relevant on a local (district) or community level.

- Comparison of the relevance and impact of conflicts between citizens (horizontal) as opposed to those between citizens and the state (vertical).

- Steps that organisations have taken to be protected from conflict and ensure that they are perceived as being both neutral and impartial.

- Interventions which organisations have attempted to manage conflict, differentiating between those which are institutional (for example, comprising committees or bodies to manage resources or resolve disputes) and those which are interpersonal (and based on individuals' capacities).

   How have these interventions differentiated between contexts, and how have specific programmes have been tailored to address the conflict dynamics in particular areas?

- Perceptions of the potential to engage public agencies in mediating or resolving conflict.

- Steps taken to monitor or evaluate interventions' impact on conflict vulnerability and, more broadly, 'tensions'.

- Perceptions of the role of the SFD in influencing conflict and conflict vulnerability.

- Recommendations for improving the use of SFD interventions in preventing or resolving conflicts.

In order to foster complementarity with the quantitative and qualitative studies which comprise the 2009 evaluation, this workshop will also engage participants in a review of conflict as well as conflict prevention and resolution related to education, water and decentralisation.

In terms of categorising NGOs, three different approaches to conflict can be identified, each with an underlying set of assumptions and associated strategies. These include:

- *Working around conflict:* treating conflict as an impediment or negative externality that is to be avoided;

- *Working in conflict:* recognising the links between programmes and conflict and making attempts to minimise conflict-related risks, so that development assistance 'does no harm'; and

- *Working on conflict:* conscious attempts to design policy and programmes with a primary focus on conflict prevention, management or resolution.

While the first category, working around conflict, is critical for all development actors in Yemen, the latter two are more clearly relevant to the IE. In particular, the consultant aims to better comprehend the manner in which conflict is generated or influenced through development interventions and, hence, how to avoid them. The consultant also hopes to identify best practices from organisations dealing with conflict in Yemen in order to provide recommendations for how the SFD may, from an institutional standpoint, pursue community participation and decentralisation in manners that allow, for instance, community leaders and public officials to develop the skills required for conflict prevention and resolution.

3. SFD's Role in Conflict-Sensitive Development

Discussions indicate that dealing with conflict is a routine part of SFD's work especially at the branch level. Staff members have periodically been intimidated during the course of their work. Conflict and associated tensions are, thus, affecting 'what' is done and 'how' it is done, and there is evidence that SFD has already, to a certain degree, adapted its policies and practices to redress such issues.

The perception of staff members is that poverty is the underlying cause of conflict, and high levels of illiteracy make the resolution of conflict difficult. The likelihood of further economic decline, as oil revenues drop, will further exacerbate the problem. Conflicts are commonly either tribal or political, though these two categories are not strictly distinct. The areas with the strongest tribal connections remain in the central and northern highlands, including Al Jowf and Marib, Amran, and Sada'a. Conflict in other areas such as Ibb and the South are deemed to be more political than tribal (and people are more educated).

There is a perception that government does not act quickly enough to resolve disputes given that the judicial system is very slow and that the military is ill suited to intervene. Some governorates where SFD is active are highly armed (e.g. Amran and parts of Al Jowf). The recent incident in which an SFD volunteer was shot in the leg while an SFD team was visiting Al Jowf is evidence of the difficulties faced by SFD, and others in certain areas.

In tribal areas, SFD staff appear to be constantly balancing tribal influence and demands. For example if one community or sheikh makes a request for a school, there is a risk that another will feel undermined, thus causing a conflict. The same balancing act applies with regard to political parties in Ibb and other locations. SFD has supported schools, roads, hospitals in parts of Sada'a (for example, in Haidan and Sageen) which are particularly conflict-prone and in which there is little if any government presence. To date, political pressure to acquiesce to local demands have been resisted by the Managing Director and the staff.

Capture of resources is also an area of discontent. Recently, SFD has had to stop its Integrated Interventions Programme (IIP) in Amran due to the capture of resources by one local politician. Similarly, in Taiz, a senior government official hi-jacked a water user committee and retains the funds for himself.

As far as possible, staff utilise traditional systems of conflict resolution, and over time, SFD has developed many policies and mechanisms to reduce conflict vulnerability. Some lessons that have been learnt to avoid and mediate conflict include:

- The use of local contractors and local supervisory consultants who know the context and the various stakeholders; on occasions training on conflict resolution is provided.

- In areas of high conflict, such as Sageen and Haiden in Sada'a, community contracting is not an option, hence contractors from the local area are commonly employed.

- SFD is able to be flexible in areas particularly vulnerable to conflict by, for instance, modifying community contribution requirements or adjusting the number of students required for school construction.

It was agreed that the IE will hold an internal workshop with staff to explore SFD's role in conflict prevention, lessons learnt and impact on SFD policies and practices. The issues to be addressed at the meeting include:

- Mapping of the environment:
  o Mapping instances in which conflict has been prevented, resolved or minimised due to SFD projects.
  o Mapping the main tensions/insecurities that SFD is dealing with (routinely and

periodically), and how these may have changed over time.

- o Examining how tensions affect SFD's analysis of development needs at the macro level in terms of access to services and resources.

- o Reviewing examples of SFD-related assistance or activities that may have resulted in conflict or increased tensions.

- Mapping of the distribution of SFD's activities been across the country and how the need to avoid the appearance of bias or partiality has been addressed through the allocation of assistance (considering, for instance, tribal or political affiliations).

- o The distributional effects of SFD's work in reinforcing regional parity; identification of any disparities and causes such disparities, and charting how, if at all, are they addressed.

- o Whether there are some no-go areas and how security concerns influence perceptions (and the pursuit) of equity, neutrality and impartiality.

- o Whether priority vulnerable groups being optimally reached.

- Lessons have been learnt on the kind of mechanisms used to constructively prevent, mediate, and resolve conflict.

- In working at the decentralized and community level:

- o How community-based organisations have addressed conflict and the potential for engaging them in conflict prevention and resolution.

- o How decentralisation and participation lead to new interactions between the state, local leaders and communities and the Identification of conditions under which such interactions either generate or mitigate conflict.

- o How, if at all, traditional bodies could be engaged by the SFD and provided with greater skills to address conflict.

- Identification of SFD's current approach to conflict, taking into consideration the following categories:

- o working around conflict;

- o working in conflict; and

- o working on conflict.

- Perception of the need for SFD to develop a standardised approach to conflict.

4. Opportunities for SFD's Future Role

Sub-Objective: To conduct research from international experience to explore the future role for SFD, with a focus on the longer term sustainability of agencies that deliver services on behalf of government and the long-term efficiency and effectiveness of the approach.

Social funds, by their nature, are designed to be a time-limited aid instrument in developing and post-conflict situations which allow the rapid delivery of basic services to communities until such time that line ministries become effective. In Yemen, public administration reform has been slow, and many ministries remain in need of strengthening. In contrast, SFD has proved to be very effective in providing services to the poor in an accountable and transparent manner. However, there is concern that SFD is running in parallel to line ministries and that it is absorbing funds that should be channelled to them. The Mid-Term Vision for SFD (2006-2010) sought to set out a direction for SFD, but this issue remains unresolved.

The December 2008 Joint Donor Review suggests that SFD's longer-term vision should also reflect its role not only in community development, but also in influencing the development of national policies by bringing its experience at the community level to the national level. Important progress has been made in this regard during the third phase (e.g. the microfinance law, the decentralization law, the procurement law, the national water strategy, the children and youth strategy, and the disability strategy).

This component of the evaluation will be largely documentary and will complement ongoing work related to the National Reform Agenda. It will draw on international experience. Additionally, it will seek to draw on the experience of key actors such as the World Bank and the UK Department for International Development (DFID). The focus will be on reviewing how other social funds and similar types of agencies have evolved. While many have phased out, others have gone on to play important roles in development. The evaluation will finally present the different models against which SFD can be compared.

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Annex 2   Implementation Plan for 2009 IE

Objectives of IE: Assess and document the institutional impact of SFD at the policy as well as institutional level and both at national, district/local and community level, to include the impact on the NGO sector. Aim to assess SFD's impact, through its practices, projects & programmes, on wider institutional development in the country; specifically, strengthening governance and community empowerment structures conducive to poverty alleviation and improved social equality. The evaluation will also research and explore possibilities for SFD future role with the Yemen development & institutional context.

Nature of intervention	Rationale	Method	Responsibilities	Costs
National Level Review, assess & document impact on the policy and/or practices of government agencies.				
Education ***Support for the education sector***	***Central focus: How has SFD contributed to implementation of national education policies and processes.*** The following issues will be explored: *General:* In what areas has SFD contributed to a) Basic education, b) other MoE programmes? *Institutional:* What has SFD's contribution been to the institutional development of MoE at national level, at decentralised level? *Programming:* SFD has a number of special programmes in the education sector; have any programme components been taken up by the ministry e.g. from such programmes as rural girls education, improvement in the quality of education, pre-school education, a programme for gifted and talented children, a literacy and informal education programme? *Governance:* To what extent has SFD's approach influenced 'how' the ministry conducts its business e.g. transparency, accountability, poverty focus, make decisions based on data, procurement? *Ministry relations:* How does SFD's work complement that of the Ministry? Is SFD seen as a bench mark in any way and in your view, what would be the situation if SFD would not exist What else should SFD do to support the Ministry?	Focus group with MoE, representing different units dealing with: rural girls education, improvement in the quality of education, pre-school education, programmes for gifted and talented children, a literacy and informal education programme ½ day	If meeting is to be run in Arabic: SFD to provide a facilitator and interpretation. Venue: SFD (depending on numbers – up to 15)	Refreshments
Water	***Central focus: SFD's role in influencing the National Strategy on Water*** *General:* In what areas has SFD contributed to the National Strategy on water? *Programming:*	Joint meeting with Ministry of Water, General Rural Water Supply Authority & key stakeholders (as	SFD to provide a facilitator and interpretation Venue: SFD	

	Have any elements of SFD's approach to the water sector been taken up more widely in the Ministry?	relevant);		
	Governance: To what extent has SFD's approach influenced processes within the ministry e.g. transparency, accountability, poverty focus, make decisions based on data, procurement?			
	Ministry relation:	½ day		
	• How does SFD's work complement that of the Ministry?			
	• Is SFD seen as a bench mark in any way and in your view, what would be the impact on the water sector if SFD did not exist ?			
	• What else should SFD do to support the Ministry?			
Review a selected number of other sectors/processes (to be identified by SFD).	***Central Focus: Evidence of the SFD's influence upon government policies, procedures & agencies.*** This will be addressed through the following questions: *Programming:* • Has SFD effectively piloted approaches/interventions which have later been scaled-up and adopted/adapted into national frameworks? How have gender issues been addressed? Has SFD been used as a benchmark, in any way? *Governance:* • Have key issues of good governance – such as participation, transparency, value for money, accountability – been incorporated into national government systems and procedures? *Ministry Relations:* • Have lessons from the field have been consciously extracted and inserted into policy dialogue? • Has SFD invested time and staff resources to participate in national dialogue in order to promote the dissemination and adoption of lessons from the field? • Has alignment been achieved between SFD and relevant (and effective) ministerial frameworks?	Interviews or focus group discussions with sector staff.	SFD to provide a facilitator and interpretation Venue: SFD	
District and Local Level *SFD has been providing parallel financing with UNDP for training programmes directed to local councillors & authorities, programmes aimed at building capacities in developing district plans & linking the authorities & their planning more closely with communities. Evaluate initiatives & provide recommendations.*			
Conduct workshop with DLDSP *(1 day)* & **3–day field visit to ELD** site to review progress at each level (community, sub-district, district, governorate) & relationships between them			

Two programmes will be reviewed:	**Central focus: SFD's role in Strengthening institutions at & between different levels to support governance.** Evidence of impact will be assessed through the following issues:	**Method & participants**	**Resources & participants**	**Costs**
i. Empowerment & Local Development:	*Impact on district development:* • How has participation in DLDSP and ELD affected how districts manage district • development and various components of governance (for example, planning, data-driven prioritization, the creation of representative structures and public expenditure management)? • How has capacity for service delivery been enhanced in the local councils? • What has been the benefit of institutional support (for example, hardware and assessment or analysis)?	**ELD 3-day field visit** Meetings at different levels: a. Governorate b. District staff; c. Usla dev committees	Interpretation. Participation by M&E Unit Experienced facilitators x 2 to write up outputs in English and interpretation.	Local travel & accommodation costs for staff
ii. Decentralised Local Development Support Programme	• What aspects of the process have been institutionalized into the work of the local authority? *Participation:* • How have communities (both men and women) & civil society participated in the planning, implementation, monitoring & evaluation of plans & projects? • What mechanisms are used to ensure that women participate and that their interests are represented?[85] • What has been the effect of the participatory approaches in terms of influencing government at higher levels (for example, influencing policy and resource allocation at lower levels of governance)? Or, conversely, has participation highlighted the lack of responsiveness by the State, hence contributing to conflict vulnerability? • How have civil society groups been involved? *Strengthening the State and reducing potential conflict:* • How have the programmes contributed to strengthening relationships between different levels of decision-making – communities and districts, districts and governorates, governorates and the centre – to support governance? • How have relationships between State and civil society been affected vertically (between hierarchal levels of governance) and horizontally (between public agencies or offices) at the following two levels? • How has the programme contributed to the management, mitigation or exacerbation of tensions or conflicts?	d. Community development committees e. Social auditing committee **DLDSP workshop 1 day** Stakeholders: (25) DLDSP, MoLA, Governorates: 2 each from Taiz, Amran, Al Hodeidah, (1 govt official, 1 district facilitation team) District: 1 district per governorate (3); 3 people from each District Team representatives – 1 elected, 1 executive organ, Secretary	Venue: Hotel	Accommodation & venue €1500

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[85] SFD, *Gender Mainstreaming Strategy (2008-2010).*

		General (9 people). DLDSP mobile team (3) and HQ in MoLA (2);		
• How does the programme and its impact upon service delivery and decentralised governance strengthen (or weaken) the State?				
Community Level *Evaluate approaches to build institutional capacities and sustained empowerment at the community level.*				
Water & Roads Community contracting	*Central focus: Comparison of SFD approaches to community participation based on review of community contracting in the water and roads sector & the Integrated Interventions Programme* This will be addressed through the focusing on the following issues: *Impact on community development:* • How have water distribution or road maintenance responsibilities been managed? What difficulties have been encountered? To what extent SFD has built on traditional systems or have had to establish new structures and what has been the experience? *Participation:* • What are the strengths and weaknesses of community participation (with regard to assessments, community contributions, transparency, accountability, group formation and election of committees to oversee water usage or road maintenance)? • How advanced is their experience of implementing the work (for example, the choice of manager and accountant, tendering process, allocation of jobs for labourers and relationships with the contractor)? • How involved are women and are their priorities represented? *Strengthening the State and reducing potential conflict:* • What is this frequency and intensity of disputes and how have they been managed? How were disputes, particularly regarding the allocation of jobs, and between communities and contractors, resolved? • Have the water committee/road maintenance committee undertaken any further work related, for instance, to management/governance and sustainability?	Workshop bringing together stakeholders: Representatives of water user & road maintenance committees; community leaders; General Rural Water Authority; Office of Rural Road; and contractors 1 day workshop: Session 1 on strengths & weaknesses of community participation will be undertaken by all participants; Session 2 & 3 will be run as parallel sessions dealing with water & roads respectively, but addressing similar questions 20 participants	Lead facilitator; support facilitators; and interpretation. Venue: hotel	Per diems, travel costs, accommodation. Hire of room, lunch, refreshments €1500

Integrated interventions	**_Focus: Impact on community development_** This will be addressed by the following issues: _General:_ • How has participation in the IIP affected the community, particularly in terms of planning, prioritization of needs, the creation of representative structures and relationships within/between communities? • What are the elements of most useful capacity-building? • Are there any observation of cross-sectoral impacts (for instance, between water provision and school attendance)? • To what extent have women's participation and rights have been addressed and, if so, what have been the outcomes? _Participation:_ • What has been the level of participation of communities (including both men and women) in the planning, implementation, monitoring and evaluation of plans and projects? What are the successes achieved and difficulties encountered? • What are the effects of the participatory approaches in terms of influencing the government at higher levels (for instance, at the district level)? • How have gender roles have been affected? _Strengthening the State and reducing potential conflict:_ • How have relationships between the community and the district been affected? Has it highlighted the lack on responsiveness by the State, hence risking conflict vulnerability? • How have relationships across the district been affected (e.g., between sectoral offices and the police)? • How has the programme helped (or not) to manage or mediate tensions or conflicts?	The institutional evaluation will bring stakeholders together from three locations, each of which will include representatives of development committees x 3, district officials x 3 and teachers x 1 (if schools were provided assistance). Total 21 participants	Lead facilitator; support facilitators; and interpretation. Venue: hotel	Per diems, travel costs, accommodation. Hire of room, lunch, refreshments €1500
NGO Sector _Explore in-depth SFD support to NGO sector & provide recommendations to be a basis for the development of a strategy for the sector_				
Non–Governmental Organisations	**_Central focus: SFD's potential role in supporting NGOs involved in conflict prevention._** A separate consultancy will carry out an assessment of NGOs & will work with SFD to develop a strategy for working with NGOs. Accordingly, the IE will jointly host a workshop on conflict vulnerability so that the findings feed in to the SFD Strategy for NGOs as well as the IE.	Workshop with selected NGOs (both funded & not funded) by SFD.	SFD to provide: 1 Facilitator 1 Interpreter Venue: SFD	

	Key issues to be addressed during this conflict prevention-related workshop include the following:
	
	Scope of conflict prevention:
	
	• What are the main sources of conflict vulnerability that organisations have encountered? This mapping question will differentiate between national-level issues and those which are more relevant on a local (district) or community level.
	
	• Comparison of the relevance and impact of conflicts between citizens (horizontal) as opposed to those between citizens and the State (vertical).
	
	Type and level of conflict prevention:
	
	• What steps have organisations taken to be protected from conflict and ensure that they are perceived as being neutral and impartial?
	
	• What interventions have organisations attempted, differentiating between those which are institutional (for example, comprising committees or bodies to manage resources or resolve disputes) and those which are interpersonal (and based on individuals' capacities), to investigate:
	
	    a. How these interventions differ between contexts and how specific programmes have been tailored to address the conflict dynamics in particular areas.
	
	    b. Perception of the relative appropriateness and impact of interventions within these two categories.
	
	• Perception of the potential to engage public agencies in mediating or resolving conflict.
	
	Improvements to conflict prevention:
	
	• What steps have been taken to monitor or evaluate organisations interventions' impact on conflict vulnerability and tensions?
	
	• How is the the role of the SFD in influencing conflict and conflict vulnerability perceived?
	
	• What recommendations for improving the use of SFD interventions in preventing or resolving conflicts can be made?
		Up to 20 people
		
		1 day		

Conflict Prevention (Cross-cutting issue)	*Central focus: SFD's role in conflict prevention, lessons learnt & impact on SFD policies & practices* In addition to reviewing conflict-related activities outlined above (at district level through ELD and DLDSP, at community level through water and roads community contracting & the Integrated Interventions Programme, & with NGOs, this workshop will explore with staff SFD's role in conflict prevention, lessons learnt and impact on SFD policies and practices. The focus is on assisting SFD to	Workshop with selected SFD staff: senior management from head office; all branch managers;	Interpretation. Venue: SFD offices	As per normal SFD terms for staff.

increase its effectiveness. The issues to be addressed at the workshop include: *Mapping of the environment*: • Describe the instances in which conflict has been prevented, resolved or minimised due to SFD projects. • What are the main tensions/ insecurities that SFD is dealing with (routinely and periodically)? How have these changed over time? • How do these affect SFD's analysis of development needs, in terms of access to services and resources? • What examples can you provide of SFD-related services, assistance or activities which you believe resulted in conflict or increased tensions? *Distribution of SFD's activities across Yemen*: • How has the need to avoid the appearance of bias or partiality been addressed through the allocation of assistance (considering, for instance, tribal or political affiliations)? • What are the distributional effects of SFD's work in reinforcing regional parity? Are there any disparities? What causes such disparities, & how, if at all, are they addressed? • Are there some no-go areas? How do security concerns influence perceptions (and the pursuit) of equity, neutrality and impartiality? • Are priority vulnerable groups being optimally reached? *Lesson learnt:* What lessons have been learnt or what kind of mechanisms do you use to constructively prevent, mediate, and resolve conflict? *In working at the decentralized and community level*: How have community-based organisations addressed conflict? What potential do you see for engaging them in conflict prevention and resolution? *Relationships between different levels:* Decentralisation and participation lead to new interactions between the State, local leaders and communities. Under what conditions can such interactions generate conflict? How can such interactions resolve conflict? *Traditional mechanisms:* Research shows that traditional bodies often have the greatest ability to prevent conflict. How, if at all, could such bodies be engaged by the SFD and provided with greater skills to address conflict? *SFDs approach:* • How would you describe SFD's current approach to conflict, taking into consideration the following categories: working around conflict; working in conflict and working on conflict. • Do you believe the SFD needs to develop a standardised approach to conflict?	selected others who have been active in conflict prevention or resolution (Approx 20 persons) 1 day	

Conduct research from international experience to explore future role of SFD				
International experience of Social Funds	***Central focus: Reviewing how other social funds and similar types of agencies have evolved, and presenting SFD with options for further consideration.*** This component of the evaluation will be largely documentary and will compliment ongoing work related to SFD's role within the National Reform Agenda. It will draw on international experience especially of other Social Funds globally. Contact has been made with the DFID World Bank team who have offered to source contacts within the World Bank.	Documentary review. Consultation with DFID staff; World Bank staff; SFD staff.		
Total costs	Accommodation, travel, hire of venue for 3 workshops (DLDSP, IIP, water & roads community contracting). Local costs for Sana'a based staff attending workshops/focus group meetings (education & water sectors, other national level consultations, NGOs, conflict prevention workshop). In addition, a local facilitator will be required to assist with up to 8 focus groups meetings/workshops. A high level interpreter will be required throughout. It is assumed that SFD will be able to provide support facilitators from its staff.			$4500 $ 500

Annex 3   Terms of Reference for Facilitation for SFD Institutional Evaluation Workshops

The Yemen Social Fund for Development (SFD) is recognised as innovative, effective and efficient in delivering well-targeted basic services in a difficult environment. SFD is considered to be a vital element of Yemen's social safety net as well as a main tool for building capacities at the community, local and State level in the country. The Institutional Evaluation (2006) of SFD found that 'it had evolved into a successful and 'model' organization in the Yemen context that operates on a nation-wide basis and has broadened participatory development efforts to rural and remote areas'.

A particular strength is its contribution to nurturing governance structures at the decentralized levels – governorate, district, and community – for planning and implementing development initiatives, and in strengthening relationships between these various levels. Its role in supporting non-government organisations (NGOs) was also acknowledged. These impacts are seen as key to the medium and long-term strategic impact of SFD, as well as providing guidance to SFD in its relationship with the government of Yemen (GoY). SFD also has an important role to play in building the capacity of government agencies and in encouraging the scaling-up and mainstreaming of SFD innovative approaches and programmes to contribute to Yemen State building.

An Institutional Evaluation (IE) is to be undertaken as part of the wider 2009 Impact Assessment and complements the quantitative survey and a qualitative study.

The **objective** of the IE is: '*to assess and document the institutional impact of SFD at the policy as well as institutional level and at both the national and local/community level.*

Specifically, the ToR require the IE to assess:

- SFD's impact, through its practices, projects & programmes, on wider institutional development in the country;
- SFD's role in strengthening governance and community empowerment structures conducive to poverty alleviation; and
- Possibilities for SFD's future role within the Yemen development and institutional context.

The **scope** of the institutional evaluation is SFD's impact at four levels: (i) national, (ii) NGO-sector, (iii) local (district), and (iv) community level. Not only is SFD's engagement at these four levels significant in their own right but, critically, it is the interplay between the various levels that will help sustain gains in good governance beyond the scope and duration of the SFD.

The **crosscutting issue** identified for the IE is SFD's contribution to conflict prevention and resolution. While SFD's policies and objectives do not specify conflict prevention, in practice, the context in Yemen is such that SFD staff is routinely confronted with tensions, including conflict over resources.

Phase 1 of the evaluation, which took place in January 2009, developed the methodology, to include, a number of workshops/focus group discussions (up to eight) for which a facilitator was sought. The outputs of Phase 1 include a Concept Note, Methodology and Design Report, and an Implementation Plan, and these will be core documents to guide the facilitator.

Role of facilitator

The facilitator will:

- Assist SFD and the evaluator in the planning and conduct of the workshops; and
- To advise on and employ appropriate methodologies to ensure the full and productive participation of all attending – it is likely that parallel sessions will be required in some cases.

Tasks

The facilitator will:

- Prepare the programme for each of the workshops in conjunction with the SFD representatives and the independent evaluator;

- Facilitate the workshops;

- Meet with the SFD and the independent evaluator at the end of each workshop to review progress; and

- Produce a report for each of the workshops on the conduct of the workshop, and main outputs (groups discussions and flip charts).

Profile of facilitator

The facilitator is required to have strong organization and analytical skills and to be able to work with representatives from various levels – central ministries, governorates, districts and communities. Knowledge of both Arabic and English is essential: the workshops will be conducted in Arabic, but the programme preparation and reports are required to be in English.

Outputs

- Programmes for each of workshops,

- Workshops facilitated,

- Concise reports for each of the workshops to be delivered latest one week after the final workshop.

Timeframe

The workshops/focus group meetings will take place between 14th March and 2nd April 2009 and the facilitator will be expected to be available for most of this time.

Inputs

- The facilitator will be contracted by the SFD;

- Background reading, liaison with SFD/external consultant (2 days);

- Preparation of workshop programmes (jointly with SFD/external consultant) 4 days;

- Facilitation of up to 8 workshops/focus group meetings (8 days);

- General liaison (1 day); and

- Report writing (5 days).

Total 20 days.

The facilitator will provide their own computer.

MAXWELL STAMP PLC

LIST OF DATA
COLLECTION ACTIVITIES

List of Data Collection Activities

	Date	Location	Data Collection Method
National Level Impact			
Water Sector	17 March 2009	Mercure Hotel	Workshop
Ministry for Local Administration	16 March 2009	Mercure Hotel	Workshop
Ministry for Labour and Social Affairs	18 March 2009	Ministry for Labour and Social Affairs	Focused Group Discussion
Education	15 March 2009	Mercure Hotel	Workshop
Inclusive Education		Interview	Ministry of Education
Adult Education & Literacy		Focused Group Discussion	Ministry of Education
Decentralised Level Impact			
Decentralised Local Development Support Programme	28 March 2009	Mercure Hotel	Workshop
Empowerment for Local Development	22-24 March 2009	Jibla, Ibb Governorate.	3-day field visit which included interviews, focused group discussions, community visits, observation of community elections & a PRA exercise.
Community Level Impact			
Integrated Interventions Programme	29 March 2009	Mercure Hotel	Workshop
Community Contracting in Water and Roads	30 March 2009	Mercure Hotel	Workshop
NGO Level	3 April 2009	Mercure Hotel	Workshop
Conflict Sensitive Development	21 March 2009	Mercure Hotel	Workshop