

# YEMEN: LOCAL GOVERNANCE SUPPORT

United Nations Development Programme  
United Nations Capital Development Fund

POVERTY REDUCTION AND MDG ACHIEVEMENT



Photo by Alexander Nitzsche

YEMEN

## Background

The Republic of Yemen was established in 1990 through a merger of North Yemen and South Yemen. It has a population of 23 million, which is growing at an annual rate of 3%. Yemen ranks 140th of 182 countries on the 2009 Human Development Index (HDI) and is one of the poorest countries in the Arab world. As of 2009, 42.8% of the population was poor. Disparities between rural and urban areas are high and extend across all 21 governorates, from 8.9% in Al-Maharah to 63.9% in Amran. GDP per capita is US\$ 2,335 (PPP). A non-diversified, oil-dependent economy makes Yemen vulnerable to international market shocks. The oil sector accounts for 31.3% of GDP, 90% of commodity exports and 70% of the central government's budget. Agriculture employs 30% of the labor force and represents 9.8% of GDP (down from 24% in 1990, when the Republic began to export oil). Recent improvements in health and education could make it possible for Yemen to achieve targets in education (MDG 2), child health (MDG 4), and the control of malaria and other major diseases (MDG 6). Progress toward reducing poverty and malnutrition (MDG 1), maternal health (MDG 5), and access to safe drinking water (MDG 7) is limited, though, especially in rural areas.

A post-conflict context, vulnerability to climate change and an urgent

need to develop capacities at the national and local levels are the challenges facing Yemen's attempts to achieve the MDGs. Although revenues generated at the local level have increased in the past five years, they do not meet the development challenges confronting the powers and mandates of local authorities. The fiscal transfers from the central government have increased modestly, mainly covering recurrent expenditures such as salaries, and accounted for a mere 12% of the state's budget in 2008. Overall, capacity development and financial resources remain inadequate, significantly hampering the efficiency and effectiveness of service delivery at the local level, as the extreme inequalities across regions demonstrate.

## MDG Localization and Local Development Programmes

UNDP and UNCDF have been supporting Yemen's efforts toward achieving the MDGs. Since 2003, the Decentralization and Local Development Support Programme (DLDSP) has been assisting the Government of Yemen to define, align and implement decentralization reforms. The project provided technical and capital assistance in 70 districts in nine governorates. It helped create a mechanism to provide systematic support to district officials for the planning, budgeting

and implementation of local development priorities, including basic services, infrastructure, and management of natural resources. Typical investments include the construction or rehabilitation of health clinics and equipment, schools, water supply systems (e.g., harvesting tanks), and roads. In addition, some localities have invested in agriculture and environmental management projects.



The initiative addressed cross-cutting gender issues by prioritizing investments that disproportionately benefited girls and women. In particular, most funded projects addressed educational and health issues, with specific attention to the needs of girls and women. Infrastructure projects in the pilot districts, such as those involving roads, schools and rural water projects, also addressed specific gender concerns and significantly improved the living conditions of girls and women. Whenever possible, local labour was used to design and construct capital works, thereby contributing to local employment and income generation. The 2008 evaluation report on DLDSP noted significant improvements in the capacities of local authorities and service delivery agents to plan and implement pro-poor development initiatives. The programme mobilized significant domestic resources that covered over 75% of expenditures. Moreover, it demonstrated that decentralized service delivery could meet the needs of the poor communities at a lower cost than centralized delivery. The programme improved coordination among various development partners working in local development, including USAID, World Bank, Danida and the Government of Italy. Overall, DLDSP made significant contributions to deepening the decentralization process and reducing inequalities by delivering essential MDG services to the poor and other vulnerable communities.

Yemen's experience with DLDSP demonstrates that legal empowerment and participation, capacity investments at the local level, support to local planning and budgeting processes, and gender mainstreaming of development interventions are key to mobilizing domestic resources for MDG investments according to local priorities and to accelerating progress sustainably, especially by reaching those groups that have been traditionally neglected. Furthermore, it has proven that development partners may work through local systems, raising accountability and empowering communities.

## Opportunities for Scaling Up

The third MDG-based National Development Plan for Poverty Reduction (2006-2010) and the fourth National Development Plan (2011-2015) illustrate the agenda of the Yemeni Government and its development partners for combating poverty and creating an enabling environment

## THE ROLE OF LOCAL GOVERNMENTS IN ACHIEVING THE MDGS:

The Local Authority Law, approved by Parliament on 10 February 2000, provides a clear and comprehensive legislative framework for decentralization through: (a) broadened popular participation and elected local councils; (b) fiscal decentralization; and (c) decentralization of administrative and service delivery functions. The law takes a major step toward further democratization and has great potential to improve local public service delivery and to promote the achievement of the MDGs in Yemen.

Based on the constitutional and legal framework, Yemen's Capital Secretariat, 21 governorates, and 333 districts operate under a decentralized structure. Democratically elected local councils are responsible for the delivery of basic services such as water supply, sanitation, rural electricity, rural roads, education, health, and agriculture development. In addition, local governments are increasingly responsible for environmental management and economic development.

for job creation and improving good governance. Both include measures to redouble efforts to accelerate progress toward the MDGs through concerted policy, institutional reforms, and innovative approaches.

Based on the results and an evaluation of the DLDSP, a new Local Governance Support Project (LGSP) was launched in April 2010 and will continue until December 2014. The new initiative will scale up the interventions in the existing localities with a budget of US\$ 12 million, about 50% of which is funded by the Government of Yemen. UNDP and UNCDF, in partnership with UNIFEM, aim to support the Government to transform its local authority (appointed) system to a local governance (elected) system as articulated in the National Strategy for Transition to Local Governance (NSTLG) approved in 2008. This will further devolve authority to the district level. LGSP will continue building on the experience of DLDSP, with an increased emphasis on integrating Local Economic Development (LED) and Natural Resource Management (NRM) components to accelerate the achievement of the MDGs and the promotion of broad-based local development. It will further capitalize the existing local development funds to enable local governments to more effectively finance their service delivery, especially in the critical areas of health, education, and water and sanitation services.

Scaling up the LGSP will reach an additional 20 districts in five of the poorest governorates. During this phase, intermediate subnational government structures (governorates) and the lower level authorities will be targeted in order to improve coordinated and strategic MDG-based planning and implementation within and across districts. As a result, inter-village and inter-district MDG investments will be funded to scale up results achieved so far. The initiative will thus contribute to reducing rural-urban inequalities and disparities between genders and among social groups.

The scaling up programme will help promote social cohesion among different groups by strengthening citizen participation, placing people at the center of development, and improving the accountability of subnational authorities. Overall, the initiative will significantly promote the achievement of the MDGs at the local level by increasing income generation, improving natural resource management for sustainable livelihood, raising awareness of gender and development, improving school facilities to encourage parents to send their daughters to school, improving water supply schemes in order to minimize women's time spent collecting water for household consumption, and promoting skills to access the market. Due to its integrated and holistic package, the initiative will greatly affect the entire MDG agenda.