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RAPID LOCAL GOVERNANCE DIAGNOSTIC IN YEMEN

MAIN FINDINGS REPORT

SEPTEMBER 2019
UNITED NATIONS DEVELOPMENT PROGRAMME



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ACRONYMS

CSO	civil society organization
DFAs	De-Facto Authorities
IDP	Internally displaced person
IRGY	internationally Recognized Government of Yemen
ReLOG	Resilience and Local Governance Project
RLGD	Rapid Local Governance Diagnostic
SFD	Social Fund for Development
VCC	Village Cooperative Committees
YER	Yemeni rial

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A – Methodology

UNDP Yemen conducted a Rapid Local Governance Diagnostic (RLGD) in April and May of 2019 in six governorates (Aden, Hadramout, Hajjah, Lahj, Marib and Taiz) and 18 districts to better understand the current situation of local governance in Yemen. The Diagnostic focused on the current level of functionality of district and governorate authorities, compared to the situation that prevailed before the conflict, and in particular on their capacities to deliver services and perform their duties in a participatory, inclusive and accountable manner. The Diagnostic also collected the priorities of local governance stakeholders in terms of external support. The RLGD was not designed as a conflict or political economy analysis nor as a deep-dive performance audit. It was a qualitative exercise and the accuracy of the data collected, mostly from Local Authorities themselves, remains subject to caution. Altogether, 205 semi-structured interviews were conducted with members of local councils, chief executives (governors, district directors), local administrations, directors of line ministry offices at district and governorate level, civil society organizations (CSOs) and private sector representatives, gathering a total of 385 individuals (eight percent women). Administrative data on human and financial resources and updated population statistics were also collected.

The results presented in this report only concern the areas surveyed – they cannot be simply extrapolated to the whole country, although certain findings are likely to apply to more governorates and districts than the ones surveyed.

B – Main findings

1) State authority has undeniably declined at the local level in most areas as a result of conflict – but not in all areas, as seen by the cases of Hadramout and Marib Governorates. The proliferation of armed groups has severely affected the rule of law and creates a lot of interference in what remains of democratic rule at the local level. The political and fiscal crisis of the central government has affected the capacities of Local Authorities to deliver on their missions and maintain public trust. Yet, nowhere have formal Local Authorities at the district or governorate level been completely eradicated and replaced by alternative forms of governance assuming core state functions, such as revenue collection or service delivery.¹ The influence of informal (non-state) actors has risen further; informal actors have always been strong at the community level in Yemen. In the best cases, informal governance has become more ‘institutionalized,’ with the emergence in certain areas of inclusive community-based decision-making bodies, such as Village Cooperative Committees (VCCs). In the worst case, the influence of powerful informal actors has meant a more exclusive use of local resources and aid for the benefit of a few. Nevertheless, the informal and formal dimensions of local governance still seem to be able to work together in most locations for constructive problem-solving rather than trying to make each other irrelevant.

2) The level of autonomy of Local Authorities has increased with the weakening of the central state. However, this is seen to a lesser extent in areas under the control of De Facto Authorities (DFAs) and those under the close oversight of the Internationally Recognized Government of Yemen (IRGY) based in Aden, such as the Aden and Lahj Governorates. Greater autonomy means day-to-day decisions on the use of human and financial resources for service delivery, stabilization and development are made at the district level rather than higher up. The conflict has had the positive impact of bringing about more horizontal and integrated local governance mechanisms involving various branches of Local Authority, in particular different sectors, in contrast with the more siloed and top-down governance model that prevailed before 2015.

3) Civil society plays a more prominent role in bridging the gap between communities and Local Authorities and in protecting the most vulnerable. But civil society lacks skills, experience and access to sufficient technical and financial resources that would allow it to play a more effective role in local governance processes, such as planning and budgeting or service delivery, and in strengthening the social accountability performance of Local Authorities. Civil society actors report that the space given to them for engagement has increased since 2015 (except in Hajjah and Taiz Governorates), contrary to what is seen in many conflict situations across the world, but formal mechanisms for a more organized and constructive relationship with Local Authorities are yet to emerge in many areas.

¹ The only such case happened in Hadramout Governorate with the short-lived reign of Al Qaida in the Arabic Peninsula in 2015-2017.

4) The human and financial resources available to Local Authorities to conduct their missions have not been drastically affected by the conflict, especially at district level, contrary to what is often taken for granted. While areas, such as Hajjah Governorate, saw their financial means dramatically reduced,² more than two-thirds of the areas surveyed (those under IRGY-control) recovered in 2018 the same level (or even higher)³ of income and expenditures in real terms compared to before the conflict. Some districts and governorates have even multiplied their local revenues two or three times – and that is only what is officially reported. However, even where expenditures have increased in absolute value, they have decreased on a per capita basis given natural population growth and an influx of internally displaced persons (IDPs) in many districts. No significant cuts in staffing have taken place in any of the areas surveyed – nor any massive turn-over of personnel due to, for example, patronage or political purging. Local Authority budgets remain overwhelmingly consumed, even more than before, by salary expenditures (making up usually 90 percent of the operational budget) and the investment capacity of Local Authorities has shrunk in most areas. Local Authority workforces are affected by high levels of absenteeism and limited capacities for facing the complexities of such a crisis, meanwhile less opportunities exist for capacity development than before.

5) Core government processes for planning, budgeting and fiscal management followed by Local Authorities in 2018 remain broadly the same than used before 2015, but with lesser accountability. The Local Administration Law (4/2000) and its by-laws are the overarching regulatory framework that Local Authorities follow, but the much lower level of central oversight exerted (especially in IRGY-controlled areas) opens the door to local ‘adjustments.’ On the positive side, Local Authorities have a greater autonomy to appropriate their resources and greater incentives to collect revenues, mostly as per the limits established by the Local Administration Law. However, a few grey areas and new sources of revenues are appearing in some governorates. On the negative side, the discretionary powers of local executives have inflated, especially in the absence of local councils, meant to exert democratic accountability, in 70 percent of the administrative units surveyed. Internal administrative accountability has been weakened, with barely any independent auditing imposed on Local Authority affairs. A lack of transparency and public outreach on the part of Local Authorities and a lack of initiatives on the part of civil society has lessened the social accountability of authorities.

6) Citizen participation is stronger in informal governance mechanisms but has weakened in formal processes. At community, neighbourhood and sub-district level, where the right mix of incentives (e.g. small grants for community projects), stability, technical guidance and proactive leadership are gathered, a more broad-based and inclusive level of participation than before 2015 is reported. At district and governorate levels, on the other hand, opportunities to counter-balance executive powers with community voices have decreased – largely because of the weakening of local councils. Only very few Local Authorities among those surveyed are trying to establish alternative mechanisms to maintain citizen participation in and scrutiny over their affairs. For the most, important local decisions are taken by an even narrower group of bureaucrats who are not immune to the influence of certain interest groups.

7) Service delivery in post-2015 Yemen has become in many areas more localized, less public-sector dominated and less effective – but not always. Strategic and operational decisions regarding the organization of service delivery are now taken closer to end-users and the role of non-state providers (mainly the private sector) has increased undeniably. While most areas surveyed report a slump in service quantity and quality, it is with varying levels of intensity, and in some areas, such as Hadramout and Marib Governorates, public services are said to be expanding and improving and can keep up with increasing demand. The situation in terms of performance is vastly different by type of service: social services (health, education) and services that generate their own income (water, electricity) usually fare much better in terms of conflict resilience – they also receive the bulk of non-humanitarian aid to Yemen currently. On the opposite end, services with extremely weakened central leadership, slashed financial resources, limited donor support and structurally weak delivery systems (agriculture, sanitation, public works, road construction and maintenance) are hard hit by the crisis.

8) Vulnerability and marginalization in local governance, both in terms of participation in decision-making and in accessing protection and services, are acknowledged by most Local Authorities surveyed (but only partly addressed). There are nuances to this statement depending on the population group (for example, the vulnerability of women and youth is better recognized than that of IDPs or the muhammasheen⁴), the government level (governorate authorities are more active

² The annual budget of Hajjah Governorate in 2018 is only 26 percent of its 2013 budget.

³ In all districts surveyed, except in Taiz and Hajjah, total expenditures in 2018 were higher by 2 to 11 percent to expenditures in 2013.

⁴ A minority group considered a lower caste.

in fighting marginalization than district ones) and the sectors concerned (social service sectors are the most sensitized to marginalization). Progress in terms of voice and participation for marginalized groups is slow. The role of these groups in decision-making is usually confined to the community level, especially for women, with the notable exception of the Aden Governorate where more women are represented in local councils and administrations than in any other of the locations surveyed.⁵ Youth participation is often confined to 'youth' matters (education, sports, recreation) and more rarely facilitated in the social and economic realms. Local Authorities try to implement specific measures for offsetting the negative impacts of the conflict on access to services for vulnerable groups, but the extent of these measures is often limited by their financial and technical capacities.

9) District authorities seem better insulated from the debilitating effects of the conflict than governorate authorities. District authorities' level of legitimacy and public authority is seen as more resilient. These authorities are able to continue playing mostly a service delivery role rather than a political and security role (as governorate authorities do) and hence, are better shielded from the pitfalls of the national political struggle. District directors are more stable in their posts than governors, more local councils are still functioning at district level and district Sector Executive Organs report having more autonomy than before. Compared to governorate authority offices, district offices have higher staff density (staff number per 100,000 inhabitants), are less affected by absenteeism and their staff enjoy better technical support from their hierarchy than governorate staff. Two-thirds of districts surveyed had similar or higher expenditure levels – and similar or higher income levels – in 2018 than before the conflict, while the opposite situation applied to governorate financial resources. The increase in local revenues seen in several areas since 2015 benefits mostly district budgets. While overall a better governance context can be found at district than governorate level, important contextual differences exist between districts, and an increasing gap is found in available means and capacities between urban and rural districts.

10) Local Authorities and other local actors surveyed unanimously request support in terms of capacity development and operational means, while support in legal and policy areas is not mentioned as a priority. Logistical infrastructure (offices, transportation, office equipment) is high on their wish-lists, reflecting the fact that 60 percent of Local Authority offices interviewed report conflict damages on their facilities, as well as a lack of non-salary operating budgets. In Hajjah Governorate, staff salaries are high on the agenda as they are not paid in full as opposed to IRGY-controlled areas. Training and guidance are highly expected from UNDP, in particular for strategic and urban planning and public financial management. Sector-wise, the most prioritized services for UNDP financial and technical support remain education, water supply, healthcare, sanitation and solid waste management. Important distinctions exist, in terms of expectations between governorates and between districts, which calls for a highly tailored and demand-driven approach for the UNDP response.

C – Key emerging issues

1) State authority, embodied by local councils and executives, remains at risk of further slipping away and public trust in Local Authorities of dwindling lower, if issues affecting their performance and accountability is not urgently addressed. The level of urgency seems highest in Hajjah and Taiz Governorates, and is also a concern for rural and isolated districts elsewhere – those that cannot really put to profit the increased autonomy brought by the conflict situation, as they lack logistical, financial and technical resources.

2) The greater autonomy handed to Local Authorities by the severe political and governance crisis besetting the central state heightens risks of mismanagement and corruption in a context of lower democratic, institutional and social oversight. While this autonomy has permitted to a great extent the resilience and responsiveness of formal local governance across the country and, in certain locations the emergence of new virtuous practices (e.g. for grievance-handling in particular), in the absence of central policy setting and oversight, it opens the door to a greater capture of power and rent-seeking behaviour by local interest groups than before. Popular discontent with increased fiscal pressure at the local level seems to be growing, especially when linked to a lack of visible impact on the quality of services; this could further undermine public trust in formal authorities – and, in the future, the recovery of the social contract between the state and society.

⁵ The proportion of women among Local Authority office staff ranged from 30 to 40 percent in Aden Governorate, while it was below 10 percent in Marib Governorate.

3) While human and financial resources available to Local Authorities have been preserved, they remain structurally inadequate to support the country's recovery. Staff distribution between sectors and areas does not follow needs and is not able to adjust rapidly to shifting situations in terms of population figures and the humanitarian situation. Financial resources are excessively geared to covering salaries – while staff absenteeism is rife in some areas – and only a handful of Local Authorities have enough investment funds available to repair their service infrastructure, let alone develop it. Operations of Local Authorities are constrained by derelict logistical means and the shrinking of non-salary budget allocations. In Hajjah Governorate (and assumingly the rest of the north), staff only receive one month of salary per year. In such conditions, in only a handful of areas would Local Authorities be able to take charge of the recovery efforts.

4) The conflict has not only exacerbated territorial fragmentation but also territorial inequalities in terms of quality of local governance and access to services, threatening social cohesion and the rebuilding of the state. The level of contrast between the districts and governorates surveyed – whether it is how their human and financial resources match with the size and condition of their population, their local revenue generation potential, how dynamic and foresighted their leadership is, how far their staff have access to training and technical support, and so forth – has soared from what it was before 2015. Certain districts show expenditure levels per capita 25 times higher and staff size per capita 100 times larger than other districts. Districts hosting large IDP populations have not been given additional human and financial means by central government and, even if these districts usually make additional income from the IDP presence (but not always as this depends on the socio-economic profile of the displaced population), this is not sufficient to support a high-enough increase in their delivery capacity. High variability in local governance and development contexts happen within governorates and this generates not only local tensions and conflicts between communities and districts, but potentially as well faster rural exodus. The redistribution and equalization role of the central state, which was already weak before the conflict, seems to have completely vanished.

5) The increasing 'localization' and 'privatization' of service delivery, while it can contribute to resilience, also brings greater inequalities, both social and territorial. With many of the strategic decisions and all of the day-to-day management ones related to service delivery now left to Local Authorities, the disparity between areas in terms of offer and quality of services is higher than before, not only reflecting disparities in financial and human resources but also in quality of leadership and governance. In addition, with the increasing 'privatization' of service delivery witnessed in urban areas, which comes with a price tag for service users, social inequalities are reinforced. The urban poor (often IDPs) and rural populations become more dependent on their self-help capacities and on external providers to cover their basic needs, which puts them at risk of service interruption in the future. Similar disparities develop between service sectors, with some sectors demonstrating greater resilience (in particular education and health) as they are prioritized for government and donor support, and other sectors further slipping into dereliction – especially those linked to economic livelihoods and environmental services – which can only complicate recovery in the future.

6) Participation and inclusion are gaining ground at the grassroots level, but power and public resources are increasingly controlled at the formal level by not-so-inclusive and unelected decision-makers. Local councils could easily be re-established in many districts – at least the Management Board that normally conducts daily oversight over the business of local executives and their administrations – but there is no appetite for this among local political leaders. Apart from a couple of experiments led in the context of donor programmes (e.g. the Berghof Foundation), no governor or district director has tried to set up an alternative and ad hoc consultative body that would gather different sectors of society and could provide stronger legitimacy to their rule. With increasing local revenues in some areas, and potentially soaring investment funds for recovery in the near future, the weakening of inclusive democratic decision-making process around local priorities is another spine in the foot of restoring the social contract.

7) A lack of strategic thinking and resource planning at the local level, compounded by inadequate aid coordination mechanisms, will complicate the task of leading an orderly and effective recovery. Almost none of the areas surveyed have a strategic plan to recover from the conflict – they usually only avail an emergency response plan (hence very short-term) for a few key sectors. Seventy percent of district authorities interviewed, and about half of governorate ones, criticize current aid allocations and the way aid priorities, both thematically and geographically, are decided after minimum consultations with them (especially at the district level). Without stronger and more inclusive local planning frameworks (annual and strategic), there is a great risk that support to recovery remains piece-meal, haphazard and does not support viable strategies and projects. Mostly, the risk is that Local Authorities find themselves spectators of sectorial recovery pro-

grammes decided from above, rather than their main promoters and executors, especially if donors fail to invest sufficiently in developing the planning and implementation capacities of Local Authorities and prefer to continue delivering through parallel mechanisms.

8) Certain critical areas for the sustainable recovery and development of the country are deprioritized in the current context where government, Local Authority and donor focus remains largely on beefing up basic services to overcome the humanitarian crisis. This is particularly the case for local economic development, urban planning and environmental protection. Only few initiatives taken by Local Authorities to tackle these important areas – and which call increasingly for urgent policy interventions as well as technical and financial support – have been recorded during the Diagnostic. Where population growth is high due to IDP arrivals, these issues are not a luxury and Local Authorities need significant support to address them properly. Everything remains to be done, from building platforms of local actors to conduct diagnostics of multi-faceted development needs and preparing integrated and collaborative response strategies, to bringing the necessary external expertise and sharing experience from other conflict-affected countries that have gone through the same challenges.

9) The lack of horizontal, cross-area compacts gathering local governance actors limits the emergence of vigorous peace and recovery dynamics from below. Very few collaborative initiatives gathering together Local Authorities within or between governorates were reported (definitely more cases of disputes were reported), and only a few such platforms were mentioned by civil society and the private sector. Experience sharing and peer support, let alone joint development initiatives, does not happen beyond a few events organized by donors. Local actors look mostly inward and, while they recognize the value that uniting across Local Authority borders would have for advancing their cause, such initiatives are not seeing the light of day.

10) Only so much can be done through custom-made and localized responses for recovering the capacities of Local Authorities: the main problems besetting local governance in Yemen are structural and inherited from previous times. The lack of flexibility and responsiveness of the human and fiscal resource management systems to the crisis – and tomorrow to the recovery needs – are the best examples of this challenge. Major legal and institutional reforms would be needed to alleviate these constraints, for example, to be able to redeploy civil servants across districts as per service needs, to clean payroll lists of ghost workers (preventing precious government subsidies from being wasted on paying absentee staff), or, to thoroughly revise the allocation formulas organizing the distribution of state resources to the local level to reduce territorial inequalities. Such reforms are unlikely to happen any time soon and, in the meantime, greater territorial differentiation can be expected and, inevitably, further local ‘adjustments’ will occur to the management of public resources (local taxation in particular) that will go outside the current rigid regulatory frameworks. With so much focus put on supporting Local Authorities and local systems in delivering services now, donors should not neglect support to central government in formulating and implementing policies that can tackle the structural issues impeding more resilient Local Authorities and service delivery.

1. INTRODUCTION

NOTE: In all that follows, the terminology ‘Local Authority’ (district or governorate) designates the ensemble of legally-established institutions at the local level that report to a local chief executive (District Director or Governor) or have constitutional legitimacy to represent citizens at the local level. This includes therefore the local councils (District Council, Governorate Council), the chief executive (District Director, Governor) his/her front office, the local administration (or Diwan) and the semi-decentralized Sector Executive Organs (or line ministry offices), as the latter report by law both to the local chief executive and to the central government. Local offices of other state ministries (e.g. the Ministry of Planning and International Cooperation, Civil Service, Finance) or agencies who report entirely to central government (e.g. Post Office, Central Organization for Control and Auditing) are not covered by the terminology ‘Local Authority.’

1.1 Background

This report presents the main findings of UNDP Yemen’s Rapid Local Governance Diagnostic (RLGD), conducted in six governorates and 18 districts in April and May 2019. The Diagnostic was done to provide up-to-date evidence on the state of the local governance system in Yemen and inform the development of UNDP Yemen’s new local governance project (see below). The report presents the consolidated analysis of the Diagnostic results from all the areas surveyed and the main findings and key issues that emerged. (Detailed results per governorate are not annexed to the report for the sake of length but can be provided by UNDP upon request.)

The new UNDP Country Programme Document (2019 – 2021) emphasizes the need for the agency to better reflect in its programme the diversity of contexts across the country (for example, about 70 percent of the national territory is not experiencing violent conflict on a large scale) and to seize new opportunities arising from the peace process to engage in stabilization and statebuilding. As part of this vision, a new project for enhanced local governance, social cohesion and local stability [hereafter called the Resilience and Local Governance Project – or ReLOG] is under preparation and will be launched at the end of 2019. The project will build upon lessons learned from on-going local resilience building projects,⁶ which support community structures, implement self-help initiatives for basic services and provide some capacity development to Local Authorities. ReLOG will also take inspiration from UNDP/UNCDF pre-conflict support to local governance and decentralization in Yemen (2004-2013) with the Decentralization and Local Development Support Programme, the Local Governance Support Programme and the Peace and Transition Support Project. The main thrust of ReLOG will be on upscaling and deepening support to a country-wide effective and responsive local governance system, led by formal legitimate Local Authorities, that can deliver a range of basic services, promote economic recovery, foster social cohesion, rebuild trust in the state and provide a foundation for a national compact in a post-conflict Yemen.

1.2 Justification

Recent policy papers and studies on local governance in Yemen⁷ tend to depict institutions and mechanisms that have largely evolved from what was the situation at the time of the National Dialogue Conference between 2011 and 2014. The National Dialogue Conference called for a genuine reshaping of the ill-conceived decentralized system set in place since the year 2000 and embodied in the Local Authority Law that has fallen short of establishing genuine political, administrative and financial autonomy of local governments. What emerges from these assessments is a haphazard, opportunity-driven rather than policy-driven, home-grown process of decentralization from below, which creates a new paradigm in which many of the recommendations of the still-born political transition have become obsolete.

The literature also highlights the resilience and continuing roles played by Local Authorities (sometimes hastily shortened to ‘local councils,’ whereas in fact in most areas of Yemen nowadays local elected councils are not functioning and the only local institutions holding state authority are local executives and their administration) for alleviating the harsh consequences of the conflict on the population and maintaining a semblance of social cohesion. However, these studies underline how much the capacities of Local Authorities to respond to the needs of the conflict-affected population, whether political, fiscal or administrative, have been severely affected, while community-level governance actors have arisen, benefiting from increased donor attention and support, as well as civil society, which is taking a more prominent role in providing services and

6 Including the Enhanced Rural Resilience in Yemen project (ERRY), the Emergency Crisis Response Project (ECRP), the Social Protection for Community Resilience Project (SPCR) and the Yemen Livelihood and Human Security Project (YLHS).

7 See: (1) Rogers, Joshua, 2019. Local Governance in Yemen: Theory, Practice and Future Options. Policy Paper, Berghof Foundation, Berlin; (2) Baron Adam et al., 2016. The Essential Role of Local Governance in Yemen. Adam Smith International, Sana’a Center for Strategic Studies; (3) Basalmah Badr, 2018. Local Governance in Yemen: Challenges and Opportunities. Berghof Foundation, Berlin; (4) Baron Adam, 2018. “The Marib paradox: How one province succeeds in the midst of Yemen’s war.” Policy Brief, European Council on Foreign Relations, London. (5) al-Awlaqi Wadhah, M. al-Madhaji, 2018. “Local Governance in Yemen Amid Conflict and Instability.” Sana’a Center for Strategic Studies.

protecting the vulnerable population in a situation of weakened state apparatus.

Another important characteristic of the Yemeni local governance system post-2015 revealed in these studies is the broad variety of situations encountered on the ground. Broadly speaking, three main situations come out from this literature: (1) in areas controlled by the De-Facto Authorities (DFAs), institutional forms of local governments and processes used to conduct business are said to have remained more or less the same, but under tighter control from the centre and with dramatically-reduced resources; (2) in areas of the south under control of the Internationally Recognized Government of Yemen (IRGY), attempts are made to restore normalcy in local governance as per the parameters of the Local Authority Law, but regular bouts of intense military and political fighting between actors loyal to the IRGY and those enlisted in the Southern Transitional Council, are thwarting success from these efforts; (3) in the eastern part of the country, and in particular in Hadramout and Marib Governorates, local governance actors, buoyed by important increases in local revenues, are inventing new forms of local governance for Yemen with much greater distance from central control.

While data sets are available on the pre-conflict functionality of local governments,⁸ these are not valid anymore to inform today's programming as so much has changed in the meantime, and most of this change has not yet been properly and systematically assessed due to the extremely challenging conditions currently for conducting field research. Recently, UNDP completed a 'Local Governance and Social Cohesion Interventions Impact Assessment,' which sheds important light on the state of community-level governance in the eight districts of the UNDP-Enhanced Rural Resilience in Yemen project. Other research by UNDP, USAID and the Berghof Foundation are underway and will produce fresh qualitative and quantitative data on local governance.⁹ To complement these initiatives, and fill the gap in terms of functionality analysis of Local Authorities, UNDP conducted in April – May 2019 a Rapid Local Governance Diagnostic at district and governorate level. As the upcoming ReLOG project aims to buttress the resilience of Local Authorities in delivering services, to foment social cohesion under a protracted conflict context and to contribute to stability, the data collected through the RLGD is needed to design a programme that is tailored to current local contexts and can effectively make change.

1.3 Brief on the Yemeni local governance system

The Constitution of Yemen (1994) established the principle of decentralization with democratically-elected councils while the Local Administration Law (4/2000), with related by-laws, established the official local government architecture, composed of local councils and local administrations at the governorate and district levels.¹⁰ According to this legal framework, the Yemeni local governance system is based on the following four principles: (i) broadened popular participation through elected local councils; (ii) financial decentralization; (iii) administrative decentralization; and (iv) decentralization of service delivery.

The term 'Local Authority' in Yemen can refer to two levels of government: governorate and district. Local Authorities at both levels are constituted by three types of entities, as described below (see the organigram in Annex 1).

- 1. Local Council:** Elected by universal suffrage through a majoritarian system, the Local Council is the deliberative arm of the Local Authority. The main functions of Local Councils are to adopt local policies, appropriate financial resources available to the Local Authority against local development plans, supervise the performance of the executive and administrative arms in delivering services and maintaining social peace.¹¹ The Head of the Local Authority (Governor or District Director) is also the chairman of the Local Council. S/he should be elected by Local Council members through a secret ballot, but in fact has been always been appointed by the central government instead. Local Councils are only meant to sit in plenary session four times a year (and extraordinary sessions if needed), but there are three permanent Council Committees (Planning and Budgeting, Services and Social Affairs) that ensure a continuous oversight of the Local Council over executive affairs. The heads of the three first Committees form, together with the Governor or District Director and the Secretary-General (see below), the Management Committee of the Local Authority. The Management Committee is in regular times the highest decision-making entity in the Local Authority. Local Council members also should sit in the Local Authority's Procurement Committee to exert

8 The Social Fund for Development and the Ministry of Local Administration, with funding from the World Bank, developed in 2012-2013 a baseline on the functional and operational capacities of District Local Authorities.

9 The Berghof Foundation: mapping of all governorates (desk study) compiling demographics, political economy, service delivery and governance data; UNDP: local security and access to justice assessment (2019); and USAID: assessment of local conditions in four governorates

10 Local Authority Law of February 2000, Executive Regulation of the Local Authority Law, decree 269 of 2000, Financial Bylaws of the Local Authority, decree 24 of 2001, Organisational Bylaw for Governorates and Districts, decree 265 of 2001.

11 Since 2012, by Presidential Decree, the role of local councils has been further shrunk and is now only 'supervisory.'

oversight over the execution of the budget.

- 2. Local Administration or Diwan:** Headed by the Secretary-General, who is also the Deputy Chairperson of the Local Council and Deputy-Governor or Deputy District Director. The Diwan is mostly responsible for the management of the Local Authority's human and financial resources as well as for public relations, women's affairs and providing centralized technical support to project implementation across all sectors. The Diwan comprises in general of seven departments at the governorate level and five at the district level.
- 3. Local Authority Executive Office:** Headed by the Chief Executive (Governor or District Director), the Local Authority Executive Office is composed of the Governor's or District Director's Office (or Cabinet), a number of specialized committees (e.g. Security Committee, Planning and Budgeting Commission) or departments (e.g. internal monitoring) and the Sector Executive Organs (SEOs), which are the local branches of line ministries.¹² Some SEOs are only reporting to their line ministry (e.g. Finance, Planning) while others are supposed to report to both the central government and the Local Authority. In practice, until 2015, SEO Directors were mostly reporting to their line ministry. Every month, the Governor or District Director heads the Executive Committee that gathers together the Secretary-General and the SEO Directors.

The Local Administration Law defines the roles and responsibilities for the three branches of the Local Authority as described in the table below.

LOCAL COUNCILS	DIWANS	SECTOR EXECUTIVE ORGANS
<ul style="list-style-type: none"> • Overall policymaking and ensuring application of national policies • Supervise and evaluate executive authorities • Set development goals for the administrative unit and appropriate available resources accordingly • Monitor and develop local fiscal resources • Supervise service delivery to citizens • Take actions for the reinforcement of security of people and properties • Ensure steady supply of essential goods is guaranteed • Promote and supervise local civil society • Control urban development and environmental protection • Promote tourism and the protection of national heritage 	<ul style="list-style-type: none"> • Coordinate the drafting of development plan and annual budget for voting by local council • Coordinate the work of executive organs • Review activities and performance of executive organs • Ensure implementation of local council resolutions • Organize the collection of local fiscal resources • Disaster response • Advise Governor and local council on policy options • Develop plans to improve administrative performance of Local Authorities in general 	<ul style="list-style-type: none"> • Undertake needs assessment for development priorities in their sector • Prepare sector development plan and budget for inclusion in overall plan of the administrative unit • Implement service and investment projects iwithin their sector • Report on accomplishments • Propose fees for service delivery • Ensure implementation of national sector policies and delivery standards • Ensure application of labour laws in public and private entities • Support district executive organs and address their requests (applicable to governorate executive organs) • Collect taxes and fees applicable to sector and transfer to Local Authority account

In terms of administrative decentralization, the Ministry of Finance carries out financial management and control functions at governorate and district level through its Finance Sector Executive Organ. The Civil Service Sector Executive Organ, reporting to the Ministry of Civil Service only, manages the recruitment of civil servants assigned to a Local Authority office and their careers and is responsible for legality and procedural control. The Planning Sector Executive Organ of the Ministry of Planning and International Cooperation is mainly involved in the development of central or national plans and strategies and has very limited interaction or participation in local development plans.

¹² Not all ministries have a Sector Executive Organ at the governorate level, and even a lesser number of them have offices at the district level. A ministry may open a Sector Executive Organ in a district, because of its high needs for the services provided by the ministry, but not in the neighbouring district if it is deemed less strategic.

In terms of fiscal decentralization, Local Authorities are allocated an operating budget by the central government which covers the salary (civil servants only) and non-salary expenditures of the Local Council, Diwan and Sector Executive Organs that have been half-decentralized (e.g. the Education Sector Executive Organ receives its operating budget from the Local Authority's budget, not directly from the Ministry of Education). Local Authorities normally have a capital investment budget as well, funded from central and local sources. Districts receive an annual grant (operating and investment) from the central government and generate their own resources from zakat¹³ (50 percent of which remain with Local Authorities), various taxes (e.g. on basic utilities, on telephone usage) and fees (e.g. building permits, transportation, parking, etc.). Governorates receive only an operating grant from the central budget. Their investment resources, used to build service infrastructure that benefits the governorate's population as a whole, come from the revenues collected at the district level, through the Joint Local Resources mechanisms. All financial resources are programmed through an annual planning and budgeting process starting at district level and culminating in an overall governorate annual plan and budget consolidated and approved by the Governorate Council before submission to central government for the release of funds. Figure 1 summarizes the different funding streams available to district and governorate authorities

Until 2015, although local councils were established to devolve power and encourage participation in planning and delivery of public services, national ministries continued playing a major role. The local governance system suffered from inconsistencies and duplication between central and local organs and this led to confusion in local decision-making and reporting procedures. The fact that central government appointed the chairmen of Local Councils limited their autonomy. The autonomy of Local Authorities was further undermined by a lack of staff in the Diwans, which often forced Local Council members without adequate qualifications to take on the work of missing administrative staff. Local Authorities' awareness and capacity for participatory governance approaches was limited, and the gap between citizen and decision-making bodies remained wide as no other formal structures existed below the 333 districts to make links with the 16,000 villages found in the country. In certain governorates, mostly in the north of the country, sub-districts were used as informal administrative divisions by Local Authorities to organize service delivery, but this is not systematic nor were any budget or human resources devoted to maintain a local administration presence at the sub-district level. As a result, communities were involved in local decision-making only through their elected representatives in the Local Council. The central government never invested much in building the capacities of staff of Local Authorities and Local Council members usually had a very limited understanding of their mandate and responsibilities.

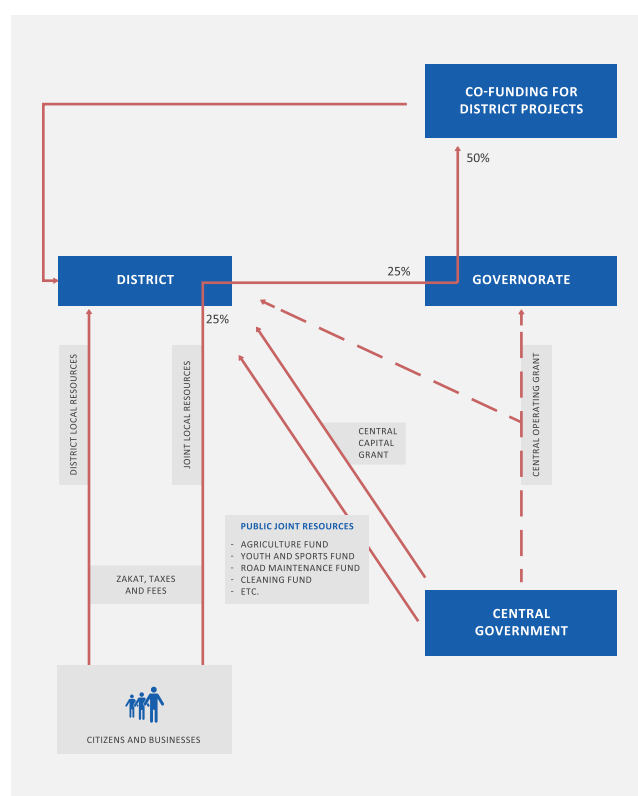


FIGURE 1: Local Authority finances

13 In Islam, zakat is a type of alms, considered a religious obligation.

2. METHODOLOGY

2.1 Purpose and scope

The RLGD sought to enhance UNDP's understanding of the current de facto local governance situation in Yemen in order to:

- (1) support the development of a new local governance project (ReLOG) that will focus on formal local governance systems through a multi-level and contextualized approach;
- (2) provide an initial set of indicators to be incorporated into the project's results-based framework;
- (3) contribute to the selection of the target areas for the programme; and
- (4) engage with local institutions and their expectations, as UNDP will follow a demand-driven approach to institutional and capacity development in ReLOG.

What the RLGD is...

- Mostly qualitative
- Rapid (one month of field work)
- District and governorate level only
- Institution focused
- Self-evaluation mostly
- A360° exercise

What the RLGD is not...

- A conflict or political economy analysis
- A formal capacity assessment of Local Authorities
- An independent audit of Local Authority performance
- An in-depth conflict impact study
- An evaluation of UNDP programme impact

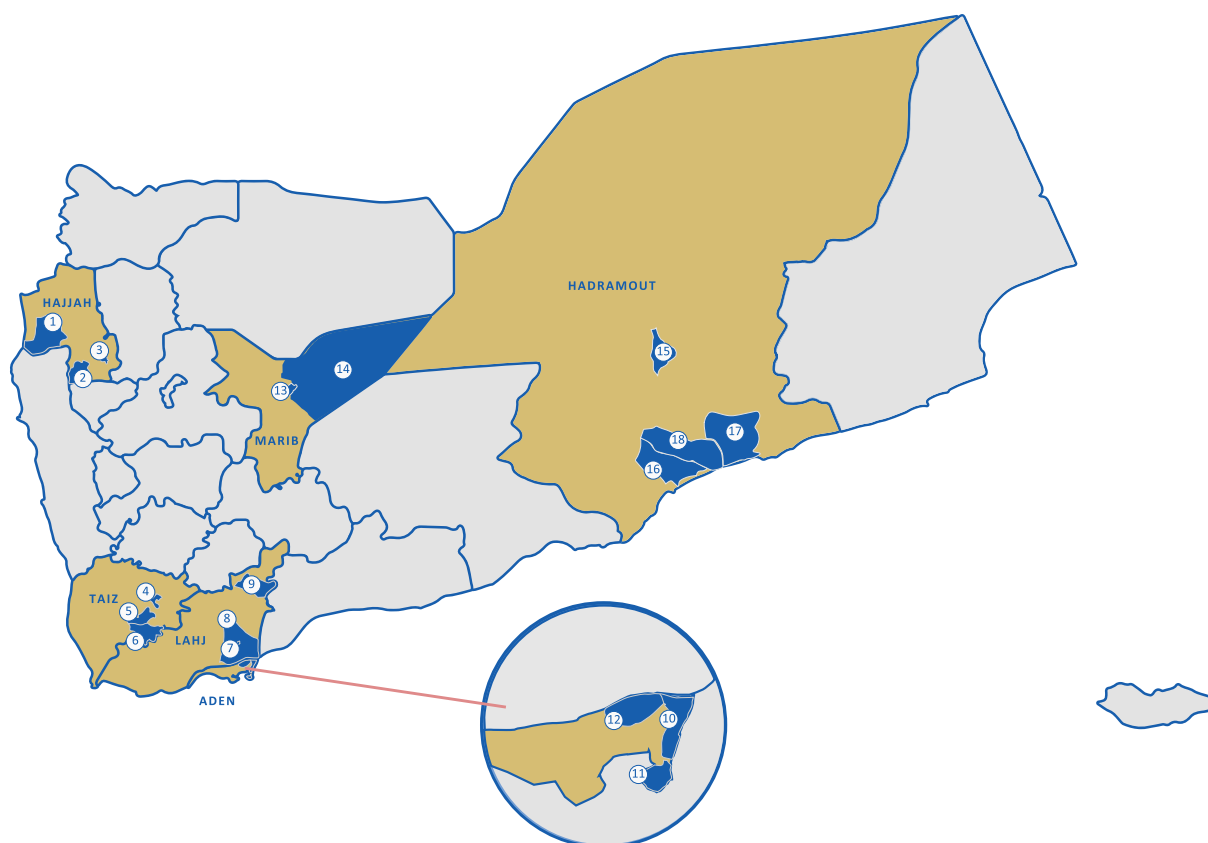
The RLGD adopted the scope described below.

- Limited to district and governorate-level governance: community-level processes were not researched as extensive data is already available from UNDP's recent Local Governance and Social Cohesion Impact Assessment (2019) and other recent studies.
- Limited to certain aspects of local governance: representation, coordination, planning and budgeting, conflict resolution and to the mainstreaming of principles of accountability, participation and inclusion in the above. Issues of conflict analysis, local security and justice, social cohesion or economic livelihoods were not covered as they are already extensively researched through other UNDP surveys and studies.
- Priority given to Local Authorities: the roles and capacities of civil society and private sector organizations are also covered but in less depth.
- A rapid exercise: and not a full-fledged capacity assessment. Further analysis and research on the institutional capacities of Local Authorities is needed at the onset of ReLOG to better calibrate project support in terms of capacity development.
- A qualitative assessment: the RLGD does not produce an index or indexes to compare districts among themselves. While some quantitative data has been collected (including on local finances), it is solely for the purpose of supporting the qualitative analysis.
- A self-evaluation exercise: informants consulted for the Diagnostic (Local Authorities, civil society, the private sector) were asked often to evaluate their own performance and provide their own views on the challenges and needs of local governance. UNDP conducted triangulation for some of the qualitative evaluation data collected this way (especially on local finances) but could not do it systematically for lack of time.
- Process-focused: the RLGD does not try to link local governance findings with service delivery output data or humanitarian data. It was mostly interested in understanding how decisions are taken and implemented at the local level, in relation to service delivery and conflict resolution.

2.2 Locations

- The RLGD covered six governorates and 18 districts. The selection was done considering: (i) the three main areas of the country from a governance point of view (north, south, east); (ii) accessibility and security conditions; (iii) a mix of urban and rural areas; and (iv) the level of IDP presence.

HAJJAH	TAIZ	LAHJ	ADEN	MARIB	HADRAMOUT
1. Hajjah City	4. Al Mudaffar	7. Al-Hota,	10. Ghoor Maxer	13. Mareb City	15. Mukalla City
2. Absa	5. Saber Al	8. Tuban,	11. Seerah	14. Safer	16. Ghail Ba Wazeer
3. Bani Qais	Mawadim	9. Habeel Jbar	12. Dar Saad		17. Al-Shaher
	6. Shamayteen				18. Sayoon



2.3 Conceptual framework of the Rapid Local Governance Diagnostic

The RLGD conceptual framework is based on the United Nations/World Bank Diagnostic Tool on [\(Re\)Building Core Government Functions in Fragile and Conflict-Affected Settings](#). It also makes use of the framework developed by UNDP in 2010 for a local governance diagnostic exercise conducted in the then conflict-affected areas of Sa'ada Governorate.¹⁴

The RLGD is only concerned with local-level data on actors and processes of local governance. It is entirely dedicated to collecting the local perspective and does not involve collecting central-level policy, conflict and administrative data.

¹⁴ This diagnostic was conducted as part of the UNDP/UNICEF/World Bank Joint Initiative for Sa'ada. The overall goal of the initiative was to advance peace and promote sustainable development in the Governorate of Sa'ada through visible improvements in: (a) infrastructure, including public and private buildings and economic facilities; (b) basic public service delivery improvements; and (c) progress toward restoration of the livelihoods of the local population.

Overall model

The design of the RLGD model was guided by the intention to collect information that can help build subsequently a project for:

- addressing immediate stabilization and operationality needs of local governance systems;
- enhancing the role of local governance for peacebuilding;
- localizing (i.e. increasing local leadership in) service delivery and recovery; and
- building core capacities of local governments and improving their finances.

Based on the above, the RLGD conceptual framework was organized around five main themes to be researched at both district and governorate level, as listed below.

1. Mapping of local governance stakeholders (including vertical and horizontal relationships).
2. Institutional capacities and resources (human and financial) of local governance stakeholders.
3. Key local governance processes: representation, leadership and coordination, planning and budgeting, accountability, participation and inclusion.
4. Service delivery: division of responsibility among local actors, trends in delivery performance and main challenges faced.
5. Priority support requested from UNDP by Local Authorities (by thematic area and by geographical location).

These five themes were broken down into two sub-themes and guiding questions to build the data collection tools, as seen below.

1. Administrative data collection: obtained from District Authorities and Governorate Authorities only (no central-level data). It concerned the following data: demographics, budget expenditures, revenues, human resources (civil servants).
2. Semi-structured interviews: using questionnaires mixing closed and open questions and targeting the below seven categories of informants at Governorate level and five at district level.

GOVERNORATE	Governorate leadership	<ul style="list-style-type: none"> Governor Deputies
	Governorate Council	<ul style="list-style-type: none"> Council members (<i>max. 10</i>)
	Governorate Diwan	<ul style="list-style-type: none"> Secretary-General DGs: Administration, Financial Resources, Information, Women's Affairs, Technical Secretariat
	Governorate Executive Office	<ul style="list-style-type: none"> Director of Governor's Office Planning and Budgeting Committee Director of Planning Director of Finance
	Sector Executive Organs	<ul style="list-style-type: none"> Water Agriculture and fisheries Energy Health Education Public Works Trade and Industry
	Civil society	<i>Max. 10 CSOs</i> <ul style="list-style-type: none"> Humanitarian Human rights Women/youth movements Social service Environmental
	Private sector	<i>Max. 10 people</i> <ul style="list-style-type: none"> Chambers of Commerce/industry Entrepreneurs
	District Leadership	<ul style="list-style-type: none"> District Director Deputies
	District Council	<ul style="list-style-type: none"> Council members (<i>max. 10</i>)
	District Diwan	<ul style="list-style-type: none"> Secretary-General DGs: Administration, Financial Resources, Information, Women's Affairs Unit, Technical Secretariat
DISTRICT	District Executive Office	<ul style="list-style-type: none"> Director of District Director's Office Planning and Budgeting Committee Director of Finance Executive Organ
	Sector Executive Organs	<ul style="list-style-type: none"> Water Agriculture and fisheries Energy Health Education Public Works

The full methodological framework and data collection tools are shown in Vol. 2 of the Final Report.

2.4 Survey implementation

Field data (administrative and interviews) was collected by a team of six Yemeni consultants, all with previous experience in supporting local governance in their country. The team was coordinated by a Senior Technical Advisor and UNDP Yemen's Deputy Team Leader for Governance. A Coordination Assistant completed the RLGD team. The RLGD was endorsed and supported by the Ministry of Local Administration and in general a good level of cooperation was found on the ground with Local Authorities and other stakeholders consulted.

A total of 205 semi-structured interviews were conducted (see table below), gathering 385 individuals, of which eight per cent were women.

CATEGORY		HAJJAH	TAIZ	LAHJ	ADEN	MARIB	HADRAMOUT	TOTAL	
Stakeholder group	Local Council	G: 1 D: 3	G: 1 D: 2	G: 0 D: 0	G: 0 D: 3	G: 0 D: 0	G: 0 D: 1	G: 2 D: 9	11
	Chief Executive	G: 0 D: 2	G: 1 D: 3	G: 1 D: 3	G: 1 D: 3	G: 1 D: 2	G: 1 D: 4	G: 5 D: 17	22
	Governor/ District Director	G: 1 D: 1	G: 1 D: 3	G: 1 D: 3	G: 1 D: 3	G: 1 D: 2	G: 1 D: 4	G: 6 D: 16	22
	Diwan	G: 0 D: 3	G: 1 D: 2	G: 3 D: 3	G: 1 D: 3	G: 1 D: 2	G: 1 D: 4	G: 7 D: 17	24
	Sector Executive Organ	G: 6 D: 13	G: 5 D: 14	G: 6 D: 14	G: 6 D: 9	G: 6 D: 8	G: 6 D: 21	G: 35 D: 79	114
	Civil Society	G: 1	G: 1	G: 1	G: 1	G: 1	G: 1	G: 6	6
	Private Sector	G: 1	G: 1	G: 1	G: 1	G: 1	G: 1	G: 6	6
	Sub-Total	32	35	36	32	25	45		205
Individuals	Persons	G: 17 D: 37	G: 30 D: 37	G: 28 D: 47	G: 32 D: 29	G: 29 D: 22	G: 27 D: 50	G: 163 D: 222	385
	Sub-Total	54	67	75	61	51	77		
	% women	6%	7%	5%	18%	6%	6%		8%

The number of interviews conducted represents 89 percent of the initial target objective of 229 interviews set for the RLGD. This is considered quite a high level of achievement considering the constraints met to prepare and conduct this exercise, which were:

- short preparation time (one month) which precluded testing the methodology beforehand;
- impossibility to train the survey team in-person due to travel restrictions in Yemen;
- issues with the level of cooperation from Local Authorities in certain areas (Aden, Hajjah);
- Ramadan overlapping with the last week of field work; and
- disorganization of financial records in certain localities which delayed the collection of financial data and questions their accuracy.

2.5 Data quality

The RLGD remains a qualitative survey exercise, conducted under a tight timeline and difficult logistical, and at times political, conditions. The main caveats on the level of data accuracy are described below.

- (i) No real cross-checking of qualitative data with objective quantitative data was done. For example, qualitative evaluations of the level of service delivery today compared with pre-2015, asked to various interlocutors, have not been triangulated with actual service delivery output data given the complexity of such an exercise and the limited time available to conduct the Diagnostic. The only cross-checking happened, to some extent, with local finances data.
- (ii) A subjectivity is inherent to most of the results, as the questions were mostly open-ended and often asked for the interviewees' views and perceptions on a particular change. In some cases, some of the answers provided might have been influenced by political considerations (necessity to make things look either worse or better than they are).
- (iii) The sample remains limited (six out of 31 governorates and 18 out of 335 districts), hence no extrapolation is possible.
- (iv) It was mostly a self-evaluation exercise, which can lead to enhancement of the reality. But a majority of topics were dealt with using a 360° approach and allowed for some balancing of views (e.g. the functionality of CSOs was assessed separately both by CSOs interviewed and by Local Authorities).

The most problematic data sets remain the administrative data on finances and human resources, with a varying level of accuracy and trustworthiness depending on the governorate. While the data provided looks credible for Aden, Hajjah and Lahj Governorates, in other governorates there are missing data, inconsistencies or obvious gaps (oil revenues for Hadramout and Marib Governorates do not seem to have been reported as part of the overall local revenue figures shared with UNDP). Sometimes financial records are not properly maintained anymore by the offices in charge, especially at district level (e.g. the Finance Sector Executive Organ), or not up-to-date, or not presented in a way that allows comparison with other governorates. In other cases, the Local Authority was not ready to share the full set of data (especially on revenues, as in Taiz Governorate). Also, the limited time available to design and implement the Diagnostic meant that some of the data collection templates used were not totally in line with how the data is usually available and presented by Local Authorities. Another caveat on the reliability of local finances data comes from the fact that data sets for 2017 and 2018 could only be obtained from Local Authorities themselves (nor from the central government), while data sets for 2013 and 2014 were obtained from the Ministry of Finance website. Comparisons made using these two data sets to verify the impact of the conflict on local finances could therefore be tainted by the fact that they come from different sources.

For all the reasons above, the results presented herein need to be taken with caution. Quantitative data, in particular, should be considered more from a trend perspective than as absolute values. Quantitative data are here to sustain an analysis which is mostly built on a qualitative appreciation of the situation researched and do not lead the analysis itself.

3. MAIN FINDINGS

3.1 Mapping of local governance stakeholders

SUMMARY – STAKEHOLDER MAPPING

- State authority has undeniably declined at the local level as a result of the conflict in most areas – but not in all areas, as proven by the cases of Hadramout and Marib Governorates. This decline is not only due to the proliferation of armed groups and fragmentation of political power, but also because of the weaker capacities of Local Authorities to deliver on their missions. Yet, nowhere has the state been eradicated, nor are there viable alternative and competitive forms of local governance appearing at district or governorate levels. While there has been a shift of influence from formal to informal actors, and a reinforcement of autonomy at the community level, this shift remains within frameworks that allow constructive and mutually reinforcing collaboration to emerge between formal and informal structures.
- Local democratic processes have suffered the most from the conflict. With many local councils suspended, the representation of community interests in local policymaking is less effective and Local Authorities have less incentives to abide by basic principles of participation and accountability.
- The level of autonomy of Local Authorities has usually increased. With the weakening of the central state, Local Authorities have more latitude in managing their development affairs, including service delivery. This is less evident though in Hajjah Governorate (and presumably in the rest of the north of the country) and in governorates surrounding Aden (as the seat of the IRGY). The relationship between districts and governorates has evolved towards greater autonomy. Overall, the conflict has had the positive impact of bringing about a more horizontal form of governance, in which local executives play a leading role in bringing together the different sectors to respond to local needs; previously sector-based planning and delivery used to be driven mostly by top-down policies and took place in silos.
- Cross-area linkages bringing together local governance actors from different districts and governorates around common policy or development interests are rare and usually confined to civil society-led initiatives. Fragmentation of the geopolitical space in Yemen remains strong, not just between large blocks drawn by the conflict, but also between immediate neighbours. This is a major deficiency hampering the emergence of strong bottom-up peacebuilding dynamics.

a) Formal and informal governance

- As shown on Figure 2, in most governorates surveyed – but not all – there has been an erosion of state authority and the rule of law since 2015. Where state authority has waned, informal actors, and particularly community structures¹⁵ and civil society, have generally taken a larger role in assuming certain Local Authority functions (maintaining security, social welfare, conflict resolution, service delivery).
- While informal (or non-state) actors have risen politically, and some militarily as well, nowhere in the areas surveyed have they completely wrestled executive power away from legitimate Local Authorities – although some may have increased their level of influence over local affairs. Yet, no reports exist of non-state actors setting up alternative decision-making mechanisms (instead of local councils) or administrative rules to organize public services or collecting revenues that should normally go to Local Authorities (except sporadically in Taiz area for *qat* market taxes). No parallel local administrations, which would be set up on a different legal foundation than the Local Authority Law, were reported either. Rather in some areas, governance mechanisms blending informal and formal actors and processes emerge and are said to function well, but ultimately remain under the control of formal authorities. This is, for example, the case of sub-district (informal) committees set up in some areas to coalesce community-level structures (in particular for conflict resolution) and which operate as an interface with District Authorities.¹⁶ In other areas, the informal/formal interface consists mostly in so-called Neighbourhood Leaders ('aqils). 'Aqils are very common in the

¹⁵ Including tribal shaykhs, local 'aqils and religious leaders.

¹⁶ Reported in districts participating in the Social Fund for Development's Tamkeen programme (Hajjah, Lahj and Taiz Governorates).

south and east of the country,¹⁷ where the sub-district division (which remains an informal echelon and not a formal unit of local government) is not as developed as in the north and in the main cities.

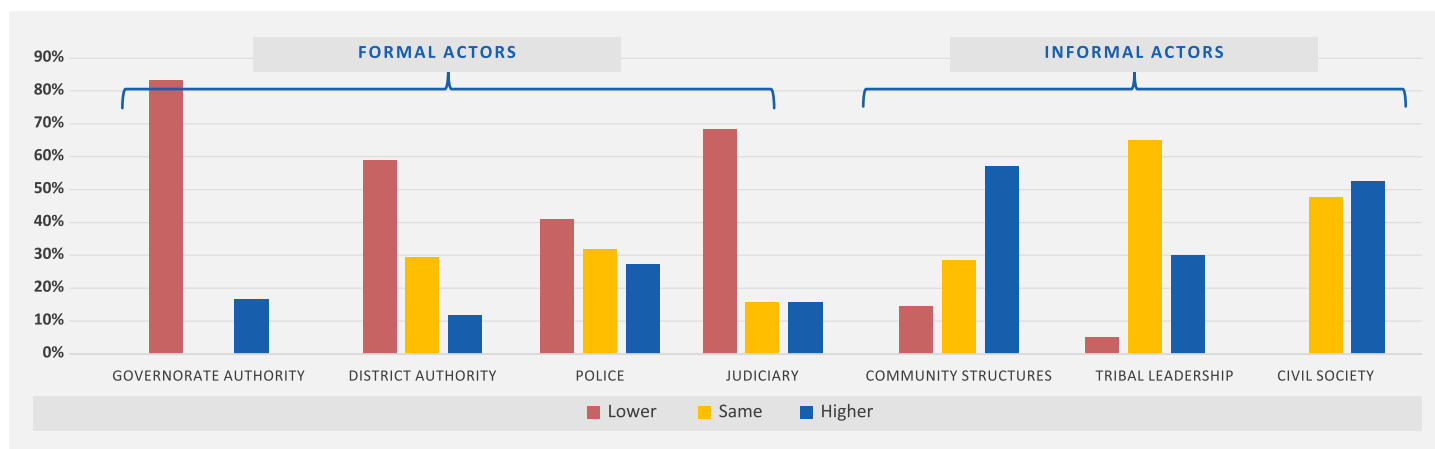


FIGURE 2: Level of influence and performance of local governance actors compared to 2015 (in % of districts and governorates surveyed)

- While state authority is indeed challenged since 2015, it has not disappeared from any district or governorate and no alternative and informal forms of local governance have emerged beyond what already existed before the crisis, i.e. at the village and neighbourhood level. At most, only one branch of the Local Authority is missing, and this is usually the Local Council. The local political life can remain vibrant nonetheless (in areas under IRGY control) as demonstrated in Hadramout Governorate by the emergence of the Hadramout Inclusive Conference, which gathers political, tribal and civil society actors and wishes, in the absence of the Governorate Council, to influence policies adopted for the wellbeing of the Hadrami society.
- The weakening of state authority is not applicable uniformly to all areas. In Hadramout and Marib Governorates this authority is probably stronger now than it was before 2015, but at the same time it is now a much more governorate-based state authority and not so linked to the central government as before. The trend since 2018 is towards a recovery of state authority in other governorates – with the notable exception of Taiz. This is confirmed, for example, by the split assessment across the six governorates on the standing of police forces compared to before 2015 (see Figure 2). Responses to this question would have described a much weaker police force everywhere if the RLGD had been conducted in 2017, for example.

All in all, the six governorates surveyed can be divided into the below three categories with regards to the balance of power between state and non-state actors.

- (1) State authority reduced at all levels while non-state actors have a bigger role: all areas surveyed in Taiz Governorate and in parts of Lahj Governorate.
 - (2) State authority is overall stable and non-state authorities have similar or a higher role than before: Hajjah Governorate, Tuban District in Lahj Governorate, Aden Governorate and some parts of Hadramout Governorate (the wadi area).
 - (3) Both state authority and non-state actors have a strong role and performance: Marib Governorate (in districts not controlled by the DFAs) and the coastal area of Hadramout Governorate.
- Other interesting findings that can be drawn from the mapping exercise are described below.
 - State authority seems to resist better at district than governorate-level, as more District Authorities are described by interviewees as performing on the same level or better than before 2015, than is the case for Governorate Authorities. This could be explained by a number of factors: (i) district governance is better connected to local political and social elites, than is the case at the governorate level, hence District Authorities are more apt at playing a gathering and mediating role in troubled times; (ii) the role of District Authorities is essentially in service delivery, and much less on security matters (which is a primary function of the Governor); (iii) District

¹⁷ For the RLGD, this concerned Aden, Hadramout and Marib Governorates.

Authority offices depend less on the level of functionality of the central government for their day-to-day tasks contrary to Governorate Authorities; (iv) district financial resources have been less affected by the fiscal crisis than governorate financial resources (see Chapter 3.2).

- Police authority and performance are recovering faster than those of the judiciary, which appears to be in limbo in most areas.
- Among informal actors, the role of non-traditional community structures (as opposed to traditional tribal bodies), such as Village Cooperative Councils (VCCs) or Community Development Committees, has risen sharply, driven by the increased influx of international funding and technical support provided by donors to these structures since 2015 (mostly through the Social Fund for Development) as an alternative to Local Authorities. However, VCCs and the like remain donor-driven and not present everywhere. For example, VCCs are less common in Hadramout and Marib Governorates and, therefore, less mentioned there as rising actors in local governance.
- Tribal structures are not seen by informants as having tremendously gained power and legitimacy as an alternative from the crisis. In most areas, they have maintained their roles, mostly confined to maintaining local security, solving conflicts and preserving social cohesion. Increasingly, with the demise of many Local Councils, tribal sheikhs take the role of advocating the needs of their communities to Local Authorities (e.g. functions played by tribal leadership are reported to have increased in Lahj and in Marib Governorates where Local Councils have disappeared).
- Civil society seems to have benefitted in all areas from the shift of influence in local governance towards non-state actors. Everywhere, its role and performance are said to be similar or higher than before. This is also permitted, to a large extent, by the fact that aid agencies have been relying heavily on local CSOs and non-governmental organizations for delivering humanitarian aid and early recovery support. However, the role of CSOs is quite ring-fenced as will be seen further down; it does not infringe on ‘sovereign’ state functions such as maintaining security, planning, budgeting, revenue collection or conflict resolution. Civil society usually does not challenge the local political power in place, nor does it exert strong social accountability over it. While in five out of six governorates, CSOs reported the existence of a governorate-level civil society network or platform, it was mostly for coordinating activities rather than for putting more pressure on Local Authorities to take certain policies or actions (only one case is happening in Hadramout Governorate, with the Hadramout Inclusive Conference).

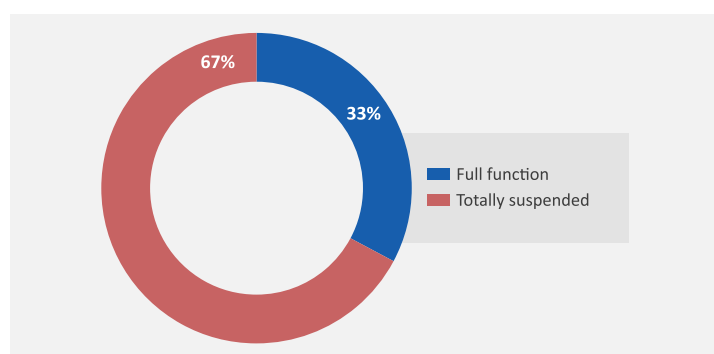


FIGURE 3: Status of Governorate Councils
(in % of governorates surveyed)

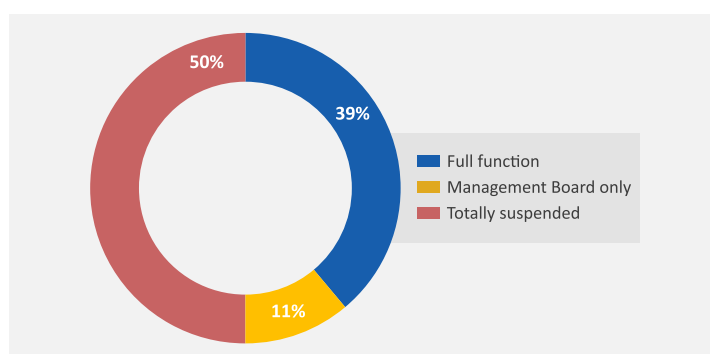


FIGURE 4: Status of District Councils
(in % of districts surveyed)

- The emergence of armed groups as influential actors on local affairs (outside of security matters), and potentially, in competition with formal Local Authorities for state functions or controlling them, was not often reported although it is known to be a real problem in Taiz (different groups), in Lahj and Aden (groups related to the Security Belt) and in some parts of Hadramout and Marib and Governorates. This denotes wariness among local civilian stakeholders to discuss the real influence of armed non-state actors and hence the power that these actors still hold in some areas.
- Although it was not measured through the Diagnostic, the increasing role of the private sector was reported frequently, not as a partner for decision-making – although it surely has influence on certain decisions made by Local Authority officials – but through its increasing role in service delivery and as a main provider of local revenues.

b) The fate of Local Councils

- Local Councils can find themselves in broadly three situations nowadays: totally suspended (no group or individual roles at all), partially suspended with Local Council members still sitting on the Local Authority's Management Board, or fully functional.
- Governorate Councils are more frequently totally suspended than District Councils (see Figures 3 and 4). This could be explained by a lesser politicization of District Councils, stronger links of District Council members to their communities (hence greater sense of commitment) and the fact that their legitimacy is often more tribal than political – hence less affected by political shifts at the national and regional level. Also, it was probably easier during the first period of the conflict to negotiate space for District Councils to remain active, as high pressure was put on District Authorities to respond to the crisis at different levels (security, services, relief). Also, District Councils can play a very important role in being a link between Local Authorities, communities and donor-funded non-governmental organizations. In some districts where District Councils were suspended, some District Council members continue playing an important function in local decision-making and in representing their communities to Local Authorities.

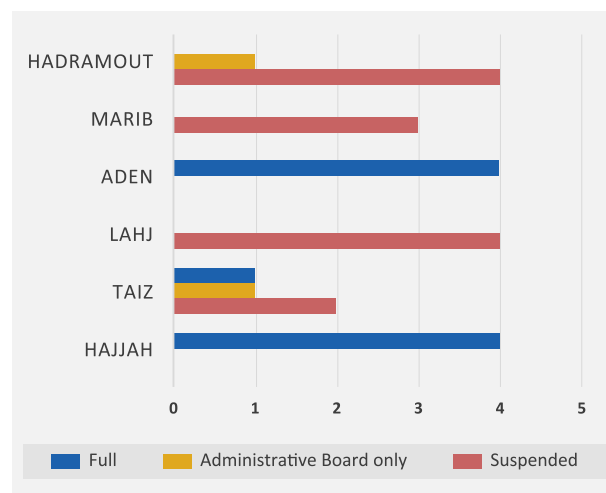


Figure 5: Local Council status per Governorate
(# of Local Councils coming from areas surveyed only)

- The fate of Local Councils since 2015 is very context-specific (see Figure 5) and the same situation does not necessarily apply to a whole governorate. There can be, in the same governorate, districts with a functioning Local Council, others without (e.g. in Hadramout and Taiz Governorates).
- Except in Hadramout and Lahj Governorates, the suspension of Local Councils after 2015¹⁸ was voluntary and not imposed by the central government or the Governor. Sometimes, the security situation and the higher risks bearing on Local Council members forced them to stop their functions (e.g. Taiz Governorate) and they have not resumed their work since then. In other cases, the cessation of incentive payments to Local Council members is said to have demotivated them and caused them to stop holding their four regular sessions a year. The Presidential Decree taken in 2012 that limited Local Council powers to a monitoring role also had a dampening effect. Officially, nothing could really bar Local Councils from reconvening if there was political backing from the Governor (and it is said to be underway in Lahj Governorate).
- No home-grown alternative forms of deliberative democracy to work with local executives in exerting power have appeared, but one donor-initiated case was found in Hadramout Governorate, where an Inclusive Advisory Body, set up with the participation of a large array of local social figures, was introduced through a German-funded project implemented by the Berghof Foundation.
- Even where Local Councils have remained, their power and legitimacy have greatly weakened and this was the most-often cited negative impact of the conflict on local governance, as it lessens the accountability of Local Authorities and reduces opportunities for representation and bottom-up participation.

c) Level of autonomy

- An evaluation of vertical relations linking Local Authorities and the central government, and between the governorate and district levels, in terms of policymaking, planning and budgeting, pre- and post-facto control of legal compliance and financial linkages was asked of the Local Authorities interviewed (see Figures 6 and 7). **Note: This evaluation did not cover at all issues related to management of the security situation between the central and local level.**

¹⁸ In Marib Governorate, most Local Councils were actually suspended before 2015 after the Secretary-General of the Governorate Council was assassinated in 2010 and a deep split appeared between members of the council.

- All Local Authorities remain highly dependent on the central government for their operations as they still receive nearly 100 percent of their operational budget and all their salaries from the central budget (see Chapter 3.2). Yet, as Local Authorities now receive very limited investment funding from the central state – if any at all – and as many central ministries are disempowered by the conflict and unable to provide sufficient policy guidance and exert quality control, the autonomy of Local Authorities has de facto surged in several governorates.

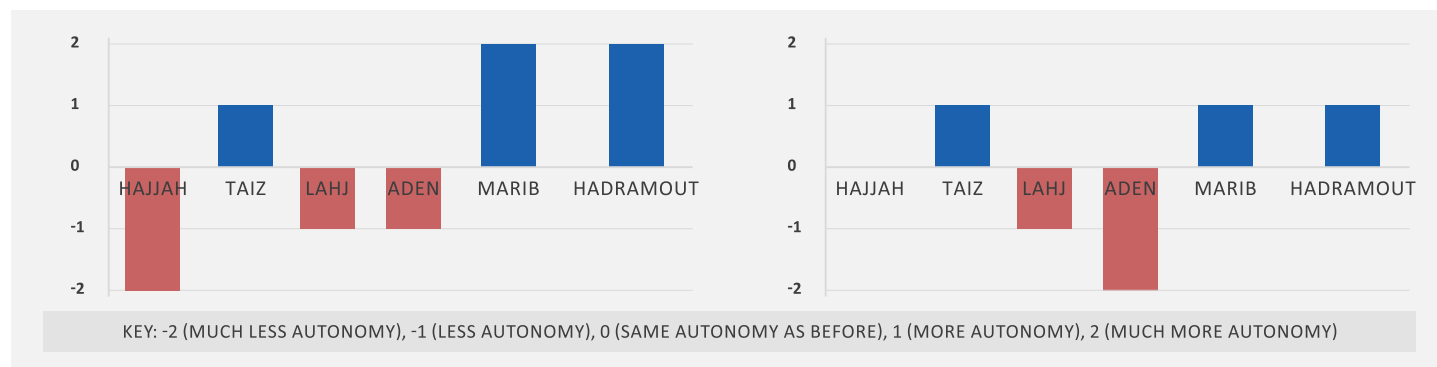


FIGURE 6: Change in the level of autonomy of Local Authorities vis-à-vis central government since 2015 (qualitative in % of districts and governorates surveyed)

FIGURE 7: Change in the level of autonomy of districts vis-à-vis governorates (qualitative scale)

- Where autonomy has reportedly increased, other factors are at play. In Taiz Governorate, for example, autonomy is linked to the prolonged absence of the Governor (mostly residing in Aden) and to the chaotic political and security situation, which leads, for example, for certain armed groups to illegally collect revenues from the qat markets. In Hadramout and Marib Governorates, the breakdown in central-local relations is linked to a conjunction of factors, including an important surge in local revenues (especially from oil extraction and trade), which were not systematically reversed to the Central Bank of Yemen until recently, and to a lower exposure to active conflict.
- Autonomy is reported to have decreased in the below three governorates.
 - Hajjah: As in other governorates in the north, Local Authorities in Hajjah are subjected to the ‘supervisor’ system (mushreffin) set in place by the DFAs, which is a parallel system of tight control over state institutions that spans the entire chain of command from the Minister to the District Director, and even below to school directors and so forth. Also, the central government in Sana’a has considerably reduced the fiscal autonomy of these areas, recentralizing some of their revenue sources.
 - Aden and Lahj: The proximity to the Aden-based IRGY and the latter’s desire to demonstrate in these areas the re-establishment of its full authority, leads it to exert a higher level of interference over Local Authority affairs than in other areas of the south. Furthermore, in Aden, multiple sources of authority exist (IRGY, Southern Transitional Council, Security Belt) and they all seek to impose their agendas on the activities of the Local Authorities.
 - A general trend across all governorates is the increased role of the Governor or District Director in coordinating directly with Sector Executive Organs and bringing them to work together, hence rebalancing the formerly dominant vertical control-and-command system that prevailed before 2015.
- The relationship between districts and governorates has evolved, as described below.
 - District Authorities report greater autonomy in managing their daily affairs, except in Aden and Lahj Governorates, which is in line with the pressure put by the IRGY in these restive areas to re-assert its top-down authority. In Aden in particular, District Authorities cannot commit any investment expenditures without obtaining prior authorization from the Governorate Finance Office.
 - Where district-level autonomy is perceived as higher, District Directors have a more prominent role in coordinating the work of Sector Executive Organs, which then report with the same level of importance vertically (to their governorate head office) and horizontally (to the District Director). All Sector Executive Organs mentioned that day-to-day decisions for service delivery are mostly left to the district level now, which is a change from what was happening before 2015.

d) Horizontal relations and cross-governorate platforms

- Cross-border (district or governorate), or horizontal, cooperation between local governance actors, such as organizing joint events, strategic planning, projects or more, is not the norm across the areas surveyed. Even in civil society and the private sector,¹⁹ strategic collaborative approaches (as opposed to just occasional event-driven meetings) that cross governorate borders remain rare.
- Only half of the governorates mentioned maintaining any kind of links with neighbouring governorates outside of security matters. These links, whatever their nature, are informal: governorates do not use formal agreements with other governorates, such as Memoranda of Understanding, forming formal networks or associations, etc. Positive linkages between Governorate Authorities are more common in the south, such as between Abyan, Aden and Lahj for example, while they were only very few such cases reported in Hajjah and Hadramout Governorates.
- Districts are more prone to work together, but within the same governorate. Districts are more inclined to establish development-oriented links around service delivery, infrastructure and economic development than governorates, the latter of which prioritize 'social' links through sports, culture and other social celebrations.
- Disputes between Local Authorities (not linked to the current armed conflict) are not reported between governorates but are more common between districts, with 38 percent of those surveyed reporting a dispute with a neighbour (see Figure 9). None of these disputes was a cause for armed conflict though and all were handed over to the Governor, and in some cases to the central government (the Ministry of Local Administration) for arbitration, especially when it concerns administrative borders (border disputes have historically been common in Yemen as they have important local revenue implications). Disputes related to natural resources usually concern water usage and are infrequent.

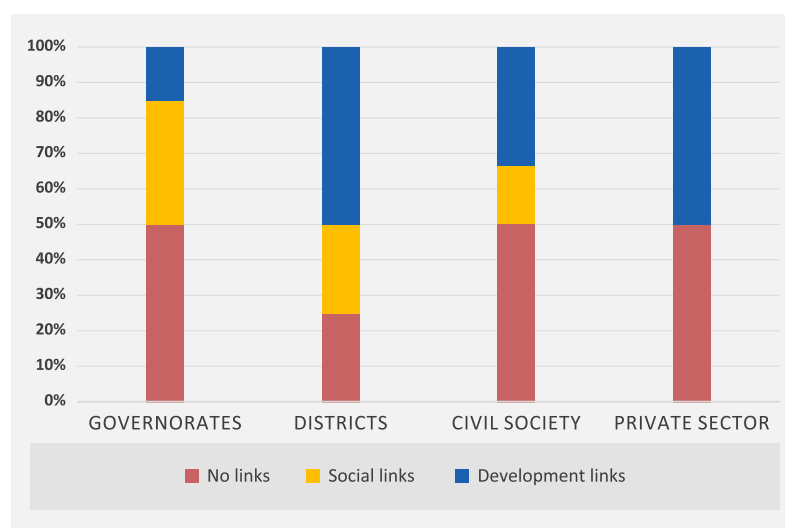


FIGURE 8: Positive horizontal links (in % of stakeholders interviewed)

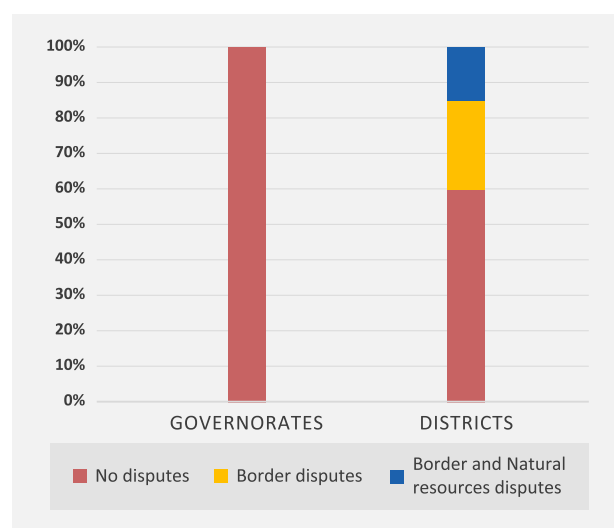


Figure 9: Negative horizontal links (in % of stakeholders interviewed)

- Civil society and the private sector. While CSOs often take part in conferences and training events that gather CSOs from across the country, these are mostly donor-driven initiatives and homegrown cross-governorate civil society networks are lacking. Only one such initiative was mentioned in Lahj Governorate. On the private sector side, the only sizable initiative to bring together business agents to support economic recovery comes from the Federation of Chambers of Commerce and Industry and is limited at this stage to the southern cone (Hadramout and Hajjah Governorates are not included).

¹⁹ For these two categories, occurrence of links was counted on a governorate level only, not district level.

e) Perceived positive and negative evolutions of local governance since 2015

- In all interviews, informants were asked what they thought were the main consequences of the conflict on local governance in their area since 2015, both positive and negative. Results shown below combine responses from all governorates and this may create sometimes contradictions between positive and negative impacts, as not all actors have the same experience and perceptions of how things have evolved depending where they reside. What is reported below is only coming from local actors interviewed, it does not represent UNDP's views or analysis.

POSITIVE IMPACTS		NEGATIVE IMPACTS	
DESCRIPTION	# OF GOVERNORATES WHERE MENTIONED	DESCRIPTION	# OF GOVERNORATES WHERE MENTIONED
Institutional resilience of Local Authorities	6	Weakened state authority and rule of law	6
Increased role of civil society and international organizations	4	Reduced accountability, in particular democratic (disabling of local councils)	6
Rising trust towards Local Authorities	3	Deterioration of public services	4
Increased autonomy in decision-making	3	Decline in institutional performance (absenteeism, poor regulatory compliance, reduced budgets)	3
Reduced corruption	2		
Improved security situation	2	Lower social cohesion	2
Increase in local revenues	2	Nepotism in Local Authorities	1
Stronger integrated horizontal planning	2	Political infighting and insecurity	1
High level of community self-help	2	Increased centralization by governor	1
Stronger social cohesion (Marib)	1	Breakdown in central-local relations	1
Improved public services (Marib)	1	Unbalanced development (urban/rural)	1
Accelerated local development (Marib)	1		

3.2 Local governance processes

a) Representation and oversight

SUMMARY – REPRESENTATION AND OVERSIGHT

- Local Councils have most often ceased functioning on their own volition, not necessarily under pressure from higher-level leaders, and their members were not forcefully replaced by representatives of new local powers where there have been major political shifts (such as in Hadramout or Hajjah Governorate). New ad hoc structures replacing local councils to guarantee citizen representation and oversight over decision-making at the local level have not emerged either. Although detrimental for local democracy and good local governance, the unplugging of local councils seems to suit local executives who enjoy greater powers than ever before.
- Even where they remain, the level of functionality of Local Councils, and the extent to which they can effectively carry out their functions and in particular exert oversight over local executives, has been weakened. Local Councils receive very little support, political, technical or otherwise, to recover their functionality – or simply develop it (as the pre-2015 situation was one of weak and disorganized representative institutions).
- Local Councils are important channels of community participation and for bridging the gap between Local Authorities and communities. With the partial disappearance of Local Councils, many Local Authorities find themselves even more isolated from their constituents and less able – and willing – to report to them.

Local Council membership

- Data on Local Council membership could be obtained in most locations, even where Local Councils stopped functioning since 2015. Figure 10 shows that in nearly all areas, there has been attrition in the number of Local Council members (only one in 18 Local Councils reported a stable membership since their first and only election in 2006). Elsewhere, membership reduced for 77 percent of the Local Councils and in vastly different proportions (minimum: 2 percent, maximum: 39 percent). Attrition is due mostly to death, displacement or abandonment of post (often linked to appointment in another function). There was no forced dismissal reported. In fact, the great majority of Local Councils self-dissolved after the start of the conflict (and some even before that, as in Marib Governorate).

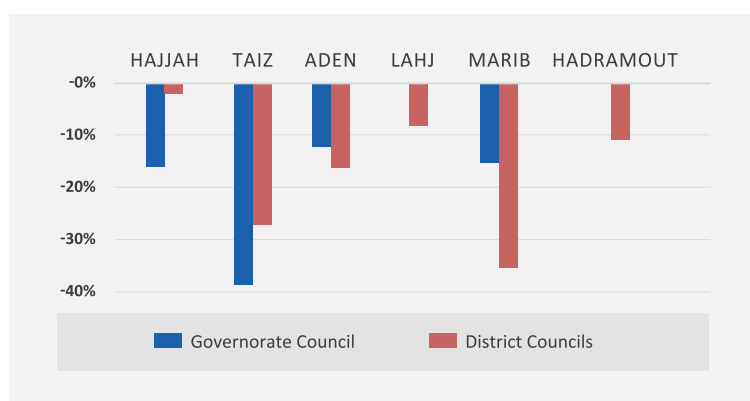


FIGURE 10: Evolution in Local Council membership size (average % change by Local Council since 2006)

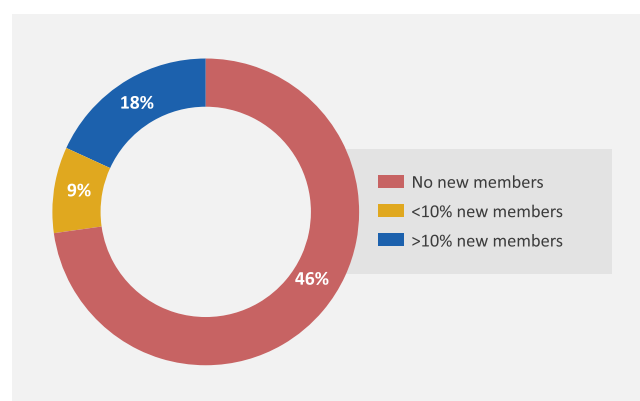


FIGURE 11: Arrival of new Local Council members since 2015 (only for functioning Local Councils)

- Where Local Councils are still functioning (in one-third of the governorates and half of the districts), there has not been widespread attempts at altering their membership. In fact, only 27 percent of the Local Councils still functioning have seen new members appointed (and not elected) by the Governor, and usually in small proportion. The maximum arrival of new members reported was in Sayoon District, where 50 percent of the current Local Council members were not elected in 2006 but appointed later through gubernatorial decree.

Functionality of Local Councils

- Not only did the percentage of Local Councils that are functional decrease since 2015, but for those that remain ‘active,’ the level of functionality has decreased. Not all remaining Local Councils meet in plenary regularly anymore (minimum should be four times a year), not all of them maintain the four permanent Local Council committees required by law²⁰, and they cannot fully perform the 10 functions assigned to them by law²¹ – which does not necessarily mean that they could perform these functions before 2015. Figure 12 presents an attempt at scoring the functionality of Local Councils, based on a self-evaluation by Local Council members and an external evaluation by Local Authority officials.
- The highest level of Local Council functionality is found in Aden, followed by Hajjah and Taiz Governorates. In Hadramout Governorate, only one Local Council is still functioning, but not in plenary sessions anymore as only its Procurement Committee remains. The functions most commonly still fulfilled by active Local Councils are: (1) guaranteeing the application of public policies; (2) supervising service delivery; (3) supervising procurement; (4) planning and development; (5) monitoring fiscal resources; (6) monitoring security; and (8) promoting and monitoring civil society.
- Furthermore, the representation role of Local Council members is curtailed where they can no longer reach all the areas of their constituencies. This is the case in Taiz Governorate (all three districts interviewed) and in Hajjah Governorate (one district).
- The role and influence of Local Councils is not limited to their capacity to meet as one parliamentary-like body, but also through the remaining influence held by their elected members. This aspect could not be researched in depth, but in several cases, it was reported that individual members continue taking part in certain decision-making processes organized by Local Authorities, and often in conflict resolution efforts, even if the Local Council itself is not functioning anymore as an independent body.

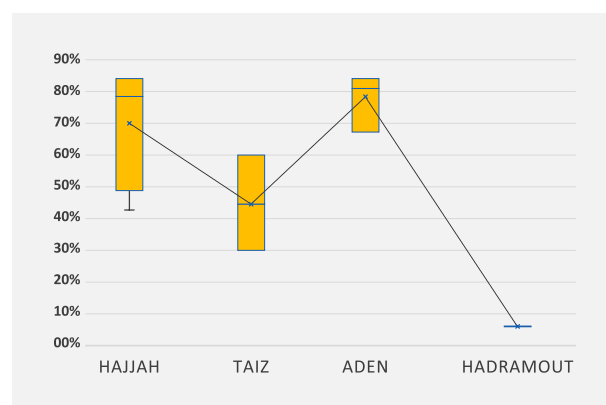


Figure 12: Local Council Functionality Score
(based on level of fulfilment of 10 core functions)

b) Leadership, coordination and conflict resolution

SUMMARY – LEADERSHIP, COORDINATION AND CONFLICT RESOLUTION

- The instability of the local executive leadership since 2015 is a common reality, regardless of the intensity of the conflict in a given area, and can negatively affect staff morale, performance and overall effectiveness of local governance mechanisms. In the few areas where chief executives have been in post for a long time (more than two years), signs of institutional resilience and recovery are more obvious.
- In general, coordination within Local Authorities has improved, partly due to the loosening of central control, but also under the impulse of a few well-inspired chief executives. Coordination seems more operational than before and seems to generate greater incentives for actions among service delivery entities.
- In contrast, a general dissatisfaction with aid coordination exists among Local Authorities. Existing coordination mechanisms, often imposed by central authorities, mostly keep out from coordination those Local Authorities closest to beneficiaries (districts). Issues are reported concerning the attitude and mistrust of many aid agencies vis-à-vis Local Authorities.

20 (1) Procurement Committee; (2) Planning, Development and Finance Committee; (3) Social Affairs Committee; and (4) Services Committee.

21 (1) Guaranteeing the application of public policies; (2) supervising service delivery; (3) supervising procurement; (4) planning and development; (5) monitoring fiscal resources; (6) monitoring security; (7) food and essential goods supply; (8) promoting and monitoring civil society; (9) urban and environmental affairs; and (10) tourism and antiquities.

- Coordination between Local Authorities, civil society and the private sector is not problematic from a political point of view but remains loose and disorganized from a procedural point of view. Non-state actors have a strong desire to intensify collaboration with Local Authorities to improve service delivery and make local governance more participatory and accountable.

Leadership

- All governorates and districts surveyed had a designated Chief Executive (Governor or District Director) in post, but the Chief Executive was largely absent from his duty station in at least two areas.
- Overall, a high turnover of Chief Executives has occurred since 2015 (see Figures 13 and 14), and the turnover is higher among Governors than District Directors. Nominations are still controlled through the previous system (presidential nomination for Governors and gubernatorial nomination for District Directors). It is more frequent now (as reported) for a new Governor to change all District Directors in his governorate when nominated – testifying to a greater level of autonomy given to Governors in general. No baseline exists from the pre-conflict period to see if the current leadership instability is on par with what was practiced before 2015. Interestingly, instability in leadership is not aligned with the conflict intensity: Hadramout and Taiz Governorates have the highest turnovers of Chief Executives since 2015.

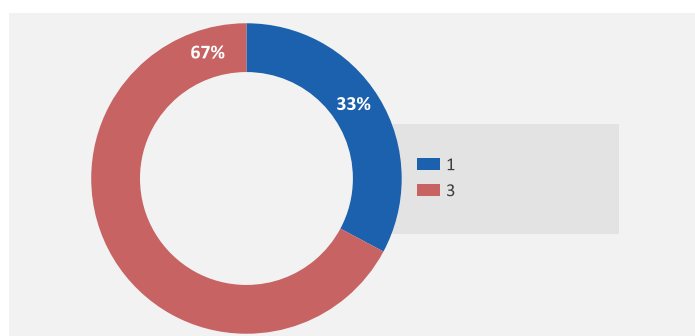


FIGURE 13: Number of Governors since 2015 (% of surveyed governorates)

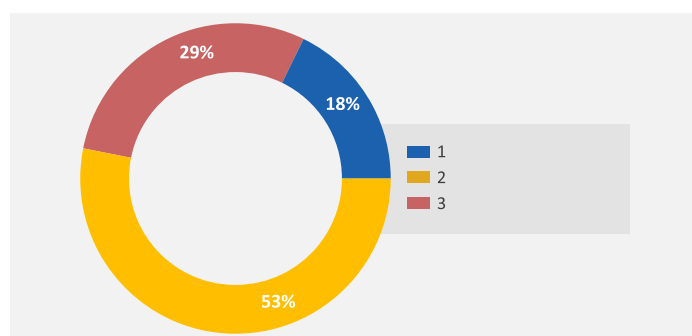


FIGURE 14: Number of District Directors since 2015 (% of surveyed districts)

- In areas witnessing a high instability in leadership, this affects the capacity of Local Authorities to carry out long-term work and instead are repeatedly forced to address urgent issues, as every new incoming Chief Executive wants to show quick results to assert legitimacy.

Executive coordination

- In all areas, internal coordination mechanisms that existed before 2015 are still used at governorate and district level. This includes at minimum the Executive Committee (Chief Executive and Heads of Sector Executive Organs), the Security Committee (Chief Executive and security forces), the Planning and Budgeting Committee (Head of Chief Executive Office and Heads of Sector Executive Organs). The Tender and Procurement Committee is still present in most Local Authorities interviewed, although it was reported as not active given the lull in public project execution with the cut in investment resources. Many Local Authorities have had a Relief Committee since 2015 and, where IDPs exist in large numbers, an IDP Executive Committee. Both committees include non-governmental actors.
- About half of the governorates surveyed report having set up ad hoc committees to deal with pressing problems, such as economic development (Aden Governorate), water supply and cleanliness (Hadramout Governorate), and oil and gas, land, inventory of buildings and housing, financial resources (Marib Governorate). The number of such ad hoc committees and the range of issues coordinated this way seems to be increasing with the level of stability and development potential of the area. Where violent conflict is still common and/or there is an acute humanitarian crisis (Hajjah, Lahj and Taiz Governorates), Local Authorities really only have time to lead the coordination of relief operations on top of their regular coordination duties.

- In all governorates – with the notable exception of Taiz – the strength and effectiveness of executive coordination is seen as higher now than in 2015, both vertically and horizontally. This is usually stated as the main positive impact of the conflict on local governance.
 - Horizontally, Governors and District Directors have more latitude to guide service delivery and can make faster decisions on pressing issues than before, as the weight of the central government has diminished. This is felt more in areas under IRGY control. Chiefs Executives meet with Heads of Sector Executive Organs at least monthly, but often more frequently, and are said to remain in daily contact with them. In most governorates, District Sector Executive Organs reported being able to make both vertical and horizontal coordination systems work in synergy.
 - Vertically, there are two main channels of coordination. The first is between the Governor and the District Directors, and it is judged as being as efficient or more than before. In some governorates, this coordination is organized through an Operations Room, which dispatches daily circulars and messages between the Governorate Authority and District Authorities. The second vertical channel of coordination is between Governorate Sector Executive Organs and District Sector Executive Organs and it is seen in most cases as being similar or more effective than before.
- The case of Taiz Governorate is in stark contrast to the other areas surveyed. There, coordination whether vertical or horizontal, is judged as less efficient than before. The number of coordination committees is lower and attendance by Sector Executive Organs at the Executive Committee, which is really at the core of the local decision-making process in all areas, is said to be irregular. The regular absence of the Taiz Governor and the persistent conflict in the area, can be invoked as reasons for this poor coordination.

Aid coordination

- Aid coordination is usually a function fulfilled by Governorate Authorities and not District Authorities. In Aden Governorate, and to a lesser extent in Lahj Governorate, due to the proximity of ministerial offices, aid coordination is said to be more directly handled by the central government. In Hajjah Governorate – and the rest of the De Facto Authority-controlled areas – aid coordination has recently shifted to the National Authority for the Management and Coordination of Humanitarian Affairs. The Governor's Office is usually in charge of aid coordination, supported in this role by the Planning and International Cooperation Sector Executive Organ, and it usually involves a Relief Committee and/or an IDP Executive Committee. Certain sectors receiving large amounts of aid, like the health, education and water sectors, have their own coordination mechanisms in certain governorates, following the United Nations cluster system if OCHA is present in that governorate.
- The capacities of Local Authorities to monitor and coordinate foreign aid remains weak in many locations. Only half of the Governorate Authorities surveyed and 40 percent of the District Authorities maintained a centralized database of all aid projects implemented in their territory. Some Sector Executive Organs, usually the best organized and resourced such as health, education and water, keep track of aid projects in their own sector, but the list is often not exhaustive.

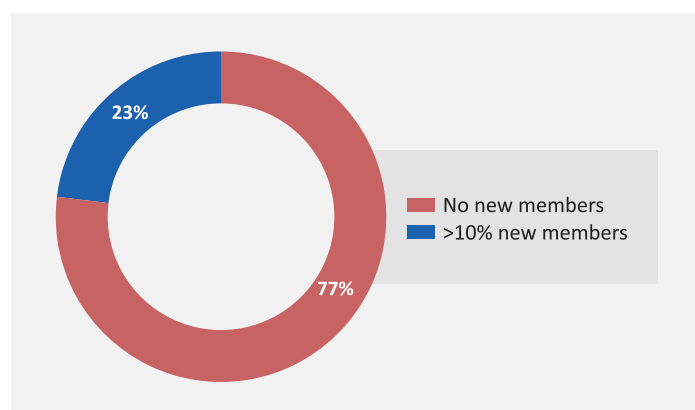


FIGURE 15: Assessment of aid coordination effectiveness
(% of surveyed Local Authority offices)

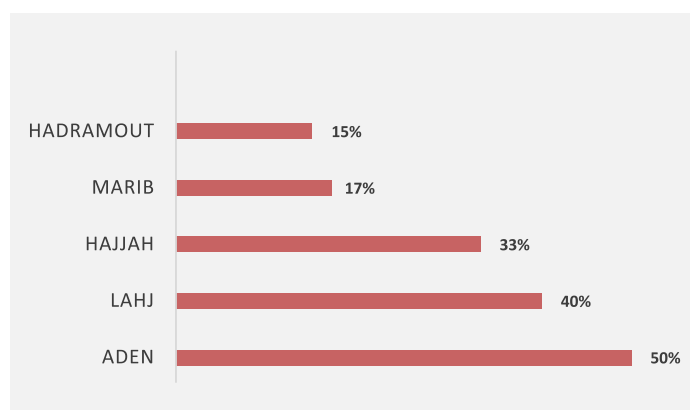


FIGURE 16: Positive assessment of aid coordination
(% interviewed Local Authority Offices per governorate)


- As shown in Figure 15, the level of satisfaction with aid coordination at the local level – and, more generally, with aid agencies and their relationship to Local Authorities – is quite low. Dissatisfaction is higher at district level as District Authorities feel side-lined from the aid coordination that happens at governorate level. The main recriminations reported on aid coordination had to do with:
 - lack of an effective mechanism that can bring all donors together with Local Authorities for selecting priorities and monitoring implementation;
 - excessive centralization of aid coordination (in particular by the National Authority for the Management and Coordination of Humanitarian Affairs in the North);
 - lack of capacity and resources available to Local Authorities to lead proper aid coordination;
 - aid projects often failing to address the neediest areas or duplicating each other;
 - the slow implementation pace of donor-funded projects;
 - lack of interest of aid agencies in coordinating with Local Authorities, sharing information and building their capacities; and
 - insufficient aid amounts (particularly heard in Hadramout and Marib Governorates).
- This criticism usually does not apply to the Social Fund for Development (SFD) and the Public Works Programme (PWP), which are seen positively for their efforts to involve Local Authorities in their planning processes and for keeping them informed throughout implementation. However, only a few cases were reported of active cooperation between Local Authorities and these two programmes, whether at a technical level or through co-funding.

Coordination with civil society and the private sector

- Coordination between civil society and Local Authorities is better organized than it is for the private sector in all locations. In two-thirds of the governorates surveyed, CSOs were satisfied with their level of information exchange and coordination with Local Authorities. However, only in two cases (Lahj Governorate Authority and Sayoon District Authority), regular and structured meetings between senior officials and local civil society groups were mentioned. In other governorates, coordination with CSOs is more informal, irregular, mostly on a need basis and it does not necessarily involve senior officials, such as the Governor or District Director. In contrast, the private sector was mostly dissatisfied with the level of coordination with Local Authorities, except in Hadramout and Marib Governorates.
- Internal coordination is more common in civil society than in the private sector. In five out of six governorates, CSOs have organized a local platform, with the most elaborate structure found in Hadramout Governorate (a CSO Council with an elected bureau) where they can exchange information, develop joint projects and build each other's capacities. For the private sector, only in half of the six governorates were regular meetings reported among key business actors, usually under the helm of the Chamber of Commerce and Industry. Great interest to revive coordination in the private sector, and with Local Authorities, was repeatedly mentioned during the RLGD.

Conflict resolution

- Conflicts and conflict resolution mechanisms have been extensively analysed in Yemen in the past few years, including at the local level, hence the RLGD only touched upon this topic, focusing on what Local Authorities do when a conflict erupts between two communities or between a community and Local Authorities.
- Community-level conflicts are common in all areas, but with varying frequency and intensity. Lesser reports of such disputes or open conflicts emerged from Hadramout and Marib Governorates compared to other governorates, while in Taiz Governorate the frequency of conflicts and the speed at which they can escalate into full-fledged violence was noted.
- Conflicts were reported to be most often linked to personal matters (marriage, divorce, assaults), land issues, or in some areas to the overall tense political and security situation, and less frequently to access to services. The most conflict-inducing services include water supply, electricity supply, education, road construction and healthcare. Service-related conflicts may oppose two communities when one considers that the other is better served or infringes on its own access to a service (frequently for water and electricity), or between communities and Local Authorities.

- 
- Local Authorities, and in particular Local Council members (whether the Local Council is still active or not), play a critical role in solving local conflicts. Local Authorities usually intervene after local mitigation initiatives (e.g. led by elders or tribal leaders) have failed and conflicts start escalating. Local Council members have been known to coordinate ceasefires, prisoner exchanges and the safe passage of humanitarian aid across frontlines²². When a conflict is linked to a service delivery matter, local executives try to intervene immediately by mobilizing the concerned Sector Executive Organ. As a last resort, Local Authorities may mobilize the police or the judiciary when their own conciliation efforts have failed.
 - CSOs reported trying to help with conflict resolution in some cases, but not systematically and they often lack capacities to do so.

22 Al-Awlaqi et al., 2018.

SUMMARY – PLANNING, BUDGETING AND ACCOUNTABILITY

- Planning and budgeting remains today, even in a context of fiscal austerity and in a country in crisis, a function at the core of the machinery of Local Authorities. In 2018, all Local Authorities were still producing annual plans and budgets. While the process followed remains broadly within the procedures set forth by the Local Administration Law and its by-laws, there have been important changes since 2015, some positive and some negative. On the positive side is the greater autonomy given to the local level in identifying priorities. Among the many negative changes are the lesser opportunities for citizens to influence the planning process, directly or indirectly through their local council or civil society, the excessive discretionary power given to local chief executives on expenditure choices and the much lower level of accountability at all steps of the process and in the management of available investment funds.
- The quality of planning suffers in many areas from the lack of fiscal incentives as central capital grants have stopped for the most part and donor funding goes through parallel channels. Only in governorates where significant amounts of local resources are generated and can be used for local investments does the planning and budgeting exercise remain meaningful. Elsewhere, it is more like a tick-the-box exercise.
- In a crisis context, it is no surprise that short-term planning frameworks dominate, whether annual or emergency plans. Some governorates (Aden, Hadramout, Marib) have started thinking in terms of multi-year planning, but mostly for expenditure planning purposes; none of the Local Authorities are really equipped with a strategic recovery vision and plan.
- Specialized planning streams, such as for managing urban expansion, which is becoming a major problem in areas receiving large influxes of IDPs and returnees, or for helping local economic recovery, are so far overlooked by Local Authorities, not so much for lack of awareness or interest, but mostly due to a lack of technical skills and financial resources.
- Four years into the conflict, apart from Hajjah Governorate where the reduction in public spending by Local Authorities is drastic (-70 percent), all areas were able to maintain or even increase substantially their expenditure levels and continue spending investment funds. District budgets are more resilient than governorate budgets in this regard, which is a positive factor for the resilience of service delivery. However, local budgets remain too heavily devoted to operational expenditures (96 percent on average over the sample of 18 District Authorities surveyed, compared to 91 percent in 2013), to really make a difference in terms of recovery progress. Finally, the level of territorial inequality in public spending is reaching unprecedented heights (with a range of 1 to 26 in expenditure per capita among the Governorate Authorities and District Authorities surveyed), showing the inability of the public financial management system to guarantee today a minimum of redistribution and equalization between the country's communities.
- Democratic, administrative and social accountability frameworks that should normally apply on Local Authorities and their management of public financial resources are barely functioning. While Local Authorities can still manage their funds with relative compliance with the rules derived from the Local Administration Law, independent scrutiny mechanisms have often stopped (e.g. local councils, the Central Organization for Control and Audit) or are still undeveloped (social accountability, public outreach). This is contributing to further degrading of citizen trust in their Local Authorities and is bound to create increasing social and political tension if nothing is done to improve Local Authority accountability, especially where budgetary resources are increasing (e.g. Hadramout and Marib Governorates).

Availability and use of data for planning

- Access to localized development statistics for planning, budgeting and monitoring is fairly good across the areas surveyed as the majority of governorates and districts (see Figures 17 and 18) keep a centralized database, mostly digital and regularly updated, with the Information Unit in the Diwan or the local Statistics Office²³. Data is provided to the central database by Sector Executive Organs, the Statistics Office and, sometimes, by CSOs. More rarely, statistics on the situation of the local population are provided by aid agencies to Local Authorities. The collection of data is a regular function of most Sector Executive Organs, although the Agriculture and Public Works Sector Executive Organs report difficulty in ensuring these tasks in certain areas for lack of transportation.

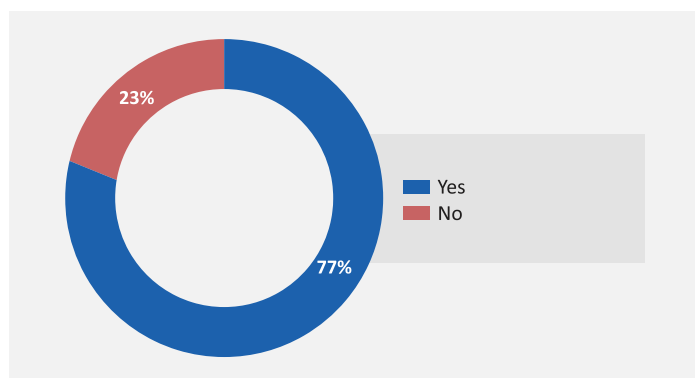


FIGURE 17: Governorates with statistics databases (% of surveyed governorates)

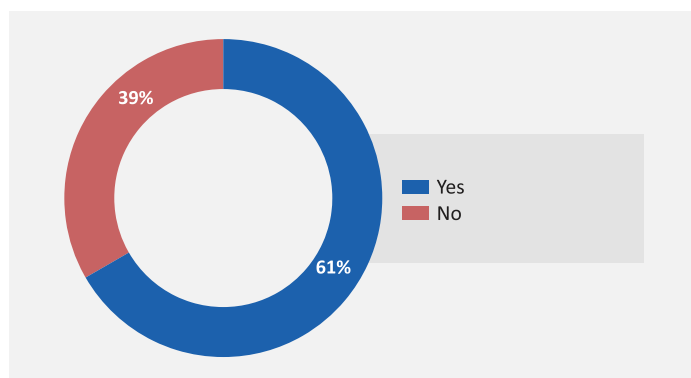


FIGURE 18: Districts with statistics databases (% of surveyed districts)

- CSOs report fairly good access to the information and statistics needed to sustain their planning and advocacy tasks. In 50 percent of the governorates surveyed, CSOs interviewed were satisfied with the ease of access to Local Authority databases, except in Aden, Hajjah and Taiz Governorates, where Local Authorities were said not to be cooperative and/or not well organized to share data. Overall, CSOs depend mostly on information collected by themselves or with the help of aid agencies.

Planning frameworks and planning modalities

- Strategic Planning.** None of the governorates or districts surveyed had a full-blown strategic plan laying down a recovery and/or development vision for the governorate with priorities and a budget. The closest to this is in Hadramout Governorate, under the helm of a joint private sector/civil society initiative called 'Hadramout 2020 – 2040,' but the initiative is not yet endorsed by the Governor. Elsewhere, in Hajjah, Marib and Taiz Governorates, steps have been taken to develop a strategic plan, but they have stalled. Marib Governorate made important strides towards strategic planning in certain sectors (e.g. water supply) and even invested funds in procuring specialized engineering capacity to help with the planning process. Aden Governorate has a Mid-Term Expenditure Framework on a three-year rolling basis, but it is not guided by a recovery vision. Finally, with the help of the SFD's Tamkeen approach (implemented within the UNDP-ERRY²⁴ project), a few sub-districts have their own recovery plan. However, the efforts described here remain patchy and cannot deliver a higher-level strategic vision for the recovery and development of entire governorates.

A common feature of the various initiatives for long-term planning found during the RLGD, whether they are strategic or not, has been a lack of inclusivity in their preparation. First and foremost, the plans are the product of a few technical specialists sitting in the Governorate Authority. Apart from the Hadramout initiative cited above, and a few sub-district plans prepared under the Social Fund for Development's guidance, neither communities, the private sector nor CSOs have taken part in such long-term planning exercises conducted by Local Authorities.

- Annual planning and budgeting continue to be conducted in all Local Authority units surveyed, whether governorates or districts, without any exception. Local Authorities report that they follow broadly the same procedures that applied before 2015, with a few notable changes, which are:

²³ The least equipped governorates for statistics are Taiz and, surprisingly, Aden. For the latter, it is due to the closure of the local branch of the Statistics Office in Aden, but steps are underway to reopen it.

²⁴ Enhanced Rural Resilience in Yemen

- lack of incentives for conducting the exercise as neatly as possible given the lack of investment funds (33 percent of Local Authorities surveyed did not have any investment budget at all in 2018);
- a greater role given to Chief Executives instead of line ministries and Local Councils in finalizing the selection of projects and appropriating public funds (if any available) to implement them. Since investment funds now come mostly from the Local Authority's own revenues and not from the central government anymore, line ministries have less leverage to influence local choices. The education and health sectors seem to be the most influenced still by central government as they are prioritized in central budget expenditures; and
- a decrease in the level of participation and transparency in the preparation of annual plans. This is triggered by both the disabling of Local Councils in many locations, as they played a critical role in bringing community voices into the planning process, and the lack of an organized mechanism for engaging civil society in formal planning processes at district level and above. Consequently, planning is now left mostly to senior specialists in Sector Executive Organs. Only where a critical mass of community-level planning is happening, such as in districts where the Social Fund for Development and the UNDP-ERRY project work (e.g. Lahj), can the top-down planning tendency be attenuated.

In addition to the list above, Local Authorities in Marib Governorate report a greater efficiency of the planning process through using a results-based approach that includes targets and indicators of success.

- Urban planning and the control of urban expansion is an important issue in all urban areas of the governorates surveyed, but more acutely so in Aden, Marib, Mukalla and Taiz Governorates. In Mukalla Governorate, it is even considered the most pressing current development issue. The pressure of settling IDPs in cities is the main cause of exacerbated and random urban growth. Cities in Yemen are poorly equipped for urban planning from the legal and technical point of view as this used to be primarily a central government prerogative. Only three cities in the six governorates surveyed have a fairly developed urban master plan at their disposal (Aden, Habel Jbar and Hajjah City); but these were developed before the conflict and in urgent need of revision. Marib is currently preparing its city master plan. The main issue, however, may not reside in having or not having the proper planning instrument, but rather being able to enforce it. It is the role of the Public Works Sector Executive Organ to enforce city zoning and building codes, but they are poorly staffed and resourced, especially at district level, and are often seen as too lenient with offenders of local construction rules.²⁵ On the other hand, citizens are barely aware of existing rules and of the negative impacts that uncontrolled urban growth and use of public space have in the long-term. Sometimes, residents refuse restrictions being imposed on new construction and can react violently when a Local Authority enforces them, as reported in Mukalla. For now, of the urban districts surveyed, the main response reported to curb random urbanization has been to conduct squatter removal campaigns – but this does not address in any manner the issue of the long-term viability of fast-growing urban centres.
- Local Economic Development is a second-rank priority in areas surveyed, and one in which vision and capacities to lead an inclusive planning process are dearly missing. Aden and Lahj are the only governorates in which full-fledged Local Economic Development planning processes have been launched. Aden Governorate is the most advanced as it has developed, with the participation of the private sector and the Federation of Chambers of Commerce and Industry, a plan consisting in several measures to facilitate private investments, provide services and security to industrial and trade areas, developing the free trade zone and boost job creation. Lahj Governorate is less advanced, but the Governor has formed an Economic Development Committee with business representatives, the Trade and Industry Sector Executive Organ and the Lahj Chamber of Commerce and Industry. In Marib Governorate, although no Local Economic Development committee nor plan exists, the District Authority of Marib City is prioritizing the upgrading of market facilities, services and security around industrial sites and the revival of the Marib Chamber of Commerce and Industry. Elsewhere, no initiatives at all exist to develop a vision and plan for economic recovery nor for supporting local businesses to survive the crisis. The absence of Local Economic Development thinking is particularly surprising in Hadramout Governorate where there is strong economic growth. In all areas surveyed, the local private sector laments that Local Authorities do not taken a more proactive approach to facilitating business development and private sector growth, but recognize at the same time that, in the absence of political stability and security, it remains a very risky domain and a second-order priority when so many communities are going through a humanitarian crisis.

²⁵ In Hadramout Governorate, to curtail this problem, the Governor has decided that all building permits can only be delivered at governorate level and no longer at district level. Sanctions against violators of urban expansion rules are now carried out by the governorate public works office.

Expenditures management²⁶

- Level of expenditures. As shown in Figures 19 and 20, expenditures have not decreased across all Local Authorities since 2015. In fact, for one-third of Governorate Authorities and 80 percent of District Authorities, expenditures have either been stable (i.e. not reduced by more than 10 percent) or increased. The maximum increase was noted in Seerah District in Aden with +20 percent in 2018 compared to 2013. On the other side of the spectrum, the maximum drop was noted for Hajjah Governorate Authority, which has lost 82 percent of its pre-war budget level. These results are in line with findings on available revenues (where more than 50 percent of Local Authorities had stable or increasing revenues since 2013) as explained in Chapter 3.4. The other main findings from the analysis of expenditures in the Local Authorities surveyed are explained below.
 - Districts have been less affected by the fiscal crisis than governorates. This could denote a desire of the central government to preserve a priority for service delivery capacity since service delivery is primarily a district-level responsibility. Urban districts and/or districts witnessing the arrival of IDPs with financial means are those presenting in general the most positive evolution in terms of expenditures since 2015.
 - The gap between northern governorates and the southern and eastern governorates is widening. While the resiliency in annual expenditure amounts for the latter is mostly linked to the blanket 30 percent raise in Local Authority civil servant salaries in 2018, it is also due to the greater fiscal autonomy given to Local Authorities by the IRGY (or wrestled by them given the chaotic situation in 2015-2016) compared to the fiscal recentralization at the hand of the DFAs in the north, which further curtails Local Authority revenues.

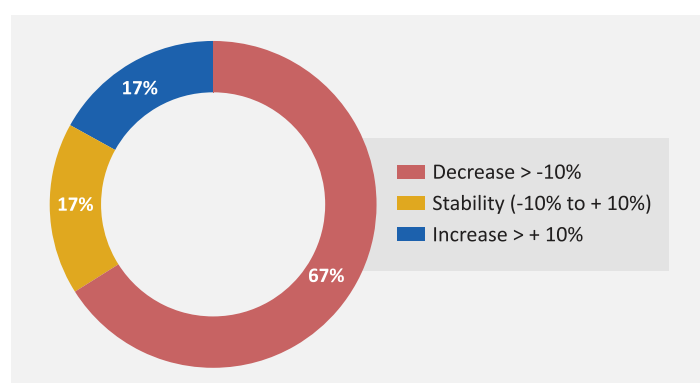


FIGURE 19: Change of total expenditures (2018 vs. 2013) for Governorate Authorities (in % Surveyed)

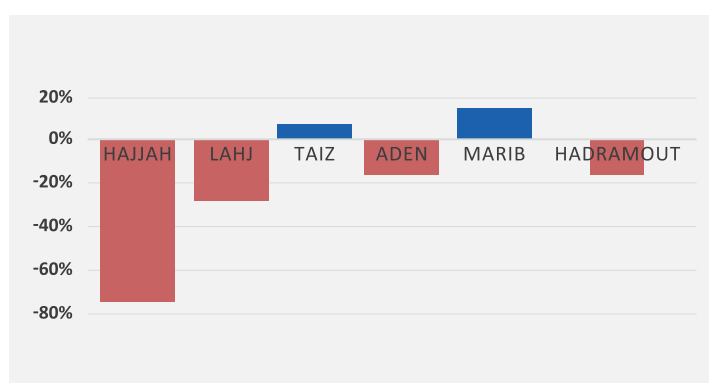


FIGURE 20: Change of total expenditures (2018 vs. 2013) by Governorate Authority

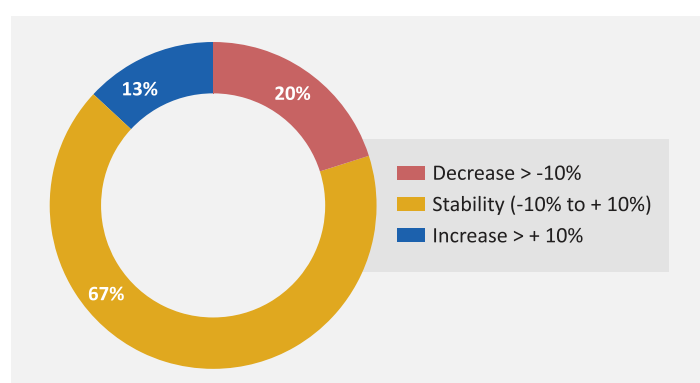


FIGURE 21: Change of total expenditures (2018 vs. 2013) for District Authorities (in % surveyed)

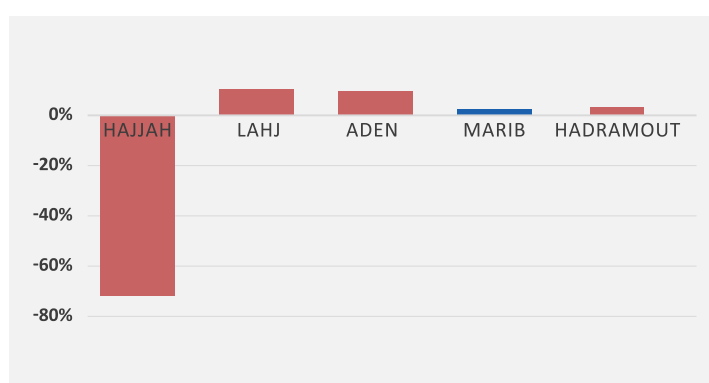


FIGURE 22: Change of total District Authorities expenditures (average, 2018 vs. 2013) by governorate

²⁶ Expenditure data was collected for all Governorate Authorities and for 15 out of 18 District Authorities (data collected for Taiz District Authorities was not complete nor reliable enough and could not be exploited).

- Budget structure. Contrary to what was expected (and to what is often read), two-thirds of the Governorate Authorities and District Authorities surveyed continue having investment expenditures. In fact, in only the two hardest-hit governorates by the conflict (Hajjah and Taiz) have Local Authorities ceased spending funds on projects (at least until 2018). The local development capacity in Yemen is, therefore, not completely wiped out by the conflict, although it has taken a serious dip as shown on Figures 23 and 24.

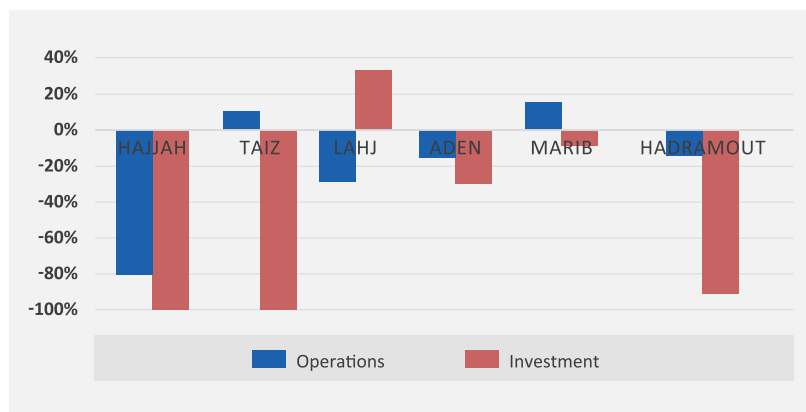


FIGURE 23: Change in operating and investment budgets (2018 vs. 2013) for Governorate Authorities

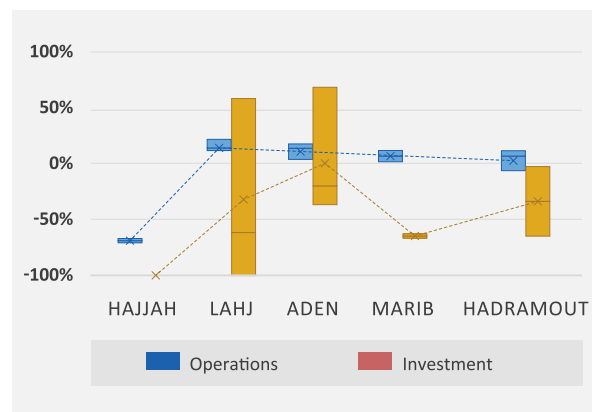


FIGURE 24: Change in operating and investment budgets (2018 vs. 2013) for District Authorities (min, average, max)

- Other findings derived from the analysis of the budget structure in the Local Authorities surveyed are:
 - investment budgets are more resilient in districts (-44 percent on average) than in governorates (-58 percent);
 - operating budgets have increased in all areas under IRGY control, mostly fuelled by the 2018 salary increase for civil servants; and
 - the levels of discrepancy in budgetary strategies between Governorate Authorities and District Authorities, and between District Authorities – and including within the same governorate – is very high. Apart from Hajjah Governorate, no correlation exists between the evolution of the Governorate Authority budget structure and that of the District Authorities in the same governorate. District Authorities can also see diametrically opposed trends in their budget structure. This is well demonstrated in Aden and Lahj Governorates, for example, where one district in each governorate (Seerah in Aden and Tuban in Lahj) is able to increase its investment budget by more than 50 percent compared to 2013, while the other two districts in the same governorate have slashed it drastically (up to 90 percent in Lahj). The choice of privileging operations and investments and in what proportion is now indeed totally decentralized to the district level.
- Even if investment capacity has not been totally flattened in all Local Authorities, as sometimes is reported, Local Authority budgets remain overwhelmingly today as they were prior to the conflict, devoted to operational expenditures. In 2013, for the set of governorates surveyed, operating expenditures represented 97 percent of their total expenditures against 98 percent in 2018. For districts, the share went from 91 percent to 96 percent. Figure 25 gives a picture of this trend on a governorate basis.
 - Only in one governorate (Lahj) and in three districts (Seerah in Aden, Tuban in Lahj and Sayoon in Hadramout) has the share of investment expenditures increased since 2013 (by a modest margin below 10 percent) – these are also the Local Authorities where local revenues have increased significantly.

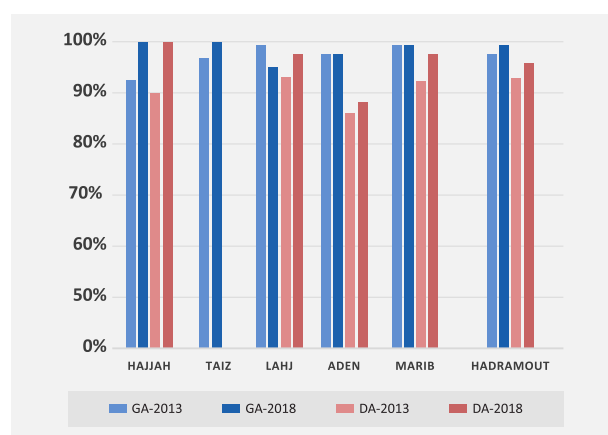


FIGURE 25: Change in the share of operating expenditures in total expenditures (2018 vs. 2013) for Governorate Authorities and District Authorities

- Certain Local Authorities where local revenues have soared significantly (e.g. Marib Governorate, Mukalla city) have made the choice to increase their operational budget instead of their investment budget. Such decisions can be explained by the increased pressure on their service delivery network with the massive arrival of IDPs, which usually require first of all additional personnel and consumables as an emergency response, but it could also be linked to a lack of project design and implementation capacity in certain areas, as was reported in Marib Governorate, for example. The accuracy of financial reporting by Local Authorities in Hadramout and Marib Governorates could be problematic as, by all accounts, and in particular in Marib City, these areas are witnessing an important development of their public infrastructure. Opacity on the reporting of oil and gas revenues (and trade taxes in Hadramout's harbours) is a reality and it could also be that certain public expenditures, funded by these poorly documented revenue streams, remain off-budget.

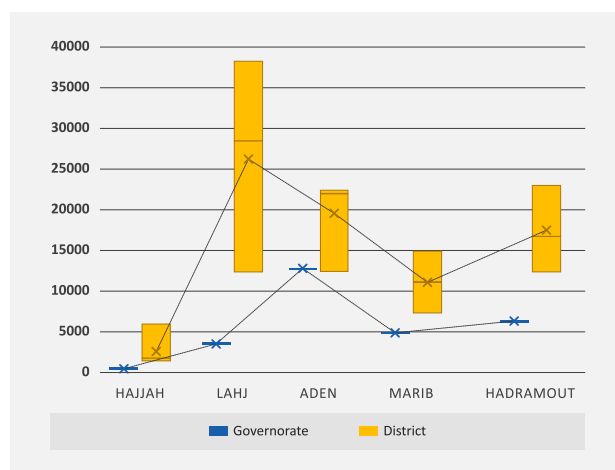


FIGURE 26: Total expenditures per capita (in YER, FY 2018)

- Expenditures and territorial equity. Territorial imbalances between governorates and between districts in terms of expenditure per capita are colossal (results shown in Figures 26 and 27 take into account the full current population in each location, including IDPs, refugees and returnees).²⁷



FIGURE 27: Capital expenditures per capita for districts (in YER, FY 2018)

- The spread in expenditures per capita is 1 to 27 for governorates and 1 to 26 for districts. Even in the same governorate, the spread between districts can be very wide. For example, in Lahj Governorate, the highest-spending district (Al Hota) spends three times more per capita than the lowest-spending (Habeel Jbar). Looking across governorates, Hajjah Governorate comes out again as the most deprived governorate, with an average spending per capita at district level of 3,012 YER when the average spending per district in Lahj Governorate is 26,380 YER.
- Imbalances are even greater when looking at the investment budget at district level, which is normally a good marker of local development efforts. Figure 27 shows that the spread between the least endowed districts in Hajjah Governorate (0 YER/cap) and the best endowed (Ghoor Maxer in Aden Governorate with 3,180 YER/cap) is over 1 to 3,000. While Lahj Governorate shows the highest expenditures per capita, 96 percent of these expenditures consist in operating expenses and, from these, 90 percent are staff salaries (Lahj is one of the governorates reporting the highest number of ghost workers). Finally, this data show that, although hailed as one of the most dynamic governorates in the country today, Marib, and to a lesser extent Hadramout, are still under-investing compared to their needs based on the population increase they have witnessed in the past four years with the massive arrivals of IDPs and returnees.

²⁷ Source: OCHA Yemen, 2019.

- As a reference, a commonly-accepted threshold for public investments in local development to make a visible difference in expanding and improving access to services and nurturing economic growth is generally considered US\$ 5-6/cap/year (i.e. 2,500-3,000 YER). At this rate, only two districts in Aden Governorate would be able today to trigger a positive development pathway from their investment spending. However, this threshold applies to non-conflict settings, hence even in Aden Governorate, given the important reconstruction needs, the amounts invested by Local Authorities are still too low to make a visible and sustainable impact.
- The issue of territorial inequalities in public expenditures, and even more in investment amounts for local recovery and development across Yemen's governorates and districts, is largely inherited from the past. It is linked to the inadequate staffing distribution across Local Authorities, which is largely disconnected from population figures (see Chapter 3.4) and local development needs. As up to 90 percent of Local Authority budgets can be spent on salaries, this has a huge impact on creating the inequalities reported here. But this situation underlines the lack of effectiveness of the current fiscal allocation and equalization system in fighting against territorial inequalities.

Technical project design and execution

- Governorate authorities report in general good project technical design and execution capacities, except in Taiz Governorate where the Governorate Authority relied for this function solely on the Public Works Governorate Sector Executive Organ which has lost a lot of capacity since the conflict started. Elsewhere, Governorate Authorities report still maintaining a Technical Design Unit that provides centralized on-demand support to Sector Executive Organs for project design and costing and a few have a Projects Unit which helps all Sector Executive Organs with project execution (procurement, contract management, etc.). Certain Governorate Sector Executive Organs, such as health, education, water and public works, have an in-house technical capacity to design and monitor project execution. This capacity is less common at district level and therefore, most District Authorities request support from the Governorate Authority for these matters. Support from line ministries in project design was only mentioned in Hadramout Governorate in the agriculture sector. Elsewhere, Local Authorities rely almost entirely now on their in-house capacities. More affluent Local Authorities, such as Hadramout and Marib Governorates, mobilize private expertise from consulting companies as their in-house capacity has been surpassed by the amount of infrastructure development taking place.

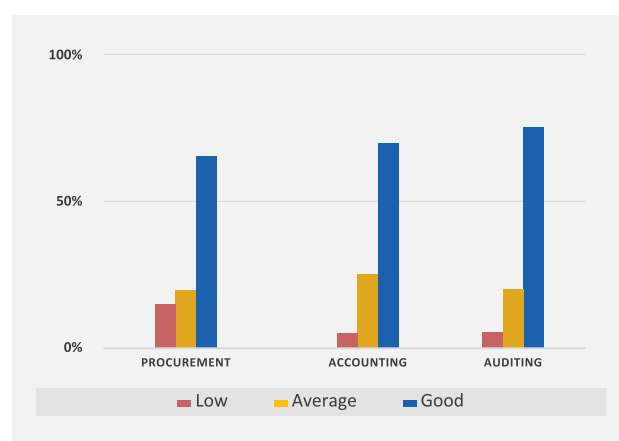


FIGURE 28: Capacity to perform core financial management functions according to established rules (% of Local Authorities interviewed, self-evaluation)

d) Accountability frameworks

One of the main consequences of the conflict since 2015 on local governance in Yemen is a weakening of accountability frameworks, whether democratic, institutional or social. This is a matter for concern among many local governance actors and it ranked among the most cited negative consequences of the conflict on local governance.

Oversight by Local Councils

- The suspension of the majority of the Local Councils means that not only important local policy choices are left entirely to unelected executives and bureaucrats, but also that no independent scrutiny of Local Authority use of public resources exists. Among the governorates and districts that still have a functioning Local Council, only in Aden did the Local Councils continue reviewing and approving the Local Authority's annual plan and budget and monitoring its implementation. Elsewhere, as in Hajjah and Taiz Governorates, Local Councils were reported to be ineffective in applying independent oversight on budgetary matters. Rather, they were asked to rubber-stamp plans, budgets and reports prepared by local executives.

Internal monitoring

- The capacity of Local Authorities to perform their regular internal monitoring function over the implementation of decisions taken, policies and public projects under their responsibility was reported to be at the same level as before the crisis. Only the Taiz Governorate Authority, and to a lesser extent the Hajjah Governorate Authority, was this capacity considered lower than before.
- The capacity to monitor the implementation of projects varies, however, greatly between sectors and locations. In a few areas (Aden, Hadramout and Marib Governorates), this function is often delegated to a Projects Unit or Committee, which centralizes the monitoring function for all Sector Executive Organs. Elsewhere, it depends on the capacity of each Sector Executive Organ to conduct field visits to project sites, as the needed personnel and transportation budget are not always available. The least able sectors to maintain regular monitoring of projects under their responsibility were agriculture and public works.

Financial management

- All Local Authorities were asked to auto-evaluate their capacity to perform three core financial management functions: procurement, accounting and auditing. Consolidated results are shown in Figure 28. The most negative ranking governorates were Hajjah and Taiz, while the most positive on their capacities were Hadramout and Marib.
- Procurement. The main reasons for the perception of under-performing were: (i) the disabling or poor performance of the Local Council in overseeing procurement; and (ii) the lack of procurement exercises since 2015 due to the reduction in investment funds.
- Accounting. All Local Authorities surveyed (Finance Office) confirmed preparing annual financial reports as per usual procedures used before 2015. However, one third of the Local Authorities surveyed confirmed not being able to perform this task with the same level of accuracy and reliability as before. This was particularly the case in Hajjah and Taiz Governorates.
- Auditing. While three-quarters of the Local Authorities surveyed considered that this capacity was intact, many, in their response, mistook the review of their annual accounts by the Ministry of Finance as the conduct of an external audit. In fact, only 15 percent of Local Authorities have been audited by the legally mandated institution to conduct independent financial audits in Yemen (the Central Organization for Control and Auditing) since 2015. For 38 percent of the Local Authorities, their last financial audit (internal or independent) is more than two-years old, including 29 percent for which it was done before 2015.

Public outreach

- Only a few Local Authorities, and mostly at governorate level, have a proper public outreach strategy with dedicated human and financial resources to support it. This was found in Aden, Hadramout, Hajjah and Lahj Governorates, where the public outreach function was handled either by the Governor's Office or by the Information Unit of the Governorate Diwan. Public outreach remains an under-prioritized function in most Local Authorities, which lack technical skills and funds to perform it properly.
- Governorate Authorities and District Authorities use distinct methods to reach out to their constituents (see Figure 29). Both make extensive use of social media (except in Hadramout and Hajjah Governorates, where it was barely used by Local Authorities) and public meetings to communicate. However, Governorate Authorities resort much more to broadcast media (TV and radio) than District Authorities, the latter of which rely much more on mediators or social figures (imams, community leaders, teachers, tribal chiefs, etc.) to disseminate information on their plans and activities to citizens.

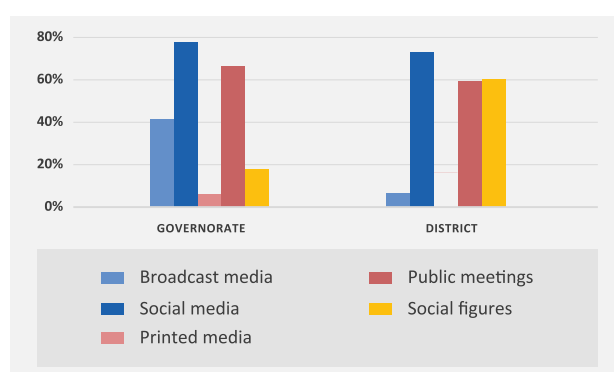


FIGURE 29: Main methods used for public outreach (% of Local Authorities surveyed)

Social accountability

- Local Authorities do not have the habit of disclosing to the public their financial reports, including for local revenue collection and use. Indeed, this is not required by the Yemeni regulatory framework on local finances and was not done either before 2015. However, previously Local Councils had access to financial data and could disseminate such information to their constituents. Since 2015, only a few Local Authorities (50 percent of Governorate Authorities and six percent of District Authorities) have taken measures to maintain transparency on their financial management to compensate for the disabling of Local Councils. For example, Aden Governorate Authority has a website with financial reports uploaded, while the Hadramout and Marib Governorate Authorities share the main local revenue information on the radio.
- From the demand side, civil society organization and private sector interviewees reported a strong desire for more transparency and accountability to be demonstrated by Local Authorities. Even where Local Authorities interviewed mentioned making efforts to maintain transparency, mistrust was expressed as to the way they were handling their financial and human resources (e.g. accusations of nepotism in contracting temporary staff, diversion of local revenues). CSOs do not have easy access to Local Authority financial data but, at the same time, very few CSOs considered that exerting social accountability over Local Authorities was among their key role in the current context or that they had the skills required to do it. On the private sector side, given the significant increase in taxes and fees that local businesses are subjected to, recriminations were fierce against the lack of transparency and accountability by Local Authorities. In Marib Governorate, the private sector representatives interviewed equated taxation by Local Authorities with extortion and requested that a tax awareness programme urgently be put in place to protect citizens' rights.

3.3 Service delivery

SUMMARY – SERVICE DELIVERY

- The governance of service delivery in post-2015 Yemen is marked by a two-pronged dynamic: (i) it is much more localized, in the sense that strategic and operational decisions regarding the organization of services are now taken mostly at district level; and (ii) it is less public-sector dominated as the role of non-state providers (especially the private sector) has increased. This evolution is double-edged; localizing service delivery can lead to better responsiveness to local needs (if enough resources are allocated), but it can also lead to greater territorial inequalities in access to quality services if the central government is not able to play its norm-setting, technical development and quality control functions. As for the increasing privatization of service delivery, it can drive service quality upwards, increase resilience and is a good way to respond to an exponential raise in demand (e.g. IDP hosting cities), but it also creates important issues of social justice in access to services.
- The quality of governance of service delivery (participation, inclusiveness and accountability) varies greatly from one sector to another. Social service sectors and those adopting a private business model (e.g. water supply and electricity, where services are mostly provided on a cost-recovery basis) are able to maintain and develop good quality governance. Other sectors like agriculture, public works and trade, which benefit much less from international support, seem to be abandoning all ambitions in terms of quality of governance.
- The impact of the conflict on service delivery across the country is not uniform and is not all negative. Many of the areas surveyed have witnessed a slump in the quantity and quality of service delivery, but to different degrees depending on the location and on which service is concerned. However, some areas, on the contrary, report that service delivery has expanded and improved to keep up with an increasing demand (Hadramout and Marib Governorates).
- The most difficult services to maintain and develop in a crisis context, as Yemen is experiencing today, are not those that require the most workforce but those that have high operating costs and need massive infrastructure upgrades to face an increasing demand (e.g. electricity, sanitation, roads, solid waste management, water supply). These services often receive less support from the international community than social and food security services.
- The issue of access to services for vulnerable groups, such as women, youth and IDPs, in a crisis context, are usually well acknowledged and fairly well responded to by Local Authorities – depending on their financial means and human capacities. Social service sectors are the most virtuous in this regard overall while other sectors (e.g. agriculture, public works) report doing little to implement specific actions to increase access to services for these groups. For other vulnerable categories, such as the disabled and muhammasheen, the situation is less positive, due to a lack of awareness, lack of prioritization and lack of means.
- All Local Authorities make genuine efforts to host IDPs and provide them with unimpeded access to services. While their response often remains below the needs, this is mostly a resource issue as the management of the IDP crisis at the Local Authority level seems to have improved notably in recent times (e.g. Local Authorities opening IDP registration offices, IDP Executive Units to coordinate support to IDPs, etc.). Social cohesion is not reported to be under threat so far from the IDP influx, except maybe in the Aden area where tensions are reported in certain neighbourhoods. However, without rapid improvements in the financing and upgrading of service delivery systems, tensions around access to services between host communities and IDPs may rise in the future.

a) Organization of service delivery

Division of responsibilities

- Across the six governorates surveyed, a two-pronged evolution in the organization of the delivery of key services can be noted.
 - (i) On one hand, more responsibility for planning, organizing and developing public services has shifted to Local Authorities (and mostly districts). This transfer is felt differently depending on the type of service. Education and health sectors continue receiving important guidance and supervision from their line ministries and are less 'localized.' Public works, electricity, water and agriculture, which are much more isolated from their central administration since the conflict started, have gained more latitude – but also lost resources – to organize service delivery. In some locations, it was even reported that they are 100 percent in charge and have stopped reporting altogether to their line ministry.
 - (ii) On the other hand, the role of non-state actors in the provision of services has risen, as the capacity has declined of state institutions to provide services, and in particular to adapt to shifting needs (e.g. the sudden increase in service needs in IDP hosting areas). Non-state providers can be aid agencies, CSOs (often backed by aid agencies), the private sector or communities themselves through self-help initiatives. Figure 30 shows a consolidated assessment of the distribution of roles in service delivery from the six governorates (qualitative data only). The role played of CSOs and by aid agencies might have been confounded sometimes by informants, as many CSOs that deliver services are in fact implementing projects funded by aid agencies.
- The public sector remains dominant in all service lines overall. However, all interviewees pointed to a rise in the role of non-state actors in service delivery. This is consistent with a decline in public sector resources to maintain and improve services. In urban areas with the largest population increases (main cities in Aden, Hadramout and Marib Governorates), the role of the private sector in providing essential services is higher than shown in Figure 30 (in Marib City and in Mukalla, the private sector was ranked as the main provider for healthcare and education). Interestingly, the private sector far surpasses the non-profit sector as an alternative provider for at least four service lines (healthcare, education, roads and electricity). This confirms the evaluation presented further down (Section 3.5) on the limited role overall of civil society in service delivery. Finally, in qualitative terms, a positive correlation between the importance of the role of non-state actors in service delivery and the resilience in service delivery was found (see Figure 32).

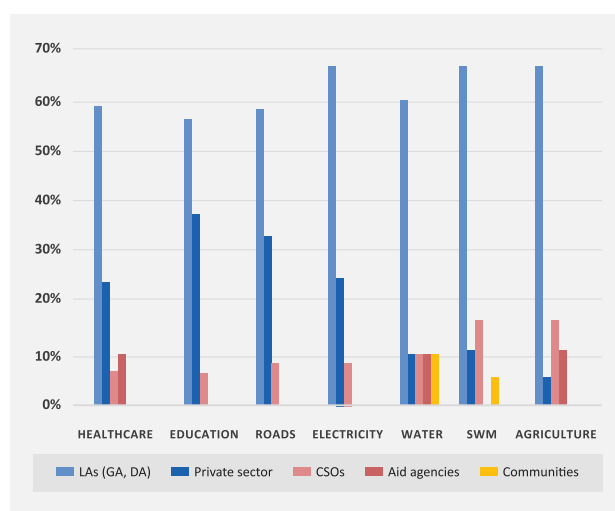


FIGURE 30: Role distribution in service delivery (% of Local Authority units mentioning provider in key role)

Quality control

- Most service sectors, in all governorates, confirm being able to monitor the level and quality of service delivery by public and non-state providers. This is done better in sectors such as education, health, water supply and electricity, that are rather better resourced to maintain a staff presence closer to communities, and/or are more supported by the international community. Conversely, in almost all governorates (except Aden), the public works sector is not able to monitor the quality of services provided, be it for environmental hygiene, building permits, roads maintenance and so forth. The public works sector lacks staff outside of main urban areas and often does not have transportation to conduct field visits. More generally, this is also the sector that seems to lack most in terms of policy and technical guidance and oversight from the central level and faces serious internal governance issues.

- The most common means used to supervise the quality of services is through field visits, but this is becoming increasingly difficult with non-salary operating budgets cut by as much as 50 percent in some areas and where security and/or road conditions impeded travel, as in Taiz and some parts of Hajjah and Marib Governorates. The use of social networks to monitor service quality in lieu of field visits was reported in these areas. Some Sector Executive Organs organize regular meetings with their field staff to discuss service delivery issues and obtain updated data on access. The more elaborate quality control systems were found in the health and education sectors, which have an Inspection Unit in almost all their governorate and district offices.
- Whenever quality control is exerted, it also concerns private, non-state providers. In Hadramout Governorate, the latter must obtain a license from the Local Authority to operate. Assumingly, this is a rule pre-dating the conflict and would also be applied in other areas although not explicitly reported during the RLGD.

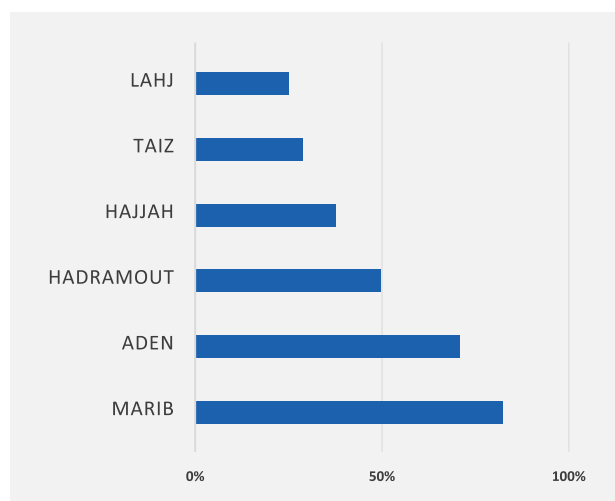


FIGURE 31: Use of organized grievance-handling mechanisms (% of District Sector Executive Organs surveyed)

Grievance handling

- The RLGD researched the use of organized grievance-handling mechanisms by Sector Executive Organs to facilitate the collection and treatment of grievances from service users. Organized grievance-handling mechanisms allow receiving individual or group complaints from service users, personalized or anonymous, about accessibility and/or quality, managing the response process and filing grievances once addressed. It is different from user complaints being received randomly, without any tracking system, and presented immediately to a high-ranking official (e.g. District Director) expecting an immediate action. Some of the common organized grievance-handling tools used in Yemen include complaints boxes, social networks, help desks, hot lines, operations rooms and regular meetings with users' associations.
- The availability of organized grievance-handling mechanisms at district level – which is really the level where grievances must be treated in the first place – varies a lot between governorates, as shown in Figure 31 (interviews of 79 District Sector Executive Organs). More urbanized and/or stable and prosperous areas are more able to use organized grievance-handling mechanisms. It is also in these governorates (Aden, Marib and Hadramout) that Local Authorities reported having an Operations Room to centralize user grievances and dispatch them to the concerned Local Authority department or Sector Executive Organ. Organized grievance-handling mechanisms are known to be very effective ways to build citizen trust in the state, hence it is problematic that they are not more equally available across all areas.

b) Levels of service delivery

The RLGD is a qualitative evaluation and did not collect quantitative data on service delivery outputs from Local Authorities, the central government or international organizations. The following results present therefore only a qualitative – hence subjective and potentially biased – evaluation of the service delivery situation by Local Authorities and civil society.

Evolution of service delivery (quantity and quality)

- Local Authorities in Yemen have always faced an uphill battle to deliver services. This is partly because 70 percent of the population resides in rural areas with difficult access and low population density. There has not necessarily been, therefore, a drastic change in service delivery in rural areas due to the conflict, as the situation was already fairly unsatisfactory, but definitely service delivery in urban areas has been affected negatively in many governorates.

- Given the high discrepancies in the reported evolution of service delivery levels since 2015 across the six governorates and 18 districts, results are presented on a geographical basis on Figure 32 for eight key service lines: Healthcare (HC), Education (ED), Roads (R), Water supply (W), Solid waste management (SWM), Security maintenance (SEC), Agriculture and fisheries (AF) and Electricity (EL). The reality on the ground is even more complex as service delivery is usually better in urban than rural areas. These results are fairly consistent with what comes out from the Diagnostic on the functionality of the service delivery machinery in each governorate and the conflict impact.

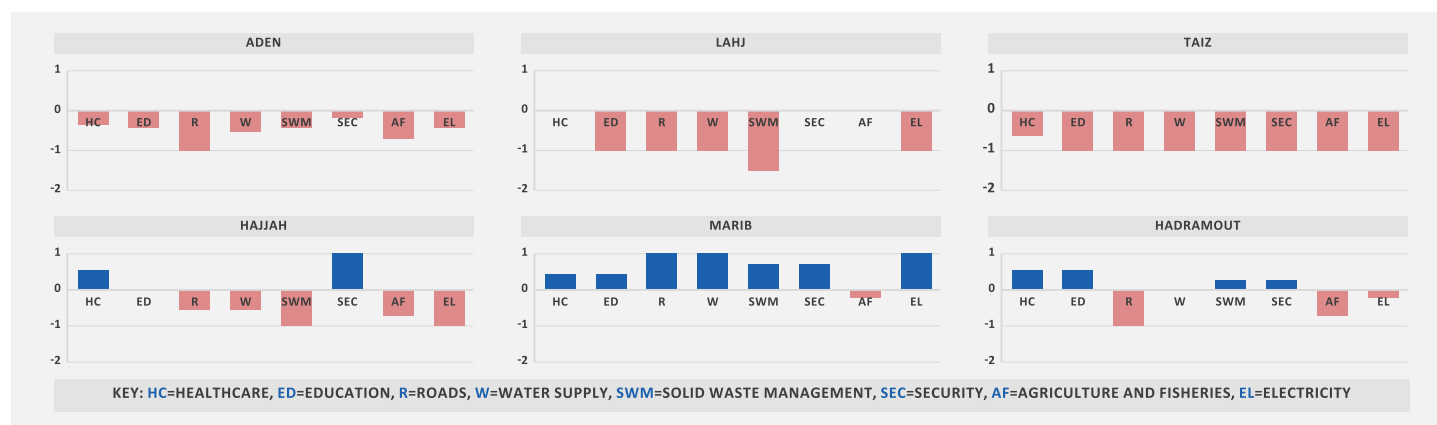


FIGURE 32: Evolution in the level of service delivery since 2015
(360° qualitative evaluation. +1 = improvement, 0 = status quo, 1 to 2 = degradation).

- These results, which need to be treated carefully as they are only based on a qualitative evaluation, point to two main findings, as described below.
 - The impact of the conflict on service delivery is not all negative, depending on the location and what type of service is concerned. As expected, governorates that have been more mildly affected by violence (Hadramout, Marib) and now have more local revenues to invest and more autonomy to organize service delivery, and which receive important support from coalition partners, are faring better on many services. In the case of Marib Governorate, the governorate was neglected and lagging behind before the conflict²⁸; now it has recovered a lot of ground compared to the level of service delivery in other parts of the country before 2015. In Aden Governorate, the global negative impact on services, albeit overall milder than in Lahj and Taiz, can be explained by the continuing chaos in Aden up to 2017, which caused damage to service delivery infrastructure and a total disorganization of services. But it is also a reflection of the fact that service delivery in Aden Governorate before 2015 was probably among the best in Yemen and it will take more time and efforts than elsewhere to restore services to their pre-conflict level. Finally, results for Taiz are consistent with the overall derelict situation seen in the governorate, which has not only suffered heavy fighting and destruction, but is also currently facing serious political and governance issues.

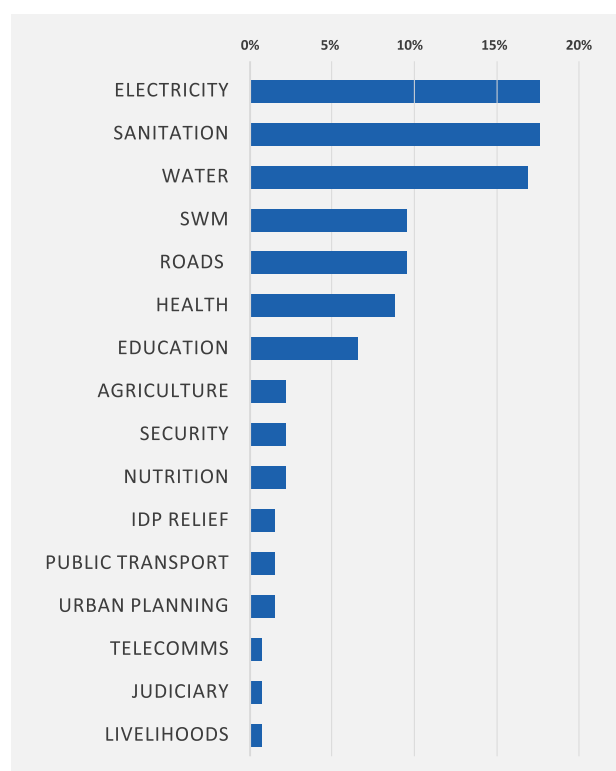


FIGURE 33: Most problematic services
(in % of quotes by Local Authorities)

²⁸ For example, in 2012, only two of Marib Governorate's 14 districts had enough electricity to power private homes for the majority of the day (Al-Awlaqi et al., 2018).

- Certain service lines are more affected than others and others recover faster. Conflict impact is not just about infrastructure damages. Agriculture extension services, for example, are systematically lagging in all areas not because of a damaged infrastructure but rather because institutionally, the agriculture sector has not shown the same level of resilience as other sectors, nor has it benefited from the same level of external support. The only governorate where agriculture extension is seen as being at the same level now as before is Lahj where the United Nations Food and Agriculture Organization runs a major support programme (since before the conflict). Conversely, the priority given, by central authorities, the donor community, CSOs and the private sector in sustaining healthcare and education services is showing positive results from this quantitative evaluation as these services seem the least affected overall.

	HAJJAH*	TAIZ	LAHJ	ADEN	MARIB	HADRAMOUT
Education						
Electricity						
WASH						
SWM						
Health						
Roads						

* In Hajjah electricity and roads were quoted equally, hence 4 services are reported.

FIGURE 34: Most difficult services to deliver

Service delivery challenges

- Building upon the initial mapping of service delivery levels, the RLGD elicited from Local Authorities what were the service lines²⁹ in which they faced the most difficulty in responding to citizen needs (see Figures 33 and 34, which ranks the three most difficult services per governorate).
- Services that bear higher operational and infrastructure costs come first in almost every governorate. Education and health are not among the most difficult services to provide overall, except in districts with a high number of IDPs. Solid waste management is problematic in all urban districts.
- Local Authorities were asked the main obstacles faced in delivering different services (Figure 35). As can be expected, the reduction in the central operating grants since 2015 is the most-often cited challenge. This was particularly acute for services that do not receive a lot of donor support and are not operated on a cost-recovery basis (e.g. agriculture, solid waste management, sanitation, roads, etc.). Because of the lack of operational budgets and looting of service facilities that happens during violent fighting, the lack of equipment and supplies is high on the list of obstacles, especially for the health and education sectors. The attrition of qualified staff displaced by the conflict or moving to better paid private sector jobs is a growing issue for sectors that are staff-intensive (health, education, electricity). Governance aspects (lack of coordination, supervision and policy guidance) are not assessed as a main problem. This could indicate as well that, in general, the conflict has not impacted deeply the institutions and workflows used before the conflict. This highlights again the institutional resilience of Local Authorities in Yemen.

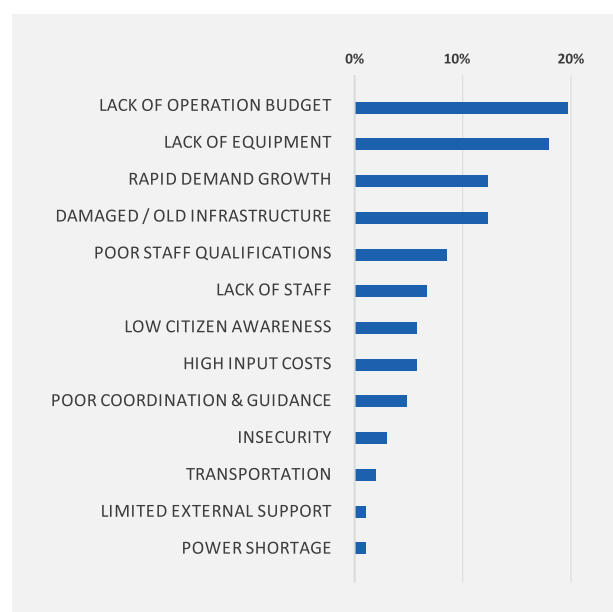


FIGURE 35: Main obstacles faced in improving service delivery (in % of quotes by Local Authorities)

²⁹ Interviewees were not asked to choose from a closed list of services, hence their responses span a wider range of services than in Figure 32.

Service delivery and vulnerable groups

- Women. The negative impact of the conflict on women's access to services is well recognized by Local Authorities and civil society in general, though it is better understood and considered as needing a specific response in the socio-economic sectors (health, education, agriculture, trade) compared to other sectors (e.g. electricity, water, public works) where officials often did not think that the services they provided were more difficult to access by women or could identify measures to improve women's access to them.
 - The most-mentioned impacts of the conflict on women were: (i) psychological and mental health issues, due to increased difficulty to perform daily chores, confinement at home, increased breadwinning responsibilities (higher number of women-headed households); (ii) sexual and reproductive health issues; (iii) livelihood issues due to the loss of animal wealth and loss of employment in the private sector; and (iv) de-schooling for girls due to insecurity, lack of transportation and financial constraints on households. Trafficking and sexual violence was not mentioned by any of the interviewed Local Authorities or CSOs.
 - Below are the main measures taken by Local Authorities to improve women and girls' access to services and to minimize the impact on them, often with the support of CSOs and aid agencies.

WOMEN AND GIRLS SERVICE/NEEDS AREA	RESPONSE PROVIDED
Education	<ul style="list-style-type: none"> - build girls' schools - awareness campaigns to bring girls back to school - no fees for girls - priority to girls for free uniforms and textbooks - provide extra security on school routes - extra support to women teachers - food incentives to families for sending girls to schools
Health	<ul style="list-style-type: none"> - psychosocial healing programmes - strengthen mother and child health services - awareness raising on preventing epidemics
Agriculture/livelihoods	<ul style="list-style-type: none"> - priority to vaccinating women's small animal herds - distribution of animals and bees to women - dairy industry training - small business grants - include women in cash-for-work programmes - increase recruitment of women in the public and private sector
Nutrition	<ul style="list-style-type: none"> - programmes for lactating mothers in feeding units
Social	<ul style="list-style-type: none"> - support women's CSOs
Water	<ul style="list-style-type: none"> - increase numbers of water tanks in deprived areas

- Youth. The negative impact of the conflict on youth is well understood by Local Authorities in general, with the same sector-specific differences as for women.
 - This impact is seen mostly as twofold:
 - (i) malnutrition and higher exposure to infectious diseases, mostly for young children; and
 - (ii) dropping out of school leading to increased child and youth labour, including child soldiers, with all the related negative psychological impacts and mental health problems.
 - Below are the main measures taken by Local Authorities to improve youth access to services and minimize the conflict's impacts on them, often with the support of CSOs and aid agencies.

YOUTH SERVICE/ NEEDS AREA	RESPONSE PROVIDED
Education	<ul style="list-style-type: none"> - psychosocial support in schools - sports and recreation activities - evening class shifts for daytime working children - distribution of free school materials
Health	<ul style="list-style-type: none"> - child immunization campaigns - child hygiene campaigns - spray against mosquitoes around schools and residential areas - more door-to-door visits by health workers to detect sick and undernourished children - increase mother and child services
Livelihoods	<ul style="list-style-type: none"> - skills training for youth - inclusion of youth in cash-for-work programmes - develop Technical and Vocational Education and Training schools - youth micro-credit programmes and small business grants - increase recruitment of young graduates in Local Authorities
Nutrition	<ul style="list-style-type: none"> - increase nutrition programmes - nutrition surveys in schools to detect malnourishment cases and refer to feeding units - school feeding programmes
Social	<ul style="list-style-type: none"> - promote volunteerism among youth - street children programmes
Water	<ul style="list-style-type: none"> - more water tanks near deprived areas to reduce the water fetching burden on children

- IDPs. The presence of IDPs not only varies greatly between the six governorates surveyed but also on a district basis inside each governorate, as shown on Figure 36. The most impacted governorate is Marib, especially Marib City, the population of which has doubled since 2015. Hajjah Governorate has the second highest IDP presence at district level, but many of the IDPs in Hajjah have been there since the third round of the so-called 'Houthi war' (2006-2010) and are better settled in local society.

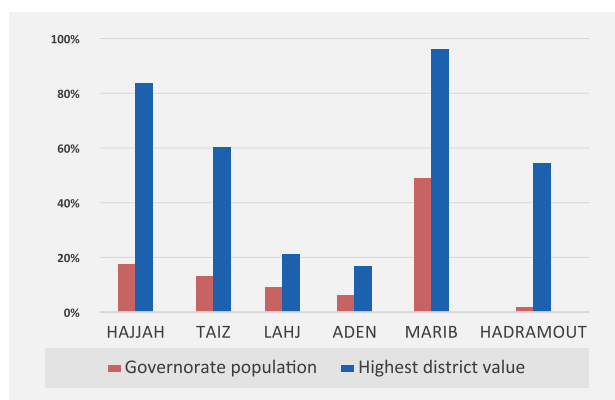


FIGURE 36: IDP presence in % of the total population (Source: OCHA, 2019)

- All Local Authorities interviewed mentioned the need and efforts to make sure there is no discrimination at all in the access of IDPs to services and other livelihood needs (shelter, food, jobs). IDPs are now registered upon arrival by Local Authorities for immediate access to social services and support by local charities in many locations. However, given the poor conditions of infrastructure in urban areas, the pressure put by IDP presence on services and the desire to limit slum development, for some Local Authorities, the preferred option is now setting up IDP camps outside of urban areas (e.g. Hajjah, Lahj, Taiz). The situation of IDPs in Hadramout needs to be differentiated as one-third of so-called IDPs in the governorate are in fact Hadrami returning from Gulf countries.
- All Local Authorities have mentioned taking measures to facilitate the livelihoods of IDPs and ensure them equal access to services (see the table below).

IDP NEEDS AREA	RESPONSE PROVIDED
Relief	- distribution of non-food items
Education	- free schooling of IDP children and in-take all year round - free schooling materials for IDP children - help desk in Education Sector Executive Organ for IDPs - evening shifts for IDP children
Health	- discounted or free treatments in public medical facilities - mobile clinics to IDP camps - employ IDP health workers - immunization campaigns
Livelihoods	- register IDP livestock owners for animal wealth programmes - fisheries: access to basic materials - cash-for-work programmes
Nutrition	- access to food aid
Shelter	- temporary accommodation in public buildings - land made available for IDP camps with ventilation and water access
Water	- free distribution of water to IDP camps (no fees) - build networks from wells to IDP camps
Electricity	- free power supply to IDP camps
Transportation	- issuing laissez-passer for IDPs internal movement and use of public transport

- To organize and coordinate support to IDPs provided by different stakeholders (Local Authorities, CSOs, aid agencies), Local Authorities in nearly all governorates have set up an IDP Executive Unit in their administration, sometimes at the Governorate Authority level and District Authority level, sometimes only at the District Authority level (e.g. Hadramout). These units can be reinforced by an IDP Committee gathering Local Authority officials and civil society. In Hajjah Governorate, the local branch of the National Authority for the Management and Coordination of Humanitarian Affairs is handling all coordination of support to IDPs, not Local Authorities.
- Occasional disputes between IDPs and host communities were reported in all governorates, except in Hadramout and Marib (This could be linked to the fact that IDPs in these two governorates are often more affluent than the local population (in Marib) or with close links to it (Hadramout)). Conversely, in Aden Governorate, tensions between northerner IDPs and local south Yemeni communities are reported. Violence is rare though, and Local Authorities said they have been able to solve disputes arising between IDPs and residents.
- Other categories. The awareness of increased hardship faced by persons with special needs in accessing services due to the conflict were recognized by all Local Authorities but only a few of them seemed to take specific measures to address this issue. Support to the disabled community is more commonly a function played by local charity associations. Regarding the muhammasheen, their situation often meets a less sympathetic response from Local Authorities and more apathy in terms of response. A few governorates mentioned efforts made to enrol their children in schools and provide them with means of livelihood through cash-for-work.

3.4 Capacities and resources of Local Authorities

SUMMARY – CAPACITIES AND RESOURCES OF LOCAL AUTHORITIES

- The logistical situation of Local Authorities, which was already poor before the conflict, has been made even worse since 2015 with direct and indirect conflict-related damages affecting a majority of their offices and a lack of funds to conduct even the minimal amounts of repairs and maintenance. Combined with limited transport means and office equipment, this negatively affects the functionality of most Local Authorities.
- Local Authorities have maintained their pre-crisis human resources almost intact, which shows that there were no large-scale phenomenon of staff replacement on political grounds as is often seen in conflict-affected settings and that the doors of employment into the local public sector have not been opened wide on clientelist grounds (which would be difficult anyway given the budgetary constraints faced by Local Authorities). While salary cuts have been stopped in all areas (except in Hajjah Governorate), what dominates nevertheless is the impression of a rigid human resource management system that limits the responsiveness of Local Authorities to the crisis and creates wide territorial inequalities.
- The structure and amounts of financial resources available to Local Authorities have undeniably been affected by the conflict, but not everywhere drastically and not everywhere negatively. While all Local Authorities have suffered a significant reduction in central government funding right after 2015, it has been compensated since then in many areas (except in De Facto Authority-controlled areas), including by increasing local revenues, to the point where 50 percent of the governorates and 60 percent of the districts surveyed enjoyed higher total income in 2018 than in 2013. No evidence exists of widespread illegal revenue collection practices by Local Authorities or other local stakeholders, but there are many grey areas in the way local revenues are accounted for and utilized. Discontent is growing among the taxpaying population on the lack of accountability of Local Authorities for revenue collection and use. Territorial inequalities in revenue generation have been exacerbated and play in favour of urban and more stable areas against rural and more restive ones. The presence of IDPs can act as a revenue-boosting factor in certain areas (and a trade-off for the extra burden put on local services) when IDPs (or returnees) come with resources, as in Hadramout and Marib and urban areas of Lahj Governorates.

Note: Most of the results presented in this section are calculated based on the number of interviewed Local Authority offices. A Local Authority office can be at governorate or district level and span the following entities: Local Council, Diwan, Chief Executive Office and Sector Executive Organ.

a) Infrastructure

- As shown in Figure 37, the situation of Local Authority premises ranges from bad to very bad with nearly 60 percent of the 165 Local Authority offices interviewed occupying buildings that have sustained war-related damage (the highest percentage in Hajjah Governorate). Damages can be direct shelling impacts on Local Authority buildings and/or looting of Local Authority office equipment (very common in Hadramout and Lahj Governorates). Some buildings, as in Hajjah Governorate, had already sustained war damages before the 2015 conflict (during the series of Houthis wars in the 2000s) and these were accounted for as well. For certain premises, causes other than conflict (e.g. lack of maintenance, poor construction, natural disaster) 30 have been reported by informants as war-related damages. Some Local Authority premises also have indirect war damages, such as being occupied by IDPs (e.g. Taiz Governorate).

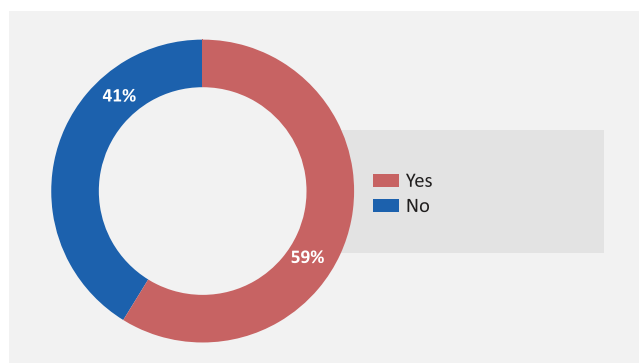


FIGURE 37: Conflict-related damages on Local Authority premises (% of Local Authority offices surveyed)

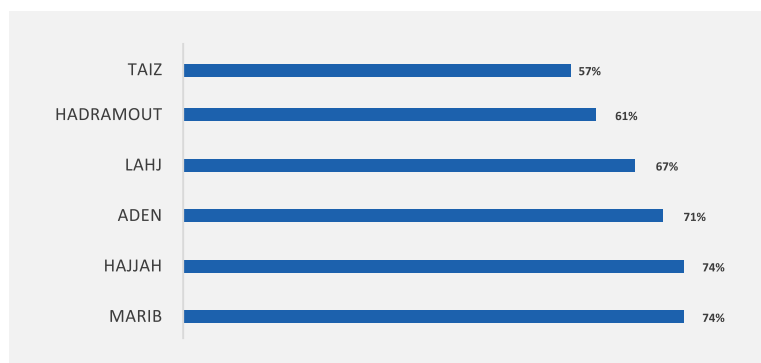


FIGURE 38: Conflict damages on Local Authority offices (% of Local Authority offices interviewed)

- The main consequence of the poor conditions of Local Authority premises in general, exacerbated by the lack of financial means to conduct repairs or rebuilding (except in Hadramout and Marib Governorates), is that a majority (64 percent) of Local Authority offices surveyed report that their current premises are not suitable to the nature of their work (see Figure 40). In many locations, various Local Authority offices now share workspaces, leading to overcrowding, or must rent private buildings but can only afford small or decrepit ones. At the district level, it is not unusual to see Local Authority offices using classrooms as office space.

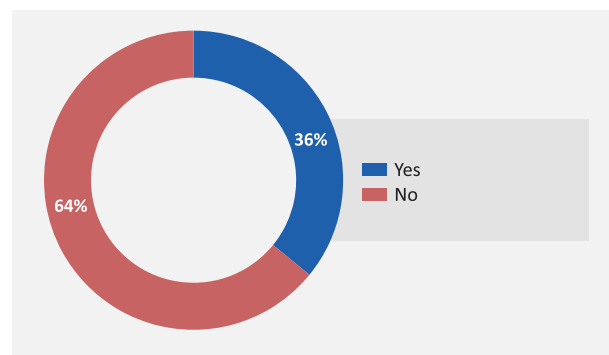


FIGURE 39: Evaluation of Local Authority premises suitability (% of Local Authority offices surveyed)

b) Human resources

Note: This section only discusses staff working in Local Authority offices in charge of administering service delivery in their area of responsibility. It does not include front-line service delivery staff (e.g. teachers, nurses) working from field-based service delivery facilities. For certain sectors, such as electricity and water, front-line staff are not outposted but counted as part of the governorate or district office; hence it was not always possible to separate them from management staff organizing service delivery when collecting staff size statistics. Comparing the human resources of sectors is therefore difficult given the lack of uniformity in the data collected. Comparing between areas (governorate/district) in the same sector is more reliable.

Staff status

- Human resources data collected concerns primarily civil servants. For lack of time, data on other types of employment status, such as daily fee contracts and volunteers, were not systematically collected.

30 For example, the main government complex in Mukalla City collapsed recently due to its general state of dilapidation.

- The use of contractors was reported in five of the six governorates (except in Taiz Governorate). However, contractors are a small portion of the workforce overall and are confined to certain sectors (health, education, public works) that can afford contractors because they receive a more generous operating budget and/or make more local income (e.g. public works). Nonetheless, in some locations and sectors, the use of contractors can be important (reported at 41 percent in the Health Governorate Sector Executive Organ in Hajjah Governorate). There can also be volunteers, usually young graduates, who often only receive in-kind (food) stipends or small financial incentives. Volunteers usually hope to be later incorporated into the civil service.
- In several locations, the presence of pensioners among the Local Authority workforce was reported, because remaining on the staff payroll is the surest way of receiving a monthly income from the state at a time where the state's Pension Fund is experiencing severe dysfunctions.

Payments

- All Local Authorities in areas under IRGY-control paid full salaries, regularly and all year-round to civil servants since 2018. In the only governorate surveyed that reports to the DFAs (Hajjah), the situation is vastly different as civil servants there received only two months of salary in 2018. The discrepancy in remuneration between DFA and IRGY-controlled areas has been further exacerbated in 2019 after the IRGY granted a general 30 percent raise to all civil servants working in areas under its control. This means that nowadays a civil servant working in a Local Authority office in an IRGY-controlled area is retributed nearly 8 times more than a civil servant doing the same job in a DFA-controlled area.
- In IRGY-controlled areas, the situation is not uniform though as staff working in central government agencies (e.g. Post Office, the Central Organization for Control and Auditing) are not paid with the same regularity and in full as those staff whose payroll is managed through Local Authorities.
- The practice of paying Local Authority staff with food coupons was not reported at all in any of the offices surveyed, except in Taiz Governorate but only for volunteers. It was only practiced for a short period in Hajjah Governorate in 2017.
- The issue of ghost workers on payroll lists seems important in some areas, particularly in former South Yemen areas, where the merging of the two previously distinct civil service systems (North Yemen and South Yemen) after the 1994 war created redundancy and generated many of these ghost worker cases. This is not an issue confined to Local Authority offices as it is found also in the central government. It is also not as common in all areas (a higher rate was found in Lahj and Taiz than in Aden and Hadramout Governorates). The RLGD did not have as an objective the investigation of the prevalence of ghost-workers (or double-dippers) but, indirectly, as shown further down, it comes out as a factor influencing the staff attendance rate.

Evolution in staff size

- Out of the 165 Local Authority offices surveyed, 119 could report their workforce size in 2015. The main finding is that, overwhelmingly, the workforce has not evolved significantly, upward or downward, in Local Authority offices since the conflict started (see Figure 40).
- When the workforce has increased or decreased, it was usually by a limited margin (usually less than 20 percent), except in one case (Marib Education Sector Executive Organ) where the workforce has more than doubled since 2015 (+158 percent).
- When staff size increased, it is mostly through fixed-term contracts, as civil service recruitments have been frozen by the central government for most administrations (very few recruitments were reported since 2015 in the areas surveyed). When the workforce diminished, it was due to the death or displacement of civil servants or to cuts in the number of fixed-term personnel. There were no dismissals reported since 2015 in any of the areas surveyed.

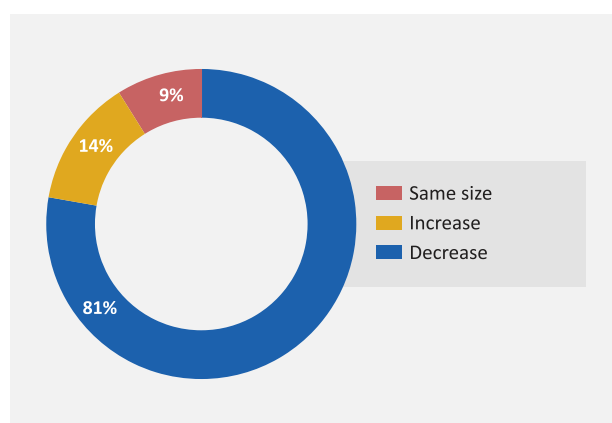


FIGURE 40: Changes in workforce size since 2015
(in % of Local Authority offices surveyed)

- Staff increases were noted mostly in large basic service sectors (education, health) prioritized by the central government and governors and in sectors generating sufficient revenues to employ their own contractors (public works, electricity).

Staff attendance

- The rate of Local Authority civil servants (or payroll staff) showing up at their workplace at least once a week was collected from the 165 Local Authority offices surveyed. This is a question that was easily and almost systematically answered by these offices. It is difficult to gauge the level of accuracy in their answers but, surprisingly, in most cases, the attendance reported was quite low. Non-attending staff might be ghost workers (including retirees still on the payroll) or staff only attending their work less than once a week.

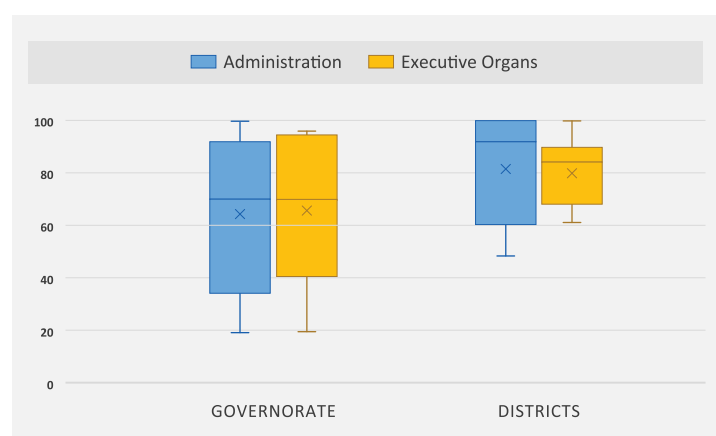


FIGURE 41: Attendance of payroll staff in local authorities (% of staff attending their work at least once a week, self-reported)

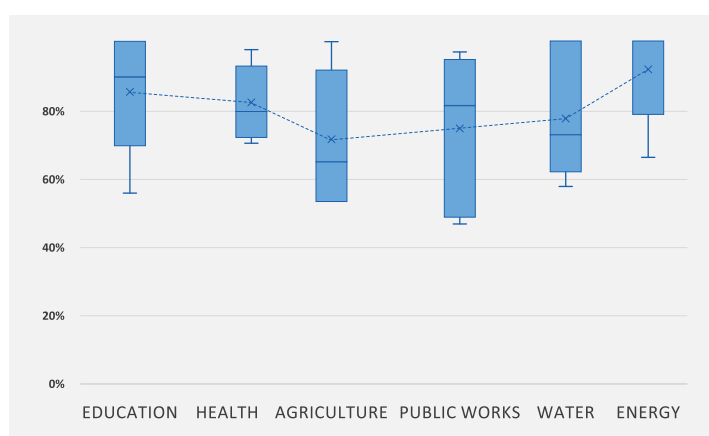


FIGURE 42: Attendance of payroll staff in Sector Executive Organs (% of staff attending their work at least once a week, self-reported)

- Figure 41 shows the range of average attendance rates reported by each Governorate Authority and District Authority surveyed for administration offices (Diwans, Chief Executive Office) and Sector Executive Organ. Figure 42 provides an analysis by sectors and Figure 43 compares attendance between Governorate Authority and District Authority offices. The lowest reported attendance rate overall was 10 percent (Agriculture Office in Habeel Jbar District, Lahj Governorate). The main findings are described below.
 - In all areas surveyed, attendance is higher on average in District Authorities than in Governorate Authorities. This could be explained by the fact that District Authority level offices are more directly involved in service delivery and their staff feel therefore more pressure and incentives to attend work. Attendance of district-level staff is less dependent on the level of investment funding available as their work involves more daily supervision and trouble-shooting of service delivery, while Governorate Authority staff, especially in Sector Executive Organ, are usually busier with planning, designing and implementing projects – tasks that are heavily dependent on the amount of capital funding available.
 - Attendance tends to be higher in Local Authority offices directly involved with service delivery (Sector Executive Organs) than in purely administrative offices (e.g. Diwan). This discrepancy is more marked at the governorate level than district level.
 - Attendance is higher in the social and basic service sectors (health, education, water supply), due to greater pressure from the population for effective delivery of these services, more resourced operations (sectors prioritized by the central government) in addition to the more common availability of financial incentives (especially from donor-funded programmes). The energy sector has good staff attendance, explained by the fact that the electricity corporation works more on a private business model (e.g. full cost recovery in Hadramout Governorate) and is a priority sector for government spending. At the other end, the agriculture and public works sectors concentrate the lowest attendance rates recorded in many areas. These sectors also have the weakest central-level institutions and least donor support.

- Aden and Hadramout Governorates show the highest attendance rates. This could be explained by the fact that: (i) their payroll lists have very few ghost workers as reported by local officials; (ii) chief executives in both governorates have established a strict system for enforcing attendance with dedicated commissions in charge of checking employee sign-in sheets before any salary payment. On the other end of the spectrum, Taiz Governorate shows the lowest attendance rates overall, as it combines several crippling factors: on-going conflict, very weak state authority, split political control, lack of resources and an absentee governor. Attendance rates in Hajjah Governorate are surprisingly high considering that Hajjah staff only receive a tenth of their annual salary due.

District staff density

- To compare the staffing situation across districts, the ratio of staff of all contract types actually attending work (based on staff attendance data) per 100,000 population, including IDPs, was calculated (called Staff Density). Results are presented in Figures 44 to 47. For service sectors, only staff in head offices at the district level are included, and not staff working in service delivery facilities.

The main conclusion is there is an absence of correlation between staffing levels and population needs.

- A very wide range of staff density exists between districts in the same sector, up to a 1 to 100 factor (Figure 44). Certain sectors (education, agriculture) have a more equitable staff distribution between districts than others (health, water, public works). Staff density is also more level among local administrations (Figure 45), but the variance remains important (1 to 40).
- Variance in staff density is as noticeable between districts in the same governorate as between governorates (Figure 46). Efforts do not seem to be made by sector leadership at ministerial or governorate level to redistribute staff more equitably between districts according to needs – or civil service rules preclude such flexibility in the redeployment of civil servants.
- Better-off governorates, with a certain financial capacity to recruit their own personnel (fixed-term staff), such as Aden, Hadramout and Marib, have higher staff density, especially in the health, education and water sectors. On the opposite end, Taiz Governorate has the lowest staff densities in almost all categories.
- No systematic pattern of marginalization exists between rural and urban areas in terms of staffing levels (Figure 47). While marginalization of rural areas seems systematic in Hajjah Governorate, the opposite happens in Hadramout Governorate (where rural areas all have higher staff densities). In other places, it is a mixed situation, depending on the sector.

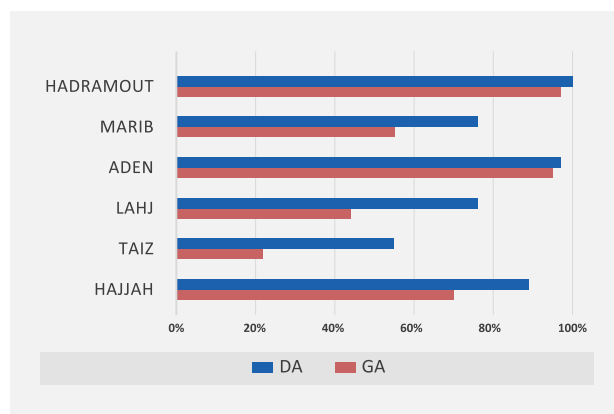


FIGURE 43: Average attendance by location (self-reported)

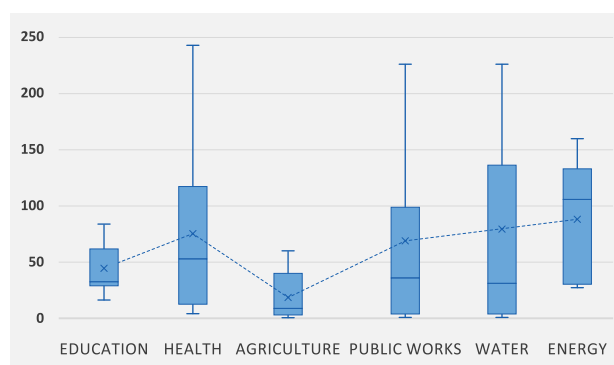


FIGURE 44: Staff density per sector (# of staff in district offices per 100,000 pop.)

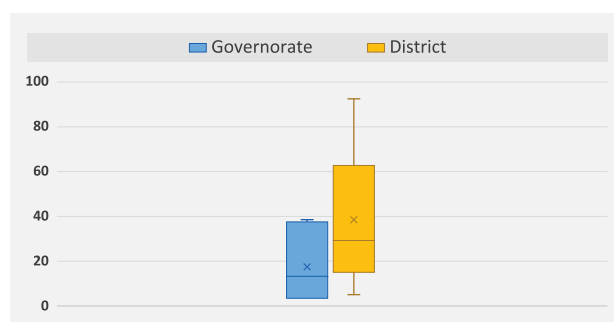


FIGURE 45: Staff density in local administrations (# of staff in district offices per 100,000 pop.)

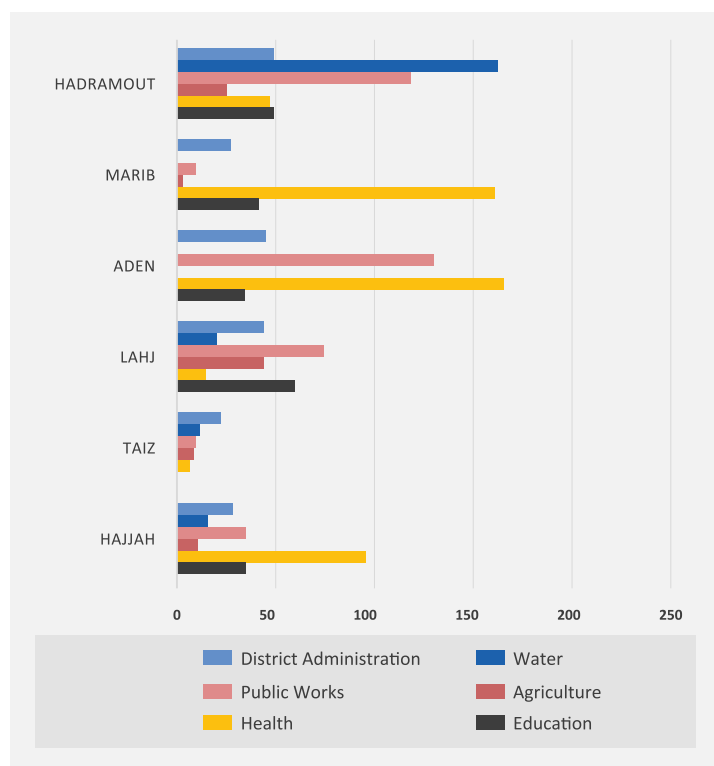


FIGURE 46: Average staff density per governorate and type of office (district level)

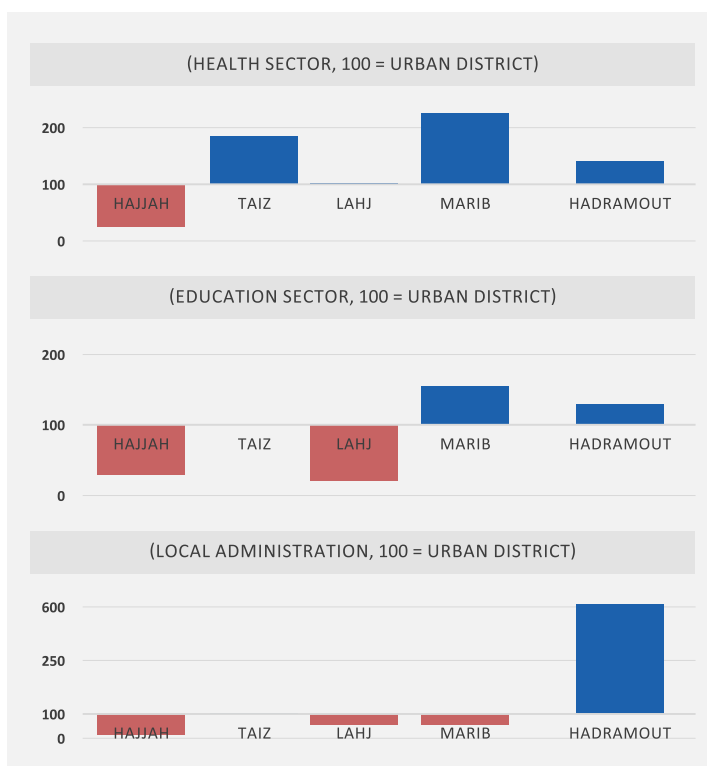


FIGURE 47: Gap in staff density between urban and rural districts (health sector, 100 = urban district)

- The inadequate and inequitable distribution of staff compared to service needs (based on population size, including IDPs, remoteness and poverty) largely predates the conflict, but it was probably exacerbated by it as, due to severe budget constraints, recruitments have mostly stopped in the civil service, leaving only fixed-term recruitments to adjust staff size to needs. But most Local Authorities do not have sufficient discretionary operating budgets to recruit. Also, qualified candidates for temporary positions are more easily found in certain areas than others.
- The staffing situation has huge implications in terms of Local Authority budgets as the bulk of the budgets are devoted to salaries (usually over 90 percent). The erratic (i.e. non-matching needs) staff density situation explains to a large extent the high level of territorial inequalities in expenditures per capita evoked in Section 3.2.

Human resources management

- Other aspects of human resource management researched by the RLGD tend to paint the picture of a rigid management of human resources that has poor capacity to adapt to the crisis. Nearly all offices interviewed have not changed at all their organizational structures since 2015. The main changes that happened in some areas consisted of redeploying staff from one Local Authority unit to another in the same location to replace deceased or displaced civil servants. Not only have organizational structures remained the same, but also job descriptions and business processes for the most part.
- Recruitments in the civil service are rare since 2015 and all offices interviewed reported that, if recruitment happens, it is done through procedures that applied before 2015. This means all new posts must be approved by a higher authority, using a competitive recruitment process and handled entirely by the Civil Service Office at governorate level. The only difference is that approval for recruitments now mostly comes from the Governor and not anymore systematically from the line ministry, except in governorates close to the seat of IRGY (Aden and Lahj). Conversely, the contracting of fixed term staff (paid on a daily fee basis) is entirely handled by the hiring office (except in Lahj Governorate where oversight of contract-based recruitments is exerted by the Governor). According to CSOs, this opens the door to more nepotism than civil service recruitments.

- Dismissals are not common (only one Local Authority office reported resorting to this measure since 2015). Civil servants who left their posts have done so on their own volition, moved to another area or died. The conflict has not triggered ‘witch-hunts’ in Local Authority offices against staff who are associated with one political party or another, nor has the fiscal crisis triggered a drastic downsizing in Local Authority workforces.
- Capacity development. Service sectors, in general, provide better opportunities for technical guidance and training for their staff, including through donor-funded programmes, than local administrations (Diwans) as only a handful of the latter (28 percent) reported that their staff had access to training opportunities (and only in Aden and Taiz Governorates), notably on revenue collection matters. Conversely, 78 percent of interviewed Sector Executive Organ at governorate and district levels report receiving some level of technical support and capacity development from their hierarchy.

However, as shown on Figure 48, capacity development is first and foremost available to District Sector Executive Organs, provided by Governorate Sector Executive Organs and/or through donor-funded programmes. Line ministries, whether in Aden or Sana’a, are not able to provide the same level of technical backstopping and training to their governorate offices as before 2015. All cases of central-level technical support mentioned related exclusively to three ministries: education, health and water, which are the sectors best supported by the international community. This is also seen in the rating of guidance and training received by District Sector Executive Organs (Figure 49): the 66 percent of district Sector Executive Organs that mentioned a good level of support, both in terms of quality and quantity, mostly belong to the education, health and water sectors.

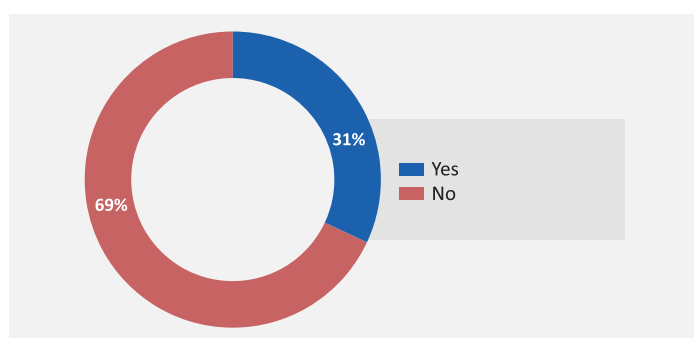


FIGURE 48: Availability of technical guidance and training for Governorate Sector Executive Organs (% of those surveyed)

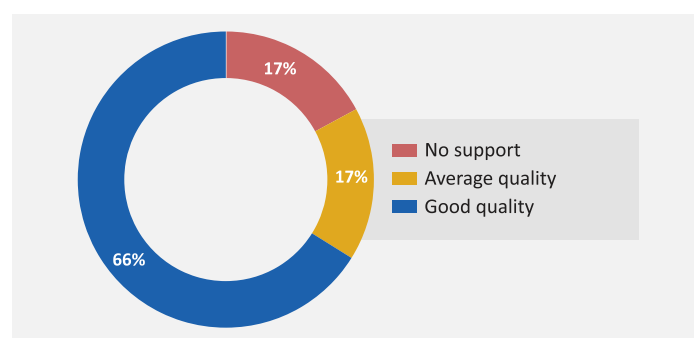


FIGURE 49: Quality of technical guidance and training for District Sector Executive Organs (% of those surveyed)

c) Financial resources

- UNDP was able to collect actual (e.g. effectively received by Local Authorities) income figures for 2018 (and sometimes 2017) for all six Governorate Authorities and for 15 District Authorities (the three District Authorities in Taiz Governorate could not provide them). However, it is not clear whether certain income sources – particularly those linked to hydrocarbon revenues,³¹ trade taxes (Hadramout) and private business donations – were reported together or not with other regular income sources. Hence, figures presented and analysed below (and provided in extenso per governorate in Vol. 2) need to be taken with caution, and trends appearing in the amount and breakdown of resources are certainly more reliable than exact figures. For Hadramout and Marib Governorates in particular, total Local Authority income might be under-reported here.

³¹ Now shared between the producing governorate and the central government (in principle, 20 percent remains with the former).

Sources of income

- Local Authorities in Yemen have two sources of income – central transfers and local revenues – as explained in Chapter 1.3. Below are ways the nature of these revenues has been affected by the conflict.
 - Central transfers. Until 2013, central transfers from the state consisted of: (i) central operating grants; (ii) central capital grants; and (iii) public joint resources. In 2018, while 100 percent of the Local Authorities surveyed received a central operating grant, none of them received a capital grant and only one governorate out of six (Aden Governorate) reported receiving public joint resources – none of the districts did.
 - Local revenues (district local revenues and joint local revenues).
 - All districts interviewed report collecting district local revenues but three of them (all in Hajjah Governorate) no longer receive joint local resources. This is because zakat, which normally contributes to joint local revenues, is now flowing directly to the central budget and no longer is flowing to Local Authorities in DFA-controlled areas.
 - Two governorates report not receiving joint local resources anymore (Aden and Hajjah) but at the same time, three out of six governorates report accruing local resources (not joint), which was not the case before 2015.
- Central transfers (including public joint resources) remain by far the main source of income for all Local Authorities, as was the case before 2015 (see Figures 50 and 51). When calculated over the whole sample, the share of central transfers in total Local Authority income has slightly increased for governorates (95 percent vs. 90 percent) and has remained stable for districts (89 percent vs. 90 percent).

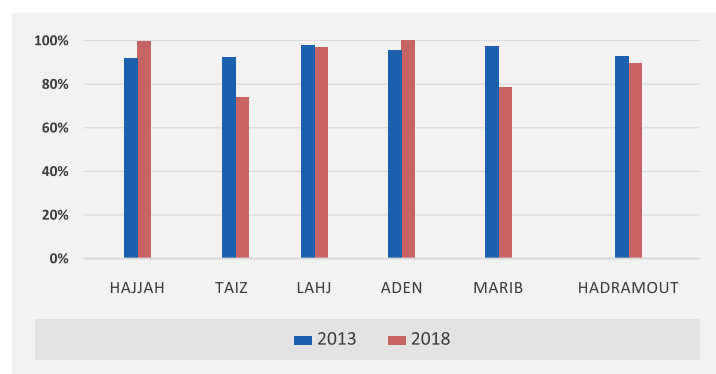


FIGURE 50: Share of central state transfers in total annual income - governorates

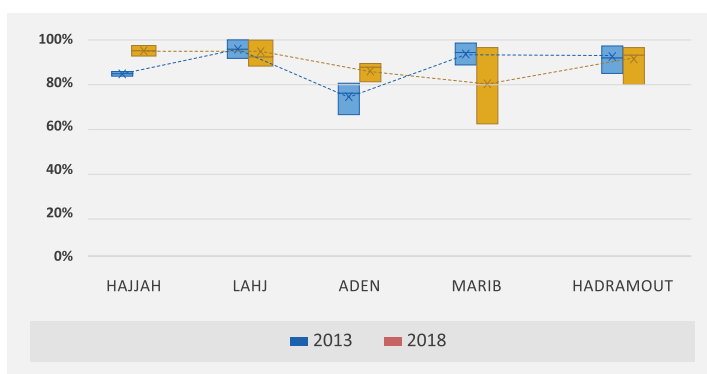


FIGURE 51: Share of central state transfers in total annual income - districts (in %, min, mean, max)

- However, taken at the individual level, there is a wider range of situations in terms of fiscal autonomy (i.e. share of local revenues in total income). Fiscal autonomy has stagnated (i.e. changes below 5 points), in one-third of the governorates and in one-third of the districts, and this has been significantly affected by the conflict (> 5 points change).
 - Fiscal autonomy has increased for Marib and Taiz Governorate Authorities, but not for the same reasons. Taiz suffered a dip in central government transfers in 2017 and 2018 due to the high level of political and security instability, and therefore the share of local revenues in total income increased mathematically, while in Marib, an exponential increase in local revenues (see further down) reduced the share of central transfers in total income.
 - Fiscal autonomy has increased in the main cities of the most stable governorates (Marib City and Mukalla). The change is particularly impressive in Marib City with a spike in financial autonomy of 27 percent. Marib Local Authorities in general have benefited from the massive arrival of IDPs, many with substantial means, which generated an impressive hike in the amount of taxes and fees collected.
 - Financial autonomy has decreased for all districts in Aden Governorate, and in a large proportion as well (-72 percent in Dar Saad District). This negative trend in Aden Governorate can be explained by the fact that Aden Local Authorities had already reached a higher-than-average level of financial autonomy before 2015 compared to the rest of the country. With the impact of fighting and economic instability affecting the southern capital, it has not been possible to maintain local revenues at their pre-war level.

- Local revenue data was not collected by type of taxes and fees as this would have been too complex in such a rapid data collection exercise as the RLGD. However, qualitatively, Local Authorities interviewed mentioned the following income sources as the most important: zakat (except in Hajjah Governorate), construction and public works fees, real estate taxes and fees, professional and business license fees and sales taxes on various products (qat, fish, industrial goods). Governorates with international crossing points and/or harbours are now keeping a share of customs duties for their own budget. Governorates with hydrocarbon resources (Hadramout and Marib) draw increasing income from resource exploitation, but little precise information was provided by the concerned governorates on this. Sources of local revenues, as would be expected, are more diversified and with a higher growth potential in urban than in rural districts.
- All Local Authorities insisted on the fact that their local revenue collection efforts all fall within the rules established by the Local Administration Law – yet a couple of them recognized at the same time that they have introduced new taxes³² and/or reassigned certain sources of revenues from the central government to the governorate's budget (e.g. the payroll tax on private businesses is now paid to the governorate budget in Marib and not to the central government budget anymore and 20 percent of hydrocarbon revenues remain with Hadramout and Marib Governorates). Such reassignments were usually negotiated with the central government, but both governorates were in a position of strength to obtain their goals.

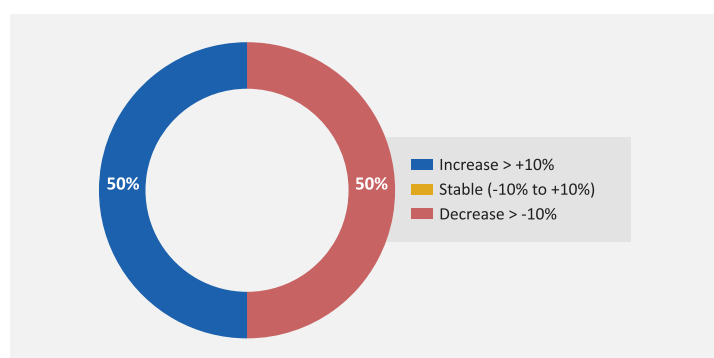


FIGURE 52: Change in total income (2018 vs. 2013) for governorates (% of surveyed Governorate Authorities)

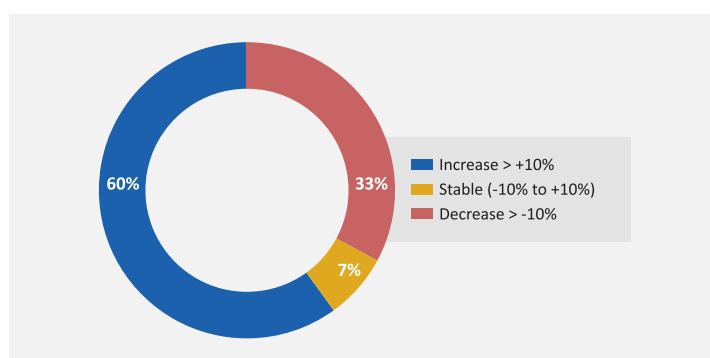


FIGURE 53: Change in total income (2018 vs. 2013) for districts (% of surveyed District Authorities)

Evolution of Local Authority income

- Total income
 - Contrary to what is often read, the total income (central and local revenues combined) of Local Authorities surveyed in 2018 is higher than pre-conflict (2013) by more than 10 percent for the majority of governorates surveyed (50 percent) and for even a larger share of the districts (60 percent), as shown in Figures 53 and 54. Where it has increased, District Authority income raised by +23 percent on average (minimum +10 percent, maximum +41 percent) and Governorate Authority income by +23 percent (minimum +14 percent, maximum +41 percent).
 - Income increase is limited to Local Authorities under IRGY control and is, for the most part, attributable to the raise of the central operations grant covering the salary increase of 30 percent awarded to all civil servants in these governorates. This has largely compensated in volume the reduction of 50 to 70 percent of the non-salary part of the central operational grant since 2015. Furthermore, as explained below, many governorates and districts have seen an increase in their local revenues, which further compensates these cuts.

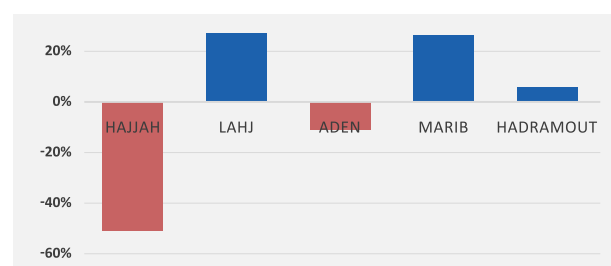


FIGURE 54: Change in total income (2018 vs. 2013) for districts (average change among surveyed districts)

32 In Hadramout, the Governorate Authority collects a transit fee equal to 20 percent of the customs duty amount on goods transiting from its harbours.

- Total income trends are completely location-specific and vary between districts in the same governorate (e.g. Sayoon District is the only district in Hadramout with lower income than in 2013) and between the Governorate Authority and District Authority in the same governorate (e.g. Lahj Governorate Authority has lost 35 percent of its pre-war income while districts have increased their income by 27 percent on average). Hajjah is in fact the only governorate where all Local Authorities surveyed, without exception, have seen a major slash in their income (up to 83 percent for Hajjah Governorate Authority). Assumingly, this is a situation that is common in al De Facto Authority-controlled governorates.
- Local revenues³³
 - The impact of the conflict on local revenues is overall not negative – in fact, 60 percent of the Governorate Authorities interviewed and 53 percent of the District Authorities mentioned an increase in local revenues collected as one of the main (and few) positive effects of the conflict (see Figures 55 and 56).

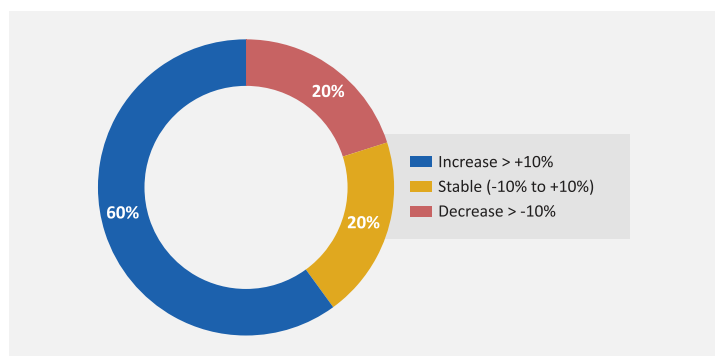


FIGURE 55: Change in local revenue returns (2018 vs. 2013) for governorates (% of Governorate Authorities surveyed)

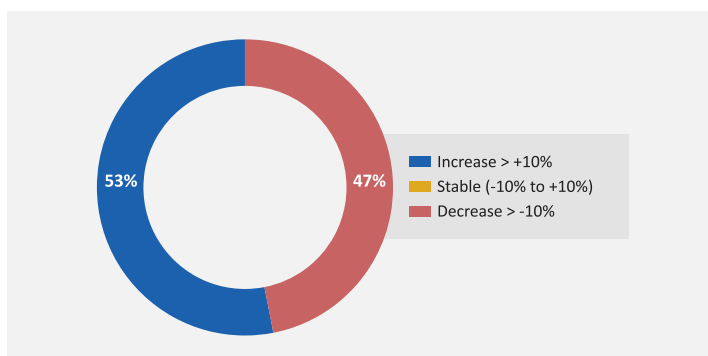


FIGURE 56: Change in local revenue returns (2018 vs. 2013) for districts (% of Distric Authorities surveyed)

- The local revenue situation is contrasted geographically (Figure 57). Not surprisingly, more stable governorates, which witness an increase in affluent population, fare the best in increasing their local revenues (Hadramout and Marib). Local revenue increases in Marib Governorate are exceptional (e.g. an increase of 392 percent in Marib City District), but should be looked at in light of a 41 percent population increase in the governorate since 2015 (and the doubling of the population of Marib City). Local revenues also increased in Lahj Governorate (though only in urban districts), which could denote a greater revenue collection effort from Local Authorities. Hence, security and stability are not the only reasons for seeing a positive change in local revenues: the level of urbanization, the dynamism of the local economy, the level of functionality of the local administration and the importance given by chief executives to revenue collection all combine to create a contrasted situation between areas in terms of revenue collection.³⁴

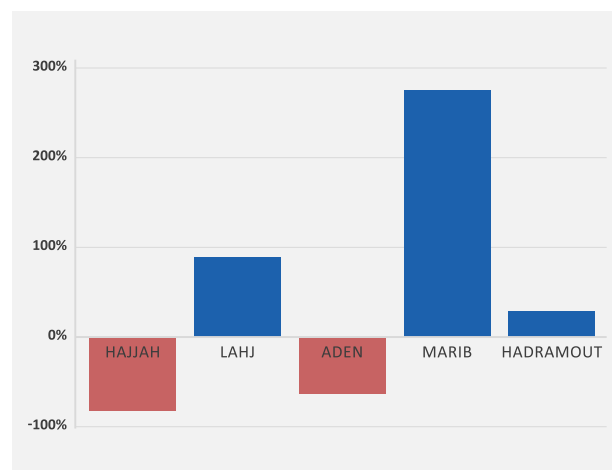


FIGURE 57: Change in local revenue returns (2018 vs. 2013) for districts (average change among districts surveyed)

³³ Including District Local Revenues and Joint Local Revenues.

³⁴ In the same governorate it is possible to find districts losing revenue while others are gaining (e.g. Lahj Governorate). And when the trend is positive for all districts, it can be in vastly different proportions (e.g. in Hadramout Governorate, + 21 percent for Shaher District and + 77 percent for Ghail Ba Wazeer District).

- While the local revenue situation looks positive, it is not seen as such by the most concerned: taxpayers. The private sector has systematically complained in all governorates – and even more when local revenues are skyrocketing – of the unjust fiscal pressure put on them since 2015. Some interlocutors question the legality of some of the taxes and fees they are subjected to. Local Authorities contend that certain taxes, while foreseen in the Local Administration Law, were not or hardly collected before 2015 for lack of capacity, legal clarity or incentives given to Local Authorities to collect them. CSOs and the private sector in the six governorates see the collection and use of local revenues as lacking transparency and sometimes directly accuse Local Authorities of mishandling and corruption. Yet, the accountability of local revenue management is not (yet) a major public policy issue, given the humanitarian crisis experienced by most of the population, but also maybe because the amounts concerned, even after the exponential increase seen in some areas, remain limited. For example, even in Marib City where local revenues increased by 392 percent since 2013, this still represents only 4,500 YER/year/capita.

Territorial equity

- Figure 58 shows the amounts of local revenues³⁵ generated per capita in the areas surveyed. On average, in 2018, Governorate Authorities collected 426 YER/capita and District Authorities collected 1,696 YER/capita.
- The spread in local revenue generation (difference between the lowest and highest values) is extremely high (1,310 YER for governorates and 4,442 YER for districts), pointing to high territorial inequalities as was already found for total income and for total expenditures. The highest collection rate (Marib City) is 126 times higher than the lowest rate in Habeel Jbar (Lahj Governorate). While certain governorates show a limited spread (Aden and Hajjah) among their districts, others demonstrate

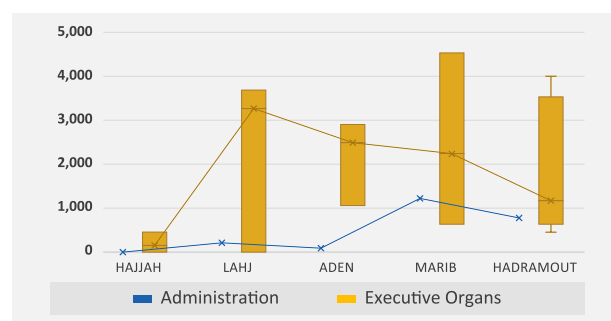


FIGURE 58: Local revenues per capita
(in YER, FY 2018)

the opposite (Hadramout, Lahj and Marib) with a huge difference between urban and rural districts. The data used for calculating local revenues per capita includes joint local revenues, which are redistributed by the Governorate Authority to District Authorities and are supposed to help attenuate inter-district revenue generation differences. However, the data on Figure 58 show that the redistributive function of the joint local revenue system is not effective anymore as otherwise such spreads within a single governorate would not be possible.

³⁵ Probably not inclusive of all revenues (in particular coming from extractive industries).

3.5 Civil society

SUMMARY – CIVIL SOCIETY AND LOCAL GOVERNANCE

- In contrast with what often happens in conflict-affected contexts, civil society freedoms and the enabling environment for civil society has not been significantly curtailed since 2015, with some notable exceptions (Hajjah and Taiz). In fact, in many areas surveyed, CSOs report a more conducive political, administrative and financial environment than before.
- Civil society operations remain constrained by a limited funding base, which is mostly coming from the Yemeni society, with only a small group of CSOs able to receive donor funding that allows them to recruit staff and run larger projects. More urban, stable and economically affluent areas (Aden, Marib and Mukalla) are more fertile ground for the development of CSOs engaged in local governance.
- Civil society plays a major role in bridging the gap between communities and authorities and protecting the most vulnerable in these times of crises, but it still lacks experience, effectiveness and access to resources for more complex local governance functions, such as service delivery and being a watchdog over Local Authorities through social accountability mechanisms, which are almost unheard of in the areas surveyed.

a) Strength

- The number of registered CSOs could only be communicated by Local Authorities (Social Affairs Sector Executive Organ) and the panel of CSOs interviewed in four out of six governorates. To allow comparison of the numerical strength of the civil society sector among these four areas, the ratio of CSOs per 10,000 population was calculated (Figure 59). Not surprisingly, areas that concentrate more wealth, urban elites and relative prosperity in society (e.g. Aden, Hadramout), have many more CSOs.
- A general fact in all areas is that the percentage of CSOs effectively implementing projects and/or working actively for advocacy and representing their constituencies is very small. Where figures were known, this percentage is usually less than 10 percent.

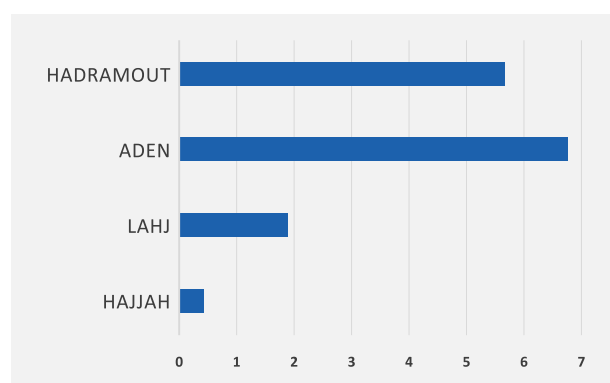


FIGURE 59: Numerical strength of civil society (registered civil society organizations/10,000 pop.)

b) Resources

- The most common sources of funding for local CSOs are membership fees and private donations. Only a small minority of CSOs in each location (less than 10%- except in Hajjah where it reaches 50 percent) manage to access donor funding – and they are the ones usually implementing the largest projects. Local Authorities usually do not fund CSOs but help them with free access to meeting venues and in-kind support to some of their events. Accessing donor funding is reputedly seen as a complex affair and it discourages many. Those that access donor funding are often accused of being opportunistic and only following demand-driven agendas.
- Staffing wise, it is not common for CSOs to have paid staff and the great majority rely on volunteers. Those who can afford paid staff are mostly those that also receive donor funding or large private donations. The same goes for access to training opportunities, which is almost exclusively available to CSOs implementing donor-funded projects.

c) Enabling environment

- The rise of civil society as an important local governance actor, as presented in Chapter 3.1, is permitted by the resilience of civil society freedoms as they existed before 2015 (reported by CSOs) in two-thirds of the governorates (Figure 60). However, this is not the case in Hajjah and Taiz Governorates, where CSOs report a more difficult security, legal and political environment in which they operate.
- Among the positive measures taken by Local Authorities to facilitate civil society's work, the simplification of registration procedures, holding regular coordination meetings, designating a focal point in local administrations to solve administrative problems faced by CSOs and providing political support to events and projects of civil society, were often mentioned. CSOs confirmed that relations with Local Authorities had improved and seemed satisfied, except in Hajjah and Taiz Governorates.

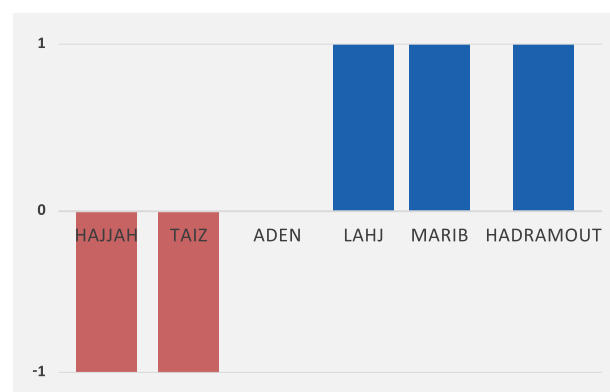


FIGURE 60: Changes since 2015 in the level of civil society freedom (as reported by civil society organizations; 0 = no change, -1 = less freedom, +1 = more freedom)

d) Functionality

A qualitative 360 degree analysis of civil society performance is presented in Figures 61 and 62, based on evaluations proceeding from a panel of CSOs and Local Authority officials in each governorate. The evaluation found the below points.

- CSOs play a major role in bridging the gap between communities and authorities and protecting the most vulnerable, but still lack experience, effectiveness and access to resources for more complex local governance functions, such as service delivery and being a watchdog over Local Authorities. This function (social accountability) came last in five of the six governorates surveyed.
- Geographically, Taiz Governorate CSOs trail far behind in terms of functionality, which may not be a reflection of their being weaker than elsewhere, rather than of the impact of the debilitating security and political situation in Taiz on their capacity to work. On the other end, Aden and Marib Governorates seem to have the most active and productive civil society. Aden was the only governorate where 'social accountability' was seen as one of the key roles played by CSOs.

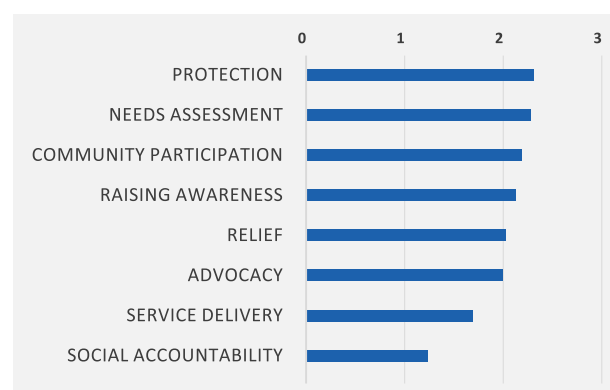


FIGURE 61: Overall civil society performance assessment (qualitative)

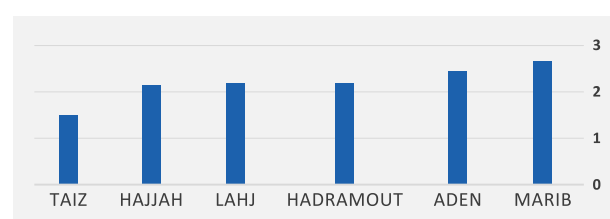


FIGURE 62: Civil society functionality score (qualitative)

3.6 Participation and inclusion

KEY FINDINGS: PARTICIPATION AND INCLUSION

- Citizen participation in local governance, whether directly or through mediated channels, has survived the conflict and is probably stronger at the community level, and in certain locations at the district level where the right mix of incentives (grants), stability, technical guidance and proactive leadership is gathered. But overall, what dominates at the formal level (districts, governorates) is a situation of lesser opportunities than before to balance strong executive powers with community voices.
- Participation of informal stakeholders in district and governorate decision-making happens mostly through informal channels, as was the case before the conflict, and is therefore subject to capture by elite interests that fail to be inclusive of marginalized voices. Some Local Authorities are trying to innovate to break this mold inherited from the previous regime, but more technical support is needed, both on the supply and demand sides.
- Issues of inclusion in local governance of vulnerable and underrepresented groups, such as women, youth and IDPs, are usually understood by Local Authorities, but more so at the governorate level than district level. However, progress in these areas is slow. While women have gained ground in community structures (mostly where initiated by donor projects) and women's CSOs have strengthened and are trusted interlocutors of Local Authorities, women's participation in higher-level decision-making remains marginal. Women's role in Local Authorities is rarely managerial and Local Authority resources devoted to women's empowerment have suffered in most areas since 2015, with the notable exception of Aden Governorate. Youth participation tends to be siloed to youth issues and recreation matters, but interesting initiatives are taking place in a few locations (e.g. Youth Councils in Hajjah Governorate) to broaden youth participation. Other marginalized groups in local governance (IDPs, disabled, muhammasheen) do not yet enjoy effective opportunities for participation.

a) Community participation

- It is difficult to evaluate the level of community and citizen participation achieved in a local area through a rapid appraisal, and opinions were split between the six governorates regarding the evolution of community participation since the conflict started. There are clear cases, like Hadramout, Hajjah and Taiz Governorates, where community participation is said to have decreased due to security constraints, lack of resources in Local Authorities and/or because of the dissolution of Local Councils. The latter opens the door to powerful local actors intervening directly with local executives to push their own agenda, with regards to the distribution of aid in particular.³⁶ Meanwhile, community participation in Aden and Lahj Governorate is said to have improved since 2015.
- All Local Authorities interviewed were adamant about the need and usefulness of community participation but their understanding of it often boils down to holding community consultations during needs assessments before annual planning. Such consultations at best are done by Local Authorities themselves through field surveys (for better resourced sectors, such as education and health) but often only happen through meetings held between senior executives and so-called community representatives (tribal sheikhs, neighbourhood leaders, CSOs). The case of neighbourhood leaders ('aqil) is controversial in several areas as they are selected by Local Authorities and not chosen by communities, and their main role rests with security maintenance.
- The only cases of structured bottom-up planning processes are really where Village Cooperative Committees have been set up and linked to Local Authorities through informal sub-district platforms and sub-district recovery plans, with the help of the SFD (e.g. Aden, Hajjah, Lahj). It is clear that the presence (past or present) of the SFD's Tamkeen programme has had a positive impact on the awareness and importance given by Local Authorities to community participation. However, Village Cooperative Committees are not present everywhere and in certain governorates (Hadramout, Marib), very few of them exist.

36 Al-Awlaqi, W., M. al-Madhaji. "Local Governance in Yemen amid Conflict and Instability." Sana'a Center for Strategic Studies. July 2018.

b) Women's participation in local governance

- The level of importance given to facilitating women's participation in local decision-making is not uniform across the areas surveyed and not a universally held objective. Importance given to women's participation was the highest in Hajjah and lowest in Hadramout and Taiz Governorates (where the idea only received lukewarm support from District Directors). Local Authorities in Aden and Lahj Governorates have the most pro-women policies among the six areas. There, most Local Authority offices support the concept of women participation, except certain service sectors (public works, electricity, trade), which consider that the services they provide do not have to be gender-sensitive nor do they have to consult specifically with women when delivering them. All in all, none of the Local Authorities surveyed on this issue thought that the current period was conducive to greater women's participation in formal decision-making but recognized that women had conquered often a more important role in community-level governance. This opinion was expressed in particular where VCCs are well implanted.

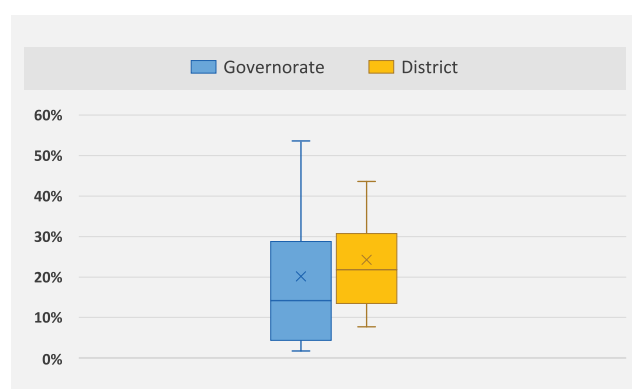


FIGURE 63: Percentage of women staff in Local Authority offices (among civil servants only, non-exhaustive)

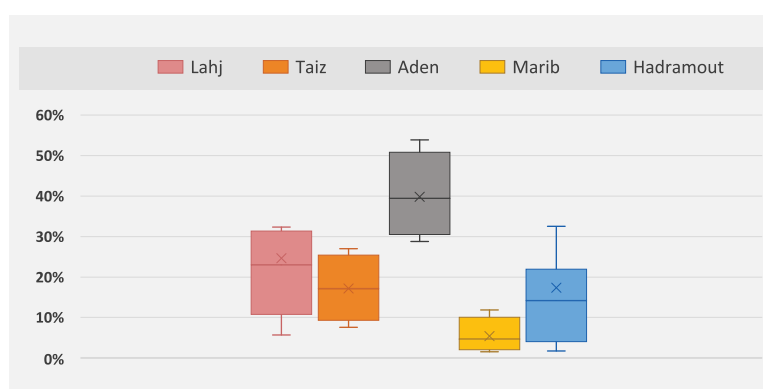


FIGURE 64: Women Local Authority staff per governorate (among civil servants only, non-exhaustive)

- The main channels for women's participation in local governance are: Local Councils, Women CSOs, VCCs and employment in Local Authority offices.
 - Local Councils. This is a very narrow door currently for women's voices, as only four of the 19 Local Councils (active and inactive) that provided membership information counted women (in Aden and Taiz Governorates). Women's membership on these Local Councils did not exceed two members, representing on average seven percent of the Local Council membership.
 - The participation of women in civil society and the engagement of Local Authorities with women's CSOs is by far the most common and effective channel for women's participation in decision-making. This starts at the community level and continues all the way to governors consulting regularly with women's CSOs. Women form a higher share of CSO members in any location than membership in Local Authorities. For example, women represent 29 percent of the CSO members interviewed for the RLGD, but only five percent of the Local Authority officials (11 percent for Governorate Authorities and two percent for District Authorities).
 - Women's employment in Local Authority offices is presented in Figures 63 and 64. These are non-exhaustive data in the areas surveyed as only 37 percent of Local Authority offices interviewed could report the number of women among their staff. The range of women's share in Local Authority staff is wide, with no significant difference whether employment is at district or governorate level. Overall, Aden Governorate Local Authorities have the highest participation of women in their workforce.³⁷

³⁷ Hajjah Governorate is not considered, as insufficient data on women's employment was obtained from Hajjah Local Authorities.

- The main actions taken by Local Authorities, as reported by them, for increasing women's participation in local governance consisted of:
 - providing training specifically for women employees in Local Authorities;
 - sponsoring training and other activities organized by women CSOs;
 - promoting women in higher responsibility posts (only in Aden and Marib);
 - engaging with community structures where women are well represented (Village Cooperative Committees, Parents' Associations); and
 - consulting with women during needs assessment campaigns.
- In principle, each Local Authority's Diwan (administration) in Yemen, whether governorate or district level, should have a Women's Affairs Unit to promote women's empowerment. The reality of their presence and functionality currently is shown in Figures 65 and 66. Greater importance is given by Local Authorities in the south (Aden and Lahj Governorates) to support women's empowerment during this time of crisis.

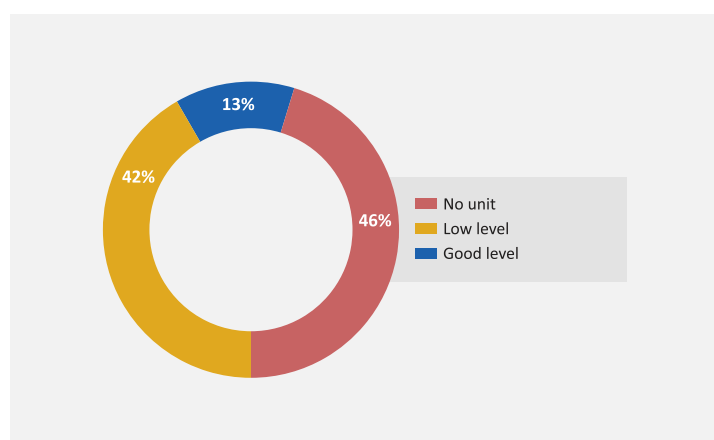


FIGURE 65: Functionality of the Women's Affairs Unit (% of surveyed Local Authority units)

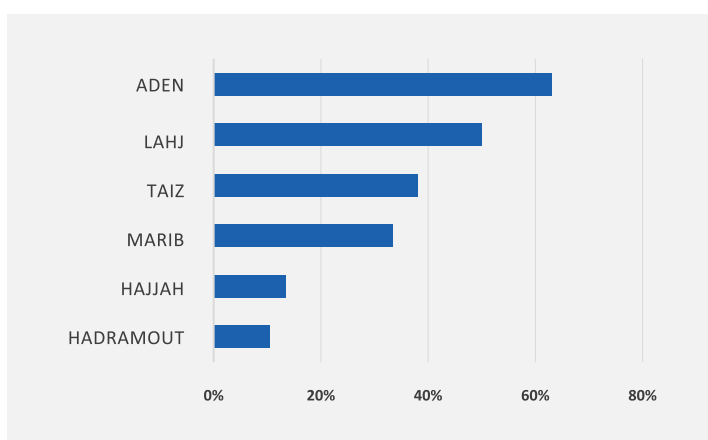



FIGURE 66: Women's Affairs Unit Functionality Score

c) Youth participation in local governance

- The level of importance given to youth participation in local decision-making is not uniform across the areas surveyed, but recognizing the need for greater youth participation tends to be higher than for women's participation in general. Youth participation is usually a matter better recognized at governorate than district level, and in social services sectors (health, education) and economic development (trade) than in others (water, electricity, public works, agriculture). One aspect specific to youth empowerment among Local Authorities surveyed is that it is often understood as 'youth entertainment' more than youth participation in decision-making and many of the Local Authorities mentioned their support to sports and culture activities for youth when asked what they were doing to support youth inclusion in local governance.
- Yet, opportunities for youth participation seem to have increased in most areas – except in Taiz Governorate where, as for women and citizen participation in general, Local Authority officials are pessimistic on the current situation and do not implement any specific policies to shore it up. Elsewhere, the most common approaches taken by Local Authorities consist in engaging with VCCs when they implement projects (as these committees usually have a good level of youth representation on their board), in supporting youth CSOs with logistics and training, and in participating at youth events. Certain governorates take more ambitious policies. In Hajjah, for example, the Governorate Authority and two District Authorities have established Youth Councils to advise them on youth needs and youth-friendly policies. In the Aden Governorate Authority a Youth Affairs Officer was nominated to mainstream youth sensitivity in the Governorate Authority's actions. In Hadramout, the Governor tries to increase the ratio of youth in mid-level managerial positions in his administration.
- Civil society is active in four of the six governorates (except in Hadramout and Taiz) in supporting the emergence of youth leaders by incorporating more youth in their structures and in conducting youth leadership training. However,



some CSOs underline the difficulty of attracting youth in their activities, or any public role in general, given the impact of the conflict on youth whereby many drop out of schools and higher education to eke out a living or join an armed group.

d) Other marginalized groups

- No policies exist in any of the Local Authorities to increase the participation in decision-making of other marginalized groups, such as the disabled, muhammasheen, refugees and indigenous population (e.g. in Aden Governorate), and awareness of the issue in general is limited. Some Local Authorities make efforts to understand the needs of these marginalized groups, especially the disabled, by engaging with CSOs that defend their rights and provide them with welfare. The case of the muhammasheen attracted the least awareness and efforts among Local Authorities.
- The situation for IDPs is different as IDPs are not barred from joining any community structures in their new place of residence, and they can defend their needs alongside those of host communities. There does not seem to be a problem from the host community to include IDPs in informal governance systems. Some Local Authorities have set up an IDP Executive Unit in their administration (more so at governorate than district level. These units engage with CSOs that support IDPs – but there was no mention of any formal representation of IDPs in meetings and platforms organizing relief and other kind of support to IDPs.

3.7 Requests for support

- The last section of the RLGD consisted of asking interviewees (Local Authorities, CSOs and the private sector) to prioritize what they thought should be done by donors and the government to improve the resilience of Local Authorities and local communities in the current crisis context and to help them play a key role in the recovery of the country in the future. Interviewees were asked this question in an open-ended fashion and did not have to choose from a closed list, hence the wide range of responses provided (Figure 67). As capacity development was requested systematically by all interviewees, it is not ranked in the charts, but the specific themes for which capacity building was requested are listed further down the page. Results are presented in a consolidated format per governorate in Figure 68 (only the three most cited priorities).
- The most common priority expressed was repairing, refurbishing and rebuilding Local Authority offices as these have suffered from the conflict. Supporting Local Authority operations with budget and equipment was also a common demand, especially from Sector Executive Organs that get very little support currently from their line ministries (e.g. agriculture, public works, trade). Paying incentives to Local Authority staff was among the top priority in Hajjah Governorate, but less commonly asked elsewhere.

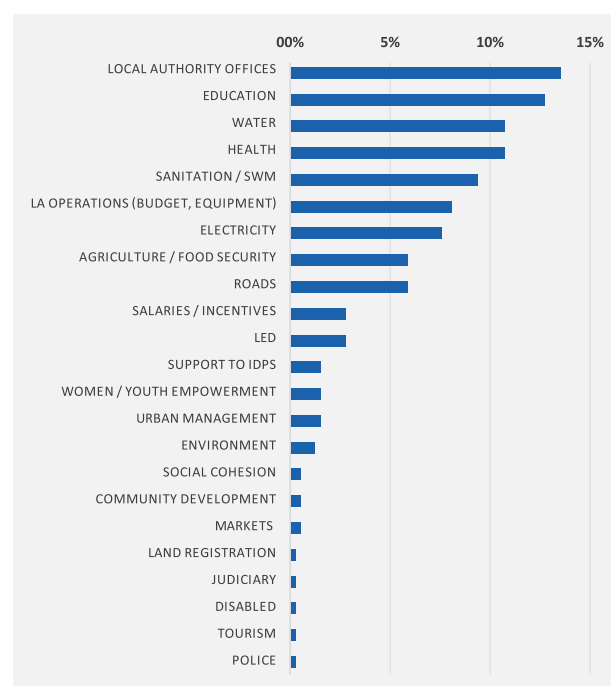


FIGURE 67: Priority needs of local governance (in % of quotes by respondents)

	HAJJAH	TAIZ	LAHJ	ADEN	MARIB	HADRAMOUT
Local Authority offices						
Local Authority operations						
Sanitation/SWM						
Health						
Education						
Salaries						
Water						
Electricity						

FIGURE 68: Three main priority areas for support (qualitative evaluation)

- Education, water supply and healthcare come next in the list of priorities, particularly where pressure is exerted on existing service delivery capacities by a large IDP presence.
- The nature of priorities is distinct between governorates, between districts and between governorate and districts. This, combined with the high diversity in contexts and capacities found at the local level, as demonstrated through this Diagnostic, highlight the need for a demand-driven approach to local governance support in Yemen.
- Details on requests conveyed by interviewees on a governorate and district basis are available from the RLGD database and can be shared on demand by UNDP.

- In terms of capacity development, below are the priority domains for which Local Authorities and CSOs felt they needed the most support. This is a consolidated list from all the governorates and districts; a high level of variety was not found among the areas surveyed.
 - Statistics database management
 - Conducting surveys and building indicators
 - Strategic planning
 - Annual planning and budgeting
 - General administration
 - Leadership development
 - Revenue development, collection and management, including relations with taxpayers
 - Accountable financial management (for Local Councils and administrations)
 - Project development and proposal writing
 - Project implementation
 - Procurement
 - Financial auditing (reactivating the Central Organization for Control and Auditing)
 - Social accountability/grievance-handling
 - Community and civil society participation
 - Conflict analysis and conflict resolution (for CSOs, Diwan staff, and community leaders)
 - Conflict-sensitive development
 - Security maintenance
 - Judiciary
 - Technical staff training for needs assessments, project design and specialized skills (health workers, environmental health specialists, teachers, school principals, engineers, fisheries officers, power plant managers, building inspectors, civil engineers, food inspectors, environmental health, etc.).
 - Private sector: entrepreneurship, small projects, account and financial management, language courses, business development courses.

ANNEX 1: LOCAL AUTHORITY ORGANIGRAMS

