

OECD Survey on Harmonization and Alignment

**Yemen**

## List of acronyms in alphabetical order

BEDS	Basic Education Development Strategy
CAW	Country Analytic Work
CFAA	Country Financial Accountability Assessment.
COCA	Central Organization for Control and Auditing
CONTACT	Country Assessment in Accountability and Transparency (UNDP).
CPAR	Country Procurement Assessment Review
DAC	Development Assistance Committee
DfID	Department for International Development (UK)
DLDSP	Decentralization and Local Development Support Program (UNDP)
EC	European Commission
EFA -FTI	Education for All - Fast Track Initiative
EU	European Union
GoY	Government of Yemen
HSR	Health Sector Reform
IMF	International Monetary Fund
IWRM	Integrated Water Resources Management
MDGs	Millennium Development Goals
MoCSI	Ministry of Civil Service and Insurance
MoE	Ministry of Education
MoF	Ministry of Finance
MoHR	Ministry of Human Rights
MoJ	Ministry of Justice
MoLA	Ministry of Local Administration
MoPHP	Ministry of Public Health and Population
MoPIC	Ministry of Planning and International Cooperation
MoU	Memorandum of Understanding
MoWE	Ministry of Water and Environment
NWSSIP	National Water Sector Strategy and Investment Plan
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PD	Partnership Declaration
PER	Public Expenditure Review
PGPR	Plan for Growth and Poverty Reduction
PMUs	Project Management Units
PRS	Poverty Reduction Strategy
PRS-FMU	PRS Follow up and Monitoring Unit
PWP	Public Works Project
RNE	Royal Netherlands Embassy
SEFM	Strengthening Economic and Financial Management (Project)
SFD	Social Fund for Development
SWAp	Sector Wide Approach
TA	Technical Assistance
UNCDF	UN Capital Development Fund
UNDP	United Nations Development Program
UNFPA	United Nations Fund for Population Activities
UNICEF	United Nations Children Fund
USAid	United States Agency for International Development
WB	World Bank
WFP	World Food Program
WHO	World Health Organization

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## 1. INTRODUCTION

This report presents the findings of a baseline survey on Harmonization and Alignment in Yemen which was conducted in November / December 2004. The aim of the survey is to measure progress in Harmonization and Alignment against 13 key indicators developed by OECD - DAC based on the Rome Declaration. It is hoped that the findings from this survey will then be used to report status to the second High-Level Forum on Harmonization, scheduled to take place in Paris in the first quarter of 2005.

The technique used in data collection was the OECD - DAC self administrated three-part questionnaire. Part I of the questionnaire was administered by individual donors and key officials of relevant Yemeni Ministries to reflect their common prospective<sup>1</sup>. Part II was administered by donors while part III was administered by relevant Yemeni Ministries. Respondents were requested to answer most of the questions by a 'yes' or a 'no' and where there was no clear cut answer to some questions, respondents were asked to qualify their answer using "qualify yes" or "qualify no". These two categories required respondents to provide additional qualitative information. The result amounts to a four-point scaling system. The analysis of the report draws heavily on OECD - DAC literature on good practice. The format of the report is similar to the reporting format of OECD - DAC used in other countries. The report is divided into five chapters. Chapter 1 presents the country context and an overview or a general impression of the process of Harmonization and Alignment. Chapter 2, 3 and 4 looks at Ownership, Alignment, and Harmonization respectively. Finally, chapter 5 refers to outstanding issues.

### 1.1 Country Context

1.1.1 Yemen is an Arab state in the south-western tip of the Arabian Peninsula, with a population of estimated at 21,850 million in 2005 and a high population growth rate of 3.5% (CSO Statistical year book, 2000). Yemen is a country belonging to the group of least developed countries (LDCs) with a GDP per capita US\$ 404 in 2000. The proportion of households below the food poverty line is 15.9% while the proportion of those who can not afford their basic needs represents 29.50% of the households (CSO's Poverty Information Monitoring System, 1999). The Structural Adjustment Policy which the GoY initiated in 1995 stabilized the economy but poverty has increased. Yemen has been selected as one of the pilot countries under the Millennium Project to be working on MDG based development and poverty reduction plans.

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<sup>1</sup> The response to part 1 of the questionnaire was substantiated by during the deliberations of the December Workshop on Harmonization to reflect a common prospective between donors and the GoY

## 1.2 Harmonisation and Alignment Overview

### Box 1: Harmonization and Alignment Overview

#### Ownership

The GoY is currently preparing the third five year national development plan which was named by the Deputy Prime Minister and Minister of Planning and International Cooperation as the Plan for Growth and Poverty Reduction (PGPR). This plan will also incorporate the Poverty Reduction Strategy (PRS) to ensure that the PRS is integrated in the national processes and to foster a sense of ownership of the results of the development process. In the meantime, ownership of the development process is patchy and seems to vary in different sectors. Ownership in the Education and Water Sectors is good but it is at an early stage. In Health, ownership is poor. Ownership is undermined as donors bypass the weak national systems without assisting in strengthening such systems.

#### Alignment

Alignment to national priorities is taking place as donors generally adhere to national priorities. However, alignment to country systems (i.e. procurement, disbursement, reporting, M&E, and auditing) is limited because donors consider these systems to be weak. Donors are opting out of government systems and procedures in favor of their own systems or the use of parallel systems such as Project Implementation Units (PIUs). The previous PRS was said to be weak in terms of prioritization and costing making it difficult for donors to use it effectively to plan development assistance.

#### Harmonization

Harmonization is still at an early stage as there are many conditionalities imposed by donors and there are numerous uncoordinated missions. There are few practical arrangements for harmonization, but there are hopes for optimism at sector level (i.e. in the education sector where a partnership declaration was signed in 2004 between the GoY and donors supporting the education sector). It is expected that other sectors like water and health will follow suit in 2005 if momentum continues. Sharing information and analytic work is an area where more collaboration is needed among donors. There is also a need to improve communication within departments of each ministry, between different ministries, and among donor agencies to reduce duplication of efforts and fragmented approaches. The December Workshop on Harmonization and Alignment which was hosted by MoPIC and supported by DfID/RNE is a starting point in the harmonization process. A series of workshops on harmonization at sector level are to be organized by MoPIC in the first half of 2005.

## 2. OWNERSHIP

### 2.1 Government institutional arrangements for coordinating donors and ODA

2.1.1 A plan for harmonisation is yet to be developed by the Government of Yemen (GoY) represented by the Ministry of Planning and International Cooperation (MoPIC). In the mean time MoPIC has hosted a two day workshop on harmonisation and alignment in December 2004. MoPIC has developed a harmonisation and alignment framework which was distributed to donors participating in the workshop with the aim of signing this framework as a declaration of principles. Donors asked for sometime to review the document and to get feedback from their headquarters before signing. The document was later signed on 30<sup>th</sup> January 2005 after the baseline survey was conducted and the results of the baseline survey were revealed.

2.1.2 The common response of both the GoY and donors was that there is currently no clear agenda for greater harmonisation and alignment of aid in Yemen as such. Nevertheless, the coordination process has been communicated through the inspiration of the PRS and the MDGs. The new National Plan for Growth and Poverty Reduction “PGPR 2006 - 2010”, equivalent to PRS, is currently being developed by the Yemeni government in close consultation with donors and UN agencies with the involvement of civil societies and the private sector. The process reported by one donor as being *“just the beginning and will take some time to show results”*.

#### Indicator 1: Clear agenda on harmonization?

Clear Government Agenda	xx no
Is there support for the agenda? .....according to donors?	xx can't answer*
.....according to the government?	✓ yes, but

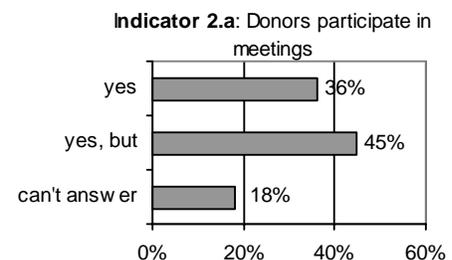
**Note** \*: can't answer means Government has not set its agenda

2.1.3 The survey revealed that there is currently some sort of a formalised process for overall coordination and policy dialogue at country level. The Ministry of Planning and International Cooperation (MoPIC) coordinates and chairs meetings on the preparation of the PGPR as a framework for overall coordination and policy dialogue.

#### Indicator 2: GoY leads national coordination processes?

A formalised process for donor coordination & policy dialogue is established?	x no, but
Government takes a proactive approach and challenges donors?	xx no
Donors actively participate or represented in coordination meetings?	✓ yes, but (63%)
The Government exercises an appropriate level of authority in coordinating ODA?	xx no, but <sup>2</sup>
Donors' procedures support the government's efforts to achieve its MDGs?	xx no

Donors who reported taking part in meetings chaired by GoY represent 81% of donors, but 45% of the respondents chose to qualify their response indicating that the frequency of consultation is inadequate and does not focus on harmonization as such, but it is rather more general. One of the donors noted the following *“the government is not effectively taking a leading role. MoPIC is the focal point for coordination and policy dialogue, but has weak managerial structure and lacks relevant expertise as well as the ability to ensure effective, consistent coordinated role among different stakeholders”*.



On the other hand, a policy dialogue between the EU and the government of Yemen exists and an EU aid harmonization process has been launched recently. Sectoral aid harmonization exist which is not led by the GoY but usually by UNDP or the WB.

<sup>2</sup> The GoY noted that donors' procedures and practices do not fully support GoY's efforts to achieve and sustain its own development goals. The GoY cited the Food Security Program supported by USAid and EC, as a good example, where GoY has overall control & responsibility over the program.

2.1.4 **Indicator 2.b** measures the extent to which the GoY takes a proactive approach and whether it usually challenges donors when they fail to abide by the nationally agreed principles for co-ordinating, harmonising and aligning their development assistance. The response by both donors and MoPIC revealed that the government does not challenge donors. MoPIC indicated that it presents policy frameworks to donors and makes sure that donors are aware of national socio-economic development and poverty reduction priorities. The December Harmonization Workshop hosted by MoPIC provided an opportunity for MoPIC to highlight its intention to exercise an appropriate level of authority in coordinating development assistance in order to heighten the sense of ownership in development results.

## 2.2 Capacity weaknesses and capacity building

**Indicator 3** seeks to measure the capacity of the GoY to effectively manage and coordinate development assistance and whether donors' support for capacity building matches GoY's needs. The indicator will provide a baseline measure of progress in the implementation of plan for harmonization which is yet to be developed by the GoY in consultation with donors.

2.2.1 The response (common perspective) on Public Financial Management indicate that the GoY acknowledges the capacity gap in this area, but there is no strategy developed to address it. The WB is co-ordinating support to the Government with the RNE on the preparation of the Country Financial Accountability Assessment (CFAA) and implementation of the Country Procurement Assessment Review (CPAR) Action Plan which strongly recommends capacity building of the government's procurement function in view of the focus on decentralization to local authorities. A draft Country Financial Accountability Assessment. (CFAA) has been prepared in 2004 which supports the OECD-DAC initiative on preparing an accounting standard for development assistance and inter alia addresses the need to strengthen COCA's ability to monitor and improve district-level accounting. A Country Procurement Assessment Review (CPAR) was completed in late 2000 which led to the WB providing technical assistance (TA) for preparation of the National Procurement Manual and SBDs including the government's local authority procurement procedures in support of decentralization. A full-fledged procurement procedural manual is expected to be finalized by the first half of 2005.

2.2.2 The GoY acknowledges the need for modernization and reform in the area of Budget Formulation, Execution, Reporting and Review. To address the need, an ongoing Public Expenditure Management (PEM) activity resulted in a draft proposal called "Moving Forward with Budget Reform and Fiscal Decentralization". The proposal prepared in June 2004 is still under discussion on its recommendations of urgently developing the budget system in many important areas of public finance, fiscal decentralization & improvement of public services to deliver on PRSP/MDGs. The GoY intends to organize a workshop for donors to sensitize them on the existing budget structure and procedures and budget cycle. The workshop is expected to take place in 2005.

2.2.3 In the area of overall coordination of development assistance, the GoY is well aware of its weaknesses, but the gaps have not yet been addressed.

**Indicator 3: Capacity weaknesses and the level of support for capacity building**

Main areas	Weaknesses .....		Level of support for capacity building matches capacity needs?
	...have been identified?	...have been addressed?	
Public Financial Management or Procurement.	✓ yes, but	✗ no, but	✗✗ no
Budget formulation, execution, reporting & review.	✓ yes, but	✓ no, but	✗✗ no
Overall co-ordination of aid.	✓ yes, but	✓ yes, but	✗✗ no

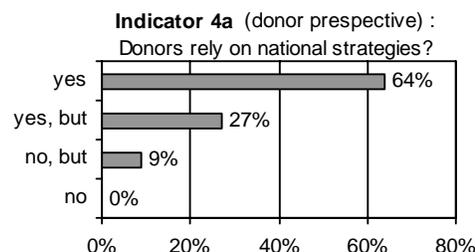
2.2.4 It is unanimously agreed among donors and the GoY that current level of support for capacity building is not appropriate as it is unlikely to meet the needs in the three main areas. It all remains to be done.

### 3. ALIGNMENT

#### 3.1 The Development Plan for Poverty Reduction

3.1.1 A new national development plan referred to as the Plan for Growth and Poverty Reduction (PGPR) is being finalized and will cover the period 2006-2010. The PGPR will combine the five year national plan and the PRSP with the aim of integrating the PRS into the national plan thus increasing the sense of ownership of the process and of development results by ensuring commitments to its implementation.

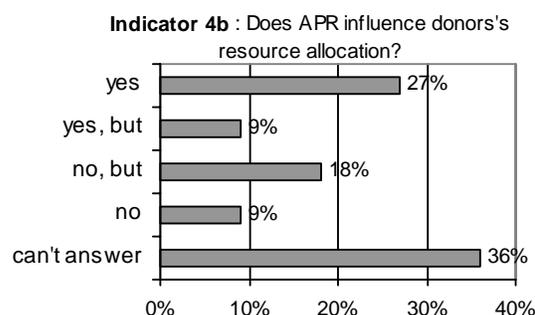
3.1.2 Donors are currently using PRS as a guide to program their assistance until the PGPR is finalized and approved. Out of the 91% of donors who said yes, 27% (=3 donors) chose to qualify their answer. One donor noted that “Efforts have been made to integrate the priorities of the GoY mentioned in PRSP in our cooperation program. However, there were two obstacles to this reliance: (1) our cooperation program has an background in Yemen, and cannot be totally changed from one year to another; (2) the PRSP doesn't give sufficient actions guidance for donors”. The second donor noted that “Planning is in line with or results from the PRSP. The first PRSP 2003-2005 oriented the actions and programs in the water sector. Progress and performance monitoring is however weak. The second PRSP or the 3<sup>rd</sup> Five Year Plan will be the new guiding document”. The third donor noted that “our current country program is not based on PRS nevertheless it fully compliments the PRS priority areas”.



#### Indicator 4: Donors strategies are aligned on GoY's national strategies

Completion of a poverty reduction strategy "PRS"?	✓✓ yes
Is the strategy Operationalized?	✗ no, but
Is there an annual progress review APR?	✓ yes, but
Donors rely on national strategy to program their development assistance?	✓✓ yes
APR of PRS influence donors decisions on resource allocation?	✗ no, but
Does the government feel that donors program assistance according to PRS?	✓ yes, but

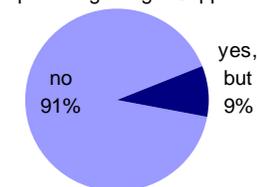
3.1.3 An Annual Progress Report documenting the progress in the implementation of PRS during 2003 is currently being reviewed by donors. In response to the questionnaire, 36% (= 4 donors) said that the APR has influence on their resource allocation. Out of the total number of respondents, 36% (= 4 donors) chose the category “cannot answer” indicating that they are not aware that an Annual Progress Review (APR) has taken place or they may have wanted to express their reservation on the process or the quality of the report. For the 18 % of respondents (=2 donors) who chose to qualify their response (no, but) they noted the followings: One donor noted “the first APR was published only recently, and the findings are to be documented/ precise enough to influence our decisions”. Another donor noted “We allocate resources on the basis of a bi-annual National Indicative Program (NIP). Allocated amounts per sector are not usually redefined in the course of the NIP. Progress reviews however do influence the establishment of new NIPs and the decision to involve in certain sectors”.



### 3.2 Budget Support

3.2.1 **Indicator 5:** One important aspect of alignment is donors' ability to deliver budget support according to partner country's budget procedures and over a time-frame that is consistent with partner country's financial planning horizon (OECD-DAC). The survey revealed that the EC is the only donor currently involved in providing budget support who responded<sup>3</sup> to the questionnaire. The EC provides budget support on the basis of a bi-annual funding commitments under its Food Security Program. This budget support will change into traditional projects as from 2004 onwards, although ongoing commitments remain budget support to be completed by 2006. The change of aid delivery from budget support to project aid was said to be due to the slow disbursements and other performance indicators. The commitments made in 2003 did not take place at a time that allowed the GoY to take them into account in their budget preparation. The disbursements made in 2003 were not according to the scheduled commitments because the schedule for disbursements is conditional to signing of a MoU which took longer than expected and therefore the disbursement is slower than expected. MoPIC indicated that budget support is not provided according to the GoY's budget cycle but rather the GoY schedules its budget cycle according to donor's commitments.

**Indicator 5:** Donors providing Budget Support



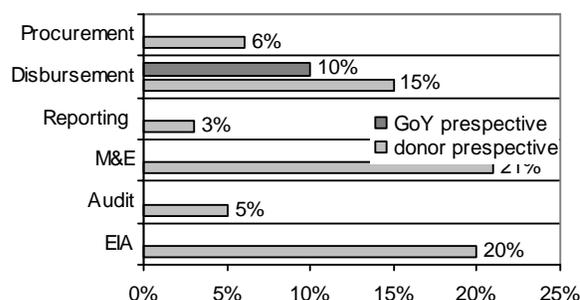
**Indicator:** Is budget support predictable?

Response category	Multi annual funding commitment	Timely commitments	Timely disbursements
yes			
Yes, but	1 out of 11 donors (9%): EC		
No, but			1 out of 11 donors (9%): EC
No		1 out of 11 donors (9%): EC	
(Do not provide budget support)	10 out of 11 donors (91%): Germany, France, DFID, RNE, WFP, Unicef, UNFPA Japan, WHO, WB	10 out of 11 donors (91%): Germany, France, DFID, RNE, WFP, Unicef, UNFPA Japan, WHO, WB	10 out of 11 donors (91%): Germany, France, DFID, RNE, WFP, Unicef, UNFPA Japan, WHO, WB

### 3.3 Project Support

3.3.1 **Indicator 6** measures the use of country systems by donors in project support. The survey revealed differences of opinion between the response of donors and that of the GoY. According to the GoY, the extent to which national systems are used in the delivery of projects is only limited to disbursement and even then the extent to which donors rely on national system in disbursement is only 10%. To the contrary, donors claimed using a number of national systems to a varying degree in the delivery of their projects.

**Indicator 6:** % of projects using national systems



<sup>3</sup> USAid also involved in budget support but data for their aid delivery is not available

### 3.4 Sector Support

3.4.1 **Indicator 8** looks at whether systems for key sectors are in place and assess the level of support by donors to key policy sectors.

	Health	Education	Water	Transport	Agriculture
<b>Are sector systems in place?</b>					
Clear sector policy and strategy?	✗ no, but	✓ yes, but	✓ yes, but	✗✗ no	✓ yes, but
a MTE program is established?	✗✗ no				
A formalized process of donor coordination is in place?	✗ no, but	✓ yes, but	✗ no, but	✗✗ no	✗✗ no
A sector performance monitoring system is in setup?	✗✗ no	✗ no, but	✗✗ no	✗✗ no	✗✗ no
An agreed process towards harmonization systems?	✗✗ no	✗ no, but	✗✗ no	✗✗ no	✗✗ no
Government exercise an appropriate level of authority	✓ yes, but				
<b>Are donors supporting them?</b>					
Reliance on sector policy?	✓ yes, but	✓✓ yes	✓ yes, but	✗ no, but	✗✗ no
Funds are integrated into the MTE program?	✗✗ no				
Donors participate in the donor coordination process?	✓✓ yes	✓✓ yes	✓ yes, but	✗✗ no	✗✗ no
Donors use existing monitoring systems for reporting?	✗ no, but	✗ no, but	✗ no, but	✗✗ no	✗✗ no

#### Box 2: Summary of harmonization progress by sector

##### The Health Sector

A health sector reform strategy exists since 1998 which is said to be outdated and the MoPHP is the process of updating it and will present its updated version of the strategy during the national health conference which is planned for July 2005. A reproductive health strategy has been developed by the MoPHP in consultation with donors which is going to be updated this year. However, both strategies have not been translated into realistic Action Plans which are costed or linked to budget priorities. A mechanism for donor co-ordination, under the leadership of the MoPHP has been developed, but the meetings are not regular. Moreover, the efficiency of the meetings leaves much to be desired, as discussion focuses on progress at program level (on issues and themes) rather than progress at the sector as a whole. The MoPHP has developed a Health and Population Partners data base. Nine donors reported to be currently active in this sector representing 82% of the total donors responding to the questionnaires. DFID is expected to join them in 2005. The GoY is planning a workshop on sector harmonization and alignment in the first half of 2005 with a possible support from DFID/RNE.

##### The Education Sector

The Basic Education Development Strategy (BEDS) outlined the principles for reform and expansion of education for 2002-2015. The Strategy provides a clear set of policy actions, however, it needs a revised plan of operations to establish a clearer link between policy and budget priorities. Although financing gaps were identified using the Fast Tract Initiative (FTI) indicative framework, the link between (government) budget and policy is still weak. A set of indicators and targets formed part of BEDS and was modified in the framework of FTI. Difficulties with data accuracy, timeliness and consistency means that monitoring progress is an area that needs much improvement. A Partnership Declaration (PD) was signed between the Government and nine donors (multi- and bilateral) in early 2004, outlining the principles for more harmonized support to basic education. Although government and donors meet fairly frequently this process is not yet well structured. Efforts are currently being made to improve on this. Nine donors reported to be currently active in this sector. They represent 82% of the total donors responding to the questionnaires. The GoY is planning a workshop on sector harmonization and alignment in the first half of 2005 with a possible support from DFID/RNE.

##### The Water Sector

The Yemeni Government has prepared a National Water Sector Strategy and Investment Plan (NWSSIP), indicating the objectives, policy issues, priority actions and investment needs for the sector for the period 2005-2009. The NWSSIP is the main policy document for the water sector and has adopted the targets of the Yemeni PRS as well as the MDGs. The NWSSIP is in the process of ratification by the parliament. There is currently no formal donor coordination at sector level but donor coordination does take place at sub-sectoral level. Performance monitoring is still weak in the various sub-sectors, but there is an ongoing dialogue and it is a requirement within the NWSSIP. A donor summit is planned for 2005 which is expected to lead to an agreement between the Yemeni government and the donor community regarding development assistance to the water sector. A single document defining the conditions of all donors to support the water sector might be an expected outcome of the summit. The GoY is planning a workshop on sector harmonization and alignment in the first half of 2005 with a possible support from DFID/RNE. Seven donors are currently active in this sector. They represent 70% of the

total donors responding to the questionnaire. DFID is undertaking an appraisal of Dutch support to the water sector in January 2005, with the aim of providing support to this sector via a Dutch funding instrument.

### **The Transport Sector**

Donors are not aware that the sector has a clear strategy as indicated by three of the four donors who are currently supporting this sector, although MoPIC noted there is a clear sector strategy as part of the national PRS. The sector does not have a medium term expenditure program or a performance monitoring system and there is clearly no formalized donor coordination at sector level. The donors reported to be supporting this sector are Japan, WB, DFID and the EC. The latter is supporting the construction of rural access roads through the Food Security Program while DfID is supporting the construction of rural access roads through the Social Fund for Development. Of the four donors only the WB claimed relying on sector strategy while other donors are not aware if there is a clear sector strategy.

### **The Agriculture Sector/ Rural Development**

The Government of Yemen (GOY) has initiated the preparation of a rural/local development strategy (RLDS) to address the implementation issues of the country's poverty reduction strategy in rural areas which was completed in May 2003. The strategy provides a mechanism to prioritize projects and programs identified in the Poverty Reduction Strategy Paper (PRSP) and to organize their implementation at the local level, through the new institutional environment created by Law No. 4 of 2000 concerning the Local Authority (source: MPIC-yemen.org). The document contains strategic options for rural local development and a strategic frame work for donor assistance to rural areas. However the response of donors who are currently supporting this sector indicate that they are not aware of sector strategy. The RLDS is available online at [www.MPIC-yemen.org](http://www.MPIC-yemen.org) The number of donors supporting this sector according to the survey results is six.

### **Other Sectors**

A number of sectors and cross sectoral issues falling under the Ministry of Justice (MoJ), Ministry of Human Rights (MoHR), Ministry of Civil Service (MoCSI), and Ministry of Local Administration (MoLA) also receive donor support. The level of support varies from one sector to the other.

**MoJ** has a Strategy on Modernization of Justice Sector (2005-2015). MoJ has limited experience with donor support. The WB has an intervention in 2002 but later terminated after change in leadership at the MoJ. The current support by donors include UNDP intervention of Pilot Courts in Sana'a and Aden, as well as the establishment of Juvenile Justice, a Unicef supported project. Donor meetings called by MoJ / UNDP to build partnership in this sector.

**MoHR** is a new ministry with one single project (UNDP). A Memorandum of Understanding (MoU) was signed by UNDP and the GoY for a UNDP project to be supported by Canada.

**MoCSI** has a Civil Service Modernization Strategy. There a Central & Regional information systems in place. Training program in restructuring is ongoing. Restructuring is targeting 9 institutions, CAMA, COCA, Tax Authority, etc.

**MoLA** The Ministry of Local Administration is in charge of decentralization to local level. A UNDP/CDF funded project DLDSP aiming at creating enabling environment to support the decentralization process.

## 4. HARMONIZATION

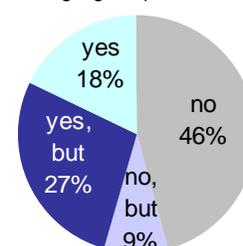
### 4.1. Implementing Common Arrangements

4.1.1 The only effort that is heading in this direction is the Partnership Declaration for Basic Education. Three donors have harmonised their respective legal agreements to permit the preparation of the Basic Education Development Project as a pre-SWAp. Another five donors are committed to doing so.

### 4.2. Agreements on Delegated Cooperation

4.2.1 **Indicator 9** refers to agreements on delegated cooperation. According to OECD - DAC "delegated cooperation occurs when one donor - a lead donor - acts with authority on behalf of one or more other donors - the delegating donor". The Rome High-Level Forum on harmonisation encouraged donors to intensify their efforts to work through delegated co-operation at country level as a means of reducing transaction costs and to enhance aid effectiveness through greater use of the comparative advantages of individual donors. Forty five percent of the respondents (45%= 5 donors) claimed having an agreement or are working towards reaching an agreement to carry out tasks on behalf of other donors.

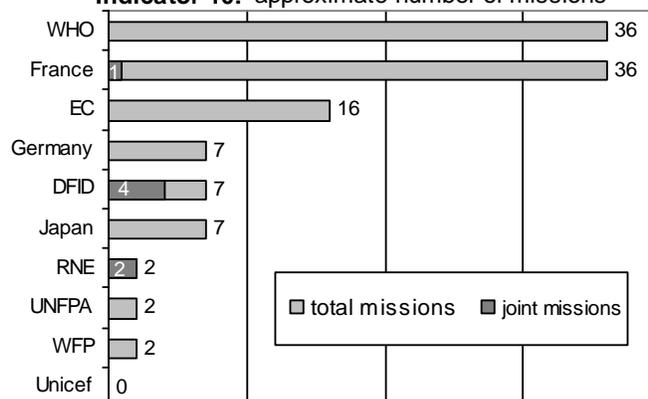
**Indicator 9:** Donors delegating cooperation?



### 4.3. Streamlining Donor Activities

4.3.1 Indicator 10 compares the total number of missions fielded in 2003 by each individual donor compared with those conducted jointly with other donors. The total number of donor missions sent to Yemen in 2003 reached approximately 108 missions of which 6% were reported to have been undertaken jointly by more than one donor. These figures do not include data from three major donors (WB, UNDP, USAid) whose data are not available.

**Indicator 10:** approximate number of missions



4.3.2 OECD - DAC advises donors to work towards streamlining of diagnostic reviews and reducing the number of separate reviews to reduce duplication of donors' efforts and the high transaction cost on partner countries. **Indicator 11** seeks to assess the degree of streamlining in this area. To capture such information, donors were asked of the number of diagnostic reviews carried out over the last 3 years (2000 - 2003). The results of the survey revealed that in Yemen out of the six diagnostic reviews which were carried out only 3 were carried out jointly.

**Indicator 11:** Are diagnostic reviews being streamlined?

Diagnostic reviews carried out between 2000 to 2003	Was it carried out jointly?
✓ CFAA — Country Financial Accountability Assessment.	✓ yes
✓ PER — Public Expenditure Review.	✓ yes
✓ CPAR — Country Procurement Assessment Review.	✓ yes
✓ HIPC Expenditure Tracking Assessment	✗ no
✓ ROSC Fiscal Transparency Review (IMF).	✗ no
✓ CONTACT - Country Assessment in Accountability and Transparency (UNDP).	✗ no

#### 4.4. Transparency and information sharing

- 4.4.1 **Indicator 12** looks at agreed arrangements between donors and the government of Yemen. on procedures for notifying disbursements related to donors' development activities. The survey revealed that there is currently no agreed arrangement between donors and the GoY on notifying disbursements. As one donor noted *"A system of notification procedures for disbursements is not in place. However, GoY is informed (upon signing of contract) about commitments and intended disbursement schedules (subject to performance and liquidity needs)"*. Another donor noted the following *"We would provide full and regular information on in-country disbursements if government requested it. This information is included in our publicly available documents"*. MoPIC noted *"there is cooperation from time to time with donor countries in providing information on aid flows"*
- 4.4.2 The response to **indicator 13**, revealed that most donors opt for informal methods of sharing country specific analytical information with relevant concerned parties. These informal methods include dissemination at de-briefing workshops or when requested. However, only UNFPA indicated using Country Analytic Website (CAW) [www.countryanalyticwork.net](http://www.countryanalyticwork.net) to disseminate their analytic work. Good practices imply that donors should ensure that their analytic work is in an accessible and readable form and that it is openly available and widely disseminated (DAC Taskforce on Donors Practices, 2002). This is clearly an area where more collaboration is needed among donors. Besides the abovementioned website donors can make use of MoPIC website [www.mpic-yemen.org](http://www.mpic-yemen.org) to display country specific analytical information subject to disclosure policies.

#### 5. OUTSTANDING ISSUES

- 5.1 The participants in the December Workshop on Harmonization, highlighted the need for a National Action Plan on Harmonization and Alignment in line with the priorities and needs as identified in the PGPR and based on the spirit of The Rome Declaration and learning from the experiences of best practice which is documented and disseminated by OECD-DAC. This plan is yet to be developed by MoPIC and will be shared, discussed, agreed with and supported by the donor community at the different phase of its implementation.
- 5.2 The degree of involvement of donor affiliated implementing agencies such as GTZ and JICA should be considered giving the large amount of disbursements undertaken by them. In one of the countries where the harmonisation and alignment is already in progress, JICA is supporting the partner country<sup>4</sup> in developing the Harmonisation Action Plan.
- 5.3 The MoF did not respond to the questionnaire.
- 5.4 UNDP and USAid are not included in this survey as they did not respond to the questionnaire.

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<sup>4</sup> Cambodia