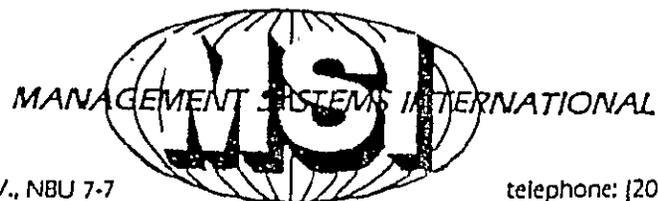


Assessment of
USAID Institutional Development Strategies

FINAL REPORT

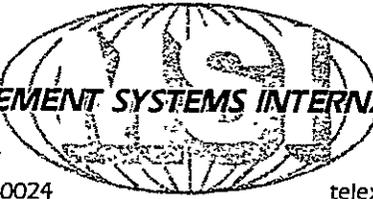
Submitted to: USAID/YEMEN

February, 1986



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February 17, 1986

Charles F. Weden
Director
USAID
Sana'a, Yemen

Dear Mr. Weden,

We have reviewed the report on institutional development which was prepared for the Yemen Mission by a team of MSI consultants working under the Development Administration IQC. We found the report generally to be in accord with our experience with institutional development efforts in other countries where we have worked. There were a number of areas, however, where we felt that the report could be expanded by drawing on our corporate experience with other countries. We discussed these areas in some detail with the members of the team. After these discussions, we asked the Team Leader, Mr. David Garner, to make some additions to the report to the extent that he felt these could usefully augment the team's findings in Yemen.

The important changes or additions are highlighted below:

On page 4, paragraph 6 was rewritten to explicitly contrast the analytical framework which had been derived by Milton Esman and others for 'doing' institutional development with the modified organizational development model which was derived by the MSI team working on the Yemen Assessment.

On page 14, paragraph 1, a generalized definition of 'success' at doing institutional development was added to the report. This definition defines 'success' as being, "an on-going capacity to define and provide socially desired goods and services without excessive reliance on U.S. support."

On page 14, paragraph 2, the report originally described twelve indicators for predicting the general success of an institution building project. Five of these indicators were at the project level, four were at the Ministry level, and three dealt with the congruence between the project and the Ministry. MSI in Washington felt that a fifth indicator should be added for looking at Ministries, namely whether the Ministry was 'in pain.' Their experience has been that organizations which are dissatisfied or under pressure are more receptive to change. They also suggest that the nature and, quality of organizational

'leadership' and the extent of 'linkages' between the organization and its environment are significant variables to watch for in looking at Ministries' receptivity and capacity for organizational change.

Following page 21 of the original report, a new section has been added to the text. MSI/Washington felt that the report, as drafted, described in a re-active fashion the use of the predictive indicators. They felt that the indicators could also be used preemptively as a management tool. Reflecting this perception, the following material was added:

Using the predictive indicators as an active tool.

Table IV shows a matrix which gives the box scores of the predictive indicators for all five projects which were assessed on this assignment. These predictive indicators can become active management tools, to be used in various ways both in the design phase, and during the course of evaluations. The predictive indicators are discussed below:

1. The project level predictors are important, because these variables are largely under the control of the USAID Mission. Even after a project has started, the Mission still has a measure of flexibility through changes of staff, or through redesign exercises to address these issues. The project level predictors should be reviewed carefully during the course of project design and reviewed as appropriate during evaluations, or at times when projects appear to be going off track.
2. The Ministry level predictors are largely fixed, and generally outside of the ability of USAID to influence over the short term. Therefore, it is important to analyse them carefully during the design phase. The Mission needs to cross check these predictors carefully with other ministries before they commit themselves to a program of institution building with a particular Ministry. Project 045 appears to be a good example of a project where -- in retrospect -- ministry level predictors augured against a successful institution building effort.
3. The congruence predictors are also important at the design phase, and would appear to fall mid-way between the Ministry and the project as an area where USAID can effect change. Congruence predictors can be extremely valuable benchmarks, and it is easy to lose sight of them during the frenzied

rush of designing a new project. Therefore, it is important for a neutral party to conduct a new design exercise like a PID or a Project Paper as a means for double checking these predictors.

Some further general guidelines can be formulated for using the predictive indicators for design or evaluation. For example:

- o When ministry level predictors fall below the median point (say 2.5) for a particular ministry, then this ministry would appear to be a unlikely candidate for an institution building project.
- o If the predictors at the project level, the ministry level, and the congruence level are all low (say 2 or below) then an institution building project doesn't stand much chance of success.
- o When the Ministry level predictors are high, but project level predictors are low (as for example with Project 028) then this project is a good candidate for a redesign exercise to change some of the variables under the control of the Mission.
- o If project level predictors are high, but Ministry level predictors are low, this suggests that it is probably a "good" project, but perhaps it is premature to put a lot of emphasis on institution building. Instead it might make more sense to send a substantial number of Ministry staff off for long-term training.

Table IV

Predictive Indicators	028 NWSA	044 RWSD	045 CYDA	052.1 Core	052.2 Ibb	Rank Order
<u>Project Level Predictors:</u>						
1. Project staff's previous country experience in Yemen or Middle East	1	3.5	2	1	4	028 - 1st
2. Project staff's language facility in Arabic	1	3.5	2	1	4	044 - 2nd
3. Project's focus	2.5	3.5	1	2	4	028 - 3rd
4. Project's strategy	2	2.5	0.5	1	3	045 - 4th
5. Demand for project outputs	3	4	2	2	3	052.1 - 5th
Subtotal	9.5	17	7.5	7	22	
<u>Ministry Level Predictors:</u>						
6. Ministry's mission	4	3.5	1	1	3.5	028 - 1st
7. Ministry's program	4	3	1	1.5	3.5	052.2 - 2nd
8. Ministry staff	4	1	1.5	2	3	044 - 3rd
9. Ministry outputs	4	3.5	1	2	3	052.1 - 4th
Subtotal	16	11.5	4.5	6.5	13	045 - 5th
<u>Congruence Predictors:</u>						
10. Congruence of Expectations	2	4	1	1	4	052.2 - 1st
11. Congruence of Objectives	2.5	3	1	2	3.5	044 - 2nd
12. Congruence of Integration between project and ministry	4	3	1.5	2	4	028 - 3rd
Subtotal	8.5	10	3.5	5	11.5	045 - 5th
TOTALS	34	38	15.5	18.5	42.5	

Rank Order	Project	Total Scores
First	052.2/Ibb	42.5
Second	044/RWSD	38
Third	028/NWSA	34
Fourth	052.1/Core	18.5
Fifth	045/CYDA	15.5

On page 28, a footnote was added to supplement the conclusions given in the second paragraph. This footnote says:

"MSI/Washington, building on their experience with management development around the world, adds the following observations. If a project is too autonomous from its parent ministry, then there is a problem of engaging the Ministry's leadership in the organizational development process. Too much autonomy for a project can also lead to problems with replication in the future, or with potential conflicts between the project and the parent organization. Addressing the same dilemma from a slightly different perspective, if the designers have chosen to concentrate most or all of their resources on helping only a part of an organization, this sub-unit runs a danger of getting out of synchronization with the rest of the organization in terms of salaries, purpose, style, mandate, function, etc. This is frequently a problem with World Bank Projects, when they adopt the mechanism of an autonomous 'Project Implementation Unit'. To deal with these kinds of problems, a semi-autonomous project needs to have a clearly articulated strategy for systematically engaging the Ministry's leadership, and a strategy for reintroducing the initially autonomous project back into the parent or host organization."

On page 31, recommendation number 6 was rewritten, changing the emphasis in a significant way. This recommendation now says:

"Generally, each individual contract team working on an organizational development project should be required to prepare an organizational development workplan, to spell out organizational development goals, objectives, and benchmarks. The whole technical assistant team should work together to establish these goals. Once these have been broadly defined, individual members of the team should then be asked to draft their own specific personal organizational development workplan. Under ideal circumstances, these individual plans should be worked out in close consultation with individual Ministry counterparts. Once these individual plans have been derived, the results should be consolidated to see that they accord with the priorities of the overall plan. Taken together, this exercise should yield an organizational development strategy for the whole project."

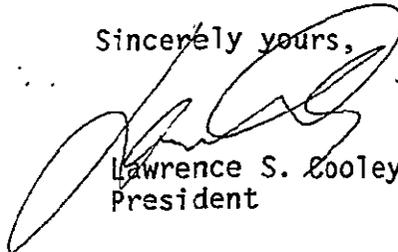
Page 6

On page 33, the second implication from the original report was deleted from the final draft.

Two additional sections were added to the appendices. Appendix 7 gives the initial draft Analytical Framework for conducting an institutional development analysis, which the team derived prior to departure for Yemen. Appendix 8 is a Relationship Framework, which begins to suggest how projects potentially relate to organizations. Both of these analytical tools help to show how the MSI team got from the case studies to the recommendations, conclusions, and predictive indicators which are discussed in the introductory section of the report.

In concluding this memorandum, MSI would like to state that we have found this to be a very interesting and challenging piece of work, and we hope that it has contributed in a useful way to the formulation of the Mission's Country Development Strategy Statement.

Sincerely yours,



Lawrence S. Cooley
President

cc: Gerry Donnelly, Program Office
Howard Thomas, General Development Office

FINAL REPORT

INSTITUTIONAL DEVELOPMENT

ASSESSMENT REPORT

28 October - 5 December, 1985

David Altus Garner, Team Leader

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 - B. Project 044 - Rural Water Supply Department
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 - E. Project 052.2 - Ibb Secondary Agricultural Institute
2. Institutional Development Progress Chart
3. "Practical Lessons for Development Management" - Recommendations, pp. 158-160.
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8. Relationship Framework: How "Projects" relate to "Organizations".

I. Executive Summary

1. A three person team of consultants from Management Systems International* looked at five USAID projects in Yemen from the perspective of organizational and institutional development. The five projects were:
 - Project 028, with the National Water and Sewerage Authority;
 - Project 044, with the Rural Water Supply Department;
 - Project 045, with the Confederation of Yemeni Development Associations;
 - Project 052.1, Core Subproject, with the Ministry of Agriculture and Fisheries; and
 - Project 052.2, the Ibb Secondary Agriculture Institute, with the Ministry of Education.
2. In looking at these five projects, the assessment team found that there is a difference between organizational development and institutional development. Organizational development is usually focused on an agency or a department of government. Institutional development goes beyond the level of a single organization to consider the entire range of issues, organizations and policies relating a societal task such as water distribution or agricultural production. USAID, in its work with projects, is usually working with organizational development. Sometimes, in its sector studies or policy dialogue with government, it is working with institutional development.
3. There are a series of socio-cultural variables which affect efforts at organizational and institutional development. Factors which impede such development include:
 - a. Yemeni culture has tended to be closed, isolated, and frequently xenophobic;
 - b. Yemenis are not socialized to work in organizations which function according to Western models;
 - c. The Yemeni role model for development is Saudi Arabia; and
 - d. Americans bring certain expectations to working in Yemen which can impede organizational or institutional development.

* The consultants were David Altus Garner, John Blumgart, and Edwin Connerly.

4. There are also a number of factors that promote organizational or institutional development. These factors include:
 - a. The pragmatic nature of the society in Yemen;
 - b. Some parallels which appear to exist between traditional social organizations and modernizing organizations;
 - c. The absence of a significant tradition of bureaucracy in Yemen;
 - d. The traditional tools which exist within the Yemeni culture for building consensus; and
 - e. The relatively young demographic structure of the society, with as much as forty-eight percent of the population being less than fifteen years old in the early 1980's.
5. The team developed a series of predictive indicators to suggest the potential "success" which USAID might expect to have in pursuing organizational or institutional development goals. These predictive criteria attempt to assess the prospects of success for organizational development efforts on the basis of certain factors manifested by: 1) projects themselves; 2) ministries or other recipients of projects; and 3) the relationships between a project and its recipient organization.
6. The predictors for project activities include:
 - a. The project staff's previous country experience in Yemen or the Middle East;
 - b. The project staff's language facility in Arabic;
 - c. The extent to which the project has a focus;
 - d. The extent to which the project has a strategy for accomplishing institutional development; and
 - e. The strength of demand for the project's outputs from client groups and beneficiaries.
7. The predictors for ministries include:
 - a. The clarity of a ministry's mandate;
 - b. The sharpness or focus of a ministry's program;
 - c. The ministry's supply of competent technocrats; and

- d. The demand placed on the ministry for goods and services by client groups and beneficiaries.
8. The predictors related to the relationships between a project and its host country ministry include:
- a. The degree of congruence of expectations which exists between the various parties working with the project, including designers, contractors, YARG, and USAID;
 - b. The degree of congruence between the immediate needs of a ministry and the longer term goals of a project; and
 - c. The degree of organizational integration that exists between the project and the ministry.

The assessment also generated a series of conclusions and recommendations. These include the following:

- 9. Short-term projects are imperfect instruments for fostering organizational and institutional development in the Third World. Organizational development projects require a long term commitment, and USAID should be prepared to stay the course, once they embark upon such a program.
- 10. Organizational development efforts appear to have been most effective when they concentrated their resources on a few key functions or offices in an organization rather than attempting to work with all aspects of an organization simultaneously.
- 11. USAID-funded organizational development efforts seem to have a better likelihood of success when there is a similarity in nature and function between the US organization providing the technical assistance and the Yemeni organization receiving the assistance. Schools seem to be an example of this kind of symbiosis.
- 12. Organizational and institutional development is a somewhat abstract notion. More attention needs to be devoted to operationalizing these abstract notions, by establishing specific time-phased benchmarks, against which progress can be measured.
- 13. Workplans for individual USAID projects should go further than they do now, and begin to include specific detailed plans for organizational development.

14. Training is important for organizational and institutional development, but training by itself is not enough. Training must be accompanied by other changes in an organization's incentive systems to effectively encourage organizational development. |
15. The report recommends that the Mission increase the percentage of Third Country Professionals who are attached to individual projects which have an organizational development component, because of the expertise they bring in language and the culture of the region. The report suggests that teams which are composed primarily of Americans or primarily of Third Country Professionals are not optimum. Rather, for work in Yemen at this time, there should be a judicious mixture of the two.
16. The Mission might want to seek out Regional PASA-type relationships with Middle Eastern agencies and departments of government to secure an appropriate level of expertise for organizational development type projects.
17. RFPs might begin to require that American contractors establish appropriate sub-contract relations with Middle Eastern firms and organizations to secure access to the Arab manpower necessary for organizational development type projects.
18. AID might want to establish a more comprehensive feedback system to monitor the results of organizational and institutional development efforts across projects, as well as within projects.
19. The Mission should differentiate carefully between working with or through a particular ministry to accomplish a particular task or objective, and declaring as its principal objective the development of the organization or institution as a goal in itself. Institution building is not a panacea, especially if a host country agency is not ready for or receptive to the idea of organizational development.
20. Technical assistance teams implementing USAID contracts are often well equipped in the technical areas where they work, but they sometimes appear to be deficient in the techniques of organizational development and institution building. For these reasons, it is suggested that USAID develop a capability to facilitate this function within their technical assistance contractors. |
21. Contract teams working with YARG ministries generally seem to make more headway in doing organizational development work when they share offices with their counterparts.

22. In looking at the overall Mission portfolio of projects, it may be helpful to envision the portfolio as a pyramid. The pyramid needs a solid base of projects with tangible products at its base. Above the base, the pyramid should have a layer of organizational development projects, which have fewer tangible outputs. At the top of the pyramid, the Mission may have a limited number of high risk, high gain projects. The relationship between these three categories of projects needs to be carefully tracked by senior Mission staff.
23. Many of the components in the pyramid which characterize the overall Mission portfolio are also true for individual projects. Projects need an appropriate mix of different components which combine a base of solid, productive, tangible results with an organizational or institutional development focus.

II. Introduction

A three person team of consultants from Management Systems International visited Yemen for five weeks (October 29 - December 6, 1985) to review AID's approach to "institutional development". The team was composed of David Altus Garner, John Blumgart and Edwin Connerly. Specifically, the team was asked to analyze five AID-funded projects which had sought to strengthen Yemeni institutions and assess the results of this work. The team was asked to: 1) identify relatively simple and easily applied criteria of institutional effectiveness, 2) to prepare five case studies dealing with the five projects chosen for analysis/1, and 3) review the "lessons learned" from project experience and identify those activities that had been relatively effective in building local institutions and those which had not. The larger intent of the assessment was to make findings, conclusions and recommendations which could contribute to the Mission's Country Development Strategy Statement (CDSS).

The five projects chosen for analysis included:

Project 028/2

This was a small team of advisors working with the National Water and Sewerage Authority (NWSA), a large public utility providing water to the largest towns of Yemen;

Project 044/2

This project concerned a private and voluntary organization working with the Rural Water Supply Department (RWSD) to build rural water systems and improve the operations of the Department;

Project 045/2

This was an integrated rural development project working with the Confederation of Yemeni Development Associations, with a primary emphasis on research, training and management development, with a secondary emphasis on rural infrastructure construction;

- /1 A scope of work for the assessment is given in Appendix 4.
- /2 Generally throughout this paper, these projects will be referred to by their AID program code numbers.

Project 052.1/2

This is a part of the AID's overall effort/3 to assist the Ministry of Agriculture. It is characterized as the "Core" subproject, and was designed primarily to improve the management of the Ministry of Agriculture (as opposed to other agricultural projects which addressed specific agricultural activities); and

Project 052.2/2

This is a second subproject of AID in the agricultural sector, attached to the Vocational Agricultural Education section of the Ministry of Education. 052.2 is a project focused on an agricultural vocational school located near the town of Ibb, about 300 kilometers south of Sana'a. This project is directed at training agricultural students (primarily to provide mid-level personnel for the Ministry of Agriculture), and at improving the school's curriculum and teaching practices.

Shortly after arrival, the team asked three senior USAID staff members to independently rank the five projects in terms of each project's relative success in promoting "institutional development". Their responses are given in tabular form below:

Table 1

Mission Ranking of Five Projects

	Person No. 1	Person No. 2	Person No. 3
1.	052.2 (Ibb)	052.2	028
2.	044 (RWSO)	028	044
3.	052.1 (Core)	044	052.2
4.	028 (NWSA)	052.1	052.1
5.	045 (CYDA)	045	045

/3 AID's overall umbrella agricultural project Agriculture Development Support Program (ADSP) has been designated by the program number 052. Subcomponents of this umbrella project are reflected with decimals, i.e., 052.1, or 052.2

Two persons ranked the Ibb school (052.2) first, and one ranked it third. Two ranked the project with the Rural Water Supply (044) second, and one ranked it third. One person ranked the Core subproject (052.1) third, and two ranked it fourth. One person ranked the project with the National Water and Sewerage Agency (028) fourth, one person ranked it second, and one person ranked it first. There was unanimity only on the project with the Confederation of Yemeni Development Association (045), which everyone agreed was least effective from an institutional development standpoint.

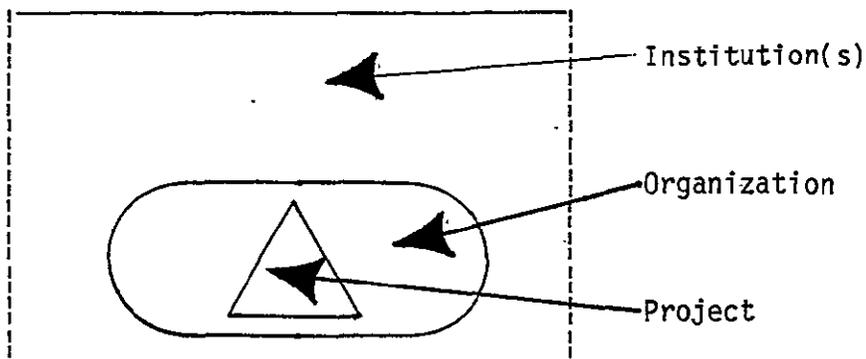
The exercise with the Mission suggested to us that there was little explicit consensus within the Mission about what characterized "institutional development". It suggested that if there was little consensus about what it meant, then there might be even less agreement about how to do it, or how to measure progress toward it. If people can't agree among themselves what it is, the question necessarily becomes: progress toward what?

The cable giving a scope of work for the team also gave as a working definition of institutional development the following: "Institutional development will mean increasing the effectiveness of a given Yemeni institution to carry out its organizational mandate."

We found this was a good working definition to start from, but we also found as we began to get into the assessment that the definition didn't go far enough, partly because it used the terms "organization" and "institution" interchangeably.

To try to clarify matters somewhat, both for ourselves and for the Mission, we took recourse in a standard diagram from the literature of institutional development, as presented below.

Figure 1



This diagram begins with a project (044, 045, 028, etc.) which is AID-funded and staffed with people funded through USAID. This project, in turn, generally interacts with a Yemeni organization (e.g., the National Water and Sewerage Agency), which in turn interacts with various other players (water users' associations, tribal groups, other ministries of government) within a given sector.

This diagram suggests that AID, in its normal ongoing project activities, is primarily interacting with organizations (rather than institutions), and that at an operational level, USAID is generally dealing with "organizational development", which is focused on trying to change particular organizations (e.g. NWSA) rather than attempting to affect more abstract, broader institutions (e.g the organizations norms, policies, power relationships and interest groups involved in water pricing and provision).

When one moves beyond the level of individual USAID projects to the sector level, one sometimes moves up from tactical issues to policy issues. At the level of sectors (or beyond) the Mission is sometimes able -- through sector analyses and policy dialogues -- to have a broader impact, and in this fashion it can sometimes address broader "institutional" issues as we are using the term in this paper.

Using as a frame of reference this trichotomy -- 1) project, 2) organization, and 3) institutions -- the assessment team then proceeded to look at the five designated case studies to assess their relative effectiveness at promoting organizational and/or institutional development.

An attempt was made in the first weeks of the study to create a common analytical framework to analyze all five projects, to promote the generation of common data. These draft forms are given in Appendix . The initial conceptual framework was borrowed from the writing of Milton Esman/4.

While the Esman model contained a number of important ideas -- for example "doctrine", "mandate", "program", etc. -- it proved to be too cumbersome a framework to serve directly as an analytical tool. Used explicitly, it impeded rather than facilitated analysis. Further, the Esman model is primarily directed at "the organization" and doesn't seem to differentiate usefully among: 1) the project which purports to assist the organization; 2) the organization being assisted, and 3) the relationship between the project and the organization. Accordingly, the Esman materials were assimilated into our thinking, and we proceeded with the preparations of the case studies, using interviews, readings, site visits, and cross checking to enhance our understanding of the individual projects.

/4 Blumgardner, Harvey, "A Guide to Institution Building for...Technical Assistance Projects", 1971.

Finally, to conclude this introductory section with a note on methodology, two or more members of the team tried to look at each case, to identify common trends and common problems to facilitate cross-comparisons of projects and their host country ministries.

III. Socio-Cultural Factors Which Encourage or Impede Institutional Development

In the near term, there appear to be many socio-cultural characteristics which impede the process of organizational development. Over the medium term, however, there may also be some characteristics which provide grounds for a modest measure of optimism. Often in trying to isolate and identify characteristics which impede or promote organizational or institutional development, one is looking at different sides of the same coin. There is also an inherent element of subjectivity in trying to characterize such variables, and one observer can easily identify a glass and decide that it is half full, while another observer sees that same glass and concludes that it is half empty.

A. Factors which Impede:

Yemen is trying to move very quickly from an isolated, tribally oriented, semi-feudal society to a modern nation state. In the last ten or twelve years, it has made extraordinary progress. Much of this progress has been in physical terms: roads, bridges, water supply systems; but these physical changes have interacted with -- and in some cases, begun to cause -- changes in cultural attitudes, expectations, and opportunities.

While there have been physical changes, the lag time between these changes and changes in social and organizational behavior appears to be a significant one, and it will be many years before the ministries of government are staffed with smoothly functioning bureaucracies that take maximum advantage of their human resources, plan efficiently, schedule their programs effectively, develop optimal linkages to the private sector, and coordinate routinely with client groups and beneficiaries.

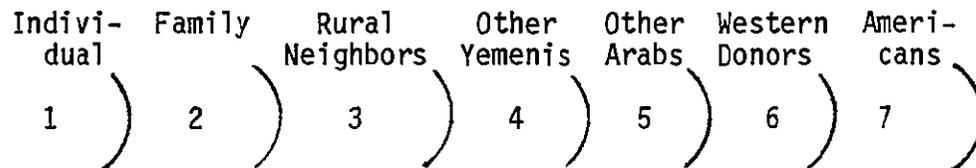
Some specific factors which impede progress toward institutional development:

1. Yemeni culture has tended to be closed, isolated, and frequently xenophobic.

The traditional socialization process for young Yemenis was not geared to producing a nation of people who could live and work effectively in modernizing organizational groups. At some broad level of generality, the traditional socialization process was directed at raising people to participate in a largely tribal and agrarian society. People were raised to be farmers and herders. People were also raised to be suspicious of their neighbors, and more suspicious of people who were not from the same village, the same immediate region, or the same tribal lineage. Clearly, this broad cultural orientation which characterizes

significant parts of the highland areas of Yemen, and by extension carries over to other areas of the culture as well, represents a potential impediment to Yemenis working cooperatively and purposefully together in smoothly functioning groups.

It extends even more profoundly to their working with foreign "advisors". This is particularly true for Yemenis working with Americans. There are profound differences of language, culture and political orientations that often come between Yemenis and Americans. A Yemeni historically is trained to be suspicious of everyone outside his immediate family. If one were to construct a concentric series of "circles of suspicion", Americans would tend to be located near the outer limits. An illustrative hierarchy of suspicion is given below:



This suspicion of much of the world around them is probably natural, and often justified by past events and past history. It is changing fairly rapidly in the face of a growing central government, but it still represents a potential impediment to the ways in which Yemenis participate in and work with modernization groups. And the relative degree of xenophobia or ambivalent feelings that are directed specifically at Americans means that Americans have a hard time attempting to influence changes in organizational behavior. In many cases, Yemenis simply don't trust Americans. And from their perspective, their attitude is understandable, given popularly held Arab perceptions of the American role in the Middle East.

2. Yemenis are not socialized to work in organizations which function according to western models.

It has not been a highly valued cultural characteristic to plan, schedule, and coordinate activities in the optimal fashion that the Harvard Business School might recommend. If one goes into a Yemeni office, it becomes clear that a major priority of the bureaucracy is to appear to be available to all comers. Petitioners are often treated on a "first come, first served" basis. While a deputy minister may be talking with a foreign advisor, somebody else from within his own bureaucracy will come up and put a paper on top of whatever is already on his desk and expect him to deal with it immediately. This kind of operating style is probably more useful for a conservative, traditional, non-paper oriented society than it is for a culture

entering into the computer age.

At the same time that almost anyone can bring a request to a deputy minister's desk and ask for action on it, so in an analagous way the deputy minister (or his boss, or most other leaders of a department or agency) tend to tackle whatever problem is at the top of their in-box first. There is relatively little attempt to establish priorities, or construct implementation plans which optimize the allocation of resources according to "western" criteria of efficiency. Sometimes in looking at Yemeni organizations, it seems as though they have an unstated motto adapted from General Electric: Planning is our most improbable product.

3. The Yemeni role model for development is Saudi Arabia.

Yemen has been profoundly influenced by the recent experience of Saudi Arabia and the other wealthy oil states of the Arabian Peninsula, who in many cases have purchased "turn-key development" with their petrodollars. There has been an extraordinary change in the physical landscape of the Arabian Peninsula as massive infrastructure projects were built in one country after another. Hundreds of thousands of Yemeni laborers witnessed this transformation. The government of Yemen also saw the physical changes wrought in nearby oil-rich states. While the senior leaders of government have some appreciation for the longer-term manpower development requirements necessary to manage and operate all these expensive investments, it is easy for them to be seduced by the attractiveness of the physical symbols. It is generally more helpful for the leaders of government to appeal to their constituencies by promising something tangible and physical than it is to point to "organizational development". It's hard to have a dedication ceremony on Yemeni television because of increased efficiency in an organization or department. It lacks the political sex appeal of something tangible or concrete, and doesn't appear to contribute as directly to the immediate nation-building efforts that motivate many of the senior leaders of the government.

4. Socio-cultural impediments from the Americans.

In addition to many of the impediments that currently exist on the Yemeni side, there are also a range of impediments which the Americans bring when they try to work with organizations in the specific context of Yemen. For example, there is a wide gap between Yemeni culture and American culture. Only a few Yemenis near the top of most organizations are comfortable working largely in English, and virtually no native Americans are fluent in Arabic. Most American advisors are

socialized to work in a relatively open organizational environment. As such, they bring certain styles and expectations to working with Yemeni organizations and institutions which sometimes can be at variance with the current realities. In addition to the cultural and linguistic impediments, USAID itself exists within a certain organizational context, and this context can sometimes become an impediment to the optimal development of Yemeni institutions. As a bilateral donor, USAID is required to work through the government of Yemen. Because of this relationship, it often takes on a bias toward working with the public sector. By the nature of its own operating style, it appears to be constrained in the work that it might undertake with the private sector, and with non-governmental organizations, and institutions in general.

Further, USAID often reflects certain underlying political values that are important in an American context -- like women in development, or environmental issues -- which don't necessarily translate effectively into a Yemeni context. And the nature of the USAID rotational tours where people are transferred from post to post after two, three or four years often gets in the way of optimal continuity of programs or projects. New AID staff or new AID evaluations frequently suggest new directions, or new priorities, which can distract from long-term priorities of an organizational or institutional development project.

B. Factors that Promote:

In addition to factors which limit opportunities for organizational or institutional development, there are a wide range of underlying socio-cultural characteristics which -- given time -- would seem to work toward sustained organizational and institutional development. Some of these factors include:

1. The pragmatic nature of the society.

Yemenis are very pragmatic, and have had to be, because of the harsh nature of the environment where their culture has developed. They are rationalizing, maximizing, outward-looking, assertive, and move quickly to take advantage of opportunities. There is an element of egalitarianism within the culture, and every man is generally able to voice his opinion. While being still a traditional society, the culture is not bound by tradition. It appears to be a culture which assimilates change relatively quickly and seems to integrate change with traditional cultural patterns easily and well. In looking at the Yemeni body politic, for example, one gets a strong sense of general agreement with the direction of change over the

last ten years. Yemen does not appear to harbor the latent schizophrenia of Iran -- with a culture polarized between the modernizers and the traditionalists.

2. Parallels between traditional social organizations and modernizing organizations.

While Yemenis may not be socialized to work in large bureaucratic organizations, many of them are socialized from birth to be members of a tribe, and there appear to be certain parallels between tribal and bureaucratic structures. Typically, there is a sheikh who heads up a village. Various village sheikhs constitute the bottom layer of a pyramid of village sheikhs, which lead up to regional sheikhs, which in turn culminates in a paramount sheikh, for a large territory or an entire tribe. This tribal pyramid is analagous to the structure of a ministry, with regional sheikhs being comparable to Directors General, and with the minister being equivalent to a paramount sheikh. As with ministers, so with sheikhs: both are chosen partly on a basis of merit, and partly because of birth, connections and influence.

The following passage from the Mission's social and institutional profile talking about the tribal world view is instructive, particularly because in large measure one can substitute the word "ministry" for the word "tribe", and the passage makes equally good sense:

"The tribal [read "ministry"] world view can best be understood as a particular way in which two complementary and often conflicting value emphases are dealt with. There is the emphasis on group responsibility and cooperation, and also a pull toward personal autonomy. Yemeni tribesmen [read "ministry staff"] cooperate in swift mobilization of groups for mutual aid and defense. They reject coercion of any kind, and usually consider direct commands as insults to their pride."

There may be ways in which development groups and the YARG can capitalize on some of these similarities between tribes and ministries. It might be that if people understood better how Yemenis live and work in tribes, they could better understand how neo-tribal organizations work in Yemeni bureaucracies.

3. There is no substantial tradition of bureaucracies in Yemen.

Generally, Yemenis have not inherited from the Pharaohs or the Turks some model for organizational activities which they have effectively internalized. There is no innate sense of how a bureaucracy, department, or private corporation should be organized. There is no cultural imperative toward overmanning because of a need to soak up surplus manpower. The Egyptians left a very thin veneer of a bureaucratic model, but the Yemenis are a pragmatic people, and they will continue to rely on this model only for as long as it appears to have a significant measure of utility. In various ministries of government, there already appears to be a movement toward a less static organizational style.

4. There are significant cultural tools for consensus building.

There are several traditional tools which the Yemeni have used to build consensus within communities and organizations. The presence of these mechanisms may augur well for the development of similar mechanisms with modernizing organizations. The sheikh, for example, is an authority figure, but he is also a consensus builder, and an arbitrator. He speaks for the village or the tribe, but he is also -- at least in part, sometimes -- a semi-elective figure, who is chosen to represent the village. He moderates village and tribal disputes, as does the qazi, or judge.

Another major tool for consensus building is qat. In villages, when there are serious disagreements, the disputants often have recourse to catha Edulis to resolve their differences. It is an institutionalized mechanism for reconciling differences of opinion, and building consensus. It may be no accident that on the roof of at least one ministry in town (Public Works) there is a mufraj with limited access, where -- according to Ministry gossip -- senior officials repair in the afternoons to chew qat, chart strategies, and reconcile differences.

5. Yemeni demographics and the role of women.

The relatively young age pyramid which characterizes the Yemeni demographics structure also might tend to suggest relatively quick opportunities for socio-cultural change, particularly as more people move into an urban environment. Currently, Yemen appears to have an annual growth rate of somewhere near three percent per year. It is expected that the size of the population will effectively double in approximately twenty-three years. In the early 1980s, Yemen had

inherited a legacy of a very young population. Perhaps as much as forty-eight percent of the total population is under the age of fifteen years. While this has profound economic consequences because of the need to train all these young people, it also has some potentially positive implications, because it suggests a wealth of new blood moving into organizations and institutions.

The role of women in Yemeni society may also present opportunities for organizational development. As women begin graduating in growing numbers from high schools and the university, they will begin to move into the labor force in increasing numbers. Yemeni culture does not appear to be locked as rigidly into gender stereotyping as Saudi Arabia, for example. And various cultural tradeoffs will be negotiated with the society, as Yemeni women move to fill various kinds of jobs in the labor market. Their presence in modernizing organizations could prove salutary to the internal organizational dynamics.

IV. Criteria of Institutional Effectiveness

The team was asked to assess five projects on their relative progress in fostering "institutional development". The Mission presented a matrix, comparing the five projects, which was given in the guidance cable, attached to the scope of work. This matrix helps to further characterize the five projects. It is quoted below:

Table 2

<u>Project No.</u>	<u>Improve Existing</u>			<u>Create New</u>	
	<u>052.1</u>	<u>028</u>	<u>044</u>	<u>045</u>	<u>052.2</u>
Tech Assistance					
Team Size:					
(a) Large	X				X
(b) Small		X	X	X	
Member Roles:					
(a) Advise	X		X		
(b) Operate		X	X	X	X
Qualifications:					
(a) High	X				X
(b) Low		X	X	X	
Participant Training:					
Long-Term	X			X	X
Short-Term		X	X	X	

Using these five organizations as a base, the team was asked to develop: "relatively simple and easily applied criteria of institutional effectiveness". Members of the team looked at the five organizations, and through this exercise a series of predictors was derived.* These predictors attempt to assess potential for success for pursuing institutional development goals in several different ways, at several different levels. They suggest criteria to measure the utility of institutional development efforts for: 1) projects; and 2) ministries as recipients of projects; the predictive indicators also look at 3) the relationship (or congruence) between a project and its host ministry.

* A preliminary set of these predictors was presented orally to the mission mid-way through this assessment exercise. Following this briefing, these predictors were then expanded, incorporating the suggestions of the mission, and insights gained from further work with the case studies.

The predictors are purely relative, and have utility only when one project is compared with another by the same people in the specific context of Yemen. There is no intent to claim abstract utility for the predictors as a programming tool outside Yemen. They have been designed simply to assist the AID Mission in Yemen compare between existing projects and to evaluate future potential projects. While they were designed around institution building projects, they may have utility for other projects as well. While they certainly can't forecast whether an institution building project will succeed, they do tend to suggest that if the predictors are low or absent, then institution building projects (and perhaps other components of such projects) will have less likelihood of success. "Success" in this context is defined as an organization having a sustained capacity to provide socially derived goods and services without excessive reliance on external support from a donor agency.

The predictors for project activities include:

1. The project staff's previous country experience in Yemen or the Middle East;
2. The project staff's language facility in Arabic;
3. Whether the project has/had a focus. How narrowly or broadly focused is the project? Is it trying to do two or three things, or fifteen or twenty things?;
4. Whether the project had/has a strategy for accomplishing institutional development. How much time and attention has been devoted to this?;
5. And lastly, what is the strength of the demand for the project's outputs from client groups and beneficiaries?

At the level of ministries, agencies or departments, four predictors were found.* These are:

1. The clarity of a ministry's mandate;
2. The sharpness of focus of a ministry's program;

* MSI in Washington, based on their work with organizations and institutions around the world, feels that another important indicator is whether the organization is "in pain". Their experience has been that organizations "in pain" are more receptive to changes that support organizational or institutional development than organizations which are not in pain. They also suggest that "leadership" and "linkages" are significant variables to watch in predicting the nature and likelihood of success for specific institutional development efforts.

3. The ministry's supply of competent technocrats; and
4. The demand placed on the ministry for goods and services by client groups and beneficiaries.

Three predictors have been found which deal with the relationship between a ministry and a project. These predictors can be styled congruence relationships. These predictors are:

1. The degree of congruence of aims and expectations which exists between the designers of a project, the contractor responsible for implementing a project, the host country agency benefiting from the project, and USAID as the donor agency;
2. The degree of congruence between the short-term objectives of a ministry and the longer term (organizational or institution building) goals of a project; and
3. The degree of integration that exists between the project and the ministry. (How much is the project a part of this ministry? How much is it separate?)

These predictive criteria don't exist in a vacuum. They are closely related, one to another. Generally, it appears that when most of these predictive criteria are pointing in the same positive direction, then a project has a relatively good chance of accomplishing what it was designed to do. When these predictive criteria are generally weak, negative, or missing, then a project will have a much harder time accomplishing its purposes.

All of the predictors have been placed on a scale running from one to five (to clarify the presentation of the data and permit easy visual comparisons). A score of one is the lowest in any category, and five is the highest. Generally, in a broadly qualitative sense, the scales range as follows:

1 = poor; 2 = fair; 3 = adequate; 4 = good; 5 = excellent

The scales are acknowledged to be inexact, and are presented only as a way to visually represent suggestive differences which appear to exist between and among projects. Although inexact, such relativistic scales seem to suggest certain implications for certain kinds of projects.

Project Level Predictor No. 1:

Project staff's previous country experience in Yemen or the Middle East (on a scale from less experience to more experience).

	1	2	3	4	5
028/NWSA		XXXXXX			
044/RWSD		XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
045/CYDA		XXXXXXXXXXXX			
052.1/Core		XXXXXX			
052.2/Ibb		XXXXXXXXXXXXXXXXXXXXXXXXXXXX			

Comment: This predictor is fairly self evident. People who have already lived and worked in the Middle East are often better equipped to function effectively in a complex, subtle, organizational development or institution building project than people who have never been to the region before. This predictor would appear to be especially important for Chiefs of Party and other senior level project staff.

Project Level Predictor No. 2:

Project staff's language facility in Arabic:

	1	2	3	4	5
028/NWSA		XXXXX			
044/RWSD		XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
045/CYDA		XXXXXXXXXXXX			
052.1/Core		XXXXX			
052.2/Ibb		XXXXXXXXXXXXXXXXXXXXXXXXXXXX			

This predictor should be seen as reflecting the general linguistic and communicative skills of the team providing technical assistance to the host country agency. It appears that teams which corporately contain relevant language and communication skills are more effective at delivering technical assistance (by which, in this instance, we also mean furthering organizational or institutional development) than teams with less facility in Arabic.

Project Level Predictor No. 3:

Project's focus (on a scale from less focused to more focused):

	1	2	3	4	5
028/NWSA		XXXXXXXXXXXXXXXXXXXX			
044/RWSD		XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
045/CYDA		XXXXXXX			
052.1/Core		XXXXXXXXXXXX			
052.2/Ibb		XXXXXXXXXXXXXXXXXXXXXXXXXXXX			

It appears that projects which are more focused make more progress toward their objectives than projects which are less focused. While it is hard to separate out one variable and attribute causal effectiveness to it, it appears that one reason for the relative effectiveness of the Ibb school (052.2) is its focus; and one reason for the relatively limited effectiveness

for the Core Subproject (052.1) is its more diffuse focus.

Project Level Predictor No. 4:

Project's strategy for accomplishing organizational or institutional development (on a scale from less spelled out to more spelled out):

	1	2	3	4	5
028/NWSA	XXXXXXXXXXXXXX				
044/RWSD	XXXXXXXXXXXXXXXXXXXX				
045/CYDA	XXX				
052.1/Core	XXXXXXX				
052.2/Ibb	XXXXXXXXXXXXXXXXXXXX				

This is a very tricky comparison, and the importance we attach to it may be a subjective one. None of the projects appears to have discovered a sure-fire recipe for doing "organizational or institutional development". While there may be grounds for quarreling with the individual strategies which different projects have chosen, it still appears that more attention and specificity is better than less when one is trying to figure out and help direct where an agency or ministry is today, where it should be tomorrow, and how the project proposes to help it get there.

In this regard, we quote from a recent study/1, which states: "It cannot be assumed that organizational reforms will occur automatically as a result of ... technical activities pursued during the implementation of a project." At the nuts and bolts level of project administration, more attention to defining an organizational or institution building strategy appears to be better than less attention.

Project Level Predictor No. 5:

Project's outputs are in direct demand by client groups and beneficiaries (on a scale from less demand to more demand):

	1	2	3	4	5
028/NWSA	XXXXXXXXXXXXXXXXXXXX				
044/RWSD	XXXXXXXXXXXXXXXXXXXX				
045/CYDA	XXXXXXXXXXXXXX				
052.1/Core	XXXXXXXXXXXXXX				
052.2/Ibb	XXXXXXXXXXXXXXXXXXXX				

1/ Rondinelli, Dennis, "Practical Lessons for Development Management". Some suggestive recommendations from this study are given in Appendix 3.

This predictor attempts to measure the relative demand for project outputs. It is not necessarily an important predictor in its own right; rather, it should be seen in relationship with Ministry Predictor No. 4, which measures the analogous demand for a ministry output in terms of goals and services, and congruence Predictor No. 2, which measures congruence between the short-term objectives of the ministry and the long-term objectives of the project.

Generally, it appears to be easier to make progress with a project having organizational or institutional development goals when the demand for a project's outputs and the demands for a ministry's outputs support, complement, and work with each other rather than work against each other.

Ministry Level Predictor No. 1:

Ministry's mission or mandate (on a scale from less specific to more specific):

	1	2	3	4	5
028/NWSA	XXXXXXXXXXXXXXXXXXXXXXXXXXXX				
044/RWSD	XXXXXXXXXXXXXXXXXXXXXXXXXXXX				
045/CYDA	XXXXX				
052.1/Core	XXXXXX				
052.2/Ibb	XXXXXXXXXXXXXXXXXXXXXXXXXXXX				

It appears in relative terms that the mission (or mandate) of some ministries or agencies is clearer and more sharply focused than others. For example, the primary mission of the National Water and Sewerage Authority (NWSA) is to deliver water to the major towns of Yemen. This is quite clear and precise, compared with the mandate of the Confederation of Yemeni Development Associations (CYDA), which is a coordination body with quasi-ministerial status and quasi-participatory and representative functions, which coordinates Local Development Councils in 219 districts around Yemen, which in turn support local development.

Ministry Predictor No. 2:

Ministry program. What are the outputs or deliverables for which the agency or ministry is responsible? (on a scale from less focused to more focused):

	1	2	3	4	5
028/NWSA	XXXXXXXXXXXXXXXXXXXXXXXXXXXX				
044/RWSD	XXXXXXXXXXXXXXXXXXXXXXXXXXXX				
045/CYDA	XXXXX				
052.1/Core	XXXXXXX				
052.2/Ibb	XXXXXXXXXXXXXXXXXXXXXXXXXXXX				

As with a ministry's mandate, so with a ministry's program: some ministries or agencies have a relatively focused set of outputs or deliverables for which they are responsible, such as the National Water and Sewerage Authority (NWSA). Other ministries, such as Agriculture, have a much more diffuse set of products. The Ministry of Agriculture and Fisheries is responsible for formulating policy about agriculture, collecting statistics, distributing fruit trees and fertilizer, improving beekeeping, setting in place an extension service, etc. This diffuse focus contrasts markedly with the Ibb school, which focuses on the teaching of vocational agriculture to secondary school students.

Ministry Predictor No. 3:

Ministry has adequate supply of competent technocrats (on a scale from low to high):

	1	2	3	4	5
028/NWSA	XXXXXXXXXXXXXXXXXXXXXXXXXXXX				
044/RWSD	XXXXX				
045/CYDA	XXXXXXXXXX				
052.1/Core	XXXXXXXXXXXX				
052.2/Ibb	XXXXXXXXXXXXXXXXXXXX				

This is a relatively quantifiable variable, and members of the assessment team sought to secure data on ministry staff, focusing on the levels of training and degrees secured as a partial measure of competence. The contrast was instructive. Details are given in the case studies.

Ministry Predictor No. 4:

Ministry outputs (goods and services) are in demand from clients and beneficiaries (on a scale from low to high demand):

	1	2	3	4	5
028/NWSA	XXXXXXXXXXXXXXXXXXXXXXXXXXXX				
044/RWSD	XXXXXXXXXXXXXXXXXXXXXXXXXXXX				
045/CYDA	XXXXXXX				
052.1/Core	XXXXXXXXXXXX				
052.2/Ibb	XXXXXXXXXXXXXXXXXXXX				

This predictor is important because it indicates the level of beneficiary demands which are being placed on the ministry. We believe that a government like Yemen's tries to respond to legitimate demands, and the more the wheel squeaks, the more the government will try to respond to the squeaking with positive actions. When such beneficiary demands are working with a project instead of working against it, AID's job of encouraging improved organizational behavior may be facilitated. Demand for goods and services appears to be related to what MSI/Washington characterizes as "being in pain". Inability to respond to demand can be one cause of pain.

Congruence Predictors

In addition to predictors that suggest where a project or a ministry may be heading, there are also a series of predictors which suggest when both a project and its host ministry are heading in the same direction. There are three general congruence predictors:*

Congruence Indicator No. 1:

	1	2	3	4	5
028/NWSA	XXXXXXXXXXXXXXXXXX				
044/RWSD	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX				
045/CYDA	XXXXX				
052.1/Core	XXXXX				
052.2/Ibb	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX				

It is hard to quantify this predictor, but there is an abundance of anecdotal information to suggest its importance. For example, among the Yemeni staff at CYDA who worked with project 045, there is a strong sense that they did not get the kind of project they wanted. They say now that they said as much, during the design phase. The evaluation documents reviewed for the case study appear to confirm their perspective.

Congruence Indicator No. 2:

Congruence between short-term objectives of the ministry and long-term objectives of the project (on a scale from low to high):

	1	2	3	4	5
028/NWSA	XXXXXXXXXXXXXXXXXXXX				
044/RWSD	XXXXXXXXXXXXXXXXXXXXXXXXXXXX				
045/CYDA	XXXXX				
052.1/Core	XXXXXXXXXXXX				
052.2/Ibb	XXXXXXXXXXXXXXXXXXXXXXXXXXXX				

Congruence Indicator No. 3:

Relationship indicator. How much is "the project" separate from the ministry, and how much is it integrated, physically, managerially, operationally, etc. (on a scale from less integrated to more integrated):

* MSI/Washington suggests a fourth congruence predictor: The degree of congruence that exists between the organization (ministry) being helped, and the organization providing the help. Universities from the U.S. helping universities in Yemen are a good example of a high degree of congruence.

	1	2	3	4	5
028/NWSA	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX				
044/RWSD	XXXXXXXXXXXXXXXXXXXXXXXXXXXX				
045/CYDA	XXXXXXXXXX				
052.1/Core	XXXXXXXXXXXX				
052.2/Ibb	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX				

Some projects are totally integrated with the ongoing operations of a ministry. Some are almost totally autonomous. The World Bank often sets up Project Implementation Units (PIU's) which are self-contained and virtually autonomous. An indicator of this sort can sometimes be clarified by asking questions of accountability. Is "the project" accountable to the ministry? If so, how? If not, then to whom is the project accountable? During the course of doing a new project design, a potential question to ask in this regard is: to what extent should the project be accountable to the ministry? Has a ministry reached a point where it can adequately and reasonably supervise this project? As part of the organizational development or institution building process, can a project be designed where the ministry assumes greater responsibility (or the project becomes more accountable) over the life of the project?

How are the predictive criteria used?

To answer this question, it is useful to compare a couple of projects using the predictive indicators, as shown in Table 3 below.

What these indicators appear to suggest is that at the project level, the Ibb school has probably a greater potential, or is more favorably oriented toward organizational development than the Core Subproject, partly because of aspects intrinsic to the projects like project design and project staffing. Moving up to the level of the ministry, it appears that the Ibb school may have a somewhat easier task, because of the nature of the organization (a school) with which they are attempting to work, compared to the nature of the Ministry of Agriculture, with which the Core Subproject attempts to work.

At the congruence level, there appears to be a substantial measure of congruence between the activities of the project at the Ibb school and the priorities of the Ministry of Education for the Ibb school. This contrasts in significant ways with the relatively low levels of congruence we think we see between the Core project (as currently designed) and the Ministry of Agriculture.

Table 3

	Core Subproject (Ministry of Agriculture)	Ibb School (Ministry of Education)
<u>Project Level Predictors:</u>		
1. Previous country experience in Yemen or Middle East	Low	High
2. Language facility	Low	High
3. Project focus	Broad (little focus)	Narrow (sharp focus)
4. Project strategy (for institutional development)	Low (?)	Medium
<u>Ministry Level Predictors:</u>		
6. Ministry mandate	Unclear	Clear
7. Ministry's program	Less focused	More focused
8. Competent manpower	Low - medium	Low - medium
9. Beneficiary demand	Low - medium	Medium
<u>Congruence Predictors:</u>		
10. Congruence of expectations for the project	Low	High
11. Congruence between short- term objectives of ministry and long-term objectives of project	Low - fair	Medium - Good
12. Congruence of relationships: how integrated is the project with the ministry?	Low - medium	Mostly integrated

Using the predictive indicators as an active tool.

Table 4 shows a matrix which gives the box scores of the predictive indicators for all five projects which were assessed on this assignment. These predictive indicators can become active management tools, to be used in various ways both in the design phase, and during the course of evaluations. The predictive indicators are discussed below:

1. The project level predictors are important, because these variables are largely under the control of the USAID Mission. Even after a project has started, the Mission still has a measure of flexibility through changes of staff, or through redesign exercises to address these issues. The project level predictors should be reviewed carefully during the course of project design and reviewed as appropriate during evaluations, or at times when projects appear to be going off track.
2. The Ministry level predictors are largely fixed, and generally outside of the ability of USAID to influence over the short term. Therefore, it is important to analyse them carefully during the design phase. The Mission needs to cross check these predictors carefully with other ministries before they commit themselves to a program of institution building with a particular Ministry. Project 045 appears to be a good example of a project where -- in retrospect -- ministry level predictors augured against a successful institution building effort.
3. The congruence predictors are also important at the design phase, and would appear to fall mid-way between the Ministry and the project as an area where USAID can effect change. Congruence predictors can be extremely valuable benchmarks, and it is easy to lose sight of them during the frenzied rush of designing a new project. Therefore, it is important for a neutral party to a new design exercise like a PID or a Project Paper to double check these predictors.

Some further general guidelines can be formulated for using the predictive indicators for design or evaluation. For example:

- o When ministry level predictors fall below the median point (say 2.5) for a particular ministry, then this ministry would appear to be a unlikely candidate for an institution building project.
- o If the predictors at the project level, the ministry level, and the congruence level are all low (say 2 or below) then an institution building project doesn't stand much chance of success.

- o When the Ministry level predictors are high, but project level predictors are low (as for example with Project 028) then this project is a good candidate for a redesign exercise to change some of the variables under the control of the Mission.

- o If project level predictors are high, but Ministry level predictors are low, this suggests that it is probably a "good" project, but perhaps it is premature to put a lot of emphasis on institution building. Instead it might make more sense to send a substantial number of Ministry staff off for long-term training.

Table 4

Predictive Indicators	028 NWSA	044 RWSA	045 CYDA	052.1 Core	052.2 Ibb	Rank Order
Project Level Predictors:						
1. Project staff's previous country experience in Yemen or Middle East	1	3.5	2	1	4	028 - 1st
2. Project staff's language facility in Arabic	1	3.5	2	1	4	044 - 2nd
3. Project's focus	2.5	3.5	1	2	4	028 - 3rd
4. Project's strategy	2	2.5	0.5	1	3	045 - 4th
5. Demand for project outputs	3	4	2	2	3	052.1 - 5th
Subtotal	9.5	17	7.5	7	22	
Ministry Level Predictors:						
6. Ministry's mission	4	3.5	1	1	3.5	028 - 1st
7. Ministry's program	4	3	1	1.5	3.5	052.2 - 2nd
8. Ministry staff	4	1	1.5	2	3	044 - 3rd
9. Ministry outputs	4	3.5	1	2	3	052.1 - 4th
Subtotal	16	11.5	4.5	6.5	13	045 - 5th
Congruence Predictors:						
10. Congruence of Expectations	2	4	1	1	4	052.2 - 1st
11. Congruence of Objectives	2.5	3	1	2	3.5	044 - 2nd
12. Congruence of Integration between project and ministry	4	3	1.5	2	4	028 - 3rd
Subtotal	8.5	10	3.5	5	11.5	052.1 - 4th
TOTALS	34	38	15.5	18.5	42.5	045 - 5th

Rank Order	Project	Total Scores
First	052.2/Ibb	42.5
Second	044/RWSA	38
Third	028/NWSA	34
Fourth	052.1/Core	18.5
Fifth	045/CYDA	15.5

V. Findings, Conclusions, Recommendations and Implications

A. Findings and Conclusions

1. There are certain factors that seem to predict the likelihood of a successful organizational development or institution building project in Yemen. These predictive indicators have been discussed at length in the previous section of this paper.

Conclusions: There are twelve predictive indicators that suggest the likelihood of success for an organizational development or institution building project. At the project level, these predictors are:

- 1) project staff's previous country experience in Yemen or the Middle East;
- 2) the project staff's language facility in Arabic;
- 3) the extent to which the project has a focus;
- 4) the extent to which the project has a strategy for accomplishing institutional development;
- 5) the strength of demand for the project's outputs from client groups and beneficiaries.

At the ministry level there are four predictors. These are:

- 1) the clarity of a ministry's mandate;
- 2) the sharpness or focus of a ministry's program;
- 3) the ministry's supply of competent technocrats;
- 4) the demands placed on the ministry for goods and services by client groups and beneficiaries.

There are three congruence predictors which measure the relationships between a project and its host country ministry. These are:

- 1) the congruence of expectation which exists among the various partners working with the project;
- 2) the congruence between short-term objectives of the ministry and the long-term goals of a project;

- 3) the degree of integration that exists between the project and the ministry.
2. AID is an imperfect instrument for fostering organizational development in the Third World. The inherently long-term nature of building organizations requires patience and persistence on the part of all concerned. In most cases, project spans of five years are an inadequate period for the process to come to completion. Periods of ten years or even longer are required. Changes in USAID leadership, staff or program strategy can impede or weaken organizational development efforts and accomplishments. The same considerations apply equally to the institution or organization being assisted.

Conclusion: An organizational development strategy should reflect a solid consensus on the part of USAID and AID/W to invest the resources and to "stay the course" over the necessary time frame. A similar long term commitment is required of the host institution or organization and the depth of that commitment should be probed during project negotiations. The project agreement should reflect the mutual obligations of the parties over the course of the project and spell out the steps each agrees to take, especially on such key topics as availability or training of counterparts, organizational changes, the financing of recurrent costs and the availability of AID funding over the length of the project.

3. Organizational and institutional development implies the transfer by AID of skills, technology, organizational modes and patterns of behavior to a host country organization or institution and a process of adaptation and assimilation by the latter of these innovations. It is a complex and sensitive process which requires careful planning and monitoring by all parties. Too often, there is an implicit assumption that organizational development is the direct export or transplant of western concepts to the assisted agency.

Conclusion: Knowledgeable host country nationals (including representatives of the host country agency) and expatriates with in-country experience should be heavily involved in pre-project studies, planning and design. There is similar need to involve such persons in an advisory capacity during the course of the project and its periodic evaluations.

4. Organizational development projects in Yemen have done best in circumstances in which concentration of effort has initially focused on an important or representative unit within the organization or institution being assisted rather than attempting to address the latter's

problems across the board. Efforts at the broader approach have usually led to a diffusion of activity and inconclusive results. Concentration permits a better understanding of the problems and dynamics of the unit or function being assisted, an ability to go into greater substantive detail, and the potential for doing a more careful, knowledgeable job.

Conclusion: Organizational and institutional development projects should involve a careful analysis of the institution in question and the selection of a function or unit within the organization so that its strengthening will have a favorable impact on the parent organization, or can serve as a model for other units to emulate over the longer term. However, concentration of effort on a given unit or function should not be allowed to become an end in itself. Linkages between the unit and the parent institution should be encouraged and strengthened so that the project can make progress toward its larger purpose.*

5. Organizational development projects in Yemen appear to benefit in circumstances in which there is a similarity in nature and function between the U.S. institution and the institution being assisted. This similarity gives the U.S. institution an advantage in the sense that

* MSI/Washington, building on their experience with management development around the world, adds the following observations. If a project is too autonomous from its parent ministry, then there is a problem of engaging the Ministry's leadership in the organizational development process. Too much autonomy for a project can also lead to problems with replication in the future, or with potential conflicts between the project and the parent organization. Addressing the same dilemma from a slightly different perspective, if the designers have chosen to concentrate most or all of their resources on helping only a part of an organization, this sub-unit runs a danger of getting out of synchronization with the rest of the organization in terms of salaries, purpose, style, mandate, function, etc. This is frequently a problem with World Bank Projects, when they adopt the mechanism of an autonomous 'Project Implementation Unit'. To deal with these kinds of problems, a semi-autonomous project needs to have a clearly articulated strategy for systematically engaging the Ministry's leadership, and a strategy for reintroducing the initially autonomous project back into the parent or host organization.

it will have a broad familiarity with and a sensitivity to the problems and considerations that it shares with its Yemeni counterpart. This could be characterized as another "congruence indicator", as detailed in part IV of this paper.

Conclusion: The pairing of attributes and functions between the U.S. provider of technical assistance and the recipient institution in Yemen should be an important factor in contractor selection.

6. Congruence of aims is a critical factor for success in organizational development projects (and for many other types of projects as well, no doubt). A consensus on aims and priorities among the major actors in the project -- i.e., USAID, the host organization, the YARG and the contractor -- helps to assure close cooperation, open communications, agreement on task allocation and the sharing of experience. Since the contract team is usually the "change agent" in the organization building process, a cohesive cooperative spirit among its members is especially important. This is discussed in congruence predictors #1 and #2, as detailed in part IV above.

Conclusion: The studies and negotiations preceding and accompanying project preparation should seek to probe and verify the parallel character of the aims of project participants. A logical framework type of matrix may be a convenient and effective means of testing such congruence. Aims may need to be adjusted during the process so that a full consensus can be reached.

7. Imaginative, thorough and dedicated contractor backstopping is a key factor for success in organization building, as it is for other project aims. With AID depending so heavily on contractors for project execution, backstopping becomes a critical element in the implementation process.

Conclusion: Backstopping capacity should be a major element in RFPs for technical assistance and a critical consideration for contractor selection. USAID should seek to conduct the contractor selection process in Sana'a, or at the very least, participate on the selection panel if it takes place in Washington.

8. Because "organizational development" is a somewhat abstract notion, there is a tendency to set objectives and targets in fairly vague terms. This leads to uncertainty and confusion within contract and USAID staffs and between U.S. and Yemeni participants as to the directions a project should take, and the identification of intermediate steps.

Conclusion: More should be done by USAID and contractors to operationalize organizational development priorities and efforts by incorporating them more precisely into USAID and contractor work plans with specific organizational development targets and time phased benchmarks identifying progress toward targets. Position descriptions and scopes of work should be reviewed to see whether adequate emphasis is given to organizational development and employee/contractor performance ratings should adequately weigh performance in that field.

9. Organizational development projects involve the transfer of skills, attitudes and behavior patterns to Yemeni nationals so that they can modify and strengthen an institution or organization for which they work. Therefore, training is a necessary, but not a sufficient, condition for organization building. Experience has shown that training must be accompanied by recognition, pay, and other employee incentives; otherwise those trained are likely not to perform better in the positions for which they were trained than untrained workers.

Conclusion: USAID training programs should be reviewed to determine whether projects with a strong organizational development emphasis provide adequate rewards for persons trained under such projects. If rewards are not present or weak, USAID should exert its influence for changes in personnel regulations or practices which would help to motivate trained employees to longer term commitments to the organization or institution being assisted.

B. Draft Recommendations

1. Organization building projects appear to have a greater likelihood of success when they limit themselves at any one time to only one or two units or functions of the institution being assisted. Projects attempting to take on a broader range of functions or an entire organization (ministry) are less likely to achieve significant results. Organization building activities should have clearly defined objectives and be targeted upon units or functions which are likely to have a positive impact on the organization as a whole.
2. Projects involving the overseas training of Yemeni staff should utilize an appropriate number of Third Country Professionals (who combine fluency in Arabic and familiarity with the cultural nuances of the region) during the period of training and for a period after the Yemeni return. The USAID Mission has moved from having approximately 14% Third Country staff among its contractor teams in 1983 to having approximately

25% in 1985. It is suggested for the future that the Mission might want to increase this percentage over the next five to seven years, while the supply of trained Yemeni manpower is being built up. Emphasis should be placed on American educated candidates who have a positive attitude toward Yemen, and who have a practical, informal approach toward their work. Recruitment of qualified and appropriate Third Country Professionals is not easy. The following two recommendations suggest possible ways of doing so.

3. Regional PASA agreements. The YARG and USAID should explore affiliated relationships with governmental and quasi-governmental institutions in nearby Middle Eastern countries which have similar functional responsibilities in the areas of interest to the Mission -- i.e., water, agriculture, education, etc., and recruit Third Country Professional staff from these institutions.
4. When the Mission drafts RFPS for contractor selection, it might begin to include provisions for contract awards to American firms which agree to establish appropriate sub-contractual relationships with relevant parastatal or private sector Middle Eastern firms and organizations, to secure access to appropriately trained manpower.
5. Those projects which have significant "organizational development" aims should be required to prepare work plans which go beyond the normal components of a standard work plan. They should identify measures of organizational development achievement and specify the intermediate steps to be reached by appropriate benchmarks to track progress. The organizational development components of such plans might be fully incorporated in the workplan, or might be presented as an attached addendum. This is a process oriented recommendation to focus attention on the mechanics of organizational development. The process may be as important and valuable as the product.
6. Generally, each individual contract team working on an organizational development project should be required to prepare an organizational development workplan, to spell out organizational development goals, objectives, and benchmarks. The whole technical assistant team should work together to establish these goals. Once these have been broadly defined, individual members of the team should then be asked to draft their own specific personal organizational development workplan. Under ideal circumstances, these individual plans should be worked out in close consultation with individual Ministry counterparts. Once these individual plans have been derived, the results should

be consolidated to see that they accord with the priorities of the overall plan. Taken together, this exercise should yield an organizational development strategy for the whole project.

7. A general weakness that appears to exist in all efforts to encourage organizational development is the absence of an adequate and/or effective feedback system so that the practitioners and (presumed) beneficiaries of the organizational development process know what is really happening. Therefore, we recommend that the Mission design and implement a system that would track the work that contractors and Yemeni organizations are attempting to do, and pass the results back to various users:
 - The contractor.
 - The ministry being assisted.
 - The USAID Mission.
 - Other potentially interested agencies of government like CPO.
8. The Mission should consider expanding the role of its bi-annual project evaluation to include an organizational development assessment for all projects which have significant organizational development objectives. (A suggested rough draft form to facilitate quantitative and qualitative measurements of a project's progress, and also to facilitate comparisons between projects, is given in Appendix 1.)
9. Organizational development evaluations often appear more useful when they are performed comparatively. We suggest that the Mission continue the process of evaluating projects having significant organizational or institutional development content in pairs or clusters.
10. The Mission, on a comparative scale, should assess various ministries' potential for "organizational development" before committing itself to a program with a particular ministry. Some ministries do not appear to be as prepared to benefit from a program of "organizational development" as others. In choosing ministries, the Mission should use "opportunities for USAID success" as a major criterion. This needs to be balanced against "YARG ministry's needs". In other words, the Mission should proceed cautiously when trying to work with the poorest of the poor among the range of Yemen's ministries.
11. The Mission should differentiate between working with (or through) a particular ministry to implement a particular project, and declaring as its primary objective "organization building" for a particular

ministry. Although "organization building" may be needed by most ministries and government agencies in Yemen (and most everywhere else), the Mission needs to carefully assess the tradeoffs between designing a project which can successfully deliver goods and services, and designing a project which has as its primary objective the building of an organization. Organization building is not a panacea, especially if the host country agency is not ready for or receptive to the idea.

12. Technical assistance teams are often well equipped on the technical side, but seriously deficient when it comes to an understanding of "organizational development" and ways to encourage it. To respond to this, the Mission should consider creating or expanding a facilitator/advisory function to assist contractors with team development (within projects) and with organizational development (within host country ministries). This might be someone designated from within USAID, or a consultant or contractor who would conduct workshops and provide advisory services. Services should be related to recommendation number 5, and tied in with the yearly organizational development plans and the bi-annual portfolio evaluation.
13. Contract teams providing technical advisory services and organizational development should ordinarily work in the ministry they are assisting. Separate offices do not appear to facilitate the process of organizational development as well as integrated offices.
14. The Mission should commission a study of Yemeni civil service laws and personnel systems as these relate to "organization building". This study should also deal with the question of pay incentives. (See case studies on projects 052.1 and 052.2)

C. Implications

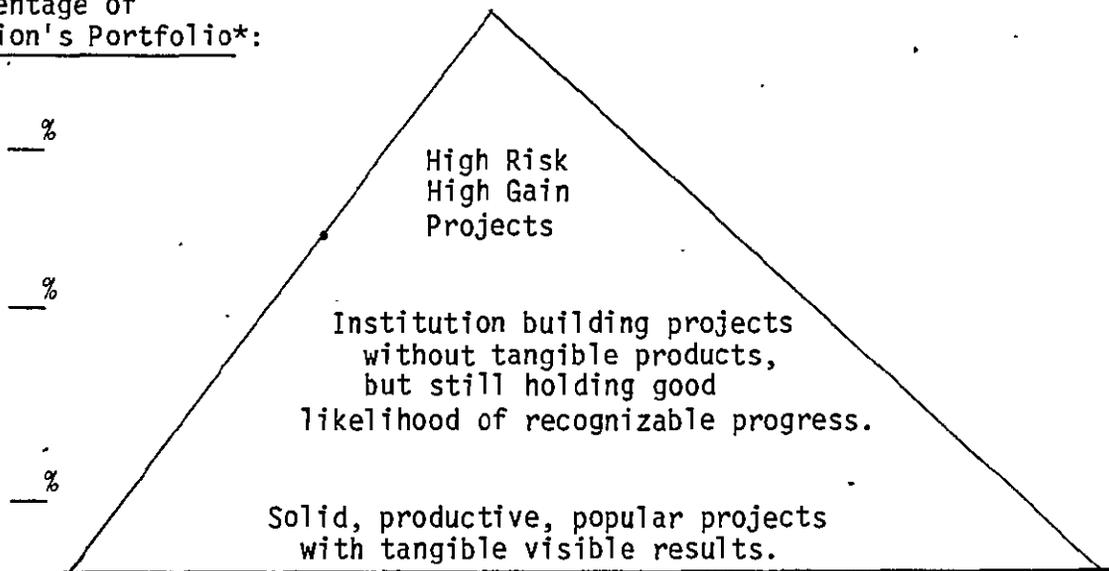
Implication No. 1:

Given the limited trained manpower currently available in Yemen, organizational development and institution building are both extraordinarily hard tasks at this time. If Yemen were a middle level developing country like Tunisia or Pakistan, it might be more appropriate to put more direct reliance upon organizational development and institution building as the primary instrument of Mission policy.

In the specific context of Yemen, however, we believe that organizational development and institution building need to be seen as major components of a larger strategy. One way to envision this strategy is to see the Mission's portfolio of projects as a pyramid.

Figure 2

Percentage of Mission's Portfolio*:



(* % to be derived by Mission staff)

Following the example of the four pillars of AID strategy, the Mission might note that there are four cornerstones to the pyramid of AID strategy in Yemen: 1) tangibility, 2) productivity, 3) organizational development, and 4) institution building. Without the first two cornerstones, the third and fourth are generally ineffective, because the first two are necessary to accomplish the last two.

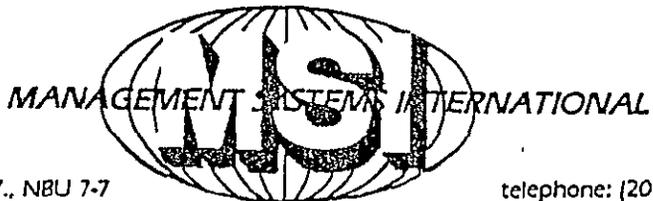
The metaphor of the pyramid applies to many of the Mission's individual projects, just as it does to the overall Mission portfolio, and for similar reasons. Both individual projects and the overall Mission presence in Yemen need to be firmly grounded in tangible, visible productive outputs in order to buy credibility and entry. This is true both for individual projects and for the Mission corporately in terms of its overall portfolio. Without this solid base, to attempt the more complex, intangible, politically difficult efforts of organizational development and institution building may be futile.

Assessment of
USAID Institutional Development Strategies

FINAL REPORT
(Appendices)

Submitted to: USAID/YEMEN

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Appendices

1. Case Studies:
 - A. Project 028 - National Water and Sewerage Authority
 - B. Project 044 - Rural Water Supply Department
 - C. Project 045 - Confederation of Yemeni Development Associations
 - D. Project 052.1 - Agricultural Development Support Project, Ministry of Agriculture
 - E. Project 052.2 - Ibb Secondary Agricultural Institute
2. Institutional Development Progress Chart .
- 3.. "Practical Lessons for Development Management" - Recommendations, pp. 158-160.
4. Scope of Work for Assessment
5. Bibliography
6. Persons Contacted
7. Analytical Framework: Institutional Development Analysis.
8. Relationship Framework: How "Projects" relate to "Organizations".



APPENDIX 1. Case Studies

- A. Project 028 -
National Water and Sewerage
Authority
- B. Project 044 -
Rural Water Supply Department
- C. Project 045 -
Conference of Yemeni Development
Association
- D. Project 052.1 -
Agricultural Development Support
Project, Ministry of Agriculture
- E. Project 052.2 -
Ibb Secondary Agricultural
Institute

A. Case Study: Project 028, National Water and Sewerage Authority (NWSA)

I. Overview of NWSA:

The National Water and Sewerage Authority was formed in 1973 and given the responsibility for planning, construction, and operation of water supply and waste disposal facilities for the major urban centers of the country. NWSA was set up as an autonomous authority under the Ministry of Power and Water Supply (now the Ministry of Electricity, Water Supply and Sewerage). From 1973 to 1977, management of the water and sewer systems for the three largest cities in the nation, Sana'a, Taiz and Hodeidah, was consolidated under a Sana'a headquarters. NWSA was created, at least in part, at the behest of the World Bank which, along with USAID and other donors, was about to invest heavily in the expansion of the water and sewer systems in the three cities.

NWSA's status as an independent authority is reflected in several ways. Its personnel system is separate from that imposed on government ministries. It is thus able to pay somewhat higher salaries, and thereby attract and retain the highly qualified individuals, particularly engineers, that it needs. (The advantages of this arrangement may have been somewhat diminished in recent years as the differences between ministry and authority salary scales have been narrowed, and as newer authorities, i.e. Yemania and the Electricity Authority, have had somewhat better pay scales established.) A further advantage of the independent authority status is that the Director General of NWSA reports directly to the Minister of Electricity, Water Supply and Sewerage, which may be a partial explanation of NWSA's relative success in securing YARG budgetary support for its capital investment needs. A final effect of the independent authority status is that NWSA is expected to operate as a commercial entity, eventually supporting itself from its own revenues.

NWSA is now responsible for water supply service for Sana'a, Hodeidah, Taiz, Ibb and Hajjah, and sewerage service for Hodeidah and Taiz. The sewerage system for Sana'a is under construction and expected to be completed by mid-1986. Major improvements to the Ibb water system, a completely new sewer system for Ibb, and new water supply and sewer systems for Dhamar will be contracted by the end of 1986.

NWSA's formal legal mandate to provide water and sewer services is nationwide and not restricted to urban areas. It was given the responsibility for the three major cities at its incorporation, and has since been assigned specific responsibil-

ity for Ibb, Dhamar and Hajjah. Feasibility studies for the next eleven largest cities are being negotiated in late 1985. NWSA currently gives priority to urban areas because this is felt to be most cost effective in terms of impact on public health and sanitation. Its mandate will allow it to service small towns and rural areas when and if it chooses to do so, with the only condition being that it must have adequate financing before it undertakes rural activities. NWSA is the only public agency authorized to undertake long-term borrowing to finance water and sewer services. If, at some point in the future, NWSA should expand into rural areas, it would be able to offer a much wider variety of services than RWSD currently offers.

In the early 1980's, the World Bank estimated that total investment needed for urban water and sewer supply in Sana'a, Taiz, Hodeidah, Ibb and Dhamar by 1986 was approximately \$600 million. Because planning and construction has slipped behind schedule (through no fault of NWSA's), this amount has not materialized yet, but plans call for the completion of this work by 1988. If the feasibility studies for the next eleven largest cities lead to further construction of systems, as they surely will, NWSA is probably at the current limits of its management capacity, both in terms of existing systems and construction of new systems.

NWSA has performed very well in its twelve years of almost turbulent growth. It has a reputation, with donors and with Yemenis, for good management. Some feel that it is one of the best managed organizations in Yemen. Its success in management is clearly linked to its success in recruiting, training, retaining and motivating qualified personnel.

A systematic study of NWSA's recruitment and training needs through the early 1980's was done by the World Bank and AID. This study showed that NWSA's only hope for coping with the explosive growth projected in water and sewer systems was a focused and determined effort to recruit and train new staff. Recruitment was clearly helped by NWSA's ability to offer competitive salaries, but it was also positively affected by the fact that NWSA recruited many of these persons, many of them recent graduates of Sana'a University, with the promise of almost immediate advanced studies. Training in engineering and management was offered by the coordinated programs of several donors. USAID's Project 028 was part of this effort. Lower level technical training was arranged by NWSA from Yemeni sources.

Retention and motivation of trained persons is no doubt related to NWSA's competitive salary structure, but may also be

related, at least for higher level positions, to a certain tendency within NWSA to delegate authority and responsibility -- a very rare tendency in Yemeni organizations. It is also reported that communications among NWSA managers are more systematic than is normal in Yemeni organizations. There are regular staff meetings in which agendas are adhered to. NWSA is a relatively satisfying place to work.

NWSA staff has grown very rapidly indeed. From just a few staff in 1973, it grew to 550 by the end of 1981, 724 by June 30, 1982, 1,136 by December 1984, and over 1200 by June 1985. As of June 1985, NWSA employed about eighty engineers, making it by far the largest employer of engineers in the water sector. When looking at the growth in personnel, it should be kept in mind that the workload has also expanded dramatically during this period. New systems have come "on-line", old systems have been expanded, and the planning and management of new construction has required a large effort.

Although the growth in personnel numbers and the skills of the persons has been for the most part an absolute necessity, done according to plan, some in NWSA have recently begun to doubt whether all of the growth in numbers has been necessary. They point out that in recent years personnel numbers have grown faster than planned, and faster than the output of NWSA's water systems. (See Appendix 1 for selected indicators of NWSA performance, 1981 to 1984.) For example, from 1981 to 1984 it was planned that total staff would increase from 550 to 940. The actual number for 1984 was 1,136, 121% of the target. During this same period it was planned that NWSA's net water production would grow from 7,200,000 cubic meters to 29,952,000 cubic meters. The actual figure for 1984 was 11,990,000 cubic meters, an increase of 67% over 1981, but only 40% of the planned output. Net water production lagged behind planned water production for two well understood reasons: (1) the decline of the water level in the Sana'a wellfield, and (2) the loss before it passed through water meters of 50% of the water pumped into the mains in Taiz. The growth in personnel might well be explained by factors unrelated to water system productivity -- planning and construction of new systems, for example. Nevertheless, some NWSA staff feel that there is a modest tendency toward over-staffing, or alternatively, that the staff they have are not as productive as they might be.

As was stated earlier, NWSA is expected to be basically self-supporting, although everyone realizes that the huge capital investments necessary for the construction of the major water and sewer systems will be donor financed. Most of this financing is loan money, not grant money. In recent years NWSA has achieved an operating surplus, but after allowances for

depreciation and interest, it is still running a deficit. A large increase in the rates charged for water and sewer services was implemented in November 1985 to eliminate this deficit and attain a 5% return on net invested capital. Whether NWSA subscribers will pay the higher rates is open for question.

The rate structure is progressive -- the more water used, the higher the unit cost -- to encourage water conservation and make sure that poor households can afford water. Sewer charges are based on water consumption, and are also progressive. The first ten cubic meters of water used per month costs YR 5.40, which is a highly subsidized rate since it costs about YR 10.50 to produce (see Appendix 2 for the complete rate structure). Public buildings, mosques and schools receive subsidized rates, but factories pay dearly for water -- YR 20.00 per cubic meter. This is a deliberate attempt to discourage the development of water consuming industries in Sana'a. This rate structure is designed to achieve the desired return on investment by 1987.

NWSA has just started preparation of its Third Five Year Plan. Present indications are that NWSA would prefer to concentrate on improving the operation of its existing systems in the next few years, rather than continue to construct new systems. There is good potential for lowering the costs of operation of their existing systems, if they can just concentrate on doing so. For example, only about 45% of the buildings in Sana'a have NWSA water service (80,000 buildings, with 36,000 connections). Increasing the ratio of connections to buildings would help NWSA amortize the large capital costs of the system. Furthermore, NWSA has a significant problem with past due water bills in Sana'a, and with leakage and illegal connections in Taiz. Dealing with these problems would significantly improve NWSA's revenues. Despite NWSA's preferences, it seems doubtful that they will be allowed to pull back from rapid expansion of the areas served, since the central government places a high priority on extending modern services to all areas of the country.

NWSA's organizational structure is presented in Appendix 1. This structure is reasonably well suited to NWSA's needs and no changes are contemplated at this time.

2. Overview of Project 028:

Project 028 was designed to contribute to a goal of improving the health conditions of the people of the YAR. The project purpose was to develop NWSA into an effective entity, capable of managing, planning, constructing and operating urban

water and sewer systems. The project design called for two primary inputs to achieve this purpose: (1) a technical assistance team to upgrade the fiscal and administrative divisions of headquarters and branch offices, and (2) a total of 474 person-months of academic and specialized training, with an "option" for 120 additional person-months if the construction of water and sewer facilities for Ibb and Dhamar was undertaken.

The technical assistance team, as proposed in the Project Paper, consisted of a Technical Advisor, a Training Advisor, two Fiscal Advisors, and two Maintenance Specialists. Project designers had imagined an intricate, well-reasoned scheduling of the arrival and departure of the various advisors commencing in January 1978, and terminating some three and one-half years later. Up to six person months of short-term consulting services were also provided.

Project 028 was justified by the need to prepare NWSA to manage its rapidly multiplying urban water and sewer systems. Commitments had been made by various donors, feasibility studies were underway for future expansions, and construction was in progress on the major systems of Sana'a, Taiz and Hodeidah. Investments of more than \$600 million (later revised to \$800 million) were projected over the next several years. NWSA clearly lacked the capacity to operate and maintain these systems. The development of this capacity was regarded as absolutely necessary, and cheap "insurance" on the donors' large investments. What might have been a routine technical assistance project was turned, by the need to coordinate with several donors and the looming completion of several new systems, into a very complex, interdependent problem.

A close reading of the Project Paper suggests the potential for trouble. It is filled with references to the role of the "advisors" as "operational and advisory" (emphasis added). The advisors are charged with preparing a number of very long-range plans and studies, while also being required to perform tasks "as assigned" by the Director General of NWSA. Certain sections of the Project Paper make it clear that the advisory team is not, in fact, a team. The Team Leader is more like a team administrator. All advisors report to the Director General of NWSA. They specifically do not report to the Team Leader. They are assigned to several departments scattered throughout NWSA and its local branches. Required skills and job descriptions of the various advisors vary greatly.

Despite the apparent complexity, project designers, under the pressure of the imminent completion of the new water and sewer systems, programmed a series of short deadlines. These

deadlines were badly breached before the project even got underway. For example, the designers had allowed four months between the signing of the Project Agreement and the signing of a host country contract. The actual time required was eighteen months. NWSA signed a contract with Technical Management Services, Inc. (TMSI) on May 24, 1979, and the first advisor arrived in the fall of 1979.

The contract which emerged was different in at least two crucial respects from that envisioned in the Project Paper. It made no provision for a Training Advisor on the contract team (nor was an internal NWSA training advisor named), and the technical assistance was to be provided over a period of 27 months, instead of the 42 months the designers had wanted.

The early months of the project were filled with friction and failure to perform. NWSA failed to provide an adequate number of candidates for long-term training. However, no outcries were raised since there wasn't any training advisor. The advisors who were on-site were doing a great deal more operational work than they cared to do, at great cost to their planning, training and institutional development assignments. The tension between their own preference for advising and the Director General's need for "hands on" operational support became an open controversy in July 1980, when the Director General sent letters to TMSI and individual advisors indicating his dissatisfaction with their work, asking them to document their daily activities, and asking for the discharge of two advisors. An explicit decision was made to have the "advisors" concentrate more on solving the immediate problems. The Technical Advisor and the two Maintenance Advisors became part of NWSA's de facto engineering staff.

Virtually no progress was made in the training program. Finally, in late 1980 or early 1981, USAID selected, and separately funded, a training advisor. This person served just a few months before being released in April 1981. At this point, the TMSI contract was amended to provide a training advisor.

An evaluation of the project was done in September 1981. It found that just two of the anticipated twelve long-term academic training candidates were studying in the US. Furthermore, neither candidate was doing well in his studies. No non-academic or third country training had been accomplished in the then three year old project. NWSA had managed to cycle twenty-four newly recruited technicians through courses at the German Vocational School in Sana'a.

In the several months following the September 1981 evaluation, the TMSI contract was amended several times to

provide short-term operations and maintenance training to NWSA. These amendments also generally provided that the short-term trainer/consultants were to have specific NWSA counterparts assigned. By this time, a long-term training advisor had arrived and three or four additional long-term participants departed for academic programs in the US. Candidates for the remaining half-dozen long-term training slots materialized in the spring and summer of 1982.

In the summer of 1982, \$1,100,000 of funding was added to the project and the PACD was extended to December 31, 1986. The goal and purpose of the added funding were exactly the same as in the original project. The additional funding, and some \$600,000 left from the original funds, were applied to: (1) on-the-job/classroom training; (2) mid-level management/technical training for supervisors; and (3) long-term academic training as required. Emphasis was placed on the first two areas. The first item was a direct attempt to provide the basic technical training needed by NWSA water and sewer system operators using existing Yemeni vocational-technical educational centers. The second item provided water and sewer O&M training for up to fifty supervisors, for a total of up to 450 person-months. A training advisor was also provided for an additional eighteen months.

Despite the sometimes rocky relationship between NWSA and the TMSI advisory team, NWSA eventually requested that TMSI be awarded the additional work on a sole source basis. Once the advisors stopped "advising" and started "doing", they were evidently effective in meeting NWSA's immediate needs. Also, the short-term O&M training provided under an amendment to the original contract went well.

3. Institutional Accomplishments:

Institutional development has clearly taken place in NWSA since 1973, and during the period of Project 028, from 1977 to the present. Indications of that development are:

- a. NWSA does seem to be able to recruit and retain qualified personnel. This is particularly noticeable in the cadre of eighty fully trained engineers, several of them products of Project 028;
- b. NWSA values training and skill building more than most Yemeni public agencies. A training advisor reports directly to the Director General. NWSA continues to formally train technicians through Yemeni vocational-technical centers and the National Institute of Public Administration. Those who complete prescribed training courses receive modest pay raises.

- c. NWSA uses a sophisticated computerized billing and accounting system, which gives them exceptional (for Yemen) information about individual accounts receivable and their total financial situation. This system, produced by NWSA Yemeni programmers, is currently being adapted and adopted by the Electricity Authority.

It is difficult to attribute many of these accomplishments to a specific donor project. There have been many donors, a mix of capital development and technical assistance projects, and several hundred million dollars spent or committed. In this context, it is very difficult to isolate the accomplishments of Project 028.

One accomplishment that can be directly attributed to Project 028 is the computerized accounting system. A primary focus of technical assistance during the first phase of the project was improving the fiscal and administrative capability of NWSA. TMSI provided the advisor who trained the Yemenis, who programmed the system. That advisor remains with NWSA today under direct contract. It is interesting to note that the advisor claims to have refused to write programs, despite pressure to do so, and to have insisted on training Yemenis to program. He feels that he was able to "buck the system" because of the scarcity of good programmers.

4. Institutional Problems:

The first thing that should be said is that NWSA's problems are not serious in comparison with many other Yemeni public agencies. Having said that, it is also clear that Project 028 did not accomplish many of its more far reaching institutional goals, many of which may not have been attainable. For example, the following are presented at various points in the Project Paper as EOPS:

- a. NWSA achieves a 5% rate of return to net fixed investment by 1984;
- b. NWSA has influence in the city planning process in Yemen in order to plan water and sewer expansion in harmony with city expansion;
- c. NWSA adopts a uniform plumbing code.

None of these goals has been achieved. The recent rate increases represent movement toward a 5% rate of return, but the new rates were only implemented under pressure from the World Bank (IDA). These goals seem rather lofty for a \$6 million dollar project in an \$800 million "game".

NWSA is believed to have continuing relative weakness in the operation and maintenance of its water and sewer systems. O&M capacity is thought to be weak relative to headquarters' ability to plan and manage the construction of new systems, and relative to the increase in the number of systems to be managed. A project of the German aid agency (GTZ) is supposed to start in early 1986 to improve the O&M capacity of NWSA branches.

NWSA prides itself on being relatively independent of foreign advisors. They have clearly made progress in the last several years in this respect. This "independence" is somewhat illusory, however. NWSA depends a great deal on contractors for feasibility studies, designs, construction supervision, etc. In part, this is due to donor insistence that firms from their countries do some of the work, and in part it is related to NWSA's own limited capacities. It should also be noted that NWSA won't be completely independent until the loans are paid off. Donors have contractual rights, arising from loan conditionalities, to impose water and sewer tariff increases and to restrict NWSA's borrowings from other sources until the loans are paid back.

There has been a tendency over the last several years to deride NWSA's institutional strength in terms of its ability to meet the challenges of rapid growth. This is one measure of its institutional capabilities, and NWSA has performed well. Another challenge of institutional strength will emerge when the period of rapid, donor financed expansion ends. At some point, NWSA will have to finance the construction of new, probably very much smaller, systems from its own or YARG resources. In a sense, donor resources and influences have freed NWSA from a number of Yemeni constraints which may reassert themselves when NWSA has to survive on Yemeni resources alone.

5. Lessons Learned:

- a. \$400 million will produce institutional impact -- especially when another \$400 million is in the "pipeline". What this point really says is that NWSA can't be compared to any other case that the team is studying. The importance of correctly investing and managing such sums of money is so compelling that institutions are driven to improve in ways that no technical assistance project can hope to match.
- b. The several donors involved in the institutional development of NWSA may have added a salutary element of redundancy. Donors may have "over invested" in

institutional development because of the difficulty in defining what "it" is, because of each donor's concern that others wouldn't give it enough attention, and because of the perception of institutional development as "cheap insurance" on the large capital investments.

- c. NWSA's institutional development has been greatly increased by the fact that it will have to operate and maintain the systems under construction. The certain knowledge that they will have to operate and maintain the completed systems has "forced" NWSA to internalize the technologies involved.
- d. The relatively long time-frames of capital investment may enhance the institutional development process. Institutional requirements become known before they are actually required, thus giving time to prepare for them. The challenge to managerial capacity represented by scheduled completion of major new systems in Sana'a, Taiz and Hodeidan was recognized several years in advance. While the problems were not solved well in advance, the lead time did offer time for an institutional "learning curve", which may be expected in most institutional development attempts.
- e. Team structure, and lack thereof, does make a difference in institutional development efforts. The TMSI advisors might have been better able to maintain the institutional development goals of Project 028 had they been a team. As it was, they were divided, fragmented, and geographically dispersed. Since institutional development is frequently poorly understood by host country personnel, conscious construction of advisory teams is probably desirable.
- f. As a general rule, host-country contracts should not be used to achieve institutional development objectives. This arrangement gives too much freedom to host-country persons to undermine the achievement of objectives that they are not likely to understand.

Table 1:
Comparison of Selected NWSA Performance Indicators
1981-1984

Indicator	1981	1984	Net Increase	% Increase
Net water production	7,200,000	11,682,835	4,482,835	62
Production cost	31,389,600	57,109,505	25,719,905	82
Water revenues	36,000,000	66,378,580	30,378,580	84
sewerage revenues	-0-	12,285,210	12,285,210	100
Total manpower	550	1,136	586	107
Salaries and others	16,042,450	39,751,013	23,708,563	148

Source: "Evaluation of the Second NWSA Development Plan"
Department of Planning and Statistics, NWSA, 1984.

Table 2
Comparison of Selected NWSA Performance Indicators
(Actual vs. Planned, 1984)

Indicator	1981 Actual	1984 Planned	1984 Actual	Actual/Planned
New water production	7,200,000	29,952,000	11,990,000	40
Water revenues	36,000,000	149,760,000	66,378,580	44
Sewerage revenues	-0-	24,400,000	12,285,210	50
Salaries and others	16,042,450	44,020,482	39,751,013	90
Manpower	550	940	1,136	121
Investment expend.	341,879,212	52,846,000	60,329,059	114

Source: "Evaluation of the Second NWSA Development Plan"
Department of Planning and Statistics, NWSA, 1984.

NWSA ORGANIZATION CHART

Minister of Electricity,
Water Supply,
and Sewerage

Secretariat

Legal Advisor

Managing
Director

Training
Advisor

Technical
Advisor

Deputy Director and
Director of Operations

Controller's
Department

Planning and
Statistics
Department

Financial
Department

Technical
Department

Administrative
Department

Branches

Note: Branches all have Financial, Technical and Administrative Departments reporting to the Branch Managers, who in turn report to the Deputy Director.

Source: Sana'a Basin Water Resources Assessment, WASH, October, 1985.

NWSA Water and Sewerage Tariffs
November, 1985*

Quantity (Cubic Meters)/Month	Cost/Cubic Meter (Yemeni Rials)
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Water for Domestic Uses:

Less than 10	Water -	5.40
	Sewer -	3.10
11 - 20	Water -	6.90
	Sewer -	3.90
21 - 30	Water -	9.50
	Sewer -	5.40
31 - 40	Water -	12.60
	Sewer -	6.90
Greater than 40	Water -	15.50
	Sewer -	9.00

Public Buildings, Foreign Embassies, Mosques and Schools:

Less than 40	Water -	12.00
	Sewer -	10.00
Greater than 40	Water -	16.00
	Sewer -	14.00

Factories:

All quantities	Water -	20.00
	Sewer not provided	

Commercial Establishments:

All quantities	Water -	12.60
	Sewer -	6.90

* Rates vary slightly in Hodeidah from those presented here because of climatic differences.

Note: Water production costs are approximately YR 10.50/M3

Source: Department of Planning and Statistics, NWSA

3. Case Study: Project 044, Rural Water Supply Department
(RWSD)

1. Overview of the RWSD:

The Rural Water Supply Department was formed in 1972 as a department of the Ministry of Public Works. The Department is responsible for designing and constructing water systems in the smaller towns and rural areas of the country. The National Water and Sewerage Authority (NWSA) has the mandate for construction of water systems for the larger towns, including Sana'a, Taiz, Hodeidah, Ibb and Dhamar. The mandate of the RWSD does not include responsibility for operation and maintenance of completed rural water systems. Formal operation and maintenance responsibilities are vested with the village when a project is completed. The mandate for improved health and sanitation lies with the Ministry of Health.

The rural water "sector" is highly fragmented, with little national policy and operational coordination among the various public agencies involved. One study cites seventeen public agencies as having some responsibility in this sector. In early 1982, the High Water Council was formed to coordinate all activities concerning water resources and prepare a national policy and plans for water resources development. However, the Council rarely meets and has been unable to make policy. The Director General of the RWSD is a member of the thirteen-member Council.

Since its inception, RWSD has been heavily dependent on donor assistance. USAID has provided almost continuous assistance since 1972. A WHO expert was assigned to the Department at its inception, and a long-term UNDP/WHO/UNICEF project of institutional strengthening was put in place in 1975. The project was reduced somewhat in 1983, but a WHO expert works 50% of his time with the Department, several former UN volunteers have been hired directly by the Department, and two UN volunteer engineers remain in place today. The Department has also received commodity aid and technical assistance from several other foreign donors, including the Netherlands, the Federal Republic of Germany, Saudi Arabia, Japan, the Arab Fund, and Iraq. The degree and variety of external assistance does not, however, imply a pliant Department. Indeed, at least as far as Project 044 is concerned, donor influence over the Department is tenuous, difficult to define, and usually limited to engineering and associated technical subjects.

Clean water is a vital necessity and in short supply in rural Yemen. Therefore, the Department has been under heavy

pressure to construct rural water systems. This pressure is given voice every business day by scores, if not hundreds, of rural villagers who journey to Sana'a to the Department's offices and corridors to make their needs known. The articulation of demand is so intense as to interfere with the orderly planning and delivery of such services.

Reliable information as to Department organization and size, and changes thereto over time, has been difficult to assemble. It appears that the Department consisted of approximately twenty-five persons when organized in 1972, and that it has grown to approximately 125 persons today. Degree-holding Yemeni engineers and administrators have always been in short supply in Yemen. Two of the Department's senior Yemeni staff, in addition to the Deputy Minister, hold engineering degrees. Several other staff hold diplomas for technical or administrative training. The shortage of qualified personnel extends throughout the Department, however, as it does throughout the entire government. Reliable statistics for the RWSD are not available, but information for TransCentury's local-hire and Ministry counterpart staff suggest that approximately 90% of the lower level technical staff have completed less than ten years of formal schooling.

While the mandate for building rural water systems formally lies with RWSD, other public agencies have independently undertaken the construction of such systems. Foremost among these are the Confederation of Yemeni Development Authorities (CYDA) and the Ministry of Agriculture and Fisheries. Several of the Regional Development Organizations (see Case Study on Project 052.1) have also been active in providing water supplies. Owing to the several providers of water systems, an accurate total count of the number of systems installed does not exist. However, the UNDP WHO project with RWSD has kept count of the systems constructed by RWSD using its own resources since July 1976. These data are presented in Table 1.

One has to be somewhat cautious about trusting these data because they show that almost one-half of the water systems completed by RWSD using its own resources in the nine year period were completed in 1980-81. A dramatic surge of pump installations and well drillings also occurred in 1980-81. Perhaps not coincidentally, 1980-81 was the end of the YARG's First Five Year Plan. It is possible that different definitions of "completed projects" were used in this final year of the Plan, as RWSD tried to meet its goals. It is also possible that the surge in completed water systems, wells drilled, and pumps installed in 1980-81 represents genuine accomplishments. Remittances from Yemenis working abroad were quite high, and YARG was spending quite heavily during this

Table 1

Projects Financed and Constructed by RWSD - July, 1976 - July, 1985

<u>Year*</u>	<u>Projects Completed</u>	<u>Wells Drilled</u>	<u>Pumps Installed</u>	<u>Population Benefited</u>	<u>Beneficiaries as % of Total Population</u>	<u>Total Cost (YR)</u>
76-77	38	20	NA	158,086	2.43	NA
77-78	55	30	61	101,160	1.56	35,333,000
78-79	115	77	94	151,810	2.34	40,855,000
79-80	156	43	28	145,640	2.24	85,176,000
80-81	<u>453</u>	<u>303</u>	<u>290</u>	<u>209,870</u>	<u>3.23</u>	<u>231,727,000</u>
Subtotals	816	473	473	766,566	11.79	393,091,000
81-82	50	129	80	120,440	1.73	100,500,000
82-83	48	300	120	177,640	2.56	150,000,000
83-84	40	200	120	83,000	1.19	86,000,000
84-85	<u>55</u>	<u>244</u>	<u>86</u>	<u>86,015</u>	<u>1.24</u>	<u>20,310,000</u>
Subtotals	193	873	406	467,095	6.72	356,810,000
TOTALS	<u>1,009</u>	<u>1,346</u>	<u>879</u>	<u>1,233,661</u>	<u>18.51</u>	<u>749,901,000</u>

* Year is July to June

Source: RWSD/WHO

time. Total government spending has declined significantly since approximately 1981-82, and it seems logical to assume that RWSD's budget has likewise declined.

Nevertheless, these data show much lower production of completed water systems in the four years of the Second Five Year Plan. The fifty-five systems completed in 1984-85, the highest output for any year of the Second Plan, represent a concerted effort to complete systems started but left unfinished in several previous years. Very few new starts were undertaken in 1984-85.

Over the past nine years RWSD, using its own resources, has improved water facilities (not necessarily meaning complete piped water systems) to about eighteen percent of the population. Perhaps a further five percent received improvements to their water systems prior to July 1976. This means that water supplies for somewhere between twenty and twenty-five percent of the population have been improved by RWSD. Donor funded water systems, including those of Project 044, and those provided by other public agencies are in addition to the improvements discussed here.

Almost all of RWSD's approximately 125 staff members work in its Sana'a headquarters. There are new and very small regional offices in Dhamar and Taiz. Hodeidah will have a regional office in the near future. RWSD's Director General exercises strong personal control over all aspects of the organization. He and his two top assistants have maintained their positions since RWSD was founded. The Director General reports to the Deputy Minister of Public Works.

2. Project 044 - Small Rural Water Systems:

The "Small Rural Water Systems" activity has a long history in USAID/Sana'a's portfolio. Development of the water sector has been a USAID objective since 1962. USAID has been working in the rural water sector, through projects 022, 044/I and, currently, 044/II, almost since it helped to create the Rural Water Supply Department (RWSD) in 1972. Each of the three projects had/has the dual objectives of (1) creating rural water systems and (2) enhancing the capacity of RWSD to provide such systems. Project 022 paid only moderate attention to enhancing capacity, but in the succeeding projects the emphasis on institutional development has substantially increased. In the 044/II project paper, ten of the fourteen outputs are concerned with institutional development. These activities are briefly summarized in Table 2.

Table 2

USAID Rural Water Projects - 1972-1989

<u>Project</u>	<u>Years</u>	<u>LOP Funding (US\$, 000)</u>	<u>Purpose and/or Objectives</u>
022	1972-78	4,880	<ol style="list-style-type: none"> 1. Establishment of a well drilling division and mechanical section 2. Setting up of workshop and warehouses 3. Provision of materials for the construction of small water projects
Limited Scope Grant	1978-80	145	Continuity of USAID/RWSD activities during extended negotiations for Project 044
044/I	1980-84	8,690	<ol style="list-style-type: none"> 1. Assist 140 (later reduced to 80, reduced again to 55) selected rural villages, through RWSD, to construct, maintain and manage their own water supply systems 2. Provide the basis for institutionalizing the project by improving the administrative capabilities of RWSD, and the participatory involvement and operational capability of benefited villages.
044/II	1984-89	12,810	<u>Goal:</u> Improve the rural population's access to water <u>Purpose:</u> Strengthen the managerial, technical and financial capabilities of RWSD
TOTAL:		26,525	

Project 022 and the Limited Scope Grant were implemented by AID direct hire staff, personal services contractor, a small contingent of US Peace Corps volunteers. Phases I and II, has been the responsibility of New TransCentury Foundation (NTF) under a Cooperative Agreement signed July 28, 1980. Each of the projects has experienced delays and difficulties in either project negotiation and start-up or in implementation, especially in the institutional development aspects of implementation.

Although a relatively minor donor in Yemen, USAID has played a larger role in the rural water sector. Most other donors in this sector have limited their activities in one way or another. No other donor has the high degree of involvement with RWSD and Yemeni villagers, and the extensive and continuing scope of operations that USAID has through projects 022 and 044.

The need for rural water systems in Yemen is staggering. In 1983 it was estimated that perhaps twenty percent of the rural population had access to an improved water supply system. If this percentage is applied to the approximately 5,000 villages in Yemen, it can be estimated that 4,300 water supply systems were needed as of 1983. Since less than 200 systems are currently being built by RWSD and its associated donor projects per year, it seems clear that providing rural water systems will remain a high priority for decades to come. Furthermore, if one assumes that the average direct cost per water system borne by Project 044 to date, \$34,000 is a reasonable approximation of the cost per system to build the remaining 4,300 systems, then the donor contributions to meet the direct costs for rural water systems in Yemen amounts to some \$146,290,300. Even assuming that a large percentage of the remaining systems could be (or have been) financed by the villages themselves and constructed by private contractors, there remain thousands of villages without access to adequate sources of water. This situation leads very quickly to the conclusion that development of a wholly Yemeni capacity to provide rural water systems, i.e., institutional development, is the only reasonable approach to the problem.

Project 044/I was evaluated in March 1982, and again in October 1983. Both evaluations appear to have had a significant impact on the institutional development activities of projects 044/I and 044/II. The conclusions of the March 1982 evaluation with respect to the project's institutional development objectives are particularly noteworthy, and are repeated below:

"An original output of the project was to provide the means for institutionalization of the of the project with RWD. Experience has shown that the RWD does not yet recognize a need to improve its own capabilities at its highest levels, nor does TransCentury have the personnel to influence such a decision ... Recommendation: This output should be reworded to read: to create a cadre of technicians within RWD capable of supervising construction work and maintaining acceptable standards of construction."

The evaluation also recommended the elimination of other features of the project with institutional development implications, namely the collection of socio-economic data in feasibility surveys and the establishment of a donor coordinating committee. Although the evaluation further recommended that the MPW be required to "demonstrate its receptivity" to the project's insitutional goals and appoint a chief counterpart, the net effect of the evaluation was to emphasize the project's production goals at the expense of those in institutional development.

The October 1983 evaluation of Project 044/I noted that TransCentury and RWSD had responded satisfactorily to the recommendations of the earlier evaluation. This evaluation spoke very positively of Project 044/I's accomplishments, but emphasized a need to improve certain aspects of its institutional development work. It suggested that a new training program be initiated in the areas of sub-project survey, design and estimating, in order to transfer these skills to Yemeni technicians.. The evaluation further recommended that Yemeni engineers be attracted to the project with pay incentives, and that on-the-job training be provided to private contractors.

The October 1983 evaluation also made recommendations for changes in project management. These included the hiring of a Project Executive Officer, a training and institutional development person, and a public health/sanitation specialist. These recommendations indicate a concern with project management, and also suggest that the evaluators felt that project institutional development activities needed more attention.

Despite continuing difficulties with institutional development activities, Project 044/I accomplished many things. It did, in fact, build high quality rural water systems and was able, in the later years of its existence to increase the number built each year. Beneficiary villages contributed substantially to the costs of these systems, and appear to be able to operate and maintain them satisfactorily. Project staff were and are able to work in rural Yemeni

villages without becoming entangled in village disputes or offending local customs. In a society with xenophobic tendencies this is a notable accomplishment.

Furthermore, project survey, design and construction activities have been simplified and standardized in order to facilitate transfer to Yemeni technicians. Transfer of knowledge to RWSD technicians and village operation and maintenance persons is taking place at an increasing rate. Relationships between the Project and RWSD are very good. RWSD officials frequently expressed unsolicited praise for the Project and its Chief of Party during the interviews for this case study. In the negotiations for 044/II, RWSD expressed a desire for an expanded scope of action for the Project. Specifically, they requested assistance from the Project in reorganizing the RWSD and for expatriate staff assistance to an Office for Planning and Management within the RWSD.

There are aspects of the Project which remain problematic -- especially institutional development activities. Some of these difficulties appear to stem from a lack of a clearly articulated and agreed upon strategy for institutional development.

3. Institutional Accomplishments:

The institutional accomplishments of Project 044 can be summarized under the following headings:

- a. Goodwill with YARG;
- b. Establishment of systems, procedures and standards;
- c. Training of technicians and villagers.

Project 044/I started under difficult circumstances, including strained USAID relationships with the RWSD and the government. From these very difficult beginnings, Project 044 has managed to re-establish a high degree of acceptance by the RWSD. Acceptance by RWSD appears to be based in part on the Project's accomplishments in completing the construction of rural water systems, and in part on the good relationships between the project's Chief of Party and his counterparts and other senior officials of the Ministry.

The Project goes about the business of building rural water systems and transferring skills to technicians and villagers in

an organized, systematic manner. The development, and continual improvement, of the many systems, procedures and standards which comprise an organized system is a considerable institutional accomplishment. They appear to be both technically/professionally acceptable, particularly with respect to building water systems, and well adapted to Yemeni circumstances.

The Project has clearly responded to the 1982 evaluation with a considerable emphasis on the training of RWSD technicians. RWSD officials are apparently quite satisfied with the results. A rather cursory examination of the program for training villagers in operation and maintenance of water systems also suggests that it is well thought out and effective in transferring necessary basic skills. What is most impressive about these efforts is the Project's evident commitment to pragmatic results and continuing improvement of the processes.

4. Institutional Problems:

The institutional problems noted during this assessment of Project 044 include the following:

- a. Primary reliance on training as a strategy of organizational/institutional change;
- b. Primary reliance on a very few counterpart relationships and goodwill as mechanisms for influencing RWSD;
- c. TransCentury and RWSD's apparent weakness in recruiting and retaining well-qualified administrative staff;
- d. Further, the project should seek increased involvement of the private sector.

Following the recommendations of the 1982 evaluation, the Project concentrated much of its energies on the successful training of Yemeni technicians in construction skills. However, the transfer of skills, although clearly necessary, is only a beginning for institutional development. Moreover, new skills are unlikely to be practiced on the job if their exercise is unrewarded. Since RWSD does not yet do so, we should expect little impact on RWSD's operations.

The second principal component of Project 044's institutional development strategy seems to be "goodwill",

based on demonstrated competence in producing water systems and rapport in counterpart relationships. According to the Chief of Party for the Project, goodwill appears to be virtually a pre-condition for institution building. He said, "The foundation for institution building depends on mutual trust. Goodwill permits the establishment of an ongoing dialogue about the future shape of the Department. Without goodwill, there is no dialogue."

A review of the water sector reveals that the mandate of the RWSD is somewhat narrower than the current scope of Project 044. According to a 1980 study of the water sector, the RWSD's primary mandate from the YARG is to build rural water systems and to conduct studies which will enhance their ability to construct such systems. RWSD is not mandated to make water policy or exploit water resources for its own purposes. This relatively narrow formal mandate may make RWSD understandably cautious about working with sanitation and, to some extent, cautious about assuming responsibility for maintenance of existing water systems. RWSD is not necessarily prohibited from these activities, but activities of this type are not currently being encouraged by higher authorities in the government and may lead RWSD into conflict with other agencies with defined mandates in these areas.

TransCentury still has some problem recruiting and retaining professionally qualified administrative staff. Two current cases have demonstrably hurt Project performance. One is a long delay (June 1984 - December 1985) in filling the Project's Executive Officer position, which has been a contributing factor to poor performance in procurement, warehousing, and internal financial controls. The second relates to efforts to plan the reorganization of the RWSD. If Project 044 is to give advice on management improvement, it should do so from a recognized basis of expertise.

In addition, Project 044 might be able to do more to encourage private sector construction of rural water supplies. Currently, approximately twenty-eight percent of on-going field construction is being executed by private contractors, and this is expected to increase in the future at least in the Tihama as the project moves to introduce a Fixed Amount Reimbursement (FAR) system to the department. (The potential role of contractors working in the mountain areas of Yemen is currently an unknown quantity and requires further experimentation.) The Project has offered slots in some of its

technician training courses to private contractors. RWSD has no comparative advantage in the construction of rural water systems. The generally recognized low productivity of public sector employees and public agencies suggests that every effort should be made to encourage private sector production of rural water systems, and the Project has indicated that it hopes the Department will constitute itself primarily as a survey, design, and construction management unit, which executes projects through private sector contractors.

5. Lessons Learned:

a. Realistic strategies are needed

If institutional development is an important project objective, then project documents should contain a well-developed, convincing strategy for achieving this objective. Such a strategy must be sufficiently plausible to maintain faith in the strategy through the early difficulties of project implementation. The strategy should be changeable, but only for good reason and in ways which do not abandon institutional development objectives. Plausible strategies should:

- Contain time-phased, measurable indicators and bench marks of progress toward objectives;
- Be based on strategies which set institutional development objectives and activities for achieving them for individual advisors, teams of advisors, whole projects, target organizations, and institutional systems.

Chances for institutional development will be enhanced when the institutional development strategy is clearly spelled out and agreed upon.

Applied to Project 044's present situation, these notions suggest that:

- Project ID objectives should be re-evaluated, and made more specific, particularly in terms of improvements to RWSD's engineering and management capacities.

- Institutional development strategies and plans should be developed for multiple levels of Project action. For example, the about-to-arrive staff persons for the RWSD Office of Planning and Management should develop annual personal ID plans which clearly define the functions of the Office, and how those functions will be institutionalized within RWSD. Other Project staff should, over the next two years, develop similar plans for their functions to be internalized. The constraint on all of this will be the availability of qualified counterparts within RWSD (see below).

For the coming year, personal ID plans should be required of the Chief of Party and the two new staff persons in the Office of Planning and Management only. A Project-wide ID plan should also be developed for the coming year. It should focus on development of the Office of Planning and Management (at a different level of detail than the personal plans of OPM staff). The issue of regionalization as part of the institutional development of RWSD should also be carefully reviewed, together with the transfer to RWSD of some of the Project's responsibility and capacity for training technicians and villagers.

- Coordination and integration of the various individual and project-wide plans is of great importance. It will involve substantial individual and team effort. The time and resources required should not be underestimated nor taken for granted. Ultimately, all team members should share an understanding of the major institutional development objectives and strategies, and each team member should have a clear idea of his/her expected contribution for the coming year. Ideally, RWSD staff would participate in the development of the major objectives after the second year. Project staff should have a clear understanding of the process and its objectives before involving persons from RWSD.

b. Basic need for qualified engineers and managers in RWSD:

The lack of properly trained Yemeni engineers and managers within RWSD is a formidable barrier to the success of Project 044's institutional development efforts. Unless at least five, and preferably ten, such qualified persons are hired as permanent employees, paid from YARG resources, and given responsible positions in the near future, the prospect for institutionalization of the considerable capacities developed under Project 044 are virtually nil. There simply

aren't enough qualified persons available to "receive" the technology potentially transferable from the Project. The particular positions assumed within RWSD by these persons can be critical to eventual ID success. As much as possible, they should be placed so as to become logical counterparts to several Project staff (see further below).

c. USAID should reassess its own role in the institutional development of RWSD:

Chances for institutional development of RWSD might be greatly improved by the coordinated actions of Project 044, USAID and, perhaps, other donors working together. USAID can take actions that are unavailable or unsuitable to the Project. Policy coordination with other donors is one such action. A second action which USAID might consider is bringing its influence to bear to promote the hiring of the required qualified staff by RWSD.

d. Better monitoring of RWSD and its institutional environment is needed:

Institutional development efforts are particularly dependent on accurate monitoring of long-term trends in relatively intangible, difficult to define indicators of progress. Project 044's involvement with the Office of Planning and Management is a conscious attempt to overcome some of these monitoring difficulties. However, having "our man in RWSD" is only part of the answer. Long term indicators of success must be defined and systematically monitored. The current Chief of Party indicated that the function of the new Office of Planning and Management is to secure accurate information on trends in RWSD budget support from YARG, personnel policy changes, rural water systems completed from RWSD and donor resources, and water sector policy changes. Systematic reporting and review of these, and probably other, indicators should take place on an continuing basis.

e. The institutional accomplishments of Project 044 are institutionalized in the Project, not within RWSD:

The institutional accomplishments identified in an earlier section of this case study are primarily institutionalized within Project 044. The Project is only a "half-way house" for a technical capability which, appears to be adapted to Yemeni circumstances. Training of technicians should not be confused with the institutionalization of technical capacity. The capacity of RWSD to assimilate trained technicians is a better measure of institutionalized technical capacity. The Project

must now move from a focus on training technicians to a focus on systematically transferring this capacity to within RWSD in a structured manner.

f. Training is a necessary but insufficient component of an institutional/organizational development strategy:

Incentives for exercising newfound skills must be created if new behaviors are to be expected. RWSD reports that it is seeking Ministry of Education recognition of the certificates awarded as a result of Project training. Recognition by the Ministry of Education would mean modest salary increases for each stage of training completed, as well as enhanced status. The Project should be encouraged to pursue this and other strategies for creating incentives to exercise technical skills. As with some of the previous points, the "trick" here is to get RWSD or larger units of YARG to reward performance. Rewarding performance in the project is a nice first step, but only that.

g. Counterpart relationships should be developed for all expatriate staff of Project 044:

Project 044 seeks to "develop" the RWSD by: (1) training RWSD staff in new skills, (2) providing commodities as support to technical assistance efforts and as inducements to accept new ways of doing things, and (3) by providing technical assistance. The technical assistance is provided by experts who seek to influence RWSD by their technical expertise and, ideally, by good relationships with counterparts. Unfortunately, Project 044 currently works primarily with the thirty-three Ministry technicians who are assigned as counterparts to Project staff. Accordingly, the Project currently influences RWSD at its lower and middle levels, because there is a dearth of counterparts at senior levels. The two exceptions to this situation are the Chief of Party, who has two counterparts (one "administrative" and one "technical"), and Project 044's Regional Engineer for Dhamar, who has a counterpart Regional Engineer of the RWSD.

Project 044 has nine engineering positions authorized, and eleven expatriate staff. Because of current staff limitations within RWSD, the potential force for change represented by this

relatively large cadre of highly qualified individuals is currently limited. A primary effort of the Project over the next two years should be to create viable counterpart relationships for the majority of expatriate staff. Three students are currently studying engineering in the States under the Project, and twelve more candidates have been nominated to go to the States. As these candidates begin to return to Yemen, there should be more potential Yemeni technocrats available to serve as counterparts.

C. Case Study: Project 045, (Local Resources for Development) and Confederation of Yemeni Development Associations (CYDA)

A. Overview of Organization/Institution

The Local Development Associations (LDAs) were a pre-existing local phenomenon in the early 1970's, at which time a weak central government began to try to extend its outreach into the rural sector by joining forces with the LDAs. One of Yemen's most popular leaders, President Al-Hamdi, began putting more emphasis on Local Development Associations ca. 1971-75, and the LDAs -- partly at their own volition, and partly at the instigation of the YARG -- moved to create a headquarters unit at Sana'a, which was designed to coordinate their several activities. This headquarters unit was designated the Confederation of Yemeni Development Associations, or CYDA.

As it has evolved since then, CYDA appears to have come to combine many disparate functions. As initially conceived in the mid 1970's, CYDA working in conjunction with the LDAs, represented a mechanism for a weak central government to extend its developmental reach into the rural areas by working with the LDAs. It was also a potential mechanism for a relatively poor central government to tap the resources of the relatively affluent countryside to further the development process.

By the early 1980s, CYDA appears to have begun to take on a somewhat different role. Under the leadership of the current President of Yemen, CYDA appears to have begun to represent a popular participatory, electoral, and representative mechanism to help introduce notions of democracy into the state to further the process of nation building.

CYDA's electoral process is conducted through a series of tiers, similar to the original functions of the Electoral College in the United States. Theoretically, there are supposed to be elections to CYDA approximately every three years. And in fact, there were elections in 1976, 1981, and 1985.

The most recent election was held about two months ago. Shortly prior to this time, CYDA went through a series of organizational changes. The Local Development Associations (LDAs) were renamed the Local Councils for Cooperative Development (LCCD), and the headquarters was renamed the Confederation of Local Councils for Cooperative Development (or CLCCD).¹ At the same time that the organization was being

1 The Yemeni staff of the newly named organization (CLCCD) have coined a rough acronym "kilicud" to use in place of the more pronounceable "CYDA".

renamed, the headquarters office of CLCCD was expanded from six departments to ten.

The system for electing members to CLCCD was interesting. At the village level, every 500 people from the entire population of Yemen elected one representative to the General Public Conference (also sometimes called the People's General Congress). This body of 17,549 representatives in turn elected (from their own membership) representatives to the next higher level, the Administrative Boards of the LCCDs. There are 219 LCCDs located throughout Yemen. Each LCCD has between seven and eleven representatives on its administrative board, depending on population.²

There is a total elected membership on the Administrative Boards of approximately 1,900 members. These 1,900 people in turn elect people to serve on District Councils, which in turn elect members to serve on Branch Councils at the Governorate level. The Branch Council is chaired by the Governor. This group in turn elects twenty-four of its own members to serve on the National Level Administrative Board of CLCCD³. The National Level Administrative Board in turn elects the Secretary General of CLCCD.

The National Level Administrative Board is bifurcated. Twelve members of the twenty-four stay in their governorates and direct CLCCD activities at this level. The other twelve members come to Sana'a, where one elected member is appointed to head up each of the ten functional offices of CLCCD Headquarters. The remaining two members of the National Board are elected respectively to be Assistant Secretary General and Secretary General of CLCCD. The Secretary General holds a rank comparable to a minister, and has de facto cabinet member status.

2 The size of the LCCDs varies as a function of size of population. Naihyas (districts under the level of a governorate) with up to 30,000 people have seven representatives on each LCCD. Naihyas or districts with between 30,000 and 50,000 people have nine representatives. Naihyas with more than 50,000 people have eleven representatives.

3 In addition to the twenty-four elected members, eight Deputy Ministers of the YARG serve on the National Administrative Board. These include the Deputy Ministers of Interior, Planning, Health, Education, Public Works, Finance, and Agriculture.

Once the elections have been conducted, the question becomes: what have the members been elected to do? The answer today appears to be that people have been primarily elected to have a position within the YARG from which to lobby for goods and services for their district. In this regard, members from within CLCCD appear to have some of the representative functions of an American Congressman, but without having the authority to initiate legislation. It also appears that with the recent reforms in CYDA/CLCCD, there is an explicit intent to place the organization within and under the authority of the YARG. It is no accident that the Branch Council is chaired by the Governor, for example, and the District Council is chaired by the YARG Director for the District (Mudir i-Nainya), rather than being chaired by an elected member of CLCCD.

On balance, CLCCD together with its regional and district branches appears to combine the following representative, coordination, and developmental functions:

1. National Level:

- a. Lobbying and representative functions.
- b. Coordination functions to assist with planning for allocation of resources in collaboration with line agencies of government.
- c. Direct developmental functions (like drilling wells).

2. Governorate Level:

- a. Liaison to central government agencies.
- b. Planning and resource allocations functions.

3. Naihya Level:

- a. Direct implementation of local development projects.
- b. Coordination and planning functions with line agencies of government.
- c. Assistance with local (governmental) administration of Naihya in collaboration with Director for Naihya (district), Director for Police, and other representatives of YARG at district level.

From a management standpoint, this appears to be a lot of different functions to combine in any one organization. It appears that one of the problem areas within CYDA -- at least

at the national level -- may come from efforts to combine the disparate functions of coordination, planning, and representation, with the very different function of development, involving the direct delivery of services.⁴

The financing for CYDA/CLCCD is also interesting, and may contribute to further tensions within the organization. Funding for CLCCD's activities comes primarily from the village level zakat tax, a traditional Islamic tithe, which used to be voluntary. The Government now appears to be moving to make it obligatory. From about 1974 to about 1981 or 1982, 75% of the revenue collected at the Naihya level stayed with the Naihya for local developmental purposes, and 25% was remitted to CYDA/Sana'a for administrative costs, and for redistribution to other Naihyas and LDAs. In 1981/1982, this percentage was reversed, and 75% of the zakat tax was remitted to Sana'a, and only 25% was kept at the Naihya level for re-investment in local development projects.

As there appears to be tension between the "developmental" and the "electoral" responsibilities for CYDA/CLCCD, so also the question of revenue appears to be symptomatic of two conflicting schools of thought which co-exist within senior levels of the organization. One school of thought appears to favor a heavier hand, and would like to centralize administration more quickly in Sana'a strengthening CYDA/CLCCD, probably at the expense of the LDAs at the field level. An alternative school prefers the "velvet glove" approach. This approach would encourage the LDAs to voluntarily "buy" into the resources of a growing central government by directly or indirectly offering them the provisions of appropriate goods and services.

While there may be merit on both sides, and while both sides will probably end up at the same place in the long run with a strengthened central government at the expense of the LDAs, it appears generally that the velvet glove school is a more effective tactical approach when trying to link rural Yemen to the center.

4 At its national headquarters office in Sana'a, CYDA/CLCCD now has eleven different offices with approximately 200 staff. Eight of the eleven offices exist primarily to administer and support CYDA/CLCCD. These include offices like Public Relations, Plans and Statistics, and Finance and Administration. Three of the eleven offices, however, partially duplicate the functions of normal "line" ministries of the YARG. These include the Agriculture Office, the Project Activities Office, and perhaps most significantly, the Public Services Office, which has five Ingersoll Rand drilling rigs, and drills wells at concessionary prices for various parties.

Other donors working with CYDA/CLCCD: At various times, approximately fourteen donors have worked with CYDA/CLCCD, in addition to USAID. (Organizations marked with an asterisk continue to work with CLCCD today.) Several agencies of the United Nations have been involved, including the UNDP, the ILO, FAO*, UNICEF, and World Food Program*. In addition to the United Nations, several PVO groups have worked with CYDA, including Oxfam*, Bread for All, CRS* and American Save the Children/Mahweit. Further, various bilateral agencies have worked with CYDA, including German Volunteer Service, Irish Concern, the British Council, the Dutch Volunteer Program*, and the British Organization for Community Development.

Most of the work of the various donors appears to have been directed at delivering services working at the LDA or District level. At one time, the World Bank tried to design a project to be channeled through CYDA, but apparently it was not possible for both sides to reach agreement. The UNDP's assistance to CYDA currently has ceased, but is reportedly under discussion for renewal.

B. Overview of the Project

The project's stated goals were very ambitious. It was to be an integrated rural development project, designed to strengthen institutions at all levels: national, regional, and local. And it was to impact several sectors: nutrition, education, health, water and transportation. Its purposes were also ambitious. It sought to introduce methodologies to increase the capacity of the LDAs to plan, implement, and evaluate locally initiated development projects, and at the same time it hoped to increase government and external support for locally initiated development projects.

The project as originally conceived was to have had two phases over approximately ten years. It appears, with the perspective of hindsight, that in spite of the rhetoric of the stated goals and purposes, Phase I was primarily intended as a research program to permit the American mission -- an perhaps vicariously CYDA -- to learn how to work in rural Yemen.

Circa 1977, when the project was initially conceived, there may have been a significant need for the American Mission to have an action-research program designed to generate a better sense of how to work in rural Yemen. CYDA may also have needed the resources (and external support) of a substantial donor-funded project to learn how foreign donors could best work in rural Yemen. By the time the project actually started in early 1980, after a protracted gestation period, some of this earlier need of the Americans had been partially overtaken by events.

The project included several different groups working in several different areas. There was a small two-person research component with an American university, which had two principal researchers traveling to and studying the provinces of Hajjah and Hodeidah. Their work was primarily focused on socio-anthropological research. This research component began under USAID auspices prior to the arrival of the Principal Contractor, an American technical assistance firm with good experience working for USAID implementing a variety of international development projects around the world.

Starting in 1980, the Principal Contractor assembled a nine-person American technical assistance team with skills primarily in rural development, engineering, and training. The technical assistance team was divided among three sites. The Chief of Party, an administrative officer, and a training officer were based in Sana'a. At least two expatriate staff were resident at Hajjah, an isolated, conservative, provincial capital for one of the governorates in the central highlands of Yemen; and two additional staff were resident in Hodeidah, the principal port city of Yemen. (Hodeidah is a province in the Tihama, the flat coastal area along the Red Sea, with a culture, geography, and climate that is substantially different than the mountain areas of Yemen. For research purposes, the project design required that there be teams stationed in two dissimilar parts of the country, to test the feasibility of working in both places.)

In addition to the Principal Contractor and the Research Contractor, the project also had a substantial Peace Corps volunteer component. This component numbered about ten volunteers, divided primarily between Hajjah and Hodeidah, where they were assigned to work both with CYDA and with the Principal Contractor.

Once the Principal Contractor was in place, the question seems to have become: what were they supposed to do? The project's goals and purposes were ambitious, but not very precise. How, exactly, is one to go about increasing the capacity of an LDA to "plan, implement, and evaluate locally initiated projects"? There were few specific production targets given by the project paper. The project wasn't designed to be a road project, a water project, or a training project. Instead, it was a little bit of everything.

The project sought in various ways to find a sense of direction. In Hajjah, and to a lesser extent in Hodeidah, for example, the project tried to help with rural roads, but it found that it didn't have the necessary technical or financial resources, nor could it overcome the political problems of

right-of-way, land ownership, etc. In both Hajjah and Hodeidah, the project would have liked to help the LDAs with "management" and "planning". The LDAs had virtually no management systems -- at least as Westerners understand the term. However, in the words of one of the Americans who participated in the effort, "The folks in the LDAs were important people. The group dynamics within the organization were very subtle. There was also some animosity to foreigners, and even greater distrust of the Americans." Without a specific set of activities to focus on the efforts to effect management changes came to nought.

In Sana'a, the Chief of Party for the Principal Contractor tried initially to "establish good relations" with the CYDA staff. It appears that he made some headway in this, but because of frictions among various parties, both internal and external to the project, and because there were no tangible products coming out of the pipeline, USAID/Sana'a and the Principal Contractor's home office grew impatient with "establishing good relations", and the Chief of Party was replaced.

The new Chief of Party appears to have been given a mandate (at least by his home office), to produce things. Nevertheless, he was still Chief of Party for a process-oriented, rather than a production-oriented project, and he was still working with an organization (CYDA and the LDAs) which had an ambiguous sense of purpose, and few handles that the American technical assistance group could take hold of. The Chief of Party and his project were also saddled with a relatively complex, rigid system of financing for rural infrastructure in the two provinces. There was a modest sum (by Yemeni standards) of \$900,000 set aside for financing demonstration projects. A requirement was built into the project design that this money would be used on a "matching grant" basis to cover exactly 50% of the cost of infrastructure projects. The rigidity of this 50% requirement appears to have complicated an already difficult project, as did the Americans' propensity for working with the "poorest of the poor" villages, who reportedly couldn't come up with their 50% of the cost of village projects.

In addition, there appear to have been a series of communications problems which affected much of the work that the Principal Contractor tried to do. At the village level, according to the evaluation report, "Neither the PCVs nor the Project 045 engineers could speak Arabic at a level adequate to communicate their skills." Later, the same report remarks that "Communication problems were exacerbated by cultural differences..."

In Hajjah, there was an incident when Project staff and Peace Corps volunteers became caught in a local political cross-tire. A marijuana plant was found growing in somebody's house. This became a pretext, several volunteers were sent home, and the Principal Contractor's staff was brought back to Sana'a.

Problems of communication between individuals and organizations seem to have plagued the project virtually from the beginning. There appear to have been communication problems between:

- The Principal Contractor's home office and Sana'a
- The Sana'a office and the field offices
- CYDA and the Principal Contractor
- The Principal Contractor and the LDAs in Hajjah and Hodeidah
- Between USAID and the Principal Contractor
- Between USAID and CYDA

With the basic problems that it had to deal with, it is perhaps surprising that the project was able to accomplish much of anything. As it is, it was able to complete ten village water systems (___ in Hajjah and ___ in Hodeidah). It established a mobile workshop in Hajjah province for the maintenance and repair of heavy equipment. It established a training office in the headquarters office in Sana'a. It sent six candidates for undergraduate degrees to Jordan. And it initiated various kinds of inservice training for mid-level administrative staff of the LDAs, mostly from the Taiz area. These people were trained at NIPA in such things as book-keeping and accounting.

C. Institutional Accomplishments of the Project

The project was not able to accomplish its ambitious goals, nor was it able to accomplish its broad purposes. It did, however, make some small steps toward strengthening CYDA as an organization.

Project 045 apparently pushed strongly for the establishment of a permanent training office, and this is reflected in the new organizational chart. Its efforts at training CYDA staff are praised by CYDA today, partly because of the personality of the Chemonics training director, who was said to have spoken good Arabic, to have communicated well with the Yemeni staff in CYDA, and to have had a good grasp of the training needs within the organization.

Chemonics sent five or six candidates to Jordan for regional training as engineers, and these candidates are now

back and working in the Planning Office. Some of the local LDAs -- especially near Taiz -- are thought to have benefited from the short-term administrative training conducted under the auspices of the National Institute of Public Administration (NIPA).

Two Apple computers were introduced under the project, and several CYDA staff were at least partially trained in their use. Although at least one of the Apple computers burned out, CYDA has now purchased its own (Wang) computer, and various departmental functions like accounting and staff salaries are being partially performed on the computer. There is also some effort to use the computer to follow up on the performance of the LDAs, which suggests the beginning or the augmentation of a monitoring and evaluation capability for the department.

The most important institutional accomplishment of the project was an intangible but an extremely important one: it taught both the Yemeni and the American side a lesson on the limits of foreign technical assistance to a complex, new, sensitive, political and developmental institution. One senior staff person at CYDA summed it up well. He said, "The experience we gained we will not forget. We learned how to design a project with foreign donors. We learned how to use what the foreign donors can give us. And we learned how to interact with foreign advisors." Although totally unintended, these are significant accomplishments.

D. Major Institutional Problems of the Project

1. CYDA as an organization had and still has a diffuse sense of purpose. It is partly a participatory electoral mechanism, and partly a conduit for various kinds of services down to the LDAs. This duality of purpose and diffuse nature of the institution created problems for the project.

2. It appears that there were and are problems and tensions between CYDA at the center and the LDAs at the bottom. Part of this tension is over funding, because CYDA's money originates with the LDAs in the form of taxes. It appears that in addition to the diffuse nature of CYDA as an organization, the project's problems were compounded because it was trying to work at both ends of the spectrum of the organization, when the two levels of the organization were partially at cross purposes, or out of synchronization with each other.

3. The Project had serious problems finding adequate counterparts to work with at all levels: the national level, the governorate level, and the LDA level. CYDA is still very

thinly staffed; generally, it appears there were only one or two counterparts for the entire project -- one in Sana'a, and one in Hodeidah. Expressed differently, CYDA's capacity to "absorb" technical assistance was very slight. This was a major organizational problem for the project.

4. While CYDA was diffuse in its focus and its sense of purpose, this basic problem was mirrored by the design of the project. The project was also diffuse in focus and lacked an animating sense of purpose. The organizational problems of the project compounded a pre-existing problem within the host country ministry of agency.

5. The project's mandate was primarily training and technical assistance in the form of surveys, designs, seminars, etc. The demand from the LDAs, the Coordination Councils, CYDA, and the YARG was for concrete, tangible projects. The projects were at variance with the expectations of the host ministry. This was a major organizational/institutional problem for the project.

E. Lessons Learned by the YARG:

The Yemen Government has commissioned an internal study addressing the question of why Project 045 was not a success. Various representatives of CYDA/CLCCD in a series of independent meetings mentioned this report, and indicated in broad terms that it gave the following reasons:

1. The design of Project 045 was weak and didn't adequately reflect the desires of CYDA.

2. The roles, responsibilities, contributions, and expectations of all the key players -- YARG, CYDA, LDAs, the Prime Contractor, Peace Corps, USAID -- were not clearly spelled out at the beginning of the project.

3. The bureaucracies of both CYDA and other collateral agencies of government are complicated; they do not yet function smoothly; and the project didn't adequately account for these frictions and deficiencies.

4. CYDA was faced with a shortage of qualified staff to work with the project staff as counterparts.

5. The project put too much emphasis on "institution building" at the Sana'a level. As a concept, "institution building" was not well understood by the staff of CYDA.

6. The project put too much emphasis on training at the LDA and Niahya level. Training is good, but it is not enough by itself.

7. There were not enough tangible visible outputs from the project to build credibility and buy the Americans access to influence the procedures of CYDA and the LDAs. Instead, too much money was allocated directly to American technical assistance.

8. The project was designed for only two governorates. In retrospect, CYDA feels that it would have been better to design a project which had the option to work nationally, rather than concentrating on only two governorates.

9. There were serious problems with the guidelines for resource allocations (i.e. matching grant system). USAID wanted to work with the poorest villages, but there was a rigid requirement of a 50% contribution from all villages. This rigidity in requiring an exact matching requirement contributed to the project's problems.

10. Although some American staff were very good, there were significant communications problems between the Americans and the Yemeni staff, and this interfered with the smooth operations of the project.

11. In retrospect, CYDA feels that it was a mistake to assign expatriate foreign staff to the provinces before there was something clear for them to do.

12. Initially, the expatriate staff did not understand enough about Yemeni social customs to work effectively in a complex field situation.

F. Lessons Learned by USAID

1. USAID needs to move carefully in choosing agencies of the government with which to work. It must understand as clearly as possible what their strengths and weaknesses are, and the design must accommodate any perceived weaknesses as realistically as possible.

2. In retrospect, CYDA might have been a good place to start a small, carefully designed, pilot activity focused on one or two LDAs, rather than trying to start with eight or nine staff, with relatively high visibility and few discernable outputs.

3. The design of Project 045 was bold and imaginative, but in retrospect it appears flawed by a failure to concentrate its focus on one or two major areas. It tried to be all things to all men.

4. It's very hard for American advisors to work with an organization as intensely political as CYDA and the LDAs. It appears that it may have been slightly easier to work in Sana'a at the headquarters than it was to work in the almost non-existent field offices of CYDA and the LDAs.

5. Goals, objectives, and purposes of USAID projects should be limited to a few "do-able" things. Too much ambition is not a good thing if it is not tempered by reasonable expectations.

6. Project designs have to be done in close and realistic collaboration with Yemeni ministries, agencies and departments. Before USAID commits itself to a major project, it should carefully field test the methodologies, outputs, strategies, etc. in a low-key, low-visibility fashion.

7. Research and process-oriented projects have to be very carefully designed if they are to be done at all, and the research and training need to be legitimized with visible tangible outputs. The "outputs" need to be something which augment the credibility of both the project and the host country ministry.

8. "Organizational development" of an organization like CYDA or the LDAs is intensely complex, and very politicized. This complexity is compounded by the vagaries of personality. Americans working in the Middle East possess no magical comparative advantage to initiate these organizational changes. Rather, on the contrary, they are often at a relative disadvantage, because of America's image and foreign policy actions in the region.

9. "Good relations" may not guarantee that a technical assistance team will be able to effect organizational change, but bad relations guarantee that the team won't even have a chance to try.

10. A large measure of administrative "flexibility" is required for American projects working with Yemeni organizations. It is the responsibility of the American purveyors of the project to adjust to the relative weakness of the Yemeni institutions, and vice versa.

11. USAID probably needs to create a stronger, more sophisticated "facilitation" function to keep projects like 045 from getting so badly off track. In addition to normal project management, the Mission may need to create a second line backup capability to help redesign or reposition projects like 045.

12. Regional training, although maybe not as popular as training in the States, represents a good option for many YARG ministries and governments.

13. Mid-level training for the administrative cadre of organizations like CYDA by organizations like NIPA should be thoroughly explored.

14. Micro-computers seem to represent a good tool for initiation or reinforcing changes in organizational behavior. (Other technologies like LANDSAT may have a similar utility for appropriate agencies or ministries.)

15. The Americans need to recognize, acknowledge, and internalize the limits that exist on their ability to initiate change in Yemeni organizations.

ELECTORAL PROCESS OF CLCCD

Functionally Equivalent
to Cabinet Level:

Secretary General
of CLCCD

National Level:

Administrative Board of CLCCD
24 members, plus 7 ex officio
Deputy Ministers of YARG

Governorate Level:

Governorate Board
(624 members)

Nainya Level:

219 Administrative Boards of
LCCDs (± 1900 members)

Village Level:

General Public Conference
(People's General Congress)
17,549 members - every 500
people elect 1 person to be
their representative.

CLCCD/Sana'a (formerly CYDA) - 1985

Secretary General

Public Service Unit

(50-60 staff)

Assistant Secretary
General

Public
Relations

(15)

Plans and
Statistics

(25)

Finance and
Administration

(50)

Project
Activities
Department

(12)

Agriculture
Associations

(12)

LCCD
Affairs

(30)

Research
& Studies

(10)*

Training

(6)

Secretary
General's
Secretariat

Legal
(General
Counsel)

Total Headquarters Staff: ± 200

(* Proposed department)

Case Study: Project 052.1, Agricultural Development Support
-- Core Subproject

1. Overview of Organization/Institution

The Ministry of Agriculture and Fisheries (MAF), while officially dating back to 1953, only began limited functioning following the end of the civil war in 1970. Its technical and professional staff has recently been tallied at about 1,200 persons, including laborers, well over half of whom are in the field working at provincial offices (PAOs) or in regional development organizations (RDOs).

The productivity of MAF staff is reportedly low. This is attributed to low salaries (relative to RDOs), lack of funds for operational expenses (office supplies, travel, etc.) and low employee morale. Another cause of poor performance (and morale) is divided and erratic leadership. Leadership is bifurcated between the Minister and his Deputy, each responsible for a part of the Ministry and each going his separate way except when the Minister overrules the Deputy which is often the case. This situation may change with the recent appointment of a new and promising Minister.

According to its current table of organization (see attached table) the Ministry consists of ten Directorates supervising forty-three Departments (divisions) some with only one or two employees, and some with overlapping responsibilities. Most analysts of MAF's headquarters structure agree that its activities are dispersed over too many small functional units which exceed normal management spans of control and that there is a need for a consolidation of functions. An undoubted cause of such functional scatteration is the plethora of externally financed projects being run through the Ministry, totaling some fifty in number.

Dispersion of responsibility and function is also a characteristic of relations between headquarters and the field. Nominally, the field organization of the MAF consists of eleven PAOs (one for each Governorate [province]). In actuality, field operations are mostly within the jurisdiction of RDOs which began to be established in 1973 in various regions and ecological zones of the country, mostly with World Bank financing. The RDOs have their own organization, budgets, personnel systems, salary scales and are linked to the MAF only in that they report directly to the Minister. In fact they are virtually autonomous and PAOs in areas served by RDOs have been subsumed by the latter. By virtue of their parastatal status, RDOs may pay higher salaries than those authorized for national ministries, salaries which are then further "topped off" by the donor. RDOs thus have a distinct advantage in competing for Yemeni agricultural talent.

As it has evolved, the MAF has appeared to assume a dual role in relation to the agricultural sector, one being operational and production oriented, the other staff and service oriented. The first reflects the YARG's interest in seeing the MAF undertake functions that will directly lead to increased or improved agricultural output. AID's horticulture and poultry projects are illustrative of this "production" emphasis as is a British veterinary project and a German project in plant protection. They involve the Directorates of Animal Health and Production, Plant Protection and Agricultural Affairs. Illustrative of "staff" functions are the Directorates of Planning and Statistics and of Marketing where the "output" is data and analyses for use within the Ministry, other agencies, donors or the private sector. While "production" activities enjoy a strong priority in the MAF (and by its political overseers), staff and analytical functions are on occasion viewed as having utility and importance as with MAF's contribution to the Third Five Year Plan and the effort to interpret in policy terms the President's call for "agricultural self-sufficiency".

2. Overview of Core Subproject

The Core subproject was initiated in March 1980 with a triple set of functions of which only one was to provide technical assistance to the MAF. In addition, the Core subproject was the funding and organizational mechanism for project identification and design services for additional subprojects (under the Title XII Agricultural Development Support Program being implemented by the Consortium for International Development [or CID]) from which three subprojects have been launched and a fourth is in preparation.* The third Core subproject function was to provide administrative and logistic services for the total Title XII operation. During the initial years, the latter two functions occupied most of the program's staff and financial resources while technical assistance to the MAF was limited to the provision of one or two senior advisors and some commodities and training.

This situation began to change in 1983 with the ending of a major technical assistance effort with the MAF by IBRD/UNDP. Begun a number of years earlier, the program involved the provision of a large team of consultants -- at its peak it comprised fourteen expatriates and fifteen "associate experts" -- to "enhance the Ministry of Agriculture's ability" to plan and implement development strategies and projects. However, in

* A fifth, the Job Secondary Agricultural Institute Subproject, had been initiated prior to the Core subproject.

the absence of qualified Yemeni staff, many of the experts (most of whom spoke Arabic) took on operational responsibilities at the Ministry rather than training counterparts. Similarly, the fellowship and in-service training efforts financed under the program were judged (in hindsight) to be "less than successful" due to lack of candidates, counterpart turnover and the failure of trainees to rejoin the MAF upon their return from abroad. Under these circumstances, the Bank concluded that the investment in technical assistance "has not led to an operationally effective MAF". For its part, the MAF turned to AID and asked that CID's existing involvement with the Ministry be considerably expanded. A gradual buildup of CID's technical assistance, training and material support has followed. Meanwhile, the Core subproject has been extended to 1990 for an estimated total life of subproject cost of \$59.8 million.

At present, twelve US contractor positions of the Core team are filled and there are four vacancies. Eight of the on-board positions (including the Chief of Party) are technical advisory and four are administrative/operational. Three additional positions are under recruitment, one advisory and two administrative/operational, bringing the total in that category to six out of fifteen. Of the present team, only four are directly or indirectly affiliated with CID universities and only one member has a good command of Arabic. Under the extended project, CID is authorized to hire several bilingual "Adjoint Advisors" as needed to facilitate communications and to assist Core Team members. One such person has already been recruited. In addition to the expatriate team, Core hires about seventy local employees to provide secretarial, administrative, transportation and logistical services for the Core subproject and the other CID subprojects.

Currently, under the very diffused guidelines of the project extension, the Core team is providing a broad range of technical assistance to the following Directorates and Departments of the MAF (in addition to the team head who liaises with the Minister or Deputy Minister):

<u>Advisory Subject</u>	<u>MAF Directorate (Department)</u>
General Agriculture	Agricultural Affairs
Irrigation Management	Irrigation
Extension Communications	Extension
Beekeeping	Undesignated
Planning	Statistics and Planning
Statistics*	Statistics and Planning
Training	Statistics and Planning (Foreign Relations Dept.)
Library Science	Statistics & Planning (Statistics Dept.)

(* Under recruitment)

The wide-ranging nature of the Core program is illustrated by the fact that its current annual work plan includes some seventy-one "program implementation targets", i.e. tasks to accomplish, in eight subject matter fields.

Under current planning, the Core team will be supplemented by a new UNDP/IBRD group in the near future, as requested by the MAF. The new group will consist of a Senior Technical Advisor and six UN Volunteers, all Arabic speaking and some with previous in-country experience. The senior person and three of the volunteers are to be attached to the Directorate of Statistics and Planning, the remaining volunteers to the Directorates of Extension, Agricultural Affairs and Finance and Administration. Several meetings have been held between AID, UNDP and CID to discuss and coordinate terms of reference and relationships between the two groups and an understanding reached that the UN team will seek to facilitate and strengthen the work of the AID team rather than pursue different goals.

3. Major Institutional Accomplishments of the Project

Institutional accomplishments of the project are difficult to measure and not very concrete. This is due to a number of factors that are discussed in the following section. Although not attributable to the project, a major institutional accomplishment has been the "Yemenization" of the MAF with Yemeni staff replacing the expatriates formerly financed by the IBRD/UNDP project. For better or worse Yemeni officials are making the decisions in the MAF and this in itself is bound to have an impact on learning and understanding.

Beyond that, there is a perception in the eyes of the Core advisors of a growth of rapport with their Yemeni counterparts leading to a closer and better relationship. There is also a sense on the part of some that the tasks being requested show a greater Yemeni insight and sophistication rather than regarding the advisors as simply "an extra pair of hands". There is also a perception that the senior Yemeni staff have grown in sophistication in their understanding of agricultural issues and are taking a more reasoned, less slapdash approach toward dealing with them.

Of particular potential is the effort to strengthen the Directorate of Planning and Statistics. Unlike the other MAF units, this office has been receiving technical assistance by the Core subproject since its early days. Its data gathering and analytical functions -- including its role in contributing to the Third Five Year Plan and in responding to policy directives to promote agricultural "self-sufficiency" -- are more widely recognized as of importance to the functioning of

the Ministry and to development planning in general. Its visibility is being enhanced by the provision of the new office to be constructed over the recently completed structure that now houses the new Documentation Center. The Documentation Center is also part of the Directorate. The importance and caliber of the Directorate's leadership have also been recognized by being brought directly under the Minister, and its Director General reportedly upgraded to the number three position in the Ministry.

To sum up, although a few tangible gains have been made, progress has been slow and inconclusive. As an institution the Ministry as a whole does not appear to have advanced very far from its situation at the time of the departure of the IBRD/UNDP advisors. Nor does there appear to be very good reason to believe that under present circumstances and plans the situation will improve appreciably. Indeed, the introduction of a new group of foreign experts is likely to complicate an already difficult situation. The bright spot in this otherwise rather dim picture is the promising advance made by the Directorate of Planning and Statistics which not only strengthens an important internal function but has the potential for having a broader favorable effect within the Ministry.

4. Major Institutional Problems of the Project

Reasons for lack of progress in institutional development are attributable to more general problems at both the project and Ministry levels which are impeding technical as well as institutional accomplishment.

The MAF, as noted above, is beset with a host of organizational, personnel, leadership and policy problems. Some of these may be attributable to the influence of historic traditions. Others appear to be of the Ministry's own making.

As indicated earlier, there is ambiguity or even confusion as to whether the Ministry's basic role is to directly enhance agricultural production, or to serve a policy and regulatory function for the nation's flourishing agricultural sector. A second ambivalence is whether the MAF should aim at a centralized, top-down approach toward its functions, or whether a more appropriate style, following historic traditions, is reflected in the emergence of regional development entities, leaving MAF with a more restricted coordinating and policy role. The prevailing ambiguity of purpose and lack of an ideal role model appears to influence the thinking and behavior of MAF employees, from the Minister down, and leads to changes in "marching orders" or the initiation of "crash" projects. It does not create an environment conducive to institutional development.

The Ministry suffers from a severe shortage of qualified staff, a factor which lowers the professional caliber of its work and which retards its ability to send promising employees abroad for training. Employee morale tends to be low due in part to low salary scales which have not kept pace with inflation and payments of which are often in arrears.* Many employees must "moonlight" to make ends meet. Despite scarcity of staff, promotions are reportedly slow and said to be heavily influenced by favoritism based on tribal or family influence. The poor organizational layout of Directorates and Departments and "scatteration" of functions has already been noted. Another impediment is a strong hierarchical management style so that even the most trivial of documents must be signed by a senior official, usually a Director General and often the Minister.

Physically, the Ministry is very cramped for the number of employees housed within. Its corridors stream with officials and visitors. In its offices an "open house" system usually prevails with officials tending to the requests of colleagues or petitioners on a "first come - first served" basis. It is not surprising that operations at the MAF tend to be fairly haphazard and are often characterized -- in Western management terms -- by an absence of organization and planning. Funds for operational expenses including travel, office supplies and other items are very scarce.

- In short, the MAF is a confusing, untidy, functionally dispersed, hierarchical, understaffed, underfinanced organization without a clear sense of purpose. The competency and motivation of many of its employees are considered to be below par, although the eventual return of trainees from the U.S. and Egypt should begin to address that weakness. But its present problems seem so serious and diverse that the success of an across the board effort at institutional improvement appears to be problematic. It is perhaps symptomatic that a major in-service training effort (for both Core and senior MAF staff) in organizational development and management improvement, planned under the project's current work plan, has been postponed because the MAF "is not ready".

Similarly, the Core subproject is not without its problems. Like the Ministry its activities are dispersed over a number of subjects -- from planning and statistics to beekeeping -- making gains in overall effectiveness hard to measure. Also like the Ministry, the subproject lacks a

* Morale is currently high due to the recent appointment of a new and promising Minister. Wages of some employees are currently three months overdue.

unifying sense of purpose, a model toward which it is aiming. Discussions with team members create an impression of uncertainty as to the nature of the functions an "advisor" is supposed to perform and also of a lack of cohesiveness, esprit de corps and a sharing of experience among individuals.

In addition, the "style" of the subproject leaves much to be desired. Communications, an essential ingredient for the transfer of technical or institutional skills, is hampered by the team's lack of language facility and the uneven English skills of its counterparts. Effective interaction between advisors and counterparts is limited by CID's establishment of separate offices and differing working hours, thereby restricting advisor availability.

Backstopping of the subproject has been poor. Recruitment has been a continuing problem with an apparently high rate of turnover due to the early withdrawal of unsuitable specialists. Symptomatic of the problem is the fact that the key Chief of Party position is currently vacant with no permanent replacement in sight. Another weakness in backstopping is the inadequate orientation provided new team members and their families, thereby adding to the difficulties of adjusting to a strange and complex environment. It is believed that these "stylistic" and management shortcomings of the subproject are impeding its general effectiveness including its capacity to strengthen MAF as an institution.

Despite these difficulties, individual team members appear to be highly motivated and industrious. Their professionalism and dedication to their work appears to be good. However, the results of their efforts from an institutional development perspective are less easy to judge. As noted above, some progress in capacity building does seem to be occurring within the Directorate of Planning and Statistics.

5. Lessons Learned

a. Need for Focus: Institution building projects are inherently long term complex activities involving the development of human resources and skills, the encouragement of modified behavior patterns and usually the introduction of new organizational forms. There is also the fact that donor resources to support such changes are limited. Under these circumstances achievement of appreciable results requires that the participants concentrate on one or two units or functions of the institution in question rather than attempt to provide assistance over a broad range of functions. Concentration permits a better understanding of the problems and dynamics of the unit or function being assisted, an ability to go into

greater substantive detail and the potential for doing a more careful, knowledgeable job. Concentration of effort also implies a very careful selection of the unit or units to be assisted so that their strengthening will have a favorable impact on the parent institution and can serve as a model for other units to emulate over the longer term. Finally, clarity of purpose facilitates coordination, communication and cooperation among members of technical assistance teams, and between them and their counterparts.

b. Socio-Institutional Analysis: Projects with a major institutional development focus should require an equally sharp emphasis on institutional analysis during project identification and design. Institutional development is as much a socio-political process as it is one of organization and management. Therefore, to be effective, the donor needs to know more than the technical and substantive functions of the institution in question. It needs to know a lot about the socio-political context in which the targeted agency operates, the inner dynamics of the agency, its relationship to peers and clients, the interrelationships between agency units (especially those to be assisted) and the informal traditions or customs that govern bureaucratic behavior (e.g. tribal patronage). Data of this kind would require a more extensive and longer effort than that normally associated with project paper preparation and should include the participation of host country personnel and social scientists with strong backgrounds in the country, and in institutional analysis.

c. Tangible Results: As pointed out in the Social and Institutional Profile on Yemen, projects which offer tangible returns usually fare better than projects which offer such intangibles as reports, policy advice, etc. Projects with important institutional development objectives should also include tangible outputs. Project design should seek to establish a linkage between such outputs and institutional development benchmarks.

d. Project Success and Institutional Development: Related to the foregoing point is the hypothesis that a project's technical and tangible success is closely related to its institutional development objectives. Success with the former provides an opportunity, but does not assure, success in achieving the latter. On the other hand, failure of non-institutional objectives will almost certainly result in failure of the project as a whole.

e. Emphasis and Monitoring: Although Mission strategy and Core program documents emphasize institutional development objectives, these are often couched in fairly vague terms.

More could be done, it is believed, by USAID and CID to operationalize institutional development priorities and efforts by incorporating them more precisely into USAID and Core work plans with specific institutional development targets and time phased benchmarks identifying progress toward targets. Specific skill transfer and institutional development activities and goals should be part of every advisor-counterpart relationship. Position descriptions and scopes of work should be reviewed to see whether adequate emphasis is given to institution building responsibilities and employee/contractor performance ratings should adequately weigh performance in that field.

In conjunction with the above actions, USAID should reinforce its program monitoring function by giving greater emphasis to program progress in institutional development. This might involve designating a staff person to regularly appraise (say on a bi-annual basis) the relative performance of those projects with a strong institutional development bias. Such a function might best be carried out by a well qualified local employee.

f. Backstopping: Inadequate backstopping and recruitment has permeated the performance of the Core subproject and adversely affected its institutional development and other objectives. Contractor selection on future projects with strong institutional development components should give adequate weight to capability for backstopping and recruitment. USAID should seek to conduct the contractor selection process in Sanaa or, at the very least, participate on the selection panel if it takes place in Washington.

g. Strengthening Communications: Some of the problems of the Core subproject relate to communications impediments between the Core team and their counterparts as well as the location of CID's "home base" outside the Ministry. While future contractors may require a separate administrative office, USAID should insist that their technical staffs be co-located with the host institution. If necessary, funding for the construction of enlarged facilities should be included in the project's financial plan. In regard to language difficulties, USAID should encourage if not insist upon the use of third country professionals (TCPs) as an integral part of the contractor team to facilitate two-way communications with counterparts and to increase the effectiveness of U.S. experts.

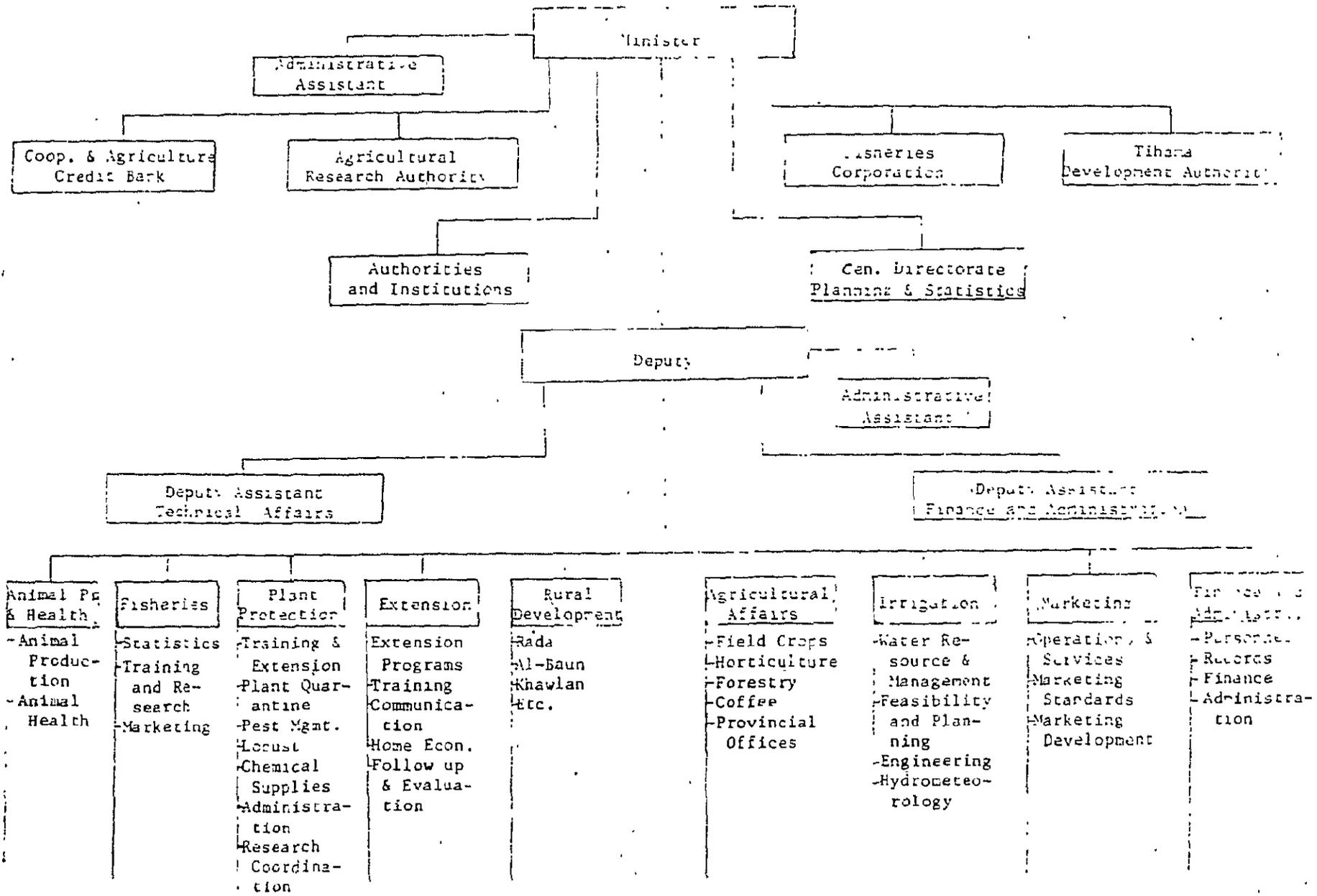
h. Contractor Orientation: The cultural, psychological and physical difficulties for the newcomer of working in Yemen make a careful and sensitive orientation for arriving contract technicians and their families an important factor for future professional performance. The Mission should require that

orientation sessions should be organized that provide such services for all new arrivals. The use of Yemeni observers and well informed expatriates should be encouraged. The "buddy" system wherein a resident American family helps the newcomers to settle into their environment should be established.

i. Pay Incentives: Institution building targets are often not reached because trainees do not return to assume planned responsibilities and inadequate pay incentives are frequently an important cause of such lapses. Many donors have agreed on the establishment of special salary scales for agencies or institutions they are assisting so that trainees will be motivated to resume work for their agencies upon their return. While such action benefits the project and the agency involved, it introduces disparities into the local labor market and makes more difficult eventual Yemeni assumption of the agency's recurrent costs. The World Bank recently recommended that such special pay scales and "topping off" arrangements be eliminated and that more effective use be made within existing regulations to provide adequate financial incentives including salary supplements and housing allowances related to professional qualifications or demanding working conditions.*

USAID should investigate existing government pay regulations and practices to ascertain the factual situation and whether de facto pay incentives for the staffs of units selected for institutional development can be accommodated within the current system. Such fact finding should be accompanied by discussions with appropriate Yemeni authorities on such matters as the snaring by AID of the costs of pay incentives and a gradual transfer of such costs to the budget of the agency involved during the life of the project.

* World Bank, "Review of IDA-Financed Technical Assistance in the Yemen Arab Republic, 10/22/84 (Report No. P-3890-YAR), p. 19.



Animal Production & Health

- Animal Production
- Animal Health

Fisheries

- Statistics
- Training and Research
- Marketing

Plant Protection

- Training & Extension
- Plant Quarantine
- Pest Mgmt.
- Locust
- Chemical Supplies
- Administration
- Research
- Coordination

Extension

- Extension Programs
- Training
- Communication
- Home Econ. Follow up & Evaluation

Rural Development

- Rada
- Al-Baun
- Khawlan
- Etc.

Agricultural Affairs

- Field Crops
- Horticulture
- Forestry
- Coffee
- Provincial Offices

Irrigation

- Water Resource & Management
- Feasibility and Planning
- Engineering
- Hydrometeorology

Marketing

- Operation & Services
- Marketing Standards
- Marketing Development

Finance and Administration

- Personnel
- Records
- Finance Administration

Case Study: Project 052.2, Ibb Secondary Agricultural Institute

1. Overview of Organization/Institution

The Ibb Secondary Agricultural Institute (ISAI) is a unit of Yemen's secondary agricultural education (SAE) system, which is a part of Yemen's vocational educational (vo-ed) system of the Ministry of Education (MOE). Two other components of the vo-ed system are the Technical and Industrial schools, and the Commercial schools. Each of the three has the status of a Section within the Department (Division) of Vocational Education. The SAE system offers the equivalent of a three year vocational high school and is designed to provide junior paraprofessional and technical manpower for the Yemeni economy. Thus, ISAI's primary mission has been defined as providing mid-level technicians for the public and private sectors of Yemen's agriculture.

The vo-ed system is a Department (Division) within the Directorate of General Education. The Director of the Agricultural Education Section, who supervises the secondary agricultural institutes (SAIs), reports to the Director of the Vocational Education Department who, in turn, reports to the head (Director General) of the Directorate of General Education. However, the Directors of vo-ed and the SAIs are said to have fairly ready access to the Minister and his Deputy when the need arises.

ISAI is one of the three SAIs that currently make up the secondary agricultural education system. The other two are a similar school located at Surdud (in the Tihama region), and a veterinary school located in Sana'a. The physical plant and considerable equipment for all three schools have been financed by an IDA credit (First Educational Sector Loan) made to Yemen in 1976. IDA funding did not, however, cover the operating costs of the schools nor those of providing technical assistance to develop Yemeni professional staff. In early 1979, the MOE (and IDA) requested AID to provide financing for ISAI, the school for which planning and construction was furthest along, and AID subsequently agreed to do so. ISAI thus became the "flagship" of secondary agricultural education in Yemen and the model for the system as a whole.

ISAI opened its doors (initially with only a Director and a teacher) in September, 1979. The Surdud school became operational in 1981, and the Sana'a Veterinary School (SVS) in 1982. The MOE finances the operating costs of the three schools. In the absence of qualified Yemeni teachers, it also finances expatriate teachers (mostly drawn from other Middle East countries) for the Surdud and Sana'a schools.

The secondary agricultural education system in Yemen is in a state of flux, as might be expected given its recent

origins. There is a strong interest in the MOE to expand the number of SAIs to four or five, probably a reasonable goal considering estimates that have been made concerning Yemen's future requirements for agricultural personnel (although as indicated below [Section 4], the cost of additional SAIs would put further pressure on the already strained SAE budget of the MOE.) In addition, a need is foreseen for eventually establishing a vocational/technical agricultural institute (vo-tech) which would provide a more advanced and specialized program, either as an extension of SAE training or as the beginning years of university training. The vo-tech concept thus relates to the University of Sana'a's Faculty of Agriculture, which is presently in its second year of operation. Finally, a good case can be made for establishing a separate SAI for women, given the social (and legal) infeasibility of coed SAIs and the importance of women in Yemeni agriculture.

2. Overview of the Ibb Subproject

AID support to the Ibb school was the first subproject of the Agricultural Development Support Program, in which AID retained the Consortium for International Development (CID) under the Title XII provisions of the Foreign Assistance Act to develop a sector-wide program of assistance to Yemeni agriculture. CID designated New Mexico State University (NMSU) as the "lead university" to backstop the ISAI subproject, and AID authorized the subproject in May 1979. To date, \$11.2 million has been obligated for the subproject. It is currently in the process of being extended for an additional six and a half years at an estimated additional cost of \$17 million. These figures do not include an estimated \$12 million of Yemeni contributions over the life of the project.

AID assistance to ISAI includes (a) provision by NMSU of US resident specialists to serve as project leader and provide other skills (e.g. Farm Manager) and short-term experts to address special subjects, (b) provision of expatriate Arabic speaking teachers in agricultural sciences to provide the core of the school's academic program*, (c) the financing of fellowships to permit Yemeni agriculturalists with BS degrees to receive graduate training in the US and Egypt prior to returning to take up teaching positions at the three schools with initial priority to ISAI, and (d) the financing of equipment, teaching materials, supplies, etc. as well as

* Non-vocational subjects such as history, Islamic studies, mathematics, etc. are also taught, but not included in the assistance program.

expansions or improvements of the school's physical facilities. All of the foregoing components are coordinated in Yemen by the NMSU project leader and the school's Director working jointly, and in the US by a campus coordinator and backstop office set up by NMSU.

The key bottleneck to inaugurating the school's technical program was the absence of teaching staff. Thus, NMSU placed first priority on recruitment of well-qualified Arabic speaking agriculturalists. Thanks to energetic and imaginative recruitment by NMSU's campus coordinator, most of the necessary talent (consisting of three Egyptians, two Sudanese, and a Jordanian) was identified, interviewed and hired during the winter of 1979-80, despite lags in contracting arrangements between AID, CID, and NMSU.

Following the arrival of the instructional staff, promising Yemeni agriculturalists with BS degrees, (usually from a Middle East university) were recruited and assigned to work with the expatriates as counterparts. If their "apprenticeship" as counterparts proved to be successful, they were nominated for fellowships for MS level training in the US. The upgrading of their capacity in English was expedited by sending them to the US to bring their facility up to an acceptable level before starting their technical studies.* This procedure greatly reduced the lag in participant turnaround which would otherwise have occurred if language training had taken place in Yemen.

The five years or so since the project's initiation have seen a number of changes at ISAI. The school has achieved a significant degree of "Yemenization". US trained Yemeni staff now occupy the positions of Director, Assistant Director, and seven of the eleven agricultural instruction positions. Three of the seven expatriates have departed, and the remainder are scheduled to do so within the next year and a half. A number of improvements or additions have been made to the physical plant (sheds, pens, silo, road improvements, staff housing) and a considerable amount of new equipment for the school's farm, laboratories, and classrooms was found to be needed and has been purchased. The school's farm, while inadequate in size and poorly located, has been developed and is being used as an integral part of the teaching program. An "outreach" program of extension agent training and demonstrations or gatherings for the benefit of nearby farmers and agricultural employees was initiated, although its intent has been changed to make it

* Thirteen such trainees have been sent to the US to date (mostly to NMSU), of whom only two have dropped out -- one due to illness, and one for academic failure.

more a training device for the school's students. Much work has been devoted to improving the school's curriculum and to producing textbooks, classroom handouts, teaching and audio-visual materials adapted to Yemeni agricultural conditions. Increasing emphasis has been put on practical "hands on" training through expanded use of afternoon sessions at the farm, a lengthening of the summer session to increase practical instruction, and individual farm projects for the third year students.

Since its inception, the school has graduated 147 trainees from four graduating classes, 1982-1985. The nineteen top students from these classes are working toward BS degrees in agriculture in Egypt under fellowships financed by the project. Another twenty-four have enrolled in the new Faculty of Agriculture at the University of Sana'a. A majority of the remaining graduates are working for the Ministry of Agriculture in one capacity or another. Reports received on their performance have generally been very good.

As noted earlier, the six year extension of the project, which is currently going through the AID approval process, contemplates an expansion of the program to include the entire secondary agricultural education "sub-sector" -- i.e., assisting the remaining SAE schools at Surdud and Sana'a, strengthening the Vocational Agricultural Education Section at the MOE, as well as completing and monitoring the program that has been going on at ISAI. Toward this end, it is planned that the NMSU project leader would move his location from Ibb to Sana'a so as to better keep an eye on the program in its new configuration. Project assistance to the two other schools and the MOE will include training, commodities and short term consultants. Also included are one or more studies to consider the question of additional SAIs, a women's SAI, and a two year vo-tech school. No resident technical assistance is contemplated.

3. Institutional Accomplishments of the Project

A key institutional accomplishment has been the "Yemenization" of much of the school's instructional program. Although four expatriate teachers are still working at Ibb, all but two of the agricultural courses are now being given by six Yemeni instructors who have returned from the US with MS degrees. It is said that this transition has occurred without a decline in academic standards. In fact, it is claimed that the Yemeni are in many cases superior to the expatriates in that their technical background is more up to date, and their approach more practical and more oriented toward local conditions. By the end of 1987, the remaining expatriate

faculty will have withdrawn (with the possible exception of the Farm Manager position) and the transfer of the teaching load to Yemeni hands will be complete.

A second key accomplishment has been the strengthening of leadership positions at the school by Yemeni who have been trained under the project. Both the Director and Assistant Director served at the school as counterparts to expatriate teachers before proceeding to NMSU for their graduate degrees. This experience has engendered an understanding of the functioning of the school and a sense of identification with its program and goals. There is a feeling among the Yemeni that the school is "theirs", and this is reflected in student attitudes and, to an extent, in improved management.

Another factor which is contributing to the school's ability to function on its own as a Yemeni institution is the progress that has taken place in making other aspects of the academic program more relevant to Yemeni circumstances and in building a local capacity to continue such progress. A key element is the effort to rewrite twenty-five major textbooks so as to present technical material in a Yemeni context. Seven have been completed and are ready for publication, and five more should be ready by July. Completed texts will be shared with the Surdud school, and some with the Sana'a Veterinary School. Another accomplishment is the planning and reform of the school's curriculum, a process that has been going on for several years including conferences at NMSU and Ibb. Major progress has been made in adjusting the curriculum to the background and needs of students entering the school, and of balancing theory and practice in the sequence and content of the courses. A third step forward is the effort to build a local capacity in the production of instructional materials such as class handouts, visual aids, and the use of slides and video tapes. Equipment and training provided under the project has, or will soon, enable the school to prepare written materials, illustrations and graphs for overhead projectors, and the preparation of slides and video programs using local situations which visually illustrate material being presented in lectures and texts. Related to the above has been the progress that has been made in setting up a school library and reference center and the training of a librarian to continue this work.

In addition, a number of circumstances have evolved which are tending to support or reinforce the position of the school as a social institution. For one reason or another, enrollment at all three secondary schools has increased significantly this year, as result of increased publicity or an increased outflow of preparatory graduates, or both. Increased competition for

placement at the SAIs should tend to strengthen Yemeni perceptions as to their value and importance. Another reinforcing circumstance is the good reputation that the school is earning, due in large part to the performance of its graduates and positive feedback from their employers. A third bolstering factor is the good relationships that the school leaders have established with the regional authorities (e.g. the Ibb Governorate), local agricultural entities, and the Ibb municipality. A fourth factor is the school's role as a model for the vocational agricultural system. Ibb's curriculum and teaching procedures are being adopted and used by the other schools, and the same will apply to the new textbooks when they become available. MOE officials indicate that Ibb will serve as the model for any additional secondary agricultural schools that may be planned.

The above points imply that a number of vital functions of ISAI have moved gradually from foreign to Yemeni responsibility and control, and that this process is taking place without appreciable decrease in standards of performance -- in fact, quite the contrary. There are also indications that the social utility of the school is gaining recognition within the country. This should increase support for the school among beneficiaries (present and potential) and among opinion leaders.

4. Institutional Problems of the Project

A major institutional problem of the project is the inadequate linkage between ISAI (and in fact all three SAIs) and the SAE Section of the MOE. Related to this is the incapacity of that office to exercise a supportive or policy guidance function. The SAE Section, a one or two person office, is almost wholly preoccupied with headquarters administrative and financial details, and has shown little leadership or direction over the project. Its personnel seldom visit the school, and they lack familiarity with its operations or concerns. Yet, many of the actions proposed by the school require the concurrence of the Section, and its potential for disrupting or damaging ISAI, especially through the budget process or the placement of personnel, is great. The resolution of school matters with MOE requires frequent trips by Ibb representatives to Sana'a. On many occasions, these are conducted by the NMSU team leader on behalf of ISAI. Thus, the project often serves as a buffer between the MOE and ISAI, a role it will no longer play when the school is on its own. At that time, the MOE will exercise full supervision and control over the school, but may lack personnel in numbers and competence to effectively perform such functions -- a situation that could be very detrimental to the school's future. A priority project task is to seek agreement with the MOE on a

program to strengthen the capability of the SAE Section through the expansion of its staff and the training of its personnel in appropriate skills (including the functions noted on page six, Annex F of the subproject paper). This process should be completed well in advance of the close of the project. (This may mean utilizing trainees currently in the pipeline rather than putting new people into training.)

Another problem affecting the school's sustainability is that of recurrent costs. Although the YARG is making a substantial financial contribution to the SAE system (over \$1 million equivalent a year), the schools have been plagued by budget stringencies, confusion and delays in payment throughout the course of the project. The YARG's financial burden is likely to be even heavier when the project ends, since some of the local costs that AID is currently funding are likely to require continued financing by the YARG. Despite the reassurances contained in the subproject paper, the ability of the YARG to meet the project's recurrent costs seems open to question, given the difficult budget situation forecast in recent projections. If so, this would argue for a "go slow" policy in regard to the establishment of additional secondary agricultural schools.

An important aspect of recurring costs and budget constraints from an institutional development point of view is the matter of pay incentives and the retention of staff. Disparity between faculty salaries and those paid by other government agencies is already causing considerable dissatisfaction among the staff. Such discrepancies have been mitigated in the interim by benefits, monetary or otherwise, which accrue to the staff from the project. But these will disappear when the project ends, and the problem of pay incentives should be addressed before then.

A closely related problem is the question of efficient academic administration and discipline. The internal management of the school is still regarded as quite sloppy with disregard of regulations, poor scheduling of classes, inadequate discipline, and poorly trained administrative staff. Although progress has been made, much remains to be done. There are also unexplained disparities among the teaching loads of faculty members, some teaching only three hours a week, some not at all. Yet civil service or MOE regulations (or privileged status) apparently prevents the rationalization of workloads or the elimination of redundant employees. This increases the expense of running the school and its pressure on the budget.

As indicated in section two above, the subproject extension seeks to assist and strengthen the remaining two schools of the

Yemeni SAE system and the SAE Section of the MOE. In other words, the extension seeks to broaden the focus of the project from a single school to the SAE subsector as a whole. Implementation of this broader approach has hardly begun. However, as noted below, one wonders whether adequate planning and resources are being devoted by YARG, USAID, and NMSU to these additional and difficult tasks.

A major factor in the Ibb school's institutional progress is believed to be the presence of highly qualified NMSU personnel resident at Ibb as advisor to the Director, and in other technical assistance capacities. With the shift of the project director position from Ibb to Sana'a, there will no longer be senior NMSU personnel in the field. This will not affect the veterinary school so seriously, since it is also located in Sana'a. However, the school at Surdud will lack the on-site guidance, support and implementation skills that have been NMSU's long suit on the project. Without the resident oversight and personal attention of resident NMSU staff, it seems doubtful whether the Surdud and Sana'a schools will have the opportunity to reach the institutional caliber which the Ibb school has achieved.* USAID may wish to consider an augmentation of NMSU resident staff assigned to the project to provide close liaison and supervision of the Surdud and Sana'a schools and the effort to upgrade the SAE Section of the MOE.

Another problem with the plan of the extension appears to be a lag in the return of the participants to take up faculty positions at the Sana'a and Surdud schools. Unless eight or more MS candidates are selected, brought up to snuff in English, and start their studies in the next year or two, they won't return in time to start work in Yemen before the project is over. One of the key constraints appears to be lack of facility in English among potential candidates and the time needed to reach an acceptable proficiency if language training takes place wholly in Yemen.

A third problem with the extension which has important institutional development implications is that, as indicated in the subproject paper (p. 11), no long-range plan has been developed for ISAI. The above discussion appears to indicate that planning for the Surdud and Sana'a schools and for the SAE Section of the MOE also need attention.

* Both the Surdud and Sana'a schools are probably further behind than the Ibb school was at the start of the project, since their expatriate staffs were not hand picked by NMSU on the basis of relevant skills, facility in English, and completion of American graduate degrees.

In conclusion, it appears that ISAI has gotten off to a very good start in acquiring indigenous professional and leadership capacity as an agricultural education and training institution, both in its own right and as a model for the SAE system. It also appears that this growth in capacity and professional performance is regarded favorably within a number of Yemeni circles and enjoys their support. On the other hand, ISAI is not out of the woods. A number of factors, especially relations with the MOE, budget constraints and staff turnover potential, may cause serious problems for the longer term viability of the school and thus for the gains achieved to date. Also, the aim of broadening the project to that of strengthening the entire SAE system in Yemen may need to deal with the several issues noted above.

5. Lessons Learned

a. Start Small, Then Expand. The relative success of the ISAI subproject seems in part to be attributable to the project's initial five year focus on a single, discrete school. This permitted detailed planning, good quality control, careful oversight, and day-to-day personal and professional contact between NMSU personnel, expatriate teachers, and Yemeni staff. Objectives were finite, and progress toward attainment was readily ascertainable. Problems could be discovered and often dealt with on the spot. Success achieved at Ibb provides, in part, a model for replication at the other two schools.

b. Congruence of Aims. A major positive factor has been the congruence of objectives among the major project participants -- the Yemeni school staff, MOE staff, NMSU, expatriate teachers, and USAID. All were agreed on what needed to be done and on the allocation of tasks. This resulted in close cooperation, open communications, and the sharing of experience.

c. Good Communications. Implementation has been facilitated by good communications and supportive relationships on the Ibb campus (among the NMSU staff, the expatriate teachers, and the Yemeni staff) between the NMSU staff at Ibb and CID/USAID, and between the project and the NMSU backstop office.

d. Institutional Compatibility. A strength of the project lies in that the backstop institution and the assisted institution are operating in the same milieu -- training and education. This similarity gives the backstop institution a comparative advantage -- i.e. a broad familiarity with and sensitivity to inherent problems and considerations that educational institutions share in common.

e. Backstopping. NMSU backstopping has been extremely imaginative and responsive, reflecting a strong commitment to

the project by the University as a whole. This is reflected in the quality of the staff assigned to Yemen, the care with which expatriate Middle East staff was recruited and treated, the personal and professional attention given to Yemeni participants, and good logistic support. The quality of backstopping has had a positive effect throughout the project.

f. Linkages are Important. Projects aiming at institutional development should pay as much attention to the assisted institution's linkages with other institutions as with the targeted institution itself. In particular, attention should be paid to linkages with institutions upon which the targeted institution depends for external support, and a strategy developed for dealing with such linkages.

g. Pay Incentives. Inadequate pay incentives and resulting staff turnover pose a possible threat to longer term professional standards and quality of performance of institutions like ISAI. A possible USAID approach to this problem is discussed on pages 20-21 of the Core Subproject Case Study.

h. Institutional Development Takes Time. The progress noted at the Ibb school has taken over five years to achieve, and more time will be needed to safeguard and consolidate these gains. Projects with major institutional development dimensions should be designed for periods of ten years or more (phased in segments to assure adequate monitoring and evaluation).

APPENDIX 2. Institutional Development
Progress Chart

ADMINISTRATIVE-MANAGERIAL PROFILE

Evaluation Periods 1961, 1965 and 1969

Evaluation Periods	ADMINISTRATIVE CAPACITY	NATIONAL PLANNING CAPABILITY				
		E	O	S	P	U
1961	WHAT IS STATUS OF PROJECT WITHIN PRIORITIES OF THE NATIONAL PLAN?			■		
	WHAT IS STATUS OF PROJECT WITHIN NATIONAL INDUSTRY?			■		
	WHAT IS STATUS OF PROJECT WITHIN THE LEAD PRIORITIES?			■	■	
1965	WHAT IS CURRENT FINANCIAL CAPABILITY OF COUNTRY TO SUPPORT PROJECT?			■	■	
	WHAT IS EXTENT OF TREASURY WILLOWNESS TO COMPLY FUNDS?			■	■	
	WHAT IS TREASURY CURRENT CASH FLOW POSITION?			■	■	
1969	WHAT IS STATUS OF ADMINISTRATIVE EFFICIENCY OF TREASURY TO MAKE PROMPT PAYMENT?			■	■	
	WHAT IS TREASURY CURRENT CASH FLOW POSITION?			■	■	
	WHAT IS STATUS OF ADMINISTRATIVE EFFICIENCY OF TREASURY TO MAKE PROMPT PAYMENT?			■	■	
	NATIONAL BUDGETING CAPABILITY					
	IS BUDGETING PROCEDURE ADEQUATE OR ESTABLISHING PROJECT PRIORITIES?			■		
	WHAT IS STATUS OF PROJECT AS REFLECTED IN BUDGET DOCUMENT?			■		
	WHAT IS EXTENT BUDGETING IS RELIABLE FOR ALLOCATION OF FUNDS FOR PROJECT SUPPORT?			■		
	WHAT IS STATUS OF ADMINISTRATIVE EFFICIENCY OF BUDGET AGENCY FOR PROMPT BUDGET ALLOW?			■		
	MANPOWER PLANNING AND UTILIZATION CAPABILITY					
	TO WHAT EXTENT DO MANPOWER PLANNING UNITS REFLECT PRIORITY OF ASSIGNMENT OF PERSONNEL TO PROJECT?		■	■		
	ADEQUACY AND COMPETENCY OF ASSIGNED MANPOWER TO IMPLEMENT PROJECT		■	■		
	WHAT IS EXTENT GOVERNMENT IS WILLING TO COMMIT ADEQUATE MANPOWER OF ATTAINMENT OF PROJECT GOAL?			■		
	WHAT IS CAPACITY OF PERSONNEL ATTEND TO RECRUIT AND MAINTAIN ADEQUATE PROJECT PERSONNEL?			■		
	NATIONAL PROCUREMENT CAPABILITY					
	WHAT IS THE CAPACITY OF THE PROCUREMENT PERSONNEL, PROCEDURES AND FUNDS TO SUPPORT PROJECT?			■		
	WHAT IS EXTENT OF GOVERNMENT WILLOWNESS TO PROVIDE SUPPLIES IN SUPPORT OF PROJECT?			■		
	WHAT IS EFFICIENCY OF LEAD IN PROVIDING OFFSHORE PROJECT EQUIPMENT?			■		
	TO WHAT EXTENT DOES THE PROJECT EFFECTIVELY UTILIZE U.S. PROVIDED COMMODITIES?			■		
	MANAGERIAL CAPABILITY					
	MANAGEMENT BY OBJECTIVES					
	TO WHAT EXTENT ARE OBJECTIVES ESTABLISHED WITHIN PROJECT?			■	■	
	TO WHAT EXTENT IS DATA RELIABLE UPON WHICH OBJECTIVES WERE BASED?			■	■	
	TO WHAT EXTENT ARE THE OBJECTIVES SUPPORTED BY INDUSTRY LEADERSHIP?			■	■	
	TO WHAT EXTENT DOES A MULTI-LAYER OF OBJECTIVES EXIST?			■	■	
	NATIONAL CAPACITY FOR ATTAINMENT OF OBJECTIVES					
	TO WHAT EXTENT IS MINISTRY ORGANIZED TO IMPLEMENT OBJECTIVES?		■	■		
	TO WHAT EXTENT ARE OBJECTIVES COMMUNICATED AND UNDERSTOOD BY MINISTRY PERSONNEL AND OTHER AGENCIES?		■	■		
	TO WHAT EXTENT ARE MINISTRY STAFF MOTIVATED FOR ATTAINMENT OF OBJECTIVES?		■	■		
	TO WHAT EXTENT ARE THE STAFF EFFECTIVELY DIRECTED OR GUIDED IN ATTAINMENT OF OBJECTIVES?		■	■		
	MEASUREMENT AND CONTROL OF OBJECTIVES					
	IS THE PRESENT REPORTING SYSTEM ON STATUS OF PROJECT PROGRESS ADEQUATE?				■	■
	WHAT IS CAPACITY AND INTEREST OF GOVERNMENT TO EFFECTIVELY EVALUATE PROJECT?				■	■
	WHAT IS EXTENT OF FOLLOW UP MADE AS A RESULT OF EVALUATION?				■	■
	WHAT IS CAPACITY OF MINISTRY OR LEAD TO RE-PROGRAM OR RE-DIRECT PROJECT OBJECTIVE WHEN REQUIRED?				■	■
	POLITICAL ANALYSIS FOR PROJECT IMPLEMENTATION					
	TO WHAT EXTENT DOES THE POLITICAL LEADERSHIP SUPPORT THE PROJECT?		■	■		
	EXTENT OF POLITICAL LEADERSHIP GIVEN BY PROJECT LEADERSHIP		■	■		
	EXTENT PROJECT DEVELOPS A SENSE OF NATIONAL UNITY AND CITIZEN PARTICIPATION		■	■		
	EXTENT PROJECT ASSISTS IN PROMOTION OF U.S. FOREIGN POLICY		■	■		
	PROJECT INFORMATION DISSEMINATION					
	TO WHAT EXTENT ARE THE GOVERNMENT AND FEDERAL AGENCIES AND THE MEDIA AWARE OF PROJECT?				■	■
	TO WHAT EXTENT IS PROJECT INFORMATION AVAILABLE TO THE PUBLIC?				■	■

* From a paper by Thomas V. Thorsen, 'The Institution Building Model in Program Generation and Review,' Washington, D.C. December 4-5, 1969, p. 18.

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APPENDIX 3. "Practical Lessons for Development
Management" - Recommendations, pp. 158-160.

Appendix # 2:

PRACTICAL LESSONS FOR DEVELOPMENT MANAGEMENT:
EXPERIENCE WITH IMPLEMENTING AGRICULTURAL DEVELOPMENT
PROJECTS IN AFRICA.

by

DENNIS A. RONDINELLI

for

Center for Development Information and Evaluation
Bureau for Policy and Program Coordination
U.S. Agency for International Development

Organizational Structure

19. The organizational "culture" in which projects are carried out shapes the opportunities for and creates constraints on effective development management. The organizational culture in African countries rarely conforms to Western images of efficient and rational procedures that are often called for in project designs. Rarely are development projects able to change the local culture sufficiently to enable foreign methods and techniques to work as effectively as outsiders think they should. Organizational structures and arrangements for development management usually reflect the indigenous organizational culture, and they must be clearly understood by development planners and managers before changes are prescribed.

20. An appropriate organizational structure for a project is a crucial variable in its success. In some cases strengthening existing organizations is most effective; in other cases, new or parallel organizations must be created to overcome constraints and obstacles to change.

21. Although some degree of centralization and hierarchy characterize most development institutions, decentralized organizational structures seem to be more effective in devolving responsibility and authority to levels where decisions must be made, in strengthening administrative capacity at middle levels of management, in keeping organizations more responsive to clients and beneficiaries, and in developing a sense of "ownership" among project staff and participants. Often decentralized organizations can discern changes in their environment more easily, provide better feedback to top management, and elicit the participation of beneficiaries, especially in remote areas.

22. Organizational and institutional development achieved by strengthening existing or parallel project implementation organizations, and by increasing the capacity of beneficiary groups to participate in project planning and implementation, is a major determinant of whether or not benefits are sustained after foreign assistance ends. Attempts should be made early in a project to develop organizational capacity to sustain benefits over the long run.

23. Organizational changes required to achieve project goals must be deliberately planned and carried out as part of project design

and implementation, and sufficient resources must be provided for that purpose. It cannot be assumed that organizational reforms will occur automatically as the result of policy changes or as a result of technical activities pursued during the implementation of a project.

24. Often tradeoffs must be made in the design phase between the amount of time and resources that will be devoted to achieving technical or substantive objectives, and those that will be committed to achieving organizational reforms. When strategies are not well developed for both sets of activities, the attention given to one during implementation will often be at the expense of the other.

25. Sufficient flexibility must be given to development managers to make changes in organizational structures and institutional arrangements during a project's implementation. Often the impact of organizational structure cannot be accurately predicted during the design phase and changes in leadership, resources, environment and policies can all affect the efficacy of the project implementing agency.

26. Supportive linkages between project organizations and others in its operating environment are essential for successful implementation. However, project organizations that have a high degree of autonomy and independence in decision-making, and control over resources and operations, seem to be more successful than those that are under the close control of central bureaucracies. An appropriate balance between independence and accountability must be struck in designing organizational and institutional structures for implementation.

27. Informal networks of cooperation and interaction are as important, and in many cases more so, than formal organizational linkages. Development managers must give adequate attention to informal processes of interaction with higher level bureaucracies, vertical organizations, and beneficiary groups, if project objectives are to be achieved effectively.

28. Projects that are located in remote or isolated areas require a large amount of autonomy, independence and control over their own resources in order to respond effectively to local needs and demands. However, they also need adequate financial, technical and logistical support from external organizations if they are to operate efficiently under hardship conditions.

29. Coordination among government agencies and private organizations is an essential feature of almost all development projects, but it depends more on the creation of incentives and incentives for coordination than on formal requests or orders to cooperate.

a. Coordination and cooperation depend in large part on the degree to which various groups and organizations identify favorably with the goals of the project, obtain benefits from it, or see their own interests enhanced by its success.

b. Coordination and cooperation can be enhanced by managerial strategies that develop a sense of "ownership" of the project among participants and beneficiaries.

APPENDIX 4. Scope of Work for Assessment

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ADIAC

FOR AME/TR: J. CHAMPAGN AND S&T/RD/DA: P. SCHOENAKER

E.O. 12356: N/A
SUBJECT: YEMENI INSTITUTIONAL DEVELOPMENT ASSESSMENT

REF: SCHWARTZ/CHAMPAGN TELCOM 3 SEP 85

1. AS PER REF TELCOM, THE FOLLOWING TRANSMITS THE STATEMENT OF WORK FOR THE INSTITUTIONAL DEVELOPMENT ANALYSIS USAID/SAMAA PLANS TO UNDERTAKE IN CONJUNCTION WITH THE PREPARATION OF ITS FY 86 CDSS UPDATE. QUOTE:

STATEMENT OF WORK

I. OBJECTIVE

THE CONTRACTOR IS TO PROVIDE A THREE-PERSON TEAM TO CARRY OUT A CROSS SECTORAL ANALYSIS OF USAID/SAMAA'S INSTITUTIONAL DEVELOPMENT ACTIVITIES. ON THE BASIS OF THIS ANALYSIS, THE CONTRACTOR'S TEAM IS TO RECOMMEND ALTERNATE INSTITUTIONAL DEVELOPMENT TACTICS SO AS TO ENABLE USAID TO ENHANCE THE EFFECTIVENESS OF ITS INSTITUTIONAL DEVELOPMENT STRATEGY.

II. BACKGROUND.

A. FOR THE PURPOSE OF THIS STUDY, INSTITUTIONAL DEVELOPMENT WILL MEAN INCREASING THE EFFECTIVENESS OF A GIVEN YEMENI INSTITUTION TO CARRY OUT ITS ORGANIZATIONAL MANDATE.

B. IN 1980, USAID COMMITTED ITSELF TO A COUNTRY DEVELOPMENT STRATEGY WHICH EMPHASIZED INSTITUTION-BUILDING AND HUMAN RESOURCES DEVELOPMENT. THIS STRATEGY HAS BEEN FOLLOWED IN THE DESIGN OR RE-DESIGN OF POST-1984 PROJECTS. THERE ARE DIFFERENCES, HOWEVER, AMONG THESE PROJECTS IN TERMS OF THEIR INSTITUTION-BUILDING OBJECTIVES AND THE INSTITUTIONAL DEVELOPMENT TACTICS, INCLUDING TYPES OF HUMAN RESOURCES DEVELOPMENT, ADOPTED TO ACHIEVE THEIR RESPECTIVE OBJECTIVES.

C. INSTITUTION-BUILDING OBJECTIVES HAVE RANGED FROM IMPROVING THE OPERATIONS OF EXISTING GOVERNMENTAL ENTITIES TO THE CREATION OF NEW INSTITUTIONS. INSTITUTION-BUILDING TACTICS, ON THE OTHER HAND, HAVE EMPHASIZED TECHNICAL ASSISTANCE AND PARTICIPANT TRAINING. DEPENDING ON THE PROJECT, HOWEVER, TECHNICAL ASSISTANCE TEAMS HAVE BEEN BOTH LARGE AND SMALL AND THEIR MEMBERS HAVE SERVED IN BOTH ADVISORY AND OPERATIONAL ROLES. THE INDIVIDUAL QUALIFICATIONS OF TEAM MEMBERS HAVE RANGED FROM DISTINGUISHED PROFESSIONALS TO PEACE CORPS VOLUNTEERS. SIMILARLY, SOME PROJECTS HAVE RELIED UPON LONG-TERM, U.S. BASED ACADEMIC TRAINING AS THE MOST APPROPRIATE MEANS TO

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BUILD INSTITUTIONAL STAFF WHILE OTHERS HAVE RELIED UPON SHORT-TERM OR ON-THE-JOB TRAINING.

D. USING THESE VARIABLES, THE USAID PROJECTS WHICH THE CONTRACTOR IS TO ANALYZE ARE BRIEFLY DESCRIBED IN THE FOLLOWING CHART.
INSTITUTIONAL OBJECTIVE

PROJECT NUMBER & TECH ASSISTANCE TEAM SIZE	IMPROVE EXISTING			CREATE NEW	
	052.1	028	044	043	052.2
(A) LARGE	X				X
(B) SMALL		X	X	X	
MEMBER ROLES					
(A) ADVISE	X		X		
(B) OPERATE		X	X	X	X
QUALIFICATIONS					
(A) HIGH	X				X
(B) LOW		X	X	X	
PARTICIPANT TRAINING					
LONG-TERM	X			X	X
SHORT-TERM		X	X	X	

PROJECT NAMES AS FOLLOWS:

- #52.1: AGRICULTURAL DEVELOPMENT SUPPORT; CORE SUBPROJECT
- #28: WATER SUPPLY SYSTEMS MANAGEMENT
- #44: SMALL RURAL WATER SYSTEMS
- #43: LOCAL RESOURCES FOR DEVELOPMENT
- #52.2: AGRICULTURAL DEVELOPMENT SUPPORT; 188 SECONDARY AGRICULTURAL INSTITUTION SUBPROJECT

J. USAID BELIEVES THAT A MORE DETAILED ANALYSIS OF THESE PROJECTS WILL HELP IT IDENTIFY EFFECTIVE INSTITUTION-BUILDING TACTICS WHICH CAN THEN BE USED TO REFINE ITS INSTITUTIONAL DEVELOPMENT STRATEGY AND/OR THE MIX OF PROJECT INTERVENTIONS DIRECTED AT INSTITUTIONAL DEVELOPMENT.

III. SCOPE OF WORK

USAID'S PRIMARY CONCERN IS TO IDENTIFY EFFECTIVE INSTITUTIONAL DEVELOPMENT TACTICS. TO THIS END, THE CONTRACTOR IS TO:

- A. DEVELOP, IN COOPERATION WITH USAID, RELATIVELY SIMPLE AND EASILY APPLIED CRITERIA OF INSTITUTIONAL EFFECTIVENESS;
- B. DESCRIBE THE SOCIAL-CULTURAL CONTEXT IN WHICH YEMENI INSTITUTIONS MUST DEVELOP, HIGHLIGHTING THOSE FACTORS WHICH ENCOURAGE OR IMPEDE INSTITUTIONAL DEVELOPMENT;
- C. DESCRIBE THE GENERAL STATE OF THOSE YEMENI INSTITUTIONS ANALYZED FOR THE PURPOSES OF THIS STUDY, FOCUSING PARTICULARLY ON THEIR INSTITUTIONAL DEVELOPMENT NEEDS;
- D. ANALYZE SELECTED USAID INSTITUTIONAL DEVELOPMENT ACTIVITIES AND SPECIFIC INSTITUTIONAL DEVELOPMENT TACTICS TO DETERMINE WHICH HAVE IMPACTED FAVORABLY ON THE OPERATIONAL EFFICIENCY OF THEIR RESPECTIVE INSTITUTIONS AND ASSESS THE RELATIVE COSTS OF THESE INTERVENTIONS;
- E. DESCRIBE THE FACTORS ASSOCIATED WITH SUCCESSFUL AND UNSUCCESSFUL USAID INSTITUTION-BUILDING ACTIVITIES

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INCLUDING THOSE RELATED TO THE NATURE OF YEMENI
INSTITUTIONS AND USAID PROJECT IMPLEMENTATION; AND

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POLITICAL MILIEUX IN WHICH YEMENI INSTITUTIONS ARE
DEVELOPING, USAID BELIEVES THAT CONTRACTOR'S TEAM MEMBERS
SHOULD HAVE SUBSTANTIAL EXPERIENCE WITH INSTITUTIONAL
DEVELOPMENT ACTIVITIES AND IN DEVELOPING COUNTRIES.
YEMEN-SPECIFIC EXPERIENCE WOULD BE PARTICULARLY BENEFICIAL.
KEISWEITER

F. RECOMMEND ALTERNATE INSTITUTIONAL DEVELOPMENT TACTICS
AND THE CONDITIONS UNDER WHICH THEY MIGHT BE SUCCESSFULLY
APPLIED.

IV. LEVEL OF EFFORT

THE CONTRACTOR IS EXPECTED TO PROVIDE A THREE-PERSON TEAM
FOR A MAXIMUM OF 108 WORKING DAYS (6 DAYS PER WEEK X 18
WEEKS) BEGINNING ON OR ABOUT 15 OCTOBER 1985 TO CARRY OUT
THE ANALYTICAL TASKS DESCRIBED ABOVE, PROVIDE ORAL
BRIEFINGS OF PROGRESS AS REQUIRED, AND PREPARE REQUIRED
REPORTS. IT IS EXPECTED THAT THE CONTRACTOR WILL SPLIT
THIS TIME BETWEEN WORK IN YEMEN AND IN THE U.S.
BACKGROUND PAPERS LISTED IN SECTION 2B OF THIS PLO/T ARE
TO BE READ BEFORE TEAM MEMBERS ARRIVE IN SANAA AND THEY
ARE TO HAVE TWO DAYS OF AID/M BRIEFINGS CONCERNING THE
ACTIVITIES IDENTIFIED FOR ANALYSIS BEFORE THEIR DEPARTURE
FROM THE U.S.

V. REPORTS

A. CONTRACTOR'S TEAM IS TO PREPARE A MID-TERM AND A
FINAL REPORT. THE FIRST IS TO BE READIED THREE WEEKS INTO
THE STUDY. IT IS TO: SUMMARIZE CONCEPTUAL AND
ANALYTICAL PROGRESS TO DATE; DESCRIBE THE CRITERIA TO BE
USED TO ASSESS INSTITUTIONAL EFFECTIVENESS AND THEIR
APPLICATION TO THE INSTITUTIONS UNDER STUDY; AND PRESENT
THE TEAM'S PRELIMINARY THOUGHTS ON FACTORS ASSOCIATED WITH
SUCCESSFUL INSTITUTIONAL DEVELOPMENT. THE TEAM WILL BE
EXPECTED TO
PRESENT AND DISCUSS THE MID-TERM REPORT WITH INTERESTED
MEMBERS OF THE USAID STAFF AT A MEETING SCHEDULED BY THE
USAID PROJECT OFFICER.

B. THE FINAL REPORT IS TO DESCRIBE THE TEAM'S FINDINGS
AND CONCLUSIONS WITH REGARD TO THE FIVE ITEMS LISTED IN
SECTION 111 ABOVE. A NEARLY FINAL DRAFT OF THIS REPORT IS
TO BE READY A MINIMUM OF 5 DAYS PRIOR TO THE TEAM'S
EXPECTED DEPARTURE FROM YEMEN. THE TEAM MEMBERS WILL BE
EXPECTED TO PRESENT AND DISCUSS THE DRAFT FINAL REPORT
WITH INTERESTED MEMBERS OF THE USAID STAFF AT A MEETING
SCHEDULED BY THE USAID PROJECT OFFICER AND INCORPORATE THE
RESULTS OF THIS DISCUSSION IN THE FINAL REPORT. A DRAFT
OF THE REVISED FINAL REPORT IS TO BE LEFT WITH THE USAID
PROJECT OFFICER BEFORE THE TEAM DEPARTS YEMEN. THE
CONTRACTOR IS TO MAIL 10 COPIES OF THE COMPLETED FINAL
REPORT TO THE USAID PROJECT OFFICER WITHIN 15 WORKING DAYS
OF THE TEAM'S DEPARTURE FROM YEMEN. END QUOTE.

2. USAID WILL COMPLETE AND POUCH PLO/T O/A 18 SEP 85.
FUNDING CITATIONS WILL BE PROVIDED SEPT. PLO/T WILL
REQUEST SER/CH TO ISSUE A WORK ORDER AGAINST AN APPROPRIATE
10C OR S AND T/RD/OA'S INSTITUTIONAL DEVELOPMENT PROGRAM
PROJECT. FINAL DECISION IN THIS REGARD WILL DEPEND UPON
WHICH ALTERNATIVE OFFERS THE BETTER QUALIFIED TEAM.

3. TO PROVIDE SUFFICIENT TIME TO INCORPORATE RESULTS OF
ANALYSIS INTO COSS PREPARATION, THIS INSTITUTIONAL
DEVELOPMENT STUDY MUST BE COMPLETED O/A 31 NOV 85. WORK
SHOULD BEGIN, THEREFORE, NO LATER THAN 15 OCT 85. HENCE,
USAID WOULD APPRECIATE ANE/TR AND S AND T/RD/OA ASSISTANCE
IN IDENTIFYING QUALIFIED INDIVIDUALS WHO WOULD BE
AVAILABLE AT THE APPROPRIATE TIME ACAP.

4. GIVEN THE REQUIREMENTS OF THE SCOPE OF WORK,
PARTICULARLY THE NEED TO DEVELOP CRITERIA OF 12' 10WAL
EFFICIENCY AND TO BE SENSITIVE TO THE SPC101 AND



APPENDIX 5. Bibliography

Appendix 5

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APPENDIX 6. Persons Contacted

Appendix 6

PERSONS CONTACTED

USAID Mission

Charles F. Weden, Mission Director
Michael Lukomski, Deputy Director
Gerry Donnelly, Program Officer
Mansoor Al-Shamiri, Program Assistant
Howard Thomas, General Development Officer
Robert Rose, General Engineering Advisor
Rufus Long, Project Development Officer
Rashida Al Hamdani, Project Assistant (GDO)
G. Tracy Atwood, Agriculture Development Officer
Ray Renfro, Agriculture Economist
Karl Schwartz, Human Resources Development Officer
Bobby W. Allen, Controller
Mohammed Al-Harazi, Project & Participant Training Assistant
(Ag. Ofc)

Project 052.1 (Core Subproject)

Royal Brooks, Team Leader
Amir Badiei, Senior Agriculture Advisor
G. R. Jack Law, Training Advisor
Audrey Dibble, Library Advisor
Victor Amann, Planning Advisor
Jan Karpowicz, Agriculture Advisor

Project 052.2 (ISAI Subproject)

Everett Edington, Team Leader
Ali Kasim Ismail, School Director
Carlos Rosencranz, Farm Manager
Harold Matteson, Assistant VP International Programs, NMSU
Timothy Pettibone, Director, Educational Resources Center, NMSU
Abdullah Yousif Hamid, Animal Science Instructor
Mohamed El-Gharbowi, Food Processing Instructor
Musa Ahmed Allagabado, Horticulture Instructor
Kairy S. Abdul-Seoud, Agricultural Extension Specialist

Sana'a Veterinary School

Omar Mohsin Al-Berri, Director

Southern Uplands Rural Development Project

Mazhan M. F. Abdulla, Senior Agriculture Advisor

Ministry of Agriculture

Eng. Abdul Malik Althoun, Deputy Director General, Directorate
of Planning and Statistics

Eng. Abdul Wahhab Hamzi, Director, Department of Planning
Abdull Hafiz Karhash, Director General, Department of
Agricultural Affairs

NWSA

Mohammed Hazzaa Kassim, Planning and Statistics Manager
Mohammed Noman, Deputy Director, NWSA
James Ziegler, Data Processing Consultant
Abdul Karim, Programmer

RWSD (Contacts and Informants)

Abdul Bari Saleh, Director General
Mahdi Mohahed Mahdi
Mohamed Sediq, Chief of Party, TransCentury
Mike Cullen, TransCentury
George Scott, TDY Consultant, TransCentury
Susan Hoops, Sanitary Engineer, TransCentury
Ahmed Al Kibsi, Dean, Faculty of Economics & Commerce,
University of Sana'a
Daniel Varisco, Consultant Anthropologist
Julius Kuzinski, Team Leader, WHO Project with RWSD

CYDA

Steven Bald, former Peace Corps volunteer, Project 045
Abdul Mallick As Salam, former 045 staff, current CYDA staff
Mansoor Talib, former Director General, Foreign Relations, CYDA
Hamood As-Salahi, former Co-Manager Project 045; currently
Director General, Public Services Department, CYDA
Azari Babaker, OPEX staff, CYDA, and formerly translator,
Project 045
Eng. Abdu Rahman Al-Olifi, Director General, Foreign Relations
CLCCD

Ministry of Education

Mohamed Al Harazi, Director, Agricultural Education Section



APPENDIX 7. Analytical Framework: Institutional
Development Analysis

APPENDIX 7

Draft-Analytical Framework, Institutional Development Analysis

1. Leadership

Leadership is a service supplied to the institution by a small group of people. In looking at leadership, we want to look at the following kinds of things:

- o How fragile or how well entrenched is the leadership politically or technically?
- o How deep is the leadership structure? One man or several?
- o How does formal leadership correlate with the real power structure of a project or an organization?
- o How imaginative is the leadership in stimulating and rewarding performance?
- o How committed is the leadership to the goals of the institution?
- o How skillful is the leadership in linking the institution to other public and private agencies?
- o If the leadership pattern is not developing at a satisfactory rate, what strategies are indicated for the project or the organization?

More specifically, in looking at leadership for either a project or an organization, we want to assess the quality of the leaders, the persons who set goals, direct or influence project operations, motivate staff behavior, and manage project relations with the environment. Who are the key leaders? Are they effective? Do they set realistic goals, motivate subordinates, possess the necessary skills, promote and cope with change, and obtain results? Is there adequate continuity of leadership? Is there depth of leadership if leaders are absent or on leave?

Leadership Continuum Scale (from poor to good)

	20	40	60	80	100
028					
044					
045					
052.1					
052.2					

2. Doctrine:

The articulation of doctrine for an organization is the first order of business in an institution building project, since it sets the stage for the rest of the planning operation. Doctrine specifies general goals and operational style. Therefore, the elaboration, expression and manipulation of doctrine is an important responsibility for those who are guiding an organization. Failure to deal with doctrine means that the organization will lack a common set of purposes. Doctrine motivates personnel, establishes expectations about institutional performance, and helps to prepare the ground and substantiate shifts in the institution's emphasis, activities, and outputs.

In looking at doctrine, we want to look at the following kinds of issues:

- o Is the new role for the organization a realistic one? Is it consistent with the real needs of the country? Is it being accepted both internally and externally?
- o Does the doctrine have the necessary innovative qualities that will permit the organization to effect changes in society, and to make necessary internal changes?
- o What proportion of the administrative and professional staff understand and actively support the doctrine?
- o What are the social and political conflicts generated internally and externally by the organization's doctrine?

- o What official and public support exists for the organization's doctrine?

In looking more specifically at doctrine, we want to know what the basic purpose or objective the project has. This can probably be derived from the log frame or the project paper.

Doctrine Continuum Scale (from less clarity to more clarity of doctrine)					
	20	40	60	80	100
028					
044					
045					
052.1					
052.2					

3. Program Outputs:

Program is a description of what the organization actually does, and this varies over time within limits set by doctrine. Through program changes, organizations adapt to their environments and meet new demands for services.

In looking at program outputs we want to address the following kinds of issues:

- o How completely has the institution programmed its activities? Are they planned in advance rather than ad hoc? Are they well balanced?
- o How relevant is the program to the country's needs and the stage of the country's economic, social, and technological development?
- o How widely is the total program understood by the staff? How strongly are they committed to it?
- o Is there agreement between the organization's program and its doctrine?
- o What quality and quantity of results can be produced by the intended program?

- o Does the program utilize the best technology available to the organization?
- o Is the program tailored to available resources so that it may yield important and visible results within an acceptable period of time?

In looking at program outputs, we want to know specifically what the project is doing. What are the products or the deliverables for which the project is responsible?

Program Continuum Scale (from less emphasis to more emphasis on institution building)					
	20	40	60	80	100
028					
044					
045					
052.1					
052.2					

4. Resources

In looking at resources, we want to know the following kinds of things:

- o What are the prospects for continued and increased financial support from sources inside the country?
- o What is the capacity of the staff to bring their full technical training to bear on the institution's outputs?
- o What provisions are developed for upgrading the capability of the existing staff and for a continuing supply of new, better trained staff?
- o What provisions are made for maximizing the use of scarce sophisticated equipment and facilities within the organization? Is the management philosophy one of protecting and preserving these resources, or of utilizing them to the fullest extent possible?

In looking at resources, we specifically want to know:

What are the magnitude of the resources available for the project, including both human and physical resources? This should be expressed in both quantitative and qualitative terms. We also want to know the nature of the project's resource base. Does it include voluntary contributions? What are the details of staff? What is the nature of the budget?

Budgeting: Has the budget provided funding to the project in a timely manner? Has the budget been oriented to program and outputs? Has the home office or parent organization's budget process been reliable and responsive? Have AID contributions and host organization's financing been synchronized?

Personnel: Has project manpower been adequate in number, kind, and duration? Was recruitment carried out to select appropriate project staff? Do the counterpart organization(s) have the needed staff available -- in number, kind, and quantity? Have there been flexible provisions permitting seconding, hiring, or contracting for the necessary staff?

Resources Continuum Scale (from fewer resources to greater resources for institutional development)					
	20	40	60	80	100
028					
044					
045					
052.1					
052.2					

5. Internal Structure

The internal structure is the vehicle through which institutional management is performed. In looking at the structure of either a project or an organization, we want to know:

- o Are there serious deficiencies in the organizational structure, or are most of the difficulties traceable to personnel weakness and conflicts which no amount of reorganization will cure?

- o Has the institution been over-organized?
- o Does the organization provide incentive for good performance and a sense of cohesion and loyalty among the staff? Does it encourage staff commitment to the institution's doctrine?
- o Does the organization strike an appropriate balance between centralization and decentralization?

In looking at structure, we want to know if there is a clear structure to the project or the organization, and whether this structure is consistent with the other variables like leadership, doctrine, program, and outputs. This section of the analysis should look at the soundness of the distribution of authority and responsibility through which the project or the organization performs and coordinates tasks. More specifically, we should ask questions like:

Have clear assignments of project responsibility been given to the project managers? To the parent organizations? And to the various levels in the chain of command of the YARG?

Are there viable internal administrative arrangements for the division of responsibilities and workloads? Are these arrangements responsive to target client groups?

Do organizational charts (or in lieu of charts, do clear understandings) exist which reflect up-to-date tasks and responsibilities?

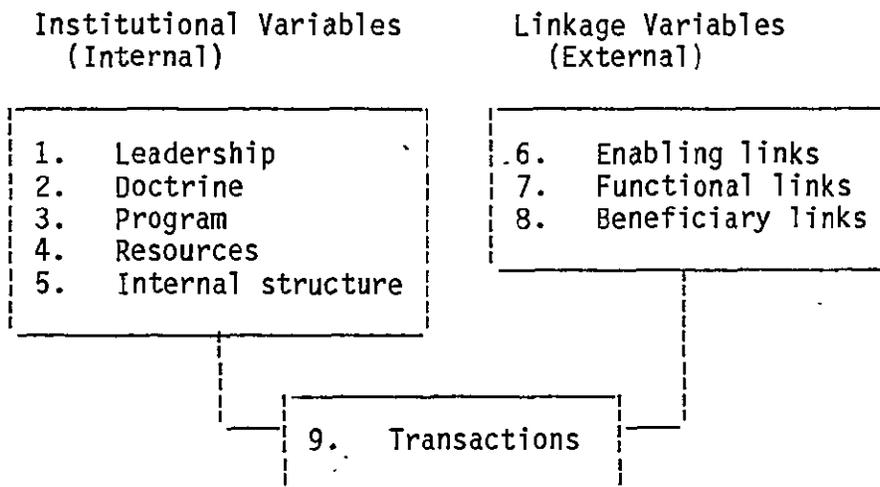
Do effective mechanisms exist to coordinate with other organizations at regional and other levels?

Do arrangements permit client participation in the planning and delivery of the product or services?

Structure Continuum Scale (from less clarity to more clarity of structure)					
	20	40	60	80	100
028					
044					
045					
052.1					
052.2					

6. Linkage Variables

Effective institution building requires simultaneous attention to building the organization and to managing its environmental relations. The figure below shows 'linkages'. These serve as both part of the organization's product, and also as components for part of the final output: transactions.



Enabling linkages are the political and budgetary linkages that permit the project or organization to exist. A public institution cannot function very long without benefit of official authorization from government.

7. Functional linkages involve cooperative relations with other agencies. Functional linkages suggest where the project looks for technical support. These are the project's or organization's suppliers. It is also its linkages to other organizations with complementary services. This typically will include both vertical and horizontal linkages.

8. Beneficiary linkages are the linkages of the project or the organization to its various client groups.

9. Transactions:

The two groups of variables interact with each other in a myriad of transactions. The kind, quantity, and quality of transactions are an index of the dynamic character of the institution; and the impact it is having on society.

APPENDIX 8. Relationship Framework: How
"Projects" relate to "Organizations".

APPENDIX 8

Draft-Relationship Framework: How "Projects" relate to "Organizations"

1. Leadership: In looking at the relationships between the project and its parent organization, we want to look first at the relationship of leadership between the two levels of activity. We want to ask questions like:

What is the degree of integration between the project's leadership and the organization's leadership after approximately five years of project activity?

Are the leaders of the project also leaders in the organization?

What is the physical relationship of the project office to the organization's office? Are they in the same building? Are they separate? Are they partially integrated?

What language(s) does the project function in? Is it primarily an English language operation, an Arabic language, or some mixture of the two?

How many of the project staff speak Arabic? How many of the Yemeni counterparts speak English?

At the project level, who are the project's leaders, and who is following them? Do they lead only the project, or do they also help lead the Department/Ministry/Agency?

What will happen to the project's leadership after the project is over? Will it be fully integrated into the operations of the Department/Ministry/ or Agency? Or will it fade away, having been summoned up only for the life of the project?

Whose project is it? Does the project 'belong' to the Ministry? Or is it only the Project's?

Do the people leading the project have administrative or leadership responsibilities for the Department or the Ministry as a whole, as well as for the project? How did they get this? How long did it take them to get this leadership role? Do the project leaders have 'line' responsibilities within the Department/Ministry/ or Agency? Conversely, do significant numbers of Departmental or Ministry staff have line or leadership responsibilities within the project?

Over a continuum of several years is there a growing convergence or congruence between the project and the

organization? Or do they keep essentially the same degree of or relationship(s) that they started with?

Leadership continuum of integration, on a scale of poor to good reflecting:

- o degree of integration between project and organization;
- o clarity of strategy for developing leadership of the organization;
- o extent to which the project supports and reinforces leadership of the organization.

0 10 20 30 40 50 60 70 80 90 100

028

044

045

052.1

052.2

2. Doctrine:

What are the relationships between the project's doctrine and the organization's doctrine?

Does the project have a stated objective or a strategy for doing institutional development?

To what extent is the notion of a strategy for institutional development shared between AID, the contractor, and the YARG?

Can project-level or organizational leadership state a clear vision of how the project/ department/ or Ministry will run after the project is over?

Is there somebody on the staff of the project who is formally or informally designated as the 'institutional development person'?

Does somebody remind the project periodically that its job is to build an institution, or does the contractor think that its job is primarily to plant corn?

Doctrine Continuum Scale:

-- from less clarity to more clarity of strategy:

0 10 20 30 40 50 60 70 80 90 100

028

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045

052.1

052.2

3. Program:

This is the point where the evaluation reviews the relationships between the project's program and the organization's program. The analysis should ask questions like:

To what extent has the project used long-term technical assistance as opposed to short-term assistance?

To what extent have they used small teams or large teams for technical assistance?

To what extent has the project's role been an operational role, and to what extent has it been advisory?

To what extent has the project used technical assistance advisors with high qualifications (academic, degrees, years of experience), and to what extent have they used younger people with fewer formal credentials?

To what extent have they relied on in-country training, or on international training?

What proportion of the project's efforts or resources go into building systems or training personnel, as opposed to delivering services?

What are the project's de facto strategies for developing the organization as an institution?

In short: what is the project doing, and how does this relate to the organization it purports to serve?

Continuum Scale for Program Outputs reflecting:

-- less emphasis on institution building to more emphasis; and

-- narrow strategies versus multi-faceted strategies.

0 10 20 30 40 50 60 70 80 90 100

028

044

045

052.1

052.2

4. Resources:

What are the relations between the project's resource base and the organization's?

How are resources deployed between the project and the organization?

Who controls resource allocation?

How are decisions reached about resource allocation?

Are resources available for more than the direct delivery of services? Does the project have the resources available to do more than just dig holes?

What are the linkages between staff resources:

-- from the counterpart side?

-- from the donor in terms of technical assistance?

Continuum Scale reflecting resources available for institutional development

0 10 20 30 40 50 60 70 80 90 100

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045

052.1

052.2

5. Structure

Relationships between structure of the project and the structure of the organization.

The key question here is the nature of the relationship. Relations between projects and organizations will normally be found to exist along a continuum. At one extreme the project will exist as a normal on-going sub-function of the Ministry. An intermediate position along the continuum will find the project as an autonomous unit inside a Ministry or department. At the other end of the continuum, there is the approach frequently preferred by the World Bank, where the project exists as an autonomous parastatal authority, totally separate from the Ministry or Department.

Where does the project stand along this continuum, and where does it stand in relation to the other four projects to be evaluated?

Other questions to look for here focus on accountability. Is the project accountable to the Ministry? If so, how? If not, then to whom is it accountable?

What is the nature of the relationships between the home office, the technical assistance team, the Department or Ministry, and other parts of the YARG?

Continuum Scale: Structure

(on a scale of autonomous to integrated, and reflecting less accountability to more accountability)

	0	10	20	30	40	50	60	70	80	90	100
028											
044											
045											
052.1											
052.2											

6-9. Linkages

There are three general kinds of linkages which we are interested in. These are 1) enabling linkages, which provide political and budgetary support to the project or organization; 2) Functional linkages, which include suppliers and collateral ministries, etc.; and, 3) Beneficiary linkages, which are the linkages to various client groups.

