

TFESSD Mobilizing Rural Institutions for Sustainable Livelihoods and Equitable Development

Proposal for a Country Case Study

YEMEN

Background: TFESSD Rural Institutions

The proposed study is part of an initiative of the Agriculture and Rural Development Department (ARD) and the Social Development Department (SDV) in FY06-08 to assess and build on the potential of rural institutions to augment access to public and private services to the rural poor. Funded under the TFESSD, this study proposes a new way of looking at pre-existing rural institutions as a resource—a form of organizational capital—that has the potential to adopt new functions in order to facilitate access and mediate between the rural poor and public or private goods and services.

The main activities to be financed by the TFESSD grant will be (1) a consultative workshop with rural institutions experts from CGIAR centers; (2) a mapping of local-level institutions that rural populations rely on (including informal institutions, and public and private institutions) for natural resources management and livelihoods in the study countries; (3) the development of a benchmarking tool for agricultural innovation systems with national indicators, and piloting implementation to strengthen institutions and track economic, social and environmental impacts particularly on the rural poor; and (4) an assessment of how Bank-supported operations can be embedded in local operational structures to enhance local capacities for natural resource management and sustainable livelihoods.

The immediate outcome will be a series of country-specific policy recommendations and measures to increase the ability of clients to effectively utilize rural institutions through better access to information, technologies, services and markets. The longer-term outcome will be lessons that will have broader relevance to rural livelihoods in developing countries.

In FY07, this proposal will support in-depth analytical work, to be carried out in FY07-08, in five countries where there is a significant likelihood of impacting ongoing and planned country operations.

The proposed countries for case studies are India, Afghanistan, Ethiopia, Vietnam and Yemen. The countries have been purposively selected to examine a range of institutional alternatives among countries that have varying degrees of integration within market processes.

COUNTRY CONTEXT

Background

Overall. The Yemen Country Social Analysis (CSA) noted that Yemeni society has experienced dramatic change over the last three decades. The CSA provided inputs to the Country Assistance Strategy, PRSP, and DFID's Country Analysis Plan. It observed that the shift to a market economy from the former subsistence agriculture of the north and command economy of the south has transformed livelihood systems. Changes in the economy have coincided with the emergence of a new governance system with the creation of the modern unified state in 1990. Consolidation of the state significantly expanded public access to services such as education and health. But the extension of government and the policy of decentralization have also had intended and unintended consequences for local institutions. Formal and informal 'rules of the game,'

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ranging from management of communal and individual resources (e.g., water and land) to conflict mediation, have been altered. These transformations in livelihoods and governance structures shape the outcomes of Yemen's efforts at reducing poverty and promoting equity.

The rural grassroot civil society organizations

In preparation of the Rainfed Agriculture and Livestock project (see below), an initial rapid survey of the existing rural grassroot organizations was undertaken. It revealed that outside the traditional tribal structure, organizations of rural people of interest for agricultural and productive activities belong to one of the three following types:

- Agricultural cooperatives
- Community-development associations
- Informal community and farmer self-help groups

The agricultural cooperatives, which are members of the Agricultural Cooperative Union have often been established at the initiative of a few influential individuals to obtain government subsidies through ACU. Most of them have been established in favorable areas (i.e where a possibility for irrigation exists) and thus rural people in rainfed areas, often do not have access to the services of a cooperative. In addition, many of them are ineffective, plagued as they are with poorly performing governing bodies and the non observance of cooperative law and regulations. As a result, members have walked away from them. Where they exist, rural people tend to prefer adhering to the community-development associations (CDAs) which have been established with the support of the Community-Based Regional Development Programme (CBRDP) of the UNDP. Unfortunately, only a few districts benefited from this very intensive capacity-building project (mostly in Al-Mahweet Governorate). Finally, informal (not registered) community and farmers' Groups have been established by the Social Fund for Development, Care and/or IDAS (GTZ funded project) for the purpose of implementing their projects with targeted communities. The objective of the Social Fund groups in rural areas is to provide basic public infrastructure and social services: few of them are for productive activities. CARE groups are for both private collective and public goods. IDAS targets productive rural activities and encourages the informal self-help groups to register as formal CDAs, but as for the UNDP project, the IDAS project does not operate in all governorates..

In all districts, there are also charitable associations. As their name indicates, these are not established for productive purposes but mainly to assist very poor families in times of needs. Also, local councils, established under the Law of decentralization play an increasing role at the local level to promote the provision of basic infrastructure and services, which are needed to enhance agricultural production and marketing. Finally, in each governorate, there is at least one service NGO, either international or local: Care, Abs Women Social Charitable Association and the National Micro-finance Foundation (active in most of the districts).

In summary, the rapid analysis carried out in preparation for the project revealed that people's perception towards collective action is not very positive due to previous experiences, with agricultural cooperatives in particular, plagued, as mentioned above, with many problems. The problem with donor or project-induced informal groups is that because they have been promoted to deliver services for a particular project, they tend not to be sustainable as soon as donor support is gone. There is also the tribal structure, which is still an effective framework to organize collective action in some areas, although it is undermined by the recent evolution towards the utilization of the tribal system for political clientelism. The CDAs where they exist are likely to

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be the most sustainable with least governance problems, though the extent of their capacity to undertake collective productive action remain to be assessed.

In this context, the proposed study would provide a much needed refined analysis and result in recommendations that can be directly implemented in Bank-financed operations. It will focus in particular on objectives (2) and (4) of the TFESSD grant: a mapping of local-level institutions that rural populations rely on (including informal as well as traditional institutions) for natural resources management and livelihoods in Yemen; and, an assessment of how Bank-supported operations can be embedded in local operational structures to enhance local capacities for natural resource management and sustainable livelihoods.

Operational Linkages

The proposed study will contribute directly to the soon-to-be declared effective Rainfed Agriculture and Livestock Project. The Project, which will be implemented over a six year-period, (2007 – 2012) in 22 districts of five governorates, intends to build upon collective action to establish a farmer-based system of seed production and maintenance, and promote productive activities in the area of agriculture and livestock, and soil and water conservation. It has three components, two of which would be particularly enhanced through the proposed study. The components' specific objectives are as follows:

Component 1: Farmer-based system of seed improvement and management

- (a) Promote ex-situ and on-farm conservation and participatory improvement of prominent landraces; and
- (b) Create a sustainable farmer-based system for seed multiplication and distribution of landraces in rainfed areas by encouraging farmer groups to establish themselves as seed producer groups and ultimately marketing associations.

Component 3: Productive rural development

- (a) Enhance the organizational capacity of producers at the community and inter-community levels to improve their access to public and private services as well as input and output markets;
- (b) Provide funding and technical assistance to rural producer groups to upgrade and diversify their agriculture and livestock production, processing and marketing systems, and better conserve soil and harvest water in the Uplands.

The success of both components will depend on the capacity of local communities to own and take charge of the project activities and therefore to benefit from it. Under Component 1, farmer groups will be involved in on-farm trials for variety screening and evaluation of local landraces. The component will introduce technological innovations with farmer groups involved in seed production, processing and storage and promote the creation of seed producer groups to produce quality landrace seeds at the farm level. Networks of seed producer groups or associations will be encouraged to take on the task of seed marketing and distribution, the end result being the establishment of a farmer-based seed production system.

Component 3 supports farmers' organizations and promotes linking farmers to markets. Capacity-building is an important aspect of this component. It will be achieved either directly through: (i)

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the provision of facilitators and technical advice to farmer groups (male, female, youth) to help them get organized; and (ii) indirectly through farmer groups implementing sub-projects of their choice, with technical and financial support from the project.

The results of the study would also be useful for two other operations: The Third Public Works Project (PWP), and the Rural Energy Access Project, each of these are discussed in turn below.

The Third Public Works Project has a five year time horizon, ending in 2009. Its overall development objectives are to provide needed infrastructure to improve services and environmental conditions and create short-term employment. It aims to promote sustainability through using a community participation approach and promoting the development of local firms as well as the capacity of local government. Its first component provides infrastructure services. The second includes support to about 50 districts to build their capacity in strategic planning, service delivery, and land resource management.

The proposed work would enhance the impact of the PWP. Specifically, the PWP is just now starting to support local government (districts) to develop district development as they take on new roles under the Yemen decentralization process. Districts are being supported in 'batches', with a new group of 15 or so entering the project each year through 2008. The proposed work could focus its action research on, for example, one 'batch' of districts, using a different 'batch' as a control group. The institutional mapping would provide a most useful input to districts as they develop strategic plans in a participatory way and as they identify natural resource management possibilities that could improve rural livelihoods. The results of the institutional mapping could be directly used during the preparation of the district's development plans and the design of district-level capacity building.

The Rural Energy Access Project is expected to go to the Board in early FY 08. It seeks to implement a decentralized system of electricity distribution which will explore options to deliver services through community based organizations such as rural electric cooperatives, which can generate additional rural employment.

The proposed study would provide significant inputs to the preparation and implementation of the Rural Energy Access Project. The institutional mapping related to this project could focus on community based institutions such as the rural electric cooperatives as well as the local private sector that could promote LPG. Findings would be used to enhance the quality of the design of these aspects of the project, including design mechanisms to generate local employment and thus improve rural livelihoods.

Objective of the study

To identify entry points and capacity-building requirements for grassroots organizations in Bank-financed rural operations in Yemen (i.e. in terms of organizational purpose, target group, credibility etc).

Scope of the study

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The study will build upon the results of the initial rapid appraisal carried out in preparation of the Rainfed Agriculture and Livestock Project, in 22 districts of five governorates (See Table below). In particular, it will use the categorization and social mapping resulting from the initial rapid rural survey carried out in preparation of the Rainfed Agriculture and Livestock project, i.e. agricultural cooperatives, community-development associations, informal self-help groups and traditional tribal structures. All cooperatives and CDAs of the 22 districts will be surveyed (on average, one cooperative per district, and about 10 CDAs). For the third category, self help groups, the study will identify them and will select a random sample for analysis. Similarly, the study will identify the traditional forms of organization, categorize them and will analyze in detail a sample of those in each district. The local councils will be included in the survey as key partners for the grassroot organizations.

Governorate	Districts
Al-Mahweet	Bani Sa'ad, Al-Mahweet, Al-Khabt and Ar-Rojom
Hajjah	Aslam, Khairan Al-Moharaq, Mastaba'a and Bakil Al-Mir
Hodeidah	Jebal Ras, Bora'a, Al-Hojailah, Al-Mansoriah and Al-Lohaiyah
Lahej	Al-Kobita, Toor Al-Baha, Al-Madhareba wa Ras Al-Arah and Al-Makaterra
Sana'a	Bilad Ar-Roos, Bani Matar, Hmdan, Jehanah and Arhab

Key issues

For all types of organizations, the survey will record:

- Membership (social groups who are members or are served by this organization - women, poor, socially marginalized groups, sheikhs, youth, elderly etc)
- Leadership structure (locally based, from locality but living in Sanaa etc)
- rules of the game (what are they? based on customary laws, national laws, local customs? how do they relate to national laws)
- Clarity of purpose of the organization
- Services rendered (to members and community at large), identifying successes and failures
- Linkages with other organizations (local, national, international etc)
- Source of financial support

The study would purport to answer the following questions:

- *The traditional tribal structure:* to what extent the functions of the tribal society are still being performed effectively, in particular in the domain of water management, soil and water conservation (terrace maintenance system), range management? To what extent can they still be relied upon for conflict resolution at the local level? What are the traditional functions of the tribal society the most affected by the recent evolutions and how these functions are being taken care of? Can the traditional tribal structure be an entry point for the project for the promotion of collective productive activities and landrace seed conservation, production and dissemination? And if so, what capacity building may be required.
- *Existing agricultural cooperatives.* Out of the registered cooperatives, what are the ones which could still be effective, provided some capacity-building? What are their main

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- problems and how could they been addressed (issues of governance, issues of inclusion/exclusion, gender, etc..). What role existing effective cooperatives, which are usually situated in the most favorable agricultural areas, can play with regard to facilitate access to inputs and output markets for rural people in more marginal areas? Can cooperatives be an entry point for the project? Under what conditions?
- Community development associations These are the organizations that one can hope would be able to support income generating activities for members and perhaps non-members as well, and also support landrace seed conservation, multiplication, and marketing. Some of the issues are: to what extent have these CDAs be active (since the closing of the CBRD program for the ones established under that project)? With what successes, constraints? What issues have they been faced with, especially in the area of linking farmers to input/output markets, accessing financial resources and information, governance, inclusion/exclusion, and lack of technical and managerial capacity. In which domains capacity building is required? Can CDAs be an entry point for the project? Under what conditions and what support may be required?
 - Informal groups. Have informal groups been active outside and beyond the project which created them? If yes, then similar issues as for CDAs can be investigated, included capacity-building requirements. If not, do these groups have a potential for developing other activities than the ones for which they were created? Can informal groups be an entry point for the project? Under what conditions and what support may be required?
 - Local councils (district government). As mentioned above, the local councils under the Law of Decentralization, are becoming important players in the allocation of public resources for the financing of local services and public infrastructure, included the ones that can support economic activities (roads, electrification, communication, market and post-harvest infrastructure, training, etc...). What role local governments have been playing in providing technical or other advice to the various community groups? What can of public-private partnerships be developed between the district government and the farmer groups interested in developing their economic activities? What support does that requires? What other roles might local government play?

Organizational linkages

As ICARDA is supporting the implementation of the first component and the Social Fund for Development, the third component, they will both be involved as key partners in the study.

Methodology

- Organizational survey (to answer some of the above questions)
- Focus groups of members versus non members of different socio categories (women, youth, marginal groups) to understand incentives for joining or not joining, and, for those joining, the appreciation of services rendered by the group
- Consultations with local institutions to collect other view points on the groups

An international consultant and a local research assistant will be recruited. Together they will spend 9 weeks of field work for field work. There will be a one day workshop in each governorate to provide feedback on results. The international consultant will have one week additionally to write the report