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CHAPTER 6

DUTCH DEVELOPMENT ACTIVITIES IN YEMEN AND THE DUTCH-YEMEN NPT PROGRAM
6.1 Introduction

In chapter 5 we discussed the methodological issues of this study. It highlighted how we can undertake an empirical analysis and investigation into the main argument of this dissertation. The overall motivation for this dissertation is built on the following proposition. (1) The existence of multiple and egoistic aid goals of providing aid by donors and (2) a poor policy environment of a recipient country (the PCP public choice perspective’s argument)\(^1\) may not be the main reasons for ineffective aid interventions in poor nations. Foreign aid can effectively contribute to the development of poor and traditional countries, but those who are in charge of the design and implementation of aid programmes have to be in touch with reality. They may carefully plan and implement sound policies that take into consideration local knowledge from a specific “place and time”. That means the Local Knowledge Syndrome explains causes of foreign aid ineffectiveness.

The main objective of this chapter is to provide an empirical response to the PCP approach, by using the case of Dutch-Yemen development co-operation and to find out if the existence of multiple and egoistic aid goals from donor countries is the main cause aid projects’ ineffectiveness. To do so, it is useful to study The Netherlands’ development role and aid history in Yemen. There are several reasons why we study the Netherlands’ development aid efforts in Yemen. The country stands out because it is one of the three largest donor countries in Yemen. It has a long history in funding development programmes in the country, especially in the focal sectors: water, health and basic and higher education, with a focus on crosscutting themes like gender, governance and capacity building. The strategic or egoistic interest of the Netherlands is to develop the capacity of the Yemeni state, to enable the government to deliver services to its citizens, to control its lands and to reduce poverty. Poverty is considered as the main source of social unrest and a condition for growing terrorism on the ground, especially after 9/11\(^2\).

The coming chapters will look in detail at the NPT program in higher education in Yemen. We consider the motivation of the Netherlands for their investment in this program, and in doing so we see whether the PCP approach offers an appropriate framework to understand if the foreign aid projects do not work in a poor policy environment. In this chapter, we only introduce the Yemen-Dutch NPT programme

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1 - See Chapter Two of this study.
2 - Terrorism is a word that came in only after 9/11. Before that, reduction of poverty was mainly based on human rights and access to education, health and other services. Fighting against social unrest was much more than the word of terrorism.
by looking at four selected projects and unravel their main objectives and implementation plans.

After this introduction in section 1 there are a further five sections in this chapter. The second outlines the Dutch aid policy determinants to Yemen, focusing on three components: attention for solidarity, trading relations between the Netherlands and Yemen and the political/security dimension. The third section summarizes the volume of Dutch aid to Yemen, compared to other major donors in the country. The fourth section presents an overview of the Dutch aid allocation in Yemen, and gives a macro analysis of effectiveness. The fifth section is an introduction to the Yemen-Dutch NPT programme in the higher education sector, focusing on the four key cases that have been chosen for deeper investigation in this study: (1) Establishment of an MBA Degree Programme at Sana’a University; (2) Establishment of an executive MPA Degree Programme at Sana’a University, in partial partnership with the National Institute of Administrative Sciences (NIAS), Ministry of Civil Service; (3) Strengthening the Water and Environment Centre of Sana’a University Graduate Programme in Integrated Water Resource Management (IWRM); and (4) the Women’s Research and Training Centre (WRTC), Aden University. The final section presents the summary of the discussions in this chapter.

6.2 Dutch Aid Policy’s Determinants in Yemen: the Egoistic Goals

In the mid-seventies, The Netherlands started to carry out development activities in Yemen. According to former Dutch Ambassador in Yemen (2007-2011) Harry Buikema3, the Minister of Dutch International Development and Co-operation Jan Pronk, agreed to put Yemen on the list of recipient countries of Dutch aid programmes. The Netherlands’ foreign policies on aid assistance to Yemen have multiple determinants that primarily consist of poverty reduction and trade export. The political and security dimensions are also significant. The desire of the Dutch government to reduce poverty thrives on human solidarity. Moral duty and international solidarity were considered sufficient determinants for development assistance to Yemen. The Dutch leftist political coalition in 1974 had identified Yemen as one of the seven poorest countries in the world. Due to its proximity to Africa,

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3 - Dr. Harry Buikema worked in various capacities at the Dutch Ministry of Foreign Affairs, as Head of the Department for South Asia (1989-1992). He has been seconded to the institute for international and diplomatic studies Clingendael. More recent positions in the Foreign Service include the Director of the Directorate for Personnel Affairs in International Co-operation from 1997 to 2000, Director of the Directorate for Social and Institutional Development from 2000 to 2003, Ambassador in Bamako, Mali from 2003 to 2007 and finally from 2007 to 2011 Ambassador in Sana’a, Yemen (Yemen Observer, 2011).
Yemen shares certain characteristics and should be treated in a similar way. The country has to deal with a lot of challenges including widespread poverty, high population growth, poor economic prospects, political tensions, conflicts and weak governance. The desire/need to reduce poverty and overall development of the country, are still one of the basic underlying objectives of Dutch development policy in Yemen (Yemen—NAPA, 2006; Cooper and van Themaat, 1989).

The second determinant for aid assistance relates to trade. As mentioned in Chapter 2, some donor countries tie their aid to certain conditions. The recipient country is bound to promote donor’s export industries and to guarantee an increase of the foreign product sales in the country – allowing these companies to penetrate their markets. The Dutch government has interests to cooperate closely with Yemen in order to open that country’s markets for goods and services from Dutch markets. Recently, the volume of Dutch trade export to Yemen has witnessed significant growth. Yemen’s imports from The Netherlands jumped to YR 157.9 billion in 2011, compared to YR 116.6 billion in 2010, YR 66.7 billion in 2009 and YR 80,100 million in 2008. According to the data of the Yemeni Central Organization of Statistics (COS), The Netherlands ranked number 4 among the top 20 exporting countries to Yemen in the 2011. According to the data in Table 6.1 below, the total volume of Dutch trade exports to Yemen were, 459 billion Yemeni Real between 2003 and 2011. The total volume of Dutch trade export to Yemen indicates, that trade export is also a likely determinant of the Dutch aid policy towards Yemen. The Netherlands is one of the main European countries that exports products to Yemen, and this has grown significantly in the last three years.

Table 6.1 NL among the Top 20 Exporting Countries to Yemen (2003-2011) Million YR

<table>
<thead>
<tr>
<th>Year</th>
<th>EX Volume YR (NL)</th>
<th>NL’s position in top 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>12.780</td>
<td>18</td>
</tr>
<tr>
<td>2004</td>
<td>12.500</td>
<td>20</td>
</tr>
<tr>
<td>2005</td>
<td>12.450</td>
<td>17</td>
</tr>
<tr>
<td>2006</td>
<td>n/k</td>
<td>n/k</td>
</tr>
<tr>
<td>2007</td>
<td>n/k</td>
<td>n/k</td>
</tr>
<tr>
<td>2008</td>
<td>80.100</td>
<td>7</td>
</tr>
<tr>
<td>2009</td>
<td>66.700</td>
<td>8</td>
</tr>
<tr>
<td>2010</td>
<td>116.600</td>
<td>4</td>
</tr>
<tr>
<td>2011</td>
<td>157.900</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>458.950 million YR</td>
<td></td>
</tr>
</tbody>
</table>

Source: self, using the Yearly data of the Yemeni COS.
The political dimension to development assistance is about maintaining good relations with the Middle East. The Netherlands’ foreign policy focuses on oil imports. In 1974, King Faisal of Saudi Arabia announced a boycott on oil exports to western countries. The Netherlands was affected by this boycott. With the aim to avoid future problems and to secure the continuing import of oil, the Dutch government extended its economic relations with the Middle East, by broadening its development cooperation to Yemen, the poorest country in the region (Yemen Observer, 2011). Cooper & van Themaat (1989) in their article about “Dutch Aid Determinants” identified the factors that explain the geographical distribution of Dutch aid. The authors mention several examples in Dutch foreign policy that determined the course of aid assistance. Firstly, “the phasing out of aid to Vietnam was a direct consequence of the new policy objectives that explicitly condemned Vietnam for its invasion of Cambodia. The wish to strengthen political relations with the rest of Asia also played a major role. Secondly, the incorporation of Egypt and North Yemen as recipient countries after the oil crisis in 1974 was a clear attempt to improve relations with the Arab members of OPEC. Thirdly, the increased aid to Surinam after its independence was the price to be paid for a relatively smooth transfer of power in 1975” (1989:135-136).

The Dutch efforts to open the door for development cooperation with Yemen was formally signed through a technical cooperation agreement on 3rd October 1978 between the two countries (MinBuZa, Traktatenblad, (23) 1978. Nr.8). The agreement had a positive impact on the strengthening of mutual relations and development cooperation, while the signatories maintain a bilateral development co-operation arrangement that aims at assisting Yemen to achieve sustainable economic and social development.

With the increasing threat of terrorism at the start of the 21st century, Dutch foreign aid towards Yemen has had to adapt. Events such as September 11, the bombing in Madrid on March 11, 2004 and the 7/7 Bombings in the UK, shifted the focus of the Dutch government towards establishing a stable and secure Europe as part of its coordination policies with the European Union (Jolyon Howorth, 2006). There is now a greater urgency to counteract terrorist threats, as well as to contribute to global stability.

4 - The political motivation behind this “the whole idea” is what Minister Pronk said: “We should not fight with the Arabs? We should join them in one way or another, because it is better to participate in a political process than staying aside and wait for what’s going on. So he had a political reason; he said “I want to start at least a dialogue that involves countries in the Arab world about what is going on in the moment and our relationship” (Yemen Observer journal, 2011).
The Dutch government believes that Yemen has a strategic geographical location, where it overlooks the Red Sea and the Arabian Sea. It controls the Strait of Bab El Mandeb, one of the most important corridors in the world for sailing ships between the East and the West. On the other side, Yemen has more than 2000km of coastline. It is close to the Horn of Africa, which consists of Somalia, Djibouti, Eritrea and others. These countries, especially Somalia, are home to terrorist groups who could easily penetrate Yemen's borders. EU member states are concerned with the Yemeni government’s inability to secure its borders. The country is a safe haven for terrorist groups, a transit point for fighters and equipment. Weak governance enables a greater threat to international peace and security. Furthermore, Yemen is a unique case, because of its very poor conditions and its fragile state. It can easily explode into violence or collapse altogether, which can crush livelihoods, jeopardize the citizens, regional neighbors and the wider world. Yemen is fertile ground for global threats - not only terrorists, but also drug trafficking, environmental devastation, and disease (Brainerd and Chollet 2007).

Let us consider the example of the failed al-Qaeda bombing attempt of Northwest Airlines Flight 253, an international passenger flight from Amsterdam Airport Schiphol, The Netherlands, to Detroit Metropolitan Airport, Michigan, United States. The flight was the target of a failed bombing attempt on Christmas Day, 2009, when a passenger tried to set off plastic explosives sewn into his underwear. Reports indicated that US intelligence officials had received key information on suspected bomber; Umar Farouk Abdulmutallab supposedly received training by al-Qaeda in the Arabian Peninsula (AQAP) located in Yemen. Such an event highlights the potential for terrorism that emanates from Yemen, a potential that periodically emerges to threaten U.S. and other western countries’ interests both at home and abroad (Sharp, Jeremy, 2010).

In 2006 and in 2010, the EU countries and the US discussed the need for more cooperation with Yemen in the promotion of necessary political, economic, and administrative reforms through financial and non-financial assistance. The priorities were “political and fiscal reforms and meaningful attention to legitimate internal grievances; better governance through decentralization, reduced corruption and civil service reform; economic diversification to generate employment and enhance livelihoods, and strengthened natural resource management.” (Benjamin and

5 - There are many examples that can support this argument but they are beyond the scope of the study.
Feltman, 2010, in Mahanty, 2010:32) For donors dealing with these priorities, means tackling the root causes of instability, conflict, exclusion, and poverty. It is a strategic way of drying out the sources of terrorism on the domestic level (Benjamin and Feltman 2010). Especially in an era where boundaries and borders are blurred and where global instability and terrorism prevail, the need for good governance is very important as a condition for developing the economic and social structures, and for reducing security concerns. Fighting against global poverty through sustained economic development in Yemen has thus become increasingly necessary not just, because morality demands it, but for reasons of global security. If a sustained economic success flourishes in Yemen, it could expand into neighboring regions and other parts of the Middle East (Brainerd and Chollet 2007). This vision reflects in the commitments of donors to foreign aid for Yemen, which rapidly increased after 2001. The aggregated volume pledged by donors during the Yemen conference in New York (2012) and London conference (2006) reached US$7.8 billion and US$5.7 billion respectively, compared to US$500 million pledged by donors during the conference of The Hague in 1995:

![Figure 6.1 Aggregate Volume of Donors’ Commitments to Yemen 1996-2012 (M $)](image)

Source: self, according to Ana Echagüe, 2006, Researcher, FRIDE: 154-162; ROY: MPIC, 2005-2012; ROY: CB, 2009; ROY: COOAC, 2001-2009. These figures are self—estimated, but the total amount of development aid allocation to Yemen is completely correct according to many sources.

The question is how Yemen is using the received aid. For example, until 2010, Yemen utilized only 5.6% (US$320.29 million) of the aid pledged by donors during the 2006 London conference, because the ‘patient’ lacked knowledge and was unable to manage aid funds. This inability is the result of weak Yemeni government institutions (CESD-Yemen, 2012). In addition, the ‘doctors’, the donors, have a lack of local knowledge that is needed to understand how to help these government

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6- This aggregate volume is included the share of the Arabic donors countries and organizations like the GCC.
institutions to be effective in better utilizing aid resources. This is still a major problem in the case of Yemen, as illustrated by the poor aid policy making and implementation.

6.3 How much Dutch Aid Goes to Yemen?

Yemen has not been a major recipient of overseas official development aid and humanitarian aid worldwide. To date it has received a total of 282 million USD. Aid to Yemen has remained relatively low with peaks in contributions in 1999, 2001 and 2009. In 2009, levels reached US$513 million and are expected to rise further due to growing media coverage and political interest in the Arab spring stream and al-Qaeda activity in the region” (Development Initiatives (DI): Yemen aid factsheet 1995-2009):

Figure 6.2 the (Real) Aggregate Volume of Foreign aid to Yemen (1996-2009 MUS$)

![Figure 6.2 the (Real) Aggregate Volume of Foreign aid to Yemen (1996-2009 MUS$)](image)

Source: Development Initiatives (DI): Yemen aid factsheet 1995-2009

Yemen is still outside the top twenty recipient countries worldwide, ranking in 2009 number 26 out of 189 recipient countries of the overseas development assistance (Development Initiatives (DI): Yemen aid factsheet 1995-2009):

Table 6.2 Yemen among the Top Recipient Countries of Foreign aid Worldwide (2009)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Recipient</th>
<th>Total ODA excluding debt (US$ bn)</th>
<th>Rank</th>
<th>Recipient</th>
<th>Total humanitarian aid (US$ bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Afghanistan</td>
<td>$602</td>
<td>1</td>
<td>Sudan</td>
<td>$103</td>
</tr>
<tr>
<td>2</td>
<td>Ethiopia</td>
<td>$309</td>
<td>2</td>
<td>Palestine/OPT</td>
<td>$102</td>
</tr>
<tr>
<td>3</td>
<td>Vietnam</td>
<td>$307</td>
<td>3</td>
<td>Ethiopia</td>
<td>$107</td>
</tr>
<tr>
<td>4</td>
<td>Palestine/OPT</td>
<td>$301</td>
<td>4</td>
<td>Afghanistan</td>
<td>$906</td>
</tr>
<tr>
<td>5</td>
<td>Tanzania</td>
<td>$300</td>
<td>5</td>
<td>Congo, Dem. Rep.</td>
<td>$906</td>
</tr>
<tr>
<td>6</td>
<td>Pakistan</td>
<td>$209</td>
<td>6</td>
<td>Pakistan</td>
<td>$906</td>
</tr>
<tr>
<td>7</td>
<td>Iraq</td>
<td>$208</td>
<td>7</td>
<td>Somalia</td>
<td>$905</td>
</tr>
<tr>
<td>8</td>
<td>India</td>
<td>$205</td>
<td>8</td>
<td>Iraq</td>
<td>$905</td>
</tr>
<tr>
<td>9</td>
<td>Sudan</td>
<td>$204</td>
<td>9</td>
<td>Kenya</td>
<td>$904</td>
</tr>
</tbody>
</table>
Yemen is not in the top ten recipients of Dutch official development aid. Most Dutch official aid (2009) goes to the old-Dutch colonial countries, like Suriname, Indonesia, and the poorest countries in sub-Saharan Africa (see below figure 6.3):

**Figure 6.3: Top Ten Recipients Countries of the Dutch-OSA (US-M, 2009)**

However, between 2000 and 2010, The Netherlands has been one of the most generous overseas aid donors in Yemen, featuring amongst the top three overseas government donors in the country with a total aid of US$ 486.3 million (see Table 6.3 below):

**Table 6.3 Netherlands and the Top three Overseas Government Donors in Yemen (US Million Dollar 2003-2010)**

<table>
<thead>
<tr>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>NL</td>
<td>NL</td>
<td>GER</td>
<td>US</td>
<td>GER</td>
<td>GER</td>
<td>GER</td>
<td>GER</td>
<td>GER</td>
<td>GER</td>
</tr>
<tr>
<td>69.3</td>
<td>53.7</td>
<td>69.9</td>
<td>44.5</td>
<td>48.5</td>
<td>50.5</td>
<td>49.2</td>
<td>65.0</td>
<td>67.2</td>
<td>85.1</td>
<td>83.0</td>
</tr>
<tr>
<td>NL</td>
<td>GER</td>
<td>GER</td>
<td>NL</td>
<td>GER</td>
<td>NL</td>
<td>NL</td>
<td>NL</td>
<td>NL</td>
<td>UK</td>
<td>UK</td>
</tr>
<tr>
<td>65.9</td>
<td>47.6</td>
<td>46.4</td>
<td>40.2</td>
<td>43.6</td>
<td>39.3</td>
<td>34.4</td>
<td>37.8</td>
<td>37.8</td>
<td>41.1</td>
<td>63.9</td>
</tr>
<tr>
<td>GER</td>
<td>Poland</td>
<td>EU</td>
<td>EU</td>
<td>NL</td>
<td>EU</td>
<td>US</td>
<td>UK</td>
<td>UK</td>
<td>NL</td>
<td>NL</td>
</tr>
<tr>
<td>54.7</td>
<td>47.2</td>
<td>30.0</td>
<td>37.2</td>
<td>37.7</td>
<td>33.5</td>
<td>33.4</td>
<td>23.2</td>
<td>33.2</td>
<td>40.1</td>
<td>29.5</td>
</tr>
</tbody>
</table>

**Source: self - according to the (OECD, 2012: 224)**

Most Dutch overseas aid to Yemen is channeled as a bilateral financial allocation. There are also some funds from so-called central budget lines for Yemen, which are channeled through multilateral agencies such as the World Bank. Other agencies include the United Nations Country Team consisting of FAO, UNDP, UNFPA,
UNICEF, WFP, WHO, and EU institutions, as part of the contribution to the EU budget. For example, based on the data of the Financial Ministry of Yemen, The Netherlands has channeled around US$ 118.7 million through the World Bank between 2003 and 2011 to support projects in the Yemeni public and private sectors and non-governmental organizations (GOY- MOF, Years 2002-2012).

6.4 Brief Overview of the Dutch Aid Allocation in Yemen

The Netherlands’s bilateral aid in Yemen is mainly directed to the focal sectors: water, health and education7. A quick review of these development areas is necessary and helpful for a better understanding of the development programs and the effectiveness of the Netherland’s development efforts in Yemen at the macro level.

The Netherlands has a long history in development assistance to the Water Sector of Yemen, especially in regards to the support for the rural water supply that was labeled as the highest area of priority for development. In 1978 the Dutch government started to implement two projects, (1) a technical assistance project aimed at strengthening the Rural Water Supply Department (RWSD) and (2) a project supporting the completion of water supply schemes. Following a devastating earthquake in the Dhamar area on 13 December 1982, it was decided to merge these two funded projects to share in the international efforts of the re-construction of the Dhamar area. Three phases of the SURWAS (Support for Rural Water Supply Project) were implemented in 1983-1985, 1985-1987 and 1988-1991, respectively. Another two phases of SURWAS started after 1991, shifting the focal area from Dhamar to Hodeida Governorate (Carapico, 2006; MinBuZa, 2008).

The SURWAS project finished in 2001. Between 2001 and 2007, The Netherlands allocated most of its support to projects that were related to rural water supply and sanitation, like the Public Works Project and to the World Bank Rural Water and Sanitation Supply Project (GARWSP). Since 2005, after an initial cutback of support, The Netherlands also supported the aid program for the Water Sector. In 2005, The Netherlands, with other bilateral donors like Germany and Japan and multilateral donors like World Bank and UNICEF, started to shift their efforts from specific areas in Yemen to implement a Sector Support Programme to cover most of the Yemeni territories. By using the adopted modality of The Netherlands, the new sector

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7 - In 2000, Dutch aid allocations in Yemen dramatically steered away from a project-based portfolio approach towards a sector wide approach (SWAP). The concept of the ‘sector-wide approach’ has emerged in the Dutch policies worldwide, to encompass a range of changes in the practice of development co-operation (MinBuZa, 2011). Discussion of this change and why it occurred is however beyond the scope of this thesis.
approach funded urban and rural infrastructure projects for water and sanitation, irrigation, water resources assessment and management, but also capacity development and organizational and institutional strengthening in order to promote the whole Water Sector Reform process (MinBuZa, 2008). A considerable amount of grants were allocated to fund the above mentioned projects. Figure 6.4 shows the total volume that has been funded by The Netherlands to the water sector in Yemen between 1995 and 2010:

**Figure 6.4 Total Dutch aid to the Yemeni Water Sector during the Years 1995 – 2010 (US.M)**


The Netherlands also has a long-standing history in supporting health, nutrition and population in Yemen, starting with the construction of a hospital in Dhamar in 1978. From the late 1970s to the late 1980s, various Dutch health programs took place in rural areas of Yemen, which aimed to increase both access to and the quality of health services, with an emphasis on health promotion and community health. In the 1990s Dutch aid programmes refocused their attention to institutional development, like the organization of the health system and health finance. From the year 2000 onwards, the Netherlands started to adopt a sector-wide approach in assisting the Yemeni health care sector reform process (MinBuZa, 2002). Between 1995 to 2012 the total Dutch bilateral aid expenditure and commitments to the Yemeni health sector, amounted to around US$83 million (OECD, 1995, 2012; WB, 1995, 2012).

The Netherlands is also active in reforming the Yemeni education sector. Dutch overseas aid aims to support Yemeni public education, higher education and technical education. In the past thirty years, most of the Dutch aid to general education has been channeled through central budget lines, like the World Bank, UN institutions

The Dutch government has tried to ensure that cross-cutting themes like gender, governance and institutional development received special attention. For governmental reforms, emphasis was placed on public finance management and anti-corruption activities, civil service reform, decentralization, and capacity building. Other areas include human rights, democratization, civil society support, economic environment and business climate.

### 6.5 Dutch Aid Effectiveness in Yemen

The Dutch government and the other bilateral and multilateral donors have long considered the provision of water supply and sanitation services to be the domain of the urban, rural, semi-rural, and semi-urban areas in Yemen. These efforts have not been successful in meeting more than a small portion of the demand for water and sanitation by residential and commercial users, and there is still a critical shortage of services. For example, in 2010, of the 20 million people (85% of the total population) living in rural and semi-rural areas, only 35% had reasonable access to adequate amounts of water from a source such as a household connection, public standpipe, borehole, protected well or spring, or rainwater collection. Many rural families, often the poorest, end up purchasing water from private sellers that is more expensive than the public supply of water. Alternatively, they are forced to drink dirty and impure water that is unhealthy. In 2010 around 75% of the population in urban areas (4.5
million people) had access to an adequate amount of water from an improved source (UNGASS, 2012: 23).

It is already clear that Yemen is unlikely to meet the MDG target of providing quality water supply and sanitation services for its whole population by 2015. The situation in sanitation service supply is not very different from the situation in water supply services. In 2010, access to improved sanitation facilities like excreta disposal facilities that can effectively prevent human, animal, and insect contact with excreta, was as low as 35% of the total population in the rural areas and 53% of the whole population in the country. The current water and sanitation supply services in both urban and rural areas are unreliable and of low quality. They are not sustainable, because of difficulties in management, operation, pricing and a failure to recover costs (WB, 2012). The water sector, that includes water and sanitation services delivery in the whole country, is suffering from extensive deterioration of water and poor utilization of existing capacities, due to under-maintenance, a lack of funds for operation and a lack of institutional capacity. In the end, water resources and sanitation services management are still Yemen’s number one development challenge (ROY- NWSSIP, 2006).

During the last fifteen years, Yemen has made very limited progress in health. What we know of development indicators in Yemen is that Yemen has been plagued by a high population growth rate of more than 3% per year, with a poor standard of public health. It has an increasing rate in infant and child mortality. In 2009, the rate of infant mortality was 74.7 per 1000 births and by 2010 it had increased to nearly 76.77 per 1,000 (see Table 6.5). While this sudden rise might appear to be an anomaly, what makes this trend reliable is the continuous rise for the years between: 1995, 2000, and 2005.

Table 6.4 Mortality Rate per 1,000 Live Births for Infants and Children

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortality rate, Infant</td>
<td>55.28</td>
<td>71.20</td>
<td>73.30</td>
<td>74.7</td>
<td>76.77</td>
</tr>
<tr>
<td>Mortality rate, Child*</td>
<td>125</td>
<td>110</td>
<td>99</td>
<td>92</td>
<td>93</td>
</tr>
</tbody>
</table>

*Note* under five years of age. Source: self, based on World Bank (1995-2012)

On the other hand, child mortality (children below the age of 5) has declined during the last 15 years. In 1995, 125 children in every 1,000 died before their fifth birthday, compared to 110 in 2000, 99 in 2005, and 93 in 2010. Yemeni infant and
child mortality rates are the highest in the region, higher than Jordan, which in 1995 had a child mortality rate of 25 per 1000, and 15 per 1000 in 2010.

The statistics presented above have been collected based on the reported cases by the Yemeni Government, or by different local civil society organizations and multilateral donor organizations. However, there are many cases of infant and child mortality, especially in the rural and semi-rural areas, that have not been reported. These areas do not have the basic infrastructure like hospitals, telephones, and roads. The high illiteracy rate amongst the people who are living in these areas correlates with an increase in the mortality rate. In some rural areas, the culture of shame among people prevents them reporting such cases to the official authorities. There is no mechanism in place to report information about infant and child mortality in daily life. Therefore, the above statistics are not entirely accurate and the problem could be worse in reality.

In Yemen, the maternal mortality ratio was 3.65 in 2009, with an extremely high rate of births per woman of 4.7 in the same year. The proportion of births that was attended by skilled health personnel was 36% in 2009. The proportion of children under the age of five that weighed below the standard for that age was 42.9% percent in the same year. Once rather rare, malnutrition now plagues nearly half of the young children. There is a serious deterioration of nutritional standards from a generation earlier when indigenous grains, vegetables, and dairy products were dietary staples (Carapico, 2006).

Based on the above substandard statistics about infant and child mortality in Yemen, international specialized reports such as the United Nations Development Programme indicate that between 2007 and 2010 Yemen ranked 153 out of 177 countries in the Human Development Index (HDI), a score comparable to the poorest sub-Saharan African countries. The problem is even more complex, as Yemen also faces one of the largest gender gaps in human development in the world (UNDP, 2010).

Aid Effectiveness in Education Sector: the poor education system is problematic for the whole of Yemeni society. In 2005, 1.8 million children that should have followed basic education age were not enrolled in school. These children are likely to be girls from poor households and come from concentrated rural areas of populous governorates (UNESCO, 2008). The average proportion of children, who enrolled in primary school in 1997 was 61.1%, while 38.9% of the children who should have

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8 - See the education indicators, two paragraphs below.
enrolled did not. Even though the percentage of children who enrolled in primary school increased in 2008 to 80.4%, the Yemeni population increased from 17 million in 1997 to 24.7 million in 2008 and the 20% that missed out on school in 2008 is an enormous number compared to the number who did not enroll for school in 1997. The annual population growth rate between 1997 and 2009 was almost 3% (WB, 2009:15). Furthermore, there has been a substantial increase in the young population of primary school age over the last five years. The World Bank’s data stated that: “nearly 70 percent (or 15 million) of the 22 million people in 2007 were less than 25 years old. Over a third of these (around 5.6 million) were 6 to 14 years of age, i.e., primary school-age children” (WB, 2009: 15). Second, the primary completion rate for school is also a problem. “In 2006/07, the primary completion rate (PCR) (equivalent to the first six years of primary education in Yemen) was 60% overall, 70% for boys and 49% for girls. About 40% of children, who entered school, did not complete primary school” (cited in Abdulmalik, 2009; see also WB, 2009).

The challenges ahead relate to the high number of dropouts in secondary schools: 41% do not graduate. For those who do graduate, it is hard to find work. We notice a similar level of drop out for graduates from university. Educated Yemenis have some of the highest unemployment rates: 44% with an intermediate level of education and 54% of the university graduates are jobless (ROY and ILO, 2010). There is no capacity in the public sector or the private sector to absorb the new graduates. Above all this is because of the fast population growth, which has led to increased numbers of students, especially male students, who enrolled school in all levels. Overall and especially in the urban areas, unemployment has increased over time from 9% in 1994, to 11% in 1998 and 22% in 2009. This reflects the terribly slow growth in the demand for labour and of the narrow job chances in the private sector. Secondly, the government is saturated with employees because Yemenis regard a position in the government as a social security net and therefore assume that they have a right to claim other jobs within. A position within different departments of the government is the first and final route for jobseekers (ROY and ILO, 2010).

The reasons for the lack of employment opportunities in Yemen is not limited to the shortage of job growth in existing establishments as the labour demand survey of 2003 indicated that Yemen needs more than 188,000 new jobs per year to meet the annual increase of labour force. The problem extends to the qualification of the labour force itself. Most jobseekers do not fit with the requirements of the local and the external labour market. In order to enhance the educational quality of the young
graduates, Yemen needs to widen and strengthen not only vocational training programmes and specialized university education, but also the development of managerial and administrative skills through special training programmes, as these are in particular the areas that graduates lack, as reported by establishments. They perceive it as a mismatch between the finished education and the vacant occupation (ROY, LLO, 2009).9

Gender Inequality: Gender inequality is still one of the core obstacles to a holistic development of Yemen. The country, according to HDI (2010), ranked number 165 in gender equality out of 177 countries. In Yemen, women “fall short of men on several development indicators including access to education, participation in the workforce, political participation and access to law” (UNDP, 2012:15). For instance, only 40% of Yemeni women vote during elections. Moreover, they have no autonomy in deciding whom they should vote for. In most cases, the majority of women vote for a candidate who is the favorite of their husbands, fathers and brothers. Women also do not have the full right to be a candidate in elections. Yemeni law does allow women to participate in the elections as a candidate, but in reality it does not happen. Generally, a man does not allow a woman to go out of her home, not even to fulfill her essential daily needs. A seat in Parliament is therefore out of question; in fact, seats are not even reserved for women in local council and parliamentary elections.

A second example concerns the general empowerment of women in the country. The draft of the Gender Assessment Report shows that women in Yemen constitute only 10 percent of entrepreneurs and 6 percent of the workforce with no preferential treatment in wage or government employment (Poortman et al, 2009, p.18). Traditionally, women are entirely responsible for rain-fed agriculture, which yields are limited in most rural areas (Muhith et al, 2005: 42).

A third example is the vast gender problem in school enrollment at all levels of education. In gross primary enrollment rates, Yemen has the fifth largest gender gap in the world. Only 42.9% of girls enrolled in primary school in 1997, compared to 78.9% of boys. In 2009, the Yemeni nation was still facing the same problem it was in 2005, where girls make up only 5.1% more of the total enrollment in primary school, compared to 9.1% more boys. With such low enrolment rates, it is not surprising to note that illiteracy is high in Yemen (66.6% of Yemenis are illiterate). An estimated 42% of the population aged 10 and above are illiterate. Unsurprisingly, illiteracy is

9 - As we have seen in Chapter 4 the main focal managerial skills needed for the civil servants’ capacity and capability building are: policy making skills, strategic management skills, human resources management skills, communication skills, and, most urgently, leadership skills. To introduce such skills, there is a need for reformers to be aware of the current aspects of the civil servant functions’ behavior, which we looked at in Chapter 4.
higher among Yemeni females, estimated at 72% compared to 23% for men in 2010 (UNDP, 1995-2011).

**Yemen and the Failed State Indexes:** Bad governance is still one of the core factors for poor development outcomes in Yemen. There is a bewildering “paradox” as described in the Yemeni governance indicators. The country has significantly deteriorated in percentile rankings on all governance indicators between 1996 and 2011 (see Figure 6.5 below). This is despite the good governance “panacea” over the last 15 years as applied by donors to overcome the bad governance problem and related issues in Yemen.10

**Figure 6.5 Yemeni Governance Indicators in the World Bank Reports (1996-2011)**


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10 - The literature has identified several governance indices to be used in the analysis of the quality of governance in any given country. One of the most common is the Governance Indicators developed by World Bank officials Kaufmann, Kraay, and Zoido-Lobaton (1999). These indicators are: government ineffectiveness, the lack of regulatory burden, the lack of rule of law, the lack of independence of the judiciary, the lack of controlling corruption, and political instability and violence. Leifwish (2000) argues that those dimensions of governance concern the processes by which “authority is exercised in the management of a country’s economic, and social resources for development and the capacity of government to design, formulate and implement policies and discharge functions” (2000: 120).
Yemen’s control on corruption significantly decreased. The country ranked in the 41.0 percentile ranking in 1996 compared to an 11.0 percentile ranking in 2010, meaning that corruption is widespread in Yemen. This is in spite of the efforts of donors and the government to reduce corruption in the same period. The indicator of political stability continued to deteriorate during the last 15 years and reached the lowest rate percentile ranking of 2.4 in 2010 compared to 10.1 in 1996. The government effectiveness indicator has also slipped steadily, from 30.7 in 1996 to 18.0 in 2005 and just 14.4 in 2010. This was probably due to worsening corruption and political instability. The low attention paid to voice and accountability has seen poor performance during several periods, hitting the highest point in 1996 at the 38.2 percentile, but the lowest percentile was 11.8% in 2010. The only exception is that the rule of law indicator improved somewhat. The country got a 14.4 percentile in 2010 compared to a 9.6 percentile ranking in 1996.

Other international reports further support the World Bank’s statistics about bad governance indicators in Yemen. The international transparency report regarded corruption, as one of the primary obstacles to developing the Yemeni nation. The same report ranks Yemen number 112 among 145 countries in fighting corruption in 2005, 113 in 2006, 133 in 2010, and 156 among 174 in 2012. Moreover, Yemen’s capability in controlling corruption was at -0.29 in 2009, but 0.6 in 1996, on a scale from -2.5 to 2.5 where higher is better (Transparency International Annual Reports-1996-2012). Yemen’s position on the economic freedom directory fell from 132 in 2005 to 139 in 2006.

Based on UNDP reports, Yemen’s percentage on the government’s effectiveness and impact indicator ranged from -0.55 and -0.95 between 1996 and 2006. Even more shocking, from 1995 to 2009 the government’s success indicator gave Yemen a -2 percentile. (UNDP, 1995-2010). Yemen’s ranking on the rule of law indicator retreated from -1.15 in 1996 to -0.98 in 2006, and according to the accountability indicator Yemen remained at -0.95 during the years up to 2006 (UNDP, 1995-2010). In addition, the International Security Report on Property Rights in 2006 gave Yemen 103rd place because of corruption. The deterioration manifested in the government’s failure to meet minimum transparency standards, to improve investment conditions, and to fight corruption. Moreover, Yemen also scored very poorly on the investments freedom indicator. The report indicated that investors are afraid of losing their money in Yemen as long as the judiciary branch is weak and the ministers fail to solve problems that they are expected to remedy (UNDP, 1995-2010).
Yemen is still suffering from a terrible poverty and economic adversity. Given the situation in Yemen as discussed in the above sections, the basic human needs’ measurement of The World Bank estimates that five out of ten people in Yemen live on less than $1 a day (Whitaker, 2005: 1). Over 48.6% of Yemen’s population live below the poverty line and 38.8% are unable to satisfy their basic needs like food, clothing, shelter, education, transportation, and health. Yemen is one of the poorest seven countries in the world (EU, 2007; Sharp, 2010).

Yemen poses an entirely different development challenge to other Arab countries in the region. The country scores the lowest rankings in the region of all social-development indicators such as poverty. For example, in Jordan, the poverty rate decreased from about 80% in 1992, to 30% in 1998 and 9% in 2009. Conversely, Yemen observed a steady increase in poverty, from 19% in 1992 to 45.2% in 2003 and 52% in 2010 (CIA, 2011). Moreover, the average income per person is only $500 a year, a number that is remarkably low compared to other Arab countries with low resources such as Jordan, where the average income per person is $4700 a year (EU, 2007).

6.6 Synthesis: The Egoistic Goal of Donors is not the only Cause, linking the Argument to LKS

Our empirical work attempts to explain briefly the level of effectiveness of foreign aid in Yemen, with the main focus on the historical background of Dutch development projects in the country as a dependent variable, and as fully as possible, controlling the independent variables listed by the public choice perspective (PCP). It might be the case that the LKS played a critical role in the failure of Dutch development efforts during the last period, in other words, there were good intentions to help Yemen, but there was no clear understanding of the local environment to ensure the effectiveness of the aid interventions. The strategic interest of donors, including the Netherlands, is to achieve security and stability in the country. Nevertheless, despite the efforts to focus on security and stability, donors have not prevented Yemen falling back tremendously. Yemen has yet to witness any dramatic improvements in terms of development outcomes that tend to cause positive and meaningful impacts on the population. Many of the social and economic indicators have not reflected encouraging results on the ground level.\(^\text{11}\). It is clear that these bad outcomes in development form the major cause of the Yemeni people’s revolution that is still ongoing despite the

\(^{11}\) - It was also a critical reaction to the final evaluations/reports of the Dutch development projects in Yemen that showed extremely impressive outcomes, as eloquently stated by the other donors’ final project reports.
signing of the political agreement by different political and social factions in Yemen. To substantiate the above argument, one policy area selected for empirical analysis is the Dutch NPT program to promote the capacity development process for the higher education sector in Yemen. The empirical analysis provides evidence to support the existence of a “Local Knowledge Syndrome” and rejecting the public choice perspective’s (PCP) explanation of aid ineffectiveness which is the existence of multiple and egoistic aid goals in a poor policy environment of a recipient country.

Despite the weak results of Dutch development activities and other donors in Yemen, foreign aid projects can be effective in a poor policy environment such as Yemen. The way forward in establishing aid effectiveness, is the incorporation of local knowledge in the specific place and time of that aid intervention during the policy design and the policy implementation, with special regard to capacity, cultural and environmental constraints of aid recipient organizations (see Chapter 4). The premise is that the integration of specific local knowledge can develop through active interaction between the donors and recipients, as well as the successful creation of actor networks that connect the main stakeholders (see Chapters 3 and 4). By analyzing the Yemen-Dutch NPT programme, this study provides a further empirical test of the LKS hypothesis and its related implications on the effectiveness of aid programs. We further this argument over the next four chapters. The following section provides an introduction of the four key cases for this study, showing their main objectives and plan of implementation, as a background for the four upcoming empirical chapters.

6.7 Introducing the Yemen-Dutch NPT Program to the Higher Education Sector

The higher education sector in Yemen has been a major recipient of Dutch aid, primarily in the field of capacity building. This is due to a longstanding history since the 1960s of the Netherlands implementing a variety of higher education reform programs in many developing countries (MinBuZa, 2007). These programmes denominated by such acronyms as PUO, SV, MHO (1993-2004), SAIL, NPT (2002-2010), and currently NICHE (2009-2012) (Visser et al, 2008). Among these Dutch-
funded programs there were two allocated to reform the Yemeni higher education sector, namely NPT and NICHE. Only NPT met the criteria for inclusion in this study. First, the implementation of NPT was fully completed almost three years ago, which allows us to assess its effectiveness, whereas the NICHE projects only started in 202, and it would therefore be too premature to present a definitive conclusion on the level of effectiveness. Second, this study seeks to investigate the relationship between the LKS and the effectiveness of the donor-prompted public sector reform process. The NPT program fulfills this condition since the overall objective of NPT is to promote public sector reform in participating developing countries. (MinBuZa, 2012).14.

6.7.1 General overview of the NPT programme

The Netherlands’ Organization for International Cooperation in Higher Education (Nuffic) was the responsible organization for implementing the NPT program in developing countries on behalf of the Dutch Ministry of International co-operation (MinBuZa).15. Between 2002 and 2010, the NPT program targeted 15 developing countries: Benin, Colombia, Eritrea, Ethiopia, Ghana, Guatemala, Indonesia, Mozambique, Rwanda, South Africa, Tanzania, Uganda, Vietnam, Yemen, and Zambia. The total budget for NPT programme amounted to €267.8 million. Yemen was one of the countries that received the largest budget (9.6%) of the total budget for NPT, at €25.7 million (Visser and Almoassib 2008, Aa et al. 2007, and MinBuZa, 2012).

The overall aim of the Dutch government’s involvement in NPT is to help reduce the quantitative and qualitative shortage of trained professional staff in developing countries and to build capacity that is sustainable. It is globally recognized that education is a powerful leverage tool for poverty alleviation and economic growth, as considered in the International Education Policy Framework, February 2001 (MinBuZa, 2011, p.5). NPT is especially directed at individuals and organizations of higher education in developing countries to give them a better chance of generating their own training institutes and staff in the long term (MinBuZa, 2011, p.5).

14 - More information about the criteria for the inclusion of the NPT program investigated in this study is provided in the Chapter 5.

15 - MinBuZa is an abbreviation of the name of the Ministry of Foreign Affairs in Dutch: Het Ministerie van Buitenlandse Zaken (BuZa of BZ).
Developing higher institutions is a first step in the strategy to promote public sector reform, through training and extending the expertise, know-how and skills of senior officials in the public, private, and non-governmental organization sectors.

To build the capacity and capability of the higher education sectors in participating countries, NPT aimed, at the policy level, to develop their sectoral policies and training provisions. On the organizational level, NPT aims to improve the performance and the professional standing of the organizations within the higher education system, like universities. Consequently, the program surpassed the level of department and sometimes reached the inter-department level within the faculty. The direct beneficiaries of these higher education organizations or other relevant sectors receive the necessary training and consultations for capacity and capability building. Most of the aid projects of the NPT program that were directed at higher education organizations (university faculties or departments) are directly relevant to the traditional and focal sectors of the Dutch overseas development aid such as water, education, and health sectors, and crosscutting themes of gender, good governance, and institution building. On the inter-institutional level, the NPT aims to embed the organizations within the higher education sectors and increase the level of harmonization among the departments within the Yemeni universities that were supported by the NPT, as well as between the departments and their beneficiaries in the public and private sectors. Furthermore, NPT develops accredited academic and vocational training programmes that incorporate the needs and demands (local knowledge) of the specific and related focal sectors and organizations (MinBuZa, 2012).

The preparation and implementation processes of the NPT program include a wide network of actors. On the donor side, the Ministry of Foreign Affairs (MinBuZa) and The Netherlands Embassies in the participating countries are responsible for policy making, financing, supervision and external monitoring and evaluation. The embassies have a role in monitoring and liaising, with the government and other donors in setting priorities for the NPT program. Nuffic is an intermediating organization, responsible for managing the design of the NPT and the execution in each country, by making funding decisions, awarding grants and providing accounting, internal monitoring and evaluation support. Nuffic is responsible for selecting the Dutch intermediate/beneficiaries of the NPT and the Dutch organizations or contractors that benefit directly from the projects. The latter were responsible for implementing the Dutch NPT projects in the participating countries. The Dutch
contractors, mostly Dutch universities or related institutions, signed the contract to implement the NPT projects together with their respective partners and direct recipient organizations from the participating countries. The direct recipient organizations can be simultaneously indirect beneficiaries (like higher education) who demand interventions in order to build their capacity. As a consequence, they are receiving a better education and/or training and are available for work in the relevant focal sectors in the supported country. (MinBuZa, 2012; MinBuZa, 2011).

It seems that the overall and specific objectives of the NPT programme as well as the actors-network structure are described in flowery language. It is difficult to realize an objective or to create an effective actors-network within a full NPT-country programme or even a single project. NPT that is built on an ideal and simple model with objectives, outputs and outcomes, but the reality is much more complex. They may face difficulties in incorporating the needs and demands (local knowledge) of the focal sectors and organizations or the direct beneficiaries of the NPT projects. Donors may be confronted with an unknown local situation and therefore unable to integrate the local knowledge into the models that have been applied successfully in other countries. The same problem applies to the adoption of local knowledge in actor networks. These two points will be carefully discussed in the coming Chapter 9 of this study where we explain both effective and ineffective projects within the Yemeni NPT programme.

6.7.2 The Key Four Cases of this Dissertation

The Yemen NPT program fits into the overall and specific NPT objectives and has the same actors-network structure for its programs and projects. Essentially, the Yemen NPT was specifically aimed to reform the focal sectors of the Dutch bilateral aid programmes worldwide: water, education, health, good governance and gender. The Yemeni government also included subjects on basic and administrative sciences and ICT development. Seven universities, three community colleges and the Ministry of Higher Education and Scientific Research (MoHESR) of Yemen participated and were thus the institutional beneficiaries of the Yemen NPT effort (Nuffic, 2003).

The Yemen NPT was distributed across fifteen projects that were designed to achieve the priority areas for capacity development of higher education institutions in the country. One project was relevant to the water sector. Three projects were allocated to develop the capacity and capability of the centralized administration of MoHESR. Four projects were in the area of ICT, which aimed at increasing the capacity of
MoHESR’s institutions to plan internet use, provide greater integration of internet in all aspects of the universities (administration, teaching and research), and to promote greater access. Another project was related to gender with the intention of establishing and supporting women’s centers, increasing the capacity of the staff of these centers, integrating gender concepts into the general curriculum, and drafting gender policies for the universities. In the field of public and business administration (Good Governance & Administrative Sciences), there were two projects to establish new departments and programmes and to increase the capacity of the faculty and staff of these new departments. One project was aimed at improving the basic sciences and led to the improvement of teaching and research laboratories, staff upgrading and the forging of plans for shared research efforts in a limited number of areas. The other project strengthened basic education, especially in mathematics and science teacher education reform in Yemen. The last project strengthened the Ministry of Technical Education & Vocational Training (MTEVT), Sana’a Community College and the Industrial Technical Institute, Mukala and Aden (Nuffic, 2003; Visser and Almoassib 2008).

Four key cases or projects have been chosen for deep investigation in this study. These are: (1) the establishment of an MBA Degree Programme at Sana’a University; (2) the establishment of an executive MPA Degree Programme at Sana’a University, with partnership of the National Institute of Administrative Sciences (NIAS), Ministry of Civil Service; (3) the strengthening of the Water and Environment Centre of Sana’a University Graduate Programme in Integrated Water Resource Management (IWRM); and (4) Women’s Research and Training Centre (WRTC), Aden University16.

MBA project (2004-2008): There was a need for management education in Yemen, as there were no qualified training programmes available in the country to meet emerging private and public sector needs and to change traditional administration and management styles in order to achieve their objectives more readily17. Thus the MBA programme was established with an overall objective of improving the management of the private and public sectors through the training of professionals, with the aim of developing capacities and capabilities to solve problems that sectors face as a result of the Yemeni local environment18(Nuffic, 2003). In order to benefit the direct beneficiaries of the MBA training programme, Nuffic choose MsM, ISS and AUC as the Dutch contractors, which led the consortium to establish an advanced degree programme in

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16 - The reasons why we chose these four key cases was outlined in Chapter 5.
17 - Chapter 4 provided rich information about the local conditions and the administrative aspects of both public and private sectors in Yemen. Social, political and administrative indicators have been presented in the sections above.
18 - For more information about the local environment in Yemen, see Chapter 3.
business administration at the Department of Business Administration (BA) of the Faculty of Commerce at Sana’a University (SU). With a total budget of EUR 1,900,000, the MBA programme specifically focused on developing the capacity and capability of the academic and administrative staff of the BA department by training them to effectively teach and manage an MBA degree programme. This included the preparation of a full curriculum, with course and training materials that included the needs and demands (local knowledge) of the Yemeni private and public sectors, as well as implementing scholarships to decrease staff shortages and equipping the library and the information centre with relevant materials (Visser and Almoassib 2008; MSM, 2004).

In parallel to the process of implementing the MBA project, the Center for Business Administration (CBA) was established at the University of Sana’a. The CBA became financially and administratively independent from the direct recipient organization of the NPT-MBA project: the Department of Business Administration, Faculty of Commerce and Economics. The latter was under direct control of the rector of the University of Sana’a.

Now, CBA provides an internationally-accredited Executive Master of Business Administration Program (EMBA), attracting participants from the Yemeni business and public sectors as well as from international companies in the region. It has also become an outreach program for a well-known European school, the Maastricht School of Management (MSM) in the Netherlands.

**MPA project (2004-2008)**: The main intention of the MPA project was to promote the public administration reform process that started in 2000. It was clear that Yemen was in need of “the development and implementation of a human resource strategy on civil service (re)training to equip senior and mid-level civil servants at management positions with the necessary management skills, scientific and practical methodologies and leadership styles that enables them to perform their roles and duties more efficiently and effectively in the changing political, economic, social, legal and technological environment in Yemen” (ROI, 2008:7). In order to promote public sector reforms, Nuffic chose the Dutch Institute of Public Administration (ROI) and Leiden University as the Dutch contractors. They led the consortium for the establishment of an advanced degree programme in public administration at the Public Administration Unit within the Political Science Department (PSD) of the Faculty of Commerce at Sana’a University (SU), and a diploma in public administration at the National Institute of Administrative Sciences (NIAS). The MPA project provided a unique opportunity for civil service
managers and low-level employees in public administration institutions to gain qualifications to help them manage and strengthen their respective departments and services.

With a total budget of EUR 2,100,000, the MPA project was specifically focused on strengthening the organization and management of the Unit of Public Administration at Sana’a University and NIAS. It aimed to develop the capacity of their academic and administrative staff by training them to effectively teach and manage an MPA degree programme (Diploma for NIAS), including having a curriculum in place, developing course and training materials including the needs and demands (local knowledge) of the Yemeni public sectors, and equipping the library with relevant resources and materials (Visser and Almoassib 2008; ROI, 2008).

In 2007, the Center for Public Administration Development (CPAD) was established as part of the MPA project. This center became an institutional foundation of the Executive Master of Public Administration program (EMPA). Like CBA, CPAD is also financially and administratively independent from the direct recipient organization of the NPT-MPA project, namely the Department of Public Administration Unit within the Political Science Department (PSD). The PSD is administratively and directly under control of the rector of the University of Sana’a.

The other contribution of the MPA project was the establishment of the specialized unit in public administration within the National Institute of Administrative Sciences (NIAS). This PA unit provides the High Diploma and attracts lower-level governmental officials in coordination with the Ministry of Civil Service and Insurance and the Ministry of Finance’s Training institute.

WEC project (2005-2008): It is evident that Yemen faces an enormous water resources crisis, as discussed in the sections above. Major cities such as Sana’a and Taiz already suffer from a shortage of water, and the aquifers in the vicinity of Sana’a will be exhausted within the next 10 to 20 years. Aquifers near other major cities (Taiz, Sada’a, Rada, Marib, Abyan and Hadramout) are also running low. In 2002, citizens of Taiz were receiving drinking water only once every 40 days. The crisis will become larger as the estimated population of 24 million is likely to double in the next 20 years (Sana’a University team, 2002). Recently, it became clear among Yemeni governmental institutions and donors like UNDP, the World Bank, The Netherlands and Germany, that Yemen needs greater experience in water resources management, in the form of knowledge and skills that is based on technical expertise19. Yemen continues to fail in

19 - International donors have been assisting the Yemeni water sector for more than thirty years on the technical side but have struggled to get results. It was realized that the technical water resources approach should go hand on hand with
effective management of its water resources because of weak water and environment sector institutions, caused by the lack of well-trained professional staff. Therefore, the overall objective of the WEC project was to support the reform process of the major water and environment sector organisations, mainly in human resources, thus strengthening institutional and technical capabilities and capacities.

With a total budget of EUR 2,000,000, the WEC project focused on strengthening the Water and Environment Centre of Sana’a University Graduate Programme in Integrated Water Resource Management (IWRM). Wageningen University, the Dutch contractor, led a consortium to establish a Diploma Course in IWRM for policy and decision makers as well as for managers from Yemen that have working experience in water and environment. The immediate goal of the program was to establish a course programme that would lead to an MSc in IWRM. The programme also helped WEC to become a sustainable centre offering a qualitative high IWRM Diploma and an MSc course in which teachers are trained in the latest IWRM knowledge by senior staff using up-to-date adult teaching methodologies and techniques (WU, 2004; Visser and Almoassib 2008).

**WRTC project (2004-2008):** Although gender and women’s empowerment was one of the sub-objectives of all of the above-described projects, the Yemen NPT included a special project that dealt with gender issues. Gender inequality is still one of the core obstacles to the comprehensive development in Yemen. Based on the WRTC project’s documents, the main problems that hinder progress in gender empowerment are: (1) entrenched societal attitudes, (2) limited support from policy makers and the legal system, (3) the general economic situation of the country, and (4) lack of advocates and native development experts that are capable of work effectively to bring changes in gender issues in key development areas (WRTC, 2004). Therefore, the overall objective of the WRTC project was to deal with these problems of gender empowerment, by improving the status of women and their participation in the development of Yemen.

With a total budget of EUR 1,800,000, the Dutch contactor (Wageningen University) led the consortium with the ISS and implemented the WRTC project with a specific aim to strengthen the WRTC, making it a strong and sustainable institution that is able to further develop or extend its core activities in the area of gender empowerment in the water resources management approach. “Conflicts prevention and solution is, for example, an important aspect of water management, which can occur at multiple levels. Water demand management between sectors (urban, industry, agriculture, environment and recreation) is a continuous state of potential conflicts, which are often discussed at the governmental levels (e.g. ministries, governorates), as well as in society as a whole (e.g. environmental action groups, NGO’s, research institutes) while water distribution in an irrigation system can have potential conflicts between neighboring farmers. Through good management, especially under water scarce conditions, these conflicts can be avoided or diffused.” (Soppe et al, 2005: 3)
Yemen. It focused on three main components. The first was organizational capacity building through the development of an organisation plan and a (financial) management plan for the WRTC, as well as training of the management and support of staff in strategic planning, programme management and finance. The second component was about improving human capacity through the strengthening of both existing staff and qualified new staff in applied research skills, adult education methodologies, course development, writing, policy development and analysis, as well as up-to-date knowledge on gender issues. The third component focused on the establishment of a new MSc Programme on Gender and Development for BA graduates, preferably with work experience. In addition, the component included efforts for the development of an active consultancy unit within the Centre, an active applied research agenda, and the implementation of a basic course on Gender and Development for all students of Aden University. (WRTC, 2004; Visser and Almoassib 2008).

There are several objectives and methodological considerations for selecting these four projects as key case studies for the present analysis. In the first place, all the projects were funded and implemented by the Dutch government for the same recipient, the higher education sector in Yemen and in particular Sana’a University. They were all done in approximately the same time frame. Additionally, the projects were development programs designed to promote the public and private sectors reform process. These projects are comparable in such a way that allows some level of control of other variables. A detailed discussion about the methods of analysis and selection of the key case studies, as well as the justification therein, can to be found in Chapter 5.

Although all of the selected projects established education centers (ECs) in order to promote capacity and capability building as part of public and private sectors reform, the level of effectiveness of these donor-established ECs is questionable, and forms one of the main subjects of analysis in this study. The other main objective is to investigate the relation between the LKS and the effectiveness of donor-promoted public sector reform programmes in recipient countries. As the public sector reform process in Yemen started at the close of the Dutch-Yemen NPT implementation (in 2000), it provided a unique opportunity for this study to choose projects that had close relations with the public sector reform process.
6.8 Summary of the Discussion

In conclusion, this chapter provides a brief historical background of the Netherlands’ development aid history in Yemen. The empirical results support the main proposition of this dissertation that the existence of multiple egoistic goals of aid may not be the main reason for having ineffective aid interventions in poor nations, which is one of the main arguments of the Public Choice Perceptive (PCP). The strategic interest of the Netherlands for assisting Yemen is to achieve security and stability in the country. However, the Netherlands does not have the “local knowledge” to accomplish this strategic aim and they have not prevented Yemen from turning into an almost failed state. Yemen has yet to witness dramatic improvements in terms of development outcomes that have meaningful impacts on security and stability. It is clear that these bad development outcomes have formed the major roots of the Yemeni people’s revolution that is still ongoing, despite the signing of the political settlement agreement by the different political and social factions in Yemen.

In the coming chapters, we give evidence in support of the “Local Knowledge Syndrome (LKS)” that can perhaps explain why Dutch foreign aid has not been more effective in promoting development activities. The primary reason to focus on the LKS explanation is that without “local knowledge”, you cannot design and implement sound development polices. If the objective is to maximize the effectiveness of aid, it would appear essential for us to consider the factors which prevented local knowledge being incorporated during the policy design and/or implementation. In other words, we should try to understand the poor policy environment of a recipient country, instead of arguing that the poor policy environment and the existence of multiple egoistic goals of aid donors are explanations of the aid project ineffectiveness. For conducting this theoretical and empirical analysis, we will take the Dutch-Yemen NPT programme as evidence in support of the “Local Knowledge Syndrome Argument”. This argument could help explain why certain projects on public reform are more or less effective. I try to discover controlling variables at the level of policy design and implementation which may positively affect the process of incorporating local knowledge and aid effectiveness.

In the chapters 7 and 8, we conduct quantitative analysis of the four selected NPT projects. This is to understand the variation among the selected projects in the level of effectiveness. This logic of the research design allows us to draw attention to the connection between the aid projects’ effectiveness and their objectives, and then working backward to see if the independent variable (incorporating local knowledge) has the right or predicted value of the dependent variable, in Chapters 9 and 10.