



<b>1. Project Data:</b>		<b>Date Posted :</b> 07/15/2002	
<b>PROJ ID:</b> P005811		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Inst. Dev. For Pub.	<b>Project Costs (US\$M)</b>	15.4	10.0
<b>Country:</b> Yemen	<b>Loan/Credit (US\$M)</b>	10.8	9.6
<b>Sector(s):</b> Board: FSP - Tertiary education (63%), Central government administration (37%)	<b>Cofinancing (US\$M)</b>		
<b>L/C Number:</b> C2015			
	<b>Board Approval (FY)</b>		90
<b>Partners involved :</b>	<b>Closing Date</b>	06/30/1996	12/31/1998
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
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<b>2. Project Objectives and Components</b>			
<b>a. Objectives</b>			
<p>The project was intended to contribute to the Government's efforts to improve public administration through the institutional development of The Ministry of Civil Service and Administrative Reform (MCSAR) and the National Institute of Public Administration (NIPA), which was renamed the National Institute of Administrative Sciences (NIAS) in 1994. The objectives were (1) to improve MCSAR's capacity to fulfill its operational and advisory obligations to GOY government agencies for manpower and training, planning, personnel administration, and other aspects of operational and procedural effectiveness; (2) to improve NIAS capability to provide education, training, research and consultancy services (also for GOY agencies).</p> <p>In 1995, due to important political and other developments (see below, section 2.c.), the MCSAR part of the project was restructured, and the scope reduced, with less emphasis on manpower development and personnel policy, and greater emphasis on civil service reform. The NIAS part of the project was not changed.</p>			
<b>b. Components</b>			
<p>The <b>MCSAR component</b> (at inception) was intended to assist that agency with: (1) Manpower development planning; (2) Personnel policy and administration; (3) Management information capacity; (4) Government organization and operations; and (5) Study and improvement of MCSAR's function and organization. After the 1995 restructuring, the MCSAR component focused on (1) Streamlining regulatory and administrative systems; (2) Restructuring several key departments; (3) Reforming the civil service; (4) Enhancing computer capabilities and developing an MIS for key ministries.</p> <p>The <b>NIAS component</b> was intended to address the major constraints of this agency in carrying out its mandate of training, research, and consultancy for government agencies. This included: (1) Development of staff capabilities for planning and conducting training; (2) Research and consultancy services; (3) Long term training plan. Development of a long term plan for NIAS education and training activities; (4) Equipment and facilities—Expansion of NIAS Sana'a headquarters, and construction of the Ibb branch campus facilities; (5) Teacher support—The project was intended to provide substitute teachers (in office management, accounting, etc) to enable NIAS to maintain operations while regular staff were being trained.</p> <p>The MCSAR component was estimated at 36% of project expenditures at appraisal, but comprised 42% of final expenditures, while NIAS was originally estimated at 64% but by project close comprised 58%.</p>			
<b>c. Comments on Project Cost, Financing and Dates</b>			
<p>The original project financing was for US\$10.8 million (IDA) and US\$4.6 million (GOY), for a total of US\$15.4 million. It had initially been expected that the GOY would finance 49% of civil works and 80% of local training. During implementation, however, it became evident that the government was unable to do this, and so IDA increased funding of civil works from 51% to 90%, and the IDA share of training that took place in Yemen was increased to 100%.</p>			

The project faced difficulties early in implementation because of differences between IDA and project implementation officials regarding conditions of disbursement, and project startup was therefore initiated about two years after effectiveness. In part due to this lag, around US\$3 million was canceled in 1995. However, implementation subsequently improved, and a supplemental credit of US\$1.54 million was approved in 1997. The need for the supplement was caused by: (1) a decline in the value of the SDR (accounting for more than half of the required supplement); (2) unanticipated construction work; (3) underestimation of the cost of equipment and facilities for new NIAS facilities; (4) a cost overrun in the training program.

Final project costs for IDA were US\$9.6 million (89% of appraisal), and for the GOY US\$0.4 million (8.7% of appraisal). Around US\$5.3 million was spent on civil works and equipment, with the balance expended on Technical Assistance. Three extensions were made to the original closing date of 6/30/96, and the project was eventually closed on 12/31/1998.

The project had originally been intended for the Yemen Arab Republic (North Yemen), but was applied to the entire country when the YAR was reunified with The People's Democratic Republic of Yemen (PDRY). It should be noted that during project implementation several important developments severely hindered project achievement: (1) the merger of the two civil administrations as a result of the reunification of North and South Yemen; (2) the return of 750,000 Yemeni workers from Saudi Arabia as a result of the Gulf War; (3) a North-South civil war in 1994.

### **3. Achievement of Relevant Objectives:**

The project failed to achieve any major relevant objectives, but did achieve the following:

- The MIS component of MCSAR was partially successful, and the system now handles wage payments to MCSAR's own staff
- Training of MIS staff improved their performance
- Short-term training provided to NIAS staff in Jordan was beneficial

### **4. Significant Outcomes/Impacts:**

There were no significant outcomes or impacts

### **5. Significant Shortcomings (including non-compliance with safeguard policies):**

#### Overall

- When the country was reunified, substantial challenges were created to implementation of the original project design; however, the project design was modified only slightly
- A separate PIU was set up for the NIAS and MCSAR components, and there was little cooperation between the two
- Weak management of both components hindered project achievement. This included deficient: selection of trainees and design of training; consultant performance; procurement; study follow-up; supervision of public works
- Project objectives were too ambitious for the country's level of development
- IDA supervision in the project's first 5 years was unsatisfactory and did not get into sufficient detail to understand project problems
- The GOY did not sufficiently supervise or support the 2 PIUs

#### MCSAR component

- Restructuring of some key ministries did not take place because the ministries resisted and MCSAR did not pursue the matter further with higher authorities
- Law No. 19 (1991) which governs civil service rewards and performance evaluation continues to be based on seniority rather than merit
- MCSAR's administrative procedures have not been simplified, and decision-making remains centralized
- Four studies that were completed under the restructured MCSAR component were not coordinated, were largely irrelevant in the Yemeni context, and were not followed up
- Training provided under the MCSAR component—other than in the MIS area—was deficient: the selection of trainees was not appropriate, and some training was too short for the complex subjects covered
  - MIS facilities were constructed, but used for other purposes; MIS is operational, but only covers MCSAR and not entire civil service as envisioned

#### NIAS component

- The NIAS component was affected by financial irregularities, including diversion of project funds into the bank account of the former PIU Director (who was arrested by the GOY). After several investigations and audits, around US\$80,000 was repaid to IDA by the government
- NIAS did not have a dean for 3 years during project implementation
- The Ministry of Finance did not support increases in NIAS salaries, despite 2 Cabinet decisions to do so
- Efforts at staff development were ineffective due to inadequate supervision and lack of accountability
  - Study tours were used as rewards for specific individuals, rather than to enhance the skills of NIAS personnel
  - Addition to Sana'a campus was completed but remains unfurnished; new facility at lbb was completed but not

handed over to NIAS due to contract dispute

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome :</b>	Unsatisfactory	Highly Unsatisfactory	Project was of modest relevance, failed to achieve any major relevant objectives, and had negligible development benefits
<b>Institutional Dev .:</b>	Negligible	Negligible	
<b>Sustainability :</b>	Unlikely	Likely	Ongoing work with UNDP and IDA will help sustain the minor benefits that were achieved under this project. Currently, with political stability, GOY support for reform has increased.
<b>Bank Performance :</b>	Unsatisfactory	Highly Unsatisfactory	Quality at Entry was Highly Unsatisfactory due to <u>deficient</u> ; approach and design appropriateness (too ambitious for country's level of development); institutional capacity assessment; and incorporation of lessons learned. Supervision was deficient with regard to reporting quality (project was rated "satisfactory" for a majority of its tenure), timely identification and rectification of development impact problems (see Section 5, above), and advice to implementing agencies.
<b>Borrower Perf .:</b>	Unsatisfactory	Highly Unsatisfactory	Government commitment was lacking (see Section 5); government financial control and management of project were highly unsatisfactory; appointment of key staff (NIAS) was deficient; coordination of agencies was highly unsatisfactory; implementation delays were substantial.
<b>Quality of ICR :</b>		Exemplary	

NOTE: ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

#### 7. Lessons of Broad Applicability:

- If major changes in project circumstances occur—e.g., reunification of the country—the project design should be fundamentally re-evaluated
- Criteria for selecting trainees are a critical part of a training program. Criteria should be transparent and should take into account both institutional needs and the career enhancement of the individuals
- To help avoid fraud, IDA needs to be assured of adequate internal approval and payment processing functions at key agencies and commercial banks associated with the project

#### 8. Assessment Recommended? ☒ Yes ☐ No

**Why?** Highly Unsatisfactory Bank and Borrower performance; lack of a fundamental review /restructuring of the project (despite numerous internal problems, and challenges in the external environment ); Borrower assertions of additional fraud/malfeasance.

#### 9. Comments on Quality of ICR:

The ICR is admirably comprehensive and candid, and covers key aspects of project design as well as Bank and Borrower performance. Considerable substantive evidence is presented to document assertions, and "lessons learned" are thoughtful. The Borrower made substantial evaluative comments concerning project achievement as well as Bank and Borrower performance.