



1. Project Data:		Date Posted : 02/27/2001	
PROJ ID: P043109		Appraisal	Actual
Project Name: Public Works Project	Project Costs (US\$M)	28.0	30.4
Country: Yemen	Loan/Credit (US\$M)	25.0	23.2
Sector(s): Other Urban Development	Cofinancing (US\$M)	0.0	2.0
L/C Number: C2878; CP963			
	Board Approval (FY)		96
Partners involved :	Closing Date	06/30/2000	06/30/2000
Prepared by :	Reviewed by :	Group Manager :	Group:

2. Project Objectives and Components

a. Objectives
As described in the Development Credit Agreement, the project's objectives were : (a) to create short term employment with a view to poverty alleviation through employment-intensive small-scale development projects; (b) to improve environmental and sanitary conditions in the Borrower's territory; and (c) to promote community participation in works preparation and implementation . While these objectives were not formally revised during implementation, there was some downward revision of the quantified employment generation targets .

b. Components
The project consisted of three components :
(i) **small scale civil works** in high unemployment areas in the following sub-sectors: (a) waste management: wastewater collection systems and storm water drains, cleaning of such systems, and solid waste collection and sanitary landfills; (b) urban development: water distribution systems, repairing and paving streets and footpaths, storm water drainage, flood protection; (c) rural development: road repairs, water supply systems, cleaning and repairing of irrigation canals; (d) soil conservation: terracing and drainage works, small dams; and (e) health and education: health centers and school buildings.
(ii) **development of a project management capability** through a Steering Committee (SC) and Project Management Unit (PMU);
(iii) **technical assistance** for: (a) establishing the PMU; (b) investing programming, monitoring and review; (c) sub-project preparation and implementation; (d) training; and (e) auditing.

c. Comments on Project Cost, Financing and Dates
Final costs at US\$30.4 somewhat exceeded the appraisal estimate of US 28.0 million, thanks to unexpected cofinancing of US\$2.0 million by the Netherlands. The IDA Credit, valued at US\$23.2 at completion, was responsible for financing 76% of the project. The project was approved on 06/11/96 and closed on 06/30/00 as originally scheduled.

3. Achievement of Relevant Objectives:
objective (a) of creating short-term employment was partly achieved. Up to 66,000 new work-months were created, against an appraisal target of 75,000-96,000. The shortfall was due to appraisal under-estimates of the true capital cost per work-month in Yemen that were recognized and revised during implementation .
objective (b) of improving environmental and sanitary conditions was achieved through project investments in 149 sub-projects in health, water and sanitation throughout the country .
objective (c) of promoting community participation was amply achieved. Community members submitted direct requests for sub-projects to the SC, or indirectly through Members of Parliament or NGOs . In the works themselves, the community helped provide materials (building stones and pipes) as well as labor (digging wells and preparing foundations). Communities were involved in on-site supervision in all cases .

4. Significant Outcomes/Impacts:

- 66,000 work-months of employment created.
- An estimated two million people--11.8% of the country's population--were served by the 422 sub-projects delivered (significantly exceeding the 250-300 sub-projects planned).
- Build-up of local contracting and engineering professions through employment and training of 260 contractors

and 147 consultants.

- Considerable unit cost savings were reported for school construction .
- Actual project start-up was able to precede formal loan effectiveness by six months, thanks to the Bank's having incorporated the detailed approval of the first and second batches of sub -projects within the project appraisal process.

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

- Inadequate provision for operation and maintenance of 16 health units, which remained unused for many months after completion. At the end of 1998, half of the 78 units built were not operational. (This problem did not affect the much larger component, schools, which were occupied immediately after completion)
- Complicated, cumbersome and time-consuming payment and reimbursement procedures that appear to be getting worse under follow-on project.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Not Rated	Substantial	Institutional development impact can be rated through: (i) the introduction of a new and effective mechanism infrastructure investment across the country; (ii) the consolidation of the contractor and consulting industry in Yemen; (iii) extensive training provided under the project.
Sustainability :	Highly Likely	Likely	While the outlook is good for continued environmental and sanitary benefits and community development, the highest rating is not warranted because of uneven support across sectors in Yemen for operations and maintenance of facilities . Also, the important project impact upon mitigating the adverse effects of economic adjustment through employment generation is not sustainable, nor was it intended to provide more than short-term, temporary relief;
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Highly Satisfactory	Satisfactory	Both the government, SC and PMU acted diligently and efficiently, but delays in paying contractors and consultants and awarding contracts to non-performing contractors are not consistent with the top rating.
Quality of ICR :		Satisfactory	

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

7. Lessons of Broad Applicability:

From the Bank ICR:

- Adoption of an appropriate project design supported by good implementation arrangements can deliver substantial benefits. This would include detailed, adequate and up-front arrangements to handle human relations (especially coordination procedures between government agencies and ministries), as well as employing competent project staff and providing the right salary and incentives .
- Requiring measurable local stakeholder participation helps to target results and ensure sustainability, but it also requires appropriate skills and effort;
- It is not necessary to create a bureaucracy to deliver substantial development benefits on a large number of sites;
- Good and transparent business procedures lower costs and build up institutional capacity and development . This would include the recognition that small contracts require their own set of simple and straight forward procedures and documents.

From the Borrower ICR:

- Long term sustainability can be achieved if community involvement in operations and maintenance occurs in all sub-projects irrespective of their source of funding .
- Non-institutional (informal sector) contractors can perform satisfactorily and abide by procedures given the

right framework for enforcement.

From OED:

- For sustainable results, project management need to ensure that, where the future operations of a sub -project depends upon government financial and technical support, such support is confirmed with high level authorities prior to the start of implementation .
- Sub-project selection driven by community demand may have to be constrained . In this case, the community wanted many more education sub-projects than the PMU allowed, and community demand for sanitation sub-projects was very weak, despite the environmental objectives of the project .

8. Assessment Recommended? ● Yes ○ No

Why? To review existing lessons and draw additional ones from a valuable project experience which incorporates elements of best practice . To review post-conflict issues in a country with little OED field coverage of project and sector work in recent years . Could be part of a cluster audit.

9. Comments on Quality of ICR:

This is a satisfactory ICR, providing excellent coverage of the outputs delivered by the project and the development impacts achieved. The Bank ICR would have been exemplary had it not been for inconsistent values of outcomes reported in different parts of the text. For its analysis, presentation of supporting evidence, candid assessments and useful lessons, the Borrower ICR itself is exemplary .