

**International Bank for Reconstruction and Development
International Development Association**

**PROGRESS REPORT
TO THE BOARD OF EXECUTIVE DIRECTORS
ON THE IMPLEMENTATION OF THE MANAGEMENT ACTION PLAN
IN RESPONSE TO THE
REQUEST FOR INSPECTION OF THE**

YEMEN

**INSTITUTIONAL REFORM DEVELOPMENT POLICY GRANT (IRDPG)
(Grant No. H336-YEM)**

June 21, 2010

Abbreviations and Acronyms

CSO	Civil society organization
EITI	Extractive Industries Transparency Initiative
GSD	General Services Department
IPN	Inspection Panel
IRDPG	Institutional Reform Development Policy Grant
MNA	Middle East and North Africa
PAD	Project Appraisal Document
PD	Project Document
PID	Project Information Document
TTL	Task Team Leader

1. **This report takes stock of progress made in implementing the Action Plan presented by Management to the Board on September 15, 2009**, in the context of the Request for Inspection, IPN Request RQ09/05, registered on April 20, 2009 (hereafter referred to as the “Request”), concerning the Republic of Yemen Institutional Reform Development Policy Grant (Grant No. H336-YEM) (hereafter referred to as the “IRDPG”) financed by the International Development Association. Specifically, the Requesters stated that: (a) the Bank Country Office in Sana’a refused to disclose information about the IRDPG and, in particular, to provide the Requesters with an Arabic translation of the IRDPG Program Document; (b) the Bank violated the principle of partnership with civil society; (c) implementation of the IRDPG would lead to soaring prices and to increased poverty in Yemen; and (d) timely disclosure of the IRDPG’s contents would have allowed civil society to help mitigate this impact. A detailed matrix is provided in the attached annex.

OVERALL IMPLEMENTATION

2. **Overall, Management is satisfied that significant progress has been made on all key activities** which were part of the Action Plan. These included: (a) engaging a dialogue with the organization that submitted the Request (hereafter referred to as the “Requesters”); (b) strengthening MNA’s practices with regards to disclosure, translation, and consultations in line with applicable Bank policies; (c) monitoring risks associated with the implementation of the IRDPG in consultation with stakeholders; and (d) further strengthening relevant participation processes in support of the World Bank program in Yemen. The Region has allocated a substantial amount of budget resources to the implementation of the Action Plan.

3. **Management has also continuously engaged with the Requesters throughout the period.** This included consultations on IRDPG implementation and on the broader Bank program in Yemen. The Regional Vice President also had a private meeting and open exchange of ideas with the Requesters on November 8, 2009.

4. **It should be noted that the implementation of the Action Plan took place in a sharply deteriorating security environment.** This affected the timeline for implementation of some activities, especially during the period January–February 2010, when World Bank missions were suspended and key diplomatic missions temporarily closed following terrorist threats. This has also affected the ability of Bank staff to engage and consult with some Civil Society Organizations (CSOs) based outside of Sana’a as travel within the country remains restricted for security reasons. Finally, in view of the security risks, and on the basis of advice by the UN security system, the Bank had to adopt a “light footprint” approach in Yemen, which is somewhat at odds with the institution’s efforts to engage in a proactive communication campaign and to “open doors.”

DISCLOSURE, TRANSLATION, AND CONSULTATIONS IN MNA

5. **Disclosure.** As per its commitment under the Action Plan, MNA reviewed its system to monitor compliance with the Bank’s Policy on Disclosure regarding Project Information Documents (PIDs), Project Appraisal Documents (PADs), and Project Documents (PDs) within the Region. Detailed instructions were issued by the Regional Vice President to all Task Team Leaders (TTLs) on October 31, 2009. A unit (MNA Development Effectiveness) was assigned the responsibility for monitoring disclosure and following up with task teams as needed. Each sector unit nominated a disclosure focal point in charge of monitoring compliance with applicable policies. A monthly monitoring table is now also shared with Regional Management. **As of June 8, 2010, MNA is in full compliance with its commitment to disclose information on its current portfolio of IBRD/IDA projects.**

6. **Translation.** Following a review of translation practices in MNA (including the World Bank MNA websites), translation of core operational documents (PIDs, PADs and PDs) into Arabic was made a requirement for all new operations in countries where Arabic is the main business language, and a new monitoring system was developed for the Region to keep track of this commitment. Detailed instructions were issued to that effect by the Regional Vice President on October 31, 2009. Focal points were appointed in each sector unit to support Task Teams and monitor compliance and issues. The Region also engaged with the Arabic Translation Unit in the General Services Department (GSD) in Washington and Cairo and in a meeting held on November 11, 2009 received assurances that GSD’s capacity to translate into Arabic would be increased as needed. **As of June 8, 2010,**

all qualifying PIDs¹ in MNA were disclosed in Arabic and PADs are continuously being translated for ongoing operations (although at a slower pace, as it takes 8 weeks to translate such documents). In parallel, MNA is continuing to translate and disclose operational documents in French in the Maghreb and Djibouti. In addition and as a rule, substantive consultations in Yemen are now carried out based on background documents made available to participants in Arabic, and with discussions held in Arabic (using interpretation as needed). A parallel effort has been completed to revamp MNA's Arabic-language websites and ensure their content is up to date. An initial analysis shows that, thanks to these efforts, visits to the Yemen Arabic website increased by 48.2 percent during the last 6 months, compared to the same period last year. It is noteworthy that 57 percent of the Yemen Arabic website users are based in Yemen, against 21 percent of the users of its English version.

7. **Consultations.** As per the commitment under the Action Plan, the Regional Vice President issued detailed instructions on October 29, 2009 to Country Directors, Country Managers and TTLs to strengthen outreach to civil society stakeholders. To date, directories of CSOs are available in all Country Offices for use by staff. In the case of Yemen, a customized survey was developed so as to identify new stakeholders to contact and update the directory; a total of 102 CSO representatives responded. In parallel, Country Directors and Country Managers have also engaged in a systematic effort to strengthen outreach.² In addition, a series of training sessions was held to disseminate good practices on consultations and strengthen effectiveness of project-level consultations: first for Washington-based TTLs (at Headquarters, in January and February 2010) with participation by 61 staff,³ then for Country Office-based TTLs (in Beirut, during the May 17-19, 2010 Regional Operations Forum) with participation by 52 staff from all MNA Country Offices.

IMPLEMENTATION OF THE IRDPG

8. **Meetings with CSOs during supervision missions.** As per the commitment under the Action Plan, the Task Team met with a cross-section of CSOs representing the main viewpoints within civil society to discuss IRDPG implementation progress during each supervision mission (September 6, 2009; November 4, 2009; December 16, 2009; January 31, 2010; April 7, 2010). These meetings were held in Arabic, on the basis of background documents and/or presentations in Arabic. On the Bank side, they were attended by the TTL (and often managers/directors). On the CSO side, there was an average participation of 10 to 15 persons representing as many organizations each time. At least one and sometimes two of the Requesters attended each of the IRDPG consultations and participated actively in discussions. This provided a useful forum for exchange of views and ideas with the Requesters and with a broader range of CSOs (some of whom had participated in consultations in the design phase of IRDPG, while others were engaging for the first time). Meetings initially focused on the IRDPG and concerns about its potential impact, as well as CSOs' views of the Bank and the Government. As these consultations progressed, discussions evolved from a simple exchange of views to the provision of substantive feedback and an active exploration of how CSOs and the Bank could better interact at a broader level (this resulted in a workshop on modes of CSO engagement in development project and public service monitoring and evaluation, held in January 2010).

9. **Work with CSOs involved in the implementation of IRDPG-supported measures.** Particular efforts were made to work closely with the CSOs that are involved in the Extractive Industries Transparency Initiative (EITI) component of the IRDPG. On October 19-20, 2009, a workshop – organized in partnership with Revenue Watch Institute and Publish What You Pay – gathered 30 participants (14 of which were from civil society) to discuss ways to raise the level of transparency in the management of extractive industries revenues (oil, gas and minerals). On February 15, 2010, a second (half-day) workshop was organized for civil society, together with the Yemen EITI Secretariat and the Human Rights Information and Training Center. The event was attended by 16 representatives from various nongovernmental organizations (NGOs), including the Requesters. Presentations included an overview of the EITI process in Yemen, global implementation status and key next steps for the EITI. Discussion focused on key issues facing civil society members under the EITI. Finally, on April 5-6, 2010, a two-

¹ Qualifying documents are all documents for which a project Concept Note Review or any new documents were released since November 1, 2009 in Egypt, Gulf Cooperation Council countries, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Syria, West Bank and Gaza, and Yemen.

² E.g., during preparation of the Country Partnership Strategy, the Morocco Country Manager met on a monthly basis with CSOs; the Lebanon Country Director and the Tunisia Liaison Officer also met with CSOs and think tanks at several occasions.

³ During FY10, there have been 71 TTLs in MNA.

day workshop focused on EITI best practices from around the world was organized, with speakers from Mauritania (Head of Mauritanian EITI and advisor to the Prime Minister) and Kazakhstan (Head of NGO EITI Coalition).

10. **Outreach to representatives of potentially affected parties.** Parallel efforts were made to reach out to entities that are representatives of the parties that may be affected by measures supported under the IRDPG, especially under the land titling and civil service components. The task team followed up on issues raised during these discussions (including questions relating to issues not directly supported under the IRDPG) and facilitated exchanges between CSOs and Government on these issues (e.g., with regard to the potential displacement of informal occupants of public lands under a possible systematic land registration effort).

BANK PROGRAM IN YEMEN

11. **Regular meetings with CSOs.** As per the commitment under the Action Plan, the Country Office arranged frequent meetings with a cross-section of CSOs. Discussions were organized around specific activities in order to maximize the impact of each interaction. On average, two to three events were held each month, on topics as diverse as the new Social Welfare Fund operation,⁴ the Integrated Urban Development project,⁵ the Qat Demand Reduction Agenda,⁶ and Climate Change.⁷ The Requesters were invited to all of the events held in Sana'a.

12. **Advice to Government on consultations.** The Region's objective to emphasize the need for consultations in Yemen was met using two parallel tracks: first, the Region took advantage of every formal meeting of senior Management with the Yemeni authorities⁸ to emphasize the importance of consultations and offer Bank assistance in this regard. Second, and as had also been previously done in December 2006, a letter was sent by the Country Director on December 15, 2009 advising Government to consult on several key thematic areas and Bank-supported activities⁹ and offering help to do so; two missions visited Yemen (November 3-5, 2009 and December 12-15, 2009) to practically demonstrate the advice to that effect. In May 2010,¹⁰ the Region took stock of the impact of this advice in an assessment note that will be shared with Government this month.

13. **Report on stakeholders' landscape and consultations.** The Region just finalized a paper on the stakeholders' landscape and consultations in Yemen, which includes an analysis of the key segments of civil society, to help refine the Bank's understanding of relevant stakeholders and their constituencies. The paper provides recommendations on mechanisms to further broaden and deepen interactions between the Bank and civil society, including in the context of Government-led consultations during the preparation and implementation of Bank-supported operations. It also includes options for establishing a feedback system for proactive and time-bound responses to inquiries and complaints from communities, civil society, and the private sector. The paper was developed based on, inter alia, consultation with a total of 166 CSO representatives in Sana'a, Aden, Ta'iz and Mukalla.¹¹

14. **Training program for CSOs.** A training program on the new Access to Information Policy was delivered on May 8, 2010 to representatives of 43 CSOs. Other training sessions aimed at strengthening the capacity of CSOs in Yemen to effectively participate in consultations on economic reforms and Bank activities were also developed by task teams in the context of their respective projects.

⁴ Sana'a, October 18, 2009; April 10, 2010.

⁵ Sana'a, October 2009.

⁶ Mukalla, October 26; Aden, October 28; Dhamar, October 31; Sana'a, November 2, 2009.

⁷ Sana'a, November 15-17, 2009 and May 10, 2010.

⁸ This included a meeting with the Managing Director on October 6, 2009 and meetings with the Regional Vice President on November 6-9, 2009 and in April 2010.

⁹ These included Climate Change, Anti-Corruption and Strengthening of the Social Welfare Fund.

¹⁰ Mission of May 10-12, 2010.

¹¹ February, March and May 2010.

LOOKING FORWARD

15. **Looking ahead, the Region will continue to deploy every effort to maintain a very strong focus on the issues of disclosure and translation;** and in particular translation into Arabic of PIDs, PADs, and PDs for new Bank-funded projects (in countries where Arabic is the main business language).

16. **The Region is equally committed to helping create an environment that is conducive to effective consultations** between Governments and CSOs where possible in the Region. MNA staff will in particular continue to provide country-tailored advice to the authorities as may be necessary / relevant and the Region plans to expand its training program for CSOs across the region.

17. **A particular effort will be made to maintain and further enhance consultations around the implementation of the IRDPG** until its closing date (in December 2010).

18. **A parallel effort will be made to ensure that adequate consultations continue to take place in Yemen, building on lessons learned under the Request.** In particular, the Bank is currently considering (among other options) to provide support to Yemen through a new DPG, assuming the successful completion of negotiations on an IMF program. If a decision is made to proceed in this direction, the Bank will formally advise the Government to consult with CSOs on the program of reforms to be supported under the DPG, even before the Concept Note review (and will provide technical support to that effect). The Bank will also prepare a Country Assistance Strategy Progress Report in FY11 and will pay particular attention to adequately consulting with CSOs in that process. The Bank will also continue to consult on other relevant activities.

19. **The Regional Vice President sent to the region, on June 21, 2010, a message updating staff on progress in implementing the Action Plan and reiterating the importance of sustaining efforts and accomplishments under the Action Plan.**

ANNEX 1
SUMMARY UPDATED ACTION PLAN

PROPOSED ACTIONS	STATUS / TIMELINE
DIALOGUE WITH THE REQUESTERS	
Provide translation of the PD to the Requesters and other interested stakeholders.	Completed (June 2009). Requesters acknowledged receipt of this translation.
Invite the Requesters to meet at their convenience with Bank representatives to inform them about plans for the translation and again, once the translation is ready, to discuss their concerns.	Completed (May 30, 2009; September 6, 2009). Requesters also met with the Regional Vice President (November 8, 2009). They were systematically invited to relevant events held in Sana'a.
PARTICIPATION AND CONSULTATION IN MNA	
Review the system to monitor effective compliance with the disclosure policy of PIDs, PADs, and PDs within the MNA Region.	Review completed. The Regional Vice President assigned the Development Effectiveness Unit the responsibility for monitoring regional compliance. Detailed instructions to implement recommendations were issued on October 31, 2009. A Disclosure and Translation Monitoring table is now shared on a monthly basis with Regional Management. Each Sector has nominated a disclosure focal point to assist the Region in following up on its commitment. As of June 8, 2010, MNA is in full compliance with its commitment to disclose information on its current portfolio of IBRD/IDA projects.
Review translation practices in MNA for PIDs, PADs, and PDs with a view to gradually expanding the number of translated documents in a realistic manner.	Review completed. The Regional Vice President assigned the Development Effectiveness Unit the responsibility for monitoring regional compliance. Detailed instructions were communicated to MNA staff on October 31, 2009. The above mentioned monthly Disclosure and Translation Monitoring table is also shared each month with the GSD Translation Units in Washington and in Cairo so as to ensure maximum responsiveness to the Region's translation requests. Each Sector's disclosure focal point also serves as translation focal point to assist the Region in following up on its commitment. As of June 8, 2010, all qualifying PIDs in MNA were disclosed in Arabic and PADs are continuously being translated for ongoing operations (although at a slower pace, as it takes 8 weeks to translate such documents).
Review MNA websites and revamp Arabic websites, to facilitate access in Arabic to relevant Bank materials.	Review conducted in July 2009, followed by a major revamp of MNA's Arabic-language websites to facilitate access in Arabic to relevant Bank materials, including project documentation and analytical work. This exercise was completed in August 2009 for Yemen. A first round of updates was posted in August 2009 and the second round in October 2009. An initial analysis shows that, thanks to these efforts, visits to the Yemen Arabic website increased by 48.2 percent during the last 6 months, compared to the same period last year. It is noteworthy that 57 percent of the Yemen Arabic website users are based in Yemen, against 21 percent of the users of its English version.
Develop in each country a directory of CSOs, specifying their special niche and sector interest, which shall be targeted for consultation.	To date, directories of CSOs are available in all Country Offices for use by staff. In the case of Yemen, a customized survey was developed so as to identify new stakeholders to contact and update the directory; a total of 102 CSO representatives responded.
Issue an instruction by the Regional Vice President to MNA Country Directors / Managers to engage in a systematic effort aimed at strengthening outreach with relevant stakeholders where necessary and to report to Regional Management on a	Instructions were issued on October 29, 2009. Country Directors and Country Managers have also engaged in a systematic effort to strengthen outreach.

PROPOSED ACTIONS	STATUS / TIMELINE
regular basis.	
Issue an instruction by the Regional Vice President to MNA staff to further raise awareness and disseminate good practices on consultations. Provide training to relevant TTL and Task Team members as needed.	Instructions and supporting materials issued on October 30, 2009. A series of training sessions was held to disseminate good practices on consultations and strengthen effectiveness of project-level consultations: first for Washington-based TTLs (at Headquarters, January 12-14, February 2-4, 2010) with participation by 61 staff, then for Country Office-based TTLs (in Beirut, during the May 17-19, 2010 Regional Operations Forum) with participation by 52 staff from all MNA Country Offices.
IMPLEMENTATION OF THE IRDPG	
Organize meetings between the Task Team and a cross-section of CSOs to discuss progress in implementing the measures supported under the IRDPG.	During each supervision mission, the Task Team met with a cross-section of CSOs representative of the main viewpoints within civil society, to discuss progress in implementing the measures supported under the IRDPG and concerns CSOs may have regarding the impact of these measures on the poor. An invitation was systematically extended to the Requesters. The TTL met CSOs in September, November and December 2009, and January and April 2010.
Work closely with CSOs directly involved, as actors, in the implementation of some of the measures supported under the IRDPG with a view to facilitating implementation of the operation.	Particular efforts were made to work closely with the CSOs involved in the EITI component of the IRDPG. On October 19-20, 2009, a workshop – organized in partnership with Revenue Watch Institute and Publish What You Pay – gathered 30 participants to discuss ways to raise the level of transparency in the management of extractive industries revenues (oil, gas and minerals). On February 15, 2010, a second (half-day) workshop was organized for civil society, together with the Yemen EITI Secretariat and the Human Rights Information and Training Center. The event was attended by 16 representatives from various NGO groups, including the Requesters. Presentations included an overview of the EITI process in Yemen, global implementation status and key next steps for the EITI. Discussion focused on key issues facing civil society members under the EITI. Finally, on April 5-6, 2010, a two-day workshop focused on EITI best practices from around the world was organized, with speakers from Mauritania and Kazakhstan.
Make particular efforts to reach out to entities which are representative of the parties that may be affected by the measures supported under the IRDPG.	The Task Team made particular efforts to reach out to entities representative of the parties that may be affected by the measures supported under the IRDPG, in order to discuss concerns they may have on these measures (including land titling and civil service reform components).
BANK PROGRAM IN YEMEN	
Continue to hold bi-monthly meetings between the Country Office and a cross-section of CSOs to discuss Bank activities in Yemen.	The Country Office continued to hold regular meetings with a cross-section of CSOs in Yemen, representative of the main viewpoints within civil society, to discuss Bank activities in the country. Topics included the new Social Welfare Fund, the Integrated Urban Development project and the Qat Demand Reduction Agenda, among others.
Emphasize with the Government the importance of adequate consultation processes. Offer support to the Government in that process, including training and institutional strengthening as may be requested.	Regional Management continued to emphasize with the Government (at both senior Management and working levels), the importance of ensuring adequate consultations with stakeholders in the formulation of the country's development program and in the design and implementation of critical reforms, during the 2009 Annual Meetings (Oct 2009) and throughout the year, as an essential part of the country dialogue. This emphasis was reiterated during the Regional Vice President's visits to Yemen (November 2009, April 2010). An assessment of the Government's use of consultation processes was also carried out in May in the context of the Anti-Corruption, Climate Change and Social Welfare Fund activities.
Prepare a white paper on the stakeholders landscape and consultations in Yemen	Management has prepared a paper on the stakeholders' landscape and consultations for the Bank in Yemen. This paper includes: (i) detailed information and contacts on CSOs; (ii) an analysis of the key segments of civil society, with a view to helping refine the Bank's understanding of relevant stakeholders and their constituencies; and (iii) options for mechanisms to further broaden and deepen interactions between the Bank and civil society and

PROPOSED ACTIONS	STATUS / TIMELINE
	for the Bank to further support and monitor Government-led consultations processes during the preparation and implementation of Bank-supported operations. The paper also includes options for establishing a feedback system for proactive and time-bound responses to inquiries and relevant complaints from communities, civil society, and the private sector.
<p>Develop a training program for CSOs in Yemen on economic reforms and Bank activities, in order to help strengthen the capacity of these entities to effectively participate in consultations.</p>	<p>Training programs aimed at strengthening the capacity of CSOs in Yemen to effectively participate in consultations on economic reforms and Bank activities are developed by Task Teams in the context of their respective project. In parallel to these efforts, other sessions introducing the Access to Information Policy have started to take place (Yemen, May 8, 2010, with representatives of 43 CSOs) and are planned for Morocco (June 24, 2010) and Egypt (August), in parallel with the Financial Management Capacity Building session offered to NGOs in both countries.</p>