

**REPUBLIC OF YEMEN**

**PUBLIC WORKS PROJECT**

**Operation Manual (OM)**

Yemen Emergency Crisis Response Project (YECRP)

**Jul. 2016**

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## I. Introduction

- a) PWP was established in 1996 in coordination between the Yemen government and the world Bank. The main objectives were to create jobs, provide infrastructure services, enhance the community participation in the development process and to improve the capacity of the contracting and consulting services in Yemen. It was evolved to be a major component of the social safety net in country. PWP has an excellent track record over its history lasting the past twenty years.
- b) The 24-month Emergency Crisis Response Project (ECRP) aims to mitigate the impact of the current crisis on local households and communities and assist their recovery from the bottom-up using local systems, capacities and institutions to progressively resume and scale-up service delivery. The project will achieve specific results in: 1) Increasing short-term employment and livelihoods opportunities; 2) Restoring key service delivery; and 3) Reviving the local private sector. As such, the project contributes to the livelihoods restoration and service delivery restoration components of the YRP, and towards Outcome 6 of the UNDP Strategic Plan: Early recovery and rapid return to sustainable development pathways are achieved in post-conflict situations
- c) The Project Theory of Change assumes that if income-generation and livelihoods opportunities are increased for vulnerable households (including IDPs), with essential service delivery restored and key local businesses revived, Yemeni households and communities will be able to effectively cope with the impact of the current crisis and be strong drivers of the resilience-building and recovery efforts.

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## II. Project Management

The project will be implemented by UNDP through the Direct Implementation Modality (DIM). Project Management Unit (PMU) of PWP will be responsible of implement the sub- component 1-2 of the project (Small Community Infrastructure for basic services). The objectives of this sub-component are (i) to restore small community infrastructure to improve access to basic services; and (ii) create short term employment opportunities for targeted communities. Labor-intensive, small-scale infrastructure will be provided through local private sector contractors. Therefore, the sub-component would also help restore the business of participating small private sector contractors.

Subprojects would include, but are not limited to, water harvesting, stone paving of village access roads and streets, water supply, sewage, and schools rehabilitation, among others based on the priority needs as identified by each targeted community.

In order to achieve successful implementation of the sub-component, a management committee a chafed by the project director has established within the PMU of the PWP. The main duties of this committee will be: (i) Review and approval of budget for investment programs and for PMU operational activities related to this project, (ii) Review of quarterly and annual audit reports, and (iii) Approval of lists of the selected subprojects under this project

### **The main working principles are:**

- This Operation Manual is mainly applicable for activities to be financed from UNDP under this project.
- The details of operations will be according to the PWP normal procedures and manuals.
- The PMU is responsible for all the daily activities related to this project management of the PWP. The Project Director is responsible of the activities management and he is directly in charge of the PMU staff.
- All the activities subjected to be performed through Management Information System (MIS) which allow a full automation for the works and give all the required statistics and reports for the different levels of managements

- All PMU staff shall adhere to the organizational structure of the PMU as established, while rights and obligations of staff shall be governed by the Staff Service Rules (SSR).
  - The PMU may not practice any form of discrimination or preferential treatment in its relation with third parties involved in any activity of the PWP. The PMU and their member /staff shall exclusively apply the decision making procedures and the working principles as described in this Operation Manual (OM).
  - Achieving most of what can be accomplished within the set forth procedures and the amounts paid, and which guarantee efficient achievement of the PWP's objectives. In relation to all its activities, this principle should always be applied in the decision making and at all levels of activities within the MU.
  - Subject to the above-mentioned principle of cost-effectiveness, cost minimization should be a constant concern of the PMU and all their staff
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### III. TARGETING& PLANNING

#### **Targeting**

##### **1. Overview**

The project will be implemented in all 22 governorates. The allocation of funds to each governorate will be based on a composite distress index that takes into account the number of displaced people, people in urgent need of assistance, and the level of food insecurity. Different sources of data are used in constructing the distress index, including UN agencies' (IOM/UNHCR, FAO, OCHA) data on the impact of the conflict on the population, food insecurity and population projections (see Table 1). The allocation process will favor the most affected governorates and the vulnerable individuals within them, while taking into consideration the importance of political neutrality and conflict sensitivity.

Table 1: Data Sources

<b>Indicator</b>	<b>Data Source</b>
Displacement	Population Movement Task Force, IOM/UNHCR, February 2016
People in urgent need of assistance	UNOCHA, November 2015
Food Insecurity	FAO, June 2015
Total Population	2004 census projections, CSO

A multi-layered approach of targeting of the project beneficiaries will be used: governorate level fund allocations, targeting of districts within the governorates on the basis of the level and intensity of displacement, community targeting, and the selection of the most needy families within the identified communities. If and when a targeted district proves to be inaccessible due to insecurity or conflict, the district will be replaced by the next priority districts to allow for full and timely implementation and disbursement of the funds allocated for the respective governorates.

## **2. Geographical Targeting**

### Governorate level Distress Index

As noted above, the project will be implemented in all governorates. Governorate level fund allocation will be determined based on a *distress index* constructed from four indicators: the level and intensity of people with emergency needs and food insecurity; and the level and intensity of displacement (i.e., the number of IDPs in the governorate and their share of the total host population).

**Emergency need and food insecurity:** the FAO classification of food insecurity includes five levels, phases 1 to 5: phase 1: food secured, phase 2: moderate food insecure, phase 3: acute food and livelihood crisis, phase 4: humanitarian emergency, and phase 5: famine. The *food insecurity* index is derived from Yemen’s Food Security Survey issued by FAO and the Technical Secretariat of Food Security in June 2015. The survey found 14.4 million people suffer from food insecurity, including 7.6 million who have reached emergency level 4. The report also indicated that ten governorates have reached emergency food insecurity level 4, and that 18 out of Yemen’s 22 governorates, plus the city of Sana’a, are in phases 3 and 4.

Table 2: Distribution of population by food insecurity levels by governorate, June 2015:

Governorate	Population in 2015	Number of people in Phase 1 & 2 (food secured & moderate food insecure)	Number of people in Phase 3 (Crisis)	Number of people in Phase 4 (Emergency)	Total population under phase (3 & 4)	Intensity of emergency needs and food insecurity (% of population in phase 3 & 4)	Proportional distribution of people with food insecurity
Ibb	2,719,000	1,363,983	716,897	638,120	1,355,017	50	10.5
Abyan	546,000	206,759	191,871	147,370	339,241	62	2.6
Sana'a city	2,956,000	2,168,726	413,122	374,153	787,274	27	6.1
Al Baidha	729,000	253,660	300,168	175,172	475,340	65	3.7
Taiz	3,051,000	1,363,512	871,056	816,432	1,687,488	55	13.1
Al Jawf	564,000	330,646	162,734	70,619	233,354	41	1.8
Hajja	2,016,000	762,500	491,425	762,074	1,253,500	62	9.7
Hodieda	3,006,000	1,724,683	931,052	350,266	1,281,317	43	9.9
Hadramout	1,408,000	1,216,000	122,526	69,475	192,000	14	1.5
Dhamar	1,811,000	803,629	592,248	415,123	1,007,371	56	7.8
Shabwa	605,000	197,226	176,779	230,994	407,774	67	3.2
Sa'ada	1,010,000	197,893	301,846	510,262	812,107	80	6.3
Sana'a	1,115,000	615,722	253,598	245,680	499,278	45	3.9
Aden	865,000	497,800	157,646	209,555	367,200	42	2.8
Lahej	939,000	264,468	267,461	407,071	674,532	72	5.2
Mareb	314,000	183,502	54,444	76,054	130,498	42	1.0
Al Mahweet	660,000	418,311	156,232	85,457	241,689	37	1.9
Al Mahra	139,000	127,473	10,090	1,437	11,527	8	0.1
Amran	1,026,000	615,560	242,840	167,600	410,440	40	3.2
Ad Daleh	676,000	190,455	296,267	189,279	485,545	72	3.8
Rayma	536,000	291,652	120,598	123,750	244,348	46	1.9
Soqatra	53,520	39,518	8,112	5,890	14,002	26	0.1
<b>Total</b>	<b>26,744,520</b>	<b>13,833,677</b>	<b>6,839,011</b>	<b>6,071,831</b>	<b>12,910,843</b>	<b>48</b>	<b>100</b>

**Displacement:** The *displacement* index is derived from the Task Force on Population Movement report issued by IOM and UNHCR in March 2016, using the number of IDPs in all governorates. The index takes into consideration the share of IDPs among the total population of the governorate.

Table 3: Numbers of IDPs and their share of the total population of the host governorate, March 2016:

Gov.	% of displacement	Population in 2015	Number of displaced individuals	Number of displaced households	Intensity of displacement (% share of displaced within governorate)	Relative distribution of displaced people (%)
Ibb	3.8	2,719,000	104,304	17,384	0.64	4
Abyan	4.3	546,000	23,454	3,909	0.72	1
Sana'a city	3.5	2,956,000	103,924	17,374	0.59	4
Al Baidha	6.0	729,000	43,476	7,246	0.99	2
Taiz	18.2	3,051,000	555,048	92,508	3.03	23
Al Jawf	7.5	564,000	42,516	7,083	1.26	2
Hajja	17.5	2,016,000	353,219	58,905	2.92	15
Hodieda	2.0	3,006,000	59,992	10,117	0.34	2
Hadramout	0.6	1,408,000	8,706	1,451	0.10	0
Dhamar	6.8	1,811,000	122,687	20,632	1.14	5
Shabwa	1.1	605,000	6,606	1,101	0.18	0
Sa'ada	23.6	1,010,000	237,978	39,728	3.93	10
Sana'a	22.8	1,115,000	253,962	42,398	3.80	10
Aden	3.0	865,000	25,836	4,306	0.50	1
Lahej	5.4	939,000	50,832	8,472	0.90	2
Mareb	19.3	314,000	60,650	10,213	3.25	3
Al Mahweet	9.1	660,000	59,932	10,028	1.52	2
Al Mahra	1.3	139,000	1,836	306	0.22	0
Amran	23.9	1,026,000	245,689	41,021	4.00	10

Ad Daleh	3.7	676,000	25,236	4,206	0.62	1
Rayma	8.3	536,000	44,295	7,626	1.42	2
Soqatra	0.0	53,520			0.00	
<b>Total</b>	<b>9.1</b>	<b>26,744,520</b>	<b>2,430,178</b>	<b>406,014</b>	<b>1.52</b>	<b>100</b>

### Governorate level Distress Index

Each of the four indicators presented above is given an equal weight of 25% in the overall distress index. The following table provides the details of how the overall distress index is constructed and the final index for each governorate. The allocation of project resources for each governorate is based on the respective distress indices in the table below. For example, Hajja Governorate has a distress index of 9.68 and therefore its share of the component resources will be  $9.68/100 * \text{the total allocation of the relevant component}$ .

Table 4: Governorates' Distress Index

Governorate	Population Estimate 2015	IDPs from/to governorate Feb 2016	Intensity of Displacement within governorate (1)	Relative distribution for displaced people (2)	Intensity of emergency need and food insecurity (3)	Relative distribution of food insecurity index (4)	Avg (1+2+3+4) / 4
Ibb	2,719,000	105,539	1.1	2.2	4.7	10.5	4.63
Abyan	546,000	27,438	1.4	0.6	5.9	2.6	2.62
Sana'a city	2,956,000	431,849	4.0	8.9	2.5	6.1	5.39
Al Baidha	729,000	85,049	3.2	1.8	6.2	3.7	3.73
Taiz	3,051,000	1,288,632	11.6	26.5	5.3	13.1	14.12
Al Jawf	564,000	91,453	4.5	1.9	3.9	1.8	3.02
Hajja	2,016,000	673,571	9.2	13.9	5.9	9.7	9.68
Hodieda	3,006,000	75,832	0.7	1.6	4.1	9.9	4.06



Hadramout	1,408,000	11,066	0.2	0.2	1.3	1.5	0.80
Dhamar	1,811,000	125,334	1.9	2.6	5.3	7.8	4.40
Shabwa	605,000	9,677	0.4	0.2	6.4	3.2	2.56
Sa'ada	1,010,000	799,957	21.8	16.5	7.6	6.3	13.06
Sana'a	1,115,000	446,475	11.0	9.2	4.3	3.9	7.09
Aden	865,000	73,064	2.3	1.5	4.0	2.8	2.67
Lahej	939,000	69,620	2.0	1.4	6.8	5.2	3.87
Mareb	314,000	117,517	10.3	2.4	4.0	1	4.41
Al Mahweet	660,000	61,450	2.6	1.3	3.5	1.9	2.31
Al Mahra	139,000	2,096	0.4	0	0.8	0.1	0.33
Amran	1,026,000	283,185	7.6	5.8	3.8	3.2	5.10
Ad Daleh	676,000	35,039	1.4	0.7	6.8	3.8	3.19
Rayma	536,000	45,409	2.3	0.9	4.3	1.9	2.37
Soqatra	53,520	0	0.0	0	2.5	0.1	0.65
Total	26,744,520	4,859,252	100	100	100	100	100

### District Level Targeting

Resources allocated to each governorate may not be sufficient to provide support to all districts within the respective governorate. Therefore, each district will be given an index that determines its distress level relative to the other districts in the country. A district distress index is determined by level IDPs (as a share of total IDPs in the governorate) and the intensity of displacement (defined as the share of IDPs in the district out of the total population of the district). Both indicators are given equal weight of 50%.

Table 5: Sample of Districts' Distress Index and Districts' Ranking (Taiz Governorate)

District	Number of IDPs	Population estimate	Intensity of Displacement	Relative distribution of	Average (1+2)/	National Rank
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		<b>in 2015</b>	<b>ent</b>	<b>IDPs</b>	<b>2</b>	<b>ng (1-</b>
			<b>(1)</b>	<b>(2)</b>		<b>333)</b>
Al Mudhaffar	373,507	283,094	1.73%	7.19%	4.46%	2
Al Qahirah	203,190	243,878	1.09%	3.91%	2.50%	8
Salh	175,131	250,389	0.92%	3.37%	2.14%	10
Ash Shamayatayn	159,854	198,277	1.06%	3.08%	2.07%	12
Dhubab	54,576	24,490	2.92%	1.05%	1.98%	13
Hayfan	72,725	96,587	0.99%	1.40%	1.19%	19
Al Misrakh	80,287	128,851	0.82%	1.55%	1.18%	20
Al Mukha	66,796	83,708	1.05%	1.29%	1.17%	22
DimnatKhadir	58,201	152,469	0.50%	1.12%	0.81%	33
At Ta'iziyah	55,929	251,917	0.29%	1.08%	0.68%	41
Al Wazi'iyah	18,821	34,009	0.72%	0.36%	0.54%	45
Shara'b As Salam	24,265	140,143	0.23%	0.47%	0.35%	65
Maqbanah	19,422	238,347	0.11%	0.37%	0.24%	84
JabalHabashy	16,352	153,484	0.14%	0.31%	0.23%	88
Shara'bArRawnah	15,270	188,044	0.11%	0.29%	0.20%	98
Mashra'aWaHaddan	5,401	31,277	0.23%	0.10%	0.17%	113
Mawza	4,458	46,738	0.12%	0.09%	0.11%	143
As Silw	5,068	63,464	0.10%	0.10%	0.10%	144
Al Ma'afer		141,666	0.05%	0.11%	0.08%	161

	5,657					
Sabir Al Mawadim	3,620	139,573	0.03%	0.07%	0.05%	185
Sama	2,228	52,839	0.06%	0.04%	0.05%	192
Al Mawasit	3,275	147,441	0.03%	0.06%	0.05%	197
Mawiyah	742	166,186	0.01%	0.01%	0.01%	281
Total	555,048	3,256,871	100%	100%	100%	

### 3. Community Targeting:

four indicators are used: (i) population density, (ii) (numbers of IDPs/returnees, (iii) conflict impact (data on damaged schools, roads, as proxy for community infrastructure destruction), as well as through consultations with local leaders, civil society organizations and INGOs. and (iv) the community is not a beneficiary of a subproject provided by SFD.

### 4. Beneficiary Targeting

Selection of workers under this sub-component is the responsibility of the contractor. However, because the sub-projects will be small in size, it is expected that mostly small contractors from the same area or from a nearby district will be attracted, recruiting workers from the same area or nearby communities. Contractors will be required to take at least 50 percent of the workers from the same community, which will be monitored. While interventions under this sub-component are not expected to be accessible to women, they are expected to be mostly attractive to poor unskilled laborers

## Planning

### 1. implementing the subprojects:

- a. a list of proposed sub-projects considered as high priority intervention, which have been originally selected through the community ,will be submitted to the internal steering committees which will review the list and endorse it through Minute meeting with justifications for any changes
- b. Prepare the annual and/or quarterly investment programs for sub-project compliance with sectorial distribution falls within specified sectors; water supply , swage , water harvesting , the rehabilitation of school, stone paving of local roads within the budget range averaging US\$ (80,000- 100,000 which the community will be providing a minimum cash or in-kind contribution (3% of the overall subproject costs) .
- c. Sub-projects will be grouped into annual and/or quarterly investment programs to be submitted to the Internal Management Committee for approval,

**2. Selection criteria:**

- a) Sub-project compliance with sectorial distribution i.e. falls within specified sectors; ; water supply , swage , water harvesting , the rehabilitation of school, stone paving of rural roads and streets .
- b) Falls within the budget range averaging \$(80,000-100,000) .
- c) Labor intensity estimated at 35 percent or more of the direct costs of subprojects.
- d) The community is not a beneficiary of a subproject provided by SFD.

**3. Quarterly Investment Plans (QIP):**

**Preparation of the QIP shall go through the following phases:**

- Social mobilization, site verification and data collection
- EIA (Environmental Impact Assessment )
- Submission of QIP to the Management Committee for review and approval
- Preparation of Tenders

**4. Reporting and Performance Reviews:**

The PMU will submit to UNDP progress reports respectively as stipulated in the Financing Agreements .

The reports will include financial status by categories on total commitments and amounts disbursed by the quarter and on a cumulative basis.

#### **5. Performance Indicators .**

Progress reports will include performance indicators (results framework) for both Output Indicators and Outcome Indicators as mentioned in the document of Yemen Emergency Crisis Response Project (YECRP) .

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### **IV. Social mobilization, site verification and data collection**

1. Once the investment program has been approved, the PWP shall appoint engineer/consultant to conduct detailed site verification.
2. Meetings will be held with representatives of all beneficiaries (if more than one village will benefit, all should be represented) including women with the objective of discussing how the sub-projects were requested, verifying that they represent high priority, selecting the most feasible site location so as a maximum number of villages / communities can benefit, taking into account safety and environmental aspects; awareness raising on technology alternatives, including low-cost technology, responsibilities of the community during implementation and O&M and aspects of their contributions.
3. During these visits, coordination with concerned government agencies is established to ensure operation and sustainability. This is achieved through involvement of local offices in selection of site, handing over of site to contractor and handing over of completed facility to the agency.
4. A Beneficiaries Community should be democratically elected who will be in charge of making available the agreed contributions and follow up of all issues in the future, such as any problems during implementation, their

responsibility towards O&M Issues of simple design (incl. low cost technology), community contributions and O&M should be the main points for discussion and consensus should be reached and a plan made available. The main responsibility of following up for O&M is the local community, elected representatives and the local council who should either take up responsibility of O&M directly for such projects as rural water & sanitation, or follow-up concerned ministry branch office. All these aspect should be clearly spelled out to the community who should be willing and prepared to undertake these responsibilities.

5. The site-reporting format will be filled out in the presence of the community who will assist in providing data. Data on social aspects will form baseline data for future Social Impact Assessments. The Environmental-screening checklist will also be filled out.
6. The report will be signed by representatives of the Local Community, and if necessary Local Councils and relevant line Ministry. Data collected will have clear plans for O&M.
7. Any issues that may lead to cancellation /re-allocation of sub-projects should be reported such as disputes between beneficiaries; if the project is being implemented or is in the program of other implementing agency such as SFD, Min. of Education, local council.etc; a similar facility is available within a reasonable distance; the number of beneficiaries is too small; not feasible technically/environmentally; or communities do not respond to contributing.
8. Sub-projects that are rejected are replaced in coordination with the community.

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## V. COMUNITY PARTICIPATION

### **Identification Phase:**

- The PWP through its PWP Sub-area Managers and/or consultants, will conduct site visits for each project area that has been approved for implementation, during which meetings and discussions will be held directly with members of communities .
- ensure that maximum number of people and a maximum number of consulted women (where it is possible) from the beneficiary community separately a represent. In most communities a certain kind of social structure/ hierarchy already exists especially in the rural areas and could be the starting point. If more than one village will benefit from a subproject, members of all communities should be represented. In urban areas NGO's support will be required to mobilize the communities and organize them into a functioning entity. Selection criteria and scoring system will be explained by PWP staff to the NGO's.
- in order to create sense of ownership and ensure sustainability it should be explained to the communities as to why it would be in their interest to participate in all the phases of the subprojects and to contribute financially but also through in-kind, their time and through general participation.
- Let all present participate in prioritizing their needs. Sample questions: Does the sub-project represent their most urgent need? Do not let a few dominate the meeting. It should be steered in a democratic way. A consensus should be reached on best location.'
- Inform all men and women beneficiaries of the contributions that are required (5% of sub-project costs, as well as in-kind and cash contributions) and all should be encouraged to contribute. Discuss availability and quality of local material and its suitability for use in sub-project construction. The link between simple design, low-cost technology, on the one hand and 3% contribution and O&M on the other hand should be made explicit to manage expectations and ensure project implementation and sustainability.

- Emphasis should be stressed that operation and maintenance is mainly responsibility of communities (including women where possible) especially the follow-up with concerned agencies. Agreement should be reached on their specific role and an O&M plan should be clear. (Plan for sustainability of sub-project is a condition for subproject identification).
- Availability of local contractors and consultants should be explored and should be prompted to participate in tendering and short-listing of consultants.
- Availability of local labor. Local labor should be encouraged to approach contractor for employment.
- During the community meeting Beneficiaries Committee should be elected by the community. The responsibility of this subproject committee ??? will be to collect or make available contributions, be present during subproject handing over, coordinate with concerned agencies if special designs are needed e.g. water, sanitation, etc., resolve any disputes and facilitate contractor's assignment .Their main responsibility will be the follow-up with concerned agencies for operation, and ensure operation and maintenance of completed facilities as user committee.

**Preparation Phase:**

- During site visits, agreement should be reached on the role of the community through their representative on their contribution to the designs of projects that are non-typical such as water, sanitation, irrigation etc.; in preparation of site (leveling), and in improving of road access to difficult sites, which result in significant reduction in cost of civil works.
- Coordination with concerned entities, such as the Social Fund for Development, Rural Water Authority, Local Councils,- concerned ministries, is required to avoid any duplication in the implementation process.- ensure the sustainability of the projects, the provision and availability of site, operational staff and equipment should be made sure of.



- For the simplification of sub-projects implementation, operation and maintenance, beneficiaries will be requested to make in kind as well as cash contributions.
- The cash contribution will be collected in the beginning of the project implementation. The consultant's ( male, female ) role is to assess the condition of site or feasibility and to conduct the environmental impact assessment.

### **Implementation Phase:**

- In the tendering process, competitive selection will be made between male and female engineers for provision of technical designs and supervision services; Competitive selection will also made between men and women contractors (if available); and in case points are equal, women contractors will be given the priority.
- Local eligible contractors(including women contractors if available) from beneficiary communities should be encouraged to participate and should be urged to use local labor(including women(whenever the local community traditions/norms allow)) to the extent possible Communities(men and women)should be encouraged to be involved in the supervision of sub-projects on site on an informal basis and report to the PMU through the supervising male or female consultant, or the sub-area managers on any shortfalls by the contractor.

### **Operation & Maintenance Phase**

- Communities' role is most critical during this phase to ensure Sustainability of especially such projects such as rural water and sanitation through their direct involvement in O&M.
- The PWP has consolidated its practice with local communities especially the case for water & sanitation projects that are not handed to local communities.
- A comprehensive procedure will be followed:
- A Beneficiaries committee will be elected for each sub-project. These committees play a key role in enhancing community engagement, and

- reporting the community's concerns or issues to the PWP through the Sub-area Managers.
- The Designs and technical issues are discussed with all members. A special agreement between the PWP and the beneficiary committee to be signed. The agreement will specify obligations of each party, and will spell out in detail the scope of the work to be undertaken, the community's contributions to the project, its role in facilitating implementation and obligations for operation & maintenance. Signing and endorsing the agreement is pre-conditional to commencing implementation;
  - A Operation and Maintenance Team comprising of 3 to 4 members will be formed by Beneficiary committee for water and water harvesting sub-projects. The O&M team will be trained on financial issues such as accounting, setting tariffs, maintaining bank account as well as simple technical aspects required for operation & maintenance;
  - Any sub-project will be handed over to the beneficiary community after the handover process to the concerned public entity (such as education, water) which will also be responsible for the provision of assistance in operation and maintenance works.
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## VI. Procurement

The PWP will be responsible for the procurement of any goods, works or services required for the implementation of subprojects and related activities under component 1.2. All procurement should be in conformity with this Operation Manual .

The Tender Committee chaired by the project director within the PMU will approve all the works, goods and services contracts.

### **1. Procurement of Works:**

- a. In consideration of the special nature of this project which will be mainly contracting small or even micro contract which average will be between US\$80,000 to US\$100,000. These small contractors may not have all the infrastructural capacity and bank relation as have institutional contractors. Exceptions from the main rules will be mentioned in the tender documents. These exceptions should nonetheless include the necessary guarantees for contract and financial responsibility compliance by contractors.
  
- b. Subproject tendering and contracting: for the civil works PWP will use the condensed procurement procedures under the emergency procedures, National Competitive Bidding tender documents available with PWP will be used, publicly announces the tender, giving interested contractor 10 - 15 days to respond. Subsequently PWP reviews the received tenders, evaluates them and awards the contract to the most qualified and competitive contractor, which takes 6 weeks under the condensed procedures
  
- c. In case a contractor fails to proceed satisfactorily with implementation of the sub-project, contract will be terminated. To implement the remaining works, 3-6 contractors are picked from the list of pre-qualified contractors taking into consideration the following:-
  - priority is given to the contractors participated in the original tender,
  - contractors from the same region ,
  - Contractors implementing sub –projects with PWP in the same area.Contract will be award to the lowest evaluated bid.

## **2. Procurement of Goods**

The contracts for the provision of office technology, furniture, equipments, vehicles, and other items will be awarded under National Shopping (NS) or National competitive Bidding (NCB) procedures.

**3. Employment of Consultants:**

- a. Consulting services will be required for: (a) survey and selection of sub-project; (b) preparing and design; (c) supervision of implementation; (d) monitoring and evaluation, (e) quality assurance and control; (f) staff consultant for technical assistance and (g) training.
- b. Using the database of the PWP, lists of consultants will be prepared according to their qualifications, experience and governorates.
- c. PWP will prepare and approve a standard cost table for all the consultancy services required for this project taking in consideration the nature of the consultancy, the level of experience required, the location and the remoteness of sub-project.
- d. For the selection of consultants PWP will use the Individual Consultants method or rolling roster from the consultants list to be prepared by PWP.

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## **VII. CONSTRUCTION IMPLEMENTATION SUPERVISION**

**Construction Implementation:**

1. Each sub-project from the simplest to the most complex one will be managed on the basis of a construction contract. Simple works will be reflected in simpler construction contracts. Site will be handed-over in accordance with Standard format for handing-over site.

2. The complexity of the PWP consists in the multitude of small contracts in wide and often remote areas. In order to ensure clear accountability and close relationship between quality and quantity physical progress and progress payment, a disciplined information flow has to be installed between the contractor on site, the nearest PMU regional office and head office.
3. Consultant supervisor will be responsible for tracking the physical progress of the work through producing bi-weekly report to the nearest PMU regional office based on the physical progress monitoring schedule of the schedule of works. In turn, the regional office will immediately updating the MIS. mobile-technology will be used to produce the progress data to allow for real-time data collection and monitoring.
4. This information flow is mainly the responsibility of the consultant supervisor. But it is the contractor in the first place who has to generate the progress payment requests, and the PMU regional office will have an overall supervision responsibility over and above the consultant supervisor's role.
5. The contractors will respect the required quality of the technical specification and will manage the contract so the work progress is delivered as closely as possible in accordance with the planned schedule of implementation.
6. The schedule of works and the attached physical progress monitoring progress are the main instrument for reflecting physical progress, both in qualitative terms and in quantitative terms.
7. Interim payments for all Contracts will be scheduled in accordance with the conditions of contract, but in general will be in the range of 20% of contract amount, if the progress is in accordance with the planning. It is the contractor who has to take the initiative to prepare a justified physical progress payment request. Payment schedules in contracts will however reflect progress thresholds and not time schedules.
8. PMU regional office will undertake random field supervision of each site during the construction life of the project.
9. supervision of the consultant supervisor's performance, which consists in ensuring that the consultant supervisor's keeps daily records, produces bi-weekly progress reports and performs the duties stated below, and that all these data and reports are in accordance with the situation as can be recorded on site on the day of the random field supervision, and that the technician is available at the project site.

10. supervision of the contractor's performance which consists in verifying whether the received report corresponds with the situation on site, interfering with the contractor on observations presented by the consultant supervisor and guaranteeing that the state of progress payments is issued on the basis of consultant supervisor's certification is justified versus the visible physical progress of the works. If discrepancies are observed take the necessary action which can include stopping the works and calling back the contractor and the supervisor to the PMU regional office for serious investigation and up to penalization.

11. The Handing Over procedures are described in Chapter 6.

### **Supervision:**

1. All procedures laid down for consultancy shall be applicable in the case of NGO's, Autonomous bodies of sector ministries and local authorities, as long as they prove to the PMU their capabilities in supervision of the said sub-project.
2. The Supervision Consultant shall follow the procedures laid down in the sub-project supervision ToR Annex(14). Operationally, the supervisor will be responsible for:
  - i carrying out the daily supervision of the construction works and maintaining a site book with daily reporting;
  - ii complying with the required supervision procedures and documents for reporting to PMU's regional office,
  - iii work with contractors to identify problems and bring them to the attention of the PMU's regional office;
  - iv collecting and verifying statements of accomplished works from the contractor.
3. The daily supervision of ongoing works, shall submit bi-weekly progress reports, showing the work carried out to date, cumulative percentages compared with budgets and time schedules, work plans, skilled and unskilled labor available at the project site, the construction materials available at the site, and specific recommendations for solving any implementation problems. The Governorates using the mobile-based system will input this data into the smartphones.

4. In the event of sub-projects being implemented in phases, the supervisors will submit detailed progress report at the end of each phase and will include recommendations for implementation for next phases.
5. The contract for supervision shall be for the complete sub-project implementation period, including the Handing Over procedures.

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### **VIII. Handing-Over at Completion:**

1. A Handing-Over Committee (HOC) will be formed for each sub-project by the PD consisting of:
  - Governorate Project Manager responsible for the sub-project,
  - the concerned consultant supervisor,
  - an authorized representative of the contractor,
  - the beneficiary ( Ministry, Governorate, Community).
  - a community representative
2. The members of Handing-Over Committee will gather at the sub-project site, examine the quantity and quality of the works done and render a decision regarding the satisfactory completion.
3. There are three possibilities for the Preliminary Handing -Over
  - if the Handing-Over Committee determines that the works are completed, and in accordance to the specifications and are satisfactory to all concerned parties, then the Preliminary Handing -Over Protocol Form will be filled out certifying satisfactory completion of the works;

- if the Handing-Over Committee determines that the works are incomplete or do not conform to the specifications, and minor modifications need to be made, and substantial completion is achieved, then all modification, alterations and any other comments will be specified in the relevant section of the Preliminary Handing-Over Protocol form and signed by all concerned parties verifying that all issues have been addressed;
  - if the works are basically incomplete then all necessary measures that need to be taken shall be filled out in the relevant section of the Preliminary Handing-Over Protocol format.
4. All Handing-Over Protocol forms should be signed by the committee approved by PD of the PMU.
  5. After signing the Preliminary Handing-Over Protocol form, (for possibility 1&2 above) the Contractor may submit to the Area Manager request for final payment approved by the consultant supervisor. For possibility 3, the contractor shall be notified officially of the proper actions to be taken by PMU.
  6. The Maintenance Period is between Preliminary Handing -Over and the issuance of the final Handing-Over Protocol form and Certificate of Completion.
  7. The length of the Maintenance Period depends upon the nature and magnitude of the sub-project, and its execution period, but will normally range between 6-12 months, or as clearly stated in the conditions of contract.
  8. After the Final handing-over protocol and certificate of completion will be issued by the Handing-Over Committee, the remaining portion of the retention money will be released.
  9. After the Certificate of Completion has been issued the sub-project implementation process will have been completed, and the works will from then on be the responsibility of the beneficiary, who will be in charge of the operations and maintenance of the works including all costs.



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## IX. Environmental and social safeguards

According to the EMP and ESMF, PWP is dealing with the environmental safeguards as follow:

- 1) PWP (**before the construction each sub-project**) must has the quality of the environmental and social impact assessments (EIAs) and environmental mitigation plans (EMPs) for this subset of sub-projects has been uniformly of high quality. It should be noted that these sub-project EIAs/EMPs are very simple, as the interventions are not complicated or large in size.

Also before the construction PWP is responsible to prepare the Basic Survey Form to show the entire social and all the basic information (Site, access, pop., Standard of living, economical activities, Services available in the project area, Civil society organizations, the existing situation, the users contributions, topography, Profile, approved form of users committee, the sub project approved agreement (showing the details and conditions of the land required for the project, the contributions with the conditions), and other aspects.

Notes:

- according to the World Bank Operational Policy (OP4.01)– Environmental Assessment, most of the sub projects are in need for the EIA – category B, and all the sub area managers had the ability to deal with EIA – category B form for construction projects, Rain water harvesting projects, Paving of rural roads..Etc.
- The first screening is undertaken during application of selection criteria. Those that do not meet criteria for Improvement in Environmental conditions will be rejected at the outset.
- Sub-projects will then be divided into two groups: those that do not have any significant negative impacts and those that may have some impacts.

- Typical examples that fall under one group are schools. For this category the PWP has included mitigation measures (general considerations for the design & implementation of schools) in its standard designs, as well as water harvesting schemes, water supply and the small sanitation projects which not contain treatment plants.
- 2) PWP (**during the construction**) contract clauses include the following aspects: installation of temporary latrines, safety fences (extension construction), worker health and safety. Upon completion of construction, one year of post-construction monitoring includes provisions for monitoring environmental and social aspects,

As part of the environmental issues Re-planting of trees that are removing during construction the PWP has included in the contract document for works an item for planting trees in the vicinity of the project. Accordingly an item in the BoQ has been added for planting up to 50 trees for smaller projects and up to 100 for larger projects.

- 3) PWP (**after the construction**) is handing the projects officially (schools for example) to MoE for O&M phase (Long term monitoring), as mention in the ESMf of which show clearly the Monitoring Responsibility.

PWP sub area managers and the supervisor consultants are responsible to conduct the monitoring field visits, using the Environmental Field Applications.

All the supervisors consultants with the sub-area managers are responsible to follow and apply this action, however the case mention above is an exceptional, and PWP is going to inform the sub-area managers to deal carefully with the consultants and contractors to apply all the contracting items with the same degree of attention for all the items, specially the environmental item, which is one of the most important items in the contract.

**Environment issues:**

- 1) The PWP complied with all requirements of the EMP starting from the design stage, asked the World Bank approval for EA consultant specialist for secondary education development projects and sent the request on September 7, 2010. PWP sent the TOR for EA consultant specialist to the World Bank that replied adding some comments. In the light of their reply, PWP sent them again making some amendments and awaiting their reply. EMPs was Prepared for each school for the different phases of design, construction and operation and PWP has developed a standard EMP for the Construction Phase that is normally attached with the contractors' contracts and the supervision consultants' contracts, who ensure its implementation and to report on its status on monthly basis. Also in the BOQ a work item has been added for mitigation measures so that the contractor quotes and is therefore included in their bids and form part of the contract.
- 2) Major negative environmental impacts are not anticipated; therefore, the program is under category "B".

## ESIA Screening Checklist for Schools

**Project Name**

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**Project ID**

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<b>Aspect of ESIA</b>	Checklist questions: Will the school building:	Y es	N O	<b>Addit ional data need ed</b>
<b>Source of Impact</b>	1- Be an extension of an existing one.			
	2- Raise land ownership problems.			
	3- Require the acquisition or conversion of significant areas of land.			
	4- Result insignificant quantities of eroded material ,effluent or solid wastes			
<b>Receptors of Impact</b>	5- Flood or affect otherwise areas which support conservation worthy Terrestrial or aquatic eco systems, flora or fauna.			
	6- Flood or affect otherwise areas which will affect the livelihoods of local people (e.g. affect local industry, agriculture, and livestock or fish stocks).			
	7- Involve sitting sanitation treatment facilities close to human settlements			
	8- Affect water sources (including trans boundary aquifers).			
	9- Affect sites of historical or cultural importance.			
	10- Cause the spread of diseases due to lack of sanitation services, the creation of stagnant water pools pollution caused by the delivery system.			
<b>Environmental</b>	11- Cause a noticeable permanent to seasonal reduction in the volume of ground or surface water supply.			
	12- Present a significant pollution risk through liquid, solid or gaseous wastes to humans, sources of water extraction, conservation worthy aquatic eco systems and species, or commercial fish stocks.			
	13- .Change the local hydrology of surface water-bodies, such that conversation-worthy or commercially significant fish stocks are affected			
<b>Mitigating</b>	14- Induce secondary development, e.g. along access roads, or in the form of entrepreneurial services for construction and operational activities			
	15- Be likely to require mitigating measures that resolution the project being financially or socially unacceptable			

<b>Comment</b>	<b>I recommend that the sub project will have no significant adverse environmental impacts.</b>			
	<b>I recommend that the sub project may have no significant adverse environmental impacts and requires further analysis.</b>			
	<b>All the required mitigating measures have been included within the design and the contract conditions for the construction and operation phase.</b>			
<b>Name and signature of PWP engineer</b>				
<b>Name and signature of environmental specialist</b>				

**ESIA Screening Checklist for Health Units/Centers**

**Project Name**

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**Project ID**.....

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<b>Aspect of ESIA</b>	Checklist questions: Will the Health Units/Centers:	<b>Y es</b>	<b>N O</b>	<b>Addit ional data need ed</b>
<b>Source of Impact</b>	1- Be an extension of an existing one.			
	2- Raise land ownership problems.			
	3- Be close to a market place or a heavily crowded area (attach copy of sketch of proposed location)			
<b>Receptors of Impact</b>	4- Be run by sufficiently qualified personnel			
	5- Affect water sources			
	6- Affect sites of historical or cultural importance			
	7- Affect agricultural land			
<b>Environmental Impact</b>	8- affect the life of surrounding human settlements			
	9- affect the life of plants or animals of special importance			
	10- Be a source of hazardous solid, liquid or gaseous waste (e.g. infected syringes and ampoules, expired medicines, chemicals, gases, etc.)			
	11- .during construction, present a significant pollution hazard to workers and local communities			

	12- Once operational, present a significant pollution risk to potable water supplies			
	13- Not disturb the social structure of the surroundings			
	14- Be likely to require mitigating measures that result in the project being financially or socially unacceptable			
<b>Mitigating measures</b>	15- Require safety instructions with regards to the disposal of hazardous waste			
<b>Comment</b>	<b>I recommend that the sub project will have no significant adverse environmental impacts.</b>			
	<b>I recommend that the sub project may have no significant adverse environmental impacts and requires further analysis.</b>			
	<b>All the required mitigating measures have been included within the design and the contract conditions for the construction and operation phase.</b>			
	<b>Name and signature of PWP engineer</b>			
	<b>Name and signature of environmental specialist</b>			

**ESIA Screening Checklist for Rain Water Harvesting Reservoirs Projects**

**Project Name**  
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.....  
**Project ID**.....  
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<b>Aspect of ESIA</b>	Checklist questions:	Y es	N O	<b>Addit ional data neede d</b>
<b>Source of Impact</b>	Will the Health Units/Centers:			
	1- Be an extension of an existing one.			
	2- Raise land ownership problems.			
	3- Require the acquisition or conversion of significant areas of land			
	4- Result in significant quantities of eroded material			
<b>Receptors of Impact</b>	5- Flood or affect otherwise areas which support conservation worthy			

	Terrestrial or aquatic ecosystems, flora or fauna			
	6- Flood or affect otherwise areas which will affect the livelihoods of local people(e.g. affect local industry, agriculture, livestock or fish stocks)			
	7- Involve the passage of feeder canals close to human settlements			
	8- Affect water sources (including trans boundary aquifers)			
	9- Affect sites of historical or cultural importance			
	10- Cause the spread of diseases due to pollution of the catchment area			
<b>Environmental Impact</b>	11- Cause a noticeable permanent or seasonal reduction in the volume of ground or surface water supply			
	12- Present a significant health risk through the use of water for drinking			
	13- Present a significant health risk due to vector breeding			
	14- Induce secondary development, e.g. in the form of entrepreneurial services			
<b>Mitigating measures</b>	15- Be likely to require mitigating measures that result in the project being			
<b>Comment</b>	<b>I recommend that the sub project will have no significant adverse environmental impacts.</b>			
	<b>I recommend that the sub project may have no significant adverse environmental impacts and requires further analysis.</b>			
	<b>All the required mitigating measures have been included within the design and the contract conditions for the construction and operation phase.</b>			
	<b>Name and signature of PWP engineer</b>			
	<b>Name and signature of environmental specialist</b>			

**ESIA Screening Checklist for Rural Water Projects**

**Project Name**

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**Project ID**

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Aspect of ESIA	Checklist questions: Will the Health Units/Centers:	Yes	No	Additional data needed
<b>Source of Impact</b>	1- Be an extension of an existing one.			
	2- Raise land ownership problems.			
	3- Require the acquisition or conversion of significant areas of land			
	4- Result in significant quantities of eroded material			
<b>Receptors of Impact</b>	5- Flood or affect otherwise areas which support conservation worthy Terrestrial or aquatic co systems, flora or fauna			
	6- Flood or affect otherwise areas which will affect the livelihoods of local people(e.g. affect local industry, agriculture, livestock or fish stocks)			
	7- Involve the passage of feeder canals close to human settlements			
	8- Affect water sources (including trans boundary aquifers)			
	9- Affect sites of historical or cultural importance			
	10- Cause the spread of diseases due to pollution of the catchment area			
<b>Environmental Impact</b>	11- Cause a noticeable permanent or seasonal reduction in the volume of ground or surface water supply			
	12- Present a significant health risk through the use of water for drinking			
	13- Present a significant health risk due to vector breeding			
	14- Induce secondary development, e.g. in the form of entrepreneurial services			
<b>Mitigating measures</b>	15- Be likely to require mitigating measures that result in the project being			
<b>Comment</b>	<b>I recommend that the sub project will have no significant adverse environmental impacts.</b>			
	<b>I recommend that the sub project may have no significant adverse environmental impacts and requires further analysis.</b>			
	<b>All the required mitigating measures have been included within the design and the contract conditions for the construction and operation phase.</b>			
	<b>Name and signature of PWP engineer</b>			
	<b>Name and signature of environmental specialist</b>			



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## **X. FINANCIAL MANAGEMENT**

### **ACCOUNTING SYSTEM:**

- An independent Accounting Computerized System (Oracle based) implemented by the Financial Department. It has a good monitoring and internal control system including Chart of Accounts – Cost Centers – Currency list- list of types of transactions- (vouchers- receipts- checks)- user protection & security –posting – recording- internal control- trial balance, balance sheets. - It will be adapted to produce all financial data to comply with Financial Monitoring Reports as required by the UNDP

#### **1. Objectives of Accounting System:**

This system is the essential Accounting Information basis for providing the PMU, Management Comity(MC)&UNDP with the necessary financial information as and when needed, so as to assist in the efficient functioning of the PMU and evaluate its performance versus its objectives.

The Accounting system will achieve the following objectives:

- ensure proper disbursements from the UNDP Funds
- analysis and presentation of financial information related to sub-project
- activities so as to enable the performance evaluation of the sub-projects actual implemented budgets versus estimated, and reasons for the discrepancies,
- Conduct an internal control for ensuring a certain level of protection of PMU's assets, and the efficient use of its resources.
- The output of the Accounting System are the reports submitted to the Management Comity (MC), UNDP and Auditors

#### **2. Principles of Accounting System:**

The accounting system will ensure the following :

- reliability in information storage and fast processing of information;

- simple and clear methods of information input and output;
- the necessary level of protection from unauthorized access;
- certain level of protection against input of false data;
- Sufficient flexibility in processing complex queries.

### **3. Accounting Obligations:**

The accounting obligations of Financial and Administrative Department,(FAD), shall be as follows:

- implementing the installed accounting system;
- keeping separate accounts for the operation of the PMU, use of Consultants, services, civil works and other contract accounts in cooperation with the Investment Planner, prepare budgets for operational costs and investment programs approved by Management Comity(MC);
- maintain adequate control of the accounting information system, conducting during the first two weeks of each month financial reconciliation of the previous month to ensure reliability of the financial data that will be used by PMU in decision;
- Keeping all supporting documentation for commitments and payments made to finance sub-projects and administrative expenses;
- preparing budgets of the operational cost of PMU and estimated financial funds required to implement annual investment programs

### **4. Significant Accounting Policies :**

The balance sheet is prepared according to Accrual basis while Statement of Expenditures are prepared according to cash basis;

- a. Basic Accounting unit in the US Dollars
- b. Yemeni Rials transactions are converted to US Dollars at the prevailing rates (officially published by the Central Bank of Yemen) on the day of transaction.

### **5. Financial Statements:**

The FAD will prepare financial statements as required by the Project Director, who will present them to the Management Comity (MC) regular meetings. They will include information on the amount of resources disbursed on sub-projects and operating costs. FAD will provide information on the status of the special accounts and amounts left for future sub-projects and administrative expenses.

The Financial Reports are:

- Balance Sheet
- Cash Flow
- Statement of Expenditures
- Replenishment Statement
- Special Account State
- Replenish Application Statement

## **MANAGEMENT OF FUND**

### **1- Special Account**

- a. One of the reasons for the creation of the PMU is to ensure prompt payment to contractors, consultants, supplier and other services provides. To permit the PMU to settle all payments in a timely manner, it shall have a separate special account in US Dollars.
- b. Special Accounts would be opened in a Commercial Bank in Yemen upon request from the director of PWP.
- c. transfer of funds to this account from the UNDP will be according to the following methods:
  - Advance payment
  - Reimbursement
  - Direct payments
- d. The withdrawal from the S.A will be as per the disbursement categories according to the PWP normal procedures under the signatures of (project director or his assistant) and finance manager

## **2- IFR procedures:**

- a. A disbursement plan is developed in harmony with the procurement plan for the coming six months.
- b. Issuing a disbursement request for the required amounts taking into consideration the remaining amounts that have not been deposited in to the special account.
- c. Deposit of the amounts into the account in a duration not more than 45 days.

## **3- Community Contributions Fund**

Community contributions if in cash are deposited in a community contribution account which will be opened in a commercial bank upon request from the director of PWP. This account will be maintained by the Financial Department and will be governed by procedures of internal controlling System.

The value of the community contributions in-kind is estimated by the consultants so as to be recorded in the MIS.

## **PROCEDURES FOR DISBURSEMENT REQUESTS AND WITHDRAWAL APPLICATION.**

### **1- Disbursement Procedures**

- a. All disbursement requests and withdrawal applications should be jointly signed by the PD and FAD of the PMU. Other staff members of the PMU may be officially designated by the PD as signatories to the accounts when necessary.
- b. The disbursement procedures is done according to the manual of the PWP Financial Administration department.
- c. In cases where individual sub-projects will be co-financed either by other agencies, communities, charitable organizations.etc, in agreement, appropriate arrangements will be made to make payments.
- d. A special framework agreement and subsequent contract conditions will specify the terms, conditions and methods for payment of sub-project

related funds, including any advance payments. Wherever possible, the PMU shall make payments directly to the contractors, suppliers and consultants after verification by the Area Manager, Project Manager Governorate and concerned Supervision consultant if applicable.

- e. Before disbursements are made, the following should be scrutinized: (i) The request for payment is completed in all respect. (ii) payments are requested according to the budget line indicated in the framework of agreement and that proper justification have been provided for any cost or physical variations; (iii) Conditions agreed upon regarding procurement procedures are properly applied.
  
- f. in case of payments directly to the contractors, the statement of accomplished works, interim certificates and / or final certificates duly signed and verified by the authorized persons. Payments shall also be in accordance with the Conditions of Contract for the specific sub-projects. Each payment to be made shall go through a procedure evaluating the adequacy of the supporting documentation, which should normally include one or more of the following;
  - procurement documents ( tender documents)
  - purchase contract
  - purchase order
  - letter of credit
  - suppliers invoices and certificate of origin ( if applicable )
  - shipping or import documents and inspection certificate ( if applicable)
  - contractors invoices or certificates
  - force account records
  - recurrent cost records
  - authorizations for payment
  - evidence of payment / bank statements ( if applicable )
  - accounting records of approvals, disbursements and balances available
  - Evidence that refunds have been made by suppliers and corresponding adjustments made in subsequent applications in instance where goods have been returned
  - Verify the mathematical accuracy of SOE

- g. In case there are errors in the request form, or if the documentation is found to be unsatisfactory the request shall be returned to the concerned parties for amendment or corrections.
- h. A contract for procurement of services or works shall be the basic document for accounting of commitments and disbursements
- i. When a contract is signed, the Financial Department shall establish a contract payment record/project form/with an initial commitment equal to the contract price As each payment is made, its date and amount shall be noted on the payment record At any given moment the undisbursed portion of the amount committed shall be the difference between the initial commitment and the sum of the payments already made
- j. Unless otherwise provided in the contract, invoices shall be submitted at regular intervals (depending upon the length of contract) by the contractor. Each invoice shall be supported by a Bill of Quantities certified by the consultant supervisor and Governorate Project Manager.
- k. Invoice shall be dated and signed by the contractors' authorized representative.
- l. The PMU designated staff shall verify the invoice and attached certificates and transmit the file to the FAD for payment. The FAD shall check the breakdown of the invoice against undisbursed portion of the commitment shown on contract payment record, and shall authorize the payment. Except in the event of duly proven force majeure, the total time elapsed between receipt of invoice by the PMU and payment to the contractor shall not exceed 10 working days.
- m. Compliance with this rule shall be a factor in evaluation of the performance of PMU staff concerned and the PMU itself.

2- **Authorization of Payments:**

- a. Authorization of payments shall involve the following operations; (i) preparation of checks for the net amount; (ii) Recording of the payment in the contract payment record.

- b. Checks shall be signed by the Financial Manager and countersigned by the Project Director of the PMU. Each one may delegate in writing the authority to sign on his /her behalf. A photocopy of the signed check and if, signature authority has been delegated, of the instrument incorporating such delegation, shall be attached to the invoice before it is placed in file for use by Auditors .

### **3- Closure of Contract:**

Upon final acceptance of the works, and the issuance of final certificate of completion final handing / taking and completion of maintenance period, all retention monies or the balance thereof shall be released.

### **4- Cashier and Petty Cash:**

The FAD shall allocate in the operational budget , amounts, which shall be handed over to the cashier as Petty Cash . Payments from the Petty Cash , monitoring and clearance procedures shall be in accordance with manual of the PWP Financial Administration department.

### **5- Levels of Authority for Signing:**

- a. All disbursement requests and withdrawal applications shall be revised, verified and signed by the FAM of the PMU, before submitting them to the PD of the PMU for approval for payment.
- b. In some special cases other staff members of the PMU, may officially be designated by the PD to sign the accounts.
- c. To facilitate payments to contractors, suppliers, etc. The PMU may transfer their dues to their accounts in commercial banks branch offices as per their request.

### **6- Withdrawal from the grant**

- a. Withdrawal from the grant follow the methodologies and forms approved by UNDP. The type of withdrawals are:

- Advance payment
  - Reimbursement
  - Direct payments
- b. a disbursement plan for 9 months will be submitted along with the first withdrawal application
- c. a disbursement plan for 6 months will be submitted with the withdrawal applications 45 days after each quarter taking in to account a discrepancy rate of 15% between the plan and actual disbursement will be acceptable.
- d. To withdraw from the grant using direct payment orders, expenditures should be legal, available under the grant and supported with a required documents.

#### **7- Preparation of IFR reports**

IFR reports audited by the external auditor shall be submitted to UNDP 45 days after the end of the quarter end. The report shall be enclosed with the bank statements and necessary reconciliations as per prescribed forms.

#### **8- Balance sheet**

The balance sheet of the grant is prepared and audited by the external auditor and is presented to the UNDP before June 30, of the financial year following the subject year.

#### **9- Date of disbursement expiration:**

A period of 4 months is given as a grace period following the closure of the project to finalize disbursement procedures and close the grant.



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## **XI. AUDITING**

1. A Financial and Procedures audit will be performed by independent auditors as per the Individual Financing Agreement. Their TOR's and selection shall be carried out by UNDP
2. The procedures for auditing will verify, in accordance with appropriate auditing principles whether the procedures used by the PMU are in accordance with OM and the SSR.
3. The auditors duly accredited by the Project Director of the PMU, shall have access to all the documents, records and accounts, reflecting operation, resources and expenditure in respect of the PMU and sub-project implementation, without exception, and including those for the special account for each fiscal year.
4. PMU shall have all the aforesaid documents, records and accounts in accordance with appropriate auditing principles consistently applied by the appointed auditors.
5. The quarterly audit will be an interim audit which will be conducted on samples. Samples will be minimum 1 process / 1 financial transaction out of 20. Samples will be selected randomly by the auditors.
6. The fiscal year of the PMU is from January 1 to December 31 . The accounts are to be closed on the last day of the fiscal year and the annual audit is to be conducted within 2 months of the closing of the accounts. The Financial Accounts and Audits Reports will be presented to Management Comity(MC)and UNDP within 6 months of the end of the preceding financial year unless otherwise specified in the Financing Agreements.
7. PMU shall enable UNDP representatives to examine records and accounts reflecting all expenditures and procedures with respect to which withdrawals from the credit account were made on the basis of expenditures, or will report to which decisions were made, and shall ensure that such records and accounts are included in the annual audit.
8. The auditor shall visit a number of implemented projects entailing the visit results in the annual report submitted to PMU.

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## XII. MONITORING and EVALUATION

### **1. Functions and Responsibilities**

Due to the increase in, and diversity of funds that have been allocated to the PWP during Phase 3, the PMU faced an increase in volume of work that led to establishing a M&E department. During April 2008, the SC approved restructuring the PMU to include M&E.

The main objectives are to put in place systematic monitoring of the Project Cycle, planned activities against actual, in particular implementation and disbursement targets in addition to tracking of data input for monitoring indicators especially outcome indicators and their use for socio-economic impact assessments.

### **2. Objectives of M&E**

The objective is to generate data and lessons learned on a continuous basis in order to facilitate Management in taking appropriate decisions promptly that will allow for immediate actions and or remedies for improvements. They would also be useful basis in the design of future phases.

- To formalize functions of monitoring & evaluation
- To continue on improving the monitoring & evaluation systems already existing.

### **3. Specific Objectives:-**

- To provide data that will facilitate management to make appropriate decisions on (a) overall planning of available funds, (b) status of activities and outputs in terms of implementation capacity; (c) and status of disbursement actual against planned

### **4. Overall Functions**

The Monitoring process through the MIS Data-base by the PMU will entail the regular tracking of:-

- implementation activities against planned / targets during the various project cycle such as tendering, project implementation for each governorate;
- Outputs in terms of number of projects, monthly disbursement, quality control;
- Outcomes through monitoring the systematic collection of data on the various performance indicators and entry into data-base.

Such monitoring will generate information that should provide management with indications of the extent to which objectives are achieved and progress in the use of allocated funds.

The Evaluation will entail analysis of data in order to assess the extent to which objectives are achieved, the efficiency and the sustainability of results and impacts of PWP activities. Systematic / periodic evaluations will generate useful lessons learned that will enable management to take appropriate decisions on such issues as human resources needed and the organizational arrangements.

#### **5. Specific functions:-**

- To assist in the overall planning of funds from;
- To set disbursement plans for the fund;
- To set & monitor various implementation targets to achieve planned disbursement and implementation milestones
- Monitor data inputs in the Data Base for key performance indicators;
- Quarterly review of planning process for Financial Reports based on reviews of actual expenditures against planned;
- Assist in preparation of Progress Reports for the various donors as a monitoring tool;
- Supervise Evaluations / Impact assessments
- All other responsibilities pertaining to monitoring & evaluation

#### **6. Monitoring of subprojects implementation**

PWP apply two types of monitoring for the subprojects implementation:

- Systematic monitoring through selection randomly about 15% of the subprojects under implementation and implement the quality control by hiring qualified consultants.
- Monitoring according to the beneficiaries complaints to verify the problems raised and assure the satisfaction of the communities.

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### **XIII. Grievance**

PWP implements labor-intensive projects in all governorates. These projects are mostly located in poor areas which are hard to reach and lack the appropriate infrastructure. PWP is interested in creating opportunities for the public and beneficiaries, especially women, the marginalized and the poor, to quickly channel their grievance and their opinions in a transparent manner. For this purpose, a Grievance Redress System is developed to be implemented as a part of MIS. It can operate in all PWP offices all over the country. This system will improve accountability to PWP partners and beneficiaries, increase the level of beneficiaries satisfaction with the delivery of services and enhance the relationship with beneficiaries, provide an efficient, fair and accessible mechanism for resolving beneficiaries/partners complaints, guide PWP staff in handling complaints and allow to rectify mistakes, alert to problems, and help to continuously learn and improve providing the services. This system allows the beneficiaries and the public to channel their grievances and opinions to officials of PWP quickly and transparently through SMS, WhatsApp or delivery documents. The system allows for full process for the grievances, Registration, Analysis & Classification, Investigation and follow the response and verifications from the different levels of personnel of PWP then submit a confirmed response and closing complaint.

Implementation of the GRS will Protect beneficiaries /partners rights to comment and complain and deal with the complaints in a short cycle, quick response to the critical complaints. Partners will be aware of the complaint procedures and the environment in which people are more likely to raise concerns, complain or stand in witness. Confidentiality assures that any information given is restricted to a limited number of people and that it is not disseminated wider, therefore offering an element of protection and security to the complainant. GRS will be a very good tool to provide statistics and report for the performance of PWP staff and give an opportunity to the management to have the volume of complaints and the efficiency of dealing with it.

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#### XIV. General guidelines of PWP/SFD's conflict-sensitive approach

The PWP/SFD's goal of applying the conflict-sensitive approach is to prevent and detect any sort of conflict and respond quickly to the potential conflicts to ensure that the implementation process will do no harm and leads to effective development interventions.

The following steps will be taking to ensure achieving such goal:

- Through transparent allocation of funds that is based on national statistics indicators in the governorate and district levels, followed by coordination with local actors and inclusive participatory process, PWP/SFD will be reducing conflict over resources.
- Selection of the community beneficiaries is based on a transparent eligibility criteria and consultations with communities and local leaders.
- Before implementation and during the participatory consultations with local communities to define the interventions, PWP/SFD's teams analyzes the context in which the project will be implemented to make

- sure that PWP/SFD's intervention will not cause a conflict or escalate an existing conflict in that particular area. This analysis enables PWP/SFD to understand the interaction between the intervention and the context in a particular area. The steps will be as follows:
- Understanding the context in which the project will be implemented
  - Carrying out a conflict analysis
  - Understanding the interaction between the intervention and the Context
  - Linking the conflict analysis with the programming cycle of the Intervention
  - Using this understanding to avoid negative impacts and maximize positive impacts
  - Implement, monitor and evaluate the intervention under a conflict-sensitive approach (including redesign when necessary)
- Ensuring transparency of the procurement process including those of community contracting.
  - Expected environmental and social impacts are identified during the project's preparation and mitigation measures are included in the design and implementation plan.
  - During the implementation process, PWP/ SFD's staff keeps;
    - Monitoring the situation to predict and recognize possible conflicts around the project and try to keep risks at a minimal level.
    - Following-up in order to strengthen the partnership with local authorities and community committees as important players in conflicts resolution.
  - PWP/SFD does not interfere to resolve existing conflict or be part of any conflict. However, PWP/SFD's intervention might help in reducing existing conflict.
  - PWP/SFD might work in an environment where a conflict is prevailing such as the conflicts resulting from the war in some areas in Yemen, or are due to tribal conflicts. The staff in such case are fully aware of the

conflicts that surround their work and activities, but their project does not deal directly with the conflict.

- The evaluation of LIWP and other community based interventions found that PWP/SFD's intervention increases community solidarity and cooperation.
- PWP/SFD's complaint mechanism will be a complementing tool to catch shortcomings that may arise, through of the above precaution measures, and deal with them transparently and learn lessons from them to improve performance in future programs.