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PROJECT APPRAISAL DOCUMENT
ON A
PROPOSED GRANT FROM THE MENA TRANSITION FUND
IN THE AMOUNT OF US\$6 MILLION EQUIVALENT
TO THE
REPUBLIC OF YEMEN
FOR AN
ACCOUNTABILITY ENHANCEMENT PROJECT

May 27, 2014

Poverty Reduction and Economic Management Department
Middle East and North Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective February 19, 2014)

Currency Unit = Yemeni Rial (YR)
214.87 Yemeni Rial = 1 United States Dollar

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

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ACC	Anti-Corruption Court
AGO	Attorney General Office
COCA	Central Organization for Control and Audit
CoM	Council of Ministers
CPI	Corruption Perceptions Index
CPIA	Country Policy and Institutional Assessment
CSOs	Civil Society Organizations
DfID	UK Department for International Development
DP	Development Partners
FM	Financial Management
GCC	Gulf Cooperation Council
GGWG	Good Governance Working Group
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GPC	General People's Congress
HATC	High Authority for Tender Control
HTB	High Tender Board
ICNA	Institutional and Capacity Needs Assessment
ICO	Information Commissioner's Office
IFR	Interim Financial Report
ISN	Interim Strategy Note
KPIs	Key Performance Indicators
LC	Legal Cell
MAF	Mutual Accountability Framework
MoCSI	Ministry of Civil Services and Insurance
MoF	Ministry of Finance
MoJ	Ministry of Justice
MoLA	Ministry of Legal Affairs
MoPIC	Ministry of Planning and International Cooperation
NDC	National Dialogue Conference
OBI	Open Budget Index
ORAF	Operational Risk Assessment Framework

PCAC	Parliamentary Committee Against Corruption
PCN	Project Concept Note
PFC	Public Funds Courts
PFMP	Public Finance Modernization Project
PM	Prime Minister
PMO	Prime Minister Office
PMU	Project Management Unit
RAI	Right to Access to Information
RP	Re-engineering Plan
SC	Steering Committee
SNACC	Supreme National Authority for Combating Corruption
TA	Technical Assistance
TACAP	Transparency and Anticorruption Action Plan
UNDP	United Nations Development Program
USAID	United States Agency for International Development
YACC	Yemen Anti-Corruption Coalition

Regional Vice President:	Inger Andersen
Country Director:	Hartwig Schafer
Acting Sector Director:	Bernard Funck
Sector Manager:	Guenter Heidenhof
Task Team Leader:	Arun Arya

REPUBLIC OF YEMEN
Accountability Enhancement Project

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PAD DATA SHEET
Republic of Yemen
Accountability Enhancement Project
PROJECT APPRAISAL DOCUMENT

Middle East and North Africa Region
MNSPS

Basic Information

Date:	May 27, 2014	Sectors:	General Public Administration
Country Director:	Hartwig Schaefer	Themes:	Other Accountability/ Anti-Corruption
Sector Manager/Director:	Guenter Heidenhof / Bernard Funck	EA	C
Project ID:	P148288	Category:	
Lending Instrument:	Investment Project Financing		
Team Leader(s):	Arun Arya		

Joint IFC: No

Recipient: Republic of Yemen

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Project Implementation Period: Start Date: May 30, 2014 End Date: September 30, 2016

Expected Effectiveness Date: June 15, 2014

Expected Closing Date: December 31, 2016

Project Financing Data(US\$M)

<input type="checkbox"/>	Loan	<input checked="" type="checkbox"/>	Grant	<input type="checkbox"/>	Other
<input type="checkbox"/>	Credit	<input type="checkbox"/>	Guarantee		

For Loans/Credits/Others

Total Project Cost :	US\$6 million	Total Bank Financing :	MNA Transitional Fund	US\$6 million
Total Co financing :	n/a	Financing Gap :	n/a	

Financing Source	Amount
BORROWER/RECIPIENT :	
IBRD	
World Bank: New	
World Bank: Recommitted	
Others: MNA Transition Fund	US\$6 million
Financing Gap	
Total	US\$6 million

Expected Disbursements (in USD Million)

Fiscal Year		2015	2016	2017					
Annual		1.0	2.5	2.5					
Cumulative		1.0	3.5	6.0					

Project Development Objective(s)

The Project Development Objective is to enhance the capacity of targeted accountability institutions to provide access to information and to improve enforcement of the anti-corruption law.

Components

Component Name	Cost (USD Millions)
<u>Component One:</u> Supporting implementation of the National Anticorruption Strategy and Action Plan	2.550
<u>Component Two:</u> Supporting the implementation of the Right to Access to Information (RAI) Law	1.275
<u>Component Three:</u> Supporting the Yemen Anti-Corruption Coalition (YACC) in raising demand for good governance in 7 pilot sectors	1.250
<u>Component 4:</u> Project Management	0.925
Total Cost	6.0

Compliance

Policy

Does the project depart from the CAS in content or in other significant respects?	Yes [] No [X]
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Does the project require any waivers of Bank policies?	Yes []	No [X]
Have these been approved by Bank management?	Yes []	No [X]
Is approval for any policy waiver sought from the Board?	Yes []	No [X]
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No []

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01		X
Natural Habitats OP/BP 4.04		X
Forests OP/BP 4.36		X
Pest Management OP 4.09		X
Physical Cultural Resources OP/BP 4.11		X
Indigenous Peoples OP/BP 4.10		X
Involuntary Resettlement OP/BP 4.12		X
Safety of Dams OP/BP 4.37		X
Projects on International Waterways OP/BP 7.50		X
Projects in Disputed Areas OP/BP 7.60		X

Legal Covenants

Name	Recurrent	Due Date	Frequency
(1) Recipient shall, not later than June 30, 2014, also recruit to the PMU a legal officer, communications officer, monitoring and evaluation specialist, and CSO coordinator, all with qualifications and experience satisfactory to the World Bank.		June 30, 2014	
(2) No withdrawal shall be made for payments made prior to the date of the Grant Agreement, except that withdrawals up to an aggregate amount not to exceed US\$75,000 may be made for payments of Eligible Expenditures made on or after November 1, 2013.		Date of Grant Agreement	

Description of Covenant

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Team Composition

Bank Staff

Name	Title	Specialization	Unit	UPI
Arun Arya (TTL)	Senior Public Sector Specialist	Task Team Leader	MNSPS	312339
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Non-Bank Staff

Name	Title	Office Phone	City

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Republic of Yemen	Ministry of Planning and International Cooperation				

I. STRATEGIC CONTEXT

A. Country Context

1. **After almost two years of crisis, in the wake of the Arab Spring movement, Yemen embarked on a political transition.** A Transition Government of National Reconciliation was formed in early December 2011, elections took place in February 2012, and Abdu Rabbo Mansour Hadi assumed office as the new President. The transition is expected to end after the legislative and presidential elections, to be held under the new constitution. During the transition period, the Government hosted a National Dialogue conference and is drafting a new constitution. This will be followed by the election of a new president and formation of a new parliament. The National Dialogue provided a forum for negotiating a new governance framework, under which future economic and social policies would be created and implemented. The people of Yemen have high expectations of institutional change during this period.

B. Sectoral and Institutional Context

2. **Poor governance, corruption, and limited access to services and economic opportunities were key triggers of the 2011 protests.** The quality of governance and service delivery remains weak, aggravating the country's development challenges. Most institutions are relatively weak, as reflected by the country's low overall score of 3.0 out of 6.0 on the Country Policy and Institutional Assessment (CPIA). The civil service remains inappropriately staffed and adequate management and incentive systems are lacking. There are significant gaps in capacity and the pool of qualified staff is limited. The country's ranking on the Corruption Perceptions Index (CPI) has declined steadily since 2005 to 167th of 177 countries in 2013¹.

3. **There has been some progress in instituting laws and regulations to improve the overall governance environment** - including passage of a Right to Access to Information (RAI) law and registering a fifth largest increase in the world in its score in the Open Budget Index (OBI) from 10 to 25 - between 2008 and 2010². However, Yemen could not sustain its efforts and its OBI came down to 11 in 2012. Therefore, serious challenges remain.

4. **The national anti-corruption strategy was developed after significant diagnostic work and country-wide stakeholder consultations.** It was launched in 2010 and rests on the following three pillars:

- (1) Prevention: Preventive measures to minimize opportunities for corruption;
- (2) Investigation: Effective investigation of reported corruption cases; and
- (3) Education: Educating and raising awareness amongst citizens for building constituencies and alliances to fight both grand and petty corruption.

5. **However, the implementation of this strategy has been far from satisfactory because of several political, institutional and legal constraints, *inter-alia*:**

¹ <http://www.transparency.org/research/cpi/overview>

² <http://internationalbudget.org/what-we-do/open-budget-survey/>

- a) **Immunity:** There is immunity for high-level government officials under Section 10 of Law no. 6 of 1995, under which no official on the rank of Vice Minister or above, can be prosecuted or tried for any action done in discharge of their official duties unless by a decree by the President of the Republic or a suggestion of one-fifth (1/5) of the members of the parliament and endorsement of two third (2/3) of the members of the parliament. This provision also applies to corruption offences under Article 4 of the Law. As a result of this provision, no senior official has ever been prosecuted or punished in a corruption case since unification between the South and the North of Yemen in 1990.
- b) **SNACC effectiveness:** The Supreme National Authority for Combating Corruption (SNACC) was established by Law no. 39 of 2006 and is supposed to receive corruption related complaints, make preliminary investigations, and submit its findings to the Attorney General Office (AGO), which is the authorized agency for conducting investigations into all crimes under National Law no. 13 of 1994 on Penal Procedures. This undermines the importance of SNACC because its investigation reports are subjected to scrutiny by the AGO, which usually conducts fresh investigations and does not necessarily reach the same conclusion as SNACC. Thus, SNACC is unable to serve as an effective independent investigative agency for corruption cases.
- c) **Limitation to judicial competence for corruption crimes:** As per Article 37 of Law no. 39 of 2006, the competence of judging in corruption crimes is limited to Public Fund Prosecution and Courts. However, many times a corruption case does not deal with public property or funds, and a case related with public funds or property does not involve corruption. As a result, the corruption cases do not get sufficient attention for a speedy trial.
- d) **Negligible penalties for civil service corruption:** The Civil Service Law provides for administrative sanctions in cases of corruption, but in a study done under the Bank's technical assistance, it was discovered that from amongst 165 employees convicted in a corruption crime between 2005 and 2007, no administrative action was taken by the concerned line ministry or the civil service ministry. This sets a very bad example and makes a mockery of the legal system. No one feels threatened in committing a corruption crime as they know that first of all, they will not be caught, and if caught, they will likely not be punished, and in any case, if they are given punishment, it will not be enforced.
- e) **Limited use of HATC website for publishing bids:** The High Authority for Tender Control (HATC) has launched a website on which procurement agencies are required to publish their bidding opportunities. However, in absence of a strong enforcement mechanism, it is estimated that only 20-30 percent of agencies are publishing their bidding opportunities.
- f) **Some spending agencies doing procurement not within their threshold:** For procurement above the national threshold of YR 250 million, the High Tender Board (HTB) is the procurement agency of the government to which, all spending agencies should send their procurement proposals. However, it has been observed that not all spending units are sending their proposals for procurement to the HTB. Some of them are doing procurement beyond their threshold level .

g) **Independence of COCA Chairman:** The Chairperson of Central Organization for Control and Audit (COCA) is appointed by the President and his minimum tenure is not fixed, thereby compromising his independence. Although all government agencies are under the jurisdiction of COCA's external audit and none are exempted under law, historically, few agencies including economic units constituting significant percentage of the state budget are not audited.

6. **To address these issues, the Government of Yemen, in the Riyadh Donor Conference, on September 4, 2012, endorsed a Mutual Accountability Framework (MAF) with Development Partners (DP), which was later approved by the Council of Ministers on September 18, 2012. Under the MAF, amongst other things, the Government has committed to:**

- 1) Take the necessary steps for investigation, prosecution and trial of high officials charged with corruption.
 - 2) Initiate administrative action against civil servants against whom competent courts have issued conviction orders.
 - 3) Ensure autonomy of the SNACC and establish an Anti-Corruption Court (ACC).
 - 4) Observe budget transparency – including revenues from oil and gas and other natural resources.
 - 5) Initiate practical steps towards realizing the autonomy of COCA.
 - 6) Observe independent and transparent merit-based recruitment through vetting process of senior civil service appointments.
 - 7) Implement the program to remove ghost workers and ‘double dippers’ in the civil service system, including the military and security, and
 - 8) Release those that have been detained without charges.
- The DP, on their part, have committed to provide financial and technical assistance to support public accountability, anti-corruption and human rights.

7. **Subsequently, the Council of Ministers in its meeting on October 9, 2012, approved a Transparency and Anti-corruption Action Plan (TACAP) comprising the following policy and legislative decisions.**

Policy/Legislative Decision	Follow up Responsibility for drafting decree/ amendment to laws	Instrument of Implementation
1. Amending Article 4 of the Law No. 6 of 1995 on ‘Indictment and Trial Procedures for High Level State Executive Posts’, to allow investigation, prosecution and trial of officials in the rank of Vice Ministers and above for charges of corruption, fraud, bribery and embezzlement , without requiring approval of the President or the Parliament by 2/3 rd majority.	Supreme National Authority for Combating Corruption (SNACC) Ministry of Legal Affairs	Republican Decree or Parliament Resolution
2. Establishing a three-judge Anti-Corruption Court (ACC) under the Public	Ministry of Justice	Decree by Supreme Judicial Council or

Policy/Legislative Decision	Follow up Responsibility for drafting decree/ amendment to laws	Instrument of Implementation
Funds Court of Sana'a to conduct trials of corruption cases on a centralized and exclusive basis in the country.		the Ministry of Justice
3. Ensuring compliance of court orders and Initiate administrative action against civil servants against whom conviction orders have been issued by competent courts as per Civil Service Law No. 19 of 1991	Supreme National Authority for Combating Corruption (SNACC) Ministry of Civil Service	Cabinet Decree
4. Amending Law no. 13 of 1994 on Penal Procedures, to make 'investigations' into corruption cases a responsibility of Supreme National Authority for Combating Corruption (SNACC), which at present is that of Attorney General Office (AGO).	Supreme National Authority for Combating Corruption (SNACC) Ministry of Legal Affairs Attorney General Office	Republican Decree or Parliament Resolution
5. Amending Law no. 39 of 1992 for 'Central Organization for Control and Audit (COCA)', to make COCA independent of the executive by (1) Appointment of President COCA to be based upon nomination by the President and approval by parliaments, or vice versa. (2) Fixing the minimum tenure of the President COCA for a 5 year term, with no more than two terms (3) Autonomy to President COCA to appoint his Deputies and other staff. (4) Reporting by COCA directly to the Parliament.	Central Organization for Controls and Audit (COCA) Ministry of Legal Affairs	Republican Decree or Parliament Resolution
6. Initiating audit of accounts of government agencies and Economic Units that have not been audited by COCA since independence.	Central Organization for Controls and Audit (COCA)	Cabinet Decree
7. Approving the Re-engineering Plan (RP) of COCA prepared under Bank-funded Civil Service Modernization Project	Central Organization for Controls and Audit (COCA)	Cabinet Decree
8. Making the publishing of bidding opportunities, bidding documents and awards above YR 50 million mandatory	High Authority for Tender Control (HATC)	Cabinet Decree

Policy/Legislative Decision	Follow up Responsibility for drafting decree/ amendment to laws	Instrument of Implementation
on the unified national procurement portal, failing which, the consequent payment in the concerning contract to be disallowed and administrative action taken against the procurement officer.		

8. **The Good Governance Working Group (GGWG) of the National Dialogue Conference (NDC) had agreed with the principles behind these policy/ legislative decisions** and had included them in their recommended principles on which the new constitution will be drafted. The Ministry of Legal Affairs (MoLA) plans to present these legal amendments to the legislature, while the constitutional drafting committee will work on the constitution in parallel.

9. **The NDC has now concluded its sessions on January 25, 2014 with recommendations on restructuring the state on a multi-region federal basis and moving the power away from the Center to the Regional and Local levels.** The new federal and democratic Yemen will serve the people on the basis of equality, and, respecting and promoting human rights and fundamental freedoms under the rule of law. The NDC issued its **Outcome Document**³ that contains recommendations of the nine working groups, conference’s statements, criteria for the constitution drafting committee, guarantees for implementing NDC’s outcomes, and the Final Statement. Following the NDC’s conclusion, the Government has formed a committee to study and determine a number of federal regions the new state should be composed of. It will form another committee to draft the new constitution based on NDC recommendations. A time-frame of twenty five months starting from February 22, 2014 has been agreed upon to: (i) draft the new constitution and place it for referendum, (ii) issue fundamental laws to the new federal state including the election law, (iii) introduce new electoral registry, and (iv) conduct local, regional, federal parliamentary and presidential elections.

10. **In the Outcome Document of the National Dialogue Conference, the GGWG, amongst other things, made the following major recommendations,** which are consistent with the principles of TACAP:

- “1. The Constitution should provide that no amnesty should be given to senior State and government officials and to hold everyone to accountability, with absolutely no immunity in corruption crimes and crimes against public rights and shall not be abolished by passage of time.*
- 2. The Constitution should provide for the independence and transparency of control organizations and mandate publications of their reports.*
- 3. The Constitution should criminalize violations in government tenders and procurements and provide for controls and deterrent penalties.*

³ Outcome Document of the National Dialogue Conference, dated January 25, 2014.

4. The Constitution shall guarantee the right of association for the people in political parties and civil society organizations to promote the free will of the people.....”.

11. **This operation will support the Government in preparing the legal amendments and policy decisions** in respect of Legal/Policy decisions 1-6 and 8. The operation will also directly support the implementation of Policy decisions 1-4. Complementary projects, especially the World Bank-financed Public Finance Modernization Project, will support the preparation of Policy Decision 7 and implementation of Policy Decisions 5-8. In addition, the project will also support the implementation of the newly adopted Law on Right to Access of Information.

C. Higher Level Objectives to which the Project Contributes

12. **The Project contributes to the World Bank Group corporate goals of (i) ending extreme poverty, and (ii) promoting shared prosperity** through complex institutional and governance reforms that enhance the accountability of the state and improve the quality of service delivery to the poor, and also create an enabling environment for private sector growth and competitiveness. This Project would usher in strong institutional and governance reforms in the key accountability institutions - Supreme National Authority for Combating Corruption (SNACC), Public Fund Courts, Attorney General Office (AGO), Information Commissioner's Office (ICO) and the Yemen Anti-Corruption Coalition (YACC) - that would enhance accountability of state. The Project would also contribute towards raising the quality of service delivery by enhancing capacity of civil society organizations for raising the demand of good governance in 7 pilot sectors of basic education, health, water, social protection, civil service, judiciary and electricity by raising awareness amongst citizens for building constituencies and alliances to fight corruption at the primary service delivery units of these sectors.

13. **As per the Interim Strategy Note (ISN) for Yemen for FY 2013-2014, implementation of the ISN will be guided by three principles that will be mainstreamed across the program:** (i) intensifying participation and inclusion, especially among women and young people; (ii) strengthening institutional capacity, governance, transparency, and accountability; and (iii) enhancing the operational flexibility of the Bank's program.

14. **The overriding objective of the ISN is to help the Government produce tangible results that stabilize the transition in the short term,** while laying the groundwork for medium-term reforms and sustainable longer-term benefits. The ISN proposes to support these objectives across three strategic pillars: (i) achieving quick wins and protecting the poor by creating short-term jobs, restoring basic services, improving access to social safety nets, and revitalizing livelihoods; (ii) promoting growth and improving economic management by helping maintain macro stability, strengthening fiscal policies and public financial management, and improving the enabling environment for private sector growth and competitiveness; and (iii) enhancing governance and local service delivery by supporting transparency, accountability, capacity building, institutional strengthening, and improved citizen engagement.

15. **The proposed operation will be financed under the MNA Transition Fund and conforms to principle (ii) and objective (iii) of the ISN.** By building capacity of SNACC and ICO, there would be enhancement in transparency and accountability that would contribute to creating enabling environment for private sector growth and competitiveness. The support to

YACC would contribute to improved citizen's engagement.

16. **The proposed operation also conforms to the MENA Framework of engagement which envisages "Strengthening Governance" through transparency and accountability measures to help create responsive state that can be held accountable for their actions.**

II. PROJECT DEVELOPMENT OBJECTIVES

A. Project Development Objective

17. The Project Development Objective is to enhance the capacity of targeted accountability institutions to provide access to information and to improve enforcement of the anti-corruption law.

18. **The targeted accountability institutions are: the Supreme National Authority for Combating Corruption (SNACC), Public Fund Courts, Attorney General Office (AGO), Information Commissioner's Office (ICO) and the Yemen Anti-Corruption Coalition (YACC).** At the end of this Project, these accountability institutions will be better equipped in implementing the National Anti-Corruption Strategy, the Transparency and Anti-corruption Action Plan, the Right to Access to Information (RAI) Law, and, in amending the existing anti-corruption legal and policy framework as per TACAP and recommendations of the NDC.

B. Project Stakeholders and Beneficiaries

19. **The key Project stakeholders are** - Supreme National Authority for Combating Corruption (SNACC), Yemen Anti-Corruption Coalition (YACC), High Authority for Tender Control (HATC), High Tender Board (HTB), Ministry of Finance (MoF), Ministry of Justice (MoJ), Ministry of Legal Affairs (MoLA), Attorney General Office (AGO), Information Commissioner's Office (ICO), Central Organization for Control and Audit (COCA), Ministry of Civil Service and Insurance (MoCSI), Prime Minister's Office (PMO), Council of Ministers (CoM), Secretary General (SG) of the CoM, Parliament, and the media. All of these are fully on board with the project objectives and design.

20. **The key beneficiaries of this Project are the citizens of Yemen.** The enhanced institutional capacity of the key accountability institutions will enable them to implement the anti-corruption laws and policies in a more effective manner. This will enhance the accountability in government operations, thereby reducing corruption and improving service delivery, which will benefit the citizens of the country.

21. **By improving the accountability in government operations, the project will reduce the fiduciary risk for development partners** in using the country systems, thereby giving them confidence in aligning their development aid with country priorities and possibly moving towards direct budget support.

C. PDO Level Results Indicators

22. **The expected key results of the proposed project are:**

- 1) Recommended changes in the existing business processes to prevent corruption and leakage of public finances are adopted in 7 pilot sectors.
- 2) Percentage of investigated corruption cases by the SNACC in which prosecution is sanctioned by the AGO is increased from 10% to 20%.
- 3) 40% of citizens are aware about their right to access of information.
- 4) 60 % of citizens identified as the victim of corruption by the civil society have their problem successfully mediated and resolved by the YACC.
- 5) All the 7 legal amendments and policy decisions approved under TACAP are adopted by the Council of Ministers.
- 6) Direct project beneficiaries (50,000), of which female (40 %)

III. PROJECT DESCRIPTION

A. Project Components

23. **The Project will consist of four components:** (1) Supporting the implementation of the National Anti-corruption strategy and Transparency and Anti-corruption Action Plan; (2) Supporting the implementation of the Right to Access to Information (RAI) law; (3) Supporting the Yemen Anti-Corruption Coalition in raising demand for good governance in seven pilot sectors (basic education, health, water, electricity, social protection, civil service, and judiciary); and (4) Project Management.

24. The components are described in greater detail below:

Component 1: Supporting the implementation of the National Anticorruption Strategy and Transparency and Anti-corruption Action Plan (US\$2.55 million)

25. This component will contribute to improved enforcement of the anticorruption law by establishing core systems and enhancing the institutional capacity of SNACC by establishing a Decision Support System (DSS) for the Assets Declarations Sector; establishing a Management Information System (MIS) for the Investigation Sector; developing an interactive website of SNACC; establishing a 'Hotline' to enable citizens to make complaints; establishing a Legal Cell (LC) to draft necessary legislative amendments as per recommendations of the NDC; and, establishing a Research and Analysis Cell for conducting diagnostic studies into causes and forms of corruption in pilot sectors. This component would also contribute to building the capacity of Judges and Prosecution Lawyers of the Public Fund Courts for ensuring speedy trials and fair verdicts. The component would provide training to government officials of seven pilot sectors, namely – basic education, health, water, social protection, civil service, judiciary and electricity - on corruption prevention, based on the findings and recommendations of the diagnostic surveys.

26. The activities of this component will be implemented by the SNACC.

27. This component would finance consultancy, goods and equipment, capacity building and training, workshops and incremental operating costs.

Component 2: Supporting the implementation of the Right to Access to Information (RAI) law (US\$ 1.275 million)

28. Yemen has enacted Law No. 13 of 2012 on “The Right to Access to Information”, which is considered one of the best in the region. An Information Commissioner’s Office (ICO) has been established under the law. The component will support the implementation of the law by enhancing the institutional capacity of ICO by providing support in finalizing By-Laws, preparing Roadmap for the implementation of RAI, preparing ICO’s four year strategic plan, organizational structure, operation manual, and Key Performance Indicators (KPIs). The component would provide hardware and software essential for the ICO to commence its business. The component would contribute to building the capacity of ministries, departments and agencies to adequately apply the RAI law.

29. Under this component, the ICO will be supported to conduct baseline and end-of-project surveys on information infrastructure, capacities and abundance of government institutions to the RAI law, as well as awareness levels and perceptions of the right to access to public information. Also, the ICO would be supported in conducting a multi-media campaign to create awareness about citizens’ right to access to public information using television, radio, press, internet, cell phones, street posters and banners, brochures, etc. for public outreach. ICO will also collaborate with the YACC to reach citizens in remote and uncovered areas directly.

30. The activities of this component will be implemented by the ICO.

31. This component would finance consultant’s services, goods and equipment, capacity building and training, workshops and incremental operating costs.

Component 3: Supporting the Yemen Anti-Corruption Coalition in raising demand for good governance in 7 pilot sectors (US\$ 1.25 million)

32. The project will support the Yemen Anti-Corruption Coalition (YACC) in raising the demand of good governance in 7 pilot sectors of basic education, health, water, social protection, civil service, judiciary and electricity by raising awareness amongst citizens for building constituencies and alliances to fight corruption at the primary service delivery units of these sectors. This component will support the YACC in the documentation, dissemination and mediation in identified cases of corruption and poor service delivery. The capacity of YACC will be built by organizing training workshops for its observers and supervisors for conducting this task.

33. Under this component the YACC would also create awareness about the Right to Access to Information Law through a series of workshops and public meetings with citizens. The YACC would pilot an assessment of the information responsiveness of ministries. This will be done by floating test requests to establish a baseline on information responsiveness that can provide a comparator on improvements in responsiveness in the future.

34. The activities of this component will be implemented by the YACC.

35. This component would finance consultant’s services, goods and equipment, capacity building and training, workshops and incremental operating costs, and operating costs of the YACC.

Component 4: Project Management (US\$0.925 million)

36. The activities of this component will be managed by the PMU located under SNACC. This component will provide for PMU staff salary, goods and equipment, training, consultant’s services, eligible expenses related to meetings, and incremental operating costs of the PMU to support project coordination, implementation, monitoring and evaluation, and management.

B. Project Financing

1. Lending Instrument

37. This instrument supporting the Accountability Enhancement Project is an Investment Project Financing. The financing of the project is through MNA Transition Fund in the form of a Grant.

2. Project Financing Table

38. Total Project financing requirements are estimated at US \$ 6.0 million equivalent which will be fully funded by a grant from the MNA Transition Fund. Component and Sub-Component Project costs are given in Table 1 below.

Table 1: Project Cost by Sub-Component

	Components		Sub-component	Cost US \$
1	Supporting implementation of the National Anticorruption Strategy and Transparency and Anti-corruption Action Plan	1.1	Establishing core systems and enhancing the institutional capacity of SNACC	2,200,000
		1.2	Building the capacity of Judges and Prosecution Lawyers of the Public Fund Courts.	200,000
		1.3	Training government officials of seven pilot sectors and COCA staff.	150,000
Total for Component 1				2,550,000
2	Supporting the implementation of the Right to Access to Information (RAI) Law	2.1	Enhancing the institutional capacity of the Information Commissioner’s Office.	475,000
		2.2	Building the capacity of government to effectively enforce application of RAI law.	250,000
		2.3	Conducting baseline and end-of-project surveys on information capacities and abidance of government institution to the RAI law.	150,000
		2.4	Conducting multi-media campaigns for creating mass awareness about the right to information	400,000
Total for Component 2				1,275,000

	Components		Sub-component	Cost US \$
3	Supporting the Yemen Anti-Corruption Coalition (YACC) in raising demand for good governance in 7 pilot sectors	3.1	Documentation, Dissemination and Mediation in identified cases of corruption and poor service delivery	800,000
		3.2	Creating mass awareness about the right to information by outreaching citizens directly	250,000
		3.3	Piloting an assessment of the information responsiveness of ministries	200,000
Total for Component 3				1,250,000
4	Project Management	4.1	PMU Operating costs	375,000
		4.2	PMU Staff salary	450,000
		4.3	PMU Staff Training	50,000
		4.4	Office Equipment/ Furniture	50,000
Total for Component 4				925,000
Total Project Cost				6,000,000

3. Component and Category costs

39. The component and category costs are estimated as per Table 2 below:

Table 2: Project by Component and Category

Component	PMU Salary	Consultancy	Goods/ Equipment	Capacity Building/ Training	Consultation Workshops	Operating costs	Total Cost
1. Supporting implementation of the National Anticorruption Strategy and Transparency and Anti-corruption Action Plan	-	500,000	750,000	950,000	350,000	-	2,550,000
2. Supporting the implementation of the Right to Access to Information (RAI) Law	-	830,000	200,000	200,000	45,000	-	1,275,000
3. Supporting the Yemen Anti-Corruption Coalition (YACC) in raising demand for good governance in 7 pilot sectors	-	100,000	100,000	300,000	400,000	350,000	1,250,000

Component	PMU Salary	Consultancy	Goods/ Equipment	Capacity Building/ Training	Consultation Workshops	Operating costs	Total Cost
4. Project Management	450,000	-	50,000	50,000	-	375,000	925,000
Total Cost	450,000	1,430,000	1,100,000	1,500,000	795,000	725,000	6,000,000

4. Indirect Costs

40. Apart from the above direct Project costs, the Bank would need funds to cover staff time and travel costs, as well as variable costs including the consultants' fees and travel costs for both stages of project preparation and supervision and implementation support. Also, there will be a requirement for funds for grant administration. The budget breakdown of these indirect costs is presented in Table 3 below.

Table 3: Budget Breakdown of Indirect Costs Requested (USD)

Description	Amount (USD)
A. Grant Preparation and Implementation Support	
Staff Time	
Preparation	30,000
Administration and implementation support	180,000
<i>Sub-Total (Staff Time):=</i>	210,000
Staff Travel	
Preparation	20,000
Supervision and implementation support	90,000
<i>Sub-Total: Staff Travel=</i>	110,000
Variable Costs (Consultant fees and travel)	
Fees	75,000
Travel	15,000
<i>Sub-Total: Variable Costs=</i>	90,000
Sub-Total: Grant Preparation and Implementation Support (MNSPS)=	410,000
B. For grant Administration (TF)	70,500
Total Indirect Costs	480,500

C. Lessons Learned from other Countries and Reflected in the Project Design

41. Experience with efforts to combat corruption demonstrates that a combination of punitive and preventive approaches is likely to be most effective. The punitive approach focuses on investigating corruption allegations and enforcing sanctions, whereas a preventive

approach aims to strengthen the underlying governance systems and institutional processes to reduce the incidence of corruption. Anti-corruption efforts have tended to prioritize the punitive approach, for instance through strengthening anti-corruption agencies, but there is increasing recognition that strengthening transparency and accountability of institutions, as well as the building a strong civil society, more broadly is critical to the sustainability of anti-corruption efforts. This project, therefore, takes a combined approach, both providing support to SNACC to strengthen its capacity to investigate corruption, but also improving transparency through the implementation of the Right to Access to Information law. Moreover, support to the Yemen Anti-Corruption Coalition will also contribute to consolidation of civil society, increasingly seen as crucial to accountable and effective governance. For instance, in Indonesia, the effectiveness of the anti-corruption agency has been enabled by strong external monitoring and advocacy of anti-corruption NGOs and civil society organizations (CSOs). Groups such as Indonesia Corruption Watch (ICW), The Indonesian Society for Transparency (MTI) and Transparency International Indonesia (TI-I) have been notably effective in putting pressure on the government to enact and implement anti-corruption policies.

42. **Global experience also shows that the democratic momentum and international attention of transition phases usually lead to the adoption of laws that seek to promote accountable governance** - such as the Right to Information - but the implementation of these laws tends to lag, making the existence of the law irrelevant. This has been the experience, for instance, of several post-Soviet countries, which were ahead of the curve of other developing countries in passing RAI laws, but have a poor record of implementation. On the other hand, where strong institutions have been set in place, the RAI law has been effective in uncovering important cases of corruption, as well as in empowering communities to pursue their rights. In Mexico, for example, a strong information commission in the early years of the implementation of the law was critical in making the law credible and effective. Drawing from this international experience, the project seeks to build capacity in institutions to implement and enforce the law upfront, by both supporting the information commissioner's office and instituting training for officials on the provisions of the law.

43. **The so-called supply and demand sides of governance are both increasingly recognized as important parts of the governance equation.** However, international experience shows that it is critical for these dimensions to be addressed in a more cohesive manner. For instance, focusing only on building capacity in government or oversight institutions might not be effective if officials feel there are no societal forces to hold them to account. Similarly, building civil society capacity might mean little if the institutions are not in place to respond to actions by civil society. In India, for instance, civil society has played a very important role in advocating for important anti-corruption and accountability laws -such as the Right to information law and a law for the establishment of an Ombudsman, as well as using the RAI law. Civil society and media groups have also been at the forefront of exposing corruption and demanding corrective actions. This project, therefore, aims to address these aspects in a more coherent fashion, building the capacity of both civil society and government institutions to address corruption and accountability issues.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

Implementation Agency Assessment

44. **SNACC will be the Implementing Agency for this project.** A new Board has been appointed for SNACC under the Presidential Decree No 54 issued in September 2013. A new PMU has been established under SNACC. The PMU has been established with an Executive Director, Secretary, Procurement Officer, and a Financial Management Officer. An Operations Manual for this PMU has been jointly prepared by SNACC and YACC, and a new accounting system has been installed. The Operations Manual has been modified to reflect the additional activities that this PMU will be required to undertake this project. Two additional staff members – a legal expert and a communications expert - will be recruited to strengthen the PMU capacity to manage activities under this project.

45. **The YACC was established as an outcome of the Bank's continued technical assistance since 2007.** The Bank had conducted a baseline study into the functioning of CSOs working in the Governance and Anticorruption (GAC) area in 2008 to assess their technical capacity; to assess the political and legal obstacles they face in their work; and, to assess the kind of support they require to be more effective. Based on this assessment, "entry-points" were identified for Bank's engagement and "support to civil society organizations (CSOs) for promoting demand for good governance" was included in the ISN for FY13-14.

46. **An international NGO - 'Partners for Democratic Change' was engaged to facilitate the establishment of a 'Yemen Anti-Corruption Coalition (YACC)' and to develop its strategy.** The YACC comprising of the following 16 CSOs was formed in 2010 based on their expression of interest and the eligibility criteria.

1. Political Development Forum, Sana'a
2. Social Peace and Development Future Association, Marib
3. Awam Foundation for Development and Culture, Sana'a
4. Yemeni Coalition for Education for All, Sana'a
5. Supporting Democratic Orientation Foundation (CDF), Sana'a
6. Yemen Centre for Human Rights Studies, Aden
7. Yemen Centre for Civil Rights, Sana'a
8. Economic Studies and Media Centre, Sana'a
9. Parliamentarians Against Corruption (PAC)- Yemen Chapter, Sana'a
10. Civil Society Organizations Network, Sana'a
11. Yemeni Organization for Social Peace and Development, Sana'a
12. Brotherhood Association for Development and Local Peace, Shabwa
13. Yemeni Centre for Public Opinion, Sana'a
14. National Authority to Defend Freedom and Rights, Sana'a
15. National Organization for Society Development, Sana'a
16. Cultural Development Program Foundation (CDPF), Sana'a

47. Since then, one more NGO - Maeen Center for Community Development, Taiz, has joined this coalition. Now, the coalition comprises of 17 CSOs.

48. **The rules of YACC allow for other CSOs to join the coalition and it can include other CSOs in future as needed.** The Articles of Association and Executive and Financial By-laws for this coalition have been prepared, ratified and signed by all the 16 members of the coalition. The YACC has been registered with the Ministry of Social Welfare in 2011. The Secretariat of the CSO Coalition is housed in one of the member CSOs - CDPF in Sana'a. The Secretariat provides secretarial and logistic support to all members of the CSO Coalition to discharge their duties. It holds regular meetings of the coalition and ensures that the decisions of the General Body are effectively executed.

49. **The YACC will be co-Implementing Agency of this project.** It will be fully responsible for implementing Component 3. The management function, including the procurement, financial management, human resources and monitoring and evaluation, will rest with the PMU under SNACC. The PMU will include a CSO Coordinator to provide support to the YACC Secretariat. The staff of YACC including the observers and supervisors, who are the regular staff of different civil societies under the coalition, would visit the primary service delivery units of the 7 pilot sectors and collect evidence.

50. **The project will provide only the per diem and travel costs of the YACC staff working on different activities of this project.** The project will not finance the time of the YACC officials in any manner, including the salary and overtime. The CSOs within the coalition will use their existing staff, for which salaries and overtime payments, etc. are already arranged and being paid. The project would also finance other operating costs of conducting YACC activities like workshops, renting of video cameras, venues for meetings, renting of vehicles, etc. The Project would also bear the cost of capacity building for YACC staff.

51. **The PMU would meet above-mentioned costs of the YACC operations from the Operating Costs of the Project.** There will be a prior agreement reached between the PMU and the YACC on the unit rates of per diem and travel of the CSO staff as well as the unit cost of organizing a consultation workshop or public meeting.

52. **The responsibility of managing the fiduciary risk will rest on the CSO Coordinator and the Financial Management Officer of the PMU.** The YACC Secretariat will submit a fortnightly claim for expenses incurred on collection of evidence by staff of member civil societies. These claims will be verified by the CSO Coordinator who will provide his endorsement to the Financial Management Officer. While doing this verification, the CSO Coordinator will make a minimum of 15% random checks in the field to ensure the genuineness of the claims. The Financial Management Officer will review the claims and issue payments to the YACC if satisfied. If s/he has questions on the veracity of claim, s/he will bring it to the knowledge of the Executive Director who would seek clarification from the YACC and take a decision to issue payment if convinced. If the Executive Director is not convinced, s/he will place the matter before the Steering Committee for a decision. The decision of Steering Committee will be final.

53. **Complementary projects financed by the Bank are creating the enabling**

environment necessary for the activities under this Project to be effective. The Bank-financed Public Finance Modernization Project started in January 2011 aims to improve the transparency, efficiency and accountability in the management of public finances. It is working towards enhancing transparency by establishing the MOF website for proactive disclosure of fiscal information, preparing citizen's budget, and establishing fiscal information unit. For enhancing efficiency, it is establishing an Accounting and Financial Management Information System, and establishing improved business process like the commitment control system and the cash management system. For enhancing accountability, it is building institutional capacity of COCA, HATC, HTB, and establishing internal audit system. This Project would bridge the missing links in enhancing accountability in government operations.

54. **The Bank has recently started implementation of a CSO project under the Transition Fund, which seeks to equip CSOs with greater capacity to provide select services complementary to those of government, to conduct third-party monitoring, and to promote citizen voice and participation.** The YACC will collaborate with civil societies working under that project.

55. **A Steering Committee of the Project has been established for supervising, coordinating and monitoring the activities of the SNACC, YACC, ICO and the MoJ.** The Steering Committee (SC) consists of seven members – Chairperson SNACC as the chair of SC; two members each from SNACC and YACC respectively; the Information Commissioner; and, a representative of the MoJ. The SC will hold regular half-yearly meetings to approve the activity plan and monitor its progress.

56. **Due diligence has been carried-out from a fiduciary perspective by conducting Financial Management and Procurement Assessments** and the Bank is satisfied with the proposed financial management and procurement arrangements of this PMU with proposed mitigation measures to address capacity weaknesses.

Project Stakeholder Assessment

57. **The SNACC, YACC, ICO, AGO and MoJ are key stakeholders as well as key implementers of this program.** All of these have been instrumental in preparing the government's Transparency and Anti-Corruption Action Plan (TACAP), which is the backbone and the basis for the concept and design of this project. The Prime Minister and Secretary General to the CoM played a major role in the approval of the TACAP by the CoM. The CoM has approved the TACAP by consensus – so as a group, their support can be counted.

B. Results Monitoring and Evaluation

58. **Results of the proposed project will be monitored and evaluated based on the key indicators linked to the PDO.** M&E mechanisms will be integrated into each of the project's components. Specifically, the entire project has been built around a very carefully drafted results framework which has been used in all appraisal discussions with the client as a tool to ensure a logical link between the components and the PDO, as well as to ensure relevant and measurable indicators. The PDO indicators are all internationally accepted indicators. The targets have been

decided in a joint meeting with the units involved. The full results framework was presented in a high-level meeting to the relevant vice ministers and deputies and commitments were made to meeting the targets that have been established with the participation of all the involved units. A World Bank M&E specialist was part of the appraisal mission. This person will develop an M&E system, in a participatory manner, with all the stakeholders and will design M&E reports for all of them including for the SC on a quarterly basis. The World Bank M&E specialist will remain a member of the implementation support team to ensure continuity and a regular review of the status of the results framework.

C. Sustainability

59. **The implementing agency (SNACC) has the ownership and commitment to continuing the project activities and its policies even after the project is over as it is their legal mandate.** They also have the technical and institutional capacity to maintain project initiatives even after project completion. The present project aims to support the government in enhancing accountability in the transition period of three years. During this period, a new constitution will be written and a new Parliament elected. SNACC is established under the National Anti-Corruption Law and will continue to work as per its mandate even after the Project is over with government support.

V. KEY RISKS AND MITIGATION MEASURES

A. Risk Ratings Summary Table

60. The Risk ratings are as follows:

Risk	Rating
Stakeholder Risk	Substantial
Implementing Agency Risk	
- Capacity	Substantial
- Governance	Moderate
Project Risk	
- Design	Moderate
- Social and Environmental	Not Relevant
- Program and Donor	Moderate
Delivery Monitoring and Sustainability	Moderate
Overall Implementation Risk	Substantial

B. Overall Risk Rating Explanation

61. **Considering strong ownership and leadership of the government in implementing the recommendations of the National Dialogue Conference (NDC)** as well as the Transparency and Anti-Corruption Action Plan, all the key implementing agencies, namely, the SNACC,

YACC, MOJ, ICO, AGO and MoLA have been fully on board with the concept and design of this project. The Ministry of Planning and International Cooperation (MoPIC) has agreed to include this project as one of its priorities under the Transition Fund.

62. However, the SNACC PMU has been recently established and its staff lacks capacity and requires some time to understand operations. Also, while SNACC will be the main implementing agency of this Project, it will have to coordinate action with other agencies like YACC, ICO, MoJ, MoLA, MoCSAI, MOF, HATC, HTB, and COCA. They are all very powerful and outside the administrative control of SNACC. There could thus be resistance to work under the directions of a Steering Committee chaired by Chairperson of SNACC and also lack of adequate support in program implementation. These could lead to implementation delays.

63. Various diagnostics have shown that there is grand corruption in high places. There can be resistance from those quarters to the proposed legislative reforms in the anti-corruption legal and regulatory framework. The resistance could also very well be in the implementation of anti-corruption and RAI laws.

64. The overall risk rating under the project implementation stage, therefore, is considered substantial.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analyses

65. *Development Impact.* By building capacity of accountability institutions in implementing the National Anti-Corruption Strategy, Transparency and Anti-corruption Action Plan and the Right to Access to Information (RAI) Law, the Project would contribute to improving business processes to minimize chances of resource leakages. The overall fiscal impact of the project is, therefore, likely to be positive for the society at large. Although it is difficult to ‘quantify’ the economic and financial impact of such a project, it is widely recognized that lack of transparency and corruption have a negative and debilitating effect on national development. Politically, corruption undermines the confidence of the people in public institutions and erodes the capacity and legitimacy of the State. Economically, corruption raises the cost of doing business, encourages fraud in execution of contractual obligations, facilitates the misallocation and wastage of resources, discourages foreign investment and retards economic growth and development. Socially, corruption accounts for poor service delivery, and the inefficient functioning of social services. It also exacerbates social inequalities and increases social tensions in society. In light of the consequences mentioned above, the GoY has put in place mechanisms to strengthen accountability to mitigate and fight corruption, and this project will support that objective. The enhanced capacity of targeted accountability institutions - SNACC, ICO, MOJ and YACC – will lead to improved transparency, access to information and enforcement of anti-corruption law. Citizens and firms would have greater access to government information by which they can hold government accountable. Citizen’s engagement in the fight against corruption. The total public expenditure of Yemen as per Budget of 2013 was estimated in an amount of YR 2,766,999 million (USD 12,912 million) and is expected to remain in the range of approximately USD 13-15 billion per year in the next 5 years. Even if the project contributes to a 0.5 % reduction in public expenditure over the medium term by containing the resource leakage

due to corruption, the benefits of this project would be in the range of USD 65 – 75 million per year - 10 times more than the project cost of USD 6 million. The enhanced capacity of targeted accountability will be sustainable as the project focuses on building institutional capacity and establishing key decision support and management information systems.

66. **Public rationale.** The project deals with a range of issues that can only (or predominantly) be accomplished or implemented through government action. Building capacity of accountability institutions falls within the domain of government's role. These institutions cannot accept financial support from the private sector and the scope of public-private partnership is limited. The project would contribute to providing a level playing field to the private sector in competing for government contracts in an open and competitive environment. The activities of this project can be carried out only through public investment.

67. **Bank value added.** The proposed operation will be financed under the MNA Transition Fund and conforms to principles of the ISN. By building capacity of SNACC and ICO, there would be an enhancement in transparency and accountability that would contribute to creating enabling environment for private sector growth and competitiveness. The support to YACC would contribute to improved citizen's engagement. It also conforms to the MENA Framework of engagement, which envisages strengthening Governance through transparency and accountability measures to help create a responsive state that can be held accountable for its actions. The Bank would bring in financial resources and technical expertise which are missing in the government. The government's growing budget deficit does not permit an investment of USD 6 million on building capacity of these institutions. Even if the funds are available, the government does not have the technical expertise to do this. The Bank has vast international experience, especially on asset declaration regime, right to information and civil society engagement. The Bank team would continuously assist the government in implementing the planned activities in an effective manner. With Bank's engagement, other donors like the USAID, DFID, GIZ, UNDP and Arab Funds are also supporting the government in implementing its transparency and accountability agenda, are also expected to enhance their investment in this area.

B. Technical

68. **The project design is in line with international best practice and the choice of technology will be governed by existing technology and national technical standards** based on the ability of the beneficiaries to meet the requirements as well as operational and maintenance costs. Building appropriate technical capacity at the project operations level in respect of information technology, financial management, and project management will be necessary to ensure operation of a robust control system within the public sector.

C. Financial Management

69. **Based on the FM assessment, the following suggested mitigation measures have already been complied with:**

- i. Establishing a new PMU including a qualified Financial Management Officer recruited competitively and based on terms of reference acceptable to World Bank;
- ii. Procuring and installing an acceptable automated Accounting system based on TOR acceptable to World Bank;
- iii. To maintain adequate internal control procedures, the PMU has prepared a financial management manual acceptable to World Bank as part of an Operations Manual.

70. The Project's Financial Management responsibility will be with the PMU established under SNACC. This PMU will be responsible for managing the Project and the related FM and Procurement tasks. The establishment of new PMU in SNACC will mitigate the FM risks at SNACC (e.g. low capacity of the FM staff, weak documentation of internal control procedures, using manual records in accounting recording, the financial records of SNACC are not audited by COCA). The PMU under SNACC will manage all the financial management aspects of the Project (e.g., accounting recording and reporting through the use of an automated accounting system and based on an acceptable manual of procedures and management of the disbursement process). Accounting records will be maintained by the PMU using an automated accounting system, which will also generate the project accounts' quarterly Interim Financial Reports (IFRs). These reports together with the project's annual financial statements will be reviewed and audited respectively by an independent external auditor selected by COCA and acceptable to the World Bank, based on an agreed terms of reference.

71. To ensure that funds are readily available for implementation of the project, a segregated Designated Accounts will be opened in US Dollar at the Central Bank of Yemen (CBY) and will be managed by the PMU under SNACC. Authorized signatories, names and corresponding specimens of their signatures will be submitted to the Bank prior to the receipt of the first Withdrawal Application. Additionally, local operational account denominated in Yemeni Riyal will be opened at the CBY and managed by SNACC-PMU separately. Payments out of the local operational account will be for training, incremental operating costs and small consultancy contracts not exceeding US\$2,500 each, and will be made through checks signed by the PMU Manager and the PMU Financial Management Officer.

72. Disbursement Arrangement. The proceeds of the project funds will be disbursed in accordance with the Bank's disbursements guidelines as outlined in the Disbursement Letter. Transaction based disbursement will be used under this project. Accordingly, requests for payments from the Grant account will be initiated through the use of Withdrawal Applications either for Direct Payments, Reimbursements, and Replenishments to the Designated Account. All Withdrawal Applications will include appropriate supporting documentation including detailed Statement of Expenditures for reimbursements and replenishments to the Designated Account.

73. Retroactive Financing: Eligible expenditures advanced from SNACC's own funds would be retroactively financed by the project after this grant becomes effective and the new PMU submits a withdrawal application requesting the reimbursement of the eligible expenditures. Withdrawals up to an aggregate amount not to exceed US\$75,000 may be made for payments of Eligible Expenditures made on or after November 1, 2013. The estimated costs for these expenses, which are expected to be retroactively financed, are as follows.

- i. Six-month salary of PMU staff: US\$40,000
 - ii. Accounting Software: US\$10,000
 - iii. Office Furniture and Equipment: US\$25,000
- Total - US\$75,000

D. Procurement

74. **A Procurement Assessment of SNACC** was conducted in 2010 in the context of implementing an IDF grant. Under that assessment, the organizational structure, procurement staffing, procurement administration, filing and the systems, were carefully reviewed. That assessment was updated in 2012. SNACC currently has a procurement department staffed with three employees who are responsible for handling all procurement issues. This department is led by the Financial Manager. The procurement officer is a civil servant and, while knowledgeable on government procurement procedures [in house], does not have capacity for handling procurement under the Bank guidelines.

75. **Therefore, all procurement activities would be carried out by the PMU in SNACC** following the Bank's procurement procedures. The ceiling on procurement of IT equipment and hiring of individual consultants and NGOs will be US\$50,000.

76. **Key actions proposed for mitigating the procurement risks which have been fully complied with are as follows:**

- i. A Procurement Manual as part of an Operations Manual has been adopted by the Steering Committee, which includes the agreed upon procurement methods, review by World Bank, record keeping, complaints handling, dispute resolution, information disclosure etc. as set up by Bank guidelines.
- ii. A Procurement Officer has been recruited.

77. **To mitigate the risks related to the contracts that would be financed retroactively,** the Bank will ex-ante review all documents related to the procurement of the agreed upon activities and clear it. The Bank will only reimburse those contracts which are found acceptable and are in line with the Bank's procurement procedures.

78. **The activities and the packages that would be procured and financed from the project funds were discussed with all implementing agencies –SNACC, ICO and YACC.** It was agreed that all packages will be consolidated in one procurement plan and implemented by the PMU, which will also carry out all procurement activities for the SNACC, ICO and YACC. The draft procurement plans have been prepared by the implementing agencies and cleared by the Bank.

E. Social and Environment

79. **The proposed project aims at enhancing accountability in government operations.** Activities of SNACC, ICO and YACC include conducting diagnostic studies of business processes of pilot sectors, physical surveys of beneficiaries and establishing core systems for

their institutional development. The project does not focus on any particular population group. Therefore, the project will not trigger any environmental and social safeguard policies. The project is classified as “Category C”.

Annex 1: Results Framework and Monitoring
REPUBLIC OF YEMEN: Accountability Enhancement Project

Project Development Objective (PDO):									
Enhance the capacity of targeted accountability institutions to provide access to information and to improve enforcement of anti-corruption law.									
PDO Level Results Indicators	Core	Unit of Measurement	Baseline	Cumulative Target Values			Data Source/ Methodology	Responsibility for Data Collection	Comments
				2015	2016	2017			
1. Pilot ministries that adopted the recommended changes in the existing business processes to prevent corruption and leakage of public finances	<input type="checkbox"/>	Number	0	1	4	7	Diagnostic study of corruption in pilot ministries Executive Orders issued by the pilot ministries	SNACC SNACC, pilot ministries	Diagnostic studies on corruption in pilot sectors will be done after the project gets started. The baseline therefore is zero. A total of 7 pilot sectors have been targeted. Hence, the end target is 7.
2. Investigated corruption cases by SNACC in which prosecution is sanctioned by the AGO		Percentage	10	12	15	20	SNACC and AGO reports	MoJ	In 2012, SNACC had referred 255 cases to the Public Fund Prosecution However, the AGO prosecuted only 26 cases (10 %) in the Public Funds Courts. With enhanced capacity of, and coordination between SNACC investigators and AGO prosecutors, this proportion would rise.
3. Citizens who are aware about their right to access information.		Percentage	< 5	20	30	40	Survey to be conducted by the ICO	ICO	The RAI law has been passed in July 2012. The ICO has been appointed in July 2013. So far, there has been no focused effort to raise awareness. In consultation with the ICO, the baseline is estimated to be < 5%.

										With a large proportion of rural population, it will be difficult to go beyond 40% coverage by project end.
4. Citizens identified as the victim of corruption by the civil society have their problem successfully mediated and resolved by the YACC.		Percentage	0	20	40	60	YACC and PMU reports	Independent impact evaluation		The work of YACC would start after the commencement of this Project. There are no identified victims of corruption yet. Thus, the baseline is zero.
5. Legal amendments and Policy decisions approved under TACAP are adopted by Council of Ministers		Number	0	2	4	7	SNACC, MoLA, CoM	MoLA		All the legal amendments and policy decisions are in accordance with TACAP and NDC recommendations. Hence, 100% target has been set.

Beneficiaries

Project beneficiaries,	<input checked="" type="checkbox"/>	Number	0	10,000	40,000	50,000	Estimation based on surveys	PMU	Since the project has not commenced, the baseline is zero. Benefits of improved accountability would go to a large number of people and it is difficult to measure.
Of which female (beneficiaries)	<input checked="" type="checkbox"/>	Percent	0	10	30	40	Estimation based on surveys	PMU	

Intermediate Results Indicators	Core	Unit of Measurement	Baseline	Target Values			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
				2015	2016	2017				
Intermediate Result Component One: Supporting implementation of the National Anticorruption Strategy and Transparency and Anti-corruption Action Plan										
1.1 Diagnostic study of form and manifestation of corruption in 7 pilot ministries completed.	<input type="checkbox"/>	Number	0	3	7	n.a.	Annually	Verify whether the report of diagnostic study has been finalized	SNACC	SNACC has published the final report on the diagnostic study

Intermediate Results Indicators	Core	Unit of Measurement	Baseline	Target Values			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
				2015	2016	2017				
1.2 Decision Support System for the Asset Declaration Sector established.	<input type="checkbox"/>	Y/N	N	N	Y	n.a	Annually	Verify whether database management system is installed and operational.	SNACC	Output reports on the Asset Declarations.
1.3 Management Information System for the Investigations and Complaints Management Sector established	<input type="checkbox"/>	Y/N	N	N	Y	n.a.	Annually	Verify whether management information system is installed and operational.	SNACC	Output reports on the Management Information System.
1.4 Interactive website to disseminate and receive information on anticorruption and receive citizens' complaints launched	<input type="checkbox"/>	Y/N	N	N	Y	n.a.	Annually	Verify whether the interactive website is installed and operational.	SNACC	Output reports and anticorruption information on the website.
1.5 Number of amendments to the anticorruption legal framework and executive orders drafted in accordance with TACAP and NDC resolution	<input type="checkbox"/>	Number	0	2	4	7	Annually	Verify whether the amendments in the anticorruption framework drafted and submitted to the MoLA.	SNACC	Amendments in the anticorruption framework reflected in the applicable laws
1.6 SNACC officials trained in investigations, legal framework, database management and complaints management.	<input type="checkbox"/>	Number	0	40	80	100	Annually	Evaluation of capacity of staff of SNACC in the field of investigation and complaints management	SNACC	SNACC has enhanced Investigations procedures implemented by its staff

Intermediate Results Indicators	Core	Unit of Measurement	Baseline	Target Values			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
				2015	2016	2017				
1.7 Officials of law enforcement agencies (Public Fund Court and Attorneys for Corruption cases) trained in the field of prosecution.		Number	0	40	80	100	Annually	Evaluation of capacity of staff of law enforcement agencies in the field of prosecution	SNACC, Law enforcement agencies	Law enforcement agencies have enhanced prosecution procedures implemented by their staff
1.8 National Anti-Corruption Strategy is revised and updated		Y/N	N	N	Y	n.a.	Annually	Verify whether the National Anti-Corruption Strategy updated for 2015-2018	SNACC	New National Anti-Corruption Strategy for four years 2015-2018
Intermediate Result Component Two: Supporting the implementation of the Right to Access to Information (RAI) law										
2.1 Capacity of the Information Commissioner's Office staff developed (staff trained)		Number	0	25	50	90	Annually	Identification of gaps in capacity of Information Commissioner's Office staff	ICO	Gaps in capacity of ICO staff closed
2.2 By-laws for Right to Access to Information Law developed		Y/N	N	Y	n.a.	n.a.	Annually	Verify whether RAI By-laws have been developed	ICO	By-laws finalized and published by ICO
2.3 Road Map for the RAI's implementation, Operational manual, four year strategic plan for Right to Access to Information Law implemented		Y/N	N	N	Y	n.a.	Annually	Verify whether ICO's Operational manuals, four year strategic plan have been implemented	ICO	Evaluation of effectiveness of implementation

Intermediate Results Indicators	Core	Unit of Measurement	Baseline	Target Values			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
				2015	2016	2017				
2.4 Knowledge of public officials increased on their obligations under the RAI law (officials trained)		Number	0	100	300	500	Annually	Evaluation of capacity of public officials on their obligations under the RAI law	ICO	Abidance of the 7 pilot ministries by the RAI law increased
2.5 Baseline and end-of-project survey on citizen's awareness on RAI law conducted		Y/N	N	Y	n.a.	Y	First and the last year of the project	ICO, Independent Survey Firm	PMU	An independent firm will be hired to do the survey.
2.6 Multi-media campaign to increase mass awareness about right to information conducted		Y/N	N	Y	Y	Y	Throughout the project	ICO, Independent media firm	PMU	
2.7 Survey on information infrastructure and capacities in government institutions for abidance to the RAI law conducted		Y/N	N	Y	n.a.	n.a.	First year of the project	ICO, Independent Survey Firm	PMU	An independent firm will be hired to do the survey.
2.8 An Information Portal for proactive disclosure of government information is launched		Y/N	N	Y	n.a.	n.a.	First year of the project	ICO	PMU	NIC is ICO's recommendation for hosting and operating the portal. It needs to be checked with the NIC if they have the hardware and networking resources to do that.

Intermediate Results Indicators	Core	Unit of Measurement	Baseline	Target Values			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
				2015	2016	2017				
Intermediate Result Component Three: Supporting the Yemen Anti-Corruption Coalition in raising demand for good governance in 7 pilot sectors										
3.1 Pilot sectors in which victims of corruption and poor service delivery identified, their evidence recorded and case study documented	<input type="checkbox"/>	Number	0	2	6	7	Annually	Verify whether the case study report Victims of corruption and poor service delivery have been finalized	YACC	YACC has the final case study reports and documentary film.
3.2 Case Studies of victims of corruption and poor service delivery in the pilot sectors are disseminated	<input type="checkbox"/>	Number	0	0	20	35	Annually	Verify whether the case study reports of victims of corruption and poor service delivery have been published and widely disseminated	YACC	Assessment of the reach of media-vehicles used for dissemination amongst the target audience
3.3 Volunteers of YACC received basic training in investigations, data collection, documentation of evidence, and presentation of findings. Field supervisors received advanced training in investigations, documentation of evidence and presentation of findings.	<input type="checkbox"/>	Number	0	90	90	90	Annually	Evaluation of capacity of concerned YACC's staff in investigation and documentation of evidence	YACC	YACC has enhanced investigations and documentation procedures implemented by its staff
		Number	0	18	18	18	Annually	Evaluation of capacity of concerned YACC's staff in investigation and documentation of evidence	YACC	YACC has enhanced investigations and documentation procedures implemented by its staff

Intermediate Results Indicators	Core	Unit of Measurement	Baseline	Target Values			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
				2015	2016	2017				
3.4 Identified corruption cases mediated with concerning government agencies		Percent	0	0	30	50	Annually	Minutes of Meetings with concerned government agencies	YACC	Considering that this activity will start after the project starts, the baseline is zero. In the first year, the YACC will be busy in identification and scope of mediation will not arise. In the second year, it is expected that each of 17 CSOs would mediate at least 5 cases each. In the third year, they would mediate at least 10 cases each.
3.5 Awareness created amongst citizens about their right to access of information (workshops/public meetings held)		Number	0	204	408	408	Annually	Video recording of meetings/workshops	YACC	Since the work has not started, the baseline is zero. In the first year each of 17 CSOs will conduct one meeting each per month, and in the second and the third years, they will conduct two meetings per month.
3.6 Baseline and end-of-project survey of information responsiveness in 7 pilot ministries		Y/N	N	Y	n.a.	Y	First and the third year of the project	Survey results	YACC	Baseline survey all 7 sectors would be conducted in year 1 and end of project survey in year 3.

Annex 2: Detailed Project Description

REPUBLIC OF YEMEN: Accountability Enhancement Project

1. **The Project will consist of four components:** (1) Supporting implementation of the National Anti-corruption strategy and Transparency and Anti-corruption Action Plan; (2) Supporting the implementation of the Right to Access to Information (RAI) law; and (3) Supporting the Yemen Anti-Corruption Coalition in raising demand for good governance in seven pilot sectors (basic education, health, water, electricity, social protection, civil service, and judiciary), and (4) Project management.

2. The components are described in greater detail below:

Component 1: Supporting implementation of the National Anticorruption Strategy and Transparency and Anti-corruption Action Plan (US\$2.55 million)

3. The activities of this component will be implemented by the SNACC. This component will contribute to improved enforcement of the anticorruption law. This will be done by following sub-components and activities:

(a) Establishing core systems and enhancing the institutional capacity of SNACC by:

- (i) Establishing a Decision Support System (DSS) for the Assets Declarations Sector within SNACC to enable it in examining financial disclosures of public officials, analyzing and archiving them in a systematic and transparent order.
- (ii) Establishing a Management Information System (MIS) for the Investigation Sector within SNACC and networking it with information systems of other law enforcement agencies⁴ to facilitate complaints management and investigations.
- (iii) Developing an interactive website of SNACC to enable it to disseminate information on anticorruption, including reports, studies, manuals, and convictions, and to enable citizens to send inquiries, complaints, reports, and supporting evidences. To the extent feasible, efforts will also be made to develop smartphone applications, to enable access for people who might not have access to computers, but might have smartphones.
- (iv) Establishing a ‘Hotline unit’ within SNACC to enable citizens to make complaints anonymously, and providing it with computer hardware, as well as skills training.
- (v) Establishing a Legal Cell within SNACC, comprising of national and international legal experts, to draft necessary amendments in the anticorruption legal framework as per recommendations of the good governance group of the NDC, as well as supporting investigators in improving documentation of forensic evidence for improved prosecution.
- (vi) Improving performance and accountability of SNACC, by an assessment of the effectiveness of SNACC, and introduction of a system to measure its performance by establishing Key Performance Indicators (KPIs) and making the results public.

⁴ Other law enforcement agencies include COCA, HATC, Attorney General Office, Anti- Money Laundering Unit, and, Financial Intelligence Unit.

- (vii) Designing a suitable incentive system for government officials in consultation with the Ministry of Justice (MoJ) and the Ministry of Civil Service and Insurance (MoCSI) to reward the improved compliance of court orders in corruption cases.
 - (viii) Providing technical assistance to SNACC in reviewing and updating the National Anti-Corruption Strategy and its action plan to streamline the collective efforts of the integrity system's members in the three core areas of corruption prevention, investigation and education.
 - (ix) Establishing a Research and Analysis Cell within SNACC for conducting diagnostic studies into causes and forms of corruption in the seven pilot sectors – basic education, health, water, electricity, social protection, civil service, and judiciary – to provide insights into potential changes in the business processes of the pilot sectors for preventing corruption in future.
 - (x) Providing training to SNACC's newly appointed Board and technical staff on how to prevent, investigate and combat corruption - with special emphasis on pilot sectors and the oil revenue sector. Training program would include classroom lectures, workshops and overseas study visits to learn lessons and get acquainted from international best practices.
- (b) Building the capacity of judges and prosecution lawyers of the Public Fund Courts:
- (i) Training the judges of the Public Fund Courts to effectively adjudicate on prosecution referrals in corruption cases for making speedy and fair verdicts.
 - (ii) Training prosecution lawyers of the public fund courts on using modern techniques for improved conviction.
- (c) Training government officials of seven pilot sectors and COCA staff:
- (i) Training government officials of seven pilot sectors – basic education, health, water, social protection, civil service, judiciary and electricity – and COCA staff - on corruption prevention, transparency and accountability and techniques to scuttle corruption practices and irregularities, based on the findings and recommendations of the diagnostic surveys.

Component 2: Supporting the implementation of the Right to Access to Information (RAI) law (US\$ 1.275 million)

4. Yemen has enacted Law No. 13 of 2012 on “The Right to Access to Information” which is considered one of the best in the region. An Information Commissioner’s Office (ICO) has been established under the law. The component will support the implementation of the law by following sub-components and activities. The activities of this component will be implemented by the ICO.

(a) Enhancing the institutional capacity of the Information Commissioner’s Office:

- (i) Developing By-Laws, ICO’s organizational structure, operation manual, ICO’s four year strategic plan, Roadmap, and KPIs. Guidelines for government institutions to

provide information in accordance to the RAI law will also be developed and distributed.

- (ii) Providing hardware and software essential to the ICO to commence its business and utilize its mandate to receive, process, and respond promptly to complaints.
 - (iii) Organizing study tours and observational visits overseas for the Information Commissioner to learn from international best practices and experience.
 - (iv) Establishing Financial Management/Accounting System in the ICO.
 - (v) Building capacity of ICO staff on to manage complaints and conduct investigation.
- (b) Building the capacity of ministries, departments and agencies to effectively enforce application of the RAI law:
- (i) Developing Training Manuals for trainers and trainees on public information processing (gathering, indexing, sorting, archiving, retrieving, disseminating, etc.) in line with RAI law provisions.
 - (ii) Training information officers at ministries, departments and agencies on public information processing. The training will be tailored to equip trainees with skills to track irregularities and propose corresponding remedies. The national trainers on information processing will include members from the civil society.
 - (iii) Establishing Information Portal for proactive disclosure of government information.
- (c) Conducting baseline and end-of-project surveys on information infrastructure, capacities for abidance of the RAI law by government institutions as well as awareness levels and perceptions of the right to access to public information. The surveys will include development of key performance indicators and propose means to foster a culture for exercising lawful rights to curbing corruption, enhancing transparency and accountability in government processes and decisions. ICO will also collaborate with YACC in making a pilot assessment of the information responsiveness of ministries.
- (d) Conducting a multi-media campaign to create mass awareness about citizens' right to access of public information, using television, radio, press, internet, cell phones, street posters and banners, brochures, etc. for public outreach. Considering the limited outreach of different media vehicles, ICO will also collaborate with the YACC to reach citizens in remote and uncovered areas directly.

Component 3: Supporting the Yemen Anti-Corruption Coalition (YACC) in raising demand for good governance in 7 pilot sectors (US\$ 1.250 million)

5. The project will support the Yemen Anti-Corruption Coalition (YACC) in raising the demand of good governance in 7 pilot sectors - education, health, water, social protection, civil service, judiciary and electricity- raising awareness amongst citizens for building constituencies and alliances to fight corruption at the primary service delivery units of these sectors. The activities of this component will be implemented by the YACC. This component will comprise of following subcomponents and activities:

- (a) Documentation, Dissemination and Mediation in identified cases of corruption and poor service delivery:
 - (i) Identification and Recording of Evidence from the victims of corruption and poor service delivery: The CSO Coalition will send its trained observers at the primary service delivery units of the seven pilot sectors to identify the victims of corruption and poor service delivery in the targeted Governorates. Their interviews will be recorded using digital and video cameras. Six evaluation meetings will be held during the three year project period to discuss the findings of observers and prioritize the case studies for further documentation. Complaint boxes will be kept at the offices of the 16 members of the CSO Coalition to invite complaints related with corruption and poor service delivery. In addition, a 'Hotline' will be established to receive complaints.
 - (ii) Documentation of Case Studies of identified victims of corruption and poor service delivery: An international Consultant will be hired to document the case studies of the identified victims of corruption and poor service delivery in an illustrative form. A documentary film of compiled case-studies of victims of corruption and poor service delivery will also be prepared for 7 pilot sectors.
 - (iii) Dissemination of Case Studies of victims of corruption and poor service delivery: The dissemination of case studies of victims of corruption and poor service delivery will be done through launching the CSO Coalition through a Media Conference; establishing and updating coalition's website and internet social networks; publishing Half-Yearly News Letter; publication of Posters, Leaflets, etc.; and, conducting Media-Conferences after all the 4 central Evaluation Meetings at the Coalition's Secretariat level. The outcome of this sub component would be that case studies of the victims of corruption and poor service delivery in the 7 pilot sectors will be widely disseminated.
 - (iv) Coordination and Mediation with authorities regarding the cases of corruption victims: The CSO Coalition will organize meetings with the Ministries, Departments and Agencies of pilot sectors of education, health, water and social protection to explain them the identified case studies of corruption and poor service delivery in their respective domains. It will solicit action on (a) taking action against those guilty of corruption or dereliction of duty, and (b) making changes in their rules of business to minimize the opportunities of corruption and poor service delivery in future. The CSO Coalition will also hold meetings with the SNACC to solicit high level

investigation into the repeated manifestation of corruption at a country or region wide level. The CSO Coalition will also liaise with the Office of Attorney General, Ministry of Interior, COCA, and Governors to solicit strong punitive action against those guilty of committing and abetting corruption.

- (v) Capacity Building of the CSO Coalition: An Orientation Training Workshop will be conducted for Observers and Supervisors to explain them the methodology for identification and recording of case studies of victims of corruption and poor service delivery. Thereafter, a Refresher Training Workshop will be held for improving their skills and capacity.
- (b) Creating awareness about Right to Information Law: A series of workshops and dialogues will be led by the coalition, with different communities, including some of the regional divisions, on citizen's rights under the new access to information law, mechanisms through which they could exercise their rights, the government's anti-corruption efforts, and the options available to citizens to take a stand against corruption.
- (c) Piloting an assessment of the information responsiveness of ministries: This will be done by supporting Yemen Anti-Corruption Coalition floating test requests to establish a baseline. There is an established methodology for this that has been piloted in several countries and this sub-component will draw from these experiences to implement this exercise. The exercise will create a baseline on information responsiveness that can provide a comparator on improvements in responsiveness in future.

Component 4: Project Management (US\$0.925 million)

6. The activities of this component will be managed by the PMU under SNACC. This component will provide for goods, training, consultant's services, and incremental operating costs of the PMU to support project coordination, implementation, monitoring and evaluation, and management.

Annex 3: Implementation Arrangements
REPUBLIC OF YEMEN: Accountability Enhancement Project

A. General

1. At the request of the Government, US\$ 6 million are made available from the MNA Transition Fund for supporting the Supreme National Authority for Combating Corruption (SNACC) for strengthening transparency; the Information Commissioner’s Office for developing and implementing by-laws to the Right to Access to Information (RAI) Law; and the Yemen Anti-Corruption Coalition for Combating Corruption (YACC) for enhancing good governance. The proposed project is aimed at enhancing capacity of targeted accountability institutions (SNACC, ICO, YACC and MoJ) to provide access to information and to improve enforcement of anti-corruption law.
2. The SNACC will be the Implementing Agency for this project. A new Board has been appointed for SNACC under the Presidential Decree No 54 issued in September 2013. A new Project Management Unit (PMU) has been established under SNACC. The PMU will consist of following staff:

S. No.	Title
1.	Executive Director
2.	Secretary
3.	Financial Management Officer
4.	Procurement Officer
5.	Legal Expert
6.	Communications Officer
7.	Monitoring and Evaluation Expert
8.	CSO Coordinator

3. The PMU already has on board the Executive Director, Secretary, Financial Management Officer and the Procurement Officer; the rest of the staff will be appointed by June 30, 2014.
4. The ICO and the YACC will be the co-implementing agencies of this project. They will be fully responsible for implementing the activities of Component 2 and Component 3 respectively. The management functions, including procurement, financial management, human resources and monitoring and evaluation will, however, rest with the PMU. The CSO Coordinator in the PMU will provide support to the YACC Secretariat. The project will provide only the per diem and travel costs of the YACC staff working on different activities of this project. The project will not finance the time of the YACC officials in any manner, including the salary and overtime. The PMU would meet above mentioned costs of the YACC operations from the Operating Costs of the Project.
5. An Operations Manual for this PMU has been jointly prepared by SNACC and YACC, and a new accounting system installed.

6. A Steering Committee (SC) of this Project has been established for supervising, coordinating and monitoring the activities of the SNACC, YACC, ICO and the MoJ. The SC consists of seven members – Chairperson SNACC as the chair of SC; two members each from SNACC and YACC respectively; the Information Commissioner; and, a representative of the MoJ. The SC will hold regular half-yearly meetings to approve the activity plan and monitor its progress.
7. The establishment of new PMU in SNACC will mitigate the FM risks at SNACC (e.g. low capacity of the FM staff, lack of documented internal control procedures, using manual records in accounting recording, the financial records of SNACC are not audited by COCA). The PMU will manage all the financial management aspects of the Project (e.g., accounting recording and reporting through the use of an automated accounting system and based on an acceptable manual of procedures and management of the disbursement process). Accounting records will be maintained within the PMU using an automated accounting system, which will also generate the project accounts' quarterly Interim Financial Reports (IFRs). These reports together with the project's annual financial statements will be reviewed and audited respectively by an independent external auditor selected by COCA and acceptable to the World Bank, based on an agreed terms of reference. The PMU will submit to World Bank, the Project's quarterly unaudited IFRs not later than 45 days after each calendar quarter and annual audited financial statements not later than six months after each calendar year.

B. Implementation Entities, Accounting and Staffing

8. The SNACC-PMU will be responsible for the related financial management aspects of the Project (e.g. planning, budgeting, FM supervision of the activities, and reporting on these activities to all stakeholders). The SNACC-PMU has recruited a qualified Financial Management Officer based on acceptable term of references through open competition.
9. The new SNACC-PMU has procured and installed a new automated accounting system on appropriate IT equipment (e.g. computer and server). This system is based on acceptable terms of reference and similar in properties and outcome of other Bank-financed projects like following the cash basis of accounting and capable of recording the related project activities, generating required reports such as the quarterly IFRs and annual Public Financial Statement (PFS).
10. The new SNACC-PMU has prepared its own FM manual, as part of the Operations Manual, which describes the internal control procedures to capture the financial management arrangements and the disbursement requirements. The FM manual has been reviewed and cleared by the World Bank. Current FM arrangements are acceptable to the Bank.

C. Flow of Funds

11. **To ensure that funds are readily available for implementation of the project**, a segregated Designated Accounts (DA) will be opened in US Dollar at the Central Bank of Yemen (CBY) and will be managed by the PMU-SNACC. Authorized signatories, names and corresponding specimens of their signatures will be submitted to the Bank prior to the receipt of the first Withdrawal Application. Deposits into and payments from the DA will be made in accordance with the disbursement letter and Bank Disbursement Guidelines. The SNACC-PMU will prepare withdrawal applications with the related supporting documents, signed by the designated signatories.
12. **Additionally, a local operational account denominated in Yemeni Riyal will be opened at the CBY** and managed by SNACC-PMU separately. Payments out of the local operational account will be for training, incremental operating costs and small consultancy contracts not exceeding US\$2,500 each, and will be made through checks signed by the PMU Executive Director and the PMU Financial Management Officer. Payments from the local operational account can be replenished as disbursements occur and proper supporting documents are filed. Disbursements out of the local operational account are subject to the proposed Project's internal controls and will be subject to the annual external audits. The grant recipient is responsible to bear all risks associated with foreign exchange fluctuations when making transfers from the Designated Account which is denominated in US Dollars to the local operational account denominated in Riyals. At the end of the Project, any unused balances in the local operational account should be deposited to the related Designated Accounts, including any balance in Riyals which should be converted to US Dollars.
13. **Retroactive Financing:** Eligible expenditures advanced from SNACC's own funds would be retroactively financed by the project after this grant becomes effective and the new PMU submits a withdrawal application requesting the reimbursement of the eligible expenditures. Withdrawals up to an aggregate amount not to exceed US\$75,000 may be made for payments of Eligible Expenditures made on or after November 1, 2013. The estimated costs for these expenses, which are expected to be retroactively financed, are as follows.
 - i. Six-month salary of PMU staff: US\$40,000
 - ii. Accounting Software: US\$10,000
 - iii. Office Furniture and Equipment: US\$25,000Total - US\$75,000

D. Auditing

14. The Project's financial statements will be audited by an independent private sector external auditor, who will also review the IFRs quarterly. The external auditor should be acceptable to the Bank and Central Organisation for Controlling and Auditing (COCA); and the TOR will be prepared and submitted for the Bank's no objection, at the beginning of the project. The auditor will issue an annual audit report and a quarterly review report for the PMU. The external auditor's report (in English and Arabic) shall encompass all Project's components and activities under the Grant Agreement and shall be in accordance with internationally accepted auditing standards e.g., International Standards on Auditing. The audit report and opinion will cover the Project's financial statements, reconciliation and use of the Designated Account (DA) and local operational Account, use of direct payments, and withdrawals based on Statements of Expenditure. In addition, the auditor is required to prepare a "management letter" for PMU to identify any observations, comments and deficiencies, in the system and controls, that the auditor considers pertinent, and shall provide recommendations for their improvements.

E. Disbursement Arrangements

15. The proceeds of project funds will be disbursed in accordance with the Bank's disbursements guidelines as outlined in the Disbursement Letter. Transaction based disbursement will be used under this project. Accordingly, requests for payments from the account will be initiated through the use of Withdrawal Applications either for Direct Payments, Reimbursements, and Replenishments to the DA. All Withdrawal Applications will include appropriate supporting documentation including detailed Statement of Expenditures for reimbursements and replenishments to the DA. The minimum application size for direct payment or reimbursement will be the equivalent of 20% of the Advance ceiling amount. The Bank will honor eligible expenditures completed, services rendered and goods delivered by the Project closing date. A four months' grace period will be granted to allow for the payment of any eligible expenditure incurred before the Grant Closing Date. All requests for withdrawals of grant funds should be fully documented, with the exception of: (i) goods under contracts costing less than a counter value of US\$ 200,000, (ii) consultant firms under contracts costing less than a counter value of US\$ 100,000 and (iii) individual consultants or training programs costing less than a counter value of US\$ 50,000, for which reimbursement may be requested based on Statement of Expenditure.

16. The Table reflecting the allocation of the proceeds by Category is as follows.

Category	Amount in USD	Percentage of Expenditures to be Financed (inclusive of Taxes)
Goods, non-consulting services, consultants' services and Training under Part A of the Project	2,550,000	100 %
Goods, non-consulting services, consultants' services and Training	1,275,000	100 %

Category	Amount in USD	Percentage of Expenditures to be Financed (inclusive of Taxes)
under Part B of the Project		
Goods, non-consulting services, consultant services, Operating Costs and Training under Part C of the Project	1,250,000	100 %
Goods, consultants' services, Training and Operating Costs under Part D of the Project	925,000	100 %
Total Cost	6,000,000	

F. Procurement arrangements

Assessment of the agency's capacity to implement procurement

17. A Procurement Assessment of SNACC was conducted in 2010 in the context of implementing an IDF grant. Under that assessment, the organizational structure, procurement staffing, procurement administration, filing, and systems were carefully reviewed. That assessment was updated in 2012. SNACC currently has a procurement department staffed with three employees who are responsible for handling all procurement issues. This department is led by the Financial Manager. The procurement officer is a civil servant and, while knowledgeable on government procurement procedures [in house], does not have capacity for handling procurement under the Bank guidelines. **Therefore, all procurement activities would be carried out by the PMU in SNACC** following the Bank's procurement procedures.

18. Key actions proposed for mitigating the procurement risks were as follows:

a) A Procurement Manual as part of an Operations Manual has been adopted by the Steering Committee, which includes the agreed upon procurement methods, review by the World Bank, record keeping, complaints handling, dispute resolution, information disclosure etc. as set up by the World Bank guidelines.

b) A Procurement officer has been recruited.

19. **To mitigate the risks related to the contracts that would be financed retroactively**, the Bank will ex-ante review all documents related to the procurement of the agreed upon activities and clear it. The Bank will only reimburse those contracts which are found acceptable and are in line with the Bank's procurement procedures.

20. **Procurement activities under the project will be carried out in accordance with** Section I of the "Guidelines: Procurement of Goods, Non-consulting Services under IBRD Loans and

IDA Credits and Grants by World Bank Borrowers” dated January 2011, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (Consultant Guidelines) and the provisions stipulated in the Grant Agreement. In addition, the World Bank’s Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”) will apply.

21. Procurement of Goods and Non-consulting Services: Goods procured under this project would include but will not be limited to Supply and Installation of Computers and equipment for ICO; supply and installation of power generator and APS system for ICO, and Supply and Installation of Furniture for ICO and YCCC with estimated cost US\$ 328,000 and Supply and installation of equipment for the Investigation Department; Supply and installation of equipment for the Financial Disclosure Department of SNACC; and supply and installation of equipment for the Hotline for Complaints Department of SNACC with total amount US\$ 510,000. All goods under the project will be procured using the Bank’s Standard Bidding Documents (SBD) for all ICB, and for NCB, the standard bidding document agreed with or satisfactory to the Bank will be used. Goods contracts valued above US\$ 500,000 would be awarded through ICB procedures. Goods estimated to cost less than US\$ 500,000 or equivalent may be awarded following NCB procedures. Goods contracts valued below or equivalent of US\$ 50,000 may be procured through shopping procedures by soliciting at least three responsive quotations. All goods contracts valued equal to or above US\$ 500,000 equivalent would be subject to prior review and approval by World Bank.

22. For goods and non-consulting services contracts below the threshold for international procurement, financed by the World Bank, national competitive bidding (NCB) method shall be used following the procedures set forth in Law No. 23 of 2007 concerning Government Tenders, Auctions and Stores, and related regulations, subject to the following additional provisions:

- (1) A Recipient-owned enterprise in the Republic of Yemen shall be eligible to bid only if it can establish that it is legally and financially autonomous, operates under commercial law, and is not a dependent agency of the Recipient;
- (2) Bidding (or pre-qualification, if required) shall not be restricted to any particular class of contractors or suppliers, and non-registered contractors and suppliers shall also be eligible to participate;
- (3) The modified national standard bidding documents approved by the World Bank shall be used;
- (4) Registration shall not be used to assess bidders’ qualifications; qualification criteria (in case pre-qualification was not carried out) and the method of evaluating the qualification of each bidder shall be stated in the bidding documents, and before contract award the bidder having submitted the lowest evaluated responsive bid shall be subject to post-qualification;
- (5) A foreign bidder shall not be required to register or to appoint an agent as a condition for submitting its bid and, if determined to be the lowest evaluated responsive bidder, shall be given

reasonable opportunity to register, without let or hindrance; the registration process shall not be applicable to sub-contractors;

(6) No bidder shall be requested or permitted to modify its bid after the bid closing date shall have elapsed and bids submitted after the deadline for submission of bids shall be returned to the bidder unopened;

(7) Post-bidding negotiations with the lowest or any other bidder shall not be permitted;

(8) Under exceptional circumstances, the procuring entity may, before the expiration of bid validity, request all bidders in writing to extend the validity of their bids, in which case bidders shall not be requested nor permitted to amend the price or any other condition of their bids; a bidder shall have the right to refuse to grant such an extension without forfeiting its bid security, but any bidder granting such extension shall be required to provide a corresponding extension of its bid security;

(9) rejection of all bids is justified when there is lack of effective competition, or bids are not substantially responsive, however, lack of competition shall not be determined solely on the basis of the number of bidders; and

(10) Each contract financed from the proceeds of the Grant shall provide that the supplier shall permit the World Bank, at its request, to inspect their accounts and records relating to the performance of the contract and to have such accounts and records audited by auditors appointed by the World Bank.

23. ***Selection of Consultants:*** Consultancy Services procured under this Project would be provided by firms and individuals, and could include, but will not be limited to the following: (i) Hiring local legal expert to do the constitutional amendments; (ii) Baseline survey to assess public awareness levels of the RAI law (iii) Hiring Experts to support ICO establishment phase (Multiple Contracts) and (iv) recruitment of external audit services.

24. **Consultant firms and individuals will be selected in accordance with the Consultant Guidelines.** For firms, all contracts above US\$300,000 will be procured using Quality and Cost Based Selection method (QCBS). Least Cost-Based Selection (LCS), Single source selection (SSS), and selection based on Consultant Qualification procedures (CQS) would be used for small contracts of standard or routine nature estimated to cost less than US\$300,000. All consulting firms' contracts above US\$200,000 will be subject to World Bank's prior review. All individual consulting assignments will be selected in accordance with Section V of the Guidelines for Selection of Consultants paragraphs 5.2, 5.3 and 5.4 of the Consultant Guidelines for the Selection of Individual Consultants; and Single-source procedures for the Selection of Individual Consultants.

Training activities

25. Training activities will include but will not be limited to: conducting workshops, study tours, training of trainers, and training judges and prosecution lawyers of the public fund courts.

26. Prior Review Threshold: Thresholds for applicable procurement methods (not limited to the list below):

	Procurement Method	Contract Value Threshold	Prior Review US\$
1.	ICB (Goods)	>= 500,000US\$	All ICB contracts and the first two NCB contracts of goods and subsequent contracts above US\$500,000 for goods; and all contracts awarded on direct contracting method irrespective of value
2.	NCB (Goods)	<500,000 US\$	
3.			
	Shopping (Goods)	<50,000 US\$	
4.	Direct contract	All	

Selection of consultants

27. Prior Review Threshold: Selection decisions subject to Prior Review by World Bank as stated in Appendix 1 to the Consultant Guidelines:

	Selection Method	Prior Review Threshold	Comment :
1.			First contract of any value; subsequent contracts valued over US\$200,000 equivalent,
	Consulting Firms (Competitive)	>200,000 US\$	
2.	Consulting Firms (Sole Source)	All contracts	
3.			First contract of any value; subsequent contracts valued over US\$50,000 equivalent
	Individual Consultants (Competitive)	> 50,000 US\$	
4.	Individual Consultants (Sole Source)	All contracts	

Procurement Plan

28. The Recipient has developed a procurement plan for project implementation that provides the basis for the procurement methods. The Procurement Plan will be updated in agreement with the Bank Team annually or as required to reflect the actual project implementation needs, including improvements in institutional capacity.

29. *Prior review by the Bank for goods:* All ICB contracts and the first two NCB contracts of goods and subsequent contracts above US\$500,000 for goods; and all contracts awarded on direct contracting method irrespective of value will be subject to prior review by the Bank.

30. *Prior review by the Bank for consultancy services:* First two contracts of any value for both Firms and Individuals; subsequent contracts valued over US\$200,000 equivalent for firms including CSOs/NGOs, and above US\$50,000 equivalent for individuals; and all contracts to be awarded on single source selection basis irrespective of value will be subject to prior review by the Bank.

31. *Post Review by the Bank:* All contracts not covered under prior review will be subject to post review during implementation support missions, and/or review by consultants to be appointed by the Bank.

32. Summary of the planned procurement packages for the first 18 months after project effectiveness:

Proposed Package	Estimated Cost in USD	Category	Prior/ post
Supply & installation of equipment for studies and research unit	30,000	Goods	Post
Supply & installation of equipment for investigation Dep & compliment Dep;	110,000	Goods	Prior
Supply & installation of equipment for financial disclosure department of SNACC;	350,000	Goods	Prior
supply & installation of equipment for Hotline to complaints department of SNACC	50,000	Goods	post
Supply & Installation of Furniture & equipment for PMU	50,000	Goods	post
Organize study tours and observational visits overseas for the Information Commissioner to learn from international best practices and experience.	30,000	CB	Post
Train ICO staff (multiple contracts)	50,000	CB	post
Train trainers in the area of RAI (multiple contracts)	30,000	CB	post
Train information officers and government officials (multiple contracts)	90,000	CB	Post
Conduct workshops with key stakeholders to discuss the By-Laws of the RAI law	15,000	WS	post

Proposed Package	Estimated Cost in USD	Category	Prior/ post
Conduct multiple workshops with key stakeholders to promote RAI (multiple workshops)	30,000	WS	Post
Supply of Financial Management/Accounting System for ICO.	30,000	Goods	Post
Supply & Installation of Computers & equipment for ICO (multiple contracts)	45,000	Goods	post
Supply & Installation of Datacenter Equipment and IT Network for ICO (multiple contracts)	45,000	Goods	post
supply & installation of power generator & APS system for ICO	40,000	Goods	post
Supply & Installation of Furniture for ICO	30,000	Goods	post
Hiring local legal expert to do the constitutional amendments	30,000	IC	Prior
Establishing Information Portal at the National Information Center for proactive disclosure of government information. (multiple Contracts)	100,000	CQS	post
Establishing Complaints Management System (multiple contracts)	90,000	CQS	post
Assess information capacities and readiness/abundance of government institution to the RAI law	50,000	CQS	Post
Baseline survey to Assess public awareness levels of the RAI law	50,000	CQS	Post
Hiring Experts to support ICO establishment phase (Multiple Contracts)	115,000	CQS	prior
Media Campaigns (Multiple Contracts)	400,000	SSS	prior
Baseline survey to identify the victims of corruption and poor service delivery in the targeted Governorates	153,000	CQS	prior
Hiring experts IT specialists to update information tracking system and training employees in how to use the system(multiple contracts)	70,000	CQS	post

33. **Short list comprising entirely of national consultants:** Short list of consultants for services, estimated to cost less than US\$300,000 equivalent per contract, may comprise entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

34. **The procurement risk is considered “moderate”.**

35. **In addition to the prior review of contracts, supervision will be carried out from the World Bank offices.** The capacity assessment of the Implementing Agency has recommended

two annual implementation support missions to visit the field to carry out post review of procurement actions.

**Annex 4: Operational Risk Assessment Framework (ORAF)
REPUBLIC OF YEMEN: Accountability Enhancement Project**

Project Stakeholder Risks	Rating	Substantial		
<p>Description :</p> <p>The SNACC, YACC, HATC, HTB, COCA and the MoF are key stakeholders as well as key implementers of this program. All of these are fully on board and have been instrumental in preparing the government’s Transparency and Anti-Corruption Action Plan (TACAP), which is the backbone, and the basis for the concept and design of this project. All of these agencies have played a key role in convincing the Prime Minister and the CoM about the rationale and timing of implementing the TACAP. Subsequently, the National Dialogue Conference has recommended principles of good governance to be enshrined in the new constitution on the basis of TACAP.</p> <p>The CoM headed by the PM has approved the TACAP by consensus – so as a group, their support can be counted. The Information Commissioner’s Office has already prepared draft by-laws, four-year strategic plan and annual budgets for three years. The Minister of the MoJ and MoLA is ready to initiate legislative changes as envisaged and in-principle approved by the CoM.</p> <p>The Media is very supportive of the TACAP. The Parliament is a major stakeholder as far as approving the legal amendments is concerned. The GPC presently has a majority in the Parliament but fresh elections will be due after the enactment of new Constitution and Electoral Law.</p>	<p>Risk Management:</p> <p>A close coordination with the Secretary General of Council of Ministers will be maintained by both the implementing agency (SNACC) and the Bank’s task team for coordinating inputs from the concerning ministries like MoJ, MoLA, MoCSAI towards drafting of decrees and law amendments in reference to the TACAP.</p> <p>A committee under the chair of Minister of Justice has been constituted by the CoM resolution, which includes heads of SNACC, HATC, COCA, HTB, AGO towards taking next steps under the finalization and implementation of the TACAP. The SNACC will ensure that meetings of this committee are held on a regular basis so that a communication gap is avoided. A team of legal experts will be provided to assist the concerned ministries, agencies and this committee to take legally tenable decisions.</p> <p>The Parliamentary Committee Against Corruption will be regularly briefed about the rationale and content of proposed legislative amendments. Their questions will be promptly answered.</p> <p>Media will be regularly briefed to ensure that citizens are well aware of what the government is doing to enhance transparency and accountability in the country such that conducive environment for reforms is built.</p>			
	<p>Resp: SNACC, Bank Task Team</p>	<p>Stage: Implementation</p>	<p>Due Date : December 31, 2015</p>	<p>Status: Ongoing</p>
Implementing Agency Risks (including fiduciary)				
<p>Capacity</p>	<p>Rating:</p>	<p>Moderate</p>		

Description : While the implementing agency, SNACC, has been into operations for more than 5 years and has experienced staff to oversee the operations of this project, the PMU has just been established with entirely new staff, operational manual and accounting system. The staff has limited or no experience in working under Bank Guidelines and they are expected to manage a multitude of high profile stakeholders for which they have yet to learn. As such, the present capacity of the PMU is low.	Risk Management : The Bank would organize training for the PMU staff – Executive Director, Financial Management Officer, Procurement Officer and Secretary – in the Bank’s operational guidelines and accounting system. The Executive Director would be given exposure to the management of similar projects another country setting.		
	Resp: Bank, SNACC	Stage: Implementation	Due Date : June 30, 2015
Governance		Rating:	Moderate
Description : While the SNACC will be the main implementing agency for the project, it will have to coordinate action with other ministries and agencies like MOF, HATC, HTB, COCA, Civil Society Organizations, MoJ, MoLA, MoCSAI, etc. There could be a lack of adequate support and coordination with other ministries and agencies due to a lack of clarity of their respective institutional roles and responsibilities. This could lead to institutional delays.	Risk Management : A coordination and accountability mechanism will be set up between the SNACC and other ministries and agencies through a Project Operations Manual delineating the respective roles, responsibilities, and reporting arrangements for respective agencies in the implementation of this project. The existing Project Operations Manual will be modified and approved by the Government and adopted by the Project. A Project Steering Committee has been established under the chair of Chairperson SNACC, which includes member representatives from SNACC, YACC, MoJ and ICO. The Steering Committee would meet every six months to review the progress of the project. The steering committee meetings will also be a point of coordination. Besides, the drafting committees for legislative amendments and policy decisions would include representatives from MoLA, COCA, HATC and MoCSAI respectively.		
	Resp: PMU	Stage: Implementation	Due Date : Continuous
Project Risks			
Design		Rating:	Substantial
Description : Large number of implementing agencies outside of the administrative control of the main implementing agency	Risk Management : A Project Steering Committee (SC) has been put in place to help coordinate the activities. Also, the Project Operations Manual has been approved by the Government and adopted by the Project.		
	Resp: PMU	Stage: Implementation	Due Date : Continuous

Social & Environmental	Rating:	Not Applicable		
Description : No social and environmental safeguards are expected to be triggered.	Risk Management : Not Applicable			
	Resp:	Stage:	Due Date :	Status:
Program & Donor	Rating:	Moderate		
Description : The Government and Donors have agreed on a Mutual Accountability Framework (MAF) in the Donors' Conference in Riyadh held in 2012. This project aims to implement some of agreed actions under the MAF which were also approved by the CoM under the TACAP. This project is going to be solely managed by the Bank under the Transition Fund. However, other donors like the USAID, DFID, GIZ, UNDP and Arab Funds are also supporting the government in implementing its transparency and accountability agenda. A lack of coordination with these donors could lead to potential overlaps with their programs and affect the quality and timely delivery of our project.	Risk Management : Organize coordination meetings with donors working on Transparency and Accountability agenda regularly.			
	Resp: Bank, PMU	Stage: Implementation	Due Date : Continuous	Status: Ongoing
Delivery Monitoring & Sustainability	Rating:	Substantial		
Description : <i>Sustainability:</i> The implementing agency (SNACC) has the ownership and commitment to continue project activities and its policies even after the project is over as it is their legal mandate. They also have the technical and institutional capacity to maintain project initiatives even after project completion. However, they lack adequate budgetary support from the government in carrying out these activities and the project sustainability will be affected if they are not able to maintain the momentum after the external financing under this project is stopped. <i>Measurability:</i> There is low quality of a monitoring and evaluation system and low capacity in the PMU to manage the M&E of the project. <i>Contract Management:</i> The PMU does not have an adequate Contract Management System which can adversely affect the project implementation, causing delays and quality of service	Risk Management :			
	<i>Sustainability:</i> The present project aims to support the government in enhancing transparency and accountability in the transition period of two years. During this period, a new constitution will be written and a new Parliament elected. However, the implementing agency, SNACC, is a permanent institution established under the National Anti-Corruption Law, and barring its Board Members, its entire staff shall continue to work. The government will pick up funding after the project is completed.			
	<i>Measurability:</i> The entire project has been built around a very carefully drafted results framework and presented in a high level consultation meeting with stakeholders. The PMU shall hire an M&E specialist who will receive training, as needed. This person will develop an M&E system in a participatory manner with all the stakeholders and will design M&E reports for all of them including for the Steering Committee (SC) on a quarterly basis. The World Bank M&E specialist will remain a member of the supervision team to ensure continuity and careful review of the status of the results framework on a regular basis.			
<i>Contract Management:</i> The Contract Management issues will be addressed by making appropriate provision in the "Project Operation Manual" and the PMU will be encouraged to use the state-of-art software for contract management for facilitating a follow up on the contracts' progress.				

delivery.					
		Resp: Bank, PMU	Stage: Implementation	Due Date : Continuous	Status: In planning stage
Project Team Proposed Rating					
Implementation Risk Rating: Substantial					
<p>Comments: SNACC PMU has been recently established and its staff lacks capacity and requires some time to understand operations. Also, while SNACC will be the main implementing agency of this Project, it will have to coordinate action with other agencies like YACC, ICO, MoJ, MoLA, MoCSAI, MOF, HATC, HTB, and COCA. They are all very powerful and outside the administrative control of SNACC. There could thus be a resistance to work under the directions of a Steering Committee chaired by Chairperson of SNACC and also a lack of adequate support in program implementation. These could lead to implementation delays. Various diagnostics have shown that there is grand corruption in high places. There can be resistance from those quarters to the proposed legislative reforms in the anti-corruption legal and regulatory framework. The resistance could also very well be in the implementation of anti-corruption and RAI laws.</p> <p>The overall risk rating under the project implementation stage, therefore, is considered substantial.</p>					
Risk Team					
Preparation Risk Rating			Implementation Risk Rating		
Comments:			Comments:		
Overall Risk Following Review					
Preparation Risk Rating:			Implementation Risk Rating:		
Comments:			Comments:		

Annex 5: Implementation Support Plan
REPUBLIC OF YEMEN: Accountability Enhancement Project

Strategy and Approach for Implementation Support

1. The World Bank will support the implementation of this project through a combination of fiduciary and technical supervision, technical assistance, monitoring and evaluation, as well as coordination. These activities will be implemented by teams composed of Bank staff, consultants as well as experts in coalition building.

Implementation Support Plan

2. Safeguards: Social and environmental safeguards are not triggered.
3. Main focus in terms of support to implementation

Time	Focus	Skills Needed	Resource Estimate	Partner Role
Throughout project	Adapting design while maintaining ability to evaluate for impact	Coalition and consensus building expertise	US\$ 480,500	Coordination and outreach through a transparent process
	Adapting activities to volatile circumstances	Government-Governance oversight entities-CSO partnerships building in fragile and conflict contexts		

4. Inputs:

Skills Needed	Specialization	No. of Staff Weeks	Number of Trips
Senior Public Sector Specialist	Task Team Leader	30	6
Governance Specialist	Access to Information and Anti-corruption	15	3
Operations	Operations Management	10	1
Local STC	Anti-corruption	30	-
Senior Financial Management Specialist	Financial management	15	-
Procurement Specialist	Procurement	15	-

Skills Needed	Specialization	No. of Staff Weeks	Number of Trips
Senior Counsel	Legal	6	1
Team Assistance in CO	Team Assistant	12	-
Program Assistance in HQ	Program Assistant	9	-
	Total	142	11

5. The approximate cost of providing implementation support will be as follows.

Description	Amount (USD)
C. Grant Preparation and Implementation Support	
Staff Time	
Preparation	30,000
Administration and implementation support	180,000
<i>Sub-Total (Staff Time):=</i>	210,000
Staff Travel	
Preparation	20,000
Supervision and implementation support	90,000
<i>Sub-Total: Staff Travel=</i>	110,000
Variable Costs (Consultant fees and travel)	
Fees	75,000
Travel	15,000
<i>Sub-Total: Variable Costs=</i>	90,000
Sub-Total: Grant Preparation and Implementation Support (MNSPS)=	410,000
D. For grant Administration (TF)	70,500
Total Indirect Costs	480,500