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Report No. P-6613-YEM

MEMORANDUM AND RECOMMENDATION
OF THE
PRESIDENT OF THE
INTERNATIONAL DEVELOPMENT ASSOCIATION
TO THE
EXECUTIVE DIRECTORS
ON A
PROPOSED CREDIT
IN AN AMOUNT EQUIVALENT TO SDR 24.7 MILLION
TO THE
REPUBLIC OF YEMEN
FOR A
TRANSPORT REHABILITATION PROJECT

DECEMBER 22, 1995

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CURRENCY EQUIVALENTS

(as of November 1995)

US\$1 = YR 115.0

FISCAL YEAR

January 1 to December 31

ABBREVIATIONS AND ACRONYMS

ADT	=	Average Daily Traffic
AIA	=	Aden International Airport
CAMA	=	Civil Aviation and Meteorological Authority
CANP	=	Civil Aviation National Plan
GOY	=	Government of Yemen
MOC	=	Ministry of Construction, Housing and Urban Planning
MOF	=	Ministry of Finance
MOPD	=	Ministry of Planning and Development
PDRY	=	Peoples' Democratic Republic of Yemen
RMF	=	Road Maintenance Fund
ROY	=	Republic of Yemen
SAR	=	Staff Appraisal Report
YAR	=	Yemen Arab Republic
YRFB	=	Yemen Road Fund Board

REPUBLIC OF YEMEN
TRANSPORT REHABILITATION PROJECT

Credit and Project Summary

Borrower : Republic of Yemen

Beneficiaries : Ministry of Construction, Housing and Urban Planning and Civil Aviation and Meteorological Authority

Amount : SDR 24.7 million (US\$37.0 million equivalent)

Terms : Standard with 40-year maturity and 10 years grace

Commitment Fees : 0.5 percent on undisbursed credit balances, beginning 60 days after signing, less any waiver

Financing Plan	Foreign Cost	Local Cost	Total Cost
	------(US\$ Million)-----		
IDA	33.9	3.1	37.0
Cofinancing	5.0	-	5.0
GOY	<u>9.8</u>	<u>9.8</u>	<u>9.8</u>
Total	<u>38.9</u>	<u>12.9</u>	<u>51.8</u>

Economic Rate of Return : 40 percent (for road component)

Poverty Category : Not Applicable

Staff Appraisal Report : Report No. 14403 -YEM

Map : IBRD No. 26976

Project Identification No. : 41267

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**MEMORANDUM AND RECOMMENDATION OF THE PRESIDENT
OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION
TO THE EXECUTIVE DIRECTORS
ON A PROPOSED CREDIT
TO THE REPUBLIC OF YEMEN
FOR A
TRANSPORT REHABILITATION PROJECT**

1. I submit for your approval the following memorandum and recommendation on a proposed Credit to the Republic of Yemen for SDR24.7 million (equivalent to US\$37.0 million) to help finance the Transport Rehabilitation Project. The Credit would be on IDA's standard terms with 40 years maturity, including 10 years of grace. The proceeds of the Credit would be provided to the Ministry of Construction, Housing and Urban Planning (US\$21.7 million equivalent) and the Civil Aviation and Meteorological Authority (US\$15.3 million equivalent). The project is expected to be cofinanced by the Government of France (US\$5.0 million).

BACKGROUND

2. Following a slump in economic activity after the Gulf War, the Yemeni economy rebounded in 1992. Growth accelerated in 1993 and 1994, averaging 5.8 percent, primarily due to rapidly expanding oil production, which increased by 19 percent and 56 percent, respectively, in 1993 and 1994. This growth however did not benefit all segments of the population; unemployment which had averaged 25-30 percent during 1990-93 is estimated to have risen further in 1994. With a population of about 14 million, per capita GNP is estimated at US\$280, or well below the IDA eligibility cut-off. The country's economic difficulties stem from both internal and external factors. Internally, unification caused substantial increases in Government expenditures which could not be covered by non-inflationary means, and also weakened the Government's ability to implement policies to deal with a deteriorating macro-economic situation. Externally, the Gulf crisis led to a drop in financial inflows - both aid and private remittances, and to a large increase in the labor force, due to the return of Yemeni workers from Gulf countries. The civil war in 1994 only worsened an already difficult situation, and resulted in the loss of expensive infrastructural assets which now require extensive rehabilitation.

3. The proposed Transport Rehabilitation Project in the Republic of Yemen (ROY), is designed to address needs in the country's transport sector arising both out of damages suffered at the Aden International Airport (AIA) in the recent civil war, and from neglect of road maintenance which now necessitates reconstruction of sections of the road network. Since the road rehabilitation works to be financed under the Credit are the result of inadequate maintenance, partially due to inadequacies in maintenance funding, the project would also assist the Government in strengthening maintenance capability in the sector and in establishing a Road Maintenance Fund with revenues generated from user charges.

4. IDA's Country Assistance Strategy for Yemen, being presented to the Board along with this project, has the following main objectives: (i) support stabilization, structural reforms and social protection measures for those adversely affected by adjustment; (ii) improve portfolio implementation and the sustainability of past and future investments; and (iii) promote sustainable natural and human resources development. This project supports and is fully consistent with the proposed IDA assistance strategy: it would restore key economic infrastructure while improving the sustainability of transport sector investments by funding maintenance through a system of user charges. It would also promote macro-economic stabilization by reducing the burden on the Government's budget of financing road maintenance, the costs of which will now be recovered from road users; and it restores key economic infrastructure critical to future development of the country.

The Road Sector

5. Over the decade 1980-90, the paved road network in Yemen grew rapidly from about 2,900 kms to 4,900 kms, and in early 1993, the length of the paved network, including projects under construction stood at 5,734 kms. Average daily traffic (ADT) volumes range from around 10,000 ADT (near Sana'a) to just under 1,000 ADT on most of the network, with traffic volumes in the north generally exceeding 2,000 ADT, while in the south most roads carry less than 2,000 ADT with a few exceptions near Aden and in the Hadramout valley. Since unification of the country in 1990, traffic growth rates have been around 8 percent per annum, reflecting the increases in the vehicle fleet resulting from the large numbers of vehicles brought into the country by the returnees after the Gulf crisis, and also the increases in trade and transport among various parts of the newly unified Yemen. Rapid expansion of the road network, which essentially, doubled in the last 15 years, has caused maintenance of existing roads to be neglected. Deteriorating roads now cause large economic losses due to increased vehicle operating costs, as well as because of the need for reconstruction of roads which have been left to deteriorate to the point of structural failure. Rehabilitation and maintenance of the road network has, therefore, become an urgent priority in the sector.

6. The Ministry of Construction, Housing and Urban Planning (MOC) is responsible for maintaining the country's national road network. MOC recognizes the issues facing the sector and is committed to improving maintenance of the network. Key issues in the road sector to be addressed under the project are: (i) inadequate funding of road maintenance and low cost recovery from road users which is being addressed by setting up a Road Maintenance Fund (RMF) and introducing a fuel levy to finance road maintenance, and this has been accomplished under Presidential Decree No. 1-44-95-81 of August 1995; (ii) truck overloading and the consequent high axle loads causing excessive damage to road pavements, to address which axle load controls and enforcement measures are being introduced under the project; and (iii) the Government's limited administrative capacity for road maintenance, and this is being addressed by setting up the Yemen Road Fund Board (YRFB) to carry out planning, budgeting and contracting of road works. Terms of Reference for technical assistance to be provided to the YRFB for putting in place appropriate planning and control systems has been agreed. With regard to axle load enforcement, the Government is already undertaking various measures, including activation of existing truck weigh stations and construction of new weigh stations.

The Civil Aviation Sector

7. Following unification in 1990, the Civil Aviation and Meteorological Authority (CAMA) became responsible for the combined airspace of the unified country, and given the vast geographical extent of the former PDRY, this was a considerable expansion in the airspace controlled by CAMA. CAMA also acquired from the Civil Aviation Department of the former PDRY a completely different mix of equipment, much of it supplied from Eastern European sources, which caused difficulties in obtaining spares, inter-operability and maintenance. The Gulf crisis in 1991 precipitated another major change; up until then Saudi Arabia had been supporting all air traffic services in the northern Governorates, and controlling the upper airspace from Jeddah. When relations with Saudi Arabia deteriorated during the Gulf crisis, the entire responsibility and financial burden of managing the northern airspace fell on to CAMA. The most recent crisis, the civil war, further strained CAMA due to the large losses of equipment and facilities suffered at AIA which had become the primary base for air traffic services following the withdrawal of Saudi assistance. A Civil Aviation National Plan-2005 (CANP-2005), prepared by international consultants under European Union bilateral assistance in 1992 (prior to the most recent crisis), had identified numerous critical deficiencies in the sector, and the losses suffered in the civil war have exacerbated what was already a difficult situation.

8. In civil aviation, the key issues are: (i) the financial losses incurred by CAMA each year due to low tariffs, loss of revenues and other factors, and this is being addressed through implementing an agreed initial tariff increase and a cost recovery study; (ii) overstaffing and at the same time the inability of CAMA to attract and retain qualified staff - an organization and staffing study would be implemented under the project; and (iii) lack of a clearly defined civil aviation policy in regard to international air transport agreements, and CAMA's role in developing and implementing such policies. This would be addressed by a Civil Aviation Strategy and Policy Study.

THE PROJECT

9. The project's primary objective is to undertake urgent rehabilitation needs in the roads and civil aviation sectors; secondarily, the project would seek to improve the institutional capacity for maintenance of the road network, and to strengthen road transport policies and regulations.

Project Description

10. The road sector component (Part-A) of the project includes: rehabilitation of the Hodeidah-Salif (65 km) road leading to the deepwater port at Salif, and 100 km of the Am Ayn-Naqabah section of the Aden - Mukalla road; establishment of the Road Maintenance Fund, and through the newly-established Yemen Road Fund Board, introduction of systematic maintenance planning and budgeting for the main road network. The civil aviation component (Part-B) of the project includes: reconstruction and replacement of all services (air conditioning, passenger information systems, etc.) of the AIA terminal which suffered bomb damage; construction of a new control tower; and the Civil Aviation Strategy and Policy Study to identify options for developing the institutions in the civil aviation sector.

Rationale for IDA Involvement

11. In the roads sector, IDA's assistance strategy focusses on the rehabilitation and maintenance of existing assets, selective expansion of the road network providing access to areas of high economic potential; and corporatization, commercialization or privatization of operational and financial management. Through the proposed project, IDA will also seek to remove the main obstacles to effective maintenance by establishing an assured source of financing for road maintenance (the Road Maintenance Fund) and by creating an institution to manage the preservation of the road network, including putting in place a functioning system for funding private enterprise involvement in the sector. On the policy front, the project supports, and is consistent with, the IDA Country Assistance Strategy (see para. 4) by increasing tariffs and improving cost recovery from users of transport services. Reconstruction of war damages to the Aden International Airport addresses urgent emergency rehabilitation needs related to traffic safety and war damage to infrastructure. IDA is in a unique position to assist Government in the above endeavors because of its expertise and the experience already gained in Yemen in these sectors through its previous lending operations.

Environmental Aspects

12. Since the project involves only rehabilitation and maintenance of (i) existing roads in their original alignments, and (ii) reconstruction of the AIA terminal and replacement of the control tower, no significant environmental impacts are anticipated with the exception of some potential indirect impacts from the road rehabilitation works. The project is, therefore, rated as an environmental Category - B investment, and an environmental analysis, including a table of proposed mitigation measures to be implemented during the project, has been prepared for the road rehabilitation works.

Project Implementation

13. Independent Project Implementation Units, at MOC and CAMA, will oversee implementation of Part-A and Part-B of the project, respectively. The Project Implementation Unit within MOC will also oversee the establishment and initial operation of the Road Maintenance Fund and the Yemen Road Fund Board. The experience with project implementation in Yemen has been mixed, but since the civil war the remaining project in the transport sector (Multi-mode Transport Project) has been performing well. The monthly progress of physical works is acceptable, the project is disbursing well, no extension of the closing date seems necessary at this stage, and there are no problems with the Special Account and Audit Reporting. This is mainly due to simplicity in project design and straight-forward procurement arrangements. The present project has therefore been designed accordingly with most of the procurement to be accomplished through four large civil works contracts. Credit covenants have also been designed so that implementation of otherwise independent project components is not disrupted by defaults on covenants relating to other components.

Financing Plan

14. The overall financing requirement for the project of US\$51.8 million will be met through an IDA Credit of SDR24.7 million (US\$37.0 million equivalent), bilateral financing of equipment in the amount of US\$5.0 million, and a Government contribution of US\$9.8 million equivalent in local currency. France has expressed an interest in financing the AIA control tower equipment, and confirmation is expected by December 1996.

Actions Agreed

15. **Prior to disbursements for any civil works under Part-A** of the project, GOY will appoint the Supervision Consultants for the road components of the project.

16. **Prior to disbursements for civil works and equipment under Part-B** of the project, GOY will take following actions:

- (i) Select and appoint the Design and Supervision Consultants for the reconstruction of the terminal and construction of the control tower at Aden International Airport; and
- (ii) Implement tariff increase proposed by CAMA.

17. **During implementation of the project**, GOY will ensure that:

- (i) The three weigh-bridges at Hodeidah, Mocha and Harad will be put into operation, and axle load controls will be implemented at each location in a manner satisfactory to IDA by December 31, 1996;
- (ii) All revenue from road user charges, including fuel surcharge initially set at YR 0.5/litre on petrol, will be collected and deposited in a Road Maintenance Fund;
- (iii) The program of actions set out in the Letter of Road Sector Development Policies and Actions, and in the Letter of Civil Aviation Policy will be carried out;
- (iv) Financing of at least US\$5.0 million equivalent for control tower equipment at Aden International Airport will be made available by December 31, 1996; and

- (v) Consultants to carry out the Study for Planning and Prioritizing Road Maintenance Needs and to support the Yemen Road Fund Board will be appointed by December 31, 1996.

Project Benefits

18. Benefits from the road rehabilitation components of the project are estimated to produce an economic rate of return of about 40 percent due to the high traffic volumes on these road sections. This estimate of rates of return was derived using the Highway Design and Maintenance Standards Model, and are based on detailed traffic counts and assessments of vehicle operating cost savings on the two road sections. The road sections selected for rehabilitation have a high priority within the country's overall road network: the Hodeidah-Salif road is essential to the efficient functioning of the new deepwater bulk handling facility at Salif, and the Am Ayn-Naqabah road is critical to transport between the eastern parts of the country and the rest of Yemen. No quantitative economic evaluation has been undertaken for the emergency reconstruction of the AIA terminal building and for safety enhancements (control tower) whose benefits, while difficult to quantify, are clearly high since they enable the restoration of high value investments and confidence in the air traffic control systems at the airport. Also, the terminal building works consist of the reconstruction of an existing structure while the control tower works are dictated by minimum safety standards both of which allow little flexibility in adjusting the scope of the project.

Project Sustainability

19. Sustainability of the roads component (Part-A) of the project is enhanced by the establishment of the Road Maintenance Fund which would assure dedicated funding for road maintenance, and by the creation of the YRFB which would have maintenance of the road network as its primary objective. In the aviation sector (Part-B), sustainability of investments is enhanced by improving the financial condition of CAMA through required tariff increases, and by providing technical assistance to CAMA for institutional strengthening.

Risks

20. Since the project is for emergency reconstruction, its design has been kept simple in order to minimize implementation delays. A majority of the procurement is effected through four large ICB contracts. Potential delays in obtaining financing for the AIA control tower equipment is a risk, and if financing for this is not confirmed by France by December 31, 1996, the Government has agreed to seek alternative sources of grant financing or to provide the funds needed from its own resources. Since the type of equipment required can be financed through a number of supplier credits, the risks of delay on this account are relatively small.

21. **Recommendation:** I am satisfied that the proposed Credit would comply with the Articles of Agreement of the Association and recommend that the Executive Directors approve the proposed Credit.

James D. Wolfensohn
President

Attachments
Washington, D.C.
December 22, 1995

SCHEDULE A

**REPUBLIC OF YEMEN
TRANSPORT REHABILITATION PROJECT**

Project Cost Estimate (US\$ Million)

PROJECT COMPONENTS	Foreign Costs	Local Costs	Total Costs
Part A:			
Road Rehabilitation			
1. Hodeidah-Salif Road	6.18	4.12	10.30
2. Am Ayn-Naqabah Road	6.00	4.00	10.00
3. Equipment, Software and Training	1.80	0.20	2.00
Technical Assistance			
4. TA for Yemen Road Fund Board	0.66	0.08	0.74
5. Road Maintenance Study + Design	1.35	0.15	1.50
6. Impl. and Supvn. Consultants	1.35	0.15	1.50
<u>Subtotal Part A</u>	17.34	8.70	26.04
Physical Contingency	0.61	0.41	1.02
Price Contingency	0.88	0.58	1.46
Total Part A	18.83	9.69	28.52
Part B:			
Emerg. Rehabilitation of Aden Int. Airport			
1. Reconstruction of the Airport Terminal	5.60	1.40	7.00
2. New Control Tower/Technical Building	4.80	1.20	6.00
Equipment			
3. Communications/Nav aids Equipment	5.00	-	5.00
4. Safety Equipment	1.00	-	1.00
Technical Assistance			
5. Civil Aviation Strategy and Policy Study	0.45	0.05	0.50
6. Design, Supervision and Implementing Unit	1.35	0.15	1.50
<u>Subtotal Part B</u>	18.20	2.80	21.00
Physical Contingency	1.40	0.26	1.66
Price Contingency	0.50	0.12	0.62
Total Part B	20.10	3.18	23.28
Grand Total	38.93	12.87	51.80

Financing Plan (US\$ Million)

PROJECT COMPONENTS	IDA	GOY	France 1/	Total Costs
Part A: Road Rehabilitation	17.9	6.8	-	24.7
Part B: Rehabilitation of Aden International Airport	13.3	3.0	5.0	21.3
Technical Assistance	5.8	-	-	5.8
Grand Total	37.0	9.8	5.0	51.8

1/ To be confirmed.

REPUBLIC OF YEMEN
TRANSPORT REHABILITATION PROJECT

Procurement Arrangements (US\$ Million)

PROJECT ELEMENTS	Method			Not Bank Fincd.	Total Costs
	ICB	LCB	Other		
Civil Works:					
Hodeidah-Salif Road Reconstruction	11.5				11.5
	(8.1)				(8.1)
Am Ayn-Naqabah Road Reconstruction	11.2				11.2
	(7.9)				(7.9)
Reconstruction of the Airport Terminal	8.4				8.4
	(6.8)				(6.8)
New Control Tower/Technical Building	6.9				6.9
	(5.5)				(5.5)
Equipment	1.0		1.0/b	5.0/a	7.0
	(1.0)		(1.0)	(0.0)	(2.0)
Technical Assistance:			6.8/c		6.8
			(6.8)		(6.8)
Total	39.0		7.8	5.0	51.8
(From IDA Credit)	(29.3)		(7.8)	0.0	(37.0)

Notes: Figures in parenthesis are the amounts which would be financed by the proposed IDA Credit.
/a Envisaged to be financed by the Government of France.
/b International Shopping.
/c Consulting Services. Procured under the Guidelines for Use of Consultants by World Bank Borrowers and the World Bank as Executing Agency.

**REPUBLIC OF YEMEN
TRANSPORT REHABILITATION PROJECT**

Disbursements Against Project Components (US\$ Million)

CATEGORY	Amount of Credit Allocated (Expressed in US\$ Equivalent)	Percent of Expenditures to be Financed
1. (a) Civil Works, under Part A	15,000,000	70%
(b) Civil Works, under Part B	11,000,000	80%
2. (a) Consultant Services, Under Part A	4,500,000	100% of foreign expenditures and 95% of local expenditures
(b) Consultant Services, Under Part B	2,000,000	100% of foreign expenditures and 95% of local expenditures
3. (a) Equipment, Under Part A	1,000,000	100% of foreign expenditures
(b) Equipment, Under Part B	1,000,000	100% of foreign expenditures
4. Unallocated	2,500,000	
TOTAL	37,000,000	

Estimated IDA Disbursements (US\$ Million):

FY	96	97	98	99	00	01
Annual	1.1	6.6	8.6	14.7	4.4	1.6
Cumulative	1.1	7.7	16.3	31.0	35.4	37.0
Percent	3%	21%	44%	84%	96%	100%

SCHEDULE C**REPUBLIC OF YEMEN
TRANSPORT REHABILITATION PROJECT****Timetable of Key Project Processing Events**

Time Taken to Prepare the Project	:	10 months
Prepared By	:	Government
First Bank Mission	:	April 1995
Appraisal Mission Departure	:	April 1995 (Due to emergency nature of the operation, appraisal was undertaken during first mission)
Negotiations	:	November 1995
Board Presentation	:	January 1996
Planned Date of Effectiveness	:	June 1996
List of relevant PCRs and PPARs	:	Third Highway Project (Credit 794-YAR; PCR/PPAR No. 7312 of 6/24/88). Fourth Highway Project (Credit 1267-YAR; PCR of 6/8/89). Third Highway Project (Credit 1144-YDR) and Roads Flood Reconstruction Project (Credit 1295-YDR), PPAR No. 7311 of 6/24/88. Marib-Safir Road (Credit 1726-YAR), PCR No. 10643 of 5/7/92. Fourth Highway Project (Credit 1617-YDR), PCR No. 13593 of 10/11/94. Fifth Highway Project (Credit 1823-YDR), ICR No. 14635 of 6/21/95, Sana'a - Hodeidah Road Rehabilitation Project (Credit 1848-YAR), ICR No. 14639 of 6/21/95. Procurement and Construction of Highway Civil Works in Small Countries (OED Study, Report No. 7911 of 6/29/89).

**REPUBLIC OF YEMEN
TRANSPORT REHABILITATION PROJECT**

**A. STATEMENT OF IDA CREDITS
(As of October 31, 1995)**

Loan or Credit No.	Fiscal Year	Borrower	Project	Amount in US\$ Million (less cancellation)		Closing Date
				IDA	Undisbursed ^{1/}	
80 Credits Closed				691.07	2.24	
Of which SECALS, SALS & Program Loans				0.0		
C16670-YE	1986	REPUBLIC OF YEMEN	TIHAMA V	10.00	4.64	12/31/95 (R)
C17720-YE	1987	REPUBLIC OF YEMEN	SRADP	12.30	4.17	12/31/95 (R)
C18860-YE	1988	REPUBLIC OF YEMEN	AGRIC.DEV.(NORTHERN R)	17.60	6.03	12/31/95
C19440-YE	1989	REPUBLIC OF YEMEN	AL MUKALLA WATER	12.00	8.64	12/31/97 (R)
C19720-YE	1989	REPUBLIC OF YEMEN	HEALTH II	4.50	1.38	12/31/95 (R)
C19830-YE	1989	REPUBLIC OF YEMEN	EASTERN REG.	15.00	10.06	12/31/96
C20150-YE	1989	REPUBLIC OF YEMEN	INST.DEV. FOR PUB.	10.80	8.57	06/30/96
C20450-YE	1989	REPUBLIC OF YEMEN	HADRAMOUT AGR. III	12.00	12.65	06/30/97
C21510-YE	1990	REPUBLIC OF YEMEN	HEALTH II	15.00	14.58	12/31/96
C21600-YE	1990	REPUBLIC OF YEMEN	TAIZ FLOOD DISASTER	15.00	5.64	12/31/98
C21640-YE	1990	REPUBLIC OF YEMEN	POWER III	15.50	16.78	12/31/96
C21700-YE	1990	REPUBLIC OF YEMEN	TARIM WATER SUPPLY	12.00	12.98	12/31/97
C21770-YE	1991	REPUBLIC OF YEMEN	MULTI-MODE TRANSPORT	30.00	4.95	06/30/97
C22220-YE	1991	REPUBLIC OF YEMEN	SECONDARY TEACHER TR	19.40	13.99	12/31/98
C22580-YE	1991	REPUBLIC OF YEMEN	EMERGENCY RECOVERY C	33.00	11.24	12/31/95(R)
C22650-YE	1991	REPUBLIC OF YEMEN	FISHERIES IV	13.20	10.18	06/30/99
C22990-YE	1992	REPUBLIC OF YEMEN	NAT. AGRIC. SECT. MGMT	14.40	14.63	12/31/99
C23730-YE	1992	REPUBLIC OF YEMEN	LAND & WATER CONSERV	32.80	32.56	06/30/99
C24120-YE	1993	REPUBLIC OF YEMEN	BASIC EDUCATION	19.70	20.69	12/31/98
C25250-YE	1993	REPUBLIC OF YEMEN	FAMILY HEALTH	26.60	27.75	09/30/00
C25700-YE	1994	REPUBLIC OF YEMEN	EDUCATION SECTOR	33.00	35.86	09/30/01
Total IDA Credits				1,064.87	280.17	
Of which repaid				37.74		
Total held by IDA				1,027.13		
Amount held of which repaid				0.00		
Total Undisbursed					280.17	

1/ Undisbursed balance may exceed difference between commitments (net of cancellations) and disbursements because of SDR/US\$ parity. It does not reflect the US\$34 million cancellations agreed at the time of the CPPR, which are being processed.

SCHEDULE D

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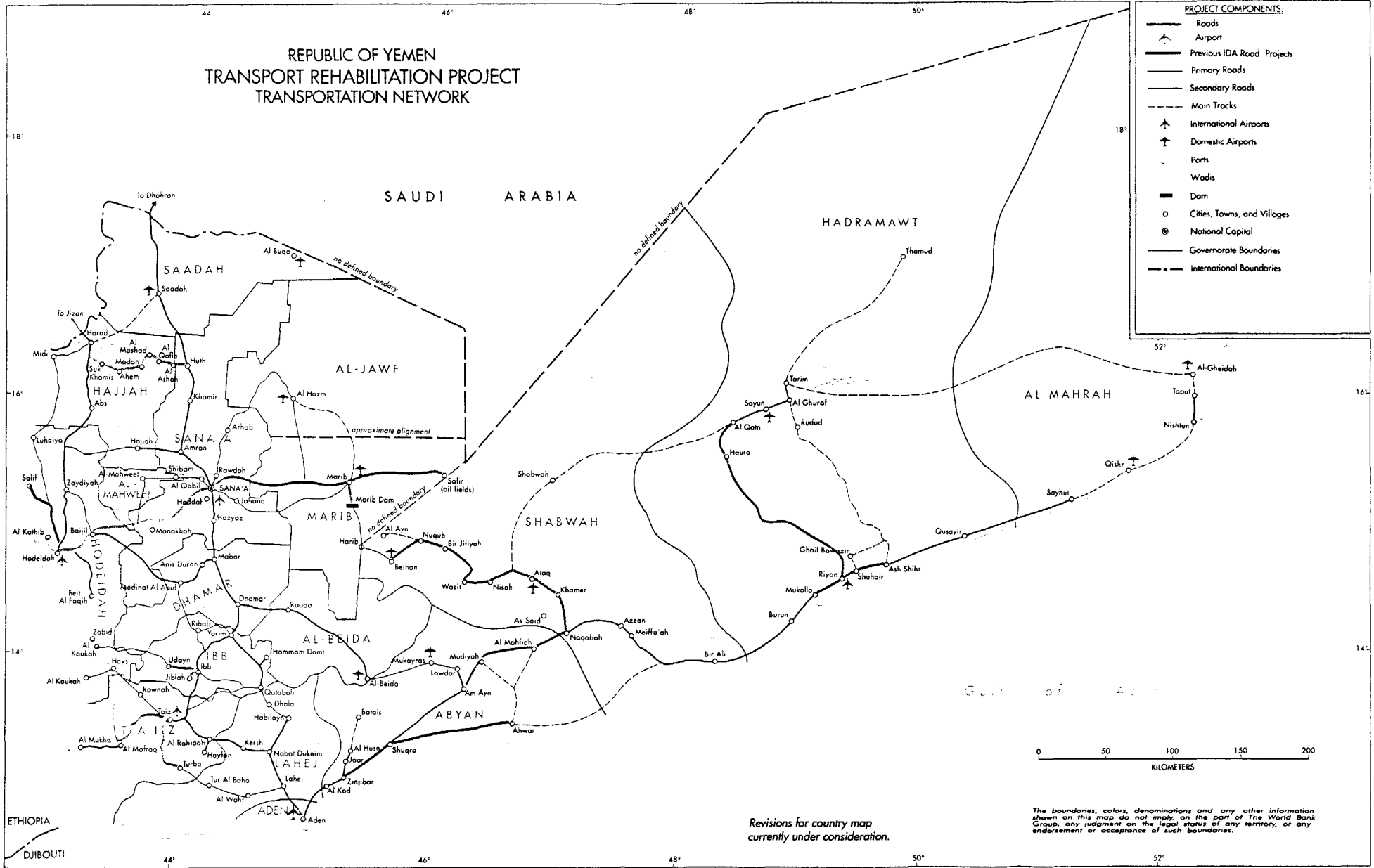
**REPUBLIC OF YEMEN
TRANSPORT REHABILITATION PROJECT**

B. STATEMENT OF IFC INVESTMENTS
As of October 31, 1995
(in US\$ Million)

Year	Obligor	Type of Business	Loan	Equity	Total
1978	Yemen Dairy and Juice Products Industries Co., Ltd	Dairy and juice products	3.15	0.00	3.15
1984/85	Yemen Dry Cell Batteries	Dry cell batteries	3.25	0.90	4.15
1985	National Company for Vegetable Oil and Ghee Industries	Vegetable oil	4.65	0.00	4.65
1986	Yemen Hunt Oil Company	Oil refinery	9.00	0.00	9.00
1987	Marib Agriculture Company	Agric. and livestock	2.40	0.30	2.70
Total Gross Commitments			22.45	1.20	23.65
Less: Cancellations, terminations, repayments, sales and exchange rate adjustments			22.45	1.20	23.65
Total Commitments now held by IFC			0.00	0.00	0.00

MAP SECTION

REPUBLIC OF YEMEN TRANSPORT REHABILITATION PROJECT TRANSPORTATION NETWORK



IMAGING

Report No: P- 6618 YEM
Type: MCF