

Yemen – Institutional Reform Development Policy Grant
Inspection Panel Request
Action Plan: Status and Way Forward

Background

Yemen Institutional Reform Development Policy Grant (IRDPG) is an integral part of the broader economic and governance program launched by the Government as a part of its Third National Development Plan for Poverty Reduction and Reform (DPPR). The DPPR was developed through an intensive consultation process, engaging a large group of stakeholders including in provinces, from late 2004 to mid-2006. In this context, the IRDPG aims to help carry forward selected priority reforms emerging from the DPPR, some of which are building on processes launched as early as the late 1990s. The IRDPG is also building on an extensive earlier program of analytical work and other Bank assistance, which has benefited from extensive consultations with a variety of stakeholders.

This Note aims to: (i) take stock of progress to date in implementing the Action Plan outlined in the Management Response to the Inspection Panel for the IRDPG; and (ii) specify further actions that Management aims to take in the coming period in this context. This Action Plan is a part of the broader Bank-wide effort to further strengthen the effectiveness of the Bank's engagement in fragile States such as Yemen. This effort aims to help accelerate economic and social progress in the poorest country in the Middle East and North Africa Region (MNA) Region and in a fragile State with a complex socio-political environment. The proposed actions also draw on the findings of a visit to Yemen by Executive Directors in 2008.

These actions are rooted in the understanding that adequate and effective consultations with, and participation of, relevant stakeholders are critical to achieving improved development outcomes in a country like Yemen (with appropriate management of expectations). They draw on the "Good Practice Note on Supporting Participation in Development Policy Operations" published by OPCS in October 2004. They also reflect lessons learned in other Regions, including from Inspection Panel cases and including those detailed in "Rights and Participation: Citizens involvement in projects supported by the World Bank", published in August 2008 by the LAC Region, as well as the findings of the 2009 Development Policy Loan (DPL) Retrospective.

Like in any country, but more so in Yemen, the challenge is to manage a series of dilemmas and constraints, including: (i) distinguishing between consultations that should be led by the Government and those that can be led by an international organization such as the World Bank and appropriately respecting that the ownership of the Government is not undermined; (ii) ensuring that consultations processes are an effective complement to, rather than a substitute for internal constitutional processes, and in particular for Parliamentary processes; (iii) balancing the participation of various types of stakeholders (e.g., private sector, communities, NGOs, academia) based on their effective ability to contribute to improved outcomes under Bank-supported activities; (iv) selecting among the many credible and relevant Civil Society Organization (CSOs) a manageable number of counterparts with whom to engage to ensure the reforms benefit from such engagements and results in meaningful dialogue – although it may

cause frustrations among those that are not involved; and (v) managing expectations of those that are consulted, to avoid a perception that consultations provide a de facto veto authority.

In line with the Eligibility Phase Management Response (Management Response) to the Inspection Panel of May 19, 2009, sequentially a number of steps have been taken. A translation of the Program Document was provided to the Requesters and other interested stakeholders in June 2009 and the Requesters acknowledged receipt of this translation. A meeting with the Requesters was held on May 30, 2009 (during which the Requesters expressed their concerns and discussed ways to strengthen communications with the Bank). A further meeting took place on September 6, 2009, during which progress in implementing the IRDPG was discussed in detail. Discussions revealed considerable distrust by the Requesters of the Government and of the overall direction of the reform program, as well as a positive desire to be engaged and consulted in programs and projects supported by the Bank.

This Note hence focuses on actions aimed at further strengthening consultations and participation of stakeholders, which have been regrouped under three categories: (i) further strengthening MNA Region's policy and practices for stakeholders participation, including through disclosure, translation, outreach, and capacity building activities; (ii) consolidating the partnership with stakeholders to continue to monitor the risks associated with the IRDPG implementation; and (iii) broadening and deepening consultations across the Bank-supported programs in Yemen.

Development of MNA Action Plan and Institutional Mechanism

The Management Response included commitments to review, by December 2009, translation practices and to enhance the systems to monitor effective compliance with the disclosure policy of Project and Program Information Documents (PIDs), Project Appraisal Documents (PADs), and Program Documents (PDs) within the MNA Region. The following steps have been or are being undertaken:

- (i) The review has been completed and MNA Vice President has assigned the Development Effectiveness Unit the responsibility for monitoring PID disclosure and updates at the appraisal stage; following up with concerned task teams as necessary; and conducting ex-post monitoring of timely disclosure of PAD, PD, Letter of Development Policy, and Tranche Release Document. This Unit will submit to Regional Management a monthly report on progress made and specific recommendations for addressing any potential problems emerging. Detailed instructions to that effect will be communicated to MNA staff by October 31, 2009.
- (ii) In line with good practices outlined in the World Bank Translation Framework, as a part of the commitment to enhance the framework for consultations, MNA will translate into Arabic at least: (i) all PIDs; and (ii) all PADs/PDs. This will extend to Arabic the translation practices that are currently in use for French for the Maghreb countries. Detailed instructions in that respect will be communicated to MNA staff by October 31, 2009. This will require significantly expanding the Bank's translation capacity, which has budgetary implications and will take time (e.g., for recruiting staff, etc.). MNA has requested GSD to at least double the Arabic Translation Unit capacity in order to respond

to the anticipated increase in the volume of documents to be translated into Arabic. This process is expected to be gradual, with clear progress by June 2010 and a steady state operation in place by the end of 2010. The translation of a PAD typically takes about 8 to 10 weeks.

- (iii) In addition, a review of MNA websites has been conducted and a major revamp of Arabic websites is being undertaken to facilitate access in Arabic to relevant Bank materials, including project documentation and analytical work. This includes: (a) ensuring that content is aligned with the English website and regularly refreshed and updated; (b) recruiting a specialized web editor and upgrading the skills of existing staff who post content on the websites; and (c) clarifying responsibilities for the governance of these websites. This exercise (including revamping and a first round of regular updates) is expected to be completed by June 2010.

More broadly, MNA has also set for itself the objective of stepping up its consultation and participation practices. The Region will aim to go beyond what is required in that respect under applicable operational policies, to learn from experience in other Regions, and to gradually adjust the modalities of its engagement with stakeholders, including but not limited to CSOs, in order to achieve enhanced development outcomes. To that effect, MNA is considering the following framework for approaching this challenge in a strategic and systematic manner:

- (i) In each country, the Country Office will develop a directory of CSOs, specifying their special niche and sector interest, which shall be targeted for consultation. This list will be shared with the Government as may be appropriate. This will be accompanied by a mechanism for CSOs to “appeal” in case they believe they are to be consulted on specific matters (although, in order to remain practical, the appeal would not always lead to inclusion). The directories should be finalized by June 30, 2010.
- (ii) In each country, the Country Director and Country Manager will be required to launch a systematic effort aimed at strengthening outreach to relevant stakeholders where it is necessary and to report to Senior Management on a regular basis. Instructions to that effect will be communicated to relevant managerial staff by October 31, 2009.
- (iii) The MNA Vice President will issue an instruction by October 31, 2009 to all regional staff to further raise awareness and disseminate good practices on consultations. This instruction is expected to be followed by training sessions to relevant Task Team Leaders and Task Team members.
- (iv) In parallel, MNA will develop, together with World Bank Institute and other relevant parts of the World Bank Group, and in consultation with stakeholders (including CSOs), a series of training programs for stakeholders across the MNA Region (including CSOs) to improve their understanding of the reform and investment programs and of their potential benefits, and of the role of the Bank and other agencies. The first training session will be delivered by June 30, 2010.

Implementation of the IRDPG

The Management Response included a commitment to continue to monitor the risks associated with the IRDPG, in consultation with stakeholders. In practical terms, this is expected to be achieved through the following set of actions:

- (i) During each supervision mission, the Task Team will meet with a cross-section of CSOs, which are representative of the main viewpoints within civil society, to discuss progress in implementing the measures supported under the IRDPG and concerns CSOs may have on the impact of these measures on the poor. An invitation will be systematically extended to the Requesters to participate in these meetings (as was the case for the meeting held on September 6, 2009).
- (ii) Following each supervision mission, the Task Team will issue an update note in Arabic and English (one- to two-page) on the status and progress of implementation of the reforms supported under the IRDPG. These notes will be broadly disseminated by the Country Office and posted on the internet.
- (iii) Throughout supervision, the Task Team will work closely with those CSOs which are directly involved, as actors, in the implementation of some of the measures supported under the IRDPG with a view to facilitating implementation of the operation. This is expected to be especially relevant for the Extractive Industries Transparency Initiative (EITI) component.
- (iv) Throughout supervision, the Task Team will make particular efforts to reach out to entities which are representative of the parties that may be affected by the measures supported under the IRDPG, in order to discuss concerns they may have on these measures. This is expected to be especially relevant for the land titling and civil service reform components.

Bank program in Yemen

The Management Response included a commitment to pursue and further strengthen relevant participation processes in support of reforms in Yemen. This is a process that will have to be developed gradually and sustained over years in order to bring concrete results – as it requires building trust with a broadened set of counterparts within civil society in an environment where this has traditionally been challenging. In the coming period, Management will focus on five sets of actions:

- (i) The Country Office will continue to hold regular meetings, on a quarterly basis, with a cross-section of CSOs in Yemen, which are deemed to be representative of the main viewpoints within civil society, to discuss Bank activities in the country.
- (ii) Regional Management will emphasize with the Government the importance of ensuring adequate consultations with stakeholders in the formulation of the country's development program and in the design and implementation of critical reforms. This will be done in

the first instance during the 2009 Annual Meetings and is expected to remain an essential part of the country dialogue in the coming future. The Country Office will also offer support to the Government to facilitate consultations, including training and institutional strengthening as may be requested.

- (iii) Management will prepare a paper on the stakeholders landscape and consultations for the Bank in Yemen by June 2010. This paper will include an analysis of the key segments of civil society, with a view to helping refine the Bank's understanding of relevant stakeholders and their constituencies. The paper will include recommendations *inter alia* on: (i) mechanisms to further broaden and deepen interactions between the Bank and civil society; and (ii) mechanisms for the Bank to further support and monitor Government-led consultations processes during project preparation and implementation. It will also include recommendations on establishing a system for proactive and time-bound responses to relevant complaints from communities, civil society, and the private sector.
- (iv) Within the broader context of the overall MNA effort described above, Management will develop a training program for CSOs in Yemen on economic reforms and Bank activities, in order to help strengthen the capacity of these entities to effectively participate in consultations. It is expected that the first session of this training program will be held by June 30, 2010.

Institutional arrangements for implementation of the Action Plan

Implementation of this Action Plan will require significant efforts on a number of parallel fronts. To ensure adequate and effective follow up, MNA has assigned the MNA Development Effectiveness Unit the overall responsibility for oversight and a full-time, GG-level staff is being appointed for the coordination of the implementation of the proposed action plan and for providing bi-monthly status reports.

Annex: Summary Matrix

Table – Summary Updated Action Plan	
Proposed Actions	Status / Timeline
DIALOGUE WITH THE REQUESTERS	
Provide translation of the PD to the Requesters and other interested stakeholders	Completed (June 2009)
Invite the Requesters to meet at their convenience with Bank representatives to inform them about plans for the translation and again, once the translation is ready, to discuss their concerns	Completed (May 30, 2009; September 6, 2009)
PARTICIPATION AND CONSULTATION IN MNA	
Review the system to monitor effective compliance with the disclosure policy of PIDs, PADs, and PDs within the MNA Region	Review completed. Detailed instructions to implement recommendations by 31 October 2009.
Review translation practices in MNA for PIDs, PADs, and PDs with a view to gradually expanding the number of translated documents in a realistic manner	Review completed. Detailed instructions to implement recommendations by 31 October 2009 Clear progress in strengthening GSD Arabic Translation Unit capacity by March 31, 2010. Steady state operation of the strengthened GSD Arabic Translation Unit capacity by end 2010.
Review MNA websites and revamp Arabic websites, to facilitate access in Arabic to relevant Bank materials.	Revamping and first round of updates completed by June 30, 2010
Develop in each country a directory of CSOs, specifying their special niche and sector interest, which shall be targeted for consultation.	March 31, 2010
Issue an instruction by the RVP to MNA Country Directors / Country Managers to engage in a systematic effort aimed at strengthening outreach with relevant stakeholders where necessary and to report to Regional Management on a regular basis.	Instructions to be issued by October 31, 2009
Issue an instruction by the RVP to MNA staff to further raise awareness and disseminate good practices on consultations. Provide training to relevant Task Team Leaders and Task Team members as needed.	October 31, 2009
Develop in consultation with stakeholders (including CSOs), a series of training programs for stakeholders throughout the MNA Region (including CSOs) to improve their understanding of the reform programs and of their potential benefits, and of the role of the Bank and other agencies.	First training session delivered by June 30, 2010.

Table – Summary Updated Action Plan	
Proposed Actions	Status / Timeline
IMPLEMENTATION OF THE IRDPG	
Organize meetings between the Task Team and a cross-section of CSOs to discuss progress in implementing the measures supported under the IRDPG.	During each supervision mission.
Issue, disseminate in Yemen, and post on the internet a 1- to 2-page update note (in Arabic) on the status and progress of implementation.	Following each supervision mission
Work closely with CSOs which are directly involved, as actors, in the implementation of some of the measures supported under the IRDPG with a view to facilitating implementation of the operation.	Throughout supervision
Make particular efforts to reach out to entities which are representative of the parties that may be affected by the measures supported under the IRDPG.	Throughout supervision
BANK PROGRAM IN YEMEN	
Continue to hold bi-monthly meetings between the Country Office and a cross-section of CSOs to discuss Bank activities in Yemen.	Continuous
Emphasize with the Government (at Senior Management level) the importance of adequate consultation processes. Offer support to the Government in that process, including training and institutional strengthening as may be requested.	Importance of consultations to be highlighted during Annual Meetings 2009; Continuous afterwards.
Prepare a white paper on the stakeholders landscape and consultations for the Bank in Yemen, including: (i) mechanisms to further broaden and deepen interactions between the Bank and civil society; (ii) mechanisms for the Bank to further support and monitor Government-led consultations processes during project preparation and implementation; and (iii) a system for proactive and time-bound responses to complaints from communities, civil society and the private sector.	June 30, 2010
Develop a training program for CSOs in Yemen on economic reforms and Bank activities, in order to help strengthen the capacity of these entities to effectively participate in consultations.	First sessions of this training program held by June 30, 2010.