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IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
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REPORT AND RECOMMENDATION OF THE PRESIDENT

TO THE EXECUTIVE BOARD ON PROPOSED FINANCIAL ASSISTANCE TO THE

REPUBLIC OF YEMEN

FOR THE

**PILOT COMMUNITY-BASED RURAL INFRASTRUCTURE PROJECT
FOR HIGHLAND AREAS**

TABLE OF CONTENTS

CURRENCY EQUIVALENTS	iii
WEIGHTS AND MEASURES	iii
MAP 1: CURRENT IFAD OPERATIONS IN YEMEN	iv
MAP 2: PROJECT AREA	v
FINANCING SUMMARY	vi
PROJECT BRIEF	vii
PART I – THE ECONOMY, SECTORAL CONTEXT AND IFAD STRATEGY	1
A. The Economy and Agricultural Sector	1
B. Lessons Learned from Previous IFAD Experience	2
C. IFAD’s Strategy for Collaboration with Yemen	2
PART II - THE PROJECT	5
A. Project Area and Target Group	5
B. Objectives and Scope	5
C. Components	5
D. Costs and Financing	6
E. Procurement, Disbursement, Accounts and Audit	8
F. Organization and Management	9
G. Economic Justification	9
H. Risks	10
I. Environmental Impact	11
J. Innovative Features	11
PART III - LEGAL INSTRUMENTS AND AUTHORITY	11
PART IV - RECOMMENDATION	12
 ANNEX	
 SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES INCLUDED IN THE NEGOTIATED FINANCING AGREEMENT	 13

APPENDIXES

COUNTRY DATA	1
PREVIOUS IFAD FINANCING IN YEMEN	2
LOGICAL FRAMEWORK	3
PROJECT ORGANIZATIONAL STRUCTURE	7

CURRENCY EQUIVALENTS

Currency unit	=	Yemeni rial (YER)
USD 1.00	=	YER 184
YER 1.00	=	USD 0.0054

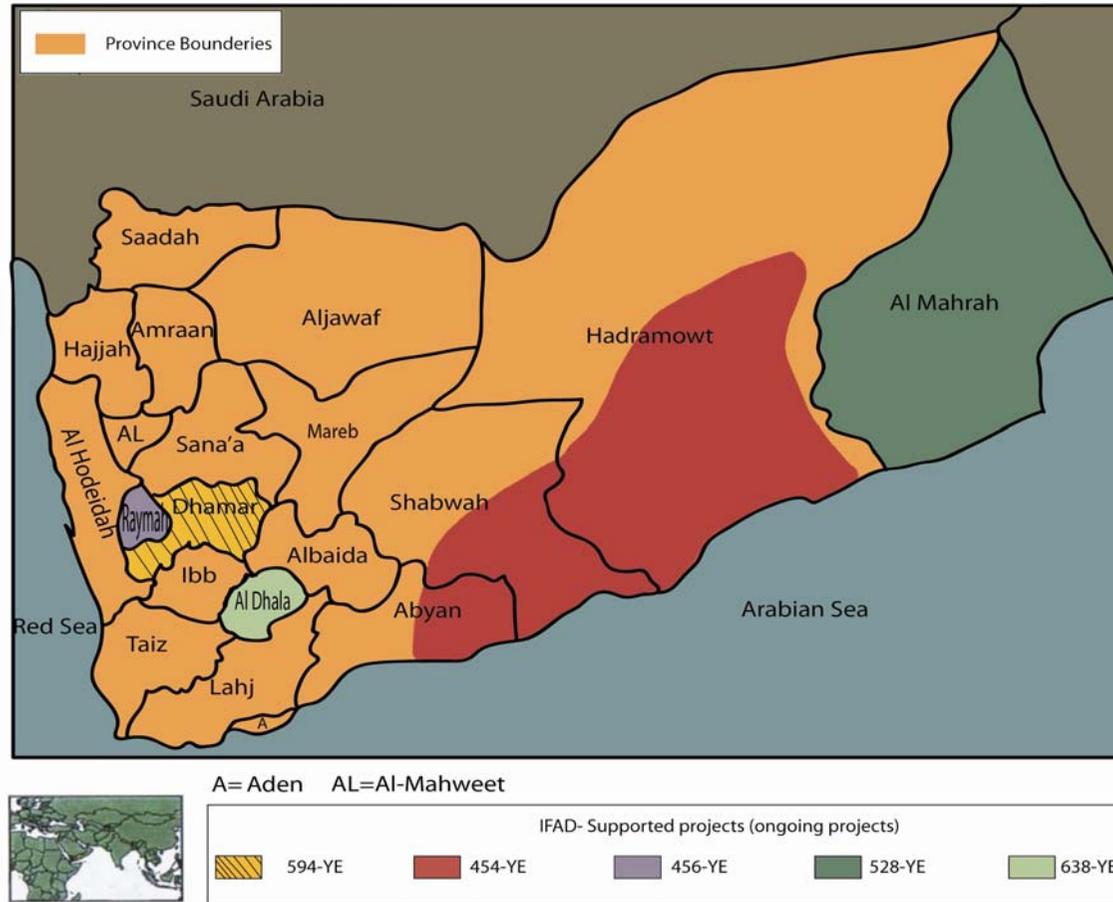
WEIGHTS AND MEASURES

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m ²)	=	10.76 square feet (ft ²)
1 acre (ac)	=	0.405 ha
1 hectare (ha)	=	2.47 acres

GOVERNMENT OF THE REPUBLIC OF YEMEN**Fiscal Year**

1 January – 31 December

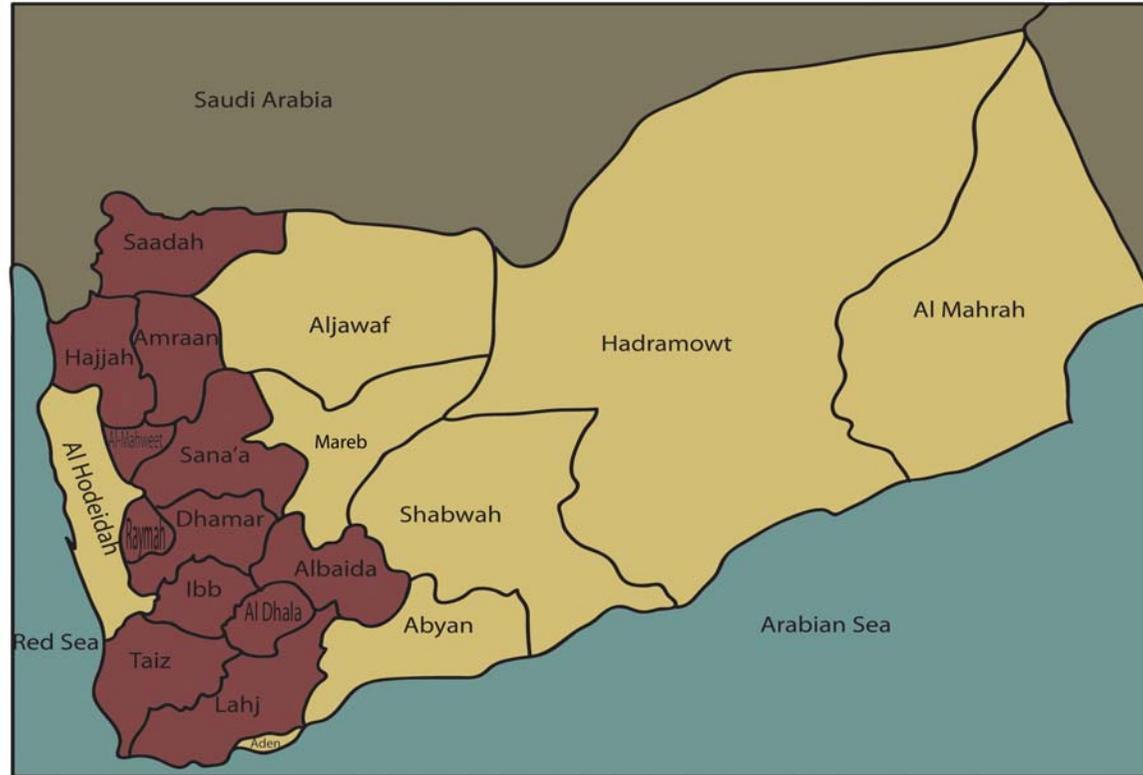
MAP 1: CURRENT IFAD OPERATIONS IN YEMEN



Source: IFAD

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

MAP 2: PROJECT AREA



Source: IFAD

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REPUBLIC OF YEMEN

**PILOT COMMUNITY-BASED RURAL INFRASTRUCTURE PROJECT
FOR HIGHLAND AREAS**

FINANCING SUMMARY

INITIATING INSTITUTION:	IFAD
RECIPIENT:	Republic of Yemen
EXECUTING AGENCY:	Rural Access Programme
TOTAL PROJECT COST:	USD 10.4 million
AMOUNT OF IFAD FINANCING:	Loan: SDR 5.9 million (equivalent to approximately USD 9.0 million) Grant: SDR 270 000 (equivalent to approximately USD 400 000)
TERMS OF IFAD LOAN:	40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum
CONTRIBUTION OF RECIPIENT:	USD 623 000 from budgetary allocation
CONTRIBUTION OF BENEFICIARIES:	USD 425 000
APPRAISING INSTITUTION:	IFAD
COOPERATING INSTITUTION:	United Nations Office for Project Services

PROJECT BRIEF

Who are the beneficiaries? The target group will be poor communities in areas of economic potential in the highlands of Yemen where lack of basic infrastructure and isolation are limiting factors on development and major contributors to poverty. The project will focus on upgrading the lowest category of village access roads, known as quaternary roads, which reach the most disadvantaged villages in the highlands. The 215 kilometres of village access roads improved under the project will benefit over 300 000 people. A further 100 000 people are expected to benefit from better access to drinking water and improved water quality.

Why are they poor? Despite the significant economic and political strides made since unification, Yemen remains to a large extent a conservative traditional tribal society. The population growth rate of approximately 3.5%, coupled with scarce economic resources, have major implications for economic growth and social development. About 75% of the population are rural, living in over 100 000 small and isolated villages and settlements. Most of these are located in remote mountain areas with little or non-existent infrastructure such as drinking water supply, access roads, public health services or basic education. The difficult conditions in rural areas are reflected in the rapid increase in migration from rural to urban areas. These poverty-inducing factors are compounded by a limited natural resource base and skewed ownership of resources or unequal opportunity of access to resources. Other contributing factors include the overexploitation of key natural resources, specifically land and water, by a few better-off sectors of society; limited human resource development; reductions in food subsidies; contraction of employment opportunities particularly in the public sector; and inadequacy of infrastructure, facilities and services.

What will the project do for them? The overall goal of the project is to improve the living standards of the rural poor in remote highland communities. The specific objectives are to: (i) empower communities to be proactive in resolving their infrastructure constraints; (ii) reduce the isolation of communities and improve overall mobility and access to markets and services in highland areas; (iii) institutionalize community-led village access road improvement within the national framework for rural road network development; and (iv) improve the access of poor households to sustainable drinking water supplies. To maximize the benefits, all village access roads improved under the project will be linked to rural intermediary roads or tertiary roads that have been upgraded either by the Rural Access Programme (RAP) or by other means. In addition, priority will be given to implementing village road improvements in other IFAD project areas in order to develop synergies with investments in wider development support. This will enable poor households to benefit more in terms of livelihood opportunities from the improved accessibility provided under the project.

How will beneficiaries participate in the project? In order to ensure the sustainability of the road improvements in a situation of continued funding constraints on the maintenance of the rural road network, the project approach focuses on ensuring community ownership of the process by adopting a road design standard that the community can afford to maintain. Sustainability will also be encouraged through promoting community initiative and participation in decision-making at all stages of the process and community responsibility for implementation and routine road maintenance. Similarly, all drinking water supply schemes will be planned, implemented and managed by the communities.

Project size and cofinancing. The total cost of the project, over four years, is estimated at USD 10.4 million. The proposed IFAD loan of USD 9.0 million will finance 86% of total project costs and the IFAD grant of USD 400 000 will provide a further 4%. The Government of Yemen will contribute USD 623 000 (6%), beneficiary communities will contribute USD 425 000 (4%) to total project costs including a minimum 10% contribution to the investment costs of the road improvements in cash, voluntary labour contributions or local materials. Beneficiary communities will have full responsibility for routine road maintenance. A similar contribution from communities benefiting from the potential drinking water supply schemes has not been included in these figures.

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FOR HIGHLAND AREAS**

I submit the following report and recommendation on proposed financial assistance to the Republic of Yemen, comprising a loan for SDR 5.9 million (equivalent to approximately USD 9.0 million) on highly concessional terms and a grant of SDR 270 000 (equivalent to approximately USD 400 000) to help finance the Pilot Community-Based Rural Infrastructure Project for Highland Areas. The loan will have a term of 40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum. The financial assistance will be administered by the United Nations Office for Project Services as IFAD's cooperating institution.

PART I – THE ECONOMY, SECTORAL CONTEXT AND IFAD STRATEGY¹

A. The Economy and Agricultural Sector

1. Classified as both a 'least developed' and a 'food-deficit' country, Yemen is among the world's poorest nations. This is indicated by its per capita GDP, which fell from USD 525 in 1990 to USD 450 in 2001, and by its position in the same year on the Human Development Index (ranking 133 out of 162 countries) and Human Poverty Index (70 out of 90 developing countries). Yemen also fares poorly on most measures of quality of life – 52% of children under five are stunted; less than 20% of the rural population has access to an active health facility; infant mortality is high at 76 per 1 000 births; maternal mortality is among the highest in the world at 1 400 per 100 000 births; and the average literacy rate for rural women is 15%.
2. The Government has been able to arrest the serious decline in economic conditions experienced after unification through a series of bold economic and political reforms to address economic imbalances and promote democracy. Real GDP growth averaged almost 5% per annum from 1996 to 2001. However, the economy remains highly dependent on oil and vulnerable to its international price fluctuations.
3. Yemen is a predominantly rural country where agriculture remains important, providing 58% of employment, although it accounts for only 15% of GDP, down from 30% in the 1990s, as a consequence of the increasing importance of oil. Agricultural-sector growth averaged only 2% per annum during the late 1990s – well below population growth. Food availability is highly dependent on imports, which account for 78% of cereal supply despite 81% of the cultivated land being planted to cereals.
4. Yemen has more than 60 000 kilometres of dirt tracks and trails, mainly constructed by communities in the 1970s and 1980s but in difficult alignments and without adherence to engineering standards. As a consequence, most are now in a state where it is just possible for powerful four-wheel drive vehicles to travel on them. Vehicle speeds are extremely low and operating costs are correspondingly high. The bad condition of the roads makes transport in the rural highland areas costly and time-consuming and limits the ability of the inhabitants to visit health clinics, go to markets

¹ See Appendix I for additional information.

and attend school. It also adds to the cost of goods, obstructs efficient administration and restricts the social and economic opportunities of the people.

5. The problem of inadequate supplies of water for domestic use and for livestock is particularly acute in the mountains. Women typically spend seven hours per day collecting water, resulting in very low domestic water consumption. In addition, the water sources used are frequently polluted contributing to disease and the high rate of child mortality in rural areas. Apart from the impact on health, the negative consequences of inadequate availability of water include the loss of women's time, which could be used for more productive activities to increase family income. Furthermore, this limited availability places undue strain on women and causes girls to be deprived of education as they are required to assist in water collection.

B. Lessons Learned from Previous IFAD Experience

6. The lessons learned from IFAD's portfolio of 16 projects in Yemen of relevance to the design and implementation of the present project relate to general experiences with community participation in infrastructure development. These lessons have shown that: (i) community participation has frequently only been nominal and the committees formed have had little appreciation of their responsibilities or knowledge of administrative procedures; and (ii) ineffective community participation frequently results from a hasty process of community mobilization, inexperienced project staff and lack of provision of training to the communities in planning and management. These points clearly illustrate that promoting effective community participation that results in community ownership and commitment is a lengthy process requiring skilled and experienced staff for its execution.

7. Other relevant lessons related to rural road improvement can be drawn from other agencies, for example: (i) given the low traffic potential and the large number of roads in urgent need of attention, only a very modest standard of road can be justified for village access roads; (ii) the adoption of even the least-cost road design standard brings very significant benefits to communities in terms of cost reduction and time saving; (iii) significant savings on the cost of road works can be achieved by involving communities in implementation; (iv) delegating responsibility for implementation to communities promotes their commitment and ownership and this is reflected in a continuing concern for road maintenance; and (v) communities are skilled in construction work and are able to ensure high quality with relatively little expert guidance.

8. IFAD's approach to future project design in Yemen should gradually shift to a programme approach, concentrating on national programmes with the potential to improve the quality of life of the rural poor and to increase productivity, income and access to investment and working capital. These could take the form of national programmes for rural infrastructure (access roads and water supply) as piloted under the present project, participatory rural finance (establishment of credit unions or savings and credit cooperatives) or rural income improvement initiatives to promote small enterprises in the rural economy. This innovative approach should be facilitated by IFAD's field presence in the country, an initiative to be launched in the course of 2005.

C. IFAD's Strategy for Collaboration with Yemen

Yemen's Policy for Poverty Eradication

9. In accordance with IFAD's strategy as expressed in the country strategic opportunities paper (COSOP), the project is in harmony with the Government's development policies and priorities. Recurring themes in the latter are the crucial need for infrastructure development, devolving of greater responsibility to the people in development initiatives and building the necessary human capacity to support this, and enhancing equity. Thus, the Government's poverty reduction strategy paper (PRSP) emphasizes increasing the capacities and assets of the poor, developing human resources and social

capital, enhancing equity, and supporting community programmes based on participation and contribution by the people in local project preparation and implementation. Improving infrastructure, particularly roads, constitutes one of the four main pillars of intervention of the PRSP. The recently adopted policy of decentralization seeks to devolve responsibility for the planning and execution of projects to the local level, and to activate the role of local citizens and expand their participation in development. Government policy also recognizes the need to improve gender balance through changing traditional social views of women as inferior and working towards giving women their proper place as effective and equal partners to men in terms of rights and responsibilities.

Poverty Eradication Activities of Other Major Donors

10. **Rural Access Programme.** The Rural Access Programme (RAP) is the major intervention in the country for rehabilitating rural roads. It focuses on testing and demonstrating new technical standards and implementation procedures and developing institutional arrangements for decentralized implementation of rural access improvements. The main focus of RAP for the foreseeable future is on rural intermediary or secondary roads with limited interventions for the ancillary tertiary roads. The Government intends RAP to become an independent entity responsible for the management and development of the entire rural road network.

11. The **Social Fund for Development** is virtually the only agency currently funding the upgrading of the lowest category of village access roads, known as quaternary roads, in response to overwhelming community demand for assistance. Improvements are based on low-cost, labour-intensive techniques for roads that carry only low volumes of traffic and are implemented by the community. The Social Fund for Development has amassed a wealth of experience that the project hopes to draw on and learn from. The fund is also heavily involved in water supply schemes with particular emphasis on rainwater harvesting and gravity-fed schemes, which are most appropriate for the highland areas. Implementation is based on community involvement and ownership, including community contribution to the investment cost and community responsibility for operation and maintenance.

12. The **Public Works Project** has implemented water-supply systems in rural areas in the form of water-harvesting structures (open reservoirs and covered cisterns) as part of its wider infrastructure programme. Its involvement in road improvements is mainly limited to the rehabilitation of stone pavements in urban areas.

IFAD's Strategy in Yemen

13. The main thrusts of the project reflect IFAD's own strategy and policy framework. The project design responds to the COSOP by supporting improvements in social infrastructure, particularly roads and drinking water, which are seen as essential in supporting productive activities and raising living standards. It ensures sustainability through a participatory approach to planning and implementation that focuses on generating ownership of rural infrastructure by marginalized communities in highland areas. It emphasizes and makes provision for involving women as equal partners in the development process, supporting IFAD's policy for the promotion of gender equity and women's empowerment. On water issues, a key government concern, the project supports the Government's priority of promoting sustainable water use through focusing on water-harvesting.

14. In line with the COSOP, project design also emphasizes developing synergies and collaboration with other donor-funded projects. Through its insistence on linking village access road improvements to upgrades in the wider rural road network, the project complements the activities of other donors. Some of these are financing rural intermediary road upgrading within the framework of RAP (which is now supported by a number of donors). Other donor activities are independent initiatives such as that supported by the Arab Fund for Economic and Social Development for upgrading the road

linking Utmah to Wusab Al-Safil, within the Dhamar Participatory Rural Development Project area (an IFAD-supported project).

15. Project interventions will also be linked with other IFAD projects in order to maximize the gains from IFAD investments. Linkage with the wider development support for poor families provided under other IFAD-supported projects will enhance the results of the project being proposed here. Thus, poor families receiving assistance through access to improved technology, training and credit will be better placed to benefit from the market access opportunities opened up by the road improvements. Such benefits might otherwise have been captured largely by the better-off members of the community. Conversely, the success of the economic development initiatives promoted under the other projects will be enhanced by improved access to markets and services provided under the proposed project.

Project Rationale

16. Rural development depends on having minimum access to basic social and economic activities and services. The Government is increasingly aware that lack of access represents the primary obstacle to the success of its poverty reduction strategy and to the attainment of many of the Millennium Development Goals. In particular, such lack of access has prevented many communities in highland areas from benefiting from development. Isolation aggravates and sustains poverty in these areas and has contributed to the now unsustainable migration to the cities. Isolation also perpetuates traditional beliefs and customs that impede development. Thus, provision of better access is a critical element in a poverty reduction strategy and a key contributor to nation-building and effective implementation of the decentralization process. Improving the lowest category of village access roads, quaternary roads, which directly reach communities, would be the most effective way to disenclave mountain communities. At present, little attention is being given to this category of road despite the huge unmet demand from highland communities. Although the Government intends RAP to become the agency responsible for the management and development of the entire rural road network, RAP's present focus is on the higher categories of rural roads. It therefore lacks experience in the least-cost design standards, and in participatory approaches and community implementation modalities appropriate to the improvement of quaternary roads.

17. To enable RAP to fulfil its mandate to address the needs of the rural road network as a whole, the project will contribute significantly to knowledge transfer on participatory community-based construction and maintenance of village access roads to RAP. Long-term project impact, however, depends on the project approach being incorporated into overall government policy on rural road network development, institutionalized and fully supported by complementary policy initiatives, particularly those related to road maintenance. To this end, the project will engage in policy dialogue with a view to ensuring that the community-led approach to village access road improvement is enshrined in the design of the third phase of RAP. Furthermore, capacity built within RAP to implement the project approach must be integrated as a permanent feature of RAP management structure. IFAD will provide additional grant resources to support policy dialogue.

18. Given the importance of all aspects of rural infrastructure to poverty reduction and rural development, every opportunity will be sought to broaden the project's mandate to include a separate programme for improvements in rural water supply. Discussions are still ongoing to find an appropriate institutional delivery mechanism for targeting core beneficiaries in the highland areas. However, in anticipation of resolving this issue, financial resources for the drinking water scheme have been included in the project cost.

PART II - THE PROJECT

A. Project Area and Target Group

19. The project will be undertaken in several highland governorates. Village access roads to be upgraded must be linked to recently completed or planned improvements to rural intermediary road networks. It has been noted that greater benefits accrue to the poor where synergies exist between road upgrades and complementary interventions for livelihood improvement. Consequently, priority will be given to improving village access roads linked to intermediary road networks being upgraded by RAP and other agencies in the IFAD project areas of Dhamar, Al-Dhala and Raymah. Second priority will be given to village access roads linked to improved intermediary roads located in the poorest districts of the designated 11 highland governorates namely Albaida, Al-Dhala, Al-Mahweet, Amraan, Dhamar, Ibb, Hajjah, Lahj, Raymah, Saadah, Sana'a and Taiz.

20. The potential drinking water scheme would focus on highland communities located within the poorest 50% of the districts in the identified highland governorates (listed above) that are highly dependent (> 80%) on water-harvesting to meet their water requirements. Priority would be given to communities that meet these criteria and are also included in the village access road improvement component in order to enhance the synergies between the drinking water supply scheme and the upgrading of rural access roads activities and maximize the benefits to poor communities.

21. The target group will be poor communities in areas of economic potential in the highlands where the lack of basic infrastructure and isolation are limiting factors on development and major contributors to poverty. The project will focus on upgrading quaternary roads, which reach the most disadvantaged villages in the highlands.

B. Objectives and Scope

22. The project's development goal is to improve the living standards of the poor in remote highland communities. The specific objectives are to: (i) empower communities to be proactive in overcoming infrastructure constraints; (ii) reduce the isolation of communities and improve overall mobility and access to markets and services in highland areas; (iii) institutionalize community-led village access road improvement within the overall framework of rural road network development; and (iv) provide poor households with improved access to drinking water supplies.

C. Components

23. **Project components.** Project objectives will be achieved through the components listed below.

24. **Upgrading of village access roads.** The project will finance the upgrading of existing dirt roads through a demand-driven approach. It will adopt least-cost design standards in view of the continued low volume of traffic expected on the selected roads in the immediate future, the desire to disenclave as many communities as possible with the available funds and the need to ensure that maintenance of the improved roads is affordable for the community. The roads will be upgraded to an earthen road standard. Key interventions will be the strengthening of susceptible slopes, grading of relatively flat sections, provision of stone pavement for gradients in excess of 15% and widening of curves to reduce the gradient on hairpin bends, in addition to run-off water management. Wherever possible, improvements will be made within existing rights-of-way to avoid issues of land acquisition. Where realignment is necessary, the community will resolve any land acquisition issues and compensation payments prior to commencement of the works.

25. **Development initiatives facility.** The project will provide a development initiatives facility. This will primarily be used to finance drinking water supply schemes for highland communities once appropriate implementation arrangements have been concluded. Support will only be provided for

water-harvesting or gravity schemes and the emphasis will be on improving water quality. Schemes would be implemented, managed and maintained by the community. In the event of the drinking water supply schemes not being implemented, the funds allocated to this facility will be reassigned to the upgrading of village access roads component.

26. **Capacity-building and policy dialogue.** The project, through IFAD grant funding, will facilitate knowledge transfer on a community-led, least-cost design approach to village access road improvement. It will support detailed analysis and dissemination of project experience as a guide to policy formulation for rural road network development in Yemen, taking particular account of poverty and gender equity considerations.

27. **Project management.** The project will build RAP management capacity to employ participatory approaches and work with communities in implementing village access road improvements, and to adopt labour intensive, least-cost design standards. The project will establish a specialized community roads unit within RAP for this purpose.

D. Costs and Financing

28. The total cost of the project over four years is estimated at USD 10.4 million. The proposed IFAD loan of USD 9.0 million will finance 86% of the total project cost and the IFAD grant of USD 400 000 will finance 4%. The Government of Yemen will contribute USD 623 000 (6%) including taxes and duties. Communities are expected to contribute USD 425 000 (4%) including 10% towards the investment cost of the road improvements and to assume full responsibility for routine maintenance.

TABLE 1: SUMMARY OF PROJECT COSTS^a
(USD '000)

Component	Local	Foreign	Total	% of Foreign Exchange	% of Total Base Costs
Upgrading of village access roads	4 861.7	390.6	5 252.3	7	58
Development initiatives facility	3 000.0	-	3 000.0	-	33
Capacity-building and policy dialogue	296.2	67.7	363.9	19	4
Project management	393.8	93.6	487.4	19	5
Total base costs	8 551.6	551.9	9 103.6	6	100
Physical contingencies	520.5	41.1	561.6	7	6
Price contingencies	753.1	38.7	791.8	5	9
Total project costs	9 825.2	631.7	10 456.9	6	115

^a Discrepancies in totals are due to rounding.

TABLE 2: FINANCING PLAN^a
(USD '000)

Component	IFAD Loan		IFAD Grant		Beneficiaries		Government		Total		Foreign Exchange	Local (Excl. Taxes)	Duties and Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
Upgrading of village access roads	5 467	84.3	-	-	425	6.6	593	9.2	6 486	62.0	463	5 821	201
Development initiatives facility	3 000	100.0	-	-	-	-	-	-	3 000	28.7	-	3 000	-
Capacity-building and policy dialogue	-	-	400	100.0	-	-	-	-	400	3.8	69	331	-
Project management	541	94.7	-	-	-	-	30	5.3	571	5.5	99	442	30
Total disbursement	9 008	86.1	400	3.8	425	4.1	623	6.0	10 457	100.0	632	9 594	231

^a Discrepancies in totals are due to rounding.

E. Procurement, Disbursement, Accounts and Audit

Procurement

29. Procurement of goods and services financed by the IFAD loan will be in accordance with IFAD procurement guidelines. The major procurement categories for the project are civil works, vehicles, technical assistance and studies. Procurement of equipment and materials will be bulked to the extent possible to take advantage of discounts.

30. **Civil works.** All infrastructure works for roads and drinking water supply will be carried out through community contracting procedures and mainly through direct implementation by the community in accordance with the community contracting procedures laid down for the project. Under these procedures, procurement of skilled labour, equipment and transport services by the community will be through a simplified competitive bidding process for petty contracts up to USD 5 000.² Where communities need to engage contractors for a larger part of the works, any contracts in excess of USD 5 000 will need to be approved first by the community roads unit. Materials (such as cement and pipes) will be purchased from the nearest shops by the community purchase committee with evidence provided in writing (memo) of three prices obtained from different shops or suppliers. Civil works contracts not carried out by the communities will be subject to local competitive bidding.

31. **Vehicles and equipment.** Since only one vehicle is required, it will be procured through local competitive bidding and equipment, which is also limited, will be procured through local shopping.

32. **Technical assistance.** National consultants will be selected through open competitive bidding following advertisements in national newspapers. International consultants will be recruited through advertising and individual contracts.

33. **Disbursement.** The proposed IFAD financing would be disbursed over a four-year period. Disbursements by IFAD would be made against certified statements of expenditure except for contracts over USD 50 000, which would require fully documented applications.

Accounts and Audit

34. **Accounts.** Separate accounts and records will be kept by RAP, which will prepare quarterly financial statements on expenditures for its management. It will also submit six-monthly and annual financial reports to the Government, IFAD and the cooperating institution not later than three months after the end of the reporting period, in a format acceptable to IFAD. Separate project accounts will similarly be maintained by the implementing agency for the drinking water scheme. A separate project account will be maintained for expenditures under the IFAD grant.

35. **Audit.** The project accounts (loan and grant) will be audited annually, in accordance with IFAD's audit guidelines, by an independent auditor appointed by RAP as part of the annual audit for RAP as a whole. The audited accounts will be submitted to the Government and IFAD not later than six months after the end of the financial year. The implementing agency for the drinking water scheme will appoint an auditor and submit separate annual audit reports covering project expenditures to the Government and IFAD in a similar fashion.

² These procedures have been successfully implemented by the Social Fund for Development.

F. Organization and Management

36. The Rural Access Programme under the Ministry of Public Works and Highways will be responsible for implementation of the project. A new specialized unit (the community roads unit) will be established within RAP to be responsible for community-based activities of the project. The core technical staff of this unit, namely a rural roads engineer and community development specialist, will be supplemented by consultant engineers and social/community development specialists (male and female), engaged on short-term contracts as required. They will assist communities in the planning process, design and costing of road improvements, technical supervision and monitoring, establishment and training of community management teams, and in ensuring the full participation of women. The unit's policy team will include a planning and monitoring officer and gender specialists who will also be involved in drawing together lessons arising from project experience and engaging in policy dialogue. The community roads unit will have an accountant/procurement officer in view of the workload involved in transferring funds in tranches to the communities, procuring local consultants and overseeing community contracting procedures.

37. The drinking water supply activities will be implemented by a suitable agency with proven experience in implementing community-based projects. Once such an agency is selected, a subsidiary agreement acceptable to IFAD will be concluded between the agency and the Government specifying among other things: the implementation modalities, including village selection, beneficiary participation, disbursement procedures, financial management, and preparation of progress and audit reports. Separate accounting procedures will be set up for the drinking water supply activities. The selection of the implementing agency for these activities will be concluded six months after effectiveness of the loan agreement.

38. The communities will be responsible for initiating road improvement requests, participating in the design process, managing the implementation of the road improvement works, undertaking routine maintenance and contributing to periodic maintenance. Communities will establish a road users' committee and appoint a project manager and project accountant from the community to handle the day-to-day administrative work. They will establish a separate control committee to monitor the physical works and utilization of funds to ensure transparency and accountability.

39. As the project will be an integral part of RAP, oversight of project activities will be undertaken by the existing RAP steering committee.

40. **Results and impact management system.** Little information is presently available in Yemen on the impact of rural road improvements and the project will rectify this through implementing wide-ranging baseline and impact assessment studies. These will also provide data on the results and impact management system anchor indicator on household asset ownership. Special anthropometric nutrition surveys will be carried out with additional grant fund resources to assess the percentage reduction in the prevalence of child malnutrition.

G. Economic Justification

41. **Impact on livelihoods.** The 215 kilometres of village access roads improved under the project will benefit over 300 000 people. The population served by the improved roads will principally benefit from reduced transport costs for goods, reduced passenger fares and easier and cheaper access to water (as tankers will be able to reach the villages). As a result, the population will enjoy increased access to markets, employment opportunities, and health and education services. Other less easily quantifiable benefits include improved health resulting from easier and cheaper access to health centres. This may reduce loss of employment and lower health costs both for the individual and for the national health budget through the earlier treatment of illness.

42. **Institutional benefits.** The project will play an important part in orienting RAP management and policy makers towards a community-based approach to village access roads improvement and institutionalizing this approach within the national policy for rural road network development. It will also bring benefits to participating communities by strengthening their capacity to plan, implement and manage development, which will increase their confidence to pursue a wider development agenda.

43. **Gender.** Improvements in village access roads will significantly help women by facilitating their lives materially and reducing their isolation. More convenient and cheaper transport facilities can contribute substantially to transforming women's lives by allowing greater mobility and exposure to the outside world and by helping break down some of the social customs and taboos constraining women. Further advantages for women will be easier access to health facilities and reduced drudgery as transported goods will be able to reach the village directly. All steps taken under the project to involve women in decision-making and implementation processes will promote the empowerment of women, both in their families and in the wider community.

44. **Millennium Development Goals.** The project will contribute to the Millennium Development Goals of poverty reduction as lower prices for consumer goods will effectively increase disposable income for the poor. At the same time, the poor will benefit from higher prices if they are able to produce marketable surpluses. Improved accessibility may open up new employment opportunities outside the village. It may also enable the children of poor households to acquire better educational qualifications, which could increase their future income-earning potential. Furthermore, more girls may now attend school in cases where distance has been the major constraint. The project will also contribute to the attainment of the Millennium Development Goal on gender equity and women's empowerment by reducing women's isolation and increasing their involvement in community affairs. However, the realization of these potential impacts depends on the extent to which other factors improve (such as changes in cultural attitudes and the availability and quality of health and educational facilities) and contribute to an environment in which the poor, particularly women, can prosper. For example, a better drinking water supply will reduce women's work burden and improve their health, enabling them to participate in more remunerative income-generating activities that will help improve household income and well being. School attendance by girls should also rise. By providing communities with better quality water and raising their awareness of the importance of hygienic water use, the project will fight water-borne diseases and illnesses linked to poor hygiene.

H. Risks

45. Major risks include: (i) RAP and the Government may not be ready to continue the piloted activities and approaches after project completion. To mitigate this risk, the project will be active in policy dialogue aimed at ensuring that the community-led approach is incorporated into the design of the third phase of RAP and into the national policy for rural road network development; (ii) communities are unable to sustain their interest in and commitment to road maintenance (even routine), finding it difficult to raise the financial contribution required. The project will provide communities with intensive support and assist them in drawing up routine maintenance plans and devising appropriate modalities for raising cash or contributions in kind; and (iii) local councils are unable to allocate adequate funds for periodic road maintenance due to lack of financial resources and prior commitments to maintaining the higher category roads. Community roads unit staff will collaborate with RAP management in working with the Government to ensure the transfer of the mandated share of the Roads Maintenance Fund to the local councils and devise strategies to guarantee adequate funding for all rural road maintenance.

I. Environmental Impact

46. No significant environmental effects will occur as the roads will, in the main, be upgraded following existing tracks and consequently will involve limited earth movement. Other potential environmental problems can be minimized through appropriate design features and other mitigating measures. These include the re-use of spoil for backfill wherever possible and disposal of excess spoil at selected disposal sites to avoid landslides, erosion and the destruction of farmland; and designing water management systems that control slope and gully erosion and provide water-harvesting measures. The adverse environmental impacts resulting from traffic after construction (10-15 vehicles per day) would be negligible. There should be no significant negative environmental impact by the potential water-harvesting schemes as many of these are likely to involve rehabilitation and expansion of existing cisterns, which will limit the opening up of new land areas. Concerns regarding the quality of drinking water from cisterns are addressed through design features and management practices tailored to protect cisterns and through water treatment measures publicized through health and hygiene education campaigns.

J. Innovative Features

47. The project's major innovative feature is that it represents a departure from the multisector rural development projects recently dominating IFAD's portfolio in Yemen and a move towards a national programme approach focusing on a single sector – rural infrastructure – with the potential to improve the quality of life of the rural poor. The project has the specific institutional and policy objectives of ensuring that a community-led approach to village access road improvement is enshrined in the overall framework for rural road network development. Specific resources are provided to support policy dialogue. The project also has strong linkages with other IFAD projects to derive mutual benefits from complementary investments.

PART III - LEGAL INSTRUMENTS AND AUTHORITY

48. A financing agreement between the Republic of Yemen and IFAD constitutes the legal instrument for extending the proposed financial assistance to the recipient. A summary of the important supplementary assurances included in the negotiated financing agreement is attached as an annex.

49. The Republic of Yemen is empowered under its laws to borrow from IFAD.

50. I am satisfied that the proposed financial assistance will comply with the Agreement Establishing IFAD.

PART IV - RECOMMENDATION

51. I recommend that the Executive Board approve the proposed financial assistance in terms of the following resolution:

RESOLVED: that the Fund shall make a loan to the Republic of Yemen in various currencies in an amount equivalent to five million nine hundred thousand special drawing rights (SDR 5 900 000) to mature on or prior to 15 October 2015 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

RESOLVED FURTHER: that the Fund shall provide a grant to the Republic of Yemen in various currencies in an amount equivalent to two hundred and seventy thousand special drawing rights (SDR 270 000) and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Lennart Båge
President

**SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES
INCLUDED IN THE NEGOTIATED FINANCING AGREEMENT**

(Negotiations concluded on 4 March 2005)

1. **Special account for the Development Initiatives Facility (DIF).** In the event the DIF component is to be used for drinking-water supply activities, the Government will open and thereafter maintain in its central bank in Sana'a a special account (DIF special account) denominated in United States dollars for the purpose of financing those activities. The DIF special account will be protected against set-off, seizure or attachment on terms and conditions proposed by the Government and accepted by IFAD. Once the DIF special account has been duly opened, IFAD will make, upon the Government's request, one or more withdrawals of up to USD 500 000 in the aggregate from the loan account on behalf of the Government and deposit such amount in the DIF special account. IFAD will replenish the DIF special account from time to time upon request, in such minimum amounts as IFAD may specify by notice to the Government. An officer acceptable to IFAD and acting on behalf of the Government under the agency responsible for executing the drinking-water supply activities will be authorized to operate such account.

2. **Project accounts.** (a) The Government will open and thereafter maintain in its central bank in Sana'a two accounts denominated in Yemeni rials to receive loan proceeds for day-to-day expenditures (project accounts "A" and "B"). Project account "A" will be funded and replenished from time to time, as requested, from the resources of the special account in accordance with the annual work programme and budget (AWP/B). Project account "B" will be funded from counterpart funds in accordance with the AWP/B. The director of the RAP will be fully authorized to operate such accounts and will be accountable for their smooth operation.

(b) In the event the DIF component is used for drinking-water supply activities, a separate project account (project account "C"), denominated in Yemeni rials, will be opened in the central bank in Sana'a. The account will receive loan proceeds to cover day-to-day expenditures related to the drinking-water supply activities. An officer acceptable to IFAD and working under the agency responsible for executing the drinking-water supply activities will be authorized to operate such account and will be accountable for its smooth operation.

3. **Counterpart contribution.** The Government will make available to the RAP during the project implementation period counterpart funds from its own resources in an aggregate amount of approximately USD 624 000 (including taxes and duties), in accordance both with the AWP/B and with customary national procedures. For such purpose, the Government will deposit USD 50 000 as counterpart funds into project account "B" to cover the first six months of project implementation, and will thereafter replenish that account by depositing in advance the counterpart funds called for in the AWP/B for the subsequent six-month period.

4. **Availability of loan and grant proceeds.** The Government will make the proceeds of the loan and the grant available to the project parties in accordance with the relevant AWP/Bs and with the subsidiary agreements, if any, as agreed between the Government and IFAD.

5. **Project implementation manuals.** The RAP will prepare a draft operations manual and a draft community contracting procedures manual, and submit them to the project steering committee for approval. Once they have been approved, the RAP will forward them to IFAD for comment and final approval. Should IFAD not provide comments within 30 days after receipt, the draft project implementation manuals will be deemed approved.

6. **Subsidiary agreements.** The Government may enter into an agreement with a suitable executing agency acceptable to IFAD for the execution of the drinking-water supply activities. Such agreement will specify, inter alia, that the Government will transfer available loan proceeds to the agency for the implementation of the drinking-water supply activities in accordance with the project financing agreement.

7. **Protection of natural resources.** The Government will take all reasonable measures to ensure that all national legislation on environmental protection is respected and to ensure sustainability of the project without harming the environment.

8. **Drinking-water supply activities.** The Government will be responsible for selecting and appointing a suitable executing agency for the drinking-water supply activities under the DIF component, as approved by IFAD. A draft of the respective subsidiary agreement between the Government and the executing agency will be submitted to IFAD for approval. In the event it is unable to identify an acceptable executing agency for these activities, the Government agrees to reassign the funds allocated under the DIF component to the village access roads component.

9. **Additional events of suspension.** IFAD may suspend, in whole or in part, the right of the Government to request withdrawals from the loan and grant accounts in the event: (i) the project implementation manuals or any provision thereof has been waived, suspended, terminated, amended or otherwise modified without the prior consent of IFAD, and IFAD has determined that such waiver, suspension, termination, amendment or other modification has had, or is likely to have, a material adverse effect on any portion of the project; (ii) IFAD has determined that the material benefits of the project are benefiting persons outside the target group to the detriment of target group members; (iii) procurement has not been carried out in accordance with the project financing agreement; (iv) any competent authority has taken any action for the dissolution of the RAP or the suspension of its operations, and IFAD has determined that such action has had, or is likely to have, a material adverse effect on the project; (v) any competent authority has taken any action for the restructuring of the RAP without prior consultation with IFAD, and IFAD has determined that such action has had, or is likely to have, a material adverse effect on the project; and (vi) any of the subsidiary agreements, if any, or any provision thereof has been violated or has been waived, suspended, terminated, amended or otherwise modified without the prior consent of IFAD, and IFAD has determined that such violation or waiver, suspension, termination, amendment or other modification has had, or is likely to have, a material adverse effect on any portion of the project.

10. **Conditions precedent to disbursement.** No disbursements will be made from the loan or the grant with respect to expenditures under the DIF component for the purpose of executing drinking-water supply activities until the agency responsible for the execution of those activities has been selected and accepted by IFAD; and the respective subsidiary agreement has been approved by IFAD and a copy of the signed subsidiary agreement has been delivered to IFAD.

11. **Conditions precedent to effectiveness of the project financing agreement.** The following are additional conditions precedent to the effectiveness of the project financing agreement:

- (a) the community roads unit within the RAP has been duly established;
- (b) the RAP has been appointed, through ministerial decree, as the implementing agency of the project;
- (c) the rural roads engineer and community development specialist of the community roads unit has been duly selected, appointed and approved by IFAD;

ANNEX

- (d) the Government has duly opened project accounts “A” and “B”, the grant bank account and the RAP special account;
- (e) the Government has made the initial deposit of counterpart funds;
- (f) the operations manual and the community contracting procedures manual have been approved by IFAD and a copy of such manuals has been delivered to IFAD;
- (g) the project financing agreement has been duly signed, and the signature and performance thereof by the Government have been duly authorized and ratified by the relevant authorities; and
- (h) a legal opinion, issued by the Minister of Legal Affairs, has been delivered by the Government to IFAD.

APPENDIX I

COUNTRY DATA

YEMEN

Land area (km² thousand) 2002 1/	528	GNI per capita (USD) 2002 1/	490
Total population (million) 2002 1/	18.60	GDP per capita growth (annual %) 2002 1/	0.5
Population density (people per km²) 2002 1/	35	Inflation, consumer prices (annual %) 2002 1/	n/a
Local currency	Yemeni Rial (YER)	Exchange rate: USD 1 =	YER 184
Social Indicators		Economic Indicators	
Population (average annual population growth rate) 1996-2002 1/	2.9	GDP (USD million) 2002 1/	9 984
Crude birth rate (per thousand people) 2002 1/	41	Average annual rate of growth of GDP 1/ 1982-1992	n/a
Crude death rate (per thousand people) 2002 1/	10	1992-2002	5.9
Infant mortality rate (per thousand live births) 2002 1/	83	Sectoral distribution of GDP 2002 1/	
Life expectancy at birth (years) 2002 1/	57	% agriculture	15
Number of rural poor (million) (approximate) 1/	n/a	% industry	40
Poor as % of total rural population 1/	n/a	% manufacturing	5
Total labour force (million) 2002 1/	5.91	% services	45
Female labour force as % of total 2002 1/	28	Consumption 2002 1/	
Education		General government final consumption expenditure (as % of GDP)	14
School enrolment, primary (% gross) 2002 1/	81 a/	Household final consumption expenditure, etc. (as % of GDP)	70
Adult illiteracy rate (% age 15 and above) 2002 1/	51	Gross domestic savings (as % of GDP)	16
Nutrition		Balance of Payments (USD million)	
Daily calorie supply per capita 2/	n/a	Merchandise exports 2002 1/	3 240
Malnutrition prevalence, height for age (% of children under 5) 2002 3/	52 a/	Merchandise imports 2002 1/	2 590
Malnutrition prevalence, weight for age (% of children under 5) 2002 3/	46 a/	Balance of merchandise trade	650
Health		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 2002 1/	5 a/	before official transfers 2002 1/	-919
Physicians (per thousand people) 2002 1/	n/a	after official transfers 2002 1/	538
Population using improved water sources (%) 2000 3/	69	Foreign direct investment, net 2002 1/	114
Population with access to essential drugs (%) 1999 3/	50-79	Government Finance	
Population using adequate sanitation facilities (%) 2000 3/	38	Overall budget balance (including grants) (as % of GDP) 2002 1/	-3 a/
Agriculture and Food		Total expenditure (% of GDP) 2002 1/	27 a/
Food imports (% of merchandise imports) 2002 1/	n/a	Total external debt (USD million) 2002 1/	5 290
Fertilizer consumption (hundreds of grams per ha of arable land) 2002 1/	111 a/	Present value of debt (as % of GNI) 2002 1/	39
Food production index (1989-91=100) 2002 1/	145	Total debt service (% of exports of goods and services) 2002 1/	3
Cereal yield (kg per ha) 2002 1/	944	Lending interest rate (%) 2002 1/	18
Land Use		Deposit interest rate (%) 2002 1/	13
Arable land as % of land area 2002 1/	3 a/		
Forest area as % of total land area 2002 1/	1 a/		
Irrigated land as % of cropland 2002 1/	31 a/		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* database CD ROM 2004

2/ UNDP, *Human Development Report*, 2000

3/ UNDP, *Human Development Report*, 2004

PREVIOUS IFAD FINANCING IN YEMEN

CLOSED PROJECTS

Project Id	Project Name	Initiating Institution	Cooperating Institution	Lending Terms	Board Approval	Loan Effectiveness	Current Closing Date	Loans/ Grant Acronym	Denominated Currency	Approved Loan/ Grant Amount	Disbursement (as % of approved amount)
13	Tihama Development Project III (Wadi Mawr)	World Bank: IDA	World Bank: IDA	HC	26 Mar 79	29 Feb 80	30 Sep 88	L - I - 13 - YE	SDR	9300000	1.000
46	Southern Uplands Rural Development Project Phase II	World Bank: IDA	World Bank: IDA	HC	17 Sep 80	23 Jun 81	31 Dec 85	L - I - 46 - YA	SDR	10600000	1.000
60	Agricultural Support Services Project	IFAD	AFESD	HC	05 Dec 80	14 May 81	30 Jun 87	L - I - 60 - YD	SDR	7700000	0.989
68	Wadi Beihan Agricultural Development Project	World Bank: IDA	World Bank: IDA	HC	08 Sep 81	16 Apr 82	31 Dec 88	L - I - 68 - YD	SDR	4900000	0.993
105	Agricultural Research and Development Project	World Bank: IDA	World Bank: IDA	HC	15 Sep 82	01 Dec 83	31 Dec 91	L - I - 105 - YA	SDR	5250000	0.927
106	Third Fisheries Development Project	World Bank: IDA	World Bank: IDA	HC	15 Sep 82	25 Feb 83	30 Jun 89	L - I - 106 - YD	SDR	4450000	1.000
156	Central Highlands Agricultural Development Project	World Bank: IDA	World Bank: IDA	HC	12 Sep 84	02 May 85	31 Dec 92	L - I - 156 - YA	SDR	3900000	0.716
202	Southern Regional Agricultural Development Project	World Bank: IDA	World Bank: IDA	HC	29 Apr 87	03 Jun 88	31 Dec 96	L - I - 202 - YA	SDR	2000000	0.914
228	Eastern Regional Agricultural Development Project	IFAD	AFESD	HC	15 Sep 88	22 Sep 89	30 Jun 98	L - I - 228 - YD	SDR	8100000	0.890
253	Agricultural Credit Project	IFAD	AFESD	HC	07 Dec 89	28 Mar 91	30 Dec 98	L - I - 253 - YA	SDR	11750000	0.998
269	Fourth Fisheries Development Project	World Bank: IDA	World Bank: IDA	HC	02 Oct 90	07 Aug 92	30 Jun 99	L - I - 269 - YR	SDR	5000000	0.508
330	Tihama Environment Protection Project	IFAD	UNOPS	HC	07 Apr 93	21 Nov 95	30 Jun 03	L - I - 330 - YR	SDR	7050000	0.993

ONGOING PROJECTS

Project Id	Project Name	Initiating Institution	Cooperating Institution	Lending Terms	Board Approval	Loan Effectiveness	Current Closing Date	Loans/ Grant Acronym	Denominated Currency	Approved Loan/ Grant Amount	Disbursement (as % of approved amount)
1061	Southern Governorates Rural Development Project	World Bank: IDA	World Bank: IDA	HC	11 Sep 97	01 Jul 98	31 Dec 05	L - I - 454 - YE	SDR	8150000	0.863
1075	Raymah Area Development Project	IFAD	UNOPS	HC	04 Dec 97	10 Jul 98	30 Jun 06	L - I - 456 - YE	SDR	8750000	0.633
1095	Al-Mahara Community Development Project	IFAD	UNOPS	HC	09 Dec 99	26 Jul 00	31 Mar 08	L - I - 528 - YE	SDR	8900000	0.346
1195	Dhamar Participatory Rural Development Project	IFAD	UNOPS	HC	05 Sep 02	12 Jul 04	31 Mar 12	L - I - 594 - YE	SDR	10900000	0.030
1269	Al-Dhala Community Resource Management Project	IFAD	World Bank: IDA	HC	09 Sep 04			L - I - 638 - YE	SDR	9800000	

LOGICAL FRAMEWORK

Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions and Risks
Development Goal			
To improve the living standards of the rural poor in remote highland communities through improvements in rural infrastructure	<ul style="list-style-type: none"> • No. of households with improvement in household assets ownership index • % reduction in prevalence of child malnutrition (weight for age) • No. of persons receiving project services (male/female) • No. of households for whom food security has improved 	<ul style="list-style-type: none"> • MIS • Representative household surveys at project start-up and PY4 • Anthropometric nutrition surveys 	
Project Purpose			
<ul style="list-style-type: none"> • Communities empowered to be proactive in resolving infrastructure constraints 	<ul style="list-style-type: none"> • Community involvement in project identification, planning and design processes (male/female) • Establishment of community committees/associations • Provision of community contribution • Community involvement in implementation • Establishment of maintenance fund 	<ul style="list-style-type: none"> • MIS • Baseline and impact assessment surveys 	<ul style="list-style-type: none"> • Committed people in community come forward to manage development efforts
<ul style="list-style-type: none"> • Isolation of communities reduced and overall mobility in highland areas and access to markets and services improved 	<ul style="list-style-type: none"> • Increase in volume of production marketed by small farmers • Increase in prices received for marketed production • Increase in wage employment opportunities outside of village • Reduction in prices of essential commodities • Reduction in transport costs • Reduction in travel time • Increased use of health facilities (male/female) • Increase in women's mobility 	<ul style="list-style-type: none"> • MIS • Baseline and impact assessment surveys 	<ul style="list-style-type: none"> • Communities are able to establish community based organisations to implement or contract out road works
<ul style="list-style-type: none"> • Community-led, least-cost approach to village access road improvements institutionalized within national policy framework 	<ul style="list-style-type: none"> • Pro-poor orientation of rural infrastructure strategy 	<ul style="list-style-type: none"> • GOY policy documents 	<ul style="list-style-type: none"> • Government committed to pro-poor development agenda
<ul style="list-style-type: none"> • Improved access for poor households to sustainable water resources for human consumption 	<ul style="list-style-type: none"> • No. of households benefiting from secure access to drinking water supply • % of poor households benefiting 	<ul style="list-style-type: none"> • MIS • Baseline and impact assessment surveys 	<ul style="list-style-type: none"> • Communities are able to establish community institutions to manage the schemes and to provide community contribution

LOGICAL FRAMEWORK (CONTINUED)

Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions and Risks
Outputs			
Empowerment of communities <ul style="list-style-type: none"> Communities equipped to plan and manage rural infrastructure projects 	<ul style="list-style-type: none"> No. of community committees formed and office holders appointed (male/female) No. of local community members trained in construction skills No. of community committee members trained in management (male/female) No. of proposals for village access road improvement submitted by communities No. of women participating in decision making and implementation 	<ul style="list-style-type: none"> MIS Periodic evaluation studies 	<ul style="list-style-type: none"> Sufficient people in communities come forward to participate in trainings
Upgrading of village access roads <ul style="list-style-type: none"> Village access roads upgraded to provide improved linkages to markets and services 	<ul style="list-style-type: none"> No. of kilometres of village access roads upgraded Increases in traffic volumes on upgraded roads Increases in agricultural production marketed from communities Increase in trips to markets (male/female) Increase in employment outside of villages 	<ul style="list-style-type: none"> MIS Baseline and impact assessment surveys 	<ul style="list-style-type: none"> Communities forward request for road improvement and are willing to contribute to the cost of the project Communities demonstrate willingness to participate in implementation of roads
Institutional change <ul style="list-style-type: none"> Community-led village access road improvements are integral feature of government plans for the development of the rural road network 	<ul style="list-style-type: none"> Community-led approach reflected in design of RAP-III Least cost design standards for village access roads incorporated in design for RAP-III Community Roads Unit forms permanent feature of RAP management structure 	<ul style="list-style-type: none"> RAP-III design document 	<ul style="list-style-type: none"> RAP is committed to the community-led approach and to least cost design standards for quaternary village access roads
Drinking water supply <ul style="list-style-type: none"> Drinking water supply enhanced primarily for poor households 	<ul style="list-style-type: none"> No. of drinking water supply schemes implemented 	<ul style="list-style-type: none"> MIS Baseline and impact assessment surveys 	<ul style="list-style-type: none"> Community social conscience allows for provision for the poor Communities are willing and able to participate in funding implementation and O&M

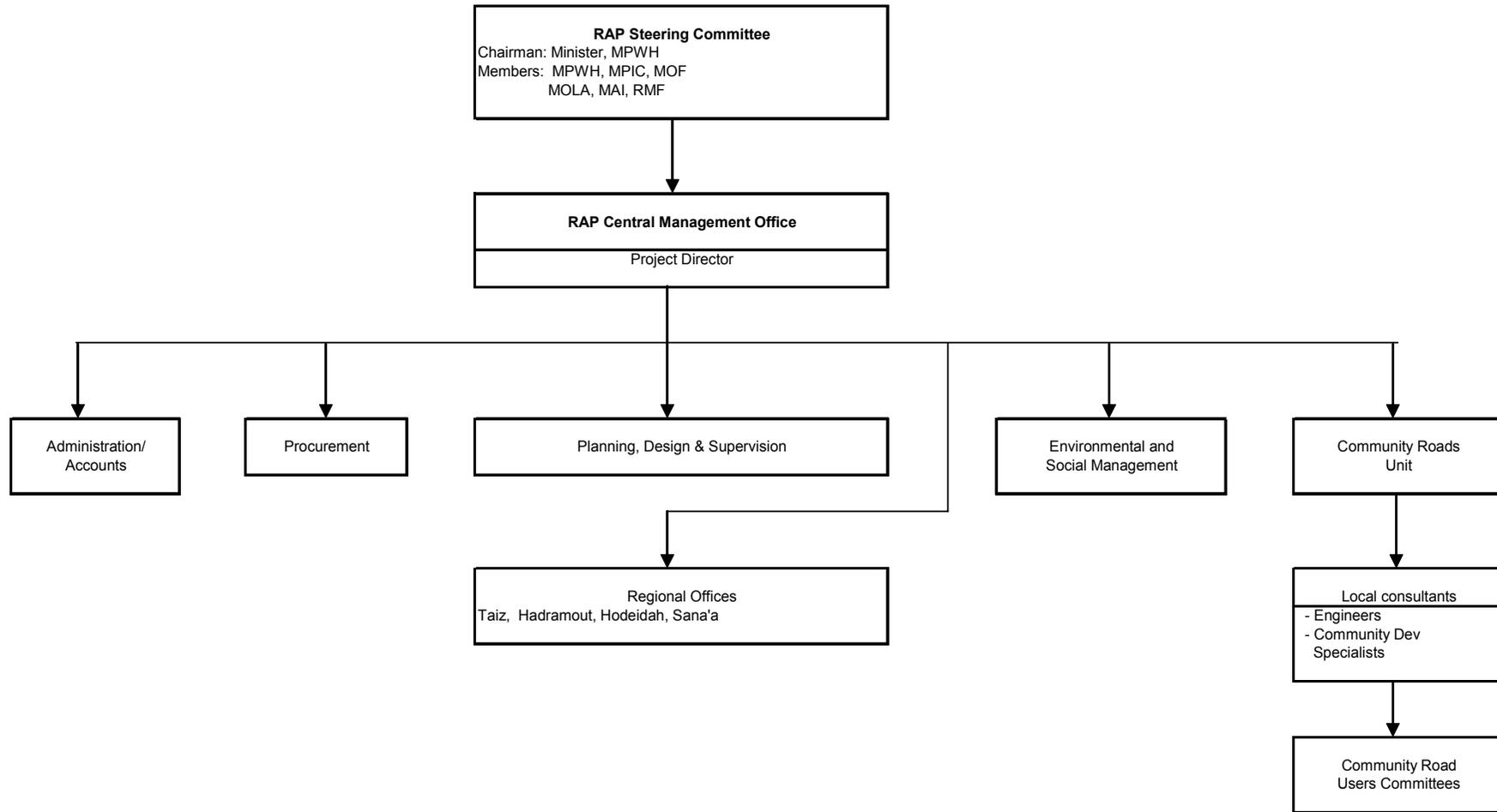
LOGICAL FRAMEWORK (CONTINUED)

Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions and Risks
<p>Project management</p> <ul style="list-style-type: none"> • Effective management of implementation 	<ul style="list-style-type: none"> • Project staff demonstrate technical and managerial competence • Consultants develop effective working relationships with communities • Communities have capacity to manage implementation and negotiate and supervise petty contracts 	<ul style="list-style-type: none"> • MIS • Progress reports 	<ul style="list-style-type: none"> • Experienced engineer and community development specialist recruited • Consultant engineers and community specialists experienced in working with communities are recruited • Probity and transparency of operations • Annual technical and financial audits
Activities/Inputs			
<p>Empowerment of communities</p> <ul style="list-style-type: none"> • Awareness raising amongst communities for submission of requests for road improvements • Community mobilisation and establishment of community committees • Participation of communities in design process • Capacity building of leaders of community committees 	<ul style="list-style-type: none"> • No. of awareness campaigns organised • No. of requests submitted by communities • No. of training courses for community committee members and office holders • No. of community members trained in construction and management (male/female) 	<ul style="list-style-type: none"> • MIS • Progress reports 	<ul style="list-style-type: none"> • Communities' conviction and support maintained
<p>Upgrading of village access roads</p> <ul style="list-style-type: none"> • Social assessment of communities and technical feasibility studies of proposed roads • Screening, prioritising and selection of schemes • Design of village access road improvement schemes • Implementation of works by community with technical supervision • Engagement of contractors where required • Establishment of maintenance arrangements by community • Training of community committees/office holders in management and required technical skills for maintenance work 	<ul style="list-style-type: none"> • No. of requests received and no. accepted • No. of community implementation committees established • Amount of community contribution mobilised in cash and kind • No. of petty contracts issued by communities • Person-months of technical supervision provided • No. of community members trained in management and operations and maintenance (male/female) • Condition of roads • Money spent on maintenance 	<ul style="list-style-type: none"> • MIS • Semi-annual progress reports and annual reports 	<ul style="list-style-type: none"> • Community enthusiasm maintained • Adequate technical capacity to support communities in implementation

LOGICAL FRAMEWORK (CONTINUED)

Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions and Risks
<p>Institutional and policy change</p> <ul style="list-style-type: none"> • Policy team in CRU • Data collection and analysis of project experience to guide policy formulation • Preparation of knowledge and learning briefs • Visits to communities for policy makers • Review and policy formulation workshops for policy makers 	<ul style="list-style-type: none"> • Policy team recruited and operational • No. of learning and knowledge briefs produced • No. of workshops organised • No. of policy makers attending 	<ul style="list-style-type: none"> • MIS • Progress reports 	
<p>Drinking water supply</p> <ul style="list-style-type: none"> • Community mobilisation • Feasibility studies and design of schemes • Training of communities in planning and implementation • Implementation of works by communities • Training of community committees/office holders in operation and maintenance and management 	<ul style="list-style-type: none"> • No. of communities submitting requests • No. of community implementation committees established and members (male/female) • No. of committee members trained (M/F) • Amount of community contribution mobilised in cash and kind 	<ul style="list-style-type: none"> • MIS • Progress reports 	<ul style="list-style-type: none"> • Community enthusiasm maintained and adequate technical capacity to support communities in implementation
<p>Project management</p> <ul style="list-style-type: none"> • Establishment of Community Roads Unit (CRU) within RAP • Engagement of experienced staff for CRU • Establishment of panel of experienced consultant engineers and community development specialists • Development of operations manual, design manual and community contracting procedures • Organisation of technical, social and orientation workshops • Establishment of MIS system • Recruitment of experienced agency or consultants for baseline surveys 	<ul style="list-style-type: none"> • Staff recruited for CRU (male/female) • Consultants engaged (male/female) • Manuals produced • Workshops organised • MIS system established and operational • Baseline and impact assessment studies conducted 	<ul style="list-style-type: none"> • MIS • Semi-annual progress reports and annual reports 	

PROJECT ORGANIZATIONAL STRUCTURE



Legend:

- MI Ministry of Public Works and Highways
- MI Ministry of Planning and International Cooperation
- M Ministry of Local Administration
- M Ministry of Finance
- M Ministry of Agriculture and Irrigation
- RF Road Maintenance Fund