

International Financial Institutions and Yemen

IFI Project Update

September 2008

This document is intended to provide a periodic look at the proposed and active projects financed by the international financial institutions (IFIs) in Yemen. The tables are organized by institution and project status. “Proposed projects” refers to projects currently being considered and under preparation by the institutions, and “active projects” are those that have been approved and are currently being implemented. Where available, links are provided in the electronic version for each project that will take you to the institution’s own project page. This document is also available in Arabic on our website at: www.bicusa.org/yemenprojectsarabic.

A more in-depth look at each institution and their involvement in Yemen is available in BIC’s Yemen Country Study from October 2007 on our website at: www.bicusa.org/ifisandyemen. The Yemen Country Study is also available in Arabic at: www.bicusa.org/ifisandyemenarabic.

Find out the latest news about the IFIs in Yemen on BIC’s Yemen country page at: www.bicusa.org/Yemen.

If you have specific concerns or questions about any of the projects listed below, feel free to contact us at mena@bicusa.org.

Note: “Env. Category” refers to the environmental and social assessment that each institution attributes to the project. Category “A” means that major environmental or social impacts are anticipated. Category “B” projects are expected to have limited environmental impacts. Category “C” projects are unlikely to have adverse environmental impacts. No environmental analysis is required for Category “F” (financial intermediary) projects.

World Bank proposed projects

Project Title	Amount (US\$ mn)	Est. Board Date	Env. Category	Description
Rural Energy Access	25	July 31, 2007	B	Expand electricity grid and liquefied petroleum gas access in rural areas, largely through the private sector. Location unknown.
Ground Water and Soil Conservation – Add. Financing	15	July 1, 2008	B	Additional funds for project approved in 2004 (see below).
Adaptation to Climate Change Using Agro biodiversity Resources in the Rainfed Highlands of Yemen	3	October 6, 2008	B	Identify (based on assessments) and fund coping strategies of farmers who rely on rain-fed agriculture to adapt to climate change-induced drought.
Integrated Urban Development	30	October 28, 2009	A	Expanding services for informal/squatter settlements in urban centers of Sana'a and Taiz; to include protection against flooding. Construction of roads could lead to forced resettlement.
Yemen Health and Population	28	September 30, 2009	B	To fund development of health systems tools to guide operations at health facilities, as well as maintenance of existing health service delivery infrastructure.
Yemen Water Sector Support	90	December 18, 2008	A	To expand water and sanitation coverage of urban and rural areas, as well as for irrigation.
Port Cities Development II	35	October 28, 2008	A	Second phase in the World Bank's support for the development of infrastructure in the port cities of Aden, (particularly the Aden Free Zone), Hodeidah and Mukalla to facilitate greater private investment.

World Bank active projects

Project Title	Amount (US\$ mn)	Approval Date	Env. Category	Description
Ground Water and Soil Conservation – Add. Financing	15	September 11, 2008	B	Additional funds for project approved in 2004 (see below).
Additional Financing for 3rd Social Fund for Development	10	June 26, 2008	B	Emergency additional funds from the Bank's Global Food Crisis Response initiative to support a cash-for-work program and poverty assessments.
Yemen Safe Motherhood Voucher Program	6.5	June 2, 2008	B	No documents available. Project supports IFC's "Safe Motherhood Program" – see below.
Public Works III Add. Financing	29.84	April 17, 2008	B	Additional funds for "Third Public Works Project" below, to pay for increase in cost of inputs. The project consists of subprojects that outreach the 20 governorates of Yemen
Extractive Industries Transparency Initiative Implementation	.35	April 3, 2008	C	No documents available.
Civil Service Modernization Project Supplemental Loan	2.8	April 3, 2008	C	Additional financing for an extended "Civil Service Modernization" project, listed below.

Secondary Education Development and Girls Access Program	20	March 27, 2008	B	Provide teacher training and deployment procedures, as well as curriculum development and cash incentives for households to enroll their female children. Project to cover 9 governorates: Abyan, Aden City, Dhamar, Hadramout, Hodaidah, Ibb, Lahej, Sana'a City, and Taiz
Taiz Municipal Development and Flood Protection – Add. Financing	20	January 29, 2008	B	Civil works in Taiz, such as flood structures; implementation of Resettlement Action Program; assist the government in implementing decentralization.
Rural Water Supply and Sanitation – Add. Financing	20	January 15, 2008	B	Construction and rehabilitation of water systems; incentives to households to construct household waste systems; and technical support.
Institutional Reform Development Policy Grant	50	June 28, 2007	C	Policy conditions of the budget support grant include a reduction of the civil service, land reform, and lower corporate taxes.
Social Fund for Development 3 - Additional Financing	15	June 19, 2007	B	Additional financing for the construction of basic infrastructure in social sectors, rural roads, micro enterprise development, and institutional support.
Second Vocational Training Project	15	March 27, 2007	C	Capacity-building for the Skills Development Fund, as well as technical assistance for various other vocational initiatives.
Strengthening the Integrated National Program (INP) for the Prevention and Control of Avian & Human Influenza	.06	February 5, 2007	C	No documents are available yet. Funds to be provided from Avian and Human Influenza Facility
Rainfed Agriculture and Livestock Project	20	July 6, 2006	B	Financing for seed improvement, livestock services through public-private partnerships, and a capacity-building program for farmers.
Power Sector	50	March 30, 2006	B	Rehabilitation of the Al-Hiswa power plant and associated transmission and distribution systems in Hodiedah and Dhamar. It will also support studies into tariff increases, and the installation of pre-paid meters.
Fisheries Resource Management and Conservation Project	25	December 15, 2005	B	Provide policy and institutional support and capacity building for fisheries and fishing cooperatives.
Second Rural Access Project	40	July 14, 2005	A	Upgrade existing rural roads, as well as institutional support and capacity building for the transport sector.
Basic Education Program Project	65	September 21, 2004	B	Expansion of basic education infrastructure; capacity building to the Ministry of Education; and teacher training.
Social Fund for Development III	60	February 26, 2004	B	Construction of basic infrastructure in social sectors, rural roads; micro enterprise development; and institutional support, support decentralization, and capacity building.
Third Public Works Project	45	February 26, 2004	B	Development of community infrastructure (health, education, water supply, roads); provide technical assistance to district authorities to assess infrastructure needs.

Groundwater and Soil Conservation Project	36.5	February 26, 2004	B	Install pipes for groundwater distribution efficiency, irrigation; technical assistance and capacity building for implementing institutions.
Sana'a Basin Water Management Project	24	June 3, 2003	A	Upgrade water pipes for irrigation, small conventional dams; develop new regulatory framework for water management. Locations include: southern Hamdan and Bani Matar Districts, Bani Bahloul and eastern part of Sanhan Districts, Bani Hushaish, northern Bani Al Harith, Khawlen Districts, Nihm and part of Arhab Districts.
Port Cities Development Program	23.4	January 23, 2003	B	Develop city strategies to encourage private investment in port cities of Aden, Hodeidah and Mukalla; capacity building for Aden authorities also includes support for public-private partnerships at Aden Free Zone.
Urban Water Supply and Sanitation Project	117.72	August 29, 2002	B	Expansion of water network; aims to increase private sector participation in urban water provision, particularly in Sana'a.
Health Reform Support Project (HRSP)	27.47	March 28, 2002	B	Upgrade hospitals and health centers; additional financing for Malaria, health education, mother and child services; human resource development.
Taiz Municipal Development and Flood Protection	45.20	November 1, 2001	A	Capacity building for local Authorities in Taiz, support decentralization programs, and reform government structure
Rural Water Supply and Sanitation	10	December 21, 2000	B	Water supply, rehabilitation, and construction of drainage ditches in Ibb, Hadaydah, and Abyan
Irrigation Improvement Project	21.3	September 7, 2000	B	Rehabilitation, improvement and protection of Tuban and Zabid schemes, establish water users associations (WUAs); and institutional capacity building.
Civil Service Modernization	30	April 20, 2000	C	Restructure government agencies, which includes lay-offs for large numbers of civil servants; capacity building for remaining staff.

The International Finance Corporation (IFC) Proposed Projects

Project Title	Amount (US\$ mn)	Est. Board Date	Env. Category	Description
Safe Motherhood Program	0	April 30, 2008	B	IFC clients –private hospitals - to provide care to pregnant women in Sana'a. IFC and World Bank collaborated to design and implement the project, though IFC is not investing in this operation directly.

The International Finance Corporation (IFC) Active Projects

Project Title	Amount (US\$ mn)	Approval Date	Env. Category	Description
University of Science and Technology	17	April 30, 2008	B	Entails some expansion of university in Sana'a and Taiz, including teaching hospital. IFC will finance US\$ 17 million out of US\$ 38.9 million the total cost of the project
Arabian Yemen Cement Company	70	May 31, 2007	B	Construction of cement plant near Mukalla, backed by Saudi investors. IFC will also mobilize and manage \$55 million worth of investments from other private sources.
Hayel Saeed Anam Group (HSA)	30	June 21, 2006	B	Construction and operation of a greenfield, integrated cement plant in the mountains near Al Anad Junction
Ras Issa Refinery	50	May 4, 2006	A	Located on the Ras Issa peninsula, project consists of the construction of a refinery with a total cost of \$450 million.