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Report No: 41773-YE

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 12.76 MILLION

(US$20.0 MILLION EQUIVALENT)

TO THE

REPUBLIC OF YEMEN

FOR A

SECONDARY EDUCATION DEVELOPMENT AND GIRLS ACCESS PROJECT

February 19, 2008

Human Development Sector
Middle East and North Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective November 15, 2007)

Currency Unit	=	Yemeni Rial (YR)
YR 1.0	=	US$0.00505
YR 198.2	=	US$1.0

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AES	Annual Education Survey
AWP	Annual Work Plan
BEEP	Basic Education Expansion Project
BEDP	Basic Education Development Project
CAS	Country Assistance Strategy
CCT	Conditional Cash Transfer
CGS	Curriculum and Guidance Sector
CoME	Center of Measurement and Evaluation
DEO	District Education Office
DFID	United Kingdom's Department for International Development
DG	Director General
DPs	Developmental Partners
EA	Environmental Assessment
EAPC	Educational Aids Production Centre
EIRR	Economic Internal Rate of Return
EMIS	Education Management Information System
EMP	Environmental Management Plan
ERDC	Education Resources Development Centre
FM	Financial Management
GDP	Gross Domestic Product
GEO	Governorate Education Office
GoY	Government of Yemen
GER	Gross Enrollment Rate
GSC	Governorate Steering Committee
GNI	Gross National Income
GPI	Gender Parity Index
GTZ	Germany's Gesellschaft fur Technische Zusammenarbeit
HIs	Higher Institutes
ICR	Implementation Completion Report
IDA	International Development Association
ILO	International Labour Organisation
IMSC	Inter Ministerial Steering Committee
KfW	German Credit Institute for Reconstruction (Kreditanstal Fur Wiederaufbau)
LAL	Local Authority Law
MASTERY	Mathematics and Science Teacher Education Reform Project
MDGs	Millennium Development Goals
MDTF	Multi-Donor Trust Fund
MoCSI	Ministry of Civil Service and Insurance

MoE	Ministry of Education
MoF	Ministry of Finance
MoHESR	Ministry of Higher Education and Scientific Research
MoLA	Ministry of Local Administration
MoPIC	Ministry of Planning and International Cooperation
MoTEVT	Ministry of Technical Education and Vocational Training
MOU	Memorandum of Understanding
MS	Monitoring Survey
NER	Net Enrollment Rate
NGSES	National General Secondary Education Strategy
NPV	Net Present Value
PAD	Project Appraisal Document
PAU	Project Administration Unit
PDO	Project Development Objective
PD	Partnership Declaration
PHRD	Policy and Human Resource Development (Grant by the Government of Japan)
PMU	Project Management Unit
PWP	Public Works Project
POM	Project Operation Manual
RNE	Royal Netherlands Embassy
SC	School Council
SEDGAP	Secondary Education Development and Girls Access Project
SCG	School Community Grants
SFD	Social Fund for Development
TEVT	Technical Education and Vocational Training
TO	Technical Office
TQS	Training and Qualification Sector
TTIs	Teacher Training Institutes
USAID	United States Agency for International Development
WFP	World Food Program
WSIF	Whole-School Improvement Fund

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REPUBLIC OF YEMEN

SECONDARY EDUCATION DEVELOPMENT AND GIRLS ACCESS PROJECT

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REPUBLIC OF YEMEN
SECONDARY EDUCATION DEVELOPMENT AND GIRLS ACCESS PROJECT
PROJECT APPRAISAL DOCUMENT
Middle East and North Africa Region
MNSHD

Date: February 19, 2008	Team Leader: Ayesha Vawda
Country Director: Emmanuel Mbi	Sectors: Secondary education (100 %)
Sector Director: Michal Rutkowski	Themes: Education for the knowledge economy (P); Gender (S).
Project ID: P089761	Environmental screening category: B
Lending Instrument: Specific Investment Loan	

Project Financing Data

[ ] Loan [X] Credit [ ] Grant [ ] Guarantee [ ] Other:
For Loans/Credits/Others:
Total Bank financing (US$m.): 20.00
Proposed terms: Standard, with 40 year maturity, including 10 years of grace period.

Financing Plan (US$m)

Source	Local	Foreign	Total
BORROWER/RECIPIENT	11.9	0.1	12.0
INTERNATIONAL DEVELOPMENT ASSOCIATION	11.3	8.7	20.0
GERMANY: GESELLSCHAFT FUR TECHNISCHE ZUSAMMENARBEIT (GTZ)	0.4	2.6	3.0
GERMANY: GERMAN CREDIT INSTITUTE FOR RECONSTRUCTION (KREDITANSTAL FUR WIEDERAUFBAU) (KFW)	6.8	5.0	11.8
UK: BRITISH DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)	23.6	18.2	41.8
NETHERLANDS: MINISTRY OF FOREIGN AFFAIRS/MINISTRY OF DEVELOPMENT COOPERATION	8.4	6.4	14.8
Total:	**62.4**	**41.0**	**103.4**

Borrower: Republic of Yemen
Responsible Agency: Ministry of Education

Estimated disbursements (Bank FY/US$m)

FY	2009	2010	2011	2012	2013	2014	2015
Annual	1.0	2.7	4.2	4.5	5.0	2.0	0.6
Cumulative	1.0	3.7	7.9	12.4	17.4	19.4	20.0

Project implementation [illegible] July [illegible] Completion [illegible]
Expected effectiveness [illegible] the [illegible] 120 [illegible] the Financing eement ([illegible] ected [illegible]
Expected [illegible] closing January 3 [illegible]

Does the project depart from the CAS in content or other significant respects? ***Ref. PAD A.3***	[ ]Yes [X] No
Does the project require any exceptions from Bank policies? ***Ref. PAD D.7*** Have these been approved by Bank management? Is approval for any policy exception sought from the Board?	 [ ]Yes [X] No [ ]Yes [ ] No [ ]Yes [X] No
Does the project include any critical risks rated "substantial" or "high"? ***Ref. PAD C.5***	[X]Yes [ ] No
Does the project meet the Regional criteria for readiness for implementation? ***Ref. PAD D.7***	[X]Yes [ ] No

Project development objective ***Ref. PAD B.2, Technical Annex 3***
The objective of the project is to support the Government of Yemen's program for improving gender equity, quality, and efficiency of secondary education in selected districts with a particular focus on girls in rural areas.

Project description ***Ref. PAD B.3.a, Technical Annex 4***. The project has four components:
Component 1: Improving equity and reducing gender gaps through demand and supply-side interventions by: (i) upgrading and furnishing school facilities; (ii) providing learning equipment and materials; (iii) developing the operating procedures and building capacity for managing the school community grants; and (iv) providing school community grants;
Component 2: Enhancing the quality of service delivery through: (i) capacity building to improve teaching and learning practices in the classroom; (ii) strengthening the learning assessment system, and (iii) developing capacity to improve planning, programming and data collection and analysis;
Component 3: Supporting Secondary Education Policy Development through the carrying out of tailor-made studies and/or related-activities; and
Component 4: Project management and monitoring.

Which safeguard policies are triggered, if any? ***Ref. PAD D.6, Technical Annex 10***
Environment: OP 4.10

Significant, non-standard conditions, **if any**, for: ***Ref. PAD C.7***
Loan/credit effectiveness: None

Board presentation: None

Covenants applicable to project implementation:
1. Preparation of project operation manual including a financial management manual, satisfactory to IDA, by no later than August 31, 2008, and
2. The MoE shall enter into a protocol of participation by no later than August 15, 2008 with the Governors, Minister of Planning and International Cooperation, the Minister of Finance, and the Minister of Civil Services and Insurance. The purpose of the protocol shall be to cause the Governorates within the project area to comply with the education reform policies in order for such Governorates to become eligible for participating in the project.

I. STRATEGIC CONTEXT AND RATIONALE

A. Country and sector issues

1. **Socio economic background**. Since unification in 1990, the Republic of Yemen has made significant progress in economic and social development. Nevertheless, Yemen is unlikely to meet the Millennium Development Goals (MDGs). The country ranked 150 out of 177 countries in the 2006 Human Development Index and 121 out of 140 countries in the Gender Development Index (2006). Poverty reduction remains a challenge for Yemen and it is likely that the future decline in oil production will negatively affect Gross Domestic Product (GDP) growth and therefore poverty reduction and employment targets.

2. **Education system**. Introduced in 1994, the structure of Yemen's unified education system comprises 9 years of compulsory basic education followed by 3 years of general secondary, with enrollment diversified into the science and literary tracks in Grades 11 and 12. General education is under the purview of the Ministry of Education (MoE). Vocational schools and community colleges, managed by the Ministry of Technical Education and Vocational Training (MoTEVT) offer 2 and 3-year post basic and post secondary programs. University education is regulated by the Ministry of Higher Education and Scientific Research (MoHESR). The private sector is small, accounting for about 2% of basic and secondary and 15% of university enrollments (2004/05).

3. Public schooling is subsidized at all levels. Although sub-sectoral allocations are increasingly being made in favor of post secondary education, education expenditures continue to be prioritized in the national budget, ranging over the last decade from 14% to 21%. As a result, the education system has expanded tremendously. From 250,000 students in 1970, there are now 4.3 million students in basic education. Between 1996 and 2004, enrollment increased in secondary schools from 324,000 to 595,000 and in universities from 104,000 to 201,000.

4. **Education Policies and Strategies**. Over the last six years, Yemen has endorsed at least five different strategies to address challenges in basic, secondary, and higher education, technical education and vocational training, inclusive education and youth issues. The Government of Yemen (GoY) has recently launched an exercise to steer dialogue between the three education ministries to support the development of an integrated vision for education spanning all education sectors.

5. The *National General Secondary Education Strategy (NGSES)*, approved by Cabinet in July 2007, was developed through a wide-ranging consultation process. The NGSES aims to provide high quality secondary education for transition to tertiary education and the labor market in an equitable and cost effective manner and prioritizes addressing the following challenges: gender and rural access inequity; inefficiency resulting from high repetition and dropout, ineffective teacher deployment, poor quality of teaching and low teaching loads; lack of availability of well trained teachers, particularly females in rural areas; weak capacity of principals and supervisors to support teaching and learning, non-availability of modern teaching and learning technologies and processes to benefit learning; inadequacy of the curriculum and its implementation, particularly as regards linkage with higher education; unreliable and weak assessment of teaching and learning processes; and lack of private financing to support secondary education delivery.

6. Other notable recent reforms of the GoY that are expected to have significant positive impacts on education service delivery include: (i) the use of a school mapping database and technical criteria as a basis for school establishment and personnel deployment decisions to reduce inefficiencies resulting from non-objective school selection criteria, which have hampered the provision of quality secondary education, and (ii) linking of the teacher post to the school rather than to the individual to enable

sustainable provision of teachers, particularly females in rural areas. Furthermore, in an effort to translate policy reforms into reality in the context of the availability of external resources through the Secondary Education Development and Girls Access Project (SEDGAP), and as articulated in the GoY Sector Policy Letter, the MoE has undertaken to enter into a protocol of participation with the Ministries of Planning and International Cooperation (MOPIC), Finance (MOF), Civil service and Insurance (MOCSI) and each of the governorates that would be targeted through the SEDGAP. This protocol of participation declares the commitment of the signatory parties to comply with reform policies in the target districts to ensure a minimum of 15% female representation in new teaching posts for basic and secondary education; involving MoE representatives in the Governorates and Districts in the teacher recruitment process; planning and implementing teacher deployment; ensuring compliance of the MoE decision to link the post of the teacher to the school; and eradicating teacher absenteeism (details in Annex 1).

7. **Relevant secondary education issues:**[1] *Gender and regional inequity.* At 38.3%, the secondary Gross Enrollment Rate (GER) in Yemen is low by international standards. Girls fare worse than boys particularly in rural areas. In 2004/05, the secondary GER stood at 59.8% for boys and 25.9% for girls (2004/05), with a 16 percentage point difference between urban and rural GERs for males and 40 percentage point difference for females.

8. The problem of low female participation in secondary is rooted in girls' retention in basic education. Overall, out of every 100 girls who join basic education in Grade 1, only 25% will complete Grade 9, thus limiting the possible intake into secondary education. Both supply-side (e.g., lack of secondary school close to home, transportation to school, teachers, particularly female, and sanitary facilities in schools, etc.) and demand-side (e.g., attitudinal factors, poverty, early marriage, etc.) constraints play an important role in limiting secondary school participation.

9. *Inefficiency.* Inefficiencies in the secondary education system are generated principally from the high repetition and dropout rates and low pass rates, and inefficient school distribution and staff deployment in the system. Based on the national averages of 9.2% dropout, 4.4% repetition and 82% pass rates, it takes boys 4.25 years and girls 3.92 years to graduate from the 3-year secondary education cycle.

10. Since secondary school establishment has been ad hoc at best, only 21% of the schools have more than 180 students (13% of rural and 47% of urban schools), the minimum number of students required to have a viable secondary school offering the two mandatory academic streams. Only 27% of the schools offered two parallel streams in grades 11 and 12. There is also a large variation in school and class sizes where urban schools are often overcrowded and rural schools underutilized.[2] Although the private sector can play an important role in absorbing the excess demand in urban areas, excessive regulatory barriers limit private financing.

11. Teacher deployment is uneven and inefficient. While some schools may have excess teachers in certain subjects, there may be shortages in the same subjects at other schools. And, even if all schools would have a minimum of 180 students (6 classes), efficient workloads of 22 teaching periods per week would allow only 10 teachers per school, whereas the number of subjects in the school timetable is considerably larger than that (approximately 17), therefore promoting the need for more teachers. Currently, 7.5% of the rural secondary teachers are female.

[1] A more thorough description of education and management issues facing secondary education in Yemen at all levels of decision making – national, governorate, district and schools is available in the project files.

[2] The long-term policy of the MoE is to phase out small secondary schools unviable to meet the minimum 180 enrollment norm or to merge those likely to meet these criteria collectively.

12. *Inappropriate quality of education as manifested by low learning outcomes and unsuitable teaching practices.* The current theoretical and overloaded secondary education curriculum does not contain sufficient life or employment related skills, information technology skills, or thinking skills to adequately prepare secondary graduates for entering the labor market or to be successful at post-secondary institutions. Employers do not consider secondary school graduates to be adequately prepared for the workplace and the youth unemployment is estimated at more than 30 percent[3]. The delivery of the curriculum in schools and classrooms is further hampered by inadequate, uneven or slow distribution of virtually all learning inputs (teachers, adequate physical facilities and equipment, text- and resource books, etc.). The assessment structure suffers from the absence of a standards framework and ongoing testing of student achievement relative to those standards.

13. There is a misalignment between teacher quantity and quality requirements in secondary education and the pre-service teacher preparation provided by the universities. There is no framework for professional teaching standards and there are no coordination mechanisms between the MoE and the MoHESR. Annually, the universities graduate over 15,000 teachers, but at present only around 6,000-7,000 teachers are hired, mostly for basic education without necessarily having pedagogical skills.

14. *Inefficiency in managing the education sector and lack of effective governance at all levels of decision making (National, Governorate, District, Schools and community).* The education system in Yemen faces many functional and structural problems at the central and decentralized level that are affecting its performance and which have been recognized in the NGSES. The decentralization process has already advanced considerably in the wake of the 2000 Local Authority Law (LAL) and is a reality to which the MoE must adapt. However: (i) there are still gaps between written laws and regulations and actual practices; (ii) there are contradictions and lack of detail in the legal decentralization framework; (iii) decentralization is often ignored within the strong historical tradition of centralization and continuation of some centralized structures; (iv) there is a lack of training for administrative and supervisory cadres in the MoE, Governorate Education Offices (GEOs), District Education Offices (DEOs) and, especially for school principals to ensure what should be perceived as their critical functions for improving school performance; (v) there is deficiency in administrative systems which results in unavailability of transparent processes; (vi) there is a lack of basic office equipment, materials and telecommunications system; and (vii) MoE has not yet been able to effectively change its implementer role to one responsible for setting policies, standards and outcome indicators, monitoring performance, quality and differences in service levels and carrying out an effective dialogue with the MoHESR for the urgent alignment of the pre-service teacher training with teacher requirements in the education sector.

15. Because the MoE has a limited mandate over the staff and resources allocated for the delivery of education services,[4] it is difficult for the MoE to monitor and affect the quality of education service delivery without the critical involvement of other stakeholders. The LAL entrusted governorates and districts with responsibility for the delivery of education services. Technical accountabilities of the GEOs and DEOs are not linked to the MoE, which sets policies and standards, but to the Governors and District Directors (soon to be elected officials according to the proposed amendment to the current LAL).

B. Rationale for Bank involvement

16. The International Development Association (IDA) continues to be a major Development Partner (DP) in Yemen. Since 2003, IDA has administered the multi-donor Basic Education Development

[3] *Yemen An Integrated Approach to Social Sectors: Towards a Social Protection Strategy -Phase I Report.* World Bank Human Development Department, Middle East and North Africa Region, Washington D.C. June 2007.
[4] This has been a significant constraint in ensuring service delivery, since more than 90% of the staff and the budget that is deployed for education service delivery is outside the responsibility of the MoE.

Project (BEDP), the Education for All Fast Track Initiative (EFA-FTI) Catalytic Fund grants[5] and the Education Program Development Fund (EPDF) grant on behalf of the DP community.

17. This Project continues the tradition of IDA's long term strategic support to all education sectors in the country. The value added of IDA's involvement in education has been maintained by ensuring that its analytical and advisory support to the sector and projects that it finances are consistent and complementary:

- IDA has historically supported the GoY in the *articulation of a common framework through the development of a sector strategy, followed by an investment based on the strategy.* This, in turn, has helped pave the way for other DPs in the country to adopt the common strategic and investment framework.
- IDA's support has *built on past interventions.* The BEDP was a natural extension of the Basic Education Expansion Project (BEEP), which was focused in five governorates in the country and which set the stage for key education reforms that are beginning to be instituted through the BEDP on a national scale.
- This project is *a natural extension of the BEDP* to ensure that more children graduating from basic education, especially girls, are now offered the opportunity to receive a good quality and relevant secondary education. At the same time, secondary education is considered to be pivotal in addressing critical bottlenecks that might hinder the reform efforts currently being supported by IDA in higher education as well as in technical education/vocational training.

18. IDA already plays a lead role in Yemen in the areas of macroeconomic policy environment, public finance management and civil service aiming at: (i) helping to ensure that institutional change and capacity building supported by the proposed project draws on international best practices; and (ii) targeting the knowledge base of international and local expertise in the implementation of key project interventions.

19. IDA also brings to this project its international and country-specific experience, in particular, with respect to: (i) demand-driven interventions, like the conditional cash transfer schemes, as an incentive to encourage enrollment of girls and the deployment of more qualified female teachers; and (ii) the allocation of financial resources to targeted schools through school councils as a way to introduce quality improvements in the schools and enhance the social control of the utilization of these resources by the school community.

C. Higher level objectives to which the project contributes

20. The project is anchored in the current results-based Country Assistance Strategy (CAS).[6] This CAS supports investments aimed at reducing poverty through social and economic development. The SEDGAP is also aligned with the GoY's third five-year Socio-Economic Development Plan for Poverty Reduction (2006-2010) and the corresponding Public Investment Program (2007-2010) which prioritize the achievement of the MDGs. SEDGAP is also fully aligned with the NGSES.

[5] IDA has administered the two successive phases of the Catalytic Fund grant since 2004, when Yemen was endorsed by the EFA FTI donor community in 2002. A third phase is expected to become effective in the spring of 2008, which will also be administered by IDA.

[6] The CAS is dated May 17, 2006 discussed and agreed with the GoY and with the Bank Board on June 15, 2006.

II. PROJECT DESCRIPTION

A. Lending instrument

21. The lending instrument proposed is a specific sector investment loan for an estimated amount of SDR 12.76 million (US$20.0 million equivalent).

B. Project development objective and key indicators

22. Based on the prioritized secondary education development challenges, the strategic vision articulated through the development of the NGSES, the GoY has designed an investment project, in partnership with DPs, to achieve the strategic objectives of the NGSES. The objective of the Secondary Education Development and Girls Access Project (SEDGAP) is *to support the GoY's program for improving gender equity, quality, and efficiency of secondary education in selected districts with a particular focus on girls in rural areas*.

23. The Governments of the Netherlands, Germany (through the KfW and the GTZ), the United Kingdom (through the DFID) and the World Bank have come together with the GoY to finance the SEDGAP. All DPs financing the SEDGAP have agreed to pool their funds to contribute to the same DO, indicators and project design. In this context of donor harmonization, this document does not segregate what IDA's portion of the financing will achieve in isolation from the remainder of the DP financing, as it cannot be measured reliably and is not in line with the spirit of harmonization.

24. The project developmental objective (PDO) translates into the following key outcome indicators to be reached in a period of six years:

- Gender parity index of secondary education access rates in the project districts increased from 0.42 to 0.66;
- Grade 10 to Grade 12 retention rate in project districts improved from 80.6% to 85.4% for males and from 84.2% to 89.1% for females and
- Improved learning outcomes in Mathematics in G12 (to be obtained using independent curriculum-based learning assessment conducted in randomly selected schools in years 2 and 5).

C. Project components

25. *Project Scope:* The current scope of this project reflects the commitments made by five Development Partners and the GoY, who have come together to support this program in a harmonized manner to achieve the objectives of the GoY program collectively. As more GoY and external funds are available, the project is expected to expand in scope on the basis of results.

26. The proposed project will finance a series of interventions in 9 Governorates (Abyan, Aden City, Dhamar, Hadramout, Hodaidah, Ibb, Lahej, Sana'a city and Taiz). Approximately 90 schools in about 30 districts have been selected for intervention in component 1. Implementation of Component 1 activities will begin in a phased manner, starting in 5 of the target governorates during the first 18 months. Expansion of SEDGAP to the 4 additional governorates on or about 18 to 24 months after the project launch would be made contingent upon evidence of results on the ground measured through the achievement of the outcome and output indicators (detailed in Annex 3).

27. *Selection of Target Districts, Target Governorates and Schools:*[7] Target districts for intervention represent areas where the development impact of the project can be maximized. In order to minimize implementation risks resulting from low capacity and the subsequent need to provide intensive capacity building and monitoring, the target Governorates were selected on the basis of geographical concentration of target districts. Similarly, schools where there is a greater potential of improving efficiency, equity and quality have been selected for targeting.

28. The project will have four components as follows:

Component 1: Improving equity and reducing gender gaps through demand and supply-side interventions (US$74.1 million total; IDA: US$15.0 million, including contingencies)

Sub- component 1.1: Upgrading and furnishing school facilities (US$53.7 million total; IDA: US$11.0 million, including contingencies)

29. This sub-component will finance: (i) the extension, rehabilitation, repair and upgrading of existing facilities to bring them up to acceptable standards; (ii) civil works site supervision during the construction phase, and (iii) the provision of school furniture and basic equipment, including delivery, installation and testing of equipment and furniture.

Sub- component 1.2: Providing learning equipment and materials (US$12.3 million total; IDA: US$2.4 million, including contingencies)

30. This sub-component will finance the provision of learning equipment (comprising science laboratories, computer laboratories, multi-purpose rooms, etc.) and learning materials to be acquired appropriate to the existing curriculum.

Sub-component 1.3: Developing the operating procedures and building capacity for managing school-community grants (US$1.1 million total; IDA: US$0.2 million, including contingencies)

31. Under this sub-component, the project will finance: (i) technical assistance to develop the operational and training manual for implementing the school community grant scheme; and (ii) intensive training to the community, in particular the mothers' and fathers' councils, as well as the school management on the use of allocations to the schools.

Sub-component 1.4: Providing school-community grants (US$7.0 million total; IDA: US$1.4 million, including contingencies)

32. Under this sub-component, the project will finance: targeted incentives to students through school community allocations which include: (i) subsidies to arrange transportation to school; (ii) subsidies to contract female staff in co-educational schools; and (iii) conditional cash transfers (CCTs) to girls in grades 4-12 and to boys in grades 10-12 in the target districts where more than 50% of the population is below the national poverty line.

Component 2: Enhancing the quality of service delivery (US$23.4 million total; IDA: US$4.0 million, including contingencies)

Sub-component 2.1: Capacity building to improve teaching and learning practices in the classroom (US$22.0 million total; IDA: US$3.7 million, including contingencies)

[7] District, Governorate and School selection criteria are detailed in Annex 4.

33. This sub-component will support: (i) the identification and development of upgraded teaching and learning materials for the existing curriculum based on the findings of the current textbook revision from Grades 1 to 12 being financed through the BEDP; (ii) the development and delivery of training to support teachers and school teams, including the connected training and professional development of trainers and supervisors, (iii) strengthening of school principal's capacity to lead and manage the school, and (iv) strengthening of supervisors' capacity to monitor service delivery.

Sub-component 2.2: Strengthening the learning assessment system (US$0.8 million total; IDA: US$0.2 million, including contingencies)

34. Activities under this sub-component will take place in the latter half of the project implementation period, after the Center of Measurement and Evaluation (CoME), currently being established through BEDP and Social Fund for Development (SFD) support, is fully functional to conduct major assessments and to manage the examination system. Activities to be financed include: (i) the introduction of new examinations in the school system; and (ii) the strengthening of capacity at school level to prepare and conduct assessments of student performance based on the existing syllabi, texts, and learning materials. This is consistent with the decision to review the current curriculum and texts before beginning a major revision of the curriculum.

Sub-component 2.3: Developing capacity to improve planning, programming and data collection and analysis (US$0.6 million total; IDA: US$0.1 million, including contingencies)

35. This sub-component will finance: (i) training of central level staff of the Department of Statistics and Planning, School Mapping, and Information Technology to assess the capacity of the staff at the project GEOs to produce projection reports for school expansion and establishment according to key variables (population growth, enrollment growth from basic to secondary, school mapping, demand for and supply of teachers and administrative staff and facilities); (ii) training the governorates and districts staff responsible for planning, programming, school mapping, data collection and analysis in preparing projection reports; and (iii) providing technical assistance to backstop and supervise these staff throughout the preparation of the projection reports to ensure report quality and reliability.

Component 3. Supporting Secondary Education Policy Development (US$1.5 million total; IDA: US$0.3 million, including contingencies)

36. To support policy development and preparation for longer-term reform, the following key studies and/or related activities will be financed: (i) reviews of in-service and pre-service training of teachers; (ii) the preparation of a curriculum framework policy document based on a comprehensive review of the current streams and curriculum; (iii) a feasibility assessment for developing a regulatory framework that would encourage the private sector to invest in secondary education; and (iv) carrying out tracer studies on secondary education graduates to assess the effectiveness of secondary education outcomes.

Component 4. Project Management and Monitoring (US$4.4 million total; IDA: US$0.8 million, including contingencies)

37. This component will finance the support and strengthening of the Project Administration Unit (PAU) to carry out the fiduciary responsibility and reporting in a timely and effective fashion as required by the SEGDAP legal agreements entered into between the DPs and the GoY. In addition, this component will finance the required activities to ensure that the outcome and output indicators agreed with the GoY and with the DPs and included in Annex 3 to the PAD (including teacher and student assessments) are updated and reported to GoY and the DPs with the agreed frequency.

D. Lessons learned and reflected in the project design

38. The content and scope of the design and the preparation process pursued to develop the SEDGAP have benefited from lessons learned through years of implementing projects in Yemen and around the world, drawing particularly on the BEDP, the recently-closed Basic Education Expansion Project (BEEP), the Yemen Secondary Teacher Training Project[8] and the Yemen Education Sector Investment Project.[9] These lessons include:

- Ensuring *ownership* by supporting the counterpart team to take the lead in designing the project from the early stages of project design. The MoE-designated project preparation team has worked intensively with the IDA and the DP representatives to prepare this project and has noted the benefits of the capacity building nature of this process. This important shift in the preparation process is likely to produce remarkable differences with respect to implementation;

- Emphasizing *implementation readiness during the preparation phase* to avoid unnecessary delays. By appraisal, the MoE has: (i) undertaken a baseline inventory of the physical facilities in 120 potential secondary schools in the 9 governorates; (ii) identified and initiated required pre-launching activities[10]; (iii) drafted a Decree establishing the Project Steering Committee; and (iv) nominated a dedicated Coordinator for Secondary Education in the MoE;

- Prioritizing *simplicity in the project design* by limiting the number of interventions to the most critical ones and by developing components based on the scope of the proposed activities that could best address the main issues in secondary education effectively;

- Ensuring a *phased approach* whereby the project starts in few focused geographical areas and an increase in the scope of implementation is based on needs and evidence of results;

- *Prioritizing activities that have proved successful.* Therefore, the project undertakes to: (i) balance supply-side with demand-side interventions that are determined by the needs and characteristics of targeted groups; (ii) support awareness raising programs, upgrading of civil works in well-targeted regions and targeting CCTs, which have proved effective in enhancing enrollment of disadvantaged groups; (iii) invest in teacher training which has been shown to improve the teaching and learning processes[11]; and (iv) build the capacity in the participating GEOs and DEOs in management and technical specialties to ensure sustainability of the project;

- *Employing, to the extent possible, existing implementation arrangements.* Lessons learned from the first phase of the FTI Catalytic Fund grant and the recently-closed BEEP point to the fact that project implementation is likely to be smooth and timely if the implementation arrangements are simple and well understood by all the implementers. Because the target governorates of the secondary project are already covered either by the BEEP, the FTI Catalytic Fund grants, or the BEDP, and because secondary education is under the purview of the same staff of the MoE as is

[8] ICR for this project (P005835) dated December 31, 2000
[9] ICR for this project (P005911) dated March 30, 2005
[10] These pre-launching activities include: (i) preparatory activities to implement sub-component 1.1; (ii) preparation of the SEDGAP Operation Manual and (iii) assessment of key institutional and organizational gaps in the 5 initial project governorates and implementing a time-bound action plan to address them.
[11] Cooke, Brenda. Preliminary Monitoring Report for Mid-term Review of the Basic Education Development Project (BEDP; Cr. 3988-YEM). September 2007.

basic education, the implementers of this project will be primarily the same people at the MoE center, governorate and district level as have been for the BEEP, the FTI and the BEDP.[12] The knowledge and experience of these staff have expanded through years of experience in other projects. Therefore, the secondary project employs, to the extent possible, similar implementation arrangements; and

- Ensuring the *alignment of interested DPs* to maximize results on the ground and minimize transaction costs for the Government. The SEDGAP builds on the harmonization approach that was initiated under the BEDP. Key DPs have aligned their support with the SEDGAP's PDOs, technical design and indicators, and have agreed to pursue common procurement, financial management and monitoring requirements. The rules of engagement based on principles of harmonization and shared responsibility for achieving the agreed PDOs will be articulated through an agreed Memorandum of Understanding (MoU).

E. Alternatives considered and reasons for rejection

39. A more comprehensive project design was considered including interventions: (i) at the Grade 7-9 level of basic education (where some of the most drastic issues in secondary education are generated); (ii) coordination with higher education (lack of which has resulted in mismatches between teacher demand and supply and inappropriate teacher qualifications resulting in low quality of secondary school teaching and learning practices), and (iii) systematic linkage with technical education and vocational training (where other learning streams at the secondary level, more attuned to the labor market needs, are being provided). Such a design was rejected because it would prove to be too complex, requiring systematic and consistent coordination across the three education ministries (at the national and decentralized levels) as implementing agencies, further aggravating the already weak implementation capacity.

40. A second alternative was to consider a comprehensive review of the existing secondary education curriculum to make it more responsive to labor market needs and the requirements of tertiary education in Yemen. This alternative was rejected because the last curriculum revision (of Mathematics and Science), completed in 2003/2004, has not yet been fully and appropriately implemented on the ground and some time is required to resolve the question of how to best implement additions of 'discovery learning' within the current texts and learning materials prior to launching another curriculum revision exercise.

41. A third alternative was to address more thoroughly the system-wide dysfunctional governance characteristics of the education sector at all levels of decision making (national, governorate, districts and schools). It was decided that this would also prove extremely complicated to be addressed by the project as it requires the reform of regulations and practices pertaining to a variety of national Ministries (MoCSI, MoLA, MoF and MoE). In addition, the GoY is already implementing a Civil Service Modernization Project (under separate financing of several DPs, including IDA), which will encompass the MoE as one of the key Ministries to be benefited.

42. A fourth alternative was to consider a larger implementation scope for the project, involving more than the nine governorates already considered. This alternative was rejected due to the weak implementation capacity of Governorates and Districts, and the increased difficulty in providing timely and effective supervision of the project.

43. A fifth alternative was to consider investing in female secondary schools only in rural areas, because the availability of such schools tends to be most successful in attracting female students, particularly in

[12] Except for sub-component 1.1 now to be entrusted to the Project Management Unit (PMU) of the Public Works Project (PWP), operating under the mandate of the MoPIC.

rural areas (female students in urban areas are well represented in secondary education). This alterative was rejected because investing in female secondary schools in rural areas could: (i) be difficult to accomplish since it is difficult to get adequately qualified female teachers in remote rural areas, and (ii) result in massive inefficiencies because the number of girls who could fill the enhanced capacity provided by more girls-only schools would be too limited in the foreseeable future (because 75 percent of girls entering Grade 1 dropout before completing Grade 9).

44. The last alternative was to consider an adaptable program credit instead of a time-bound sector specific Credit as the lending instrument. It was decided that it was premature to opt for this type of credit instrument given the moderately unsatisfactory implementation performance of other IDA-financed credits in Yemen using the adaptable program credit instrument.

III. IMPLEMENTATION

A. Partnership arrangements

45. A number of DPs active in the education sector in Yemen have signed a Partnership Declaration (PD) aiming at greater harmonization and alignment of sector support on the basis of the MoE's sector strategy.[13] As all the SEDGAP co-financiers are signatories to this PD, their involvement in the SEDGAP builds upon the principles of the PD. All the SEDGAP co-financiers are currently supporting the BEDP, which is a pre-swap operation (see Annex 2).

46. While IDA is nominated as the lead agency among the SEDGAP DPs to support the GoY in the process of preparing this project, all SEDGAP co-financiers have agreed to support the project as developed, i.e., adhering to the same development objectives, policies, criteria, design and outcome and output indicators. In the spirit of harmonization, and in order to minimize the requirements on the GoY, all funds provided (with the exception of GTZ in-kind support) will be fungible across the project and pooled into two joint Designated Accounts to be operated under IDA procurement and financial management guidelines. Common reporting, monitoring and auditing frameworks have been agreed upon. The details of the agreed rules of engagement will be presented in a MoU, to be entered into between all DPs and the GoY.

47. Grant funds from the Government of the Netherlands will be administered through an Administration Agreement between IDA and the Government of the Netherlands, to be entered into prior to project effectiveness. KfW will administer its own funds and possibly those financed from the DFID. The GTZ will provide in-kind support to activities in sub-component 2.1 through technical assistance for developing training packages for mathematics, chemistry, biology, and physics, for school leadership and social workers, for district supervisors, for training of trainers, and for overall development of the training framework and planning, organizing and monitoring training events.

[13]Twelve Partners, including the Governments of Yemen (represented by the Ministry of Planning and International Cooperation (MOPIC) and the MoE), Germany, Kingdom of the Netherlands, United Kingdom, France, the Social Fund for Development, the Public Works Project, UNICEF, IDA, World Food Programme, and the International Labour Organization (ILO) signed the Partnership Declaration in 2004. In 2007, all of these partners (excluding France and the ILO), signed the update to this Declaration and the United States Agency for International Development joined as an additional partner.

B. Institutional and implementation arrangements

48. The MoE is the GoY agency responsible for implementing the SEDGAP. The implementation arrangements for the proposed project mirror those followed under the BEDP, with the exception of sub-component 1.1, which will be implemented by the Project Management Unit (PMU) of the Public Works Project (PWP), under the responsibility of the MoPIC.[14] The Project Administration Unit (PAU) of the MoE will be delegated responsibility for the fiduciary management of the remainder of the project.

49. *Protocol of Participation*: Prior to project launch, the MoE will enter into a protocol of participation with the Governors, Minister of Planning and International Cooperation, the Minister of Finance, and the Minister of Civil Services and Insurance. The purpose of the protocol shall be to cause the Governorates within the project area to comply with the education reform policies in order for such Governorates to become eligible to participate in the project. Details of the reform measures are provided in Annex 6.

50. *Project Oversight:* The project will operate under the overall guidance and oversight of an Inter-ministerial Steering Committee (IMSC), chaired by the Minister of Education and comprising members of the Ministries of: Education, Civil Service and Insurance, Local Administration, Finance and Planning and International Cooperation, the PWP and the PAU. The IMSC will be responsible for: (i) policies as related to the achievement of the PDOs; (ii) approving project annual plans; (iii) ensuring compliance of the signed protocol; (iv) monitoring project progress; and (v) steering resolution of implementation issues.

51. *Project Coordination and Implementation at the National Level:* Overall NGSES coordination will be entrusted to a fully dedicated Secondary Education Coordinator (SEC) within the MoE, who will therefore be the primary MoE focal point for the SEDGAP. The Technical Office (TO) of the MoE, through the SEC will be responsible for coordinating all activities supporting the NGSES in general, and the SEDGAP in particular and implemented by the different units of the MoE at the central and the sub-national levels (governorates and districts). The SEC will share all related implementation progress reports that it receives from the project governorates and districts through the PAU and the PWP. The GoY shall maintain arrangements satisfactory to the Bank to be entered into between the MoE and the MoPIC to assign the carrying out of sub-component 1.1 to the PMU of the PWP.

52. *Project Coordination and Implementation at the Governorate and District Levels:* Project monitoring in each of the nine governorates will be carried out by a Governorate Steering Committee (GSC), chaired by the Governor. The Committee will ensure compliance with the terms and conditions stipulated in the protocol for participation. GSCs will: (i) facilitate project implementation at the governorate level; (ii) review and approve Governorate level consolidated school plans; (iii) ensure compliance with the agreed protocol; (iv) monitor progress under the project, and (v) prepare and submit progress reports to the IMSC through the PAU and be available to make a presentation at the IMSC meetings as necessary.

53. *Fiduciary Responsibility of the PAU:* The PAU will be entrusted by the MoE with the responsibility to administer the project activities (except for sub-component 1.1). The PAU will facilitate implementation through Financial Management (FM), procurement of goods and services and technical assistance in accordance with IDA regulations and procedures, as agreed among all DPs. PAU will also provide guidance, support and capacity building where required to the MoE's Directors, and project related staff in the Governorates and the Districts. The PAU will also be responsible for communicating with IDA and DPs on all implementation matters. PAU will require additional staff in order to undertake

[14] Eligible activities will be implemented according to the overall Project Operation Manual (POM) agreed with GoY and the DPs, prior to effectiveness. All eligible activities under the School Community Grant (SCG) will be implemented according to the SCG Operational and Training Manuals.

these tasks for the SEDGAP, including a full time administrator for SEDGAP as well as staff to support FM, procurement and monitoring.

C. Monitoring and evaluation of outcomes/results

54. The PDO indicators are monitored through government official data and intermediate outcome indicators are measured through the PAU except for the assessments of learning achievement and teaching practices, which require separate assessments.

55. Learning outcomes in Mathematics, Science and Language for Grade 12 students would be a better measure of education quality. However, these measures can begin to be generated in Yemen systematically only once the CoME is fully functional, at the earliest in 2013. In the meantime and to initiate this important exercise, the project will finance a focused learning assessment test to assess student performance in secondary education. Mathematics was agreed upon to be the curriculum subject to be assessed because it is common to the two streams and is the first one among the 17 secondary education subjects included in the existing curriculum where a training module will be developed and a training delivery scheme will be carried out financed by this project.

56. The MoE is aware that the collection, recording, management and use of data is a crucial input for policy development, priority setting, resource allocation and annual planning at the central, governorate, district, and school levels. The project aims to build capacity of targeted governorates and districts to produce adequate planning for school expansion and establishment according to key variables (population growth, enrollment growth from basic to secondary, school mapping, demand and supply for teachers and administrative staff and facilities).

D. Sustainability

57. Project preparation has attempted to build technical sustainability by emphasizing and supporting the preparation of the project by the MoE team. This has paid off and the SEDGAP is owned by the MoE team. Community, Governorate, District and School surveys have also enabled the MoE center team to design a project on the basis of the needs expressed by these stakeholders. A joint MoE-IDA team also visited one of the project Governorates to undertake a thorough institutional capacity assessment at the various decentralized levels.[15] This team plans to undertake visits to all phase one governorates, including a sample of their project districts before Credit effectiveness, to familiarize them with the PDOs and the proposed project design.

58. One of the main challenges for this project, particularly as regards maintaining technical and institutional sustainability, is to work hand-in-hand with the participating GEOs and DEOs in clarifying roles and responsibilities, in capacity building, in planning, implementation and monitoring of project activities in the target areas. Continued involvement of the GEOs and DEOs in these core activities are expected to contribute towards building sustainable teams. The SEDGAP launch in particular will need to set in motion the process of building capacity in other Ministries, GEOs, DEOs, schools and Fathers' and Mothers' councils in order to ensure that the programs supported by the project continue after the project closes.

59. The SEDGAP is expected to have minimal recurrent cost implications on the MoE budget.[16] The recurrent costs resulting from the project are expected to be: (i) US$1.2 million each year for the last 3

[15] Report of the visit to Hodeida Governorate available in Project files.

[16] Unit cost per student is assumed to be unchanged because the increased cost due to project intervention will be offset by the reduced number of years invested per graduate (detailed in Annex 9).

years for the project (i.e., years 4-6), [17] and (ii) US$2.7 million average each year upon project closing. As a proportion of the MoE secondary education budget, this represents additional recurrent costs equivalent to 0.8% for years 4-6 of the project and 1.7% in year 7 upon project closing.[18]

E. Critical risks and possible controversial aspects

60. The overall risk for this project has been assessed as Substantial. Critical risks and mitigation measures include:

Risk	Risk Mitigation Measures	Risk Rating with Mitigation
Political interference in project implementation at all levels	Signed protocol for continuing participation in the project by governorates and districts enforced by IMSC; Pre-identification of proposed intervention sites followed by engineering surveys to confirm site election and consultation with GEO and DEO staff prior to effectiveness.	Substantial
Lack of sufficient project ownership by target GEOs, DEOs and schools	Project designed on the basis of community surveys and grounded in NGSES, which also involved wide-ranging stakeholder participation; Protocol for continuing participation in the project signed by target governorates; IMSC responsible for monitoring compliance on protocol and taking remedial actions in case of non-compliance; Central team to undertake visits to all phase 1 governorates, including a sample of their project districts before Credit effectiveness, to induce their ownership of the PDOs and the proposed project design.	Moderate
Possible delays in counterpart funding	Commit timely release of GoY contribution to the project through the MoU; Ensure adequate budget provision for the following GoY financial year by supporting such dialogue.	Substantial
Possible delays in donor funding	Ensure co-financing agreement is signed between GoY and each DP individually, by the date specified in the Financing Agreement.	Low
Weak technical and institutional sustainability	Central team to undertake visits to all phase 1 governorates, including a sample of their project districts before Credit effectiveness, to induce their ownership of the PDOs and the proposed project design; Implementation to be complemented with intensive training and capacity building by the PAU, particularly at the governorate and district level.	Moderate
Insufficient intake of students, especially girls, to 10th grade	BEDP is addressing the low completion rates from Grade 9, especially of girls in rural areas; Fine tune the SEDGAP's incentive targeting mechanisms under the SCG, including more appropriate dissemination campaigns and more active involvement of the Fathers' and Mothers' Councils.	Moderate

[17] Additional recurrent cost during 4th-6th year of project is incurred from maintenance cost of civil works, equipment, and materials. If financed by the program, these do not affect the government recurrent budget.
[18] The figure for year 7 is based on the MoE secondary education budget for 2014. Between years 8-20, the recurrent cost implication, as a proportion of the secondary budget is expected to be lower.

The geographic scope of the project may hinder timely and effective implementation, supervision and oversight, especially with respect to the allocation and utilization of schools funds	Phasing the expansion of the project scope based on evidence of results on the ground; Strengthening of the social auditing processes to be provided by the Fathers' and Mothers' Councils.	Substantial
Implementation arrangements not clearly understood by GEOs, DEOs and project schools responsible for implementing certain project activities	Project overall Operational Manual and SCG Operational and Training Manuals developed early and disseminated widely; Project will finance training in procurement, financial management and monitoring project-related tasks for MoE staff already working in the project and staff at GEOs and DEOs.	Substantial
Assessments of learning achievements and teaching practices not conducted on time and properly due to lack of capacity	Assessments to be contracted out to external firms.	Moderate
Weak financial management capacity for financial planning, recording and reporting which could increase the risk of ineligible expenditures and misappropriations	Using existing PAU which has skilled staffing and enhancing it with additional staffing with planning and reporting experience; Adjustment of existing BEDP software to enhance PAU ability to record and report SEDGAP transactions; Providing targeted planning and budget training to PAU staff; External reviews by external auditor for quarterly Interim Finance Reports are part of auditor TOR to be approved by IDA and DPs on an annual basis; and Ex ante reviews by MoF personnel	Substantial

F. Loan/credit conditions and covenants

61. There will be no conditions of effectiveness.

Loan covenants:

62. Covenants include:

- Preparation of project operation manual including a financial management manual, satisfactory to IDA, by no later than August 31, 2008, and

- The MoE shall enter into a protocol of participation by no later than August 15, 2008 with the Governors, Minister of Planning and International Cooperation, the Minister of Finance, and the Minister of Civil Services and Insurance. The purpose of the protocol shall be to cause the Governorates within the project area to comply with the education reform policies in order for such Governorates to become eligible for participating in the project.

IV. APPRAISAL SUMMARY

A. Economic and financial analyses

63. The benefits of the project are projected to far exceed the costs, with an Economic Internal Rate of Return (EIRR) of 13.7%, indicating economic viability of this project. EIRR for the SEDGAP design was found to be larger than that of a project with an alternative design that has either: (i) all investments focusing on civil works and school community grants or (ii) all investments focusing on education quality enhancing initiatives.

64. The estimated EIRR was found to be most sensitive to the improvement in the retention rate in project districts. If the achievement in retention rate is 1.0 percentage point less than the targets (i.e. 84.4 for boys and 88.1 for girls instead of 85.4 and 89.1 respectively) by the time of project end, there is a high risk that the Net Present Value (NPV) will be zero (at a discount rate of 10%) unless the retention rate catches up significantly after the project ends.

65. Although not quantified as economic benefits in the cost-benefit analysis, there are several positive externalities associated with the project, especially as regards to promulgating girls' education. These include: improved health indicators such as reduced child and maternal mortality, improved child health and nutrition, reduced fertility rates, and improved immunization of children, and girls' role model effects on the schooling of their younger siblings.

66. The secondary education strategy identifies a total resource gap of US$265 million between 2008 and 2013 in order to achieve the GoY's national targets. Over the six-year SEDGAP implementation period, the proposed external resources (US$91.4 million) will account for 10.2 percent of the projected secondary education resources (i.e., 896 million). The contribution of the proposed project will therefore finance 35% of the resource gap during the same period (i.e., 91.4 million of resource gap of 265 million). This implies that the resource gap to achieve the NGSES will remain large despite the project and that government commitment to implement its strategy from its own resources as well as through seeking additional external financing is still largely required.

B. Technical

67. The SEDGAP builds on recent analytical work most particularly the IDA financed *Issues and Options for Secondary Education in Yemen* paper, which was also one of the underpinning documents for the GoY to prepare the NGSES.

68. With the support of the Japanese Policy and Human Resource Development (PHRD) grant, local and international consultants were recruited to share with the national project preparation team international practices and lessons learnt to ensure that cost effective and high quality components were designed. These studies include: (i) incentives to enhance girls' participation in secondary education; (ii) quality enhancement of the secondary education program; (iii) teacher professionalism; (iv) secondary school and community survey; (v) secondary education implementation structure and capacity building arrangements; (vi) physical inputs to improve access to secondary education; and (vii) private investment in secondary

education. A tracer study of graduates of 12th grade of general and technical secondary schools will be undertaken in March 2008 and findings disclosed by mid 2008.

C. Fiduciary

Financial Management:

69. As required by OP.BP. 10.02, an assessment of the proposed Financial Management (FM) arrangements for the SEDGAP was carried out in line with the Financial Management Practices in World Bank/IDA-Financed Investment Operations.[19] Certain weaknesses were noted as regards the financial management arrangements at both the PAU and the PWP. These include: (i) inadequate staffing at both entities; (ii) non-availability of FM manual covering SEDGAP-specific activities at the PAU; (iii) non-availability of additions to existing software according to SEDGAP monitoring, recording and reporting requirements; and (iii) vacant internal audit function at the PAU. Accordingly, an action plan to enhance the current FM arrangements was discussed and agreed upon with both the PAU and PWP (detailed in Annex 7 of this PAD).

70. Based on the Financial Management (FM) assessment conducted for this project, the overall FM risk was originally rated as High. However, since close to 60% of overall project financing is for civil works, which is a relatively low risk activity, and because appropriate fiduciary measures have been incorporated (e.g., expanded scope of audit and a reinforced internal control framework) to mitigate their fiduciary risk, the overall rating is considered Substantial.

71. FM risk assessed for the PMU of the PWP and the PAU of the MoE is Moderate and Substantial, respectively. Maintaining the existing FM arrangements in addition to other mitigating measures which will be closely monitored during project life is expected to bring the residual FM risk for each entity to Low and Moderate, respectively.

Procurement:

72. As part of the Procurement Capacity Assessment recommendations to remedy the current staffing deficit at the PAU, recruitment of new procurement staff on the basis of the revised PMU Guidelines salary matrix (2007) will be initiated in two phases for better calibration with PAU needs. To ensure smooth and timely implementation of procurement activities, the PAU will initially be assisted by a short-term Procurement Advisor financed from GTZ grant funds in support of: (i) quality control in the project pre-effectiveness phase for procurement documents, processes, and contract management, for the sizeable amount of technical services contracts to be financed under the proposed SEDGAP; and (ii) on-the-job capacity building for newly recruited procurement officers, including advisory services to PAU management.

73. The capacity assessment aspects of the proposed SEDGAP also covered the PWP in view of the recent policy decision to entrust the PWP with sub-component 1.1. The PWP has an ongoing relationship with the MOE, since about half of the investments managed by the PWP are involved in providing school facilities (including construction of secondary schools) in various Governorates for eventual handover to the MoE.

[19] Document issued by the FM Sector Board on November 3, 2005.

D. Social

74. The project context is highly favorable as it is being designed following the release of Yemen's NGSES, which highlights the importance of reducing gender disparities in access to education, improving the quality of education, and enhancing efficiency of education delivery. The preparation of the NGSES was participatory as it benefited from extensive feedback throughout the country from a host of stakeholders. Background studies, including a community survey, were prepared in consultation with numerous stakeholders, from parents' councils, to students and social workers, government officials, and donors.

75. The SEDGAP addresses both the supply and demand side factors affecting girls' education in Yemen. A combination of cultural, economic, social, and infrastructure factors come together in the decision of families to pull out, or for girls, to drop out of the education system. These include early marriage, poverty and the lack of girl-friendly facilities, transportation to secondary schools and female teachers. The project seeks to tackle such constraints through: (i) financing transportation subsidies, female presence in schools and scholarships to retain girls and boys who may drop out principally for economic reasons through School Community Grants (SCG), and (ii) providing appropriate infrastructure.

76. Community participation is key to the project s' success. Taking into account that community participation remains a relatively new concept in the country and that many mothers in particular are illiterate, the project will endeavor to provide appropriate training to mothers' and fathers' councils. Awareness-raising campaigns will not only target social norms inhibiting girls's participation in secondary education, but will also focus on information dissemination as regards the *modus operandi* of the SCG scheme, so as to enhance community accountability.

E. Environment

77. This project is rated in environmental category B as regards OP4.01 because the majority of activities included in SEDGAP are expected to be associated with minor, if any, environmental impacts.

78. The GoY has prepared and published an Environmental Management Plan (EMP) for the SEDGAP on the basis of lessons learnt in applying the EMP procedures and institutional arrangements under the on-going BEDP. The SEDGAP EMP includes environmental criteria for: the upgrade of existing sanitation with new facilities and/or improvement of sewage systems and the procurement of laboratory equipments (including chemical materials) for secondary level students. The EMP also contains a set of activities that would contribute to improved mitigation measures, focusing on building more capacity at the community, DEO and GEO level through trainings, workshops, and awareness campaigns.

F. Safeguard policies

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

G. Policy exceptions and readiness

79. No policy exceptions are sought.

80. The MoE is presently undertaking a set of activities to prepare for launching implementation of sub-component 1.1, including engineering surveys and analysis of the information to select the final sites for intervention.

81. It is expected that prior to effectiveness, the Project Operations Manual, the arrangement agreement between the MoPIC-PWP and the MoE-PAU and the governorate specific institutional and organization capacity gap analysis and action plan to fill those gaps will be available. Based on this, the team does not foresee any delays in implementation.

* *By supporting the proposed program, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas*

Annex 1: Country, Sector and Project Background

82. **Socio economic background.** Since unification in 1990, the Republic of Yemen has made significant development progress. In the period 1975-2004:[20] (i) life expectancy increased from about 40 to 63 years; (ii) adult literacy jumped from 10 to 49%; (iii) female illiteracy dropped from 95 to 69%; (iv) primary school enrolment rates increased from 57 to 91%; and (v) fertility rates declined from 7.9 to 6.3 births per woman. Nevertheless, the country ranked 150 out of 177 countries in the 2006 Human Development Index and 121 out of 140 countries in the Gender Development Index (2006). The pace of improvements has slowed down recently and Yemen is unlikely to meet the Millennium Development Goals (MDGs).

83. Poverty reduction remains a challenge for Yemen with 35% of the population of 19.2 million (2004) living in poverty, with a higher concentration in rural areas where 73% of Yemenis live. 10% of the population lives on less than US$1 a day; 46% of children under-five are under weight; under-five child mortality stands at a very high rate of 94 per 1,000 live births; maternal mortality rates stand at 351 per 100,000 live births, and 64% of the population does not have sustainable access to safe drinking water.[21]

84. Gross national income per capita is about US$600 (2005), one fourth of the average of US$2,390 for the Middle East and North African Region. Real gross domestic product (GDP) growth (3.3% in 2006) has been lower than expected, with declining oil production[22] being offset by favorable developments in world oil prices. Owing in part to a relatively high rate of population growth of about 3.0% annually (2004), there has been only marginal improvement in per capita income. It is likely that the future decline in oil production will in turn negatively affect non-oil GDP growth and therefore adversely affect poverty reduction and employment targets.

85. **Education system**. Introduced in 1994, the structure of Yemen's unified education system comprises: 9 years of compulsory basic education (Grades 1-9, approximate age group 6-14 years); followed by 3 years of general secondary (Grades 10-12, approximate age group 15-17 years), with enrollment diversified into the science and literary tracks in Grades 11 and 12. Access to general secondary school is open to all pupils who pass the Grade 9 examination. Basic and secondary education are under the mandate of the MoE. Basic school completers may also join 2 or 3-year programs in vocational schools operating under the authority of the MoTEVT.[23] Access to university education, under the authority of the MoHESR depends on performance in the national secondary examination.

86. Public schooling is subsidized at all levels with no tuition fees for basic or secondary education.[24] The private sector is small, accounting for an estimated 2% of students in basic and secondary education and 15% in universities in 2004/05.

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[20] 1975 data obtained from *Republic of Yemen Country Social Analysis.* World Bank: Water, Environment, Social and Rural Development Department, Middle East and North African Region, Report No. 34008-YE. April 15, 2007. 2004 data are obtained from the Annual Educational Survey 2004 conducted by the MoE and the 2004 Census conducted by the Central Statistical Organization, GoY.

[21] *Republic of Yemen Country Social Analysis.* World Bank: Water, Environment, Social and Rural Development Department, Middle East and North African Region, Report No. 34008-YE. April 15, 2007.

[22] A sharp loss exceeding 8% was reported in oil production between 2005 and 2006.

[23] In 2003/04, 1.6% of secondary education enrollments were reported in TEVT institutions.

[24] Although locally levied participation fees, uniform costs and indirect costs of school attendance can be prohibitive for poor families.

87. Public expenditures continue to prioritize education, ranging over the last decade from 5.2 to 6.8% of the GDP and from 14 to 21% of total public expenditures. However, sub-sectoral allocations are increasingly being made in favor of post secondary education, a trend that is inconsistent with the priority accorded to basic education in the Poverty Reduction Strategy. Between 1997 and 2005, expenditures on higher education and on TEVT rose from 10 to 15% and from 1.2 to 1.7% respectively and declined on general education (basic and secondary combined) from 85 to 81%.[25]

88. As a result of the significant and consistent investments in education in Yemen, the education system has expanded tremendously and gross enrolment rates (GERs) for basic, secondary and tertiary education, survival rates of the school-age cohort and the share of girls in total enrollments at all levels have improved despite the greater than 3% population growth rate. From 250,000 students in 1970, the basic education system now comprises 4.3 million students. Between 1996 and 2004, secondary enrollment increased from 324,000 to 595,000 and university enrollment increased from 104,000 to 201,000.

89. **Education Policies and Strategies.** Over the last six years, the country has endorsed at least five strategies that aim to address educational development challenges, including the Basic Education Development Strategy (2002), the National General Secondary Education Strategy (2007), the Technical Education and Vocational Training Strategy (2004), the Higher Education Development Strategy (2006), and the Children and Youth Strategy (2007). In recognition of the absence of a national vision that looks at education and training in an integrated manner, and the existence of disconnects between the strategies and investments of the various sub-sectors, the GoY has launched an exercise to steer dialogue between the three education ministries in Yemen (MoE, MoTEVT and MoHESR) and to support the development of an integrated education vision for Yemen spanning all education sectors.

90. The National General Secondary Education Strategy (NGSES) was developed through a wide-ranging consultation process involving education officials, school management personnel, supervisors, teachers, NGOs, local authorities, students and parents, participants from the MoE, education leaders, agricultural unions, and higher education beneficiaries. The vision of the NGSES is to inculcate "possession of a general secondary education characterized by equity and justice in the provision of education opportunities, goodness in quality, diversification in streams, and enabling the graduates to either pursue their higher education efficiently or join the life of work." The strategy prioritizes the following challenges to be tackled by the GoY: gender and rural inequity in access; inefficiency of resource use resulting from high repetition and dropout rates, ineffective teacher deployment, poor quality of teaching and low teaching loads; lack of availability of well trained teachers, particularly females in rural areas; weak capacity of principals and supervisors to support teaching and learning, non-availability of modern teaching and learning technologies and processes to benefit learning; inadequacy of the curriculum and its implementation, particularly as regards linkage with higher education; unreliable assessment of teaching and learning processes and lack of capacity to undertake assessments (in school and at national level), and the lack of financing from the private sector to support secondary education delivery.

91. While the GoY has embarked on a large number of reforms to address the issues constraining quality education service delivery, some notable recent reforms include: (i) Cabinet Decree No. 167 (2006) linking the post of the teacher to the school rather than to the individual, which is expected to counter one of the significant challenges of providing teachers in rural areas on a sustainable basis, aggravated for female teachers and therefore affecting girls' education significantly; (ii) Cabinet Decree No. 29 (2007)

[25] Approximately 59% of the total education budget is allocated to basic education and 22% to secondary. This estimation assumes differential teacher costs at the secondary level. In reality, it is difficult to separate expenditures between basic and secondary education because: (i) the MoE budget is provided for general education and not segregated for the two levels, and (ii) many schools offer basic and secondary grades together, using the same premises and in many case, the same teachers.

linking the job nature allowance of teachers, principals, supervisors, assistants etc. to the post, and cancellation of these allowances in the case of transfer to another position, aiming to support incentives based on the post with the condition of losing such benefits in the case of transfer to another post ; (iii) Cabinet Decree No. 209 (2005) basing school establishment and school personnel deployment decisions on school mapping data and technical criteria. Application of this Decree is expected to significantly reduce the inefficiencies resulting from non-objective criteria for school selection, which have hampered the provision of quality secondary education in Yemen (details in the following section).

92. In an effort to translate the above-mentioned policy reforms into reality in the context of the availability of external resources through the SEDGAP, the MoE has undertaken to enter into a protocol of participation with each of the governorates and districts that would be targeted through the SEDGAP. This protocol aims at the signatories (MoE, MOPIC, MOF, MOCSI and the Governorates) to declare their commitment to comply with the following policies in the target districts:

a) At least 15 percent of all new teaching posts (basic and secondary level) created and approved in each fiscal year in Project Districts will have been filled by female teachers;
b) The Heads of the Education offices (or their representatives) of the Project Governorates and Project Districts will be part of the selection process for all new (basic and secondary level) teacher recruitments;
c) The Project Governorates will initiate the process of planning teachers redeployment within the Governorate, starting with the Project Districts and will update the said plan on an annual basis for MoE approval;
d) The Project Districts will apply and continue to apply Cabinet Decree no. 167 for the Year 2006 allocating new teaching posts to the schools and not to the individual teachers. As such, all transfers requested by the Project Districts will require the prior approval of the General Department of Human Resources of the Project Governorates;
e) Teacher absenteeism will be verified by the Project Districts' supervisors as part of their regular visits by verifying teachers' attendance sheets. The said supervisors will inform the Project Districts of teacher absenteeism (in writing) in order to enact the transfer of the teacher's salary equivalent to the number of unjustified missing days to the Local Councils.

Relevant secondary education issues addressed by SEDGAP[26]

93. *Gender and regional inequity.* Although low overall by international comparison, the secondary education GERs in Yemen are particularly low for female and rural populations. The overall secondary education GER is 38.3% in Yemen as compared to 43% average for low-income countries and 68.7% average for MENA countries (2004/05 school year).[27] Girls' enrollment in secondary increased by 162% between 1996/7 and 2004/5, from 67,900 to 185,000 (as compared to a 60% increase in enrollment of boys), and the Gender Parity Index (GPI) increased from 0.27 to 0.43 during the same time. Nevertheless, the secondary GER stood at 59.8% for boys and 25.9% for girls (2004/05). Both male and female GERs in rural areas are well below the rates in urban areas, with a 16 percentage point difference for males (urban 65.8% and rural 49.4%) and 40 percentage point difference for females (urban 53.7% and rural 13.6%) in 2005.

94. The low level of female participation in secondary education is rooted in girls' retention in basic education. Overall, out of every 100 girls that join basic education in Grade 1, 40% will drop out by Grade 4 and only 25% will complete Grade 9. Since there is not enough of a potential intake of girls who

[26] A more thorough description of education and management issues facing secondary education in Yemen at all levels of decision making – national, governorate, district and schools is available in the project files.
[27] MoE Annual Educational Survey for 2004/05; UNESCO in Edstats Database for school year 2004/05; CSO.

could transit into secondary education, any attempt to enhance girls' enrollment in secondary education will have to target their retention in basic education.

95. While poverty plays a major role in family decisions to send their children to secondary education, both supply and demand side constraints play an important role in constraining secondary school participation. More than 35% of boys and about 50% of girls in rural areas do not attend school for supply-side factors (e.g., lack of secondary school close to home, transportation to school, teachers, particularly female (for girls' enrollment and retention), and sanitary facilities in schools, etc.).[28] With 14% of the secondary-only schools and 9.8% of the basic and secondary combined schools being girls-only and only 7.5% of the rural secondary education teachers being female, parents do not feel confident in sending their girls to school, particularly in rural areas.

96. *Inefficiency.* Inefficiencies in the secondary education system are generated principally from the high repetition and dropout rates and low pass rates, inefficient school distribution and staff deployment.

97. Nationally, 9.2% of the students enrolled in secondary education dropout before completing Grade 12. Repetition rates average 4.4% and 82% of the students pass the secondary school examination results (2004/05). Therefore, while the secondary education cycle lasts three years in Yemen, the number of years invested per secondary graduate in 2004 was estimated to be 4.25 for boys and 3.92 for girls. It is worth noting that the retention of girls is higher in secondary education as opposed to that of boys (86 against 82% in 2004).

98. Many secondary schools have mushroomed as extensions of basic education schools lacking minimum appropriate facilities to ensure the teaching of the full existing secondary education curriculum against the existing criteria set forth in Cabinet Decree No. 209 (2005) (Ministerial Decree 88 of 2004) indicating the minimum enrollment of 180 students in 6 classes to be approved by MoE as a viable secondary school. In 2005/06 only 21% of schools had more than 180 students at the secondary level (13% of rural and 47% of urban schools). Only 27% of the schools offered two parallel streams in grades 11 and 12, and about half of the schools only offer science stream to their students. Graduates from the scientific stream exceed those from the literary stream by 34.2 percentage points. There is also a large variation in school and class sizes where urban schools are often overcrowded and rural schools underutilized.[29] The average number of students per section was 46 in urban and 29.4 in rural secondary schools (2004/05), while the national average was 35.4.

99. The private sector can play an important role in absorbing the excess demand in the secondary education sector, especially in urban areas. There are a number of barriers, especially of regulatory nature, preventing further investments in secondary education. These include: (i) excessive requirements to obtain and maintain a license to operate, which needs to be renewed annually; (ii) requiring dual approvals from the MoE and the local authority; and (iii) a high tax rate of 35 percent of the income.

100. Although 87% of teaching is done by teachers with a minimum degree-level qualification (which is considered the minimally acceptable qualification to teach in secondary schools), there is a large distribution problem whereas some schools may have excess teachers in certain subjects and others shortages in the same subjects. Furthermore, about 10% of the degree-level teachers have no teaching qualification, but only a subject degree. Finally, even if schools would have a minimum of 180 students (6 classes), efficient workloads of 22 teaching periods per week would allow only 10 teachers, whereas

[28] *Yemen Poverty Assessment.* World Bank, Social and Economic Development Group, Middle East and North Africa Region, Washington D.C. June 2007.

[29] The long-term policy of the MoE is to phase out small secondary schools unviable to meet the minimum 180 enrollment norm or to merge those likely to meet these criteria.

the number of subjects in the school timetable is considerably larger than that (approximately 17). Teachers need to teach more than one subject, whilst the pre-service teacher education curriculum only prepares them for one subject. Therefore, many teachers have to teach subjects for which they are insufficiently prepared.

101. *Inappropriate quality of education as manifested by low learning outcomes and unsuitable teaching practices.* The current theoretical and overloaded secondary education curriculum does not contain sufficient life or employment related skills, information technology skills, or thinking skills to adequately prepare secondary graduates for entering the labor market or to be successful at post-secondary institutions. Employers do not consider secondary school graduates to be adequately prepared for the workplace and the youth unemployment is estimated at more than 30 percent[30]. The delivery of the curriculum in schools and classrooms is further hampered by inadequate, uneven or slow distribution of virtually all learning inputs (teachers, adequate physical facilities and equipment, text- and resource books, etc.)

102. The assessment structure suffers from the absence of a standards framework and ongoing testing of student achievement relative to those standards. Teachers and supervisors receive little training in assessment and the current curriculum is not produced in a common format conducive to setting standards, with a variation in use of assessment tools and techniques. For the examinations, the tables of specifications are set by selected supervisors who gather questions from across the country or governorate rather than by trained groups of examiners drawing from a data bank of field-tested questions.

103. There is a misalignment between teacher quantity and quality requirements in secondary education and the pre-service teacher preparation provided by the universities through their satellite Colleges of Education in all governorates. No framework for professional teaching standards exists with articulated general teacher competencies and subject-specific knowledge and skills requirements that would guide different providers. There are no coordination mechanisms between the MoE and the MoHESR with the Faculties and satellite Colleges of Education in the different universities. Annually, the universities now graduate over 15,000 teachers, but at present only around 6,000-7,000 teachers are hired directly through allocation by the MoF and MoCSI, mostly for basic education, resulting in an accumulated unemployed teaching work force which currently amounts to about 45,000 people queuing for a teaching position. University pre-service programs tend to be theoretical in nature and provide students with little or no practical instruction and assessment competencies.

104. A number of reforms will be initiated or are currently being implemented under BEDP in basic education where a nation-wide delivery system for short training of teachers has already been developed. These BEDP-financed reforms, laying the foundation for the pedagogical and quality-related interventions of SEDGAP, include, inter-alia: (i) textbook revision for Grades 1-12, production and distribution system; (ii) improvements in the learning assessment system through the implementation of the Center of Measurement and Evaluation (COME), and (iii) capacity analysis and strategic planning process concerning the role of the Higher Institutes in qualification programs for unqualified and under-qualified teachers.

105. *Inefficiency in managing the education sector and lack of effective governance at all levels of decision making (National, Governorate, District, Schools and community).* The education system in Yemen faces many functional and structural problems at the central and decentralized level that are affecting its performance and which have been recognized in the NGSES. The decentralization process

[30] *Yemen An Integrated Approach to Social Sectors: Towards a Social Protection Strategy -Phase I Report.* World Bank Human Development Department, Middle East and North Africa Region, Washington D.C. June 2007.

has already advanced considerably in the wake of the 2000 Local Authority Law (LAL) and is a reality to which the MoE has to necessarily adapt. However: (i) there are still gaps between written laws and regulations and actual practices, for example, in the selection and appointment processes of new teachers and deployment of existing teachers which are carried out to a large extent by personal standards, seniority, and political affiliation and or pressure; (ii) there are contradictions and lack of detail in the legal decentralization framework; (iii) decentralization is often ignored in the strong historical tradition of centralization and continuation of some centralized structures; (iv) there is a lack of training for administrative and supervisory cadres in the MoE, GEOs, DEOs and, especially for school principals to ensure what should be perceived as their critical functions for improving school performance; (v) there is deficiency in administrative systems which results in unavailability of transparent processes; (vi) there is a lack of basic office equipment, materials and telecommunications system; and (vii) MoE has not yet been able to effectively change its implementer role to one responsible for setting policies, standards and outcome indicators, monitoring performance, quality and differences in service levels and carrying out an effective dialogue with the MoHESR for the urgent alignment of the pre-service teacher training with teacher requirements in the education sector.

106. Because the MoE has limited mandate over the staff and resources allocated for the delivery of education services,[31] it is in a difficult position to monitor and affect the quality of education service delivery without the critical involvement of other stakeholders. The LAL entrusted governorates and districts the responsibilities for the delivery of education services to the local authorities. Technical accountabilities of the GEOs and DEOs are not linked to the MoE, which sets policies and standards, but to the Governors' and District Directors' soon to be elected officials according to the proposed amendment to the current LAL to be effective by end of the 2007. Furthermore, while the MoE submits to the MoCSI its staffing needs (number and qualifications of teachers, supervisors and school principals), it does not participate in the selection process of candidates to fill in vacant posts, nor in the deployment of these new and existing teachers, which is done by the Local Councils at the district level. It is therefore difficult to implement a performance-based evaluation system that would make decentralized education staff accountable to the MoE.

107. While the MoE is capable of producing a wealth of information on the education sector, the education management information system (EMIS) draws its information from different directorates, of which two are under the Technical Office (office of Director General (DG) of Statistics and Planning and office of DG of Information Systems) and one under the Project and Supplies Sector (office of DG of School Mapping). There is little coordination and sharing of information, both horizontally between the offices of DGs located under different departments, as well as vertical, between the MoE and the GEOs/DEOs. This seriously hampers the efficient utilization of the data through a comprehensive approach to data analysis for timely decision making by high level management.

[31] This has been a significant constraint in ensuring service delivery, since more than 90% of the staff and the budget that is deployed for education service delivery is outside the responsibility of the MoE.

Annex 2: Major Related Projects Financed by the Bank and/or other Agencies

Sector Issue	Project	Latest Supervision (ISR) Ratings (Bank-financed Projects only)		ICR Outcome Rating (if (OED Rating)
		Implementation Progress (IP)	Development Objective (DO)	
Bank-financed education projects: Improve student learning outcomes, with special emphasis on science and mathematics education, by improving teacher training, increasing girls' access to basic education with increased community participation; establishing labor market-oriented, two-year, secondary education programs covering business, commerce and industry. Increase access to education services in rural areas and strengthening of capacities at the sub-national level. Increase quality of higher education output and rationalize spending on higher education Expansion and improvement of school buildings and facilities for basic education	Yemen – Secondary Teacher Training Project (P005832) (US$19.4m – 1991 -1998	NA	NA	S
	Yemen: Education Sector Investment Project (P005911) (SDR23.9m – 1994 - 2004)	MS	MS	MS
	Yemen: Basic Education Expansion Project (P043255) (SDR 42.4m (IDA) – 2000 - 2007)	MS	S	NA
	Yemen: Basic Education Development Project (P076185) (SDR 44.3m (IDA), 47.0m (The Netherlands, DfID-UK) 2004 – 2010)	MS	MS	NA
	Yemen: Second Vocational Training Project (P086308) (SDR 15m – 2007-2012)	MU	MU	NA
	Yemen: Child Development Project (P050483) (SDR 21.2m. 2000-2005)	MU	MU	U
	Yemen: Higher Education Project (P076183) (US$5m – 2002 – 2008)	S	S	NA
	Yemen: Social Fund for Development III (P082498) (SDR41.7m (IDA); US$300.0 (Foreign multilateral institutions)) 2004 - 2008	S	S	NA

Other major development agencies				
UNICEF	Area-based programs: Community school projects	N/A		N/A
Germany: GTZ	Basic Education Improvement Project			
USA	Literacy	N/A		N/A
	Expand basic education and decentralized management	N/A		N/A
		N/A		N/A
Social Fund for Development	Raising the Secondary School enrollment of 15-17 years olds; narrowing the gap of enrolled boys and girls in Secondary and Basic Education, and creation of model schools	N/A		N/A

Annex 3: Results Framework and Monitoring

Results Framework

PDO	Project Outcome Indicators	Use of Project Outcome Information
To support the GoY for improving gender equity, quality, and efficiency of secondary education in selected districts with a particular focus on girls in rural areas	1) Gender parity index of secondary education access rates in the project districts increased from 0.42 to 0.66. 2) Grade 10 to Grade 12 retention rate in project districts improved from 80.6 to 85.4% for males and from 84.2 to 89.1% for females. 3) Improved learning outcomes in Mathematics in G12 (to be obtained using independent curriculum-based learning assessment conducted in randomly selected schools, in years 2 and 5).	These indicators will be used to monitor the overall progress towards project goals in equity, efficiency, and quality. This indicator will provide, for the first time, a reliable learning achievement indicator for secondary education. Because there is no experience in measuring this indicator at present, and implementation of the survey is expected to take a substantial amount of time, the baseline can only be realistically determined by Year 3 (assuming that the assessment would be conducted in Year 2). The follow-up assessment is to be conducted in year 5 to be able to generate update to baseline by year 6.
Intermediate Outcome by Component	**Outcome indicators**	**Use of Intermediate Outcome Monitoring**
Component 1: Improving equity and reducing gender gaps through demand and supply-side interventions	1) Civil works programs (including civil works, furniture and equipments) completed in 90 schools. 2) 6,800 students attending the project schools using the transportation scheme provided by the school community grant. 3) 108 female staff financed through the school community grant.	Indicator (1) monitors progress in the civil works, furniture and equipments financed through this project. Indicators (2) and (3) will monitor activities supported under the school community grant scheme. These will be linked to the outcomes of retention and girls' access.

Component 2: Enhancing the quality of service delivery	1) 30,000 teachers trained (cumulative) 2) 60% of trained teachers using at least 60% of teaching skills taught through training as measured by an independent assessment in a selected number of randomly chosen schools.	Monitoring the improvement in teaching and learning practices will determine the value of investments and suggest refinements in the directions for teacher training and curriculum improvement. Assessment to be conducted in year 2 to be able to generate a baseline by year 3; follow-up assessment to be conducted in year 5 to be able to generate update to baseline by year 6 in the same subjects, taught by the same teachers in the same grades of the same schools.
Component 3: Supporting Secondary Education Policy Development	1) Curriculum framework policy document prepared 2) Feasibility assessment for developing private sector regulatory framework undertaken	Monitoring the progress in the development of policy frameworks

Arrangements for results monitoring

108. The PDO indicators are monitored through government official data and intermediate outcome indicators are measured through the PAU except for the assessments of learning achievement and teaching practices, which require separate assessments. Key issues include:

- *Low data quality and consequence for calculating retention rate:* Unreliable and inconsistent data are major obstacles to effective monitoring. The MoE has changed the data collection instrument from the paper-based Annual Education Survey (AES) to a Web-based annual educational survey in 2006, which allows the MoE to compile and present annual enrollment and teacher statistics much faster than through former methods. However, the last AES was conducted in 2004. In 2005, a Comprehensive School Survey was conducted which employed a data collection methodology that is not consistent with either the AES or the web-based instrument of 2006. Due to these changes, data for school years 2005/06 and 2006/07 are unsuitable for calculating retention rate. It is therefore suggested that G10 enrollment in 2006/07 and G12 enrollment in 2008/09 be used to calculate the retention rates for the first year of project implementation.

- *Risk to Outcome Indicator #1:* The target value for Gender Parity Index of secondary intake is determined on the basis of enrollment growth trends up to 2004 (Grade 9 enrollment increases at an annual rate of 6.8% for females and 0.9% for males in project districts). One of the risks that could limit the achievement of the first PDO indicator is slower than expected female enrollment growth rate at basic education level. Such a case is not expected to happen under the current expansion pattern of the basic education system; yet, this risk needs to be pointed out as enrollment intake in secondary education system depends on the basic education system.

- *Outcome Indicator #3:* Learning outcomes in Mathematics, Science and Language for Grade 12 students would be a better measure of education quality. However, these measures can begin to be generated in Yemen systematically once the CoME is fully functional, at the earliest in 2013. In the meantime and to initiate this important exercise, the project will finance a focused learning assessment test to assess student performance in secondary education. Mathematics was agreed upon to be the curriculum subject to be assessed because it is common to the two streams and is the first one among the 17 secondary education subjects included in the existing curriculum where a training module will be developed and a training delivery scheme will be carried out financed by this project.

- *Capacity*: The MoE is aware that the collection, recording, management and use of data is a crucial input for policy development, priority setting, resource allocation and annual planning at the central, governorate, district, and school levels. The project aims to build capacity of targeted governorates and districts to produce adequate planning for school expansion and establishment according to key variables (population growth, enrollment growth from basic to secondary, school mapping, demand and supply for teachers and administrative staff and facilities).

Arrangements for Results Monitoring

	Project Outcome Indicators	Baseline	Target Values						Data Collection and Reporting		
			YR1	YR2	YR3	YR4	YR5	YR6	Frequency	Data Collection Instruments	Responsibility for Data Collection
P.1	Gender parity index of secondary education access rates in the project districts increased from 0.42 to 0.66.	0.42	0.50	0.53	0.56	0.59	0.63	0.66	Annual	MOE AES	MOE TO
P.2a	G10 to G12 male retention rate in project districts improved from 80.6 to 85.4 (%)	80.6	80.9	81.2	81.5	82.8	84.1	85.4	Annual	MOE AES	MOE TO
P.2b	G10 to G12 female retention rate in project districts improved from 84.2 to 89.1 (%)	84.2	84.5	84.8	85.1	86.5	87.8	89.1	Annual	MOE AES	MOE TO
P.3	Improved learning outcomes in Mathematics in G12			Study #1 launched	Baseline obtained	-	Study # 2 launched	Update to baseline obtained	2d, 5th year	Independent Study	Curriculum and Inspection Sector and COME
	Intermediate Outcome Indicators										
	Component 1										
1.1	Civil works programs (including civil works, furniture, and equipments) completed in 90 schools. [a]	n/a	0	0	60	90	90	90	Annual	Progress Report	PWP/ PAU
1.2	6,800 students attending the project schools using the transportation scheme provided by the SCG	n/a	0	1,000	3,000	4,100	5,900	6,800	Annual	Progress Report	PAU
1.3	108 female staff financed through the SCG	n/a	0	24	58	72	86	108	Annual	Progress Report	General Education Sector/ PAU
	Component 2										
2.1	30,000 teachers trained (cumulative). [a)]	n/a	0	500	2,000	8,000	15,000	30,000	Annual	Progress Report	Training Sector/ PAU
2.2	60% of trained teachers using at least 60% of teaching skills taught through training.			Study #1 launched [b]	Baseline obtained		Study # 2 launched	60% targets met	2nd, 5th year	Independent Study	Curriculum and Inspection Sector and COME
	Component 3										
3.1	Curriculum framework policy document prepared	n/a	No	No	No	No	No	Yes	Annually	Decree	MOE –Curri Sector
3.2	Feasibility assessment for private sector regulatory framework undertaken	n/a	No	No	No	No	Yes	Yes	Annually	Study Report	MOE GE Sector

Notes:
(a) Cumulative numbers are shown. Difference from previous year is the output for the year; (b) Baseline study aims to identify the % of teachers who already have 60% of teaching skills before training; The monitoring matrix assumes baseline in 2004/05, Year 1 in 2008/09, and Year 6 in 2013/14.
Formulae for calculating indicators: P.1:= Number of female new intake/ male new intake in project districts; P.2: = number of non-repeaters in G12 as share of G10 students 2 years before.
Acronyms used: AES - Annual Educational Survey; COME - Center of Measurement and Evaluation; PAU – Project Administration Unit; PWP = Public Works Project; SCG – School Community Grant; TO - Technical Office

Annex 4: Detailed Project Description

109. Consistent with the GoY's vision to reform secondary education attuned to the recently adopted National General Secondary Education Strategy (NGSES), the proposed project seeks *to support the GoY program for improving gender equity, quality, and efficiency of secondary education in selected districts with a particular focus on girls in rural areas.*

110. These objectives would be achieved through four components: Component 1: Improving equity and reducing gender gaps through demand and supply-side interventions; Component 2: Enhancing the quality of service delivery; Component 3: Supporting secondary education policy development through the carrying out of tailor-made studies and/or related-activities, and Component 4: Project management and monitoring.

111. *Project Scope:* The proposed project will finance a series of interventions in 9 Governorates (Abyan, Aden City, Dhamar, Hadramout, Hodaidah, Ibb, Lahej, Sana'a city and Taiz). Approximately 90 schools in approximately 30 districts have been selected for intervention in component 1. During the first phase of project implementation (to last about 18 months after the project launching expected early in the second semester of 2008), a maximum of 5 of the target governorates would benefit from project interventions, in addition to the system-wide interventions.

112. *Selection of Target Districts and Target Governorates*: Target districts for intervention represent low performing districts in secondary education where the development impact of the project can be maximized. As is presented in table A.4.1, in comparison to the non-target districts in the target governorates and in comparison to the national average, these districts register, for both male and female students, where relevant: (i) higher levels of inefficiency in terms of repetition and dropout rates (or lower retention rates); (ii) lower gender parity index; (iii) lower secondary GER, and (iv) poorer Gr. 9 to 10 transition rates. In order to minimize implementation risks resulting from low capacity and the subsequent need to provide intensive capacity building and monitoring, the target Governorates were selected on the basis of geographical concentration of target districts.

Table A4.1 Alignment of the target districts with the PDOs

Indicators (2004)	National	Non-Project Districts	Project Districts
G10-12 retention rate male (%)	82.2	82.5	80.6
G10-12 retention rate female (%)	86.3	86.7	84.2
Gender parity in access (index)	46.4	47.3	41.6
GER male (%)	53.6	55.2	46.4
GER female (%)	25.4	27.2	17.8
GER total (%)	39.8	41.6	31.8
G9-10 transition rate: male (%)	83.8	85.1	77.5
G9-10 transition rate: female (%)	89.4	92.7	73.5

Source: World Bank staff calculations based on MoE's Annual Educational Survey for school-year 2004/05 and CSO Population Census 2004

113. *Selection of Target Schools:* Consistent with the district selection criteria, schools that have lower than average retention, enrollment, and GPI, and where there is a greater potential of improving efficiency, equity and quality have been selected for targeting through the project. In particular there are two criteria: (i) physical condition and (ii) enrollment. The first criteria help identify schools where civil works can be meaningfully employed and therefore consider: (a) if there is space for extension at the site, (b) water and electricity are available near the site, and (c) school site does not require complete replacement of existing buildings. The second criteria pertain to gender equity. Because transition rates from Gr.9 to Gr.10 are not available at the

catchment area level, the following preferred list of characteristics has been determined to select schools for intervention: at least 60 girls at Gr. 9 in the catchment area, (b) mixed school;[32] (c) rural schools and urban schools with relatively small size and requiring increased capacity, based on the potential pool of (current and future) student population in the catchment area.

Component 1: Improving equity and reducing gender gaps through demand and supply-side interventions - US$74.1 million total (IDA: US$15.0 million, including contingencies) will finance a series of interventions in about 90 public secondary schools selected in target Governorates and districts.

114. *Sub- component 1.1: Upgrading and furnishing school facilities – (US$53.7 million total; IDA: US$11.0 million, including contingencies)* will finance the extension of existing facilities through new classrooms and/or the provision of new utilities (water and electricity supply, sanitation, sewage, rain water drainage, telephone, etc.); (ii) rehabilitation and repair of existing facilities including buildings, utilities and external spaces (fences, access road, recreation areas, etc.); (iii) replacement of unsuitable buildings in the existing schools (poor physical conditions, shelters, or buildings not initially designed for schools); and (iv) upgrading of existing facilities to bring them up to acceptable standards.

115. This sub-component will also finance the civil works site supervision during the construction phase, including: (i) verification and review of contractors' documents; (ii) supervision of works to ensure compliance with required specifications, quantities and quality of work; (iii) attending regular site meetings; (iv) preparation of supervision reports; (v) checking and issuing interim payment certificates for the contractor; (vi) reviewing and issuing of variation orders; and (vii) inspection of completed works including provisional acceptance and handing over.

116. Finally, this sub-component will finance the provision of school furniture including delivery, installation and testing of equipments and furniture.

117. *Sub- component 1.2: Providing learning equipments and materials - US$12.3 million (IDA: US$2.4 million, including contingencies)* will finance the provision of learning equipments (for science laboratories, computer laboratories, multi-purpose rooms, etc.) and learning material to be acquired under technical specification attuned to the existing curriculum and including delivery and installation (if required) and testing of equipments.

118. *Sub-component 1.3: Developing the operating procedures and building capacity for managing school-community grants - US$1.1 million total (IDA: US$0.2 million, including contingencies)* comprises of: (i) technical assistance to develop the detailed operating procedures and training manuals of the School-Community Grant (SCG) and preparation of the SCG Operational and Training Manuals; and (ii) intensive training to the community, in particular the mothers' and fathers' councils as well as the school management on the use of allocations to the schools.

119. The smooth operation of the proposed SCG requires intensive training of the mothers' and fathers' councils who will have to act as the monitoring groups to ensure that the school allocations are being used properly. It also requires development of clear accountability measures and a specific chapter in the project's POM. In addition, all the incentives provided will be properly advertised and awareness campaigns will be supported to ensure that the community as a

[32] Based on an analysis of the available school mapping data, it was evident that if there is an all girls secondary school in the catchment area it usually has a larger enrollment of girls; it is in the areas where there is only a mixed secondary school available that the female enrollment at secondary level is very low. Therefore, the project is more relevant to such schools than to single sex schools.

whole knows about the allocations that are flowing to their school and make sure that it is being utilized in the best possible way. For this, the community participation department in the Girls' Education Sector will hold intensive training workshops and awareness campaigns. In addition, the training sector will provide specific basic accounting and budgeting training courses for the actual members of the school committee, since the school committee will be accountable to periodic audits and record keeping to ensure due diligence in the disbursement of funds.

120. Inputs to be financed by this sub-component are: training, short-term international and national technical assistance, workshops, awareness campaigns (town-hall meetings), office equipment and operating costs.

121. *Sub-component 1.4: Providing school-community grants - US$7.0 million total (IDA: US$1.4 million, including contingencies)* comprises of specific incentives targeted towards the school communities in the target schools. The SCG will finance incentives to bring more girls into secondary education and reduce the dropout rates, especially for boys. The envisaged allocation mechanism involves the establishment of a committee at the school level comprising the head teacher, the social worker, a member of the fathers' council, a member of the mothers' council and a community member to monitor the utilization of financial resources allocated to the school by the SEDGAP.

122. This subcomponent will provide targeted incentives to students through the school community allocations which include school transportation subsidies, contracting a senior female in co-educational schools and conditional cash transfers (CCTs) to girls in grades 4-12 and to boys in grades 10-12 in the target districts where more than 50% of the population is below the national poverty line.

123. A CCT scheme has been piloted and implemented since February 2006 under the BEDP for girls in grades 4-9. The CCT under the SEDGAP aims to increase retention of boys and girls from Grade 10 to 12, especially in poor districts where poverty is the main reason for dropout. It also aims to increase access to secondary education by targeting girls in grades 4-9 in the basic-secondary schools as well. The detailed mechanisms of the SCG will be described in the School-Community Grant Operational and Training Manuals.

124. The findings of the community survey (conducted by the government for the preparation of the SEDGAP) as well as other background studies and research conducted by the government, suggest that the presence of a female staff in co-educational schools creates a positive incentive for girls to enroll as the parents are more confident about their security. Therefore, under the SCG, if the community as a whole takes the responsibility to maintain at least 15 girls in the secondary level in project schools, the school committee working with the SCG will get an allocation of US$100 per month to hire a female teaching assistant. The teaching assistant will be at least a secondary graduate, well respected female from the community. If there are more than 25 girls enrolled in grades 10-12, the school will get resource allocation for two female teaching assistants, up to a maximum of 3 teaching assistants per school. The female teaching assistants will be trained under the SEDGAP according to the requirements of the community. The type of home economics taught will be flexible and the community will be responsible to decide on the appropriate skills needed according to the need in the locality. This could include basic gardening, sewing and embroidery, cooking and preserving food for business purposes.

125. The transportation scholarships included in the SCG will also be provided on the basis of the number of girls enrolled in the school.[33] If there are only 0-5 girls enrolled in the secondary

[33] The transportation subsidy amount has been estimated by determining the per-round trip-cost of traveling approximately 20 kilometers or more in a remote area. This amounts to approximately US$2 per traveler per day.

school who require transportation, the school committee will get US$50 per month for their transportation, and US$100 per month for 5-10 girls enrolled in the secondary school. The school committee will get a maximum of US$500 for 60 girls or more. A similar mechanism will be introduced for all boys in secondary schools who have to walk more than 5 kilometers to get to school in plain areas and 3 kilometers in mountainous areas. The transportation allowance will be to a maximum of US$250 per school per month.

126. The CCT poverty targeted (at the level of the districts) scholarships will be in the amount of US$100 per student per year for girls and boys in secondary school and given to all students in the districts that have a population of more than 50% below the national poverty line. The eligible districts will be identified using the national poverty map. For girls, if the school is a basic-secondary combined school in these poorest districts, the conditional cash transfer will be given to the girls from grades 4-9 as well to generate effective demand and ensure greater retention in these grades. The stipulated amount is smaller for the lower grades at US$40 per student per year.

127. Inputs to be financed by this sub-component are: transportation scholarships, teaching assistants and conditional cash transfers.

Component 2: Enhancing the quality of service delivery - US$23.4 million total (IDA: US$4.0 million, including contingencies) will finance a series of system-side interventions in the 9 target governorates.

128. *Sub- component 2.1: Capacity building to improve teaching and learning practices in the classroom - US$22.0 million total (IDA: US$3.7 million, including contingencies)* will support: (i) the identification and development of upgraded teaching and learning materials for the existing curriculum based on the findings of the current textbook revision from grades 1 to 12 being financed through the BEDP, through technical assistance; and (ii) provision of regular training and support to teachers and school teams, including the connected training and professional development of trainers and supervisors at district and governorate levels. The provision of teaching and learning materials will take place mostly through sub-component 1.1, except a small package of teaching and learning materials that is not dependent on infrastructure requirements to be provided to participating teachers in the training programs delivered in the project governorates in order to enable them to implement more effective teaching in their classrooms. The training to be provided under this sub-component would be for all secondary teachers in the project governorates.

129. Teaching and learning materials. The upgrading of teaching and learning materials would be based on a review and assessment of the existing materials in use, and the identification of additional requirements based on the existing curriculum and textbooks. The provision of teaching and learning materials would include: audiovisual aids, teacher reference books, and library and laboratory materials to support the existing curriculum for grades 10-12. The sub-component will also finance the training of teachers and the Educational Aids Production Centre (EAPC staff) in using and producing educational aids based on locally and readily available material.

130. Teacher training. Sub-component 2.1 will also finance the development and delivery of training to support teachers and school teams, including the connected training and professional development of trainers and supervisors. The training will be based on subject modules for all secondary curriculum subjects (currently 18 in total), plus additional modules for school support staff (technicians, social workers). Training modules will be developed centrally, initially (for the first 18 months of project implementation) for a limited number of subjects[34], and be delivered by

[34] The first phase comprising the initial 18months of project implementation will include the development of training modules and delivery of training for: Mathematics, science (biology, physics and chemistry), foreign language (English), a general pedagogy module for all subjects, leadership-managerial skills for

training teams at governorate level, first to teachers from selected project districts, subsequently, and upon proven effectiveness to all districts in the target governorates. Delivery of training will involve the role of supervisors at district level who will follow through on training in the school with support from governorate level teams and monitored from the national level.

131. This sub-component will finance: (i) the strengthening of school principal's capacity to lead and manage the school, develop school plans using data and statistics, coach/mentor teachers, and liaise with social workers (male and female), fathers and mothers councils to reach the communities; and (ii) the strengthening of supervisors' capacity to monitor service delivery against basic functional standards and to provide formative support to schools' managerial, administrative and teaching staff. Similar training modules as for teachers will be developed for school principals and district supervisors. They will also be developed centrally and implemented at governorate level.

132. GTZ will support this sub-component through technical assistance for developing training packages for mathematics, chemistry, biology, and physics, for school leadership and social workers, for district supervisors, for training of trainers, and for overall development of the training framework and planning, organizing and monitoring training events.

133. *Sub-component 2.2: Strengthening the learning assessment system – US$0.8 million total (IDA: US$0.2 million, including contingencies)* will finance activities leading to: (i) the introduction of new examinations in the school system, and (ii) the strengthening of capacity at school level to prepare and conduct assessments of student performance based on the existing syllabi, texts, and learning materials. This is consistent with the decision to review the current curriculum and texts before beginning a major revision of curriculum. Activities under this sub-component will particularly take place after the mid-term review given that BEDP is currently financing the Center of Measurement and Evaluation (CoME) to become fully functional to conduct major assessments and to manage the examination system.

134. After the CoME has been in operation for a number of years, examination systems have been reviewed and revised, item banks, tables of specifications and tests have been developed, and the financing of BEDP has come to an end, the project will finance the actual implementation of reforms in the examinations through training and other support for wide-scale introduction.

135. Simultaneously and parallel to the implementation of the new learning examinations scheme, this sub-component will also finance the building of capacity in the secondary education schools to prepare and conduct assessments of student performance based on the existing syllabi, texts, and learning materials at school level. Reference manuals for continuous assessment, exemplary tests and test items, and training material for managers and teachers will be developed for implementation through the training system. Inputs to be financed are: technical assistance, trainings, workshops, seminars, edition and production of documents, provision of materials and equipment.

136. *Sub-component 2.3: Developing capacity building to improve planning, programming and data collection and analysis - US$0.6 million total (IDA: US$0.1 million, including contingencies)* will finance capacity building interventions for the staff at the central, governorates, and districts levels responsible for planning, programming, school mapping, statistics, data collection and analysis. Specifically, the component will: (i) train central level staff

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school headmasters and supervisory skills for district supervisors. The entire training program will be phased in, both in scope (number of modules) and scale (number of districts and governorates) of delivery. Increase in scope and scale of delivery will be based on evaluation of quality and effectiveness. After successful implementation, an additional maximum of 10 subject modules for teachers can be developed in the first half of the project period.

of the Department of Statistics and Planning, School Mapping, and Information Technology to assess the capacity of the staff at the project GEOs to produce projections reports for school expansion and establishment according to key variables (population growth, enrollment growth from basic to secondary, school mapping, demand and supply for teachers and administrative staff and facilities); (ii) train the governorates and districts staff responsible for planning, programming, school mapping, data collection and analysis in preparing projection reports; and (iii) backstop and supervise these staff throughout the preparation of the projection reports to ensure report quality and reliability. Inputs to be financed under this sub-component include: technical assistance, training, workshops, edition and production of documents, provision of materials and equipment, and operational budget.

137. ***Component 3. Supporting Secondary Education Policy Development - US$1.5 million total (IDA: US$0.3 million, including contingencies)*** will finance the carrying out of tailor-made studies and/or related-activities to support policy development and preparation for longer-term reform in key areas: (i) reviews of in-service and pre-service training of teachers, as well as the alignment between teachers needed and teachers formed by the faculties of education; (ii) the preparation of a curriculum framework policy document- based on a comprehensive review of the current streams and curriculum and start-up activities for the development of a new and/or revised curriculum based on a general framework for curriculum and assessment; (iii) a feasibility assessment for developing a regulatory framework that would encourage the private sector to invest in secondary education, pave a way for innovative schemes of public-private partnerships in education, and build the governance structures needed to effectively monitor the quality of teaching and learning in the private sector; and (iv) carrying out tracer studies on secondary education graduates to assess the effectiveness of secondary education outcomes.

138. ***Component 4. Project Management and Monitoring - US$4.4 million total (IDA: US$0.8 million, including contingencies)*** will finance the support and strengthening of the PAU to carry out the fiduciary responsibility and reporting in a timely and effective fashion as required by the SEGDAP related legal and binding agreement entered into between the DPs and GoY. In addition, this component will also finance the required activities to ensure that the outcome and output indicators agreed with the GoY and with the DPs and included in Annex 3 to the PAD (including teacher and student assessments) are updated and reported to GoY and the DPs with the agreed frequency.

Annex 5: Project Costs

Project Cost by Component and/or Activity	Local US$ million	Foreign US$ million	Total US$ million
Component 1: IMPROVING EQUITY AND REDUCING GENDER GAP	**33.5**	**28.7**	**62.3**
Sub-Comp. 1.1. Upgrading and Furnishing School Facilities	24.4	18.8	43.2
Sub-Comp. 1.2. Providing Learning Equipment and Material	1.7	9.5	11.1
Sub-Comp. 1.3. Developing Capacity for School Grants	0.7	0.3	0.9
Sub-Comp. 1.4. School Community Grants	6.8	0.2	7.0
Component 2: ENHANCING THE QUALITY OF SERVICE DELIVERY	**10.9**	**7.6**	**18.4**
Sub-Comp. 2.1. Teaching and Learning Practices	10.1	7.0	17.1
Sub-Comp. 2.2. Conducting Assessments	0.5	0.2	0.7
Sub-Comp. 2.3. Capacity Building for Planning, Data Collection, Analysis	0.2	0.3	0.5
Component 3: SUPPORTING SECONDARY POLICY DEVELOPMENT	**0.8**	**0.6**	**1.4**
Sub-Comp. 3.1. Tracer Study	0.1	0.2	0.3
Sub-Comp. 3.2. Teachers' Competencies	0.3	0.1	0.5
Sub-Comp. 3.3. Revised Curriculum Framework	0.3	0.2	0.5
Sub-Comp. 3.4. Private Sector Regulatory Framework	0.1	0.1	0.2
Component 4: PROJECT MANAGEMENT	**2.5**	**0.8**	**3.3**
Sub-Comp. 4.1. Project Management	2.5	0.8	3.3
Total BASELINE COSTS	**47.7**	**37.7**	**85.4**
Physical Contingencies	1.5	1.6	3.1
Price Contingencies	13.2	1.8	15.0
Total PROJECT COSTS	**62.4**	**41.0**	**103.4**

Annex 6: Implementation Arrangements

Protocol of Participation

139. In an effort to translate the recent policy reforms into reality in the context of the availability of external resources through the SEDGAP, the MoE has undertaken to enter into a protocol of participation with each of the governorates and districts that would be targeted through the SEDGAP. This protocol aims at the signatories (MoE, MOPIC, MOF, MOCSI and the Governorates) to declare their commitment to comply with the following policies in the target districts:

- At least 15 percent of all new teaching posts (basic and secondary level) created and approved in each fiscal year in Project Districts will have been filled by female teachers;
- The Heads of the Education offices (or their representatives) of the Project Governorates and Project Districts will be part of the selection process for all new (basic and secondary level) teacher recruitments;
- The Project Governorates will initiate the process of planning teachers redeployment within the Governorate, starting with the Project Districts and will update the said plan on an annual basis for MoE approval;
- The Project Districts will apply and continue to apply Cabinet Decree no. 167 for the Year 2006 allocating new teaching posts to the schools and not to the individual teachers. As such, all transfers requested by the Project Districts will require the prior approval of the General Department of Human Resources of the Project Governorates;
- Teacher absenteeism will be verified by the Project Districts' supervisors as part of their regular visits by verifying teachers' attendance sheets. The said supervisors will inform the Project Districts of teacher absenteeism (in writing) in order to enact the transfer of the teacher's salary equivalent to the number of unjustified missing days to the Local Councils.

Project Oversight through the Inter-ministerial Steering Committee

140. While the MoE is the main GoY agency responsible for implementing the NGSES, and in particular the SEDGAP, the project will operate under the overall guidance and oversight of an Inter-ministerial Steering Committee (IMSC), as is practice under the BEDP. This Committee will comprise of members of all the key ministries responsible for effective implementation and achievement of the development objectives of the SEDGAP. These representatives are high level officials from the signatory agencies, entrusted with decision making powers in their own entities. Representation in the IMSC will include: the Ministries of Education (MoE), Civil Service and Insurance (MoCSI), Local Administration (MoLA), Finance (MoF) and Planning and International Cooperation (MoPIC) and the PMU of the PWP of the MoPIC as well as the Project Administration Unit (PAU) of the MoE. Governors (or their representatives) are expected to be invited to attend discussions on the annual work plan and for any other meeting as may be required. The IMSC is expected to be established by Decree, once the Yemeni Parliament has approved the IDA Credit.

141. The IMSC will meet at least once every four months. At each meeting, during the first 18 months of project implementation, it will focus in depth on the implementation of the five initial project Governorates and project Districts. Once new Governorates and Districts are being rolled into the project thereafter, each meeting will focus in-depth on the implementation of a subset of the incoming and ongoing participants. The IMSC will be chaired by the Minister of Education or his designate as applicable and is responsible for: (i) reviewing and agreeing upon policies as related to the achievement of the PDOs; (ii) reviewing and approving the project annual plans (included in the MoE's Annual Work Plan); (iii) monitoring to ensure compliance of the signed

protocol of participation with participating Governorates and agreeing upon remedial actions in the case of non-compliance; (iv) monitoring progress under the project; and (v) steering resolution of implementation issues arising during the implementation of the project. The PAU Director will be the Secretary to the IMSC.

Operational Manuals

142. All eligible activities included in the SEDGAP will be implemented according to the overall Project Operation Manual (POM) agreed with GoY and the DPs. The POM is expected to be finalized and approved by the MoE by August 31, 2008. In addition, all eligible activities under sub-component 1.4 (School-Community Grants) will be implemented according to the School-Grant Operational and Training Manuals.

Project Coordination and Implementation at the National Level

143. Overall NGSES coordination will be entrusted to a fully dedicated Secondary Education Coordinator (SEC) within the MoE, who will therefore be the primary MoE focal point for the SEDGAP. This Coordinator has been nominated through a MoE Decree indicating his/her attributions and responsibilities. The SEC's job description agreed with IDA and other DPs are found in the project files.

144. The Technical Office (TO), through the SEC will be responsible for coordinating all activities supporting the NGSES in general, and the SEDGAP in particular and implemented by the different units of the MoE at the central and the sub-national levels (governorates and districts). Since the TO is responsible for consolidating the Annual Work Plan (AWP) of the MoE, the SEC will be responsible for ensuring that the secondary education sector activities of the AWP are consistent with the overall goals of the NGSES. The SEC will share all related implementation progress reports that it receives from the project governorates and districts through the PAU and the PWP.

145. The SEC will, in addition, ensure the following in accordance with the regulations of the MoE:

a. School Mapping team within the Project Sector of the MoE and the Departments of Statistics and Planning and of Information Technology and Communication in the TO of the MoE gather all the required information concerning the scope and phasing of all activities to be targeted through the SEDGAP in project governorates, districts and schools. In particular, that the School Mapping team participates in sub-component 2.3 of the SEDGAP aiming to support the capacity building for the staff at the central, governorates, and district levels responsible for planning, programming, school mapping, statistics, data collection and analysis to produce project reports for school expansion and establishment according to key variables (population growth, enrollment growth from basic to secondary, school mapping, demand and supply for teachers and administrative staff and facilities). These project reports will be included in the AWP exercise of the MoE;

b. Girls Education Sector coordinates the SCG (component 1.4) in the project schools through the corresponding project GEOs and DEOs and reports on the implementation progress of this sub-component. Annex 6.1 includes a summary of the implementation arrangements for the SCG;

c. Curriculum and Guidance Sector (CGS) of the MoE coordinates the implementation of the capacity building activities to improve teaching and

learning practices in the classroom (sub-component 2.1) with respect to the review of the list of additional learning materials (other than textbooks and teachers guides outside the scope of SEDGAP and currently being financed by BEDP) and the setting of technical and pedagogical specifications of other learning materials to be procured through the SEDGAP. In addition, once these learning materials have been procured, ensure that they are timely distributed to the project schools and if applicable, to other non- project schools, through the corresponding GEOs and DEOs as seem appropriate. [35] Finally, CGS reports on the implementation progress of learning materials activities of this sub-component based on field reports from GEOs and DEOs;

d. Educational Aids Center under the Curriculum and Guidance Sector of the MoE coordinates the implementation of the capacity building to improve teaching and learning practices in the classroom (sub-component 2.1) with respect to its own capacity building through technical assistance to be provided by the SEDGAP to produce new learning materials for the SEDGAP during implementation. Finally, to report on the implementation progress of this sub-component;

e. Training and Qualifications Sector (TQS) of the MoE coordinates the implementation of the capacity building activities to improve teaching and learning practices in the classroom (sub-component 2.1) with respect to the development and delivery of training modules to project schools and other non-project schools in selected governorates, through the corresponding GEOs and DEOs as appropriate. [36] For selection of developers and trainers and the development and delivery of training manuals and materials, TQS will draw upon relevant expertise in other sectors of the MoE (e.g. CGS, Education Resource Development Center, Girls' Education, General Education) and institutions (e.g. universities and Higher Institutes) in close coordination with the management level of these other sectors and institutions. Finally, TQS reports on the implementation progress of the training activities in this project sub-component based on field reports from GEOs and DEOs with district supervisors. TQS will work closely with CGS to align the content of training with school-based issues identified in supervisor reports and for selection of training participants in governorates and districts and, reversely, CGS will align the work of supervisors with training (to be) provided and follow through on this training at the school level. Finally, to report on the implementation progress of this sub-component;

f. TQS coordinates also the implementation of the on-site support to be provided to project school teachers by the cadre of supervisors at the project GEOs and DEOs

[35] Learning materials that require fully functional laboratories, computer laboratories or multi-purpose rooms will be only provided to project schools for which the corresponding physical facility has been completed and handed over and the learning equipment procured and installed in the schools. Light packages of learning materials not requiring learning equipment will be distributed in all schools in the project Governorates.

[36] Technical assistance for this activity will be financed and supported through the funding of GTZ for the development of training modules in mathematics and science and supplemented by other DPs for foreign language (English), leadership/management training of school headmasters and training of supervisors during the first 18 months of the project. All the training activities will be developed within an overall framework as developed by the MOE at the beginning of the project. If this training approach proves to be effective in changing teaching and learning practices in the classroom of project and non- project schools, then the training will be expanded to new subjects and the new governorates and districts after the second year of project implementation.

to facilitate teaching and learning practices in the classroom attuned to the objectives set in the training modules financed by the SEDGAP's through sub-component 2.1 (capacity building to improve teaching and learning practices in the classroom). In addition, during the on-site support visits, GEO and DEO supervisor will also verify teachers' attendance and report back to the GEO in line with the covenants included in the protocol for participation;

g. The CGS is responsible for policy development and implementation of a new curriculum framework, and together with the TQS, for the articulation with the higher education system for the establishment of teaching and teacher education program standards in pre- and in-service training of teachers. Both sectors report on implementation progress of these activities.

h. Center for Measurement and Evaluation (CoME), currently being financed by BEDP and SFD, upon being fully functional, to continue the strengthening of learning assessments through sub-component 2.2 (strengthening the learning assessment); and

i. Project Administration Unit (PAU) carry on its entrusted fiduciary responsibilities and timely reports on the progress of project implementation according to the requirements set for in the bilateral agreements with the DPs, except GTZ.

146. Given the recent GoY policy decision to delegate implementation of all civil works financed by external funds to the PWP, the implementation of sub-component 1.1 will be entrusted to:

a. the Project Management Unit (PMU) of the Public Works Project (PWP) of the MoPIC for the school rehabilitation, up grading and extensions to be financed by SEDGAP including the selection of private consulting firms to undertake the detailed survey and inventory of project sites, the rehabilitation and extension designs, the civil works procurement, the civil works implementation and the site supervision, as well as preparation of tender documents for the acquisition of school furniture and general equipment, but not including teaching and learning materials. Accordingly, the PWP will be responsible for monitoring and undertaking quality control of the full procurement process up to awarding of contracts and later for the clearance of payments to contractors. The PWP will be responsible for monitoring the implementation of these civil works contracts and reporting on their progress to the SEC, through the PAU in accordance with IDA procurement and FM guidelines; and

b. the MoE through the PAU (that will administer project funds and ensure fiduciary responsibility), the Project Sector and the CGS of the MoE for the preparation of school standard designs, the setting of the standard lists, drawings and technical specifications for the school furniture and equipment, the procurement of learning materials and equipment, the science laboratory, multi-purpose and computer room equipment as well as the monitoring of all activities implemented by PWP.

147. SEDGAP eligible activities to be implemented by the PWP will be financed by project funds allocated to the PWP. An arrangement agreement between the MoE and the MoPIC-PWP, agreeable to all the DPs, will have to be entered into between the MoPIC-PWP and MoE to set the terms and conditions for the coordination, utilization and reporting on the use of project proceeds to finance eligible activities under sub-component 1.1.

148. The PWP will be responsible for the procurement of civil works, goods and services required for the implementation of eligible SEDGAP activities under their responsibility following IDA procedures and for monitoring the timely delivery of such civil works, goods and services. The PWP will be responsible for submission of regular progress reports - as well as supporting documents to IDA, in a timely manner as indicated in the bilateral agreements. The PWP will be subject to the same auditing arrangements as PAU and PAU auditor will issue one consolidated report for both entities. PWP will fully participate in the joint supervision missions.

Project Coordination and Implementation at the Governorate and District Levels

149. Project monitoring in each of the nine governorates will be carried out by a Governorate Steering Committee (GSC), chaired by the Governor. The Committee will ensure compliance with the terms and conditions stipulated in the protocol for participation. The composition of the GSC will be decided by the Minister of Education as specified in the protocol of participation. The TO will be represented by a Monitoring and Evaluation (M&E) officer nominated by the GEO to work primarily on the SEDGAP and will be entrusted as the Secretary to the GSC.

150. The GSCs will meet at least every two months to: (i) facilitate project implementation at the governorate level; (ii) review and approve Governorate level consolidated school plans; (iii) ensure compliance with the agreed protocol; (iv) monitor progress under the project, and (v) prepare and submit progress reports to the IMSC through the PAU and be available to make a presentation at the IMSC meetings as necessary.

151. To ensure a timely and effective implementation of eligible activities through the GEOs, the project will finance the training in procurement, financial management and monitoring project-related tasks, to MoE's staff already working in the project GEOs and DEOs.

Fiduciary Responsibility of the Project Administration Unit (PAU)

152. The PAU will be entrusted by the MoE with the responsibility to administer the project (except for sub-component 1.1). The PAU will facilitate project implementation by the MoE through financial management, procurement of goods and services and technical assistance in accordance with IDA regulations and procedures. PAU will also provide guidance, support and capacity building where required to the MoE's Directors, and project related staff in the Governorates and the Districts. The PAU will also be responsible for communicating with IDA and DPs on implementation matters.

153. The PAU will recruit a fully dedicated administrator for the SEDGAP who will be responsible for ensuring that fiduciary requirements set by the IDA Financial and Administration Agreements as well as the KfW financial agreements are fully complied with. This administrator will coordinate the work of the PAU's staff in charge of procurement and financial management dedicated to the SEDGAP.

154. The PAU will be responsible for the procurement of goods (except goods procured by PWP) and services required for the implementation of eligible SEDGAP activities following IDA procedures and for monitoring the timely delivery of such goods and services. The PAU will be responsible for obtaining IDA's no objection for the acquisition of such goods and services and for the documentation of all SEDGAP-related procurement, disbursement and financial management activities undertaken. The PAU will be also responsible for submission of regular progress reports as well as audit reports (including PWP's part) to IDA and DPs in a timely manner as indicated in the bilateral agreements. The PAU will fully participate in the joint supervision missions.

155. Annexes 7 and 8 to the PAD describe in more detail the requirements to further strengthen the PAU to timely and effectively carry out its envisaged administrative and fiduciary control tasks posed by the SEDGAP.

Annex 6.1: Summary of the Implementation Arrangements of the School-community Grant

1. The implementation arrangements of School Community Grant (SCG) will follow the arrangements that are developed for the Whole School Improvement (WSI) fund under the BEDP, upon assessment and verification of these procedures. The WSI pilot will be launched under the BEDP in February 2008. The SEDGAP will, in the first six months of the project, assess the pilot and its implementation arrangements, make modifications as necessary and then roll this pilot out in target schools of the SEDGAP.

2. Following the current arrangements in BEDP, the management structure for the implementation of the SCG will give roles and responsibilities to all the levels within the education system. A **Ministry School Community Grant Policy Team** will be responsible for setting policy and procedures and keeping the Yemen Model under review. Representatives working with the Monitoring and Evaluation Officer from PAU will evaluate the process of implementation at governorate, district and school level. A **Ministry School Community Grant Implementation Team** will be responsible for setting up the project and organizing trainings in the target governorates. They will be responsible to ensure that all groups follow the timeline and that financial documentation is available when required. They will also monitor the documentation to ensure consistency across governorates. The **PAU** will be responsible for arranging the transfer of funds to the nearest post office to the school and contributing to the monitoring and evaluation. A **Governorate School Community Grant Team** will be responsible for ensuring that systems are in place at the district and school level in order to implement the SCG. This team will countersign the approval of the school plan, the end of academic year Financial Summary and Self Evaluation Report, arrange the transfer of the required documentation on time to the MoE and PAU, and evaluate the SCG process at the school level. A **District School Community Grant Team** will work directly with the schools and the Mothers' and Fathers' Councils to provide support through workshops and careful monitoring and will be responsible to respond to concerns and problems. The contact member of District School Community Grant Team will be responsible to approve the school plans, end of academic year Financial Summary and Self Evaluation Report. Finally, the **Mothers' and Fathers' Council** will be responsible to draw up a school plan and will support and monitor the implementation. They will be responsible to approve monthly financial reports and end of academic year Financial Summary. They will be accountable to the community for how the funds are spent. The Mothers' and Fathers' Council (which can be called the School Committee) will consist of the following office-bearers and members (all of whom are elected):

Chair	Community leader who is respected and trusted
Deputy Chair	Head teacher
Treasurer	Could be a teacher or someone from the community who has experience of keeping financial record
Internal Auditor	Member of the school staff or community who is trusted
For schools with less that 500 students = 5 mothers, 5 fathers and 3 teachers For school with more than 500 students = 7 mothers 7 fathers and 5 teachers	

Annex 7: Financial Management and Disbursement Arrangements

156. Based on the Financial Management (FM) assessment conducted for this project,[37] the overall FM risk was originally rated as High. Reasons included: presence of inherent weaknesses in the accounting and auditing professions in Yemen, as identified in the various analytical studies conducted recently; and project specific factors, including implementation through several entities, pooled multiple donor financing, cash flow processes particularly as regards SCGs and maintenance of second generation accounts. The geographical distribution of beneficiaries increases the projects' complexity. However, since close to 60% of overall project financing is for civil works, which is a relatively low risk activity, and because appropriate fiduciary measures have been incorporated (e.g., expanded scope of audit and a reinforced internal control framework) to mitigate their fiduciary risk, the overall rating would be considered Substantial.

157. FM risk assessed for the PMU of the PWP and the PAU of the MoE is Moderate and Substantial, respectively. The maintenance of the existing FM arrangements in addition to other mitigating measures which will be closely monitored during project life are expected to bring the residual FM risk for each entity to Low and Moderate, respectively.

158. While the PAU will be responsible for procurement and FM of the SEDGAP overall on behalf of the MoE (all parts of the Project except for A.1 (a)), the PWP, through implementation of the civil works (CW) sub-component in the project (Part A.1 (a)), will need to also comply with IDA's procurement and FM procedures and regulations under the project for the CW, goods and operating costs associated with the CW.

Financial Management Assessment Outcome and Agreed Action Plan:

159. Both the PAU and the PWP have satisfactory experience in FM. PAU staff have experience in managing FM of IDA-financed projects (including the recently-closed BEEP and the on-going BEDP), as well as Trust Funds managed following IDA procurement and FM guidelines (including two phases of the Education For All Fast Track Initiative Catalytic Fund Grant and the Japanese PHRD Grant for the preparation of the SEDGAP). Similarly, the PWP staff has satisfactory experience in managing IDA and other donor funded projects. Current IDA financed projects managed by the PWP include the IDA-PWPIII and the civil works component for the Health Reform Support Project.

160. While the PAU has developed a proposal, agreed upon with IDA on FM staffing (Figure A.7.1), some shortcomings were noted as regards the FM arrangements in both agencies. These include: (i) inadequate staffing at both entities, (ii) non-availability of FM manual covering SEDGAP-specific activities at the PAU, (iii) non-availability of additions to existing software according to SEDGAP monitoring, recording and reporting requirements, and (iii) vacant internal audit function at the PAU. A financial management action plan was therefore agreed upon to enhance the existing FM arrangements at both agencies and is presented in Table A.7.1. Table A.7.2 details the main FM risks and mitigating measures.

[37] This and following sections present key highlights of the FM assessment that was undertaken for this program, available in project files.

Table A.7.1: Action Plan to Enhance Financial management of the SEDGAP

Action	Rationale	Responsibility	Timeline
1. Review and agree upon FM aspects presented in an arrangement to be entered into and signed between the MoE PAU and the PWP PMU. This is a disbursement condition for part A.1(a) of the project.	To clearly spell out implementation and coordination obligations of each agency to ensure effective implementation through well articulated division of responsibilities, and means of consistent coordination and cooperation.	PAU management with respective stakeholders of the PWP-PMU in consultation with DPs	Draft submitted to IDA for review by March 1, 2008. Satisfactory agreement (to MoE, MoPIC and DPs) to be signed to enable disbursement.
2. Enhance current PAU FM capacity by recruiting: 1 chief accountant and 1 accountant for the School Community Grant. See also Figure A.7.1	To ensure that the FM unit at the PAU: (i) is adequately staffed to perform additional FM tasks related to the new project, and (ii) has balanced the work load of its staff by function since the PAU is currently managing multiple projects/TFs.	PAU management	(1) Obtain IDA non-objection to ToRs before negotiations (accomplished). (2) Recruit staff as early as possible and latest by one month after effectiveness.
3. Enhance current PWP FM capacity by recruiting 1 accountant	To ensure FM unit at PWP is adequately staffed to manage additional FM tasks for SEDGAP.	PWP management	(1) Obtain IDA non-objection to ToRs before negotiations (accomplished). (2) Recruit accountant as early as possible and latest by one month after effectiveness.
4. Using BEDP as an example, draft the SEDGAP FM manual for incorporation into the Project operation manual.	To ensure that the roles and accountabilities of the diverse stakeholders and the two implementing entities (MOE-PAU and PWP-PMU) are clearly documented and to provide details on the formally approved FM arrangements of the project.	PAU FM (through private consultant if needed)	Aug 31,2008 (dated covenant).
5. (a) Introduction of a new module in existing accounting software of BEDP for SEDGAP and (b) ensuring that new module is fully functional and is capable of generating IFRs in addition to creating respective SEDGAP chart of account	To record, report and analyze the project's transactions as well as generate quarterly required IFRs.	PAU FM (through external software provider)	Before negotiations (Done. Module introduced and chart of account completed).
6. Revival of the internal audit function at the PAU through	To conduct internal audit reviews to detect and internally advise on correction of	PAU FM	(1) Obtain IDA non-objection to internal audit manager ToRs

Action	Rationale	Responsibility	Timeline
recruitment of the internal audit manager and at least 1 accountant. See also Figure A.7.1	transactions as needed, and perform field visits to sample schools on a regular basis to ensure adequate performance of school fund and flag issues as they may arise to PAU management.		before negotiations (accomplished). (2) Accountant hiring to be completed within 2 months after effectiveness.
7. Draft and finalize IFR formats that are acceptable to all DPs to cover total project activities and different financing sources among different DPs.	To have a single harmonized report covering total PAU and PWP activities respectively on a quarterly basis and to allow for regular financial monitoring by all DPs.	PAU FM and PWP FM	Before negotiations (Done –Drafted, subject to DP review and finalization)
8. Contract with a private external auditor to conduct quarterly reviews of the IFRs and annual audits for PAU and PWP according to ToRs agreed among all DPs annually (through no objection).	To ensure that the auditor is appointed in a timely manner and that the required quarterly IFR review and annual audit reports are made available on time.	PAU FM	To be completed within 1 month after effectiveness.

Table A.7.2: Main Project FM risks by component and mitigating measures

Project Component and/or Activity	**Major associated FM risks**	**Mitigating measures**
A. Component 1: IMPROVING EQUITY AND REDUCING GENDER GAP		
1.1 Adequate School Facilities	• Efficient coordination between PWP and PAU in specifics of Civil works activity	• Clarification of detailed division of roles and responsibilities of each entity Is to be spelled out in subsidiary agreement to be signed between MOE and MoPIC
1.2. School Community Grants	• Flow of funds at district and remote areas • Risk of funds transferred to ineligible beneficiaries	• Channeling funds through a commercial bank which would take accountability of channeling funds to intended beneficiaries in a risk controlled environment. • Funds will be transferred using ATM cards in specific time windows to minimize risks of ineligible use of funds. Based on approved lists of beneficiaries approved by MOE and PAU prior to transfer of Funds. • Auditor TOR specifically covers sample of such activity on annul basis
B. Component 2: ENHANCING THE QUALITY OF SERVICE DELIVERY		
2.1. Teaching and Learning Practices	• Risks of non intended trainees being trained	• MOE training department is to select intended trainees against agreed upon criteria to ensure project objective is met
2.2. Conducting	• Country weak capacity	• Primary focus in selection is to local consultants

Assessments	might hinder the selection of qualified consultants	however if need arises international consultants are allowed for financing under project
2.3. Capacity Building for Planning, Data Collection, Analysis	• Same as for 2.1	• Same as for 2.1
C. Component 3: SUPPORTING SECONDARY POLICY DEVELOPMENT		
3.1. Tracer Study	• Same as for 2.2	• Same as for 2.2
3.2. Teachers' Competencies	• Same as for 2.2	• Same as for 2.2
3.3. Revised Curriculum Framework	• Same as for 2.2	• Same as for 2.2
3.4. Private Sector Regulatory Framework	• Same as for 2.2	• Same as for 2.2
D. Component 4: PROJECT MANAGEMENT		
4.1. Project Management	• PAU FM high staff turnover	• Recent agreement with MoPIC in Sept 07 CPPR to increase salary scale of PAU. • Hiring of additional FM staffing to even out work load.

External Audit and Reporting Arrangements:

161. An annual audit of SEDGAP financial statements for all transactions, covering both the PAU and the PWP activities, and including a field audit of the SCGs will be undertaken by an independent private external auditor. This auditor, acceptable to IDA and DPs, will be contracted by the COCA on behalf of the PAU. This auditor will review the use of funds in the designated accounts managed by the PAU and the PWP, the respective second generation accounts, the allocation of expenditures to each donor based on agreed percentages and variance between the planned versus actual expenditures. The audit will focus specifically on a limited sample (1-2%) of field transactions under the SCGs. A consolidated annual audit report for both entities will be submitted to IDA within six (6) months after the end of the fiscal year.

162. Based on the annul audit results, a special assignment audit to cover at least 5% of the SCGs expenditures might be required at mid term review to ensure that this high risk activity is properly managed and funds are transferred to eligible beneficiaries.

163. The external auditor will also be required to review the IFRs - with specific focus on budget figures - prepared by each entity on a quarterly basis. Reviewed IFRs of both entities would be submitted to IDA no later than 45 days after the end of each calendar quarter.

164. The comprehensive audit would cover all aspects of the project (i.e., all sources and uses of funds, and expenditures incurred by project for both the PWP and the PAU). The audit will be carried out in accordance with International Standards on Auditing. TOR for this task should cover an audit of financial transaction, the SOEs, DAs, IFR, and an assessment of the accounting financial management system, including review of internal control mechanisms. The PAU and PWP would provide the auditors with access to project-related documents and records, and information required for the purposes of the audit. The auditors would carry out an interim audit during the fiscal year, to bring to management's attention issues which need to be addressed. This would strengthen internal controls, and would also facilitate early completion of the annual audit.

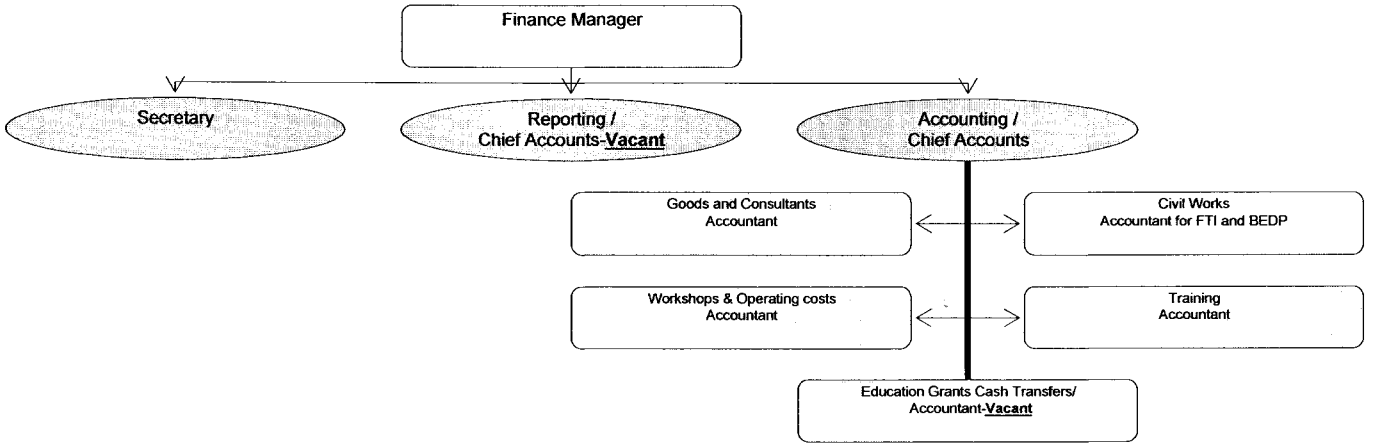
Matrix of FM related roles:

Table A.7.3 Basic distinction in FM roles between the PAU and the PWP

	Task	Civil Works	Goods		Consulting		Operating costs		Training	Education Grants
			Part A.1(a)	Other parts of project	Part A.1(a)	Other parts of project	Part A.1(a)	Other parts of project		
1	Procurement*	PWP	PWP	PAU	PWP	PAU	PWP	PAU		
2	Planning/Budgeting	PWP	PWP	PAU	PWP	PAU	PWP	PAU		
3	Accounting Records	PWP	PWP	PAU	PWP	PAU	PWP	PAU		
4	Documentation	PWP	PWP	PAU	PWP	PAU	PWP	PAU		
5	Custody of Original Documentation	PWP	PWP	PAU	PWP	PAU	PWP	PAU		
6	Reporting (IFRs)	PWP	PWP	PAU	PWP	PAU	PWP	PAU		
7	Disbursements to suppliers	PWP	PWP	PAU	PWP	PAU	PWP	PAU		
8	Audit Hiring/Contracting	PAU								
9	External Auditor's Review of IFR	PWP	PWP	PAU	PWP	PAU	PWP	PAU		
10	Audit	PWP	PWP	PAU	PWP	PAU	PWP	PAU		

"Part A.1(a)" represents PWP respective share of expenditure category ; "Other parts of project" represents the PAU respective share of the expenditure category

Figure A.7. 1: FM staffing at PAU*:



*Depicted for PAU only as represents total restructuring of PAU FM department. Additional staff to be added as needed during course of implementation;

Disbursement Arrangements:

165. It was agreed that eligible project activities will be financed from a pool of funds allocated to the multi-donor Project based on joint PDO objectives, policies, criteria, design, and outcome and output indicators addressing needs identified in the GoY's NGSES. The details of the project are presented in other parts of this PAD.

166. There will be two pooled designated accounts: one for the PAU of the MoE, and one for the PMU of the PWP of the MoPIC. Disbursements will be made jointly by all DPs into the pooled designated accounts on an agreed disbursement schedule. The GoY has also agreed, for the first time, to deposit its counterpart share in the designated accounts at the same time as the other DPs. Funds will initially be disbursed on a pro-rata basis according to the total financial commitment of each DP to the SEDGAP. However, recognizing that some DPs may have a delayed start, the pro-rata shares will be adjusted as necessary to reflect actual financing available. The DPs relative shares may need to be further adjusted to take account of increased levels of eligible expenditures, variations in funding availability, exchange rate fluctuations and the participation of additional DPs. Such adjustments should be discussed and agreed upon during the semi-annual joint review missions

167. Disbursements by the DPs will be regulated as follows:

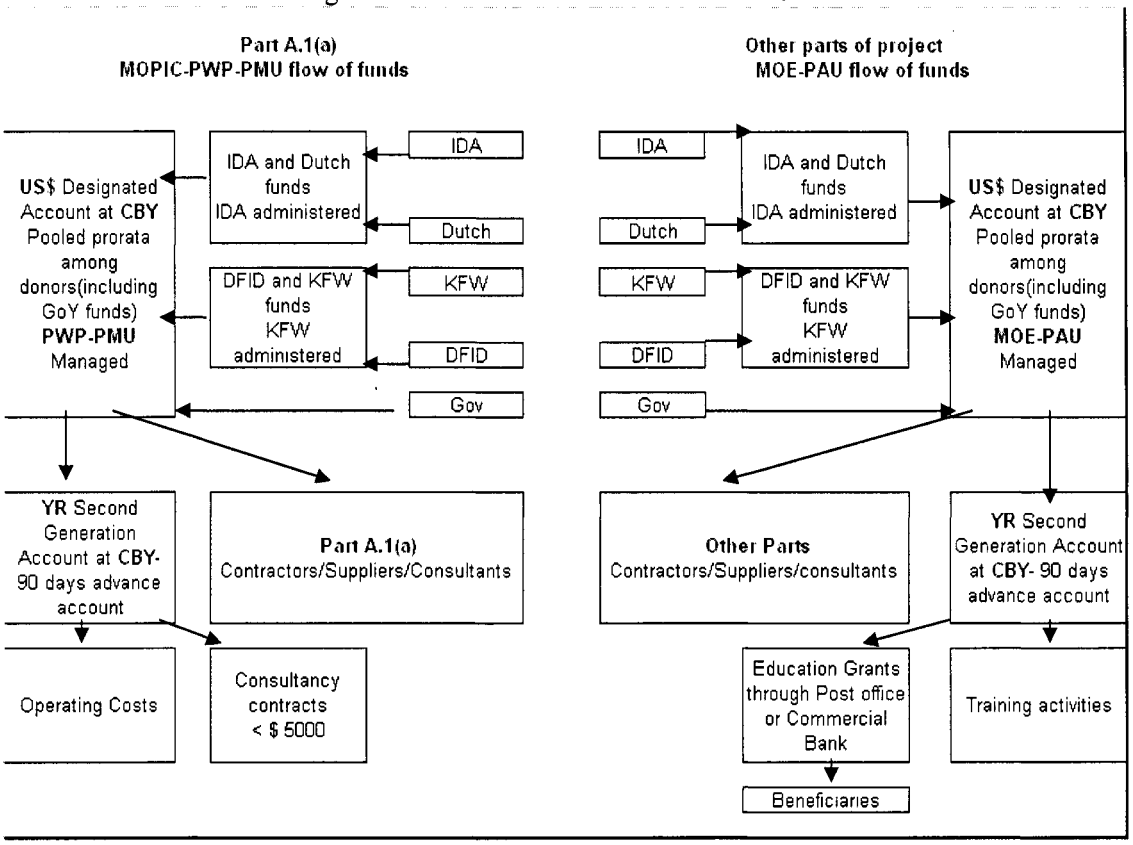
- Requests for disbursement will be presented semi-annually on the basis of approved work plans and cash flow projections for expenditures as presented in the relevant Interim Financial Report (IFR) consistent with the cash flow forecasts presented under the Annual Work and Procurement Plan. Disbursements will be made in a single currency (USD) into the pooled designated accounts;
- The initial deposit shall be determined on the basis of projected cash flow requirements for the initial 6 months of Project implementation;
- DPs will disburse funds pro-rata according to the shares agreed upon. On a quarterly basis, the DPs may need to adjust these shares to take account of increased levels of eligible expenditures, variations in funding availability, exchange rate fluctuation and the participation of additional DPs. Such adjustments should be discussed and agreed upon during the semi-annual reviews;
- MOE/PWP will send the requests for disbursement and the IFRs to the contact DP. Upon receipt of this request the contact DP in consultation with the other DPs review the attached IFR and clarify with the MOE/PWP any outstanding issues including validity of cash forecasts for the following two quarters. Upon a satisfactory completion of the review, the contact DP will notify MOE/PWP of the amounts approved by the DPs to be transferred into the designated accounts;
- It was agreed that IDA will act as the initial Contact DP. The IFRS will be electronically disseminated to all DPs for comments and determination of amounts to be disbursed in accordance with respective DPs shares agreed upon, and
- If any DP fails to meet its commitment to make payments into the designated accounts, the DPs and the MOE/PWP will consult on what action will be taken to ensure that the project remains fully funded.

Flow of Funds

168. The flow of funds from the various DPs and the GoY to the final beneficiaries is detailed in Figure A.7.2. The flow of funds assumes that all DP and GoY funds will be pooled into

designated accounts for each entity (i.e., MoE PAU and MOPIC PMU of the PWP) and disbursements will be made on a pro rata basis.

Figure A.7.2: Flow of Funds for the SEDGAP



Note: GTZ is not included in the above diagram as is only going to be in kind training at all levels of selected areas.(GEO/DEO/Schools)

169. The PAU has experience in IDA disbursement procedures. Disbursements are mainly centralized at the PAU except for petty cash amounts managed by governorates for miscellaneous items. However, under the envisaged SCG, funds will be transferred from the PAU designated account to the Post Office/commercial bank which will, in turn, be responsible for giving funds directly to eligible beneficiaries. Similarly, PWP disbursements are centralized in the PWP PMU.

170. Second generation accounts will be held for each entity in which US$ funds from respective designated accounts are exchanged for Yemeni Riyals and used to finance local currency transactions that are frequent and whose amounts are relatively low (examples depicted in Figure A.7.2). Reporting on such second generation accounts transfers is to be done within a period not exceeding 90 days from funds transfer date from the designated account and reconciliations and bank statements of such accounts are to be sent with Quarterly IFRs to monitor its use.

Education Grants:

171. The SEDGAP, in the first six months of the project, will assess the pilots of CCT and WSI under BEDP and their implementation arrangements and make modifications as necessary and then initiate the SCG scheme in target schools of the SEDGAP. However, as the BEDP pilot is at its early stages of implementation, inclusion of such an activity under SEDGAP is conditional on satisfactorily outcome results from the pilot activities under the BEDP. Agreement was reached with the GoY to phase in project implementation based on evidence of successful implementation on the ground and full ownership and commitment of new governorates and districts.

172. It was agreed that SCGs will be paid directly to eligible beneficiaries through the post office/commercial bank against approved lists provided by schools, reviewed by the MoE DEO and GEO staff and by PAU. Beneficiaries will receive their funds from collection points (branches of post office or bank or from bank point of sale facilities against a personal ID or if through a commercial bank using an ATM card). Negotiations are currently ongoing between PAU, the Post office and interested commercial banks to agree upon the most optimal and cost effective solution.

Allocation of Credit Proceeds

Category	Amount of the Credit Allocated (expressed in US$)(*)	Amount of the Credit Allocated (expressed in SDR) (*)	Percentage of Expenditures to be Financed (inclusive of taxes)
(1) Goods under: (a) Part A.1.(a) of the Project (b) Other Parts of the Project	1,300,000 2,470,000	830,000 1,576,000	20% or such percentage of Eligible Expenditure as the Association may determine from time to time
(2) Works under part A.1.(a) of the Project	8,500,000	5,423,000	20% or such percentage of Eligible Expenditure as the Association may determine from time to time
(3) Consultants' Services under: (a) Part A.1.(a) of the Project (b) Other Parts of the Project	425,000 1,000,000	271,000 638,000	20% or such percentage of Eligible Expenditure as the Association may determine from time to time
(4) Training	2,955,000	1,885,000	20% or such percentage of Eligible Expenditure as the Association may determine from time to time
(5) Incremental Operating Costs (a) PAU (b) PMU	500,000 550,000	319,000 350,000	12% or such percentage of Eligible Expenditure as the Association may determine from time to time 20% or such percentage of Eligible Expenditure as the Association may determine from time to time
(6) School Community Grants	1,300,000	830,000	20% or such percentage of Eligible Expenditure as the Association may determine from time to time
(7) Unallocated	1,000,000	638,000	
TOTAL AMOUNT	**20,000,000**	**12,760,000**	

(*)The exchange rate as of December 31, 2007 of SDR1=US$1.56727 is applied.

Annex 8: Procurement Arrangements

A. Background

173. The 2000 Yemen Country Procurement Assessment Report (CPAR) showed that the procurement legislation,[38] although an improvement over previous laws, was not up to acceptable international standards. As a transition strategy, the CPAR recommended the development of a set of comprehensive National Procurement Manuals (NPM) to support capacity building of the GoY's procurement at all levels with national Standard Bid Documents (SBDs) for goods, works and services.

174. The completed country procurement "tool kits" were endorsed by the Cabinet in April 2006 and preparation and capacity building efforts led by the Technical Committee of the High Tender Board have been underway for broad dissemination in seven pilot ministries and agencies including the MoE. IDA and other key DPs (Dutch, DfID, the KfW and GTZ) in the sector have shown strong interest in moving toward the use of country systems in a phased manner, with education expected to be one of the leading sectors in this harmonization and alignment for aid effectiveness initiative.

175. In addition, as a core policy objective of the National Reform Agenda adopted by GoY in early 2006, a new reform-oriented good practice public procurement law has been prepared with DP support (IDA, USAID and the Dutch), and ratified by Parliament as an Act on July 24th, 2007. Drafting the procurement laws has already been initiated and a workshop with key stakeholders took place in February 2008 and approval of the final documents by Cabinet planned for February 2008. Enforcement of the regulations would be the responsibility of the restructured institutions handling government contracts at national and local levels.

176. In mid-2007, Yemen agreed to participate as part of 21 pilot countries in the OECD-DAC baseline assessment "of the performance, transparency, and accountability of its country systems" with a view to enhancing use of mutually agreed frameworks for harmonization and alignment on use of common procurement procedures by donors and Governments.

177. **Advertisement**. A General Procurement Notice (GPN) will be issued in the UNDB and dgMarket for major consulting assignments, and for any International Competitive Bidding (ICB) for goods and works. The GPN will be issued not less than eight weeks prior to the publication of the first Specific Procurement Notice (SPN), and be updated annually for all outstanding ICB for goods and all large consulting contracts. It would also be published in the national press or official gazette for purposes of informing potential bidders for contracts under national Competitive Bidding (NCB) and to obtain expressions of interest from national consultants.

178. **Procurement of Works**: Civil works procured under the proposed SEDGAP would involve rehabilitation and extension in two phases of existing facilities in about 90 target secondary schools in 9 Governorates by: (i) rehabilitation of selected project schools through provision of standardized school facilities including toilets, hygienic washing, drinking water facilities, and boundary walls; and laboratories when appropriate; and (ii) classroom additions to existing schools with inadequate facilities. Civil works activities would be implemented using: (i) the projects department database developed with IDA technical assistance; (ii) cost-effective secondary school improvement designs for prevailing local conditions first developed under

[38] Law No. 3 of 1997 and corresponding Executive Regulations introduced by Decree No. 234 of 1997.

BEDP, but adapted and scaled-up; and (iii) actively participating community groups. Procurements under the proposed SEDGAP will be done using IDA's Standard Bidding Documents (SBD) for ICB and standard documents for NCB satisfactory to IDA.

179. **Procurement of Goods:** Goods procured under the proposed SEDGAP would include office and target secondary school furniture, text books and equipment for school laboratories etc. For all goods procured under ICB and NCB procedures, IDA's SBDG would be used as in the ongoing BEDP project. In due course, as also for civil works, the "country procurement" SBDs for goods procurement accepted for their equivalency as NCB procedures could be utilized subsequent to approval by IDA for its part of SEDGAP financing as well as other co-financiers. For procurement of goods involving estimated contract values below US$50,000, shopping procedures with a minimum of three quotations would apply. It is also anticipated that other small quantities of off-the-shelf goods would be procured from specified agencies of the United Nations.

180. **Procurement of non-consulting services:** The proposed project would utilize the procurement of non-consulting services under NCB procedures in support of capacity building activities the MoE would carry out in the target secondary schools. Based on an established budget for each training activity approved by IDA and DPs, the project would cover workshops and training costs to improve the quality of curriculum implementation, student assessment and overall professionalism of secondary school teachers e.g., production of teacher training module materials, transport and subsistence of trainees.

181. **Selection of Consultants:** Consulting services under the SEDGAP to be provided by consulting firms and individuals would include: detailed engineering design studies based on the standard designs, and preparation of bidding documents, supervision of the civil works, curriculum review and preparation, training and advisory services. The selection of local and international consulting firms will be done using IDA's standard Request for Proposals (RfP) and appropriate form of contract based on the scope of services to be procured. Shortlist of consultants for services estimated to cost less than US$100,000 equivalent per contract may be composed entirely of national consultants although foreign firms may express interest for consideration in accordance with the provisions of paragraph 2.7 of the Consultants Guidelines. For firms, all contracts would be procured using Quality- and Cost-Based Selection (QCBS) procedures except for small contracts for assignment of standard or routine nature and estimated to cost less than $100,000 equivalent which may be procured using selection based on Consultants' Qualifications (CQ) and Least-Cost Selection (LCS) methods. Single-source selection (SSS) procedures may be used on an exceptional basis, with prior agreement of IDA, for hiring services that meet the requirements of paragraphs 3.10 of the Consultants' Guidelines, for assignments when only one firm is qualified or has experience of exceptional worth. All consultants assignments estimated to cost more than US$200,000 will be advertised in the UNDB online and dgMarket. All individual consulting assignments would be on the basis of comparison of qualifications in accordance with section V of IDA's Guidelines for selection of consultants.

182. **Operating Costs:** Office supplies, utility charges, maintenance and insurance of vehicles, banking charges, communication services, and other implementation related expenses for the PAU which would be financed on a declining basis and would be procured using administrative procedures which were reviewed under BEDP and found acceptable to IDA.

B. Procurement Capacity and Implementation Arrangements

183. The assessment of procurement capacity reviewed organizational aspects of handling procurement at the PAU as well as at the PWP levels, procurement staff skills, quality and adequacy of supporting and control systems. In addition, the procurement cycle handling capabilities of the PAU and PWP including past experience in bid preparation, evaluation of bids, contract award, and contract management were reviewed. The PAU was restructured in late 2006 and a Procurement Unit led by a manager responsible for Planning and Procurement with three procurement officers and a Procurement Assistant to administer procurement activities for education projects (the BEEP ongoing at the time, BEDP and the FTI) was established. However, by mid-2007 serious staffing issues with respect to the procurement function arose at the PAU as a result of the sudden departure of three of the core procurement function staff, for more competitive salary offers from elsewhere in the market.

184. In order to mitigate the increased risk to proper handling of procurement at the PAU with the anticipated addition of the proposed SEDGAP to its fiduciary portfolio, pending the selection of a new manager for Planning and Procurement, donors have agreed to the appointment of an internationally recruited Procurement Advisor for the PAU under GTZ financing. The advisor is expected to temporarily head the Planning Procurement Unit in the PAU for a period of six months, to provide procurement capacity building and quality control in line with the findings and recommendations of the PAU restructuring exercise. The consultant's main task would be to lead the strategically important procurement capacity building work for the severely stretched PAU procurement function staff until it is supplemented by the recruitment of additional procurement staff in two distinct phases.

185. Procurement of goods, including learning materials, as well consultant services would be carried out by the PAU on behalf of the MoE. However, as per the September 2007 policy decision of the Government, the MoE is devolving responsibility for procurement of civil works and class room furniture to the PWP. With its demonstrated capacity for continuous monitoring and evaluation of achievable project performance indicators, the PWP is successfully implementing its third project with IDA, in addition to its satisfactory experience with procurement and financial management. In 2007, over $116 million has already been committed to PWP and nearly $70 million appraised for allocation from the donor community with monthly disbursement levels reaching about $5 million. Moreover, nearly 50% of PWP investments for subprojects are directed at education sector projects including construction of secondary schools for the MoE. PWP's performance with respect to procurement administration has also been greatly assisted by use of an Oracle based Management Information System (MIS) to keep track of the procurement process and in making timely payments during the contract management phase. Nonetheless, since the civil works component would be an additional and hefty responsibility for the PWP team (comprised of Procurement Manager supported by one assistant), there is a clear risk to the PWP's ability to handle the additional responsibility of procurement.

C. Procurement Implementation Risks

186. The corrective measures proposed to mitigate the procurement risks identified in the capacity assessment are specified in the Action Plan below in addition to measures to be specified in the Operational Manual for the SEDGAP to be prepared. It would include similar to the BEDP, complete procurement procedures for the PAU, including SBDs and evaluation forms to be utilized for each procurement method, model contract forms and the like.

187. Although the procurement risks are primarily capacity shortfalls in the pre-Effectiveness phase, and mitigation measures if implemented as proposed could potentially reduce the risk profile by post-Effectiveness by mid-2008, the overall project risk for procurement at the time of appraisal is still considered High.

Procurement Action Plan

Issue/Problem	Remedial Action	Responsibility
Enhancement of the PAU's Procurement Unit Implementation Capacity		
Insufficient incentives and reduction in procurement capacity.	Phased recruitment of required core procurement staff prior to SEDGAP Effectiveness.	MoE/MoPIC
Limited in-country market for staff with experience in procurement.	Quality control and capacity building of newly hired PAU staff.	PAU/Procurement Adviser
Weak contract management and M&E capacity at GEO levels	Implement long agreed GEO incentives for project management and supervision and scale-up on-the-job training delivery.	MoE/PAU
Records on claims and disputes	Improve files for all procurement processes, particularly on complaints from contractors.	PAU
SEDGAP Implementation Readiness of the PWP		
The PWP procurement function is currently comprised of an experienced Procurement Manager and a Procurement Assistant. The risk to PWP's capacity in being able to manage the additional dispersed workload under SEDGAP is high.	Appoint on a competitive basis, a dedicated Procurement & Contract Management Officer reporting to the Procurement Manager	MoPIC/ PWP

D. Procurement Plan

188. The PAU in collaboration with the PWP has developed a draft detailed procurement plan covering the first 18 months of project implementation. The Procurement Plan would be finalized and agreed by Negotiations and would be available on the website of the MoE. It will also be available in the project's database and publicly disclosed in the Bank's external website. The plan would reflect the components under the PAU's responsibility, as well as the facilities rehabilitation and extension component the PWP would be implementing. It would be updated in agreement with the Project Team annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

E. Frequency of Procurement Supervision

189. In addition to the prior review supervision to be carried out from IDA offices, the capacity assessment of the PAU and PWP has recommended two annual supervision missions to visit the field to carry out post review of procurement actions.

F. Post Review

190. Monitoring and evaluation of the PAU's procurement performance under the proposed SEDGAP would be carried out under the prior review thresholds indicated in the Procurement Plan (Attachment 1 to this Annex) during joint DP supervision missions and through ex-post procurement reviews as deemed necessary during the project implementation. In view of the procurement function capacity shortfalls at the PAU notwithstanding efforts to address this issue in the shortest possible period, 2 out of 10 contracts under the proposed SEDGAP managed jointly by the PAU and the PWP will be subject to post review. Importantly, during implementation, post reviews of in country training would also be conducted from time to time to review the selection of institutions, course contents, nominated trainees and justifications thereof, and costs incurred.

Attachment 1: Procurement Plan

I. Procurement Plan

A. General

1. Agreed date of Procurement Plan:

a. Original: December 18, 2007

b. Revised 1: January 23, 2008

2. Date of General Procurement Notice:

II. A. Prior Review Thresholds

1. Procurement Decisions subject to Prior Review by IDA as stated in Appendix 1 to the Guidelines

Category	Prior Review Thresholds (US$ '000)	Procurement method	Contracts subject to prior review
Works	>350 <=350	ICB NCB	All Contracts First three contracts in each Governorate
Goods	>200 <=200 < 50	ICB NCB NS	All Contracts First three contracts in each Governorate N/A
Consultants' services (firms)	=> 100 < 100	QCBS CQ, LCS	All Contracts First three contracts
Consultants' services (individuals)	= > 50 <50	Section V of Consultants' Guidelines Section V of Consultants' Guidelines	All contracts All SSS contracts All contracts
School grants			All post review contracts
Sundry items			All post review contracts

Note: **QCBS = Quality- and Cost-Based Selection; QBS = Quality-based Selection; LCS = Least-Cost Selection; CQ = Selection Based on Consultants' Qualifications.**

SEDGAP Procurement Plan of Civil Works (Rehab. And Extension) in 1st 18 months 2008-2009

S. No	Description	No. of Districts	Tenders Code	No. of Tenders**	Estimated Tender Value US$'000	Procurement Method	Time to Complete Bidding Documents # Days	Bidding Docum. Prep. Start	Bidding Docum. Prep. Finish& IDA NOL	IDA Prior Review Yes/No	Plan Revised Actual	Bid Invitation Month/Yr	Bid Opening Month/Yr	Bid Evaluation+ NOL# Days	IDA Prior Review Yes/No	Contract Award Month/Yr	Contract Execution 3-4CR # Days	Contract Completion 3CR	Contract Execution 6CR # Days	Contract Completion 6CR	Contract Execution 9 or more CRs # Days	Contract Completion 9CR
Rehabilitation and Poviding adequte School facilities for 40 Sec. Schools in 20 Districts in 5Govs. PHASE I																						
1	GROUP I		CWRE-1-20/08	20	7500.0	NCB	75	12/13/08	2/26/09	Y**	Plan	3/15/09	4/17/09	30		5/31/09	195	12/12/09	285	3/12/10	450	8/24/10
											Revised											
											Actual											
2	GROUP II		CWRE-21-40/09	20	7500.0	NCB	75	5/27/09	8/10/09	Y**	Plan	8/19/09	9/21/09	30		11/4/09	195	5/18/10	285	8/16/10	450	1/28/11
											Revised											
											Actual											
	Total			40	15,000.0																	

* CWRE AB(1-20)/08 (CWRE= civil works Rehabilitation, bids from 1 to 20 year 2008

** IDA's Prior Review for SBDs for Civil Works will be Yes or NO in according to DCA..

SEDGAP Procurement Plan of Goods in 1st 18 months 2008-2009																	
Description	Tenders Code	No of School s/item	Estimate Tender value US$ 000	Procurement method	Plan Revised Actual	B Doc Completion Days	Bidding doc preparation start	Bidding doc preparation finish	IDA prior review Yes/No	IDA review submitted date	IDA review approved date	Bid invitation date include advertising	Bid opening date	Bid Evaluation	IDA No-objection	Contract singing date	Contract completion date
Provision of school furniture including Student's Seats	GSEP/ICB 01-09	*40*	*1,296.0*	ICB	Plan	75	10/31/09	1/14/10	Y	1/24/10	2/7/10	2/13/10	3/31/10	5/1/10	5/16/10	6/23/10	12/20/10
					Revised												
					Actual												
Provision of (Office) equipment to GEOs and DEOs as identified by Ta/c	GSEP/NCB 01-09	*70*	*84.0*	NCB	Plan	30	9/1/08	10/1/08	Y	10/11/08	10/25/08	10/31/08	12/16/08	1/16/09	1/31/09	3/10/09	7/8/09
					Revised												
					Actual												
Provision of Office equipment (PC's and acces.)	GSEP/NCB 02-09	*5*	*7.5*	NCB	Plan	30	8/1/08	8/31/08	Y	9/5/08	9/19/08	9/26/08	11/13/08	12/13/08	12/28/08	1/27/09	5/27/09
					Revised												
					Actual												
Provision of Vehicle	RFQ 1-2008	*1*	*45.0*		Plan	20	9/28/08	10/18/08		10/23/08	11/6/08	11/13/08	11/27/08	12/11/08		12/26/08	2/24/09
					Revised												
					Actual												
Provision of learning equipment (*to be specified)	GSEP/ICB 02-09	*40*	*480.0*	ICB	Plan	90	12/23/09	3/23/10	Y	3/28/10	4/11/10	4/18/10	6/5/10	7/5/10	7/20/10	8/19/10	2/15/11
					Revised												
					Actual												
Provision and installation of science laboratories	GSEP/ICB 03-09	*40*	*800.0*	ICB	Plan	90	12/15/09	3/15/10	Y	3/19/10	4/2/10	4/9/10	5/27/10	6/27/10	7/12/10	8/11/10	2/7/11
					Revised												
					Actual												
Provision and installation of computer laboratories and Acquisition of softwares, anti-virus, licences, etc. for computers	GSEP/ICB 04-09	*40*	*736.0*	ICB	Plan	75	12/22/09	3/7/10	Y	3/14/10	3/28/10	4/4/10	5/23/10	6/23/10	7/8/10	8/7/10	2/3/11
					Revised												
					Actual												
Provision of equipment (to be specified) for multi-purpose rooms	GSEP/ICB 05-09	40	*800.0*	ICB	Plan	75	12/22/09	3/7/10	Y	3/14/10	3/28/10	4/4/10	5/24/10	6/24/10	7/9/10	8/8/10	2/4/11
					Revised												
					Actual												
Provision of library materials	GSEP/ICB 06-09	40	*400*	ICB	Plan	75	12/22/09	3/7/10	Y	3/14/10	3/28/10	4/4/10	5/19/10	6/19/10	7/4/10	8/1/10	12/14/10
					Revised												
					Actual												
Provision of reference libraries	GSEP/ICB 06-09	40	*400*	ICB	Plan	75	12/22/09	3/7/10	Y	3/14/10	3/28/10	4/4/10	5/20/10	6/20/10	7/5/10	8/2/10	12/15/10
					Revised												
					Actual												
Total Est. cost for Goods			***5,049***		Plan												
					Revised												
					Actual												

SEDGAP Procurement Plan of Consulting Services in 1st 18 months 2008-2009

ANNUAL WORKPLAN	DESCRIPTION OF ACTIVITY	Allocated Amount US$	Plan Revised Actual	Procurement Method	Responsible unit for preparation of Terms of Reference (TORs)	Review by IDA (prior/post)	Start of preparation	Readiness of Terms of Reference	Submission of Terms of Reference to IDA	Adv Date for Expression of Interest (EOI)	Start preparing Short List & Draft of RfP	Submission to IDA for No Objection	Receipt of IDA's No Objection	Preparation of Invitation+sending the RfP to firms	Date of receiving Proposals	Tech Evaluation/Recommendation for finan openin g	Submission to IDA for NOL to Tech Evalu ation	Receipt of IDA's no objection	Final Eval (finan.evaluation) /Selection	IDA's No Objection Date	Contract Negotiations	Contract Signing Date	Activity Starting Date	Activity Completion
COMPONENT 1: IMPROVING EQUITY AND REDUCING GENDER GAPS THROUGH DEMAND AND SUPPLY-SIDE INTERVENTIONS																								
1.1.	SUB-COMPONENT 1.1. PROVIDING ADEQUATE SCHOOL FACILITIES																							
	Rehabilitation of 40 existing secondary schools for 1st phase of the Project in 5 Govs./ 20 targeted Districts																							
a	Architectural studies and supervision																							
1*	Eng Cons for Preparation of 18 prototypes of Secondary School's Standard Designs.	50,000	Plan	QCBS	Proj Sector / PAU	Prior	8/18/07	9/17/07	10/17/07	11/3/07	11/5/07	11/30/07	12/14/07	12/21/07	1/16/08	2/13/08	2/16/08	3/1/08	3/20/08	4/3/08	4/18/08	4/23/08	4/30/08	6/29/08	
			Revised																					
			Actual																					
1	Eng Cons Firms for Rehab /Ext (30 Schools)for.Survey,Preparation of Bid. Docs ,BOQ,drawings & -Supervision of CW	562,500	Plan	QCBS	Proj Sector & PWP	Prior	2/22/08	3/18/08	3/20/08	4/1/08	4/30/08	5/22/08	6/1/08	6/8/08	7/11/08	8/10/08	8/13/08	8/27/08	9/14/08	9/28/08	10/10/08	10/12/08	10/17/08	3/31/10	
			Revised																					
			Actual																					
2	Individual Cons For: Rehab /Ext (10 Schools)Survey,Preparation of BDs,BOQ, drawings, CW Supervision of CW and Indivedual Consultant for Quality Control.	187,500	Plan	IC	Proj Sector & PWP	Post	2/22/08	3/18/08	3/20/08	4/1/08	4/30/08	5/22/08	6/1/08	6/8/08	7/11/08	8/10/08	8/13/08	8/27/08	9/14/08	9/28/08	10/10/08	10/12/08	10/17/08	3/31/10	
			Revised																					
			Actual																					
3	Prparation of Tech Specifications BOQ and Drawings of School Furniture and STD lists	17,000	Plan	IC	PAU&PWP	Post	12/1/08	12/31/08	1/2/09	1/14/09	2/3/09	2/24/09	3/6/09	3/13/09	4/3/09	4/18/09	4/21/09	4/28/09	5/10/09	5/24/09	5/29/09	5/31/09	6/5/09	8/19/09	
			Revised																					
			Actual																					
1.3	SUB-COMPONENT 1.3 DEVELOPING CAPACITY FOR SCHOOL GRANTS																							
1.3.1	TA for the development of (MOP) for the SCG	62,000	Plan	IC	G. Edu Sec./PAU	Post	7/1/08	10/29/08	11/5/08	11/12/08	12/3/08	1/2/09	1/16/09	1/23/09	3/4/09	4/3/09	4/5/09	4/19/09	4/26/09	5/10/09	6/9/09	6/23/09	6/30/09		
			Revised																					
			Actual																					
1 3 2	TA to Develop an awareness compaign for SCG	4,500	Plan	IC	Girls Edu. Sec./PAU	Post	7/1/08	10/29/08	11/5/08	11/12/08	12/3/08	1/2/09	1/16/09	1/23/09	3/4/09	4/3/09	4/5/09	4/19/09	4/26/09	5/10/09	6/9/09	6/23/09	6/30/09		
			Revised																					
			Actual																					
COMPONENT 2 - ENHANCING THE QUALITY OF SERVICE DELIVERY																								
	SUB-COMPONENT 2.1. CAPACITY BUILDING TO IMPROVE TEACHING AND LEARNING PRACTICES IN THE CLASSROOM																							
	Review all policies, laws, by-laws and regulation relating to secondary eduation																							
a	Consultancy to develop course training system	32,000	Plan	IC	Train Sector /PAU	Post	7/1/08	10/29/08	11/5/08	11/12/08	12/3/08	1/2/09	1/16/09	1/23/09	3/4/09	4/3/09	4/5/09	4/19/09	4/26/09	5/10/09	6/9/09	6/23/09	6/30/09		
			Revised																					
			Actual																					
b	Consultancy to review and assess learning materials for the existing curriculum	32,000	Plan	IC	Curric.Sector /PAU	Post	7/1/08	10/29/08	11/5/08	11/12/08	12/3/08	1/2/09	1/16/09	1/23/09	3/4/09	4/3/09	4/5/09	4/19/09	4/26/09	5/10/09	6/9/09	6/23/09	6/30/09		
			Revised																					
			Actual																					
2.2.	SUB-COMPONENT 2.2 STRENGTHENING THE LEARNING ASSESSMENT SYSTEM IN SECONDARY EDUCATION																							
a	TA to revise streams, curricula and learning materials and develop a new GDCA	100,000	Plan	QCBS	Curric.Sector /PAU	Prior	1/1/09	5/1/09	5/8/09	5/15/09	6/5/09	7/5/09	7/19/09	7/26/09	8/31/09	9/30/09	10/2/09	10/16/09	10/23/09	11/6/09	1/5/10	1/19/10	1/26/10		
			Revised																					
			Actual																					
b	Review and develop teaching guides for teachers, assessment in targeted schools	100,000	Plan	QCBS	Curric Sector /PAU	Prior	10/1/09	3/30/10	4/6/10	4/13/10	5/4/10	6/3/10	6/17/10	6/24/10	8/3/10	9/2/10	9/4/10	9/18/10	9/25/10	10/9/10	12/8/10	12/22/10	12/29/10		
			Revised																					
			Actual																					
b2	Consultancy for the development of training manuals at the national level	32,000	Plan	IC	Train Sector /PAU	Post	7/1/08	10/29/08	11/5/08	11/12/08	12/3/08	1/2/09	1/16/09	1/23/09	3/4/09	4/3/09	4/5/09	4/19/09	4/26/09	5/10/09	6/9/09	6/23/09	6/30/09		
			Revised																					
			Actual																					
	SUB-COMPONENT 2.3. Capacity building in Planning, Data Collection and analysis																							
2.3.2.	Assessing the effectiveness of secondary education outcomes																							
2.3.3.	Reviews of in-service and pre-service training of teachers, education specialists and technical staff, as well as the alignment between teachers needed and teachers formed by the faculties of education of universities																							
2.3.3.1.	Gathering data analysis and preparation of needs projections																							
a	Capacity assessement of MOE and GEOs for Planing & Analysis for Sch. Expansion	18000	Plan	IC	TO / PAU	Post	1/1/09	4/1/09	4/8/09	4/15/09	4/29/09	5/20/09	6/3/09	6/10/09	7/14/09	8/4/09	8/6/09	8/20/09	8/27/09	9/10/09	9/24/09	10/8/09	10/15/09		
			Revised																					
			Actual																					
COMPONENT 3 - SUPPORTING SECONDARY EDUCATION POLICY DEVELOPMENT																								
	SUB-COMPONENT 3.1 IMPROVE TEACHING AND LEARNING																							
b	Trecer Study for G12 Graduate	158,000	Plan	QCBS	TO / PAU	Prior	4/1/09	6/30/09	7/7/09	7/14/09	7/28/09	8/18/09	9/1/09	9/8/09	10/12/09	11/2/09	11/4/09	11/18/09	11/25/09	12/9/09	12/23/09	1/6/10	1/13/10		
			Revised																					
			Actual																					
	SUB-COMPONENT 3.2 IMPROVE TEACHING AND LEARNING																							
a	TA for Teacher's Standards	244,000	Plan	QCBS	Educ Sector /PAU	Prior	1/1/09	5/1/09	5/8/09	5/15/09	6/5/09	7/5/09	7/19/09	7/26/09	8/31/09	9/30/09	10/2/09	10/16/09	10/23/09	11/6/09	1/5/10	1/19/10	1/26/10		
			Revised																					
			Actual																					
	SUB-COMPONENT 3.3 Revised Curriculum Framework																							
a	Review the General Framework of curricula and assessment.	15,000	Plan	IC	Curric Sector /PAU	Post	10/1/09	3/30/10	4/6/10	4/13/10	5/4/10	6/3/10	6/17/10	6/24/10	8/3/10	9/2/10	9/4/10	9/18/10	9/25/10	10/9/10	12/8/10	12/22/10	12/29/10		
			Revised																					
			Actual																					
a	Technical assistance (legal and education experts)	32,000	Plan	IC	Curric.Sector /PAU	Post	7/1/08	10/29/08	11/5/08	11/12/08	12/3/08	1/2/09	1/16/09	1/23/09	3/4/09	4/3/09	4/5/09	4/19/09	4/26/09	5/10/09	6/9/09	6/23/09	6/30/09		
			Revised																					
			Actual																					
COMPONENT 4 - PROJECT MANAGEMENT																								
a	Conducting Assessments for Baseline & Indicators	200,000	Plan	QCBS	TO / PAU	Prior	1/1/09	5/1/09	5/8/09	5/15/09	6/5/09	7/5/09	7/19/09	7/26/09	8/31/09	9/30/09	10/2/09	10/16/09	10/23/09	11/6/09	1/5/10	1/19/10	1/26/10		
			Revised																					
			Actual																					
		1,752,500																						

Annex 9: Economic and Financial Analysis

I. Economic and Sensitivity Analyses

1. Cost Benefit Analysis

191. The benefits of the project are projected to far exceed the costs, with an Economic Internal Rate of Return (EIRR) of 13.7%, indicating economic viability of this project.

Benefits

192. The various supply and demand side interventions and quality improvement measures of the SEDGAP are expected to reduce repetition and dropout rates in secondary education and improve student learning performance, thereby reducing the number of years required to produce secondary education graduates. The benefits stream is quantified by estimating: (i) reduced supply side/input cost of producing secondary education graduates, and (ii) lower opportunity cost incurred by students due to fewer years invested in completing secondary education.

193. Although the secondary education cycle in Yemen lasts three years, due to high repetition and dropout rates and low pass rates in the secondary school examination results, the number of years invested per secondary graduate in 2004 were estimated to be 4.44 for boys and 4.12 for girls in project districts and 4.16 and 3.82 years respectively in non- project districts.[39] By achieving the PDO targets as elaborated in Annex 3, the years invested per student are expected to improve to 3.98 (boys) and 3.71 (girls) in target districts by the end of the 6 year implementation period of the project, and to 3.86 and 3.60 respectively by the end of 20th year since project commencement.[40]

194. The annual per student cost incurred by the GoY on secondary education is estimated as YR70,371 (US$368) in 2005/06.[41] Assuming that this cost remains unchanged, the savings generated from reduced number of years per graduate are estimated as USD 104.9 million over 20 years as indicated in Table A.9.1 (or present value equivalent of US$34 million). Students' foregone earnings (annually averaging US$1,007 for boys and US$506 for girls[42]) will also be reduced by the reduction in the number of years invested per graduate. This will generate savings of US$ 227.7 million over 20 years as indicated in Table 1 (or present value of US$74 million).

Costs

195. The cost stream is estimated on the basis of: (1) project investment cost, (2) recurrent costs incurred from the project, which include (i) maintenance cost for civil works, furniture, equipments, and

[39] Retention rate in 2004 was 81% for boys and 84% for girls in program districts and pass rate was noted as 82.8%, based on national average.

[40] Reduction in the number of years to produce a secondary graduate is generated differently for program schools (which will receive demand and supply-side interventions through Component 1 in addition to the quality enhancement interventions of component 2) and other schools in the districts (which receive Component 2 interventions only). In program schools, a more rapid improvement in retention rate was assumed, i.e., 1% in years 1-3, 2% in years 4-6 and 0.1% in years 7-20, as opposed to 0.0%, 1.0% and 0.1% respectively in non- program schools of the program districts.

[41] Due to unavailability of information on secondary education expenditure alone, assumptions are made to separate basic and secondary expenditures.

[42] This is average income for secondary graduates aged 18-20 in 2005, taking into account the non-wage working population. The estimate has been calculated by World Bank staff based on the Household Budget Survey 2005.

learning materials, (ii) continuation of female staff recruited through the project[43], (iii) continued incentives through school community grants, and (3) foregone earnings of newly enrolled students.

196. The estimated project cost is US$103.4 million, of which IDA proposes to invest US$20 million, the DPs propose to invest US$71.4 million, and the GoY proposes to invest US$12 million over 6 years between 2008 and 2014. The approximate average annual recurrent cost resulting from the project for 14 years after project end (until Year 20 of the project) is US$2.76 million.

EIRR Simulation Result

197. Table A.9.1 shows the summary of both cost and benefit streams. The EIRR of the project will be 13.7%, and the Net Present Value will be US$18.7 million using a discount rate of 10%.

Table A.9.1: Summary of Cost and Benefit Streams and EIRR

Summary of Cost and Benefit Streams and EIRR

	Years since project started								*(real USD '000)*
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 20	Program Total
BENEFIT STREAM									
Total savings generated	259	530	818	2,039	3,312	4,702	5,014	8,331	104,944
Total saved foregone earning for all graduates	604	1,227	1,880	4,650	7,494	10,559	11,170	17,626	227,751
Total Benefits	**862**	**1,757**	**2,697**	**6,688**	**10,806**	**15,262**	**16,183**	**25,957**	**332,695**
COST STREAM									
Project Investment Cost	5,000	10,000	29,000	29,400	20,000	10,000	0	0	103,400
Recurrent Cost	-	-	-	930	1,395	1,395	2,441	2,945	41,932
Students' opportunity cost	64	67	105	467	505	816	387	200	5,386
Total Costs	**5,064**	**10,067**	**29,105**	**30,797**	**21,900**	**12,211**	**2,829**	**3,146**	**150,717**
Net Benefits	**(4,201)**	**(8,310)**	**(26,408)**	**(24,109)**	**(11,095)**	**3,051**	**13,355**	**22,812**	**181,977**
								IRR	**13.7%**
								NPV at discount rate of 10%	**18,658**

Assumptions

Annual per student cost is USD 368 (2004)

Annual maintenance cost is calculated as: (1) for civil works - 0.5% during first 10 years and 1.5% during next 10 years of total value of the building; (2) furniture - 5% of installment cost; (3) 10% of equipments; (4) 10% of learning materials

Salary includes that of for female teachers hired at intervention schools (assuming $1200 per year)

School grants continue in transportation allowance and cash transfer (approx. 5,000 students per year at secondary level)

Total saved unit cost and foregone earning for all graduates are calculated based on the number of years invested per graduate

Benefits are calculated separately for project schools (Component 1 target schools) and other schools in the project districts (Comp. 2 only schools)

2. Sensitivity Analysis

198. Sensitivity analysis included simulation of alternative project designs. EIRR for the SEDGAP design was found to be larger than that of a project that has either: (i) all investments focusing on Component 1 (civil works and school community grants) or (ii) all investments focusing on Component 2 (quality improvement).[44]

199. The estimated EIRR was found to be most sensitive to the improvement in the retention rate in target districts. The base scenario (which is presented in the M&E framework) assumes that retention rates will improve from 80.6% to 85.4% for boys and from 84.0% to 88.9% for girls during the six years of the project. It also assumes continuous improvement in retention annually by 0.1% until the 20th year after project start. However, if the retention rate is as low as 84.4% (boys) and 88.1% (girls) by the time

[43] It is assumed that female staff recruited by the program will continue to be financed after the program ends.

[44] The option (i) does not give enough improvement in retention because the quality of teaching and learning practices remains the same and option (ii) does not give solid impact because money is spread in too many unsustainably small schools which incur high inefficiency of resource use.

of project end, there is a high risk that the NPV will be zero unless retention rate catches up significantly after the project ends.

3. Externalities of the Project

Health Outcomes

200. Although not incorporated in the cost-benefit analysis due to lack of confident information on the monetary value in the case of Yemen, there are several compelling social benefits associated with girls' education as international research literature has proved. These include: reduced child and maternal mortality, improved child health and nutrition, reduced fertility rates, and improved immunization of children. Nevertheless, as indicated in Table A.9.2, the health-related benefits incurred from educating girls in Yemen are significant.

Table A.9.2: Selected Health Indicators by educational level 2003

	Age of first marriage	TFR	Infant mortality (per 1,000 live births)	Under 5 mortality (per 1,000 live births)	% not immunized	% malnourished children (weight)	% malnourished children (height)	*Family and Health Index*	*Percent decrease from previous level*
Place of residence									
Urban	23.5	4.5	70.6	87.3	-	35.5	40.3	-	-
Rural	21.9	6.7	86.3	117.6	-	49.9	55.7	-	-
Mothers' educational level									
Illiterate	21.4	6.7	87.4	119.1	70.5	48.5	54.3	100.0	-
Read & write	22.4	5.2	65.5	75.6	47.6	39.5	47	75.3	24.7
Primary	20.2	4.9	68.9	80.6	34.7	36.1	41.6	70.0	7.0
Preparatory	23.4	4.3	60.3	73.8	31.6	34.2	30.5	61.1	12.7
Secondary+	**24.9**	**2.8**	**48.7**	**55.2**	**26.5**	**19.2**	**18.7**	**42.6**	**30.3**
Total	22.3	6.2	-	-	62.8			-	-

Source: CSO and MOPHP, Family Health Survey 2003; % malnourished from Demographic and Health Survey 1997

Note: TFR – Total Fertility Rate: average number of children a woman bears in her lifetime)
Family and Health Index is calculated as average percentage of reduction in TFR, Infant mortality, Under 5 mortality, % not immunized, and % malnourished (weight, height).

Percent decrease from previous level is calculated as (100- index_upper/index_lower*100)

201. The fertility rate for mothers who have more than secondary education is only 2.8, which is significantly lower than that for illiterate mothers (6.7), or even mothers with basic education (4.3). This is due to delayed age of first marriage and higher likelihood of using reliable family planning methods. Ratio of non-immunized children is 26.5% among children of mothers with more than secondary level education, compared to 70.5% among children of illiterate mothers. As a result, the Infant Mortality Rate (IMR) and under-5 year old child mortality rates are much lower; IMR is 48.7 per 1,000 live births for women with more than secondary education while it is 87.4 for illiterate women; under-5 year old child mortality is 55.2 per 1,000 live births and 119.1 for the respective groups. Mother's education also results in better nutrition among children. Percentage of malnourished children (as measured by low height-for-age) is recorded as 18.7% for the mothers who have at least secondary education, whereas it is as high as 54.3% among children of illiterate mothers (CSO and MOPHP Family Health Survey 2003). When all these indicators are indexed, the largest improvement occurs between basic education level and secondary education level, where the index score is 30.3 percent higher.[45]

[45] World Bank staff calculation based on CSO and MOPHP Family Health Survey 2003.

Intergenerational Benefits to Basic Education

202. In Yemen, the lack of availability of adequate numbers of secondary school graduates in rural areas has been a major obstacle to female teacher deployment, which is one of the principal factors constraining girls' enrollment in rural areas. Previous attempts to deploy females from other areas have not been successful in providing a sustainable solution. Therefore, one of the benefits of having more female secondary school graduates in rural areas, as aimed by the project objectives, is that they can be potential female teachers for basic schools in their own villages.

203. Mothers' education and the role model effect of educated sisters are significant variables affecting children's educational attainment and opportunities. These two types of role model effects are captured through probit model regression analysis and proved quite strong for girls' enrollment at basic education. The analysis found that girls who have older sisters with more than secondary education are 24.2 percentage points more likely to be enrolled than those who do not have older sisters, and girls who have a mother with secondary education are 19.2 percentage points more likely to be enrolled than those with illiterate mothers.[46]

II. Fiscal Analysis and Sustainability of the Project

204. The development of the education sector in Yemen has been one of the country's highest priorities. The share of the budget dedicated to education remained relatively high during the past decade, averaging between 14 to 20 % of total government expenditure. Although there is a marginal decline since 2002, education expenditures remained proportionally significant at 5.4% of GDP and 14.4% of total public expenditure in 2005 as compared to other counties (e.g., 4.5% of GDP spent in Sub-Saharan Africa).

205. The secondary education strategy identifies a total resource gap of US$265 million between 2008 and 2013 in order to achieve the GoY's national targets (Table A.9.3). Over the six-year SEDGAP implementation period, the proposed external resource (US$91.4 million) will account for 10.2 percent of the projected secondary education resources (i.e., 896 million). The contribution of the proposed project will therefore finance 35 percent of the resource gap during the same period (i.e., 91.4 million over resource gap of 265 million). This implies that the resource gap will remain large despite the project and that government commitment to implement its national strategy from its own resources as well as through seeking additional external financing is still largely required.

206. The SEDGAP is expected to have minimal recurrent cost implications on the MoE budget.[47] The recurrent costs resulting from the project are expected to be: (i) US$1.2 million each year for the last 3 years for the project (i.e., years 4-6),[48] and (ii) US$2.7 million average each year upon project close until year 20. As a proportion of the MoE secondary education budget, this represents additional recurrent costs equivalent to 0.8% for years 4-6 of the project and 1.7% in year 7 upon project close.[49]

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[46] World Bank staff estimation using HBS 2005. Details in project files.

[47] Unit cost per student is assumed to be unchanged because the increased cost due to project intervention will be offset by the reduced number of years invested per graduate as identified earlier in this Annex

[48] Additional recurrent cost during 4th-6th year of program is incurred from maintenance cost of civil works, equipment, and materials. If financed by the program, these do not affect the government recurrent budget.

[49] The figure for year 7 is based on the MoE secondary education budget for 2014. Between years 8-20, the proportion is expected to be less.

Table A.9.3: Secondary Education Budget Forecast and Project Cost, 2008-2013							
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**Sum 2008-2013**
Resource required for the strategy implementation	145	157	169	183	199	216	1069
Resource available (gov't)	129	132	134	135	137	139	804
Resource gap	16	25	36	48	63	77	265
Estimated external resource	5	15	26	25	15	5	91
Total resource available (gov't + external resource)	134	147	160	160	152	144	896
% contribution in secondary resource, by external resource	3.7%	10.2%	16.5%	15.6%	9.9%	3.5%	10.2%
% contribution in secondary resource gap, by external resource	*32%*	*60%*	*74%*	*52%*	*24%*	*6%*	*35%*
Source: National General Secondary Education Strategy 2007-2015							
Amount is updated by using the 2006 exchange rate of $1=YR198							

Annex 10: Safeguard Policy Issues

A. SOCIAL[50]

207. As detailed in Annex 1, Yemen has one of the largest gender gaps in secondary education in the world and the country is not on-track to meet the MDG of gender parity at all education levels by 2015. And, there are sharp disparities between urban and rural areas. The completion rate for 9th grade is 58.4 percent for males and only 29.2 percent for females (2004). For overall secondary education, this rate drops to 45.0 percent for males and 21.8 percent for females (MOE AES 2004/05 and CSO Census 2004).

208. This annex distills the findings of the background studies undertaken to develop this project, and flag the major social issues and impacts that should be taken into account in preparing the SEDGAP.

1. Main Issues Affecting Girls' Participation in Secondary Education

209. ***Poverty:*** Yemen is the poorest country in the Middle East, with almost 35% of its population classified as "poor" in 2005/06. Poor households are generally headed by persons without formal education. In 2005/06, 68.3 percent of poor households fell in that category. Children of educated fathers are five percentage points more likely to study full-time and 0.5 percentage points less likely to work, while for educated mothers, the numbers are 2 and 1 percentage points respectively.

210. One reason for non-enrolment involves having to work. Only about one-third (36%) of 10-14 year-old working children attend school, compared to 58% of non-working children. Attendance is especially low for working girls – just 14% of them go to school compared to 59% of working boys. Nineteen percent of girls between the ages of 15-19 (1999 data) work in agriculture, compared to 16% for boys.

211. Out-of pocket expenses also place a burden on educational participation. Even though education in Yemen is free, there are several out of pocket expenses which families must pay, particularly at the higher levels of education.

212. ***Social and cultural norms:*** Safety and propriety of girls are at the heart of Yemen's cultural and social norm. Girls who finish grade 9 face the constraint of not having schools at a commuting distance from the place of residence. According to the community survey undertaken for preparation of this project (henceforth referred to as the Community Survey, 2007), this is one of the major reasons behind student absenteeism. The lack of it constrains girls' enrollment.

213. There is a dearth of girls-only secondary or separate teaching facilities in co-educational schools. Even though girls can attend mixed schools, socially and culturally it is not considered appropriate for them to sit in the same classrooms as boys, particularly at later ages. In the Community Survey, 2007, the lack of clean water and bathrooms for girls were among the key issues highlighted by stakeholders[51] as affecting girls' learning outcomes in secondary education.

214. Although studies carried out in the last decade have pointed to the important role that female teachers play in increasing the number of girls in schools, there remains a serious shortage of female teachers and staff in schools, particularly in rural Yemen.

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[50] A full social assessment was undertaken for the preparation of the SEDGAP and is available in the project files. The social assessment is based on findings and recommendations from studies commissioned by the GoY to prepare the program, and benefited from interviews with a number of officials and consultants of the MoE.

[51] Stakeholders interviewed in the Community Survey, 2007 include teachers, students, principals, social workers, and parents.

215. Finally, early marriage contributes to lowering the enrollment of girls. According to Yemeni social norms, girls are expected to marry at an early age, normally after completing primary education (grade 6), i.e. either during basic school (grades 7-9) or at the secondary level.

216. ***Quality & Relevance***: The quality and relevance of the current education system are of particular concern, especially when weighing opportunity costs in secondary school. One area relates to the quality of teachers, who are thought not to be receiving the appropriate training and supervision, hence affecting the quality of teaching. The availability of teachers in specialized disciplines such as math and science is also limited, particularly female teachers. There is no link between the curricula and labor market needs, reinforcing the perception and – often – the reality that students are not well prepared for the labor market. At the same time, the curriculum lacks relevance at the practical level, consequently not meeting the needs of students, families, and communities.

217. Finally, there is sense that educational rewards are lacking. Unemployment for secondary education graduates was one of the reasons mentioned frequently (6.8% of students, 4% of parents, 14% of teachers, and 3.5% of local community leaders). According to a recent WB report (WB 2007), the unemployment rate among women dramatically increased between 1998 and 2005/06.

2. Community Participation and Girls' Secondary Education

218. ***NGSES Development:*** The NGSES was prepared through a process of consultations and workshops in all of the country's governorates and involved education officials, school management personnel, supervisors, teachers, NGOs, local authorities, students and parents, participants from the MoE, education leaders, trading chambers, agricultural unions, and higher education beneficiaries. To this end, it benefited from extensive feedback throughout the country from a host of stakeholders, and has been described as one of the most country-owned strategies in Yemen. The government's third five-year plan includes measures for the education sector consistent with the strategy.

219. ***Community Participation:*** In 1999, a Community Participation Unit (CPU) was established in the MoE to support community-based interventions in education services delivery, the development of multiple school designs based on local conditions, and lowering the cost per square meter of school construction. A Ministerial Decree was promulgated in 2002 detailing regulations for establishing fathers' and mothers' councils to enable community participation in education.[52] In the context of the country's decentralization policy established in 2002, community participation (CP) has also found its way in the Basic Education Development Strategy (BEDS) as well as in most development projects.[53] In 2005, the MoE established the CP directorate within the Girls Education Sector. However, the role of communities in education and that of the local authority in supporting schools is not fully clarified in regulations or in the way that education is financed and therefore CP efforts remain ad hoc and limited to

[52] The purpose of these councils includes selection of sites for schools, provision of classrooms, maintenance of buildings, furniture and equipment, as well as broader functions related to the day-to-day running of schools such as monitoring teacher attendance, care for school facilities and assisting needy children. Councils bring together the head teacher, teachers, mothers and fathers as well as other members of the community to work in partnership.

[53] The BEDP incorporated community participation by including targeted beneficiaries, communities and partners in the project preparation as a means to improve project design and building support. BEDP called for the establishment of fathers' and mothers' councils and training programs in social work/community development for selected educators and parents. The Conditional Cash Transfer pilot in Lahej and Hodeida governorates, the female teacher contracting scheme and the Whole School Improvement initiative (all BEDP financed) are also centered on community participation. Additionally, several education projects are piloting innovative schemes to promote education through community support, including the USAID-funded project on girls' education in Ma'reb, Shabwa and Amran.

foreign financed projects. And, its potential impact on addressing constraints to education is therefore limited.

220. Research is needed to gain a better understanding of how communities participate, the role of community leaders, sheikhs and other local elites in community participation, and how to promote participation in the Yemeni context, particularly on issues such as girls' enrollment. Awareness-raising regarding roles and responsibilities of the councils and communities will also be an essential part of community participation. Mothers' and father's councils stand to benefit from training, a point that was articulated in the Community Survey, 2007 by social workers, local community leaders and school managers alike. Efforts should be made to provide literacy classes to fathers' and mother's councils, as well as other means of ensuring that parents stay involved in the education of their children. For instance, training mothers' councils on providing basic life skills to girls such as sewing, cooking and animal husbandry would be a good way to keep mothers involved in the education process. Alongside the mothers' and fathers' councils, social workers are assigned to work with the schools and communities to enhance enrolment and attendance, and avoid student drop-out. The Community Survey, 2007 revealed teachers and social workers both need to receive training to better assess high risk students.

221. While there are some civil society organizations implementing education-related projects, their involvement is still limited. In this regard, efforts should be made to strengthen local civil society organizations in Yemen in the education sector. Working with national-level organizations with branches through the country such as the Yemeni Women's Union, particularly in areas of awareness is also very important.

3. Awareness-Raising Efforts Specifically Targeting Girls' Secondary Education

222. Increasing girls' enrolment needs to be the target of awareness-raising campaigns for the future. The Yemeni government has collaborated with donors (UNICEF, GTZ, JICA and Dutch government) on awareness campaigns targeting parents and girls at the basic education level, but little has been done in secondary education. Awareness raising campaigns could focus on:

a. ***Target Groups:***
   i. Boys need to be better prepared to handle the presence of girls in their classes and schools, particularly as their behavior in mixed classrooms can deter parents from sending their daughters to schools;
   ii. Religious and community leaders can play a powerful role in the expansion of female secondary education in Yemen. In rural areas, the mosque and *mashayekh* or community leaders have a role to play in raising awareness or even by sending their daughters to school, creating a model for others to do the same, and
   iii. Community. Decisions on whether or not the girls should continue schooling is usually made by fathers but mothers play a big role in discussing the issue within the household. As such, it is important to target both in any awareness raising effort. It is also important to take into account that many families, particularly mothers, are illiterate and to tailor campaigns in such a way so as not to exclude them.

b. ***Themes:***
   i. Awareness campaigns should impart information to enhance accountability and results of the targeted demand-side interventions in the project, including selection criteria, responsibilities of all partners as well as target areas and populations;
   ii. Communities should be made aware of the economic benefits of girls' secondary education. This is particularly true in rural areas where men migrate in search of better jobs. Women are often left in charge of farming activities and the household's financial

management. Moreover, while it is important not to give false hopes, for those women who end up joining the labor market, data has shown that the female rate of return to education is much higher than that of males especially when they graduate from secondary education or TEVT (World Bank 2007), and

iii. Communities should be made aware of the social benefits of educating girls at the secondary level, including the effect on sanitation and health, the link between mothers' education and child mortality, more educated and healthy children, and reduced vulnerability in view of divorce or loss of male earnings.

c. ***Media of dissemination:***

i. Communication media such as radio and TV are effective in disseminating targeted messages to the population. This has been done in countries such as Bangladesh and Pakistan, where short targeted clips, describing the advantages of girls' education and/or women's issues played a positive role in the mobilization of communities;

ii. Holding awareness meetings and discussions at the school or at the district level with parents and community leaders (incl. religious leaders) could be a useful way to foster support for girls' secondary education, and

iii. Promoting successful women to be role models for girls' secondary education would be a good way to reach parents. Many Yemeni women have gained success within the norms of Yemeni society, and it is important to highlight their achievements within society.

B. ENVIRONMENT

223. This project is rated in environmental category B as regards OP4.01. SEDGAP would finance construction for the purposes of expansion, rehabilitation and replacement of physical spaces in target schools. No new schools, student hostels, dry latrines and facilities for female teachers' accommodations are to be financed by the proposed project. The majority of activities included in SEDGAP therefore are expected to be associated with minor, if any, environmental impacts.

224. The GoY has prepared and published an Environmental Management Plan (EMP) for the SEDGAP on the basis of lessons learnt of the on-going BEDP. This EMP includes environmental criteria for: the upgrade of existing sanitation with new facilities and/or improvement of sewage systems (no dry latrines) and the procurement of laboratory equipments (including chemical materials) for secondary level students. The EMP also includes an assessment of the application of the EMP procedures and institutional arrangements under the BEDP.

225. Based on the experience of BEDP, SEDGAP would apply similar mitigation measures. Yet, SEDGAP contains a set of activities that would contribute to improve these measures, such as: (i) the carrying-out of more frequent and random visits to project schools by trained GEO/DEO supervisors and engineers to monitor the implementation of the project with respect to the agreed EMP; (ii) the carrying out of trainings to build the capacity of DEO and GEO staff and school principals in school supervision, including environmental aspects; the carrying out of trainings and awareness campaigns for school managers, teachers and social workers in secondary school management that would also include a section on environmental aspects and safety measures for the use of chemicals in class; (iii) the development of guidance manuals for school staff with a section on environmental aspects; (iv) an increasing and more active participation of mothers' and fathers' councils in the selection of sites, maintenance of schools, and utilization of resources by the school community, as a way to improve school quality and environment. This would be achieved through trainings, workshops, and awareness campaigns.

Annex 11: Project Preparation and Supervision

	Planned	Actual
PCN review	07/31/2006	07/05/2006
Initial PID to PIC		11/21/2006
Initial ISDS to PIC		11/20/2006
Appraisal	10/20/2007	12/17/2007
Negotiations	12/03/2007	1/22/2008
Board/RVP approval	03/18/2008	
Planned date of effectiveness	08/01/2008	
Planned date of mid-term review	9/15/2011	
Planned closing date	1/31/2015	

Key institutions responsible for preparation of the project: Ministry of Education

Bank staff and consultants who worked on the project included:

Name	Title	Unit
Ayesha Vawda	Senior Education Specialist, Task Team Leader	MNSHD
Karine Pezzani	Operations Analyst	MNSHD
Shinsaku Nomura	Education Economist	MNSHD
Abdul Rehman Al Sharjabi	Operations Officer	MNSHD
Mikael Mengesha	Senior Procurement Specialist	MNAPR
Ghada Youness	Senior Counsel	LEGMS
Mahmoud Gamal El Din	Senior Operations Officer	MNSHD
Johanne Angers	Institutional Capacity Specialist	AFTH2
Tazeen Fasih	Human Development Economist	HDNED
Maiada Kassem	Financial Management Specialist	MNAFM
Juan Prawda	Education and Project Preparation Specialist	Consultant
Hyacinth Brown	Senior Finance Officer	LOAFC
Laila Hamad	Social Development Specialist	MNSSD
Daniel Dupety	Architect	Consultant
Leo De Feiter	Teacher Professional Development and Curriculum Specialist	Consultant
Asma Al-Hanshali	Program Assistant	MNCYE
John Fitzgibbon	Curriculum Specialist	Consultant
Brigitte Franklin	Program Assistant	MNSHD

Bank funds expended to date on project preparation:

1. Bank resources: US$333,400
2. Trust funds: US$500,000
3. Total: US$833,400

Annex 12: Sector Policy Letter

بسم الله الرحمن الرحيم

REPUBLIC OF YEMEN Ministry Of Planning & International Cooperation **Minister**		الجمهورية اليمنية وزارة التخطيط والتعاون الدولي الوزير

Ref : MPIC/1/7   الرقم ____________

Date: 8/1/2008   التاريخ ____________

Mr. Emmanuel Mbi,
Director
Yemen, Egypt and Djibouti Country Department
Middle East and North Africa Region
Cairo, Egypt
Tel 574-1670/1671
Fax 574-1676

Dear Mr Mbi

Sub: proposed Girl's Secondary Education – Sector Policy Note

The Government of Yemen (GoY), represented by the Ministry of Education (MoE) adopted a National General Secondary Education Strategy (NGSES) in July 2007. The vision of the NGSES is to inculcate "possession of a general secondary education characterized by equity and justice in the provision of education opportunities, goodness in quality, diversification in streams, and enabling the graduates to either pursue their higher education efficiently or join the life of work." The strategic objectives of the NGSES include enhancing equity of access, particularly for girls and developing tailor-made interventions to reduce repetition and dropout; improve the learning achievement and the diversification of academic streams which are relevant to student and labor market needs, strengthen capacity and enhance efficiency of the secondary education system at all levels (central, governorate, district, school and community).

The strategy prioritizes the following challenges to be tackled by the GoY: gender and rural inequity in access; inefficiency of resource use resulting from high repetition and dropout rates, ineffective teacher deployment, poor quality of teaching and low teaching loads; lack of availability of well trained teachers, particularly females in rural areas; weak capacity of principals and supervisors to support teaching and learning, non-availability of modern teaching and learning technologies and processes to benefit learning; inadequacy of the curriculum and its implementation, particularly as regards linkage with higher education; unreliable assessment of teaching and learning processes and lack of

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capacity to undertake assessments (in school and at national level), and the lack of financing from the private sector to support secondary education delivery.

The GoY has embarked on a large number of reforms to address the issues constraining quality education service delivery. Some notable recent reforms include: (i) Cabinet Decree No. 167 (2006) linking the post of the teacher to the school rather than to the individual, which is expected to counter one of the significant challenges of providing teachers in rural areas on a sustainable basis, aggravated for female teachers and therefore affecting girls' education significantly; (ii) Cabinet Decree No. 29 (2007) linking the job nature allowance of teachers, principals, supervisors, assistants etc. to the post, and cancellation of these allowances in the case of transfer to another position, aiming to support incentives based on the post with the condition of losing such benefits in the case of transfer to another post; (iii) Cabinet Decree No. 209 (2005) basing school establishment and school personnel deployment decisions on school mapping data and technical criteria. Application of this Decree is expected to significantly reduce the inefficiencies resulting from non-objective criteria for school selection, which have hampered the provision of quality secondary education in Yemen.

Education continues to be a priority of the GoY. Nevertheless, in order to achieve the GoY's national secondary education targets as laid out in the NGSES, a resource gap of US$265 million exists between 2008 and 2015.

In order to translate this strategy into a concrete investment, the GoY has developed, together, with key Development Partners (DPs), a Secondary Education Development and Girls Access Program (SEDGAP). The SEDGAP was jointly prepared by a national technical team from the MoE, the World Bank and a group of DPs (Government of the Netherlands, DFID, KfW and GTZ) to achieve the strategic objectives of the NGSES with more emphasis and focus on improving gender equity, quality, and efficiency of secondary education in selected districts with a particular focus on girls in rural areas.

The external contributions available to date for the SEDGAP is about US$ 99.8 million and these funds will include: an IDA Credit of US$20 million, US$13.4 million Government of the Netherlands, US$10.7 million KfW, US$40 million British Government, US$2.7 million equivalent in kind) from GTZ and US$13

REPUBLIC OF YEMEN
Ministry Of Planning &
International Cooperation
Minister

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الوزير

Ref: الرقم
Date: التاريخ

Target districts for intervention represent low performing districts in secondary education where the development impact of the program can be maximized. In comparison to the non-target districts in the target governorates and in comparison to the national average, these districts register, for both male and female students, where relevant: (i) higher levels of inefficiency in terms of repetition and dropout rates (or lower retention rates); (ii) lower gender parity index; (iii) lower secondary GER for, and (iv) poorer G. 9 to 10 transition rates. In order to minimize implementation risks resulting from low capacity and the subsequent need to provide intensive capacity building and monitoring, the target Governorates were selected on the basis of geographical concentration of target districts

The project will be in line with the MoE Annual Work Plan (AWP) and will have four main components as follows:

- Improving equity and reducing gender gaps through demand and supply-side interventions.
- Enhancing the quality of service delivery.
- Supporting Secondary Education Policy Development.
- Project management and monitoring.

Kindly requested to take necessary actions to proceed with negotiations as scheduled.

Thank you for your cooperation and assistance

With best regards

Abdulkarim I. Al-Arhabi
Deputy Prime Minister for Economic Affairs
Minister of Planning & International Cooperation

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Annex 13: Documents in the Project File

Republic of Yemen National General Secondary Education Strategy 2007-2015.

Capacity Assessment Reports:

Al-Shami, Ahmed Mohammed. Final Report of the Diagnostic Study of the Current Situation of the Ministry of Education and its Branches. June 2007.

Cameron, John S., Assessment of Institutional Capacity of Ministry of Education, Governorate and District Offices. March 19, 2004.

Smart, Andy. A Review of curriculum and textbook activities planned under World Bank-funded programs. June 2005.

Smith, Ian. Study on the Capacity of the Ministry of Education to Support the Implementation of the Basic Education Development Strategy. Draft Report. Report for the Second Joint Annual Review, March 2006.

Todd, Mark. Institutional and Capacity Building. Mission Report. February 14-27, 2004.

Report of Field Visit to Hodeida Governorate to Determine Institutional Capacity for the SEDGAP, November 2007.

Financial Management Capacity Assessment (December, 2007)

Project Preparation Studies:

Anzar, Uzma and Qassem, Insaf Abdul. Incentives to Enhance Girls' Secondary Education in Yemen. Strategies and Options. Academy for Educational Development. June 2007.

Bienvenue, Marcos Quality of Secondary Education Program -Development and Delivery in Yemen- Recommendations for the Implementation of the Upcoming Girls' Secondary Education project. September 2007.

Georges, Onsi. Secondary School Survey in Yemen. September, 2007.

Johns, Adele. Teacher Professionalism. September, 2007.

Ragheb, Mohamed. Private Investment in Secondary Education in Yemen. September 2007.

Schellekens, Leo. Secondary Education Implementation Structure and Capacity Building Arrangements. August 2007.

Wakeham, Nigel. Physical Inputs to Improve Access to Secondary Girls' Education in Yemen. Preliminary Report. June 2007.

Other:

Environment Management Plan developed by the GoY (November, 2007).

Education Sector Issues (extract from PAD, October, 2007).

Economic Analysis Probit Study Results (December, 2007).

Development Partner Memorandum of Understanding (draft as of November 20, 2007).

Protocol of Engagement in the SEDGAP (draft, December 2007).

Job Description of the Secondary Education Coordinator of the MoE (December, 2007).

Annex 14: Statement of Loans and Credits

Program ID	FY	Purpose	Original Amount in US$ Millions				Cancel.	Undisb.	Difference between expected and actual disbursements	
			IBRD	IDA	SF	GEF			Orig.	Frm. Rev'd
P089259	2007	RY Rainfed Agriculture and Livestock	0.00	20.00	0.00	0.00	0.00	21.22	2.03	0.10
P086308	2007	RY-Second Vocational Training Program	0.00	15.00	0.00	0.00	0.00	15.43	0.00	0.00
P086886	2006	RY-Fisheries Res. Mngmnt & Conservation	0.00	25.00	0.00	0.00	0.00	25.19	-1.03	0.00
P086865	2006	RY-POWER SECTOR	0.00	50.00	0.00	0.00	0.00	52.07	13.39	0.00
P085231	2006	RY- SECOND RURAL ACCESS	0.00	40.00	0.00	0.00	0.00	34.76	2.20	0.00
P076185	2005	RY-Basic Education Development Program	0.00	65.00	0.00	0.00	0.00	89.61	15.45	0.00
P082976	2004	RY-THIRD PUBLIC WORKS	0.00	45.00	0.00	0.00	0.00	15.38	-0.66	0.00
P082498	2004	RY-SOCIAL FUND FOR DEVELOPMENT III	0.00	60.00	0.00	0.00	0.00	21.33	0.90	0.00
P074413	2004	RY-Groundwater & Soil Conserv Proj	0.00	40.00	0.00	0.00	0.00	24.55	13.29	0.00
P065111	2003	RY-PORT CITIES DEVELOPMENT PROGRAM	0.00	23.40	0.00	0.00	0.00	13.94	10.69	8.91
P064981	2003	RY-SANA'A BASIN WATER MGMNT PROJ	0.00	24.00	0.00	0.00	0.00	17.39	7.31	0.00
P057602	2003	RY URBAN WTR SUPPLY & SANITATION APL	0.00	130.00	0.00	0.00	4.74	83.44	56.30	0.00
P070092	2002	RY TAIZ MUNICIPAL DEV & FLOOD PROTEC	0.00	45.20	0.00	0.00	0.00	3.03	-3.33	-7.24
P076183	2002	RY Higher Education	0.00	5.00	0.00	0.00	0.00	3.94	2.77	-0.32
P043254	2002	RY-Health Reform Support Proj (HRSP)	0.00	27.53	0.00	0.00	0.00	16.12	6.92	-4.16
P062714	2001	RY-IRRIGATION IMPROVEMENT	0.00	21.30	0.00	0.00	0.00	6.59	3.99	2.81
P005906	2001	RY-RURAL WATER SUPPLY & SANITATION	0.00	20.00	0.00	0.00	0.00	3.64	0.45	-1.24
P050706	2000	RY-CIVIL SERVICE MODERN	0.00	30.00	0.00	0.00	0.00	11.31	8.27	0.00
		Total:	0.00	686.43	0.00	0.00	4.74	458.94	138.94	- 1.14

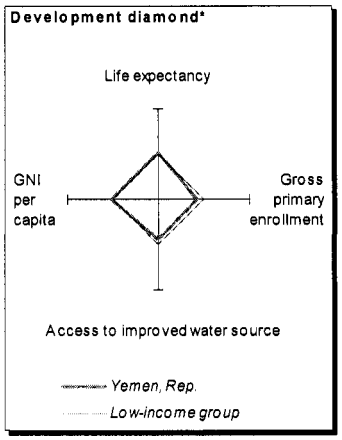
IFC's Held and Disbursed Portfolio (in Millions of US Dollars)

FY Approval	Company	Committed				Disbursed			
		Loan	Equity	Quasi	Partic.	Loan	Equity	Quasi	Partic.
1999	ACSM	6.37	0.00	0.00	0.00	6.37	0.00	0.00	0.00
2002	Ahlia Water	1.36	0.00	0.00	0.00	1.36	0.00	0.00	0.00
2006	NCC Yemen	35.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total portfolio:	42.73	0.00	0.00	0.00	7.73	0.00	0.00	0.00

FY Approval	Company	Approvals Pending Commitment			
		Loan	Equity	Quasi	Partic.
2006	has	0.00	0.00	0.00	0.00
2006	Ras Issa	0.05	0.00	0.00	0.17
	Total pending commitment:	0.05	0.00	0.00	0.17

Annex 15: Country at a Glance

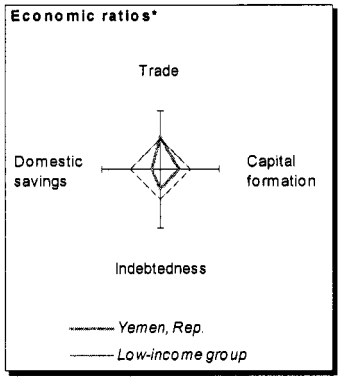
POVERTY and SOCIAL	Yemen	M. East & North Africa	Low-income
2005			
Population, mid-year *(millions)*	21.0	305	2,353
GNI per capita *(Atlas method, US$)*	600	2,241	580
GNI *(Atlas method, US$ billions)*	12.6	685	1,364
Average annual growth, 1999-05			
Population *(%)*	3.1	1.9	1.9
Labor force *(%)*	4.1	3.5	2.3
Most recent estimate (latest year available, 1999-05)			
Poverty *(% of population below national poverty line)*	..	..	..
Urban population *(% of total population)*	27	57	30
Life expectancy at birth *(years)*	61	69	59
Infant mortality *(per 1,000 live births)*	82	44	80
Child malnutrition *(% of children under 5)*	46	13	39
Access to an improved water source *(% of population)*	67	89	75
Literacy *(% of population age 15+)*	..	72	62
Gross primary enrollment *(% of school-age population)*	87	103	104
Male	102	106	110
Female	72	100	99



KEY ECONOMIC RATIOS and LONG-TERM TRENDS

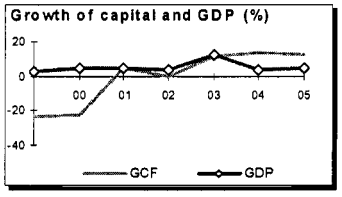
	1985	1995	2004	2005
GDP *(US$ billions)*	..	4.2	12.9	14.5
Gross capital formation/GDP	..	21.9	16.9	17.2
Exports of goods and services/GDP	..	50.7	25.1	22.4
Gross domestic savings/GDP	..	14.6	8.6	7.3
Gross national savings/GDP	..	20.0	11.4	7.0
Current account balance/GDP	..	4.3	-1.1	-2.0
Interest payments/GDP	..	0.6	0.5	..
Total debt/GDP	..	146.8	42.5	..
Total debt service/exports	..	3.1	5.0	..
Present value of debt/GDP	..	..	29.6	..
Present value of debt/exports	..	..	84.9	..

	1985-95	1995-05	2004	2005	2005-09
(average annual growth)					
GDP	5.3	5.4	3.2	4.2	..
GDP per capita	0.5	2.2	0.0	1.0	..
Exports of goods and services	42.3	1.3	-1.4	1.4	..

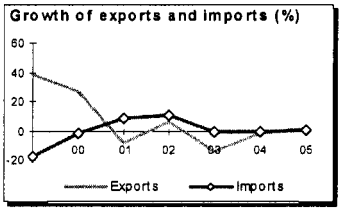


STRUCTURE of the ECONOMY

	1985	1995	2004	2005
(% of GDP)				
Agriculture	..	20.0	13.7	12.9
Industry	..	32.0	37.3	35.4
Manufacturing	..	14.1	4.9	4.6
Services	..	48.0	49.0	51.8
Household final consumption expenditure	..	71.1	78.5	79.8
General gov't final consumption expenditure	..	14.4	13.0	12.9
Imports of goods and services	..	58.0	33.5	32.3



	1985-95	1995-05	2004	2005
(average annual growth)				
Agriculture	4.6	5.7	4.7	5.1
Industry	5.9	3.1	5.0	2.0
Manufacturing	4.9	0.9	5.3	5.7
Services	5.3	5.2	-14.6	6.8
Household final consumption expenditure	2.7	5.8	1.5	1.4
General gov't final consumption expenditure	2.0	4.8	0.7	5.6
Gross capital formation	16.0	1.6	13.0	12.0
Imports of goods and services	28.9	0.3	-0.6	0.5



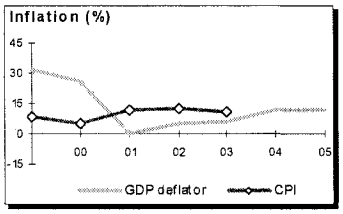
Note: 2005 data are preliminary estimates.

This table was produced from the Development Economics LDB database.

*The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

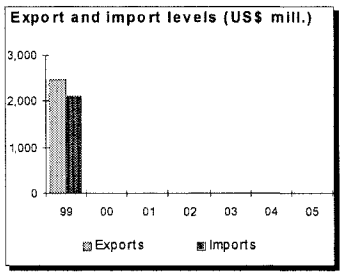
PRICES and GOVERNMENT FINANCE

	1985	1995	2004	2005
Domestic prices				
(%change)				
Consumer prices	..	55.1	..	..
Implicit GDP deflator	..	50.7	11.8	11.4
Government finance				
(%of GDP, includes current grants)				
Current revenue	..	17.3	..	..
Current budget balance	..	-2.0	..	..
Overall surplus/deficit	..	-5.2	..	..



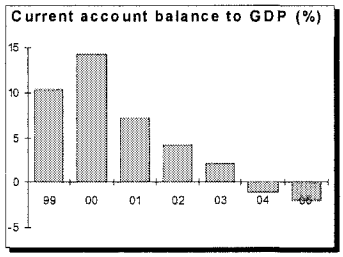
TRADE

	1985	1995	2004	2005
(US$ millions)				
Total exports (fob)	..	1,980	..	..
Crude oil (government share)	..	777	..	..
Crude oil (company share)	..	957	..	..
Manufactures	..	23	..	..
Total imports (cif)	..	1,831	..	..
Food	..	753	..	..
Fuel and energy	..	116	..	..
Capital goods	..	339	..	..
Export price index *(2000=100)*	..	..	..	..
Import price index *(2000=100)*	..	..	..	..
Terms of trade *(2000=100)*	..	..	..	..



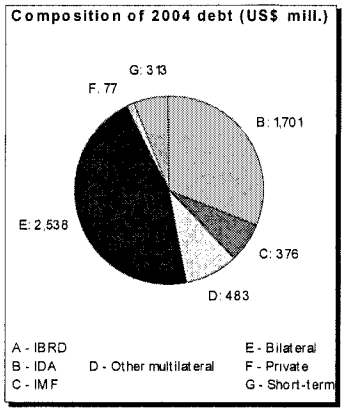
BALANCE of PAYMENTS

	1985	1995	2004	2005
(US$ millions)				
Exports of goods and services	..	2,160	2,954	2,840
Imports of goods and services	..	2,471	3,938	4,090
Resource balance	..	-311	-984	-1,249
Net income	..	-561	-459	-382
Net current transfers	..	1,056	1,306	1,336
Current account balance	..	184	-137	-295
Financing items (net)	..	-444	211	465
Changes in net reserves	..	260	-74	-170
Memo:				
Reserves including gold *(US$ millions)*	..	622	4,713	4,543
Conversion rate *(DEC, local/US$)*	..	12.17	184.8	191.5



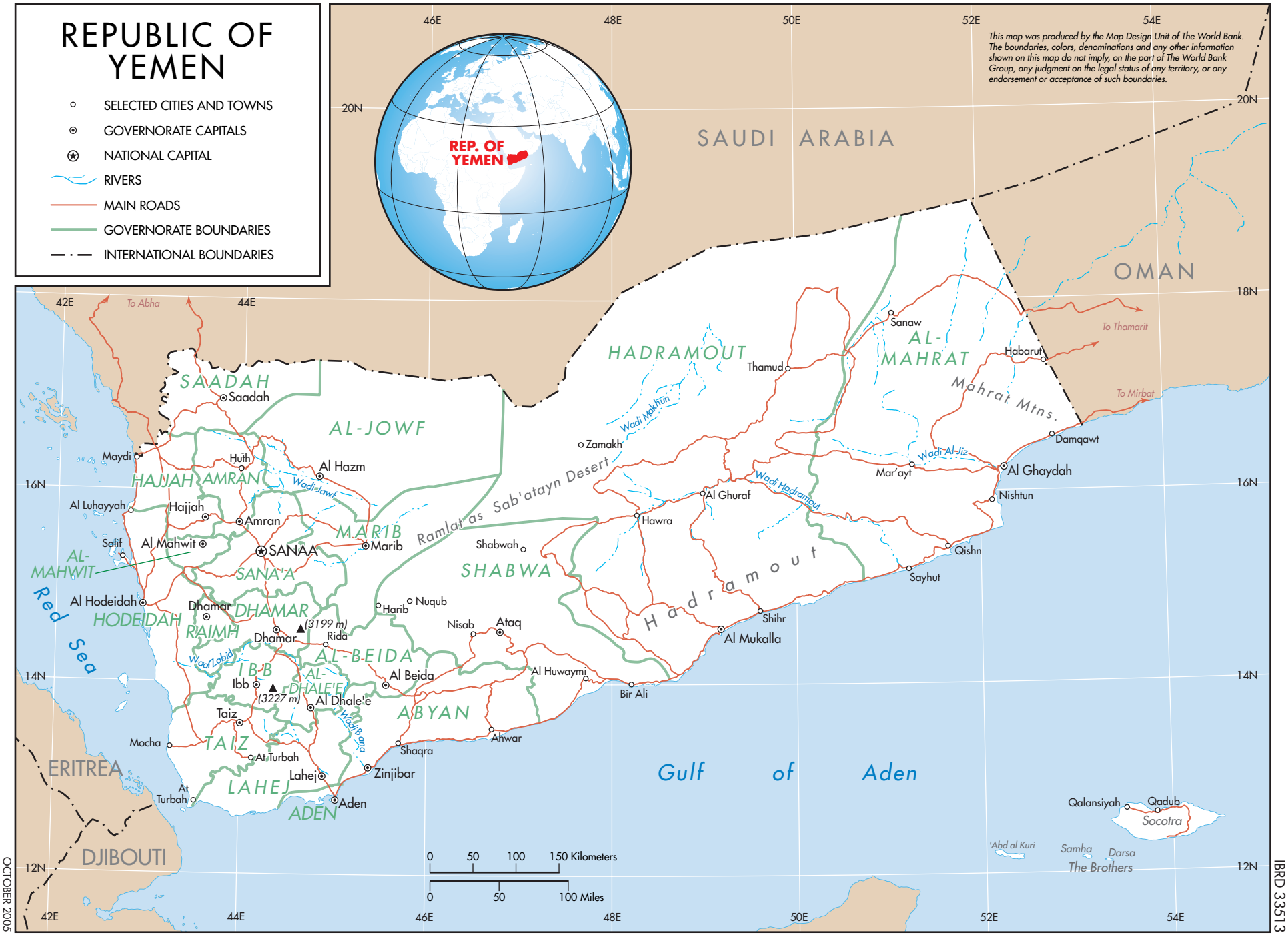
EXTERNAL DEBT and RESOURCE FLOWS

	1985	1995	2004	2005
(US$ millions)				
Total debt outstanding and disbursed	3,339	6,217	5,488	..
IBRD	0	0	0	0
IDA	348	828	1,701	1,689
Total debt service	131	102	223	..
IBRD	0	0	0	0
IDA	4	14	41	42
Composition of net resource flows				
Official grants	208	92	172	..
Official creditors	202	55	44	..
Private creditors	6	-2	0	..
Foreign direct investment (net inflows)	3	-218	144	..
Portfolio equity (net inflows)	0	0	0	..
World Bank program				
Commitments	44	0	210	..
Disbursements	45	42	92	129
Principal repayments	1	8	26	27
Net flows	44	34	66	102
Interest payments	3	6	15	15
Net transfers	41	28	52	87



Note: This table was produced from the Development Economics LDB database. 8/13/06

MAP SECTION


REPUBLIC OF YEMEN
SELECTED CITIES AND TOWNS
GOVERNORATE CAPITALS
NATIONAL CAPITAL
RIVERS
MAIN ROADS
GOVERNORATE BOUNDARIES
INTERNATIONAL BOUNDARIES
REP. OF YEMEN
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SAUDI ARABIA
OMAN
ERITREA
DJIBOUTI
Red Sea
Gulf of Aden
SAADAH
AL-JOWF
HADRAMOUT
AL-MAHRAT
HAJJAH
AMRAN
MA'RIB
SANA'A
AL-MAHWIT
HODEIDAH
RAIMH
DHAMAR
SHABWA
IBB
AL-BEIDA
AL-DHALE'E
TAIZ
ABYAN
LAHEJ
ADEN
Ramlat as Sab'atayn Desert
Hadramout
Mahrat Mtns.
Wadi Mukhtin
Wadi-Jawf
Wadi Labid
Wadi Bana
Wadi-Al-Jiz
Wadi Hadramout
Saadah
Maydi
Huth
Al Hazm
Hajjah
Amran
Al Luhayyah
Salif
Al Mahwit
SANAA
Marib
Shabwah
Al Hodeidah
Dhamar
Harib
Nuqub
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(3199 m)
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(3227 m)
Al Beida
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Al Huwaymi
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Shaqra
Ahwar
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Aden
Bir Ali
Shihr
Al Mukalla
Sayhut
Qishn
Nishtun
Al Ghaydah
Damqawt
Mar'ayt
Al Ghuraf
Hawra
Zamakh
Thamud
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