
GRANT NUMBER D764-RY

Financing Agreement

(Restoring Education and Learning Project)

between

WORLD FOOD PROGRAMME

(for the benefit of the Republic of Yemen)

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER D764-RY

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between the WORLD FOOD PROGRAMME (for the benefit of the Republic of Yemen) (“WFP” or “Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the project as described in Schedule 1 to the Agreement (“Project”), upon the terms and conditions set forth in this Agreement.

WHEREAS: (A) the Recipient, United Nations Children’s Fund (“UNICEF”) and Save the Children Fund intend to jointly implement the Project as recipients of the respective grants made by the Association to finance the Project, to address immediate needs of the education sector in the Republic of Yemen, and in view of the ongoing conflict situation within the Republic of Yemen;

(B) pursuant to the Basic Agreement between the Recipient and the Republic of Yemen dated June 6, 2006, the Recipient and the Republic of Yemen agreed to cooperate in the program areas associated with humanitarian and food aid operations, consistent with the relevant resolutions, decisions, regulations and rules and policies of the competent organs of the United Nations, including the Executive Board of the Recipient;

(C) the Recipient, having satisfied itself as to the feasibility and priority of the Project, by a letter dated November 18, 2020, the Recipient, through UN Office of the Resident and Humanitarian Coordinator for the Republic of Yemen requested the Association to assist in financing Part 1(b) of the Project (Recipient’s “Respective Part of the Project”); and

WHEREAS the Association has agreed, on the basis, *inter alia*, of the foregoing, to extend to the Recipient a grant for the benefit of the Republic of Yemen upon the terms and conditions set forth in this Agreement.

The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. The Financial Management Framework Agreement (“FMFA”) (as defined in the Appendix to this Agreement) constitutes an integral part of this Agreement. Without limitation to the provisions of the FMFA, in respect to the Recipient:
 - (a) all references in the FMFA to “Letter Agreement(s)” shall be references to this Agreement;

- (b) all references to “Trust Fund Grant(s)” shall be references to the Financing referred to in Section 2.01 of this Agreement;
 - (c) all references to “the UN” and to a “UN Organization”, including in particular reference in Section 7 of the FMFA, shall be references to “World Food Programme”;
 - (d) all references to “the UN Controller” shall be references to the “Director, Corporate Finance Division, World Food Programme”;
 - (e) all references to the “UN Financial Regulations” shall be references to the “WFP Financial Regulations and Rules”; and
 - (f) all references to the “Parties” in Section 11 of the FMFA shall be a reference to the “Association” and the “World Food Programme” or, alternatively, to the “Association” on the one hand and the “United Nations Secretariat”; and all “UN Organisations” (as that term is defined in the FMFA) on the other, if a satisfactory consolidated review mechanism is established.
- 1.03. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to thirty-three million one hundred thousand Special Drawing Rights (SDR 33,100,000) (“Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. The Recipient’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Representative and Country Director, WFP Country Office in the Republic of Yemen.

ARTICLE III — PROJECT

- 3.01 The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out its Respective Part of the Project in accordance with the provisions of Article V of the General Conditions, the FMFA and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) if, by notice sent to the Recipient pursuant to sub-paragraph (iv) of paragraph 9 of the FMFA, the Association confirms that it reasonably believes the actions taken previously in accordance with said paragraph 9 have not been sufficient to fulfill its fiduciary obligation to ensure that the proceeds of the Financing were used for Eligible Expenditures; or
 - (b) if, by notice sent to the Recipient pursuant to sub-paragraph (iii)(a) of paragraph 10 of the FMFA, the Association confirms that alternative financial management arrangements mutually acceptable to the Association and the Recipient were not reached within the period stipulated therein; or
 - (c) if, the Association determines at any time that a reference in either paragraph 1 or paragraph 4 of Section II.B of Schedule 2 to this Agreement to the WFP Financial Regulations and Rules is incomplete or inaccurate in any material respect; or
 - (d) if, the Association for any reason revokes the application of the Alternative Procurement Arrangements set forth in Section III.1 of Schedule 2 to this Agreement.

ARTICLE V — EFFECTIVENESS

- 5.01. This Agreement shall become effective as of the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. Except as provided in Section 2.02 of this Agreement, the Recipient's Representative is the Country Representative for Yemen.
- 6.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient's address is:

World Food Programme
Diplomatic Area, Nowakshot St, House No 22
P.O. Box 7181
Sana'a
Yemen
(Attention: The Representative and Country Director)

With a copy to:

World Food Programme
Via Cesare Giulio Viola 68/70
00148 Rome
Italy

(Attention: The Director, Corporate Finance Division)

(b) the Recipient's Electronic Address is:

Facsimile: +967 1 205515

E-mail: Laurent.Bukera@wfp.org
Rasmus.Egental@wfp.org

(Attention: The Representative and Country Director)

(Attention: The Director, Corporate Finance Division)

6.03. For purposes of Section 11.01 of the General Conditions:

(a) the Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI) or 64145(MCI)	1-202-477-6391

AGREED as of the Signature Date.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:



Authorized Representative

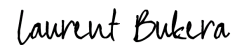
Name: Marina wes

Title: Country Director

Date: 05-Jan-2021

WORLD FOOD PROGRAMME

By:



Authorized Representative

Name: Laurent Bukera

Title: WFP Yemen Country Director

Date: 06-Jan-2021

SCHEDULE 1

Project Description

The objective of the Project is to maintain access to basic education, improve conditions for learning and strengthen education sector capacity in selected districts of the Republic of Yemen.

The Project consists of the following parts:

Part 1: Priority Interventions to Sustain Access and Ensure Learning

Improve functioning of schools in Target Districts by:

- (a) Provision of: (i) Training to teachers in schools to ensure quality teaching and learning in classrooms, (ii) Performance-Based Payments (“PBP”) to teachers on school payroll and temporary teachers hired on *ad hoc* basis (“PBP Beneficiary”); and (iii) monetary allowance to rural female teachers.
- (b) Carrying out feeding programs of students in schools.
- (c) Developing, procuring and distributing learning materials to students and teachers.
- (d) Distributing basic school supplies.
- (e) Improving school infrastructure, including, *inter alia*, through rehabilitating water and sanitation facilities, minor classroom repair, and establishing temporary learning facilities.

Part 2: Strengthening Local Capacity and System Resilience

1. **Alternative Learning**

Establish alternative learning programs through:

- (a) Development and rollout of alternative learning programs, including, *inter alia*, distance learning programs, self-education home-based programs, and remedial programs;
- (b) Scaling-up the use of education technologies (including, *inter alia*, TV and radio) to complement learning in schools in Target Districts.

2. **Strengthening Local Capacity for Managing Education**

- (a) Strengthen the capacity of education officials at MOE, governorates and district level by:
 - (i) Conducting a comprehensive education management capacity assessment.
 - (ii) Training of education officials based on the results of the needs assessment mentioned in (i) above.
 - (iii) Providing basic equipment necessary to strengthen education management and information systems (EMIS) and education officials' administrative capacity, through, *inter alia*, implementation of the EMIS strategic roadmap.
- (b) Strengthen school leadership capacity of school principals and administrators through provision of training required thereof.

Part 3: Project Support, Management, Evaluation and Administration

- (a) Facilitating Project implementation, administration, management monitoring and evaluation audit, compliance with ESCP, including:
 - (i) UNICEF's Direct Cost; (ii) UNICEF's Indirect Cost; and (iii) provision of consultancy services required for technical assistance, implementation support and Third-Party Monitoring for the Project.
- (b) Facilitating implementation, administration, management and monitoring and evaluation of its Respective Part of the Project, including: (i) WFP's Direct Cost; (ii) WFP's Indirect Cost; and (iii) provision of consultancy services required for technical assistance and implementation support for the Project.
- (c) Facilitating implementation, administration, management and monitoring and evaluation of its Respective Part of the Project, including: (i) SC-UK's Direct Cost; (ii) SC-UK's Indirect Cost; and (iii) provision of consultancy services required for technical assistance.

Part 4: Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall carry out its Respective Part of the Project with due diligence and efficiency in conformity with appropriate administrative, financial, technical, Environmental and Social Standards and practices and in accordance with the FMFA, ESCP, and the Project Operations Manual and shall promptly provide the funds, facilities, services and other resources required for its Respective Part of the Project.
2. The Recipient shall establish, not later than four (4) months after the Effective Date, and thereafter maintain, throughout the life of the Project, technical and fiduciary focal point staff based in the Recipient's office in the Republic of Yemen which shall be responsible for day-to-day management and implementation of its Respective Part of the Project, including carrying out of core functions, including the technical, fiduciary (*i.e.*, procurement and financial management), monitoring and evaluation aspects of its Respective Part of the Project, and coordination of all field activities, as detailed in the Project Operations Manual.
3. The Recipient shall carry out its supervision and monitoring of its Respective Part of Project activities, in accordance with its own policies and procedures, and shall submit information related to said oversight and monitoring to the Association in the detail and frequency as the Association and Recipient shall agree in writing.

B. Anti-Corruption

1. The Recipient shall carry out its Respective Part of the Project subject to the provisions of the General Conditions and the following undertakings:
 - (a) In the event that the Recipient or the Association becomes aware of information that indicates the need for further scrutiny of the implementation of the Recipient's Respective Part of the Project or any expenditures under the proceeds of the Financing (including non-frivolous allegations that corrupt, fraudulent, collusive or coercive practices were undertaken in relation to any activity under the Recipient's Respective Part of the Project), the Recipient or the Association, as the case may be, shall promptly bring such information to the attention of the appropriate official or officials of the other party, as designated from time to time by each party by written notice to the other party.
 - (b) Without limitation to paragraph (a) above, concurrently with submission of a Project Report under Section II.A, the Recipient's Office of the

Inspector General shall submit to the World Bank Group's Integrity Vice Presidency a statement confirming whether or not, during the reporting period of the Project Report, Recipient has received any non-frivolous allegations referred to in paragraph (a) above, and a brief description of any such allegations received. The information provided in such statement shall be governed by the procedures outlined in the memorandum of understanding between the Recipient and the World Bank Group dated October 21, 2019.

- (c) Following consultation between the Recipient and the Association, the Recipient will, to the extent the information relates to actions within the authority or accountability of the Recipient, take timely and appropriate action in accordance with its accountability and oversight framework, including applicable regulations, rules, and administrative instructions, to investigate this information. For greater clarity on this matter, the Recipient and the Association agree and acknowledge that the Recipient has no authority over, and accordingly shall have no responsibility to investigate, any government official or officials or consultants of the Association.
 - (d) To the extent such investigation confirms the allegations and to the extent that remedial action is within the authority of the Recipient, the Recipient will take timely and appropriate action in response to the findings of such investigation, in accordance with the Recipient's Regulations and Rules.
 - (e) To the extent consistent with the Recipient's Regulations and Rules, it will keep the Association regularly informed by agreed means of actions taken pursuant to Section I.B.1(c) immediately above, and the results of the implementation of such actions, including where relevant, details of any recovery of funds or writing-off of losses. The Recipient will use its best efforts, consistent with its regulations, rules, policies and procedures to recover any funds misused. The Recipient will, in consultation with the Association, credit any funds so recovered to the Association or agree with the Association to use these funds for a purpose mutually agreed upon.
2. In the event that the Association reasonably believes that timely and appropriate action has not been taken by the Recipient under Section I.B.1 above, the Association may request direct consultations at a senior level between the Association and the Recipient in order to obtain assurances that the Recipient's oversight and accountability mechanisms have been and are being fully applied in connection with such allegations. The Recipient and the Association take note of the provisions of Article VIII of the United Nations Financial Regulations and Rules and the Recipient's relevant provisions in WFP's Financial Regulations and Rules.
 3. The Association may, following consultation with the Recipient, by notice to the Recipient, suspend the right of the Recipient to make further withdrawals of the proceeds

of the Financing if the Association confirms that it reasonably believes the actions taken by the Recipient under Section I.B.1 above have not been sufficient to fulfill its fiduciary obligation with respect to the Financing.

4. The Association has the right and authority, pursuant to the Anti-Corruption Guidelines, to investigate allegations or other information relating to possible corrupt, fraudulent, coercive, or collusive practices (as defined in Section I.B.7 below) by any third-party, and to sanction any such third-party which the Association has determined to have engaged in such practices; provided, however, that in this Section “third-party” does not include the Recipient. To the extent consistent with the Recipient’s Regulations and Rules, and if requested by the Association, the Recipient shall cooperate with the Association in the conduct of such investigations.
5. Without limitation to the provisions of paragraph B.1 of this Section, the Association retains the right to conduct an investigation in connection with the information referred to in paragraph B.1(a) of this Section and any information provided to the Recipient regarding allegations of corrupt, fraudulent, coercive, or collusive practice in connection with the bidding process, the award, or implementation of any contract to be or being financed out of the proceeds of the Financing, except that the Association may not investigate the Recipient or other UN agency. In all such investigations, the Recipient agrees to facilitate such investigations, to the extent consistent with the Recipient’s Regulations and Rules.
6.
 - (a) The Recipient will require any third-party commercial entity with which it has a long-term arrangement or to which it intends to issue a purchase order or a contract financed with the proceeds of the Financing to disclose to the Recipient whether it is subject to any sanction or temporary suspension imposed by any organization within the World Bank Group. The Recipient will give due regard to such sanctions and temporary suspensions, as disclosed to it when issuing contracts during the Project implementation.
 - (b) If the Recipient intends to issue a contract in connection with its Respective Part of the Project with a party that has disclosed to the Recipient that it is under sanction or temporary suspension by the World Bank Group, the following procedure will apply: (i) the Recipient will so inform the Association, before signing such contract; (ii) the Association then may request direct consultations at a senior level, if required, between the Association and the Recipient to discuss the Recipient’s decision; and (iii) if after such consultation, the Recipient elects to proceed with the issuance of the contract, the Association may inform the Recipient by notice, that the proceeds of the Financing may not be used to fund such contract.

- (c) Any portion of the proceeds of the Financing received by the Recipient under this Agreement that may have been used to fund a contract in respect of which the World Bank Group has exercised its right under paragraph 6(b)(iii) immediately above, shall be used to defray the amounts requested by the Recipient in any subsequent Withdrawal Application, if any, or will be treated as a balance in favor of the Recipient in the calculation of the final balances prior to the Closing Date.
7. For the purposes of the provisions of this Section I.B, the following definitions of sanctionable practices shall apply:
- (a) “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - (b) “fraudulent practice” is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
 - (c) “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party; and
 - (d) “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

C. Project Operations Manual

1. The Recipient shall adopt, within four (4) months of the Effective Date, and thereafter carry out its Respective Part of the Project in accordance with the project operations manual (“Project Operations Manual”), setting forth rules, methods, guidelines, and procedures for the carrying out of the Project, including, *inter alia*:
 - (a) detailed description of its Respective Part of the Project and institutional arrangements for implementing its Respective Part of the Project; and
 - (b) monitoring, evaluation, reporting, and governance procedures for the Project.
2. In the event that any provision of the POM shall conflict with any provision of this Agreement, the provisions of this Agreement shall prevail.
3. The Recipient shall ensure that the parts of the POM pertinent to Parts of the Project implemented by Recipient are not amended without the prior written agreement of the Association.

D. Annual Work Plan and Budget

1. The Recipient shall prepare and furnish to the Association, not later than January 31 of each year, starting calendar year 2021, an Annual Work Plan and Budget containing all activities proposed to be included in the Recipient's Respective Part of the Project and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts, sources of financing and eligible costs.
2. The Recipient shall to afford the Association a reasonable opportunity to exchange views on such proposed Annual Work Plan and Budget and thereafter ensure that the Relevant Parts of the Project are implemented in accordance with such Annual Work Plan and Budget as shall have been agreed to by the Recipient and the Association.
3. The Recipient may revise Annual Work Plans and Budgets as needed during implementation of the Recipient's Respective Part of the Project subject to the Association's prior written approval.

E. Environmental and Social Standards

1. The Recipient shall ensure that its Respective Part of the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that its Respective Part of the Project are implemented in accordance with the ESCP, in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds from the Financing are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. Without limitation upon the provisions of paragraph 2 above, if sixty (60) days prior to the Closing Date, the Association determines that there are measures and

actions specified in the ESCP which will not be completed by the Closing Date, the Recipient shall: (a) not later than thirty (30) days before the Closing Date, prepare and present to the Association, an action plan satisfactory to the Association on the outstanding measures and actions, including a timetable and budget allocation from the Financing for such measures and actions (which action plan shall be deemed to be considered an amendment of the ESCP); and (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Association.

4. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
5. The Recipient shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any Significant Event related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
6. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of its Respective Part of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester, or with such frequency as the Association and the Recipient shall agree in writing. The Recipient shall ensure that each Project Report contains an update on the implementation of the activities under the Procurement Plan.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall maintain a financial management system, including records and accounts, adequate to reflect the transactions related to its Respective Part of the Project, in accordance with the applicable policies, procedures, and guidance otherwise referred to as WFP's Financial Regulations and Rules. In accordance with Article 10 of the FMFA, the Recipient shall notify the Association of any changes to these WFP's Financial Regulations and Rules, that occur after the signing of this agreement within thirty (30) days of the effectiveness of such changes, and shall make such WFP Financial Regulations and Rules available on the Recipient's external website.
2. The Recipient shall maintain records ("Ledger Account") and accounts that provide a complete, true and faithful record of all the expenditures from the proceeds of the Financing and of all the expenditures paid from such proceeds, in a manner that allows for the clear and separate identification of the activities financed by the Association.
3. The Recipient will prepare periodic financial statements in accordance with its Financial Regulations and accounting standards acceptable to the Association. The financial statements will be submitted to the Association in accordance with the provisions of Section II. Financial Reports and Audits of the Disbursement and Financial Information Letter referred to in Section IV(A).
4. The Recipient shall ensure that the audit of its Respective Part of the Project is:
(a) carried out exclusively by WFP's Financial Regulations and Rules; and
(b) governed by the FMFA. In addition, as agreed by the Recipient and the Association, the Recipient shall carry out any additional due diligence activities as agreed by the Recipient and the Association in separate terms of reference.
5. The Recipient shall retain, and cause its implementing partners to retain, until at least one year or pursuant to the standard practice of the Recipient, whichever is longer, after the Association has received the final interim unaudited financial report referred to in the Disbursement and Financial Information Letter referenced in Section IV(A) all records (contracts, orders, invoices, bills, receipts and other documents)

evidencing all expenditures in respect of which withdrawals of the proceeds of the Financing were made.

C. Cooperation with Third-Party Monitoring Agent(s)

The Recipient shall cooperate with Third-Party Monitoring Agents recruited under the Project for purposes of Third-Party Monitoring of Project implementation, and enable such external monitoring agents to: (a) to visit any facilities and sites included in its Respective Part of the Project; and (b) to examine the goods financed out of the proceeds of the Financing, and any documents relevant to the performance of its obligations under this Agreement. The terms of any such Third-Party Monitoring activities shall be agreed upon in advance by the Parties and any costs associated with the Recipient's required cooperation therewith shall be funded by the Financing. Nothing in the foregoing provision shall be construed as granting audit access to any such Third-Party Monitoring Agents or the Association hereunder.

Section III. Procurement

1. All goods, non-consulting services and consulting services required for the Recipient's Respective Part of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the applicable procurement policies, procedures, regulations and practices of the Recipient, as such procurement policies, procedures, regulations and practices have been assessed and found to be acceptable by the Association, and the Procurement Plan, found to be satisfactory to the Association as part of the Annual Work Plan and Budget.
2. If the Association determines that the procurement policies, procedures, regulations, or practices of the Recipient have been modified, suspended, or waived such that they are no longer acceptable to the Association, the Association may, in addition to the Association's other rights under the Agreement, revoke the procurement provisions set out in paragraph 1 of this Section III.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Teacher Related Payments under Parts 1(a)(ii) and 1(a)(iii) of the Project	0	100%
(2) Goods, works, non-consulting services, and consulting services for Parts 1(d), 1(e) and 3(a)(iii) of the Project	0	
(3) UNICEF's (a) Direct Cost under Part 3(a)(i) of the Project (b) Indirect Cost (5%) under Part 3(a)(ii) of the Project	0	
(4) Goods, non-consulting services, and consulting services for Parts 1(b) and 3(b)(iii) of the Project	28,365,000	
(5) WFP's (a) Indirect Cost (4%) under Part (b)(ii) of the Project (b) Direct Cost under Part 3(b)(i) of the Project	(a) 1,273,000 (b) 3,462,000	
(6) Goods, non-consulting services, and consulting services for Parts 1(a)(i), 1(c), 2.1, 2.2(b) and 3(c)(iii) of the Project	0	
(7) SC-UK's	0	

(a) Indirect Cost (11%) under Part 3(c)(ii) of the Project		
(b) Direct Cost under Part 3(c)(i) of the Project		
TOTAL AMOUNT	33,100,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made for payments made prior to the Signature Date.
2. All withdrawals shall be made on the basis of the interim unaudited financial reports referred to in Section II.B.3 of this Schedule and under such other terms and conditions as the Association shall specify by notice to the Recipient contained in the Disbursement and Financial Information Letter addressed or to be addressed by the Association to the Recipient for purposes of the Financing.
3. Without prejudice to the provisions of Section 8.07 of the General Conditions, in the event that the Association requests a refund of any portion of the proceeds of the Financing that has been used in a manner inconsistent with the provisions of this Agreement, the Association and the Recipient will adopt the procedures set forth in paragraph 9 of the FMFA.
4. (a) It is understood that the Recipient shall not be responsible for, and shall have no obligation to initiate or continue implementation of, the pertinent activities under the Recipient's Respective Part of the Project unless the proceeds of the Financing allocated to such activities have been made available to the Recipient.

(b) Notwithstanding any suspension of the Financing or any portion of the Financing under this Agreement, the Association will make available to the Recipient the portion of the proceeds of the Financing required to meet the obligations entered into by the Recipient prior to the date on which the Recipient shall have received the notice of suspension.
5. The Closing Date is December 16, 2024.

APPENDIX

Section I. Definitions

1. “Alternative Procurement Arrangements” means the procurement arrangements set forth in Section III of Schedule 2 to this Agreement, as permitted by the Association’s *Procurement Regulations for IPF Borrowers*, dated July 2016 and revised November 2017 and August 2018.
2. “Anti-Corruption Guidelines” means for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Direct Cost(s)” means the actual cost of the Recipient that can be directly traced to the deliverables and technical output on account of project management and supervision under its Respective Part of the Project, excluding Operating Costs.
5. “Eligible Crisis or Emergency” means the occurrence of a natural disaster, crises or an event of emergency within the territory of the Republic of Yemen or regarding which either the Republic of Yemen, the international community or the United Nations has issued an emergency declaration.
6. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated November 29, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
7. “Environmental and Social Standards” or “ESSs” means, collectively:
 - (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”;
 - (ii) “Environmental and Social Standard 2: Labor and Working Conditions”;
 - (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”;
 - (iv) “Environmental and Social Standard 4: Community Health and Safety”;
 - (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”;
 - (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural

Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

8. “Financial Management Framework Agreement” or “FMFA” means the Financial Management Framework Agreement between the World Bank and WFP, dated March 10, 2006. For purposes of the FMFA, the “World Bank” means the Association and the International Bank for Reconstruction and Development.
9. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020), with the modifications set forth in Section II of this Appendix.
10. “Indirect Cost(s)” means the indirect costs incurred by Recipient as a function and in support of the Project, which cannot be traced unequivocally to the deliverables and technical output of the Project.
11. “MOE” means “Ministry of Education” or its legal successor, in the Republic of Yemen.
12. “Operating Costs” means, for the purpose of the Recipient’s Respective Part of the Project, the reasonable incremental costs incurred on account of Project implementation, including, vehicle rental, operation, maintenance and repair, community-based services, supervision and monitoring costs, rental of office space and equipment maintenance and repair, utilities, communication charges, bank charges, communication, translation and interpretation, *per diems* and in-country transportation or travel allowances, salaries of contracted employees (but excluding the salaries of the Republic of Yemen civil service).
13. “PBP Beneficiary” means teachers on the official school payroll and temporary teachers hired on an *ad hoc* basis eligible to receive Performance Based Payments under Part 1(a)(ii) of the Project.
14. “Procurement Plan” means the Recipient’s procurement plan for the containing a description of Recipient’s procurement activities, as the same shall be updated from time to time with the concurrence of the Association.
15. “Project Operations Manual” means the manual, agreed to by the Association and Recipient, and referred to in Section I.C of Schedule 2 to this Agreement, as the same may be amended from time to time with agreement of the Association.

16. “Recipient’s Regulations and Rules”, means WFP’s General Regulations and General Rules, Financial Regulations and Financial Rules, internal policies, circulars, directives, manuals, procedures, internal practices, and legal framework, including, *inter alia*, the Memorandum of Understanding dated October 21, 2019, between Recipient’s Office of the Inspector General and the World Bank Group’s Integrity Vice Presidency, as applicable.
17. “Respective Part of the Project” means Part 1(b) under Schedule 1 of this Agreement.
18. “SC-UK” means Save the Children Fund, a limited liability and registered charity, with charity number 213890.
19. “Signature Date” means the latest of the two dates on which the Recipient and the Association signed this Agreement and such definition applied to all references to “the date of the Financing Agreement” in the General Conditions.
20. “Significant Event” means any significant social, labor, health and safety, security or environmental incident, accident, or circumstance directly involving Recipient’s Respective Part of the Project, including without limitation, explosions, spills, and any workplace accidents that result in death or serious injuries, and any violent and exceptional labor incident or dispute involving the Recipient or security forces in the Recipient’s Respective Part of the Project area, and local communities or any gender-based violence, sexual exploitation or abuse suffered by beneficiaries receiving education services under the Project or any other event which has had or could reasonably be expected to have a material adverse effect on the implementation or operation of the Recipient’s Respective Part of the Project in accordance with the ESMF.
21. “Target District” means the districts and governorates where Part 1 of the Project is being carried out a list of which is subject to agreement with Association and revisions per the agreed upon methodology with the Association, with the Association’s prior written approval.
22. “Third-Party Monitoring” means monitoring activities of the Recipient (including, *inter alia*, periodic site visits, assessment of local context and conditions, interviews, awareness raising, training and preparation of reports) to be carried out by a Third-Party Monitoring Agent with the purpose of carrying out satisfactory monitoring and evaluation of the activities of the Project in the areas where the Recipient has limited or no access due to the current conflict situation in the territory of the Republic of Yemen.
23. “Third-Party Monitoring Agent” means a firm or organization, with internationally recognized expertise in monitoring and evaluation of development projects, including for financial management, procurement, and environmental safeguards

aspects of such development projects, to be engaged from the Financing for carrying out Third-Party Monitoring in accordance with relevant terms of reference developed in consultation with the Association.

24. “World Bank Group” means the Association, the International Bank for Reconstruction and Development, the International Finance Corporation, the International Centre for the Settlement of Investment Disputes, and the Multilateral Investment Guarantee Agency.
25. “WFP Financial Regulations and Rules” means WFP’s Financial Regulations and Financial Rules, as promulgated by the WFP Executive Board in 2019, as may be amended from time to time.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 2.06 (*Financing Taxes*) is deleted in its entirety, and the remaining sections in Article II are renumbered accordingly.
2. The following sections in Article III are deleted in their entirety: Sections 3.02 (*Commitment Charge*), 3.14 (*Place of Payment*), 3.15 (*Currency of Payment*), 3.16 (*Amount of Repayment*), 3.18 (*Manner of Payment*) and 3.19 (*Temporary Currency Substitution*), and the remaining sections are renumbered accordingly.
3. Section 5.07 (*Plans; Documents; Records*), Section 5.09 (*Financial Management, Financial Statements, Audits*), Section 5.13 (*Procurement*) and Section 5.14 (*Anti-Corruption*) are respectively deleted in their entirety, and the remaining sections in Article V are renumbered accordingly.
4. In Section 5.10 (renumbered as Section 5.08) (*Cooperation and Consultation*), paragraph (a) is modified as follows:

“(a) from time to time, at the request of either one of them, exchange views on the Project, the Financing, and the performance of their respective obligations under the Legal Agreement;”
5. In Section 5.11 (renumbered as Section 5.09) (*Visits*), paragraphs (a) and (b) are, respectively, modified to read as follows:

“(a) The Recipient shall take all action necessary or useful to facilitate that the Member Country affords all reasonable opportunity for representatives of the Association to visit any part of their territories for purposes related to the Financing or the Project.”

“(b) The Recipient shall enable the Association’s representatives: (i) to visit any facilities and construction sites included in the Project; and (ii) to examine the goods financed out of the proceeds of the Financing for the Project, and any plants, installations, sites, works, buildings, property, equipment, relevant to performance of its obligations under the Legal Agreement.”

6. Section 6.01 (*Financial and Economic Data*) is deleted in its entirety.
7. Section 8.02(a) (*Payment Failure*) is modified as follows:
 - (a) “Paragraph (a) on *Payment Failure* is replaced with the following: If the Republic of Yemen has failed to make payment (notwithstanding the fact that such payment may have been made by a third-party) of principal, interest, service charges or any other amount due to the Association or the International Bank for Reconstruction and Development (“Bank”): (i) under any agreement between the Republic of Yemen and the Association or the Bank; or (ii) in consequence of any guarantee extended or other financial obligation of any kind assumed by the Association or the Bank to any third-party with the agreement of the Republic of Yemen.”
8. Section 8.02(h) (*Co-financing*) is deleted in its entirety and the remaining sections in Section 8.02 under Article VIII are renumbered accordingly.
9. Sections 9.01 (*Enforceability*), 9.02 (*Failure to Exercise Rights*), and 9.03 (*Arbitration*) under Article IX are, respectively, deleted and replaced with the provisions of Section 21 of the FMFA.
10. Paragraphs 5, 17, 55, 78, 87 and 109 of the Appendix (*Definitions*) are, respectively, deleted in their entirety and the remaining paragraphs in the *Definitions* are renumbered accordingly.
11. Paragraph 79 and 94 (now renumbered as paragraph 75 and 92, respectively) in the Appendix (*Definitions*) is modified as follows:

“79. “Member Country” means the member of the Association in whose territory the Project is carried out or any such member’s political or administrative subdivisions.”

94. “Recipient” means the party to the Financing Agreement to which the Grant is extended.”