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CONFORMED COPY

CREDIT NUMBER 4401 YEM

Financing Agreement

(Secondary Education Development and Girls Access Project)

between

REPUBLIC OF YEMEN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 16, 2008

CREDIT NUMBER 4401 YEM

FINANCING AGREEMENT

AGREEMENT dated June 16, 2008, entered into between REPUBLIC OF YEMEN (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). 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) constitute an integral part of this Agreement.
- 1.02. 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, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twelve million seven hundred and sixty thousand Special Drawing Rights (SDR 12,760,000) (variously, “Credit” and “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.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are April 15 and October 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.07. The Payment Currency is the United States dollars.

ARTICLE III - PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out Parts A.1(b), A.2, B, C and D of the Project through MOE and cause Part A.1(a) of the Project to be carried out by the PMU within MOPIC in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV - REMEDIES OF THE ASSOCIATION

- 4.01. Additional Events of Suspension consist of the following:
- (a) A situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.
 - (b) The Co-financing Agreements shall have failed to become effective by December 31, 2008, or such later date as the Association may agree; provided, however, that the provisions of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Association that adequate funds for the Project are available to the Recipient from other sources on terms and conditions consistent with the obligations of the Recipient under this Agreement.
 - (c) (i) Subject to subparagraph (ii) of this paragraph:
 - (A) the right of the Recipient to withdraw the proceeds of any loan or grant made to the Recipient for the financing of the Project shall have been suspended, canceled or terminated in whole or in part, pursuant to the terms of the agreement providing therefor, or
 - (B) any such credit shall have become due and payable prior to the agreed maturity thereof.

- (ii) Subparagraph (i) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Association that:
(A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Recipient to perform any of its obligations under such agreements; and (B) adequate funds for the Project are available to the Recipient from other sources on terms and conditions consistent with the obligations of the Recipient under this Agreement.

ARTICLE V - TERMINATION

- 5.01. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.

ARTICLE VI - REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is the Minister of Planning and International Cooperation.
- 6.02. The Recipient's Address is:

Ministry of Planning and International Cooperation
P.O. Box 175
Sana'a
Republic of Yemen

Facsimile:

9671 250 665
9671 250 605

- 6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at Washington, District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF YEMEN

By /s/ Abdulwahab Abdulla Al-Hajjri

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Daniela Gressani

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient's Program for improving gender equity, quality, and efficiency of secondary education in selected districts with a particular focus on girls in rural areas within the Project Area.

The Project consists of the following parts:

Part A: Improving Equity and Reducing Gender Gaps

1. Improvement of school facilities including classrooms, science and computer laboratories and multi-purpose rooms through: (a) the carrying out of works for the extension, rehabilitation and upgrading of existing school facilities and provision of school furniture; and (b) the provision of learning equipment and learning materials to upgrade such school facilities.
2. (a) Developing the Operations Manual, conducting awareness campaigns and building capacity at the Governorate, district and community levels to manage supervise and monitor the use of the School Community Grants, through the provision of consultants' services and training; and (b) Provision of School Community Grants to finance targeted incentives which include: (i) subsidies to arrange transportation to school; (ii) financing eligible contractual female staff in co-educational schools; and (iii) conditional cash transfers to girls in grades 4-12 and to boys in grades 10-12 in selected districts within the Project Area.

Part B: Enhancing the Quality of Service Delivery

1. Provision of consultants' services and training for developing capacity building to improve teaching and learning practices in the classroom through: (a) 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; (b) the development and delivery of training to support teachers and school teams, including the connected training and professional development of trainers and supervisors; (c) the strengthening of school principal's capacity to lead and manage schools; and (d) the strengthening of supervisors' capacity to monitor service delivery.
2. Strengthening the learning assessment system by introducing new examinations in the school system and strengthening the capacity at school level to prepare and conduct assessments of student performance based on the existing syllabi, texts, and learning materials, through the provision of consultants' services, training and goods.

3. Developing capacity building at the central and Governorate levels to improve planning, programming and data collection and analysis, through the provision of consultants' services, training and goods.

Part C: Supporting Secondary Education Policy Development

Provision of goods, consultants' services and training for supporting the secondary education policy development and the preparation for long-term reform by: (1) conducting reviews of in-service and pre-service training of teachers; (2) preparing a curriculum framework policy document based on a comprehensive review of the current streams and curriculum; (3) carrying out a feasibility assessment for developing a regulatory framework to encourage private sector to invest in secondary education; and (4) conducting tracer studies on secondary education graduates to assess the effectiveness of secondary education outcomes.

Part D: Project Management and Monitoring

Supporting and strengthening the capacity of the PAU to carry out the fiduciary, monitoring and reporting duties required for the Project management.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall vest the overall responsibility for the implementation of the Project in MOE. To that end, the Recipient shall maintain the PAU, within the MOE, with professional staff in adequate numbers whose qualifications, experience and terms of reference shall be acceptable to the Association. For the purposes of implementing the Project, the Recipient shall, through MOE prepare by not later than August 31, 2008, the Operations Manual, including a financial management manual satisfactory to the Association. Except as the Association shall otherwise agree, the Recipient may not amend or waive any provision of the Operations Manual if, in the opinion of the Association, such amendment or waiver may materially and adversely affect the carrying out the Project or the achievement of the objectives thereof.
2. For the purpose of carrying out Parts A.1(b), A.2, B, C and D of the Project, PAU shall be responsible, *inter alia*, for: (a) the procurement, financial management and disbursement processes; (b) monitoring performance and implementation progress in accordance with the targets and indicators agreed upon with the Association; (c) preparation, for submission to the Association, of annual work programs and annual budgets; and (d) preparation, for submission to the Association, of the reports referred to under Section II of this Schedule.
3. For the purpose of carrying out Part A.1(a) of the Project, MOE shall enter into contractual arrangements satisfactory to the Association with MOPIC to cause the PMU to be responsible for: (a) managing all civil works and equipment/furniture procurement activities; (b) submitting quarterly progress reports on the progress of Project implementation; (c) preparing interim financial reports for submission to the Association for review and consideration, including submittal of any additional information requested by the Association; and (d) ensuring that the information from their accounts used for this purpose are available for inclusion in the annual audit of the Project accounts.
4. Overall Project implementation shall take place under the auspices of the Inter-ministerial Steering Committee to be chaired by the Minister of Education and maintained with membership from MOE and representatives from the Recipient's Ministry of Finance, Ministry of Planning and International Cooperation, Ministry of Local Administration, and Ministry of Civil Services and Insurance. The main responsibility for the IMSC shall be to oversee the

implementation of the Project. The IMSC shall also be responsible, *inter alia*, for approving the work programs and budgets referred to under Section I.A.2(c) of this Schedule and the reports referred to under Section I.A.2(d) of this Schedule.

5. For the purpose of coordination at the central level, the technical office of the MOE, shall, through the secondary education coordinator, be responsible for coordinating all the activities under the Project. The secondary education coordinator shall share all related implementation progress reports submitted by each respective Governorate, through the PAU and the PMU.
6. The MOE shall prepare and enter into a protocol of participation by not 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 said 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.
7. At the Governorate level, the Governorate steering committee chaired by the respective Governor, shall be responsible for: (a) facilitating Project implementation at the Governorate level; (b) reviewing and approving Governorate level consolidated school plans; (c) ensuring compliance with the agreed protocol; (d) monitoring progress under the Project, and (e) preparing and submitting progress reports to the IMSC through the PAU. The composition of the said committee shall be determined by the Minister of Education as specified in the protocol of participation referred to in Section I.A.6 of this Schedule.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. School Community Grant(s)

For the purpose of carrying out Part A.2(b) of the Project, the Recipient shall ensure that School Community Grant(s) are made to the Beneficiaries in accordance with the eligibility criteria and procedures set forth in the Operations Manual in conformity with the Association's fiduciary and social safeguard policies and in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

The Recipient shall carry out the Project in accordance with the Environmental Management Plan in a manner designed to ensure that the Project is implemented in accordance with sound environmental practices and standards

and shall maintain policies and procedures adequate to enable the Recipient to monitor and evaluate, on an on-going basis, in accordance with guidelines acceptable to the Association, the implementation of the Environmental Management Plan and the achievement of the objectives thereof. Except as the Association shall otherwise agree, the Recipient may not amend or waive any provision of the Environmental Management Plan if, in the opinion of the Association, such amendment or waiver may materially and adversely affect the carrying out the Project or the achievement of the objectives thereof.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators agreed with the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.
2. For purposes of Section 4.08(c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than July 31, 2015.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall cause MOE and the PMU to maintain each a financial management system in accordance with the provisions of Section 4.09 of the General Conditions adequate to reflect the operations, resources and expenditures related to their respective parts of the Project.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall cause MOE and the PMU to each prepare and furnish to the Association not later than forty five (45) days after the end of each calendar quarter, interim unaudited financial reports for their respective part of the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall cause MOE and the PMU to have their respective Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient (or other period agreed to by the Association). The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding
(b) Shopping
(c) Procurement from United Nations Agencies

The procedures to be followed for National Competitive Bidding under this paragraph shall be those set forth in the Recipient's Law No. 23 for 2007, concerning Government Tenders, Auctions and Stores, and its Regulations, subject to the following additional procedures:

- (i) a Recipient-owned enterprise in the Republic of Yemen shall be eligible to bid only if it can establish that it is legally and financially autonomous, operates under commercial law, and is not a dependent agency of the Recipient;
- (ii) bidding (or pre-qualification, if required) shall not be restricted to any particular class of contractors or suppliers, and non-registered contractors and suppliers shall also be eligible to participate;
- (iii) tenders shall be advertised for at least two (2) consecutive days in two (2) local newspapers of wide circulation;
- (iv) prospective bidders shall be allowed a minimum of thirty (30) days for the preparation and submission of bids, such thirty (30) days to begin with the availability of the bidding documents or the advertisement, whichever is later;
- (v) until national standard bidding documents acceptable to the Association are available, bidding documents approved by the Association shall be used, and may be prepared in Arabic;
- (vi) registration shall not be used to assess bidders' qualifications; qualification criteria (in case pre-qualification was not carried out) and the method of evaluating the qualification of each bidder shall be stated in the bidding documents, and before contract award the bidder having submitted the lowest evaluated responsive bid shall be subject to post-qualification;
- (vii) a foreign bidder shall not be required to register or to appoint an agent as a condition for submitting its bid and, if determined to be the lowest evaluated responsive bidder, shall be given reasonable opportunity to register, without let or hindrance; the registration process shall not be applicable to sub-contractors;
- (viii) all bids shall be submitted in sealed envelopes and may be submitted, at the bidder's option, in person or by courier service;
- (ix) all bids shall be opened at the same time in a public bid opening which bidders shall be allowed to attend and which shall follow immediately after the deadline for submission of bids;
- (x) evaluation of bids shall be carried out in strict adherence to the criteria declared in the bidding documents and contracts shall be awarded to the lowest evaluated responsive bidder, without resorting to the rejection of

bids above or below a certain percentage of the pre-bid estimate (bid price bracketing);

- (xi) no bidder shall be requested or permitted to modify its bid after the bid closing date shall have elapsed and bids submitted after the deadline for submission of bids shall be returned to the bidder unopened;
- (xii) post-bidding negotiations with the lowest or any other bidder shall not be permitted;
- (xiii) under exceptional circumstances, the procuring entity may, before the expiration of bid validity, request all bidders in writing to extend the validity of their bids, in which case bidders shall not be requested nor permitted to amend the price or any other condition of their bids; a bidder shall have the right to refuse to grant such an extension without forfeiting its bid security, but any bidder granting such extension shall be required to provide a corresponding extension of its bid security;
- (xiv) price adjustment provisions may be included in contracts for works with a duration of more than eighteen (18) months;
- (xv) rejection of all bids is justified when there is lack of effective competition, or bids are not substantially responsive, however, lack of competition shall not be determined solely on the basis of the number of bidders; and
- (xvi) each contract financed from the proceeds of the Credit shall provide that the contractor or supplier shall permit the Association, at its request, to inspect their accounts and records relating to the performance of the contract and to have such accounts and records audited by auditors appointed by the Association.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Least Cost Selection
(b) Selection Based on the Consultants' Qualifications
(c) Single-source Selection
(d) Individual Consultants

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	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	830,000 1,576,000	20% or such percentage of Eligible Expenditures as the Association may determine from time to time
(2) Works under Part A.1(a) of the Project	5,423,000	20% or such percentage of Eligible Expenditures 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	271,000 638,000	20% or such percentage of Eligible Expenditures as the Association may determine from time to time
(4) Training	1,885,000	20% or such percentage of Eligible Expenditures as the Association may determine from time to time
(5) Incremental Operating Costs incurred by: (a) PAU	319,000	12% or such percentage of Eligible Expenditures as the Association may determine from time to time

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(b) PMU	350,000	20% or such percentage of Eligible Expenditures as the Association may determine from time to time
(6) School Community Grants	830,000	20% or such percentage of Eligible Expenditures as the Association may determine from time to time
(7) Unallocated	638,000	
TOTAL AMOUNT	<u>12,760,000</u>	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement; or
 - (b) for payments made for expenditures under Categories (1)(a), (2), (3)(a), and (5)(b), unless and until the Recipient shall have submitted to the Association, evidence satisfactory to the Association, that MOPIC and MOE have entered into contractual arrangements satisfactory to the Association to cause the PMU to carry out Part A.1(a) of the Project.
2. The Closing Date is January 31, 2015.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 15 and October 15:	
commencing April 15, 2018 to and including October 15, 2027	1%
commencing April 15, 2028 to and including October 15, 2047	2%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “Beneficiary” or “Beneficiaries” means the eligible students, transportation service providers, contractual female teaching assistants to whom the Recipient proposes to make or has made a School Community Grants (as this term is hereinafter defined) under Part A.2(b) of the Project in accordance with the eligibility criteria set forth in the Operations Manual.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Co-financier(s)” means: (a) the United Kingdom’s Department for International Development; (b) Germany’s Gesellschaft fur Technische Zusammenarbeit; (c) the German Credit Institute for Reconstruction (Kreditanstalt Fur Wiederaufbau); and (d) the Netherlands Ministry of Foreign Affairs/Ministry of Development Cooperation, referred to in paragraph 10 of the Appendix to the General Conditions.
5. “Co-financing” mean: (a) a proposed grant in an amount of twenty million Sterling pounds (£20,000,000) from the United Kingdom’s Department for International Development; (b) a proposed grant in an amount of two million Euros (€2,000,000) from Germany’s Gesellschaft fur Technische Zusammenarbeit; (c) a proposed grant in an amount of eight million Euros (€8,000,000) from the German Credit Institute for Reconstruction (Kreditanstalt Fur Wiederaufbau); and (d) a proposed grant in an amount of ten million Euros (€10,000,000) as a grant from the Netherlands Ministry of Foreign Affairs/Ministry of Development Cooperation, to be provided by the Co-financier(s) to assist in financing the Project.
6. “Co-financing Agreement” means the agreement to be entered into between the Recipient and the Co-financier providing for the Co-financing.
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
8. “Environmental Management Plan” means the Recipient’s plan, dated November 27, 2007, as such plan may be updated from time to time by agreement

of the Recipient and the Association, setting forth the mitigating, monitoring and institutional measures to be taken during the implementation and operation of the Project to offset or reduce adverse environmental impacts to levels acceptable to the Association.

9. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
10. “Governorate” means an administrative division of the Republic of Yemen.
11. “Incremental Operating Costs incurred by the PAU” means expenditures incurred by the PAU for carrying out Parts A.1(b), A.2, B, C, and D of the Project to finance the respective operational costs, including office supplies, communication and translation services, audit costs, local travel costs (including transport, fuel and per diem), vehicle maintenance, advertising, mailing and shipping costs, and support staff but excluding the salaries of officials of the Recipient’s civil service.
12. “Incremental Operating Costs incurred by the PMU” means expenditures incurred by the PMU for carrying out Part A.1(a) of the Project to finance the respective operational costs, including office supplies, communication and translation services, local travel costs (including transport, fuel and per diem), vehicle maintenance advertising, mailing and shipping costs, and support staff but excluding the salaries of officials of the Recipient’s civil service.
13. “Inter-ministerial Steering Committee” or “IMSC” means the Recipient’s steering committee referred to in Section I.A.4 of Schedule 2 to this Agreement.
14. “MOE” means the Recipient’s Ministry of Education or any successor thereof.
15. “MOPIC” means the Recipient’s Ministry of Planning and International Cooperation or any successor thereof.
16. “Operations Manual” means the Recipient’s manual, referred to in Section I.A.1 of Schedule 2 to this Agreement, outlining the institutional and implementation arrangements including Project financial management systems, agreed with the Association, for the carrying out of the Project, as the same may be amended with the agreement of the Association.
17. “PAU” means the Project Administration Unit within MOE to be maintained in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.
18. “PMU” means the Project Management Unit established by the Recipient within MOPIC for the implementation of the Third Public Works Project (Credit

Number 3859-YEM) and referred to in Section I.A.3 of Schedule 2 to this Agreement.

19. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
20. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated January 23, 2008, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
21. “Program” means the program designed to achieve the strategic objectives of the National General Secondary Education Strategy 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, and set forth or referred to in the letter dated January 8, 2008, from the Recipient to the Association.
22. “Project Area” means selected districts in the Governorates of Abyan, Aden Dhamar, Hadramout, Hodaidah, Ibb, Lahej, Sana’a and Taiz.
23. “School Community Grant” means a grant in cash to be provided by the Recipient to a Beneficiary under Part A.2(b) of the Project, in accordance with the provisions of Schedule 2 to this Agreement, the eligibility criteria and procedures set forth in the Operations Manual and in conformity with the Association’s fiduciary and social safeguard policies as specified in the Operations Manual.