I. Introduction and Context

Country Context

Despite substantial improvement of its economic and social indicators, Yemen remains one of the poorest countries in the world. Situated on the southern end of the Arabian Peninsula, the Republic of Yemen has a population of some 24 million, of which about 76 percent live in rural areas where poverty incidence is particularly high. The country has a GNI per capita of US$1,070 (2010) compared with an average US$2,321 for lower middle-income countries. Yemen is among the ten countries in the world with the highest rates of food insecurity. The country ranked third for the highest level of malnutrition in the world: 58 percent of children under 5 are stunted, and more than 1 in 10 children are acutely malnourished. On the UNDP Human Development Index, Yemen ranked 154th out of 187 countries in 2011. The report also showed that average life expectancy is up from 41.6 years in 1970 to 62.7 in 2010 with women's life expectancy mirroring the overall trend.

The impact of the recent security, political and economic crisis is significant in all key development domains. Yemen experienced intense and far-reaching country unrest from February 2011 until November 2011. The long lasting conflict and turmoil, and severe shortages of food and fuel, combined with high commodity prices has left many poor unprotected. During this period of crisis, the economy has contracted by 10.5 percent and the number of those living below poverty line are...
estimated to have increased by 8 percentage points to 50 percent of the Yemeni population. Strong support from regional and global partners is needed to survive a critical transition period. As a fragile state, Yemen has enormous needs to rebuild its social and economic base rapidly and restore macroeconomic stability.

Yemen is undergoing a challenging political transition. Following the Gulf Countries Council (GCC) brokered agreement, a transitional Government of National Reconciliation (GNR) was formed in early December 2011 and mandated, among others, to undertake constitutional reforms, prepare for the next general election in early 2014, and work to stabilize the country’s complex security and difficult economic situation. In addition to having to respond to a pressing social demand for better governance, equity, employment, and a more open society, the GNR is confronted with a long standing regional conflict in the north, a separatist movement in the south, and the emergence of Al-Qaeda in the Arabian Peninsula (AQAP) in the southern province of Abyan. Despite these serious security challenges, the GNR has an opportunity to start addressing the underlying factors of instability and social strife comprising high level of unemployment and informality, state capture of the economy and the tribal patronage system.

**Sectoral and Institutional Context**

Yemen has made remarkable strides in increasing access to basic education, including impressive gains in gross enrollment ratios (GERs) for all levels of education, especially for girls. However, in 2010/11 the GER for basic education remains low at approximately 86 percent (compared with 62 percent in 1998/99). As a consequence, according to the 2005 Household Budget Survey, there were 1.8 million out-of-school children aged 6 -14 years. For those who are in schools, survival rates are also low: only half of those who enter grade 1 reach the end of the basic education (Grade 9). The Grade 6 Completion Rate in 2009/10 was 61 percent (51 percent for girls, and 71 percent for boys). Given that many children never enter school, many others drop out early, and as that population of school-age children is expected to increase rapidly, Yemen is unlikely to achieve the goal of Education for All—to ensure that all boys and girls complete a full course of primary schooling by 2015.

Equity in education remains a challenge, as shown in persistent gender and regional disparity in key education indicators. Girls’ enrollment has increased substantially between 1997/98 and 2010/11, from 42 percent to 76 percent in basic education, and from 16 percent to 23 percent in secondary education. However, gender gaps are still large and vary from one governorate to the other. While boys’ enrollment rates are relatively similar across Yemen’s governorates, the difference in girls’ enrollment reaches 52 percentage points between Sana’a (84 percent) and Sa’adah (32 percent). Administrative data show that gaps in enrollment rate within some governorates are also large. There is also a growing community of marginalized children who tend to be at a higher risk of exclusion from the traditional education system, including the African-descendents Akhdams and rural migrants to urban areas as well as migrants who returned to Yemen after the 1990/1991 Gulf War.

Quality is the area where progress has been most limited. Education quality faces major challenges. Only 40 percent of teachers hold a bachelor’s degree, and most students and teachers do not receive textbooks or learning materials until close to the end of the school year. Yemeni Grade 4 students ranked the lowest among many countries participating in the Trends in Mathematics and Science Study (TIMSS), 2007, primarily because they could not read the test questionnaire. There is a risk that the planned expansion in enrollment could further reduce quality if not adequately planned and
resourced. The health and nutritional status of Yemeni children and adults poses serious threats to achieving access to quality education given that more than half of the children below 5 years of age are malnourished.

The country crisis has had an impact on the delivery of education services. Despite the difficult country context, the school year 2010/11 was completed, including national examinations, and the school year 2011/12 is progressing normally. However, the 2011 conflict had a negative impact on the education sector, including: (i) damage to and occupation of school buildings; (ii) inaccessibility of some schools due to insecurity; (iii) increased absenteeism of teachers and administrative staff; (iv) no completion of the curricula in 2010/11 school year; and (v) delays in the delivery of school buildings, equipment and materials. Overall institutional capacity of the Ministry of Education (MOE) was affected due to conflict-generated disruptions and severe budget constraints. In addition, the conflict affected not only schools but all the education beneficiaries (parents, communities). Displacement affected about 390,000 people in addition to the stock of about 214,000 Internally Displaced Persons (IDPs) from previous conflicts, of which 30 percent are within the school age bracket. Family priorities have also shifted due to increased security concerns and hardship generated by the economic crisis. There is also a non-negligible effect on students’ and teachers’ psychological well-being.

The Government of Yemen (GOY) has shown a steady commitment to support basic education. The country’s development plans have continuously stated that human development, and in particular educational development of the labor force, is a priority. Since 2002, the Government has endorsed five major strategies to address education issues at the various levels of education. The National Basic Education Development Strategy (NBEDS, 2003-15) aims to increase enrollments in basic education, particularly for girls and in rural areas, to reach 95 percent of the 6–14 year olds in Yemen by 2015. The strategy received a strong and coordinated support from the donor community, and the Government has made significant progress in strengthening the policy environment since the articulation of the NBEDS in 2003. The MOE also developed a Medium Term Results Framework (MTRF) to translate overall objectives into operation, covering eight core pillars of activities: (i) Support and encourage families to send their children [boys and girls] to schools; (ii) Development of the school utilities and infrastructure; (iii) Whole School Development and Community Participation Development: (iv) Development of curriculums and study books and evaluation means by competencies; (v) Teachers, school administration and inspection performance development; (vi) Reform and rationalize the human forces management in the MoE; (vii) Management and coordination of planning, implementation, follow-up and evaluation for educational service delivery; and (viii) Completion of restructuring of MoE and building the capacities at the level of MoE headquarters, governorates and districts.

The basic education sector in Yemen is characterized by a high degree of donor harmonization. Even though Yemen is a low Official Development Assistance (ODA) per capita recipient (US$13 in 2006), education receives a large share of this external finance. Development partners supporting basic education have signed a Partnership Declaration to ensure greater harmonization and alignment of sector support on the basis of the NBDES. The current Basic Education Development Project (BEDP) and the Fast Track Initiative third grant (FTI III) are all in line with the MOE plans and NBEDS framework.

The current financing gap is US$147 million. Funds from the Global Partnership for Education
(GPE) were allocated to Yemen and are expected to be available once the project is approved. In addition, some donors are interested in parallel financing.

**Relationship to CAS**

The proposed project, Basic Education Development Project II (BEDP II), directly addresses the third objective of the current Country Assistance Strategy (CAS) for Yemen: to help foster human and social development, with a focus on cross-sectoral issues such as gender, youth, qat, education and health, community development, and social protection. The proposed operation is also in line with the Government's current transition plan for economic and social development which lists education, and the extension of basic services, as one of the priorities. Further, the GOY’s Poverty Reduction Strategy Paper (PRSP) identifies better human capital and improved governance through public sector rationalization as important elements in eradicating poverty and inequality. It also emphasizes that human capital growth depends on effective expansion of quality basic education and closure of gender/regional disparities. The proposed BEDP II will directly contribute to those high-level objectives, with strong linkage to other education sub-sectors, using a coherent and integrated approach. The proposed operation will also be consistent with the likely priorities to be covered under the World Bank Group's new Interim Strategy Note which is currently under preparation.

**II. Proposed Development Objective(s)**

**Proposed Development Objective(s) (From PCN)**

The higher level objective is to assist the GOY in providing equitable learning opportunities in basic education for increased student learning achievements. While BEDP II is intended the be a key instrument in achieving these higher level objectives, the Project Development Objectives, specific areas of intervention and key project results will be refined during project preparation, taking into account available funding and in agreement with the GOY.

**Key Results (From PCN)**

The expected key results are: (i) improved access to basic education to all Yemeni children; and (ii) better learning outcomes and reduced disparities (including gender) for basic education students. It is understood that the achievement of such goals will require a more efficient use of resources allocated to basic education.

**III. Preliminary Description**

**Concept Description**

The project would have the following components:

**Component 1:** Providing equitable learning opportunities in basic education to all Yemeni children (US$190 million). This component will support both supply-side and demand-side interventions aimed at improving enrollment of relevant age-group children, especially girls and disadvantaged groups, in basic education. More specifically, this component will support: (i) the provision of school infrastructure (new school buildings, extensions and rehabilitations) and learning resources, including teachers; (ii) interventions to promote equity and inclusiveness targeting girls, rural and poor communities, and out-of-school children; and (iii) empowerment of schools and communities through strengthening school-based management capacity and supporting parents councils.

**Component 2:** Improving the quality of basic education to increase student learning achievement (US$90 million). This component will support: (i) a comprehensive sets of activities, covering the
development of curriculum, teaching and learning materials and teacher training, and aimed at improving the acquisition of key competencies such as reading skills and math by basic education students; (ii) the development of teacher policies aimed at developing standards for teacher certification and qualification, and establishing a system for teachers professional development and supporting school headmasters; and (iii) the development and implementation of a national student assessment system to evaluate the acquisition of key competencies by basic education students, particularly at grades 3 (reading) and 6 (math) (the frequency of such assessments will be discussed during preparation).

Component 3: Improving education management capacity and practice for effective education service delivery (US$10 million). This component will support: (i) capacity building of the MOE at both the central and decentralized levels and support to the implementation of the MOE restructuring, designed with funding from BEDP; (ii) strengthening the capacity of the MOE in evidence-based policy design, implementation and evaluation; (iii) deployment of the Education Management Information System designed under BEDP; and (iv) project management.

Component 4: Improving ECE services and increasing community participation (US$10 million). This component will support the design and implementation of suitable ECE model (low-cost, high effectiveness) involving community and private sector participation and aimed at substantially increasing enrollment (currently less than 5 percent). Whether the ECE is treated as a stand-alone component or an activity to be under another component will be determined during the preparation mission.

IV. Safeguard Policies that might apply

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