

Document of
The World Bank

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Report No: PAD1025

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL GRANT

IN THE AMOUNT OF SDR2 MILLION
(US\$3 MILLION EQUIVALENT)

TO THE

REPUBLIC OF YEMEN

FOR A

HIGHER EDUCATION QUALITY IMPROVEMENT PROJECT

AUGUST 19, 2014

MIDDLE EAST AND NORTH AFRICA REGION
EDUCATION GLOBAL PRACTICE

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CURRENCY EQUIVALENTS

(Exchange Rate Effective: August 4, 2014)

Currency Unit = YER
YER 0.0047 = US\$1
US\$1.5 = SDR 1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
CAQAY	Council of Accreditation and Quality Assurance in Yemen
HEIs	Higher Education Institutes
HEQIP	Higher Education Quality Improvement Project
KPIs	Key Performance Indicators
IP	Implementation Progress
ISR	Implementation Status Report
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
MOHESR	Ministry of Higher Education and Scientific Research
MOPIC	Ministry of Planning and International Cooperation
MS	Moderately Satisfactory
MU	Moderately Unsatisfactory
PAC	Program Advisory Committee
PDO	Project Development Objective
PIRC	Program Identification and Review Committee
PMU	Project Management Unit
POM	Project Operations Manual
PSC	Project Steering Committee
QA	Quality Assurance
QIF	Quality Improvement Fund
QIT	Quality Improvement Team
SDR	Standard Drawing Rights
UQAT	University Quality Assurance Teams
US\$	United States Dollar
WBG	World Bank Group

Regional Vice President:	Inger Andersen
Country Director:	Hartwig Schafer
Practice Manager:	Harry Patrinos
Task Team Leader:	Lianqin Wang

Republic of Yemen
Additional Financing for
Higher Education Quality Improvement Project

CONTENTS

ADDITIONAL FINANCING DATA SHEET	1
I. INTRODUCTION.....	6
II. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING	6
III. PROPOSED CHANGES	8
IV. APPRAISAL SUMMARY	11
ANNEX 1 REVISED RESULTS FRAMEWORK AND MONITORING INDICATORS.....	13
ANNEX 2: OPERATIONAL RISK ASSESSMENT FRAMEWORK (ORAF)	19
ANNEX 3: DETAILED DESCRIPTION OF THE ORIGINAL PROJECT AND THE IMPLEMENTATION PROGRESS	25

ADDITIONAL FINANCING DATA SHEET

Yemen, Republic of

RY Higher Education Quality Improvement Project - Additional Financing (P150129)

MIDDLE EAST AND NORTH AFRICA

GEDDR

Basic Information – Parent									
Parent Project ID:	P110733	Original EA Category:	C - Not Required						
Current Closing Date:	31-Dec-2017								
Basic Information – Additional Financing (AF)									
Project ID:	P150129	Additional Financing Type (from AUS):	Cost Overrun						
Regional Vice President:	Inger Andersen	Proposed EA Category:	C - Not Required						
Country Director:	Hartwig Schafer	Expected Effectiveness Date:	01-Dec-2014						
Senior Global Practice Director:	Claudia Maria Costin	Expected Closing Date:	31-Dec-2017						
Practice Manager/Manager:	Harry Anthony Patrinos	Report No:	PAD1025						
Team Leader:	Lianqin Wang								
Borrower									
Organization Name	Contact	Title	Telephone	Email					
Project Financing Data–Parent (RY Higher Education Quality Improvement-P110733)									
Key Dates									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P110733	IDA-H5580	Effective	29-Apr-2010	28-Jun-2010	01-Sep-2010	31-Aug-2016	31-Dec-2017		
Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P110733	IDA-H5580	Effective	XDR	8.50	8.50	0.00	3.83	4.67	45.11

Project Financing Data –Additional Financing RY Higher Education Quality Improvement Project - Additional Financing (P150129)			
<input type="checkbox"/>	Loan	<input type="checkbox"/>	Grant <input checked="" type="checkbox"/> IDA Grant
<input type="checkbox"/>	Credit	<input type="checkbox"/>	Guarantee <input type="checkbox"/> Other
Total Project Cost:	3.00	Total Bank Financing:	3.00
Financing Gap:	0.00		
Financing Source – Additional Financing (AF)			Amount
BORROWER/RECIPIENT			0.00
IDA Grant			3.00
Total			3.00
Policy Waivers			
Does the project depart from the CAS in content or in other significant respects?			No
Explanation			
Does the project require any policy waiver(s)?			No
Explanation			
Team Composition			
Bank Staff			
Name	Title	Specialization	Unit
Huda Mohammed Qaid Al-Asbahi	E T Consultant	E T Consultant	GGODR
Asma Saleh Al-Hanshali	Program Assistant		MNCYE
Walid Hamoud Ali Al-Najar	Financial Management Specialist	Financial Management Specialist	GGODR
Emma Paulette Etori	Senior Program Assistant	Senior Program Assistant	GEDDR
Sepehr Fotovat Ahmadi	Senior Procurement Specialist	Senior Procurement Specialist	GGODR
Maiada Mahmoud Abdel Fattah Kassem	Finance Officer	Finance Officer	CTRLA
Amira Mohamed Ibrahim Kazem	Senior Operations Officer		GEDDR
J. Roger Pearson	Consultant		GEDDR

Andrianirina Michel Eric Ranjeva	Finance Officer	Finance Officer	CTRLA		
Lianqin Wang	Senior Education Specialist	Team Lead	GEDDR		
Non Bank Staff					
Name		Title	City		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Yemen, Republic of		Republic of Yemen			
Yemen, Republic of	Muhafazat Ta`izz	Ta`izz	X	X	
Yemen, Republic of	Amanat Al Asimah	Sanaa	X	X	
Yemen, Republic of	Muhafazat Ibb	Ibb	X	X	
Yemen, Republic of	Muhafazat Hadramawt	Muhafazat Hadramawt	X	X	
Yemen, Republic of	Muhafazat Dhamar	Dhamar	X	X	
Yemen, Republic of	Omran	`Amran	X	X	
Yemen, Republic of	Muhafazat al Hudaydah	Al Hudaydah	X	X	Al Hudaidah
Yemen, Republic of	Aden	Aden	X	X	
Institutional Data					
Parent (RY Higher Education Quality Improvement-P110733)					
Practice Area / Cross Cutting Solution Area					
Education					
Cross Cutting Areas					
[] Climate Change					

- Fragile, Conflict & Violence
- Gender
- Jobs
- Public Private Partnership

Sectors / Climate Change

Sector (Maximum 5 and total % must equal 100)

Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Education	Tertiary education	74		
Public Administration, Law, and Justice	Public administration-Education	26		
Total		100		

Themes

Theme (Maximum 5 and total % must equal 100)

Major theme	Theme	%
Human development	Education for the knowledge economy	50
Human development	Education for all	30
Public sector governance	Public expenditure, financial management and procurement	10
Public sector governance	Other public sector governance	5
Social dev/gender/inclusion	Other social development	5
Total		100

Additional Financing RY Higher Education Quality Improvement Project - Additional Financing (P150129)

Practice Area / Cross Cutting Solution Area

Education

Cross Cutting Areas

- Climate Change
- Fragile, Conflict & Violence
- Gender
- Jobs
- Public Private Partnership

Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Education	Tertiary education	100		
Total		100		
<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.				
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Human development	Education for the knowledge economy	90		
Human development	Education for all	10		
Total		100		

I. INTRODUCTION

1. This Project Paper seeks the approval of the Executive Directors to provide a grant in an amount of SDR2 million (US\$3 million equivalent) to the Republic of Yemen for the Higher Education Quality Improvement Project – Additional Financing (P150129, Grant No. H986-RY).
2. The proposed additional grant will fill the financing gap associated with the procurement of laboratory equipment and tools under Component 1 (the Quality Improvement Programs) of HEQIP. The Project Development Objective (PDO) of the original Higher Education Quality Improvement Project (HEQIP) is to create the enabling conditions for the enhancement of the quality of university programs and graduate employability. The PDO will remain unchanged. HEQIP (IDA Grant SDR8.5 million, US\$13 million equivalent) was approved on April 29, 2010, declared effective on September 1, 2010, and the original closing date was August 31, 2016. The closing date was extended to December 31, 2017 as part of the level II restructuring of HEQIP approved in July 2013.
3. The Ministry of Higher Education and Scientific Research (MOHESR), the Project Management Unit (PMU), and the implementing entities continue to reflect an unprecedented level of commitment to, and ownership of, the project despite challenging conditions in the country. There is a clear appreciation by MOHESR and universities of the paradigm shift which HEQIP brings to the sector in relation to: (i) linkages between the design and delivery of university programs and the job market, and (ii) development of a quality assurance culture in higher education institutions.
4. Since the launch of the project, both the PDO and the Implementation Progress (IP) ratings have been maintained at a moderately satisfactory (MS) level, with the exception of the period when the IP rating was downgraded to moderately unsatisfactory (MU) following the declaration of disbursement suspension in July 2011 due to the unrest in the country. The IP rating was subsequently upgraded to MS in June 2013 based on the improved project performance and the sustained commitment from the MOHESR and all implementation entities.

II. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

5. The proposed additional grant will fill the financing gap associated with the procurement of laboratory equipment and tools under Component 1 (the Quality Improvement Programs) of HEQIP. This is necessary because alternative funding sources have become progressively difficult to secure given the conditions in the country, including insufficient funding for higher education in general, and a waiver of the parallel program fees in universities in particular. These laboratory equipment and tools are critically needed in order for the students to acquire practical skills for employability (which is a key part of the PDO).
6. This additional financing (AF) will not trigger any changes to the PDO or to the implementation arrangements.
7. The PDO of the HEQIP is supported by the following components:

Component 1 - Quality Improvement for University Programs (of which IDA SDR2 million (US\$3 million equivalent). This is the largest component. It has the goal of facilitating the

establishment of a fully sustainable mechanism that will channel financial resources to higher education institutions in Yemen in order to support program development initiatives leading to significant qualitative improvement in teaching and learning, consonant with the social, economic, and employment priorities of the country. A Quality Improvement Fund (QIF) mechanism was established under this component to support 12 undergraduate programs in 8 public universities.

Component 2 - Quality Assurance (QA). This component supports activities that will institutionalize QA mechanisms and structures in higher education institutions and will foster enabling conditions conducive to the enhancement of the quality of university programs and graduate competencies.

Component 3 - Institutional Capacity Development. This component has a dual objective: (i) to support the planning and monitoring capacity of the MOHESR; and (ii) to nurture the capacity of Taiz University in terms of its fiduciary management and to enhance accountability. Following the project restructuring, the subcomponent relating to the development of the institutional capacity of the MOHESR has been refocused towards the core objective which is to build a planning and monitoring capacity within the MOHESR.

Component 4 - Monitoring and Evaluation and Project Management. This component will support the Project coordination, implementation, management, and monitoring and evaluation.

8. Overall, the implementation progress of HEQIP is well-advanced in all the components, despite challenging conditions in the country (see Annex 3 for more details on the project's progress). The project's disbursement has been ahead of schedule since the July 2013 restructuring. The PMU recently developed the monitoring and evaluation (M&E) system to ensure adequate data collection, data analysis, reporting, and flagging of issues for timely actions. Based on the improved M&E capacity and completion of the M&E system, as well as the satisfactory quality of the quarterly progress reports, the rating for M&E was upgraded from moderately unsatisfactory (MU) to moderately satisfactory (MS) in the latest Implementation Status and Results Report (ISR) following the April 2014 implementation support mission.

9. The most acute issue facing HEQIP is the financing gap in procuring laboratory equipment and tools for the QIF programs under Component 1. Improved relevance of undergraduate programs to the job market requirements is the core value added of Component 1. The design of Component 1 is triggered by the struggle of employers with new university graduates who are not employable as they are equipped with neither the knowledge nor the skills that qualify them to enter the job market. The QIF program aims to address this issue by developing demand-driven and learning-outcome-based curricula that inherently includes laboratory work in order for the students to acquire the necessary practical skills to enter the labor market. Since the majority of the 12 QIF-funded programs are of a technical or scientific nature, this requires high levels of investment in laboratory equipment and tools that are significantly beyond the level of financial resources currently allocated under the HEQIP.

10. During the project design stage in 2009, it was understood and agreed with the MOHESR that the available HEQIP financial resources would be deployed mainly towards developing mechanisms to enable conditions for quality improvement and graduate employability, as opposed to the purchase of advanced equipment. It was also understood that incremental financial resources would also be pursued

at the level of the universities. Accordingly, the Project Steering Committee limited the share of funding for laboratory equipment to 35-40 percent of each QIF program's allocation.

11. The MOHESR/PMU and university presidents have been seeking government and donor funding for the laboratory equipment, but have not been successful so far. This is due to the country's current fiscal condition and the reasons specified in paragraph 5. It has become very urgent to fill the financing gap for the procurement of the priority laboratory equipment because two cohorts of students are already enrolled and the first cohort is in its second year. Without the necessary laboratory equipment, students will not acquire the set of practical skills required to enhance their employability, and achievement of the PDO would be at risk. Hence, the MOHESR has requested the World Bank to provide this critical AF after having explored other options, unsuccessfully. AF offers the best mechanism to support this urgent and critical need.

12. The activities to be supported through AF are fully consistent with the original PDO which remains highly relevant. The activities are consistent with MENA's Regional Strategy, supporting the pillar of economic and social inclusion, thereby also contributing to the World Bank Group's (WBG) goals of eradicating extreme poverty and boosting shared prosperity. In addition, the project is aligned with WBG's Interim Strategy Note for Yemen (FY13-14) (Report 70943-YE). With its innovative and market-driven approach, HEQIP provides key building blocks towards a relevant higher education system, and facilitates the development of more employable graduates.

III. PROPOSED CHANGES

Summary of Proposed Changes	
The proposed Additional Financing (AF) of SDR2 million (US\$3 million equivalent) will fill a critical financing gap for the procurement of laboratory equipment and tools under the Quality Improvement for University Programs component, the first and largest component of the parent project.	
Change in Implementing Agency	Yes [] No [X]
Change in Project's Development Objectives	Yes [] No [X]
Change in Results Framework	Yes [] No [X]
Change in Safeguard Policies Triggered	Yes [] No [X]
Change of EA category	Yes [] No [X]
Other Changes to Safeguards	Yes [] No [X]
Change in Legal Covenants	Yes [] No [X]
Change in Grant Closing Date(s)	Yes [] No [X]
Cancellations Proposed	Yes [] No [X]
Change in Disbursement Arrangements	Yes [] No [X]
Reallocation between Disbursement Categories	Yes [] No [X]
Change in Disbursement Estimates	Yes [X] No []

Change to Components and Cost	Yes [X] No []
Change in Institutional Arrangements	Yes [] No [X]
Change in Financial Management	Yes [] No [X]
Change in Procurement	Yes [] No [X]
Change in Implementation Schedule	Yes [] No [X]
Other Change(s)	Yes [] No [X]

Development Objective/Results

Project's Development Objectives

Original PDO

The Project Development Objective (PDO) is to create the enabling conditions for the enhancement of the quality of university programs and graduate employability.

Compliance

Covenants - Additional Financing (RY Higher Education Quality Improvement Project - Additional Financing - P150129)

Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
				<input type="checkbox"/>		

Conditions

Source Of Fund	Name	Type

Description of Condition

Finance

Grant Closing Date - Additional Financing (RY Higher Education Quality Improvement Project - Additional Financing - P150129)

Source of Funds	Proposed Additional Financing Grant Closing Date
IDA Grant	31-Dec-2017

Change in Disbursement Estimates (including all sources of Financing)

Explanation:

The proposed AF includes revised disbursement estimates.

Expected Disbursements (in USD Million) (including all Sources of Financing)

Fiscal Year	2015	2016	2017	2018					
Annual	500000	800000	1500000	200000					

Cumulative	500000	1300000	2800000	3000000					
Allocations - Additional Financing (RY Higher Education Quality Improvement Project - Additional Financing - P150129)									
Source of Fund	Currency	Category of Expenditure	Allocation		Disbursement %(Type Total)				
			Proposed		Proposed				
IDAT	SDR	Cat # 1 Goods, Cons, Train Under Part A	2,000,000		100.00				
		Total:	2,000,000						
			Current	Proposed	Current	Proposed			
IDA-H5580	SDR	Goods, Cons, Train Under Part A	5,350,000	0.00	100.00	0.00			
IDA-H5580		Goods,Con,Tra,IOC in Parts B C D	2,985,620	0.00	100.00	0.00			
IDA-H5580		PPF REFINANCING	164,380	0.00	0.00	0.00			
		Total:	8,500,000	0.00					
Components									
Change to Components and Cost									
<p>Explanation:</p> <p>An additional US\$3,000,000 will be added to Component 1 to fill a financing gap for the procurement of priority laboratory equipment and tools for the undergraduate programs.</p> <p>During the stage of project design in 2009, it was understood and agreed with the MOHESR that the available HEQIP financial resources would be deployed mainly towards developing mechanisms for the enabling conditions of quality improvement and graduate employability – not specifically for the purchase of advanced equipment, for which incremental financial resources would be pursued at the level of the universities. Accordingly, the Project Steering Committee limited funding for laboratory equipment to 35-40 percent of each program’s allocation. Yet, identifying alternative funding sources has become progressively difficult due to challenging conditions in the country in general, and insufficient funding for higher education in particular, including a waiver of the parallel program fees.</p> <p>The MOHESR/PMU and university presidents have been seeking government funding, but have not been successful so far (mainly due to the country’s current fiscal condition). It has become very urgent to fill the funding gap for the procurement of the priority laboratory equipment because two cohorts of students are already enrolled and the first cohort is already in its second year. Without the necessary laboratory equipment, students will not acquire the set of practical skills required to enhance their employability, and achievement of the project PDO would be at risk.</p>									

Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
Quality Improvement for University Programs	Quality Improvement for University Programs	8.30	11.30	Revised
Quality Assurance	Quality Assurance	1.30	1.30	No Change
Institutional Capacity Development	Institutional Capacity Development	0.70	0.70	No Change
M&E and Project Management	M&E and Project Management	2.70	2.70	No Change
	Total:	13.00	16.00	

IV. APPRAISAL SUMMARY

Economic and Financial Analysis

Explanation:

As per the original project, the AF would continue to support Yemen's investments in higher education, which has the potential to contribute to economic development and poverty reduction. The economic analysis for the original project indicated that positive dividends may be expected from implementing the HEQIP. The AF is expected to be consistent with this because the investment in laboratory equipment will directly benefit human capital by increasing students' practical skills and employability.

The Bank's support to public sector financing has become more crucial given the budget deficit at the country level, as well as at the level of public universities. This is particularly the case after the waiver of parallel programs fees, which were previously a source of financing for universities' activities. As per the original project, the HEQIP AF, which is expected to yield substantial benefits for the sector and for students, is expected to be sustainable in the future, given that its impact on the sector budget remains limited.

Technical Analysis

Explanation:

The Project brings in a paradigm shift in the way undergraduate programs are being designed and delivered. It inherently focuses on a balanced approach towards knowledge and practical skills. On the latter, students need to have access to laboratory equipment and tools that prepare them for job market requirements and enhance their employability once they graduate. Without such priority laboratory equipment, which can only be made available with the proposed AF, students would be unable to acquire these skills and meeting the PDO at the end of the project would be at risk.

Bank's value added: At the time of designing the original project, it was envisaged that other sources of funding would be sought for the laboratory equipment. However, with the challenging conditions in Yemen, this has become increasingly difficult and the Bank's role as financier has become critical.

Procurement: The procurement arrangements—including a qualified team of two procurement officers and a procurement assistant—has been satisfactory in processing the procurement activities. However, further support will be required from implementing entities in the respective components in terms of preparation and evaluation of technical specifications. Given the large number of activities involved, the Bank Team continues to support PMU’s efforts to closely monitor bid and proposal evaluation, contract negotiation, contract management, and timely payments against well-defined deliverables, to ensure the smooth implementation of the project.

Financial management: The PMU has maintained adequate financial management (FM) arrangements, with suitable internal controls in place. FM staff turnover has been minimal. All required reports were received on time. No major FM issues are pending. As a result, the FM rating was upgraded from Moderately Satisfactory to Satisfactory following the April 2014 implementation support mission.

Social Analysis

Explanation:

The AF is being prepared using feedback from the students and also with the full engagement of the university QIF programs, the MOHESR/PMU, and the project steering committee, as well as in consultation with the Ministry of Planning and International Cooperation (MOPIC) and the Ministry of Finance (MOF).

Environmental Analysis

Explanation:

No change. This AF is rated as environmental Category C which is consistent with the Parent Project RY HEQIP (P110733). The project’s Integrated Safeguards Datasheet was updated and re-disclosed on July 13, 2014.

Risk

Explanation:

ORAF was developed to reflect the overall risk assessment for both the parent Project and the AF.

Overall Implementation Risk: Substantial

ANNEX 1 REVISED RESULTS FRAMEWORK AND MONITORING INDICATORS

Project Name:	RY Higher Education Quality Improvement Project - Additional Financing (P150129)	Project Stage:	Additional Financing	Status:	DRAFT
Team Leader:	Lianqin Wang	Requesting Unit:	MNC03	Created by:	Amira Mohamed Ibrahim Kazem on 26-Mar-2014
Product Line:	IBRD/IDA	Responsible Unit:	GEDDR	Modified by:	Amira Mohamed Ibrahim Kazem on 15-Jul-2014
Country:	Yemen, Republic	Approval FY:	2015		
Region:	MIDDLE EAST AND NORTH AFRICA	Lending Instrument:	Investment Project Financing		
Parent Project ID:	P110733	Parent Project Name:	RY Higher Education Quality Improvement (P110733)		

Project Development Objectives

Original Project Development Objective - Parent:

The Project Development Objective (PDO) is to create the enabling conditions for the enhancement of quality of university programs and graduate employability.

Proposed Project Development Objective - Additional Financing (AF):

Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
QIF programs adopting mechanisms to ensure the quality of undergraduate program development and	<input type="checkbox"/>	Percentage	Value	0.00	75.00	65.00
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment		9 out of 12 programs are adopting agreed	

delivery.					mechanisms as per indicator definition. Three of the programs: Computer Since Program – Hajja University, Computer Network Program – Taiz University and E-learning Program – Hodeidah University) are lagging behind but taking serious steps to catch up. Currently, this target has been met.	
QIF programs adopting mechanisms to enhance graduate employability	<input type="checkbox"/>	Percentage	Value	0.00	66.00	65.00
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment		8 out of 12 programs fulfill the agreed elements of the definition; while the remaining 4 (Computer Science Program – Hajja University; Computer Networking and Distribution System - Taiz University, Basic Education Program – Sana’a University, and E-learning Program - Hodeidah University) are taking conducive steps towards graduate employability as per the definition. Currently, this target has been met.	
Public universities with functioning QA mechanisms	<input type="checkbox"/>	Percentage	Value	0.00	0.00	75.00
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment		A number of steps were taken: 10 quality weeks training modules developed and being delivered in universities; the QA standards and Manual for Level 1 and 2 have been finalized; 80 assessors have been trained to apply Level 1 standards and are ready to assist the HEIs for self-assessments; Level 1 standards and manual are being applied by several colleges.	

Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	Value	0.00	3025.00	9839.00
			Date	21-Sep-2010	01-Jul-2013	31-Dec-2017
			Comment			
Female beneficiaries (%)	<input checked="" type="checkbox"/>	Percentage Sub Type Supplemental	Value	0.00	17.00 Currently, this target has been met.	15.00
			Date			
			Comment			

Intermediate Results Indicators

Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
QIF procedures manual developed	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment		It was also agreed to further elaborate the M&E section in the QIF manual to ensure effective engagement of the QITs and consistency between the project results framework and the program's log frame.	
PIRC established	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment		The Bank team notes that the Project Identification and Review Committee (PIRC) is taking an active role in monitoring and guiding project implementation, and strongly supports this initiative.	
QIF proposals approved by MOHESR	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment			
QIF Programs with timely	<input type="checkbox"/>	Percentage	Value	0.00	66.00	65.00

achievement of annual Performance Agreement targets			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment		8 out of 12 programs have shown consistent commitment to PA, while 4 would require more intensive follow-up from PMU. Currently, this target has been met.	
QIF Programs establishing a formal arrangement for professional development with regional and/or international universities	<input type="checkbox"/>	Number	Value	0.00	5.00	8.00
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment		Five QIF programs signed MOUs with regional/international HEIs and follow through with specific agreements towards professional development, peer review, etc.	
Quality Assurance Council (CAQAY) established	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment		For the purpose of promoting a quality culture, CAQAY has at least one media event every month. CAQAY developed and distributed a brochure to the universities in January 2014, which focused on the Quality Week Program at Yemeni Universities. CAQAY will develop a tracking system for QA activities, and a contract is currently being finalized and will be signed by August 30, 2014.	
Quality assurance strategic plan developed and finalized by CAQAY	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment		The strategic plan for CAQAY has been finalized.	
Standards and procedural manual for implementing	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017

internal QA reviews prepared by CAQAY			Comment		(i) The Quality Assurance Standards and Manual for Level 1 and 2 have been finalized; (ii) 80 assessors have been trained to apply Level 1 standards and are ready to assist the HEIs for self-assessments; (iii) Level 1 standards and manual are being applied by several colleges.	
Trained peer reviewers conduct regular on-site visits as part of internal review process verification	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment		Response to self-assessment is low so far. This can potentially improve with further clarification of the purpose of self-assessment and its value added to program quality.	
Quality Week Training Modules to develop project universities' capacity in quality assurance concepts and practices developed and delivered by CAQAY	<input type="checkbox"/>	Number	Value	0.00	8.00	12.00
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment		8 out of 12 Quality Modules have been developed - to be reviewed. Since the September 2013 mission, Quality Weeks (QWs) were conducted in Sana'a University, Hadhramout University, and Ibb University. Over 100 faculty members were trained. Four more QWs are planned for Taiz University, Thamar University, Aden University and Hodeidah University.	
Higher education KPIs formally endorsed by MOHESR	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment			
Higher education statistical yearbook produced by	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017

MOHESR			Comment		TOR cleared in November 1, 2013 with only one response to the advertisement. The technical proposal is currently being amended. Contract to be awarded by October 2014).	
Satisfactory results of fiduciary capacity assessment of Taiz University	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment		Manual for the new procedures in the areas of financial management, procurement, and internal audit approved by the University Council. Specific action items were agreed for MOF approval of the Manual of Procedures. This would facilitate the adoption of the new procedures at the university level. In addition, it was agreed to proceed with: (i) manual piloting of the new procedures, and (ii) moving to an automated system once the procedures are adequately implemented.	
Quarterly progress reports produced on time	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
			Date	21-Sep-2010	21-Apr-2014	31-Dec-2017
			Comment			
Annually audited financial statements submitted on time	<input type="checkbox"/>	Yes/No	Value		Yes	Yes
			Date		21-Apr-2014	31-Dec-2017
			Comment			

ANNEX 2: OPERATIONAL RISK ASSESSMENT FRAMEWORK (ORAF)

Yemen, Republic: RY Higher Education Quality Improvement Project - Additional Financing (P150129)

Project Stakeholder Risks						
Stakeholder Risk	Rating	Moderate				
<p>Risk Description:</p> <p>(i) Quality Improvement Fund (QIF) programs will be delivered in a business-as-usual mode with no value added to students. This includes students not having timely access to learning resources and laboratory equipment, and QIF program delivery being reduced to theoretical lectures with no hands-on experience.</p> <p>(ii) University academic staff will resist quality assurance (QA) activities and the self-review exercise.</p> <p>(iii) The new fiduciary system will not be adopted by Taiz University.</p>	<p>Risk Management:</p> <p>(i):</p> <p>(a) QIF program academic staff were trained on learning-outcome-based curriculum. (b) Technical assistance (TA) is being provided to conduct peer reviews of course specifications and curricula. (c) Measures have been taken to ensure students' access to learning materials (including program catalogs, study plans, handouts, and text books). (d) An Additional Financing (AF) is being processed to support the availability of priority laboratory equipment required by QIF programs, and the MOHESR will ensure program delivery in alignment with the learning-outcome framework. The bidding packages will be developed within three months of the approval of the AF to ensure smooth and efficient procurement of the required laboratory equipment. (e) A communication mechanism, including focus group discussions for students, employers, and academic staff, is in place to ensure feedback is used to address arising issues in program design and delivery.</p>					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Client	In Progress	Implementation	<input checked="" type="checkbox"/>		CONTINUOUS
<p>Risk Management:</p> <p>(ii):</p> <p>(a) Creating a QA culture within the university academic environment is one of the key objectives of this component. (b) A number of QA modules have been designed for universities and to address key QA concepts. (c) CAQAY undertakes on-going communication activities, including a website, media spots, a newsletter, etc.</p>						
Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:	

	Client	In Progress	Implementation	<input checked="" type="checkbox"/>		CONTINUOUS
	<p>Risk Management:</p> <p>(iii):</p> <p>(a) The TA firm adopted a participatory approach in developing the fiduciary manuals.</p> <p>(b) The new system was widely disseminated to all university stakeholders and their feedback was incorporated.</p> <p>(c) The Project Management Unit (PMU) has conducted follow-up meetings to address issues that may arise with the new system and its potential adoption.</p> <p>(d) A steering committee will be established to monitor the adoption of the new system and address implementation issues.</p> <p>(e) The manuals will be presented to the MOF for their endorsement, and this should address potential resistance from MOF staff based in the university.</p>					
	Resp: Client	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
Implementing Agency (IA) Risks (including Fiduciary Risks)						
Capacity	Rating	Substantial				
<p>Risk Description:</p> <p>(i) The implementing agency (MOHESR) may not have adequate capacity to manage the Project, including the fiduciary aspect.</p> <p>(ii) Universities lack experience in implementing QIFs.</p>	<p>Risk Management:</p> <p>(i):</p> <p>(a) The PMU has been in place since 2010 and has sufficient staff to implement AF activities including procurement and FM issues.</p> <p>(b) A PMU Advisor with prior experience as a Director of a World Bank-funded project was recruited to provide support to the PMU in the areas of monitoring and evaluation (M&E), procurement, and QIF programs implementation.</p> <p>(c) The PMU will ensure it has sufficient and qualified staff.</p>					
	Resp: Client	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
	<p>Risk Management:</p> <p>(ii):</p> <p>(a) A simple and clear Project Operations Manual was developed and is being used by all</p>					

	<p>QITs. It is also being updated to address QITs' requirements. (b) Ongoing TA is provided to help QIF programs since project preparation. (c) Professional development of academic staff is an integral element of the design of all QIF program. (d) QIF programs are being supported by the PMU. (e) The IDA team continues to provide substantial technical support to the PMU and QITs.</p>					
	Resp: Client	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
Governance	Rating	Substantial				
<p>Risk Description:</p> <p>(i) Change of university leadership will adversely impact the level of university commitment towards the QIF and Taiz University's fiduciary capacity.</p> <p>(ii) Some QIF programs may receive laboratory equipment for research purposes and not for teaching and learning purposes.</p>	<p>Risk Management:</p> <p>(i) The MOHESR and the PMU closely engage in an effective dialogue with new university presidents to clarify the purpose of the relevant activities, their roles, and the potential benefits of the project to the whole higher education sector. Also, the composition of the project steering committee (PSC) and the project identification and review committee (PIRC) convene frequently, with the Vice Minister's constant support to ensure the resolution of arising issues. In addition, the performance agreements signed between the universities and the MOHESR ensure the universities' compliance with the implementation agreements.</p>					
	Resp: Client	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
	<p>Risk Management:</p> <p>(ii) As an initial step, all QIF programs submitted the list of priority laboratory equipment with direct mapping to learning outcomes and course names. As part of finalizing the technical specifications and cost estimates, the document will state the purpose of the equipment to ensure they are for teaching and learning purposes, and this will be further verified by the PMU prior to inclusion in the Procurement Plan.</p>					
	Resp: Client	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
	<p>Risk Management:</p> <p>The Bank is working closely with the Government and providing support to initiatives that</p>					

will improve transparency and accountability. The ongoing Public Financial Management Program focuses on improving efficiency and transparency in the management of public finances by strengthening decision-support systems and building capacity in the Government's central finance institutions. The US\$3 million AF to this project will bring the outdated system of national accounts up to international standards, and establish an appropriate internal audit system. The Bank has also prepared a proposal, approved by the Transition Fund in December 2013, to help enhance the capacity of SNACC to develop and implement a national anti-corruption strategy.

Resp: Client	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
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Project Risks

Design	Rating	Moderate					
<p>Risk Description:</p> <p>(i) Overestimating the pace of Implementing Institutional and Policy Reforms.</p> <p>(ii) The QITs are not able to provide clear technical specifications for the laboratory equipment required for achieving learning outcomes</p>	<p>Risk Management:</p> <p>(i):</p> <p>(a) The project design incorporates lessons learnt from the previous project (HELP), particularly in terms of the simple design and realism.</p> <p>(b) The project design does not aim for either institutional or policy reform, but to “set the stage” for forthcoming reforms.</p> <p>(c) CAQAY-related activities focus on realistic elements of strategic planning, and a culture of QA and self-assessment, and does not include accreditation.</p> <p>(d) The fiduciary capacity building is undertaken in Taiz University in order to create a replicable and sustainable model for eventual decentralization.</p>						
	<table border="1"> <tr> <td>Resp: Client</td> <td>Status: In Progress</td> <td>Stage: Both</td> <td>Recurrent: <input checked="" type="checkbox"/></td> <td>Due Date:</td> <td>Frequency: CONTINUOUS</td> </tr> </table>	Resp: Client	Status: In Progress	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
Resp: Client	Status: In Progress	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS		
	<p>Risk Management:</p> <p>(ii):</p> <p>The PMU has already contracted with a consultant to verify the validity of the priority equipment and to develop coherent technical specifications and cost estimates for the required laboratory equipment for relevant QIFs.</p>						
	<table border="1"> <tr> <td>Resp:</td> <td>Status:</td> <td>Stage:</td> <td>Recurrent:</td> <td>Due Date:</td> <td>Frequency:</td> </tr> </table>	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:		

	Client	In Progress	Implementation	<input checked="" type="checkbox"/>		CONTINUOUS
Social and Environmental	Rating	Low				
<p>Risk Description: QIF programs cause adverse environmental and social impacts.</p>	Risk Management:					
	<p>This project is rated as environmental Category C, which is consistent with the Parent Project RY HEQIP (P110733). As for social impacts, the Bank team carried out extensive consultations with various stakeholders since the very early stages of project design. Although the early policy discussions were carried out with the Minister and Vice Minister of Higher Education and Scientific Research, the team adopted an extensive participatory approach during the development of the project components. The team consulted University Rectors, Deans of Faculties, and faculty members, as well as representatives of private universities, the civil society and development partners. This approach is also apparent in the composition of the PSC and the PIRC.</p> <p>Laboratory equipment and tools will be purchased for existing laboratories at the three universities. Meanwhile, under the original project, limited amounts of chemicals to be used by undergraduate students for laboratory work are procured. There are existing environment and safety measures at the laboratories to mitigate for potential risks as documented by the Project, as well as training planned by the Quality Improvement Teams to improve the effectiveness of such measures.</p> <p>The AF was prepared with the full engagement of the university QIF programs, the MOHESR/PMU and the project steering committee, as well as in consultation with MOPIC and MOF.</p>					
	Resp: Client	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
Program and Donor	Rating	Low				
<p>Risk Description: Overlap of funding resources.</p>	Risk Management:					
	<p>The Bank will closely monitor Project activities and respective funding resources. Meanwhile, the PMU has developed a rigorous approach to develop and update annual work plans to ensure a transparent view of activities and sources of funding.</p>					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:

	Client	In Progress	Implementation	<input checked="" type="checkbox"/>		CONTINUOUS
Delivery Monitoring and Sustainability	Rating	Moderate				
Risk Description: Inadequate information on results.	Risk Management: A simple M&E system has been developed by the PMU to ensure data is being timely and accurately collected.					
	Resp: Client	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
Overall Risk						
Overall Implementation Risk:	Rating	Substantial				
Risk Description: The PMU and university QITs have no previous experience in procurement for complicated laboratory equipment. In addition, there is a general high risk from the challenging security conditions in Yemen.						

ANNEX 3: DETAILED DESCRIPTION OF THE ORIGINAL PROJECT AND THE IMPLEMENTATION PROGRESS

1. ***Component 1 - Quality Improvement for University Programs.*** The goal of this component is to facilitate the establishment of a fully sustainable mechanism that will channel financial resources to higher education institutions in Yemen, in order to support program development initiatives leading to significant qualitative improvement in teaching and learning, consonant with the social, economic, and employment priorities of the country. A Quality Improve Fund (QIF) mechanism was established under this component to support 12 undergraduate programs in 8 public universities, and a Quality Improvement Team (QIT) was formed in each of these programs to manage the preparation and the ongoing program implementation. Significant steps have been achieved in relation to the establishment of the mechanism, including: (i) the completion of Program Learning Outcome Frameworks for 12 undergraduate programs with clear linkages to Yemen's economic development; (ii) the formulation of procedures and processes for curriculum development; (iii) the design and delivery of professional development workshops for Curriculum Development Committees and the curriculum development teams; (iv) the development of curricula for the first year of all programs and for the subsequent years (years 2-4 or years 2-5, depending on the programs) for most of the 12 programs; (v) the preparation and distribution of Student Handbooks; and (vi) enrollment of two batches of students in 11 new programs.¹ Following completion of the project design phase and signing of Performance Agreements between the MOHESR and university presidents in early 2011, Program Advisory Committees were established to guide the alignment of graduate professional competencies, academic knowledge, and employability skills based on the expectations of the economic sectors in which the students are likely to find employment. This is being followed by the building of expertise in the respective faculties regarding the procedures associated with learning-outcomes-based program design, review, and delivery. The mechanism being established under this component is considered a paradigm shift in Yemen's higher education system.

2. ***Component 2 – Quality Assurance (QA).*** This component supports activities that will institutionalize QA mechanisms and structures in higher education institutions and will foster enabling conditions conducive to the enhancement of the quality of university programs and graduate competencies. Implementation of this component has further advanced since the formal appointment of the Chair of the Council of Accreditation and Quality Assurance in Yemen (CAQAY) in December 2012. The CAQAY strategic plan has been developed. In addition, standards for higher education institutions for Level 1 (beginner) and Level 2 (foundation) have been drafted, and procedural manuals for the application of these standards in the internal review exercise at the college/faculty level are being developed. Twelve modules (Quality Weeks Modules) have been identified for building capacity in each university and are currently being implemented. Capacity building activities are being initiated with a view to developing a core team of a minimum of five individuals (the University QA Team) in each well-established public university (eight universities in total) that will eventually lead QA initiatives in their respective universities. For the purpose of promoting a quality culture, the QA brochure and newsletter have been published and the QA website has been launched by CAQAY.

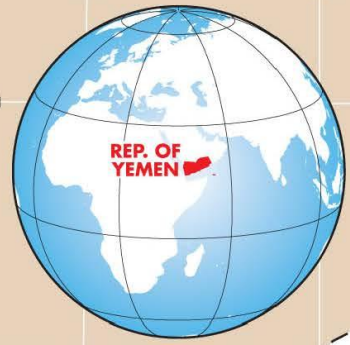
¹ It was agreed during the March 2013 mission that the Computer Science program in Hajja University will postpone enrollment of a second batch until 2014/2015 due to the program's limited capacity in terms of teaching staff.

3. ***Component 3 - Institutional Capacity Development.*** This component has a dual objective: (i) to support the planning and monitoring capacity of the MOHESR; and (ii) to nurture the capacity of Taiz University in terms of its fiduciary management, and to enhance accountability. Following the project restructuring, the subcomponent relating to the development of the institutional capacity of the MOHESR has been refocused towards the core objective which is to build a planning and monitoring capacity within the MOHESR. The procurement process is in progress for the associated technical assistance support and capacity development activities. Meanwhile, the technical assistance which supports upgrading of the fiduciary capacity in Taiz University is well underway. The manual for the new procedures in the areas of financial management, procurement, and internal audit has been finalized, and training of relevant university staff on the manual is under way.

4. ***Component 4 - Monitoring and Evaluation and Project Management.*** Further to September 2013 mission agreements, the Project Operations Manual (POM) was revised and deemed acceptable by the Bank in March 2014. The most significant change made to the POM was the development of the monitoring and evaluation (M&E) system to ensure adequate data collection, data analysis, reporting, and flagging of issues for timely actions. To improve the internal control aspects of project management, it was agreed that activities involving study tours and training outside Yemen will be subject to the Program Identification and Review Committee's (PIRC) approval according to set criteria.

REPUBLIC OF YEMEN

- SELECTED CITIES AND TOWNS
- GOVERNORATE CAPITALS
- ⊕ NATIONAL CAPITAL
- ~ RIVERS
- MAIN ROADS
- GOVERNORATE BOUNDARIES
- - - INTERNATIONAL BOUNDARIES



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