



UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

REPUBLIC OF YEMEN

**Yemen Emergency Energy Access Project- Phase II
(RY-EEAP- II)**

PROJECT OPERATIONAL MANUAL

7 October 2022

ABBREVIATIONS AND ACRONYMS

APA	Alternative Procurement Arrangements
CEN	Country Engagement Note
CERC	Contingent Emergency Response Component
DFA	De Facto Authorities
DLA	District Local Authority
EHS	Environmental, Health, and Safety
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESMAP	Energy Sector Management Assistance Program
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standards
FCV	Fragility, Conflict, and Violence
FLAP	Forced Labor Action Plan
FMFA	Financial Management Framework Agreement
GARE	General Authority for Rural Electrification
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GIS	Global Information System
GM	Grievance Mechanism
GRS	Grievance Redress Service
IRR	Internal Rate of Return
IAIG	International Auditing and Investigation Group
IUFR	Interim Unaudited Financial Report
MEE	Ministry of Electricity and Energy
MFI	Microfinance Institution
NDC	National Dialogue Conference
OHS	Occupational Health and Safety
PAYG	Pay-As-You-Go
PDO	Project Development Objective
PBA	Performance-Based Allocation
PEC	Public Electricity Corporation of Yemen
POM	Project Operations Manual
PPSD	Project Procurement Strategy for Development
PUE	Productive Uses of Energy
PV	Photovoltaic
RRT	Rapid Response Team
RY-EEAP	Republic of Yemen Emergency Electricity Access Project
RY-EEAP-II	Republic of Yemen Emergency Electricity Access Project- Phase II
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
STC	Southern Transitional Council
STEP	Systematic Tracking of Exchanges in Procurement
TA	Technical Assistance
TOR	Terms of Reference

TPM	Third-Party Monitoring
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
WASH	Water, Sanitation, and Hygiene
WBG	World Bank Group
WDI	World Development Indicators
WHO	World Health Organization
WUA	Water User Association
YIUSEP	Yemen Integrated Urban Services Emergency Project

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INTRODUCTION

Scope: This Project Operational Manual (POM) is developed by the United Nations Office for Project Services (UNOPS) to spell out the procedures and detailed arrangements for the implementation of the Yemen Emergency Electricity Access Project - Phase II (RY-EEAP II), funded by the World Bank (WB).

The POM will guide UNOPS to ensure that the project activities, subprojects, and components are implemented in accordance with the Project Appraisal Document (PAD), the Project Alternative Procurement Arrangements (APA), the Project Financial Management Framework Agreement (FMFA), and the project Environmental and Social Framework (ESF) which are UNOPS applicable procurement policies, procedures, regulations, and practices. This POM should be read in conjunction with the PAD and relevant UNOPS procedures..

As agreed between the World Bank and UNOPS, this POM may be revised from time to time during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances. In such circumstances, UNOPS shall agree to the changes with the World Bank and shall update and disclose the POM to reflect such changes. UNOPS will also ensure that the new version of the POM is available to its contractors, suppliers, MFIs and the Third Party Monitoring Agency (TPMA) working on the Project.

The POM has been divided into six sections, covering processes related to project planning, implementation (including financial management and procurement), monitoring, reporting, and environmental and social management. The POM is organized as follows:

- **Section I:** Project definition, including background, objectives, results indicators, and project description.
- **Section II:** Implementation Arrangements (for UNOPS' self-implemented subprojects)
- **Section III:** Project Management and Oversight
- **Section IV:** Environmental and Social Management
- **Section V:** Fiduciary Arrangements, including finance, grants, procurement, and human resources arrangements
- **Section VI:** Other Project Management aspects, including risk management, monitoring & evaluation.
- **Section VII:** Grievance Mechanism
- **Annexes:** (supplementary information)

SECTION I: PROJECT DEFINITION

PROJECT BACKGROUND

The Republic of Yemen (henceforth referred to as Yemen) is currently in the middle of a severe humanitarian crisis and has been in a complex civil war since 2014, struggling due to a fall in global prices, weak public infrastructure, a limited ability to cope with extreme climate events, and the strains of COVID-19. Yemen also battles mass outbreaks of preventable diseases where the death rate has increased five times than the global average¹, and the country has been designated a fragility, conflict, and violence (FCV) country by the World Bank.

In 2021, a new phase of the conflict emerged with a months-long battle for control of the central province of Marib and Shabwa. Early 2022, the country experienced an escalation of the conflict and in military activities which led to increased efforts to strike a truce in Yemen and political changes.

The current war in Ukraine is having a negative impact on Yemen's economy, through rising commodity prices, including food items like wheat and grains in addition to the agricultural fertilizers. Those negative impacts from the Ukraine-Russia war will exacerbate the already dire oil and food security situation that Yemen was facing in 2020 and 2021, which arose from a combination of several large shocks including the COVID-19 pandemic, a significant decline in humanitarian assistance, a currency crisis, rising global food prices, difficulties in importing fuel, and increasing conflict.²

The private sector in Yemen has acquired a vital role during the economic downturn, as it continues to enhance community resilience and facilitate distribution, storage, and logistical services for humanitarian actors. The business sector dominates all economic activities, and roughly 75 % of enterprises are still trading and resilient. Recent data also show a growing contribution of the private sphere to numerous economic sectors, such as manufacturing, construction, and service, including as these activities apply to development of Yemen's fledgling solar PV market. At the same time, fragmented fiscal and monetary policies, damaged infrastructure, restrictions on transportation and the movement of people and goods, lack of predictability in the regulatory environment, and lack of enforcement of laws are cited as the top challenges to be addressed from the perspective of the Yemen Private Sector Cluster.

Disruption to energy access, transport, and water have had far-reaching direct and indirect impacts on households. Nightlight satellite imagery shows that major electricity disruption has left three quarters of the country in the dark. The electricity grid and distribution networks have been extensively damaged by the conflict, leaving millions of households and businesses without access to public electricity, with diesel generators and solar PV only available to a few. Damage to critical services facilities, health clinics, water and sanitation infrastructure, and schools has resulted in increased deaths and illnesses.

¹ The United Nations Development Programme estimated in November 2021 that 377,000 Yemenis will have been killed by the conflict by the end of 2021, most indirectly and not in combat, 70% of them children under the age of five.

² Favari, Eliana; Geiger, Michael Tobias; Krishnaswamy, Siddharth; Tandon, Sharad Alan (2021), "The 2020 Food Security Crisis in Yemen (English)". Washington, D.C.: World Bank Group.

The World Bank and other international organizations have helped provide solar energy solutions for rural and peri-urban health clinics, schools, and water facilities and have encouraged the development of a private sector-driven market for renewable, off-grid electricity. However, the support has not been enough. The need for targeted interventions to improve electricity access to rural and peri-urban households and critical services facilities continues to be huge. More attention and assistance needs to be paid to restoring and improving off-grid power supply in rural and peri-urban areas if the worst effects of the humanitarian crisis are to be stemmed. Restoring access to electricity is a critical factor in alleviating the dire humanitarian situation across the country, restoring livelihoods, and fighting preventable diseases, especially in the underserved rural and peri-urban areas of Yemen.

The ongoing conflict in Yemen has significantly worsened an already inadequate electricity supply, as the provision of public electricity service has essentially collapsed. In 2014, before the conflict erupted, only about 66 % of the population in Yemen had access to public electricity. Now close to seven years into the conflict, only about 12 % of the population relies on public electricity. Five out of ten cities assessed in the latest update of the Yemen Dynamic Needs Assessment were found to lack access to public electricity at all, including major cities such as Aden, Sana'a and Al Hodeida. Even in cities where critical power infrastructure remains intact, assets often sit idle due to fuel shortages.

Nearly 70 % of Yemen's population lives in rural and peri-urban areas³ where the level of poverty is higher than in urban areas and increasing. The devastation and destruction of war has not spared the rural and peri-urban electricity sector. The few rural and peri-urban areas that were supplied power from the grid prior to the conflict have either had the infrastructure destroyed or cannot be supplied due to insufficient grid-connected generation capacity. Without access to electricity, health clinics have not been able to operate after sunset, store medicines, or power medical equipment; water wells have not been able to pump clean drinking water; farmers have not been able to irrigate crops and/or they have been using polluting fuel-powered generators to pump water for irrigation; and educational institutions have struggled to operate effectively, all contributing to the humanitarian disaster disproportionately affecting Yemen's poorest and most vulnerable rural and peri-urban population. The current lack of access to electricity has severe socioeconomic impacts, particularly on health, education, water and sanitation, and the private sector, which all rely heavily on a functioning power supply.

Restoring electricity supply in Yemen is vital to restoring other critical services such as health facilities, water supply and sanitation, schools, food supply and cold chain, banking services, and agriculture. However, the affordability of solar products remains a barrier for the poor and most vulnerable, and the low quality of products and after-sales support threaten the sustainability of the fledgling market. There is therefore a critical and timely need to pursue a different modality for providing access to electricity to the rural and peri-urban communities and institutions of Yemen.

Notwithstanding the RY-EEAP focused support to rural and peri-urban areas of the country, a huge demand for electricity access remains in these areas. While this calls for additional support to connect more of unsupplied demand, it also requires several enhancements to improve sustainability and flexibility to mitigate changing conflict and security situations.

³ Yemen Rural Population 1960-2021 Macro Trends. Yemen's rural population for 2020 was 18,519,540, a 1.24% increase from 2019. <https://www.macrotrends.net>.

The project aims to restore access to public services and to improve living and sanitary conditions while also helping support economic recovery (RY-EEAP has demonstrated significant improvements in health, education, water, and sanitation as a result of providing access to electricity supply). It will also contribute to greenhouse gas (GHG) emission reduction from fossil-fueled power supply in households. In addition, regulated water supply by solar-powered water pumps will contribute to adaptation to water scarcity, from which Yemen regularly suffers. The project also aims to maintain the World Bank's current engagement to support basic service delivery to rural and peri-urban households, health facilities, drinking water wells, schools, and COVID-19 isolation.

Phase II of the RY-EEAP builds upon the project works with the Yemeni Microfinance Institutions (MFIs) which will provide goods to beneficiaries seeking to acquire solar systems for home use, and where appropriate, will consider the addition of productive use of electricity interventions for households. The project will facilitate the sourcing of goods that are purchased, imported, marketed, sold by MFIs, and serviced to individual purchasers of the household solar systems through cash and credit sales.

It will also maintain a more inclusive and sustainable solar market in Yemen through targeted financing to the private sector, expanding its reach to the poor and vulnerable while improving the quality of off-grid energy access products and services based on international experience.

Improving households' access to energy is central to restoring livelihoods and mitigating impacts of the crisis on the poor and most vulnerable. In that regard, solar power represents the most immediate opportunity to help alleviate the most pressing impacts of the unfolding developmental crisis. The project is expected to benefit 3.5 million individuals across Yemen. The activities for the Project will be implemented by UNOPS in collaboration with MFIs, contractors, solar equipment suppliers, and technical service providers.

The financing instrument of the proposed project is 'Investment Project Financing,' with an operational life of four years (closing date is September 30, 2026). The project will be financed by a US\$100 million equivalent IDA grant to UNOPS, who will act as recipient and implementing agency of the proposed project.

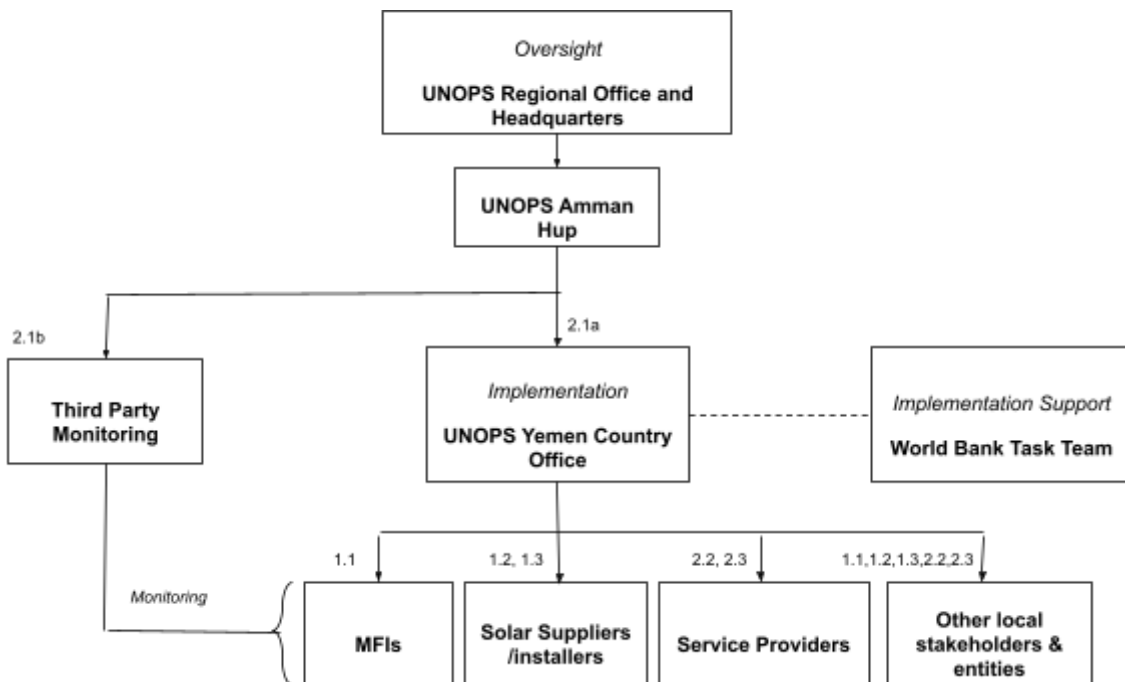
PROJECT DESCRIPTION

PROJECT DESIGN

The Four-year, US\$100 million equivalent IDA grant will finance distributed solar solutions to support access to electricity supply and prepare for post-conflict restoration of critical rural public services affected by the protracted civil conflict and global COVID-19 panoramic while strengthening the capacity of local institutions to provide continuity, resilience to shocks, and sustainability of service delivery in a post-conflict Yemen.

The project will reach rural and peri-urban areas and will be implemented by UNOPS, with support from MFIs, contractors and suppliers and a TPM agency. (see figure 1).

Figure 1: Project Management Structure



The project will leverage the existing private sector-driven solar supply chain and is designed to crowd-in rather than replace private finance. The project will engage the existing private sector supply chain in three ways:

- (a) by capitalizing on the geographical reach of the private sector supply chain to reach otherwise hard-to-reach rural and peri-urban areas;
- (b) by engaging MFIs as financial intermediaries, the project will leverage IDA financing to enable private investment by households; and
- (c) through the market strengthening activities under Component 2, the project will contribute to a more sustainable solar market and business development in Yemen.

PROJECT BENEFICIARIES

The project targets two main groups of direct beneficiaries, and will have additional indirect benefits to the solar market and the economy overall. Rural and peri-urban populations will benefit directly through access to modern energy and electricity-dependent services through solar home systems (small-scale household solar systems). Also, they will benefit through improved access to critical institutions comprising health facilities, water wells, schools, and COVID-19 isolation and vaccine cold chain units.

In terms of indirect effects, solar users in Yemen, in general, will benefit from access to higher-quality solar solutions and broader access to debt financing for solar due to the project's market-strengthening measures. With an estimated 50–60 % of the investment value expected to remain in the local economy, the project will contribute to the creation of jobs and mobilization of private capital, benefitting the Yemeni economy. Furthermore, sub-component 2.3 and the associated Energy Sector Management Assistance Program (ESMAP) grant to the Yemen Energy Sector TA are aimed at improving sustainability of the overall power sector as the country emerges from the crisis, and the beneficiaries are the entire population of Yemen. The PEC and its regional offices, and other public sector entities, are project beneficiaries of the TA and capacity building to support solar PV market development in Yemen and restoration post-conflict of the Yemen power sector.

GEOGRAPHICAL COVERAGE

Rural and peri-urban areas are defined for the purpose of this project at the district level. Rural and peri-urban districts are defined as all districts in Yemen excluding the urban districts of Yemen's major urban centers (Aden, Al Hudaydah, Sana'a, Dhamar, Al Mukalla, Ibb and Taizz). The full list of eligible districts is included in Annex 9 of this POM.

PROJECT COMPONENTS

The project is structured in three components: Electricity Access in Rural and Peri-urban Areas (Component 1), Implementation Support, Market Development, and Technical Assistance for Power Sector Sustainability (Component 2), and a Contingent Emergency Response Component (CERC) (Component 3).

Component 1 finances off-grid solar solutions for rural and peri-urban households (Subcomponent 1.1), critical service facilities (Subcomponent 1.2) and COVID-19 Isolation and Vaccine Cold Chain Units (Subcomponent 1.3). Component 2 finances project implementation and management support (Subcomponent 2.1), technical assistance to support Solar-PV market (Subcomponent 2.2), as well as technical assistance for power sector recovery (Subcomponent 2.3). Component 3, which is without financial allocation at the time of approval, is meant to provide immediate response to an eligible crisis⁴ or emergency to mitigate, respond to, and recover from the potential harmful consequences arising from the emergency.

Below are further details on the project components:

⁴ In case of the occurrence of any natural disaster, epidemic, or another emergency, which would cause a major adverse economic and/or social impact during project implementation.

Component 1: Electricity in Rural and Peri-urban Areas

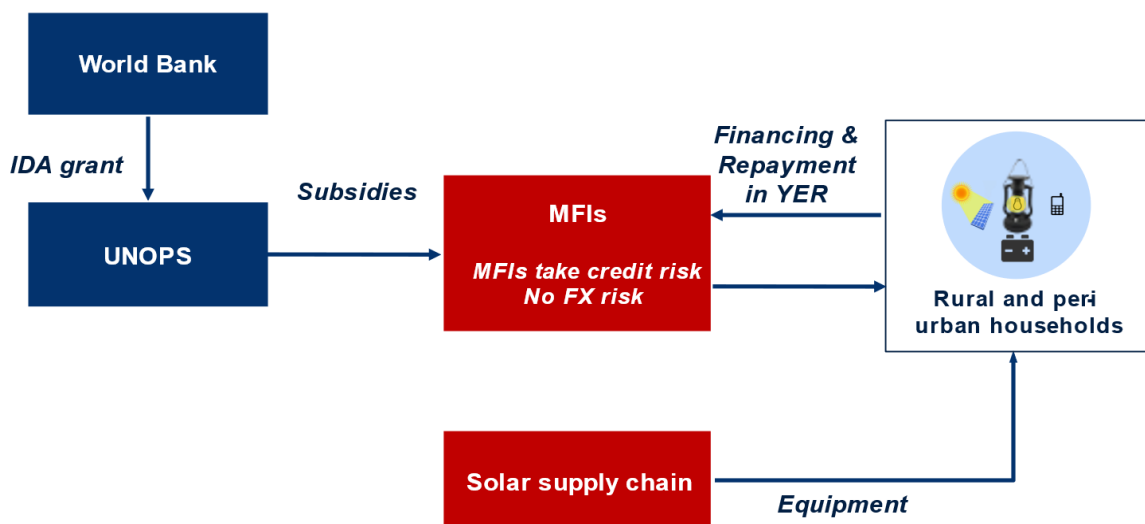
This component will be implemented through three subcomponents:

- a) Sub-component 1.1: Electricity for households
- b) Sub-component 1.2: Electricity for Critical Services Facilities
- c) Sub-component 1.3: Support to COVID-19 Isolation and Vaccine Cold Chain Units

Sub-component 1.1: Electricity for households. This sub-component will (a) scale up the provision of basic pico-solar systems for vulnerable rural and peri-urban households, building on the success of both the In-Kind Grant (IKG) support mechanism targeting smaller, more working capital constrained MFIs and the Results-Based Financing (RBF) mechanism targeting larger, less capital-constrained MFIs and (b) where applicable, introduce a new component for larger, medium-size household solar systems.⁵ The provision of solar power will avoid the use of fossil fuel-based energy sources like candles and kerosene lamps which will result in mitigation of climate change co-benefits. UNOPS will engage eligible MFIs⁶ and help them set up financing windows for high-quality, small-scale solar solutions for rural and peri-urban households, and provide grants to beneficiaries to make systems affordable. Participation in the subcomponent will be open to all MFIs that meet the minimum eligibility criteria as well as grant allocation criteria detailed out in Section 2.

In addition to that, and depending on the outcome of studies being conducted under RY-EEAP, pilot programs for pay-as-you-go (PAYG) and productive uses of electricity (PUE), providing economic, health, and safety benefits to more beneficiaries and enhancing female beneficiary participation, may also be initiated. Lessons learned from RY-EEAP in encouraging sales to women (credit and cash) through encouraging MFIs to provide financial incentives will be considered under this component. Below Figure illustrates the implementation arrangements under this subcomponent.

Figure 2: Implementation Arrangements for Sub-component 1.1



⁵ Larger, medium-size household solar systems will stay within the lighting global range, where all products are plug and play and do not require installers to implement.

⁶ While this document uses the term micro-finance institutions (MFIs) to describe entities eligible to participate in the project under Subcomponent 1.1, UNOPS may engage other entities that extend microcredits and fulfill the eligibility criteria defined in this Project Operations Manual.

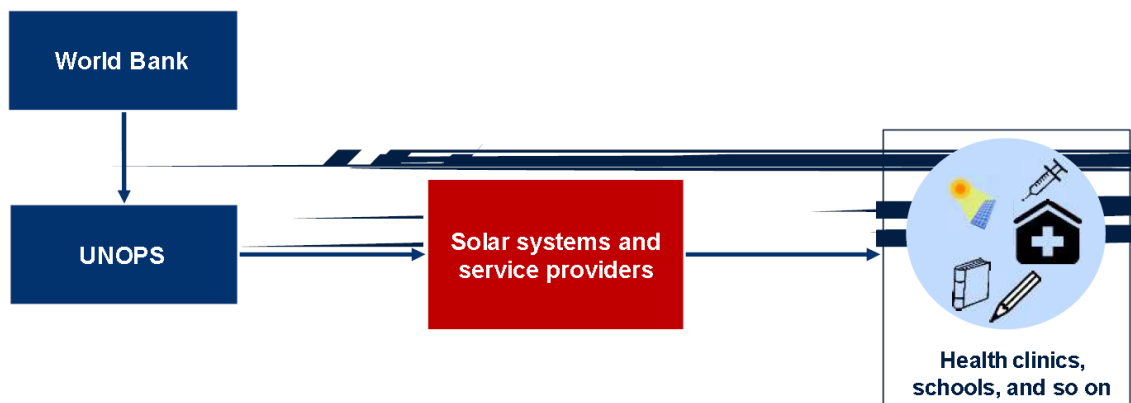
Sub-component 1.2: Electricity for Critical Services Facilities. Under this subcomponent, UNOPS will scale up the delivery of lifesaving off-grid access to electricity interventions to address the humanitarian crisis in rural and peri-urban areas across Yemen and seek to broaden collaboration with health; education; and water, sanitation, and hygiene (WASH) for greater impact and sustainability of interventions. This will be done by: (a) providing solar systems to more primary health centres/units, including maternal and reproductive health facilities, and expanding to health facilities in districts that require larger budgets per facility (health facilities will be crucial for treating more complicated and inpatient cases that health centres/units cannot handle) and might require additional interventions including, but not limited to, building dedicated rooms for batteries and rewiring and retrofitting existing electric components in the facilities; (b) scaling up the provision of solar solutions for drinking water wells - as the demand for clear, potable water is huge and urgent and requires additional interventions all over Yemen, including supporting activities, such as the provision of submersible pumps, solar panels, water storage tanks, small desalination units, small water networks, and water meters, as well as capacity-building support to water user associations (WUAs)⁷ in collaboration with WASH and women collaboratives⁸; and (c) providing solar systems to additional girls and boys schools, in collaboration with ongoing education sector interventions.

Sub-component 1.3: Support to COVID-19 Isolation and Vaccine Cold Chain Units

This sub-component will focus specifically on scaling-up of the COVID-19 response and on the vaccine cold chain in Yemen. Additional COVID-19 isolation units and vaccine cold chain units will be identified to deliver the beneficial impacts of providing electricity to COVID-19 treatment facilities and vaccine supply chain.

The implementation arrangements for both subcomponents (1.2 and 1.3) are illustrated in Figure 3.

Figure 3: Implementation Arrangements for Sub-components 1.2 and 1.3



⁷ WUA capacity-building activities are linked with groundwater monitoring such as remote sensing, geophysical surveys, analysis of hydrogeological data, aquifer recharge rates combined with precipitation and climate data, and so on.

⁸ The project does not support water usage for agricultural or commercial purposes and, given water scarcity issues due to climate change and drought conditions in Yemen, imposes usage limitations to protect against overuse. There is some evidence that solar energy revolution in Yemen could deplete groundwater resources if not sustainably managed with awareness, effective monitoring, and regulations. A report published by the Conflict and Environment Observatory (CEOBS) in the United Kingdom suspects that the spread of solar power could drain the whole country of water.

<https://ceobs.org/groundwater-depletion-cloudsyemens-solar-energy-revolution/#easy-footnote-bottom-1-4999>

Component 2: Implementation Support, Market Development and Technical Assistance for Power Sector Sustainability. This component will include support to project implementation and management, third party monitoring, and market development. The project will lay important foundations for further developing and strengthening the implementation modalities of component 1, and inform sustainable future operations, through studies, data collection, assessments, and capacity building. The technical assistance to support Solar-PV Market will be included in subcomponents 2.2 and 2.3. This component will be implemented through three subcomponents.

- a) Sub-component 2.1: Project Implementation Support
- b) Sub-component 2.2: Technical Assistance to Support Solar-PV Market
- c) Sub-component 2.3: Technical Assistance for Power Sector Recovery

Subcomponent 2.1, Project Implementation Support, will facilitate and finance (a) project implementation, administration, management and monitoring and evaluation, which includes: (i) Recipient's Indirect Costs; (ii) Recipient's Direct Costs for management and supervision; (iii) provision of consultancy services required for Project monitoring, evaluation and coordination; (iv) conducting independent audits of Project activities; and (v) operation of the already existing Grievance Mechanism ("GM") system in the UNOPS's office in Yemen. (b) project implementation performance, verification and field monitoring of Project activities, including provision of consultancy services required for the TPM.

Under **subcomponent 2.2, Technical Assistance to Support Solar-PV Market,** the project will (a) lay the foundations for sustainability and scale-up of the solar market through a series of market, sector needs and gender assessments, scoping studies, and technical assistance/capacity building activities for eligible MFIs, solar PV suppliers, and beneficiaries. The following activities shall be implemented:

- i. Off-grid solar PAYG pilot.
- ii. Off-grid solar market assessment.
- iii. Mini-grid market assessment.
- iv. Quality standards and capacity building.
- v. Batteries management scoping and capacity building
- vi. Sector electricity needs assessments.
- vii. Gender impact assessment.

The project will also (b) provide technical assistance, capacity building, and training to contractors, small and medium enterprises, and other agencies at the local level in key project areas with specific focus on technical skills for all sectors under the project as well as on technical, non-project-related aspects to allow local institutions to more effectively assume their service delivery mandate, including (i) developing and rolling out of a public communication plan; (ii) facilitate citizen engagement for the identification and prioritization of investment projects; and (iii) promoting a gender sensitive workplace, including through prevention of sexual harassment, and the use of non-discriminatory hiring and recruitment practices

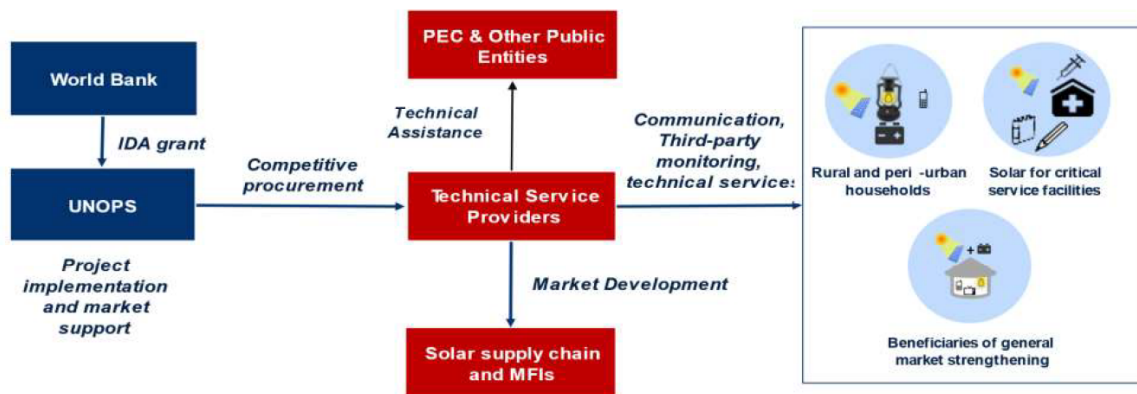
Sub-component 2.3: Technical Assistance for Power Sector Recovery. The aim of this sub-component is for the government to be prepared for policy discussion on the recovery of the power sector as the country emerges from conflict. It will involve both on-grid and off-grid

interventions. In view of the crisis situation, the selection of activities must be flexible, achievable, and respond to critical needs. They would include:

- (a) preparation of power sector reform and policy, institutional, and regulatory aspects;
- (b) conduct rapid studies on rehabilitation, reconstruction, and expansion of generation, transmission, and distribution systems and, to the extent possible, the preparation of associated pre-feasibility studies;
- (c) preparation of a geospatial-based electrification plan consisting of grid-based expansion, mini-grids, and stand-alone systems and assessing of the suitability of public sector and private sector delivery models; and
- (d) a diagnostic of the Public Electricity Corporation (PEC) to assess performance improvement needs including capacity building and structural and system enhancements such as improvements in metering, billing, and collection.

The implementation arrangements for sub-components 2.2 and 2.3 are illustrated in figure 4.

Figure 4: Implementation arrangements for subcomponents 2.2 and 2.3



Component 3: Contingent Emergency Response Component (CERC). The objective of this component is to provide, as needed, immediate response to an eligible crisis or emergency following the procedures governed by paragraph 12 of the World Bank Policy on Investment Project Financing (Rapid Response to Crises and Emergencies). There is a possibility that, during project implementation, a natural disaster, epidemic, or another emergency may occur, which would cause a major adverse economic and/or social impact. In anticipation of such an event, the CERC allows the implementing agency to receive support by reallocating funds from other project components or serving as a conduit to process additional financing from other funding sources for eligible emergencies to mitigate, respond to, and recover from the potential harmful consequences arising from the emergency. Disbursements under this component will be subject to the declaration of emergency by Yemen, the international community, or the UN.

PROJECT DEVELOPMENT OBJECTIVE (PDO)

The Project Development Objective (PDO) is to improve access to electricity in rural and peri-urban areas and plan for restoration of the national power sector.

PDO-LEVEL RESULTS INDICATORS

Achievement of the primary PDO⁹ will be measured against the following proposed key results indicators:

- (a) People provided with new or improved electricity service (target: 3,500,000, of which 48 percent (1,680,000) are female; and
- (b) Critical services facilities provided with new or improved electricity service (target: 700).

Achievement of the secondary PDO (Plan for restoration of the Yemen power sector) will be measured against the following:

- (c) Completion of an analytical assessment of future governmental engagements and subsequent stakeholder discussions to inform on findings from the assessment (target: minimum 10 discussions, with a minimum of 50 persons consulted, of which at least 10 % are female).

PROJECT RESULT INDICATORS

The project has the following result indicators to be achieved during the implementation of the project activities.

Indicator Name	PBC	Baseline	End Target
Electricity access in rural and peri-urban areas			
Number of population with all-weather access in the targeted rural communities (Number)		0.00	3,500,000.00
Critical Services Facilities provided with new or improved electricity service (Number)		0.00	700.00
Total GHG Emissions Reductions (tCO2/year)		0.00	20,033
Total Projected energy savings (kWh/year)		0.00	32,979,014
Lifetime Total projected energy savings (kWh)		0.00	367,409,415
Plan for the restoration of the Yemen power sector			
Completion of an analytical assessment of future engagement options for the power sector (Yes/No)		No	Yes
Stakeholder consultations to inform on findings from the assessment (Number)		0.00	100
Intermediate Results Indicators by Components			
Electricity for Households			
Households provided with off-grid solar home systems (cash and credit) (Number)		0.00	200,000.00

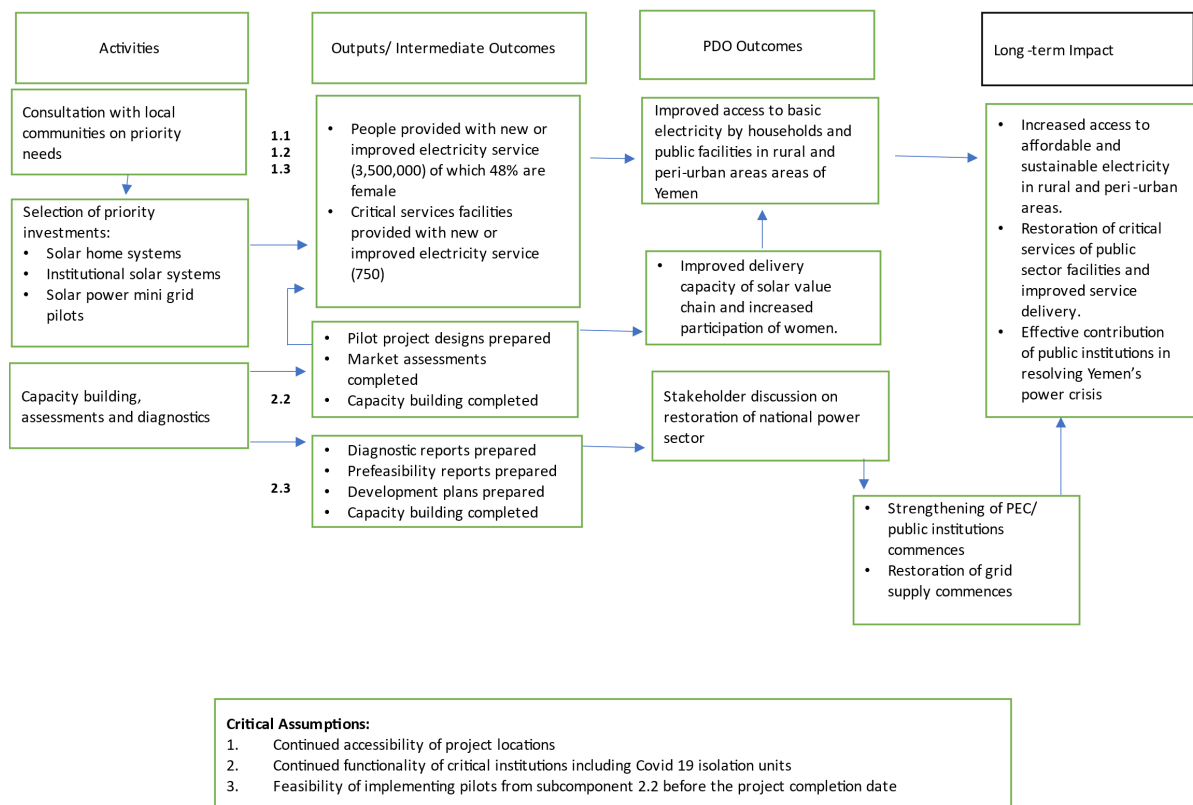
⁹ The project's primary PDO has a 95% weight, and the secondary PDO has a 5% weight.

Indicator Name	PBC	Baseline	End Target
Households provided with off-grid solar systems (cash and credit) - female purchasers (Number)		0.00	50,000.00
People provided with credit services (Number)		0.00	10,000.00
People provided with credit services - Female (Number)		0.00	3,000.00
MFIs - percentage of staff who are female (Percentage)		0.00	10.00
Beneficiaries who are satisfied with services provided by the project (Percentage)		0.00	90.00
Electricity for Critical Services Facilities			
Health Facilities (Number)		0.00	350.00
Drinking Water Wells (Number)		0.00	200.00
Schools (Number)		0.00	100.00
Feedback cases addressed and responded to in the timeframe publicly communicated by the project (Percentage)		0.00	90.00
Support to COVID-19 Isolation and Vaccine Cold Chain Units			
COVID-19 Isolation and Vaccine Cold Chain Units provided with improved electricity services (Number)		0.00	50.00
Grievances registered related to delivery of project benefits that are actually addressed (Percentage)		0.00	90.00
Stakeholder discussions to inform on findings from power sector assessment			
Persons consulted as part of stakeholder consultations (Number)		0.00	50.00
Persons consulted as part of stakeholder consultations - female (Percentage)		0.00	10.00

RESULTS CHAIN

The project's theory of change, illustrated in figure 5, links the activities with the outputs, outcomes, and higher-level objectives of the project. The activities and the related outputs are expected to yield improved electricity service for rural and peri-urban households and critical service facilities (PDO-level indicators) and improved access to basic electricity in rural and peri-urban areas within the Republic of Yemen (PDO). In the case of capacity building assessments and diagnostics, the effect is indirect. Achievement of the PDO in turn is expected to strengthen public institution commences and will contribute in resolving Yemen's power crisis.

Figure 5: Theory of Change



The rationale for the intervention is three-fold:

- Responding to the immediate developmental crisis in rural and peri-urban areas by providing basic electricity supply to households and critical services facilities (health facilities, schools, and drinking water wells);
- Building a more inclusive and sustainable solar market in Yemen through targeted financing to the private sector to expand its reach to the poor and vulnerable, while improving the quality of off-grid energy access products and services based on international experience; and
- Preparing for recovery and sustainability of the power sector through targeted TA.

SECTION II: IMPLEMENTATION ARRANGEMENTS

INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

Project implementation will be through the UNOPS, who will contract firms and MFIs with proven capacity on the ground. A third-party monitoring agent will assist UNOPS with oversight of physical implementations, E&S and other fiduciary aspects while for technical assistance, UNOPS will use its internal expertise where available, or independent consultants. The project management structure, as illustrated in the below figure 6 , is the same as is being used for the RY-EEAP.

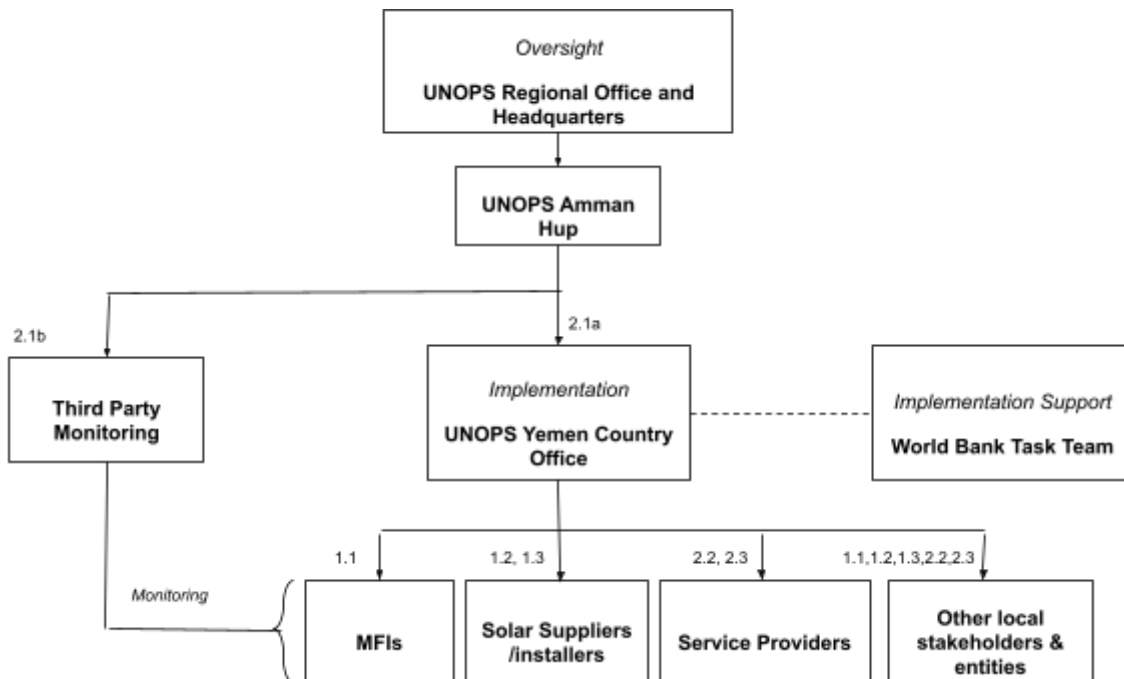
By working with and strengthening the existing, private sector-driven supply chain for solar energy the project will expand the reach of the supply chain to new segments of consumers and users of electricity and will work to make the market more transparent and technically sustainable.

Under sub-component 1.1, funding will be channeled to beneficiaries through Yemeni MFIs, which allows the project to capitalize on the reach of their agent networks and the private sector supply chain to cover all of Yemen, including rural areas. Most large MFIs in Yemen already have solar financing programs targeting richer households, and many have established relationships with solar suppliers that extend solar system lease arrangements consistent with Islamic finance.

For sub-components 1.2 and 1.3, recipient facilities will be identified by UNOPS on a need basis in coordination with development partners and local stakeholders. The selection will focus on critical services facilities in which the lack of electricity is the binding constraint to service delivery. Where possible, UNOPS will seek to create synergies with other donors’ ongoing activities in the respective sectors, and will procure the solar systems competitively directly from service providers.

For TA where other stakeholders, including the PEC, are involved, the contracting authority would remain UNOPS and no funding would be directed to or through such stakeholders due to the likely high fiduciary risk. However, such stakeholders would be represented in implementation of the tasks.

Figure 6: Project Management Structure



WORLD BANK IMPLEMENTATION SUPPORT

Besides day-to-day implementation support provided remotely, the World Bank will continue to conduct quarterly review missions (to be held in Amman or another suitable location) to (a) review implementation progress and achievement of the PDO and intermediate indicators; (b) provide technical support related to implementation, achievement of results, and capacity building; (c) closely coordinate with UNOPS to ensure that adequate oversight mechanisms are in place; (d) discuss relevant risks and mitigation measures; and (e) monitor the overall project performance through progress reports, financial reports, and field visits, if and when they become possible. Additionally, regular video-conferences and travel of the World Bank team to UNOPS' regional office in Amman will be conducted to coordinate project management.

IMPLEMENTATION ARRANGEMENTS UNDER PROJECT'S SUBCOMPONENTS

SUBCOMPONENT 1.1: ELECTRICITY FOR HOUSEHOLDS

SCOPE AND OBJECTIVE

Under this subcomponent, UNOPS will engage eligible, regulated and supervised MFIs¹⁰. UNOPS will support the MFIs to (a) distribute and finance off-grid solar products through either a Grant Support Model or Results-Based Financing Model and (b) set up financing windows for high-quality, small-scale solar solutions for rural and peri-urban households, and provide grants to beneficiaries to make the systems affordable. Participation in the subcomponent will be open to all MFIs that meet the minimum eligibility criteria.

A key goal in collaborating with MFIs is to make the solar market more inclusive, sustainable, and scalable in the long-term. Working with MFIs also allows the project to capitalize on the reach of their agent networks and the private sector supply chain to cover all of Yemen, including rural areas.

The participating MFIs will be selected based on a competitive process. Details on the MFIs selection process are provided below.

FINANCING MODELS

The two proposed financing models to support MFIs are In-Kind Grant Support (IKG) Model and Results-Based Financing (RBF) Model.

- (a) Under the ***In-kind Grant Model***, UNOPS will support MFIs to distribute and finance off-grid solar products through a subsidy of the system's cost. UNOPS will manage the procurement and importation of Lighting Global quality-verified products, with MFIs receiving stock from suppliers in Yemen. Products to be sold for cash or through traditional consumer financing provided by MFIs. In-kind Grant support is being provided to the MFIs on the condition that the action is implemented, and the pico-solar products are sold and distributed. The product will support microcredits to beneficiaries through partial grants. The grant proportion will be specified in the Call for Proposals. The grant component will be explicit and transparent, and

¹⁰ While this document uses the term micro-finance institutions (MFIs) to describe entities eligible to participate in the project under Subcomponent 1.1, UNOPS may engage other entities that extend microcredits and fulfill the eligibility criteria defined in the Operations Manual.

will be gradually phased out to build a commercial market segment for small-scale, high-quality household solar products.

The terms of financing will be commercial and proposed by the MFIs as part of their proposals to UNOPS. Notwithstanding the above, any implied interest rate will have to be within an acceptable range in order not to distort the market. Initially, beneficiaries who need to meet certain eligibility criteria will be presented the opportunity to purchase the solar equipment with a one-time offer of a grant equivalent to a predefined percentage of the market price, and may pay the remainder of the cost in cash or through financing (or a combination). In doing so, the project will completely separate the subsidy from the nominal interest rate. In practice, this means offering solar products to eligible households under purely competitive terms, however offering a rebate voucher to bring down the cost of the product. This voucher would be well-marketed and have clear eligibility periods.

The MFIs, UNOPS, and the World Bank shall review the market uptake and other defined indicators to inform a revision of the grant proportion, with the goal of eventual removal (that is, diminishing the value of the voucher over time).

- (b) While under the ***Result-Based Financing model***, the support shall be provided to the MFIs on the condition that the action is implemented, where it is linked to the importation and sale of products by the MFIs. The result-based financing support shall be provided to the MFIs upon the verification of importation and the subsequent sale to eligible beneficiaries. In addition, the MFIs will be expected to select from a much wider range of Lighting Global and quality-verified products. Products to be sold for cash and through traditional consumer financing.

The MFIs and their distributor partners will manage the importation of products through legal channels and they are required to submit the documentation showing products were imported legally. Under this model, MFIs and their suppliers shall comply with the Forced Labor provision indicated within the Project's FLAP. Please refer to Annex 10 for further details on the Force Labor provisions.

Custom fees will be borne by MFIs. MFIs are also expected to collaborate with their distributors and/or establish commercial terms with each other in the various districts to support the sales, distribution and financing of the systems. Based on the proposals received by the MFIs, UNOPS will provide each MFI with an initial funding allocation, which will be available for them to claim upon verification of results.

Allocations of Grants to MFIs might be reviewed on a 6-monthly basis, with additional funding allocated to successful MFIs as required.

It is also expected, depending on the outcomes of the studies under RY-EEAP-I that some MFIs will initiate a pilot phase for the pay-as-you-go (PAYG) and productive uses of electricity (PUE).

GEOGRAPHICAL COVERAGE

Grants will be provided under this Subcomponent to beneficiaries in rural and peri-urban districts throughout Yemen. A list of eligible districts is provided in Annex 9. The goal of targeting rural and peri-urban areas is to expand and maintain the reach of microfinance for solar products beyond their current focus of urban centers and larger agricultural consumers.

SUPPORTED PRODUCTS

Access to grants will be limited to smaller solar products that the non-poor are less likely to use. The combination of product selection and geographical targeting of rural and peri-urban areas to reach low-income households reflects lessons learned from the World Bank's output-based aid and financial intermediary projects in off-grid solar.¹¹ To mitigate the risk that the subsidized products are being systematically resold by beneficiaries, the number of systems available per household will be restricted. Despite these measures, the risk of leakage to non-targeted beneficiaries remains high. The effectiveness of the targeting mechanism will be closely monitored and, if needed, adjusted.

Under the *In-kind Grant Model*, the specific choice of supported products will be specified in the Call for Proposals. The grant proportion and the specific choice of supported products will be finalized by UNOPS. While under the *Result-Based Financing model*, the MFIs will have a wide-range of products in the conditions that they meet minimum quality standards of Lighting Global and are certified by VeraSol¹².

The project is likely to support pico solar kits, which can power fans and lamps and have seen spectacular growth in off-grid markets worldwide due to their simplicity and modularity. These products are largely unavailable in rural and peri-urban areas in Yemen and difficult for low-income households to afford without credit financing.

TECHNICAL STANDARDS

The project will draw on the World Bank Group's positive experiences with relying on certified products and vetted suppliers for solar products under the Lighting Africa and Lighting Global programs. Quality certification has proven successful as a quality signal in the market and as an incentive for suppliers to accurately report technical specification and provide adequate warranties. The project will aim to replicate this experience in Yemen and rely on VeraSol certified products, if a workable model for imports, after-sales service, and warranty claims for these products can be found.

UNOPS INVOLVEMENT IN PROCUREMENT AND LOGISTICS

Each Call for Proposals will clarify the respective roles of UNOPS and the MFIs in procurement and logistics. The extent of UNOPS' involvement in procurement and logistics of solar systems will be decided based on (a) Grant Model, and (b) conditions on the ground, with a view to rely as much as possible on the capacity of the private sector supply chain. The Call for Proposals (CfPs) arrangements and subsidy payments mechanism for sub-component 1.1 have been agreed upon during RY-EEAP.

Procurement arrangement.

- 1) stage 1 (IKG) involves procurement of solar kits in US dollars, paid for directly by UNOPS and delivered to UNOPS. The kits are then delivered as an In-Kind Grant (IKG) to MFIs, who distribute them to beneficiaries and receive payments to cover the MFIs operating costs plus

¹¹ Mumssen, Yogita, Lars Johannes, and Geeta Kumar. 2010. "Output-based Aid: Lessons Learned and Best Practices." *Directions in Development Finance*. Washington, DC: World Bank.

<http://documents.worldbank.org/curated/en/206041468337170198/Output-based-aid-lessons-learned-and-best-practices>

¹² VeraSol supports high-performing, durable off-grid solar solutions that expand access to modern energy services (<https://verasol.org/>).

a margin. Ten percent of the product’s cost is reimbursed to UNOPS by the MFIs. The procurement arrangements under RY-EEAP have now advanced to stages 2 and 3 as shown in figure 7.

- 2) In stage 2 (IKG), MFIs are responsible for receipt of the kits, while the purchase cost is still paid to the importers by UNOPS.
- 3) In stage 3 (RBF), the kits are purchased by the MFIs and delivered directly to the beneficiaries by suppliers and distributors working in cooperation with the MFIs.

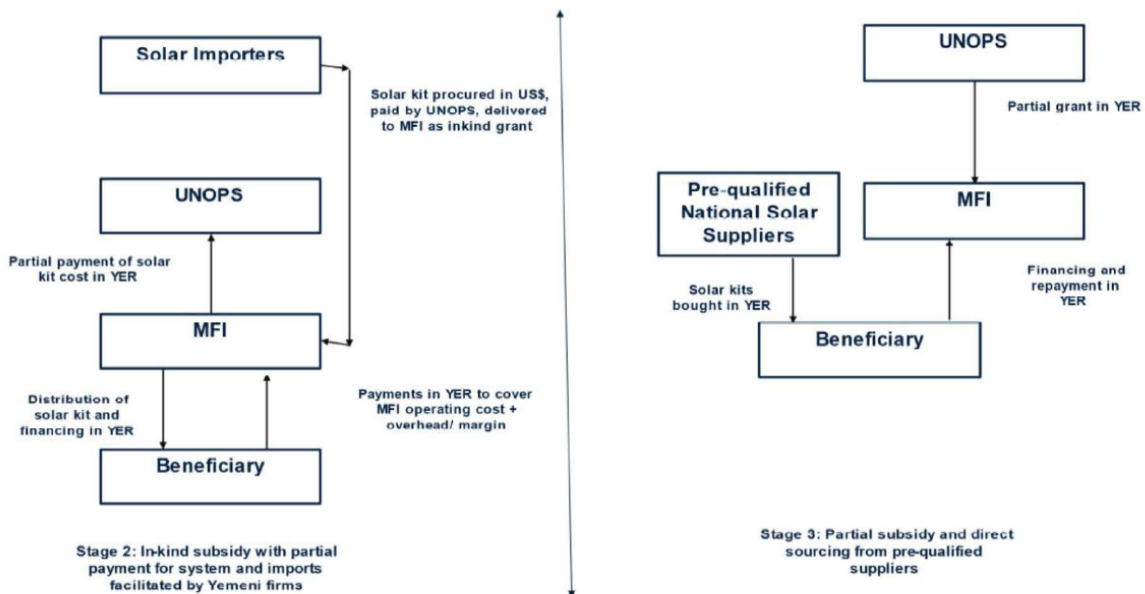
By gradually phasing out the grant component and relying increasingly on the local supply chain, the project aims to demonstrate the commercial viability of high-quality solar products and build the capacity of the local value chain.

The decision whether or not to modify the procurement arrangements will be made based on assessments carried out semi-annually by UNOPS and the World Bank.

Subsidy Payment Mechanism. Subsidy payments by UNOPS are made to the MFIs only upon verifications that products are Verasol certified, and sales have been made to eligible beneficiaries. To address the issue of affordability, the partial grant is built into the subsidized price charged to the beneficiary, whether purchased for cash or credit.

Under RY-EEAP subsidy payments by UNOPS have advanced from stage 1 (paying for the products and transfer of the products to the MFIs), to stage 3 (having the MFIs importing and paying for the products directly, then distributing and selling these to the end beneficiaries at subsidized prices).

Figure (7). Procurement arrangements for subcomponent 1.1



SELECTION OF PARTICIPATING MFIs

MFIs competitively selected for participation in the project actively market the availability of IDA subsidized pico home solar systems to potential customers. Potential customers who are interested in acquiring the quality systems at a subsidized price self-identify as meeting the beneficiary criteria and approach the MFIs directly to buy systems either for cash or credit. MFIs confirm each customer’s compliance with the beneficiary selection criteria. Eligibility is further confirmed by

UNOPS prior to release of the IDA subsidy. Criteria for eligibility and grant allocation are described in detail below.

ELIGIBILITY OF MFIs

While this document uses the term MFIs to describe institutions eligible to participate in the project under Subcomponent 1.1, UNOPS may engage other institutions or banks that extend microcredits and fulfill the eligibility criteria defined below. The minimum eligibility criteria as set out in the PAD are outlined in Table 1.

The eligibility criteria follow the guidelines of the World Bank Policy on Investment Policy Financing (Operational Policy 10, and the Financial Intermediary Financing Guidance Note), with a focus on ensuring that the participating MFIs are in sound financial condition, are prudently managed with the capacity to manage credit risk and can effectively report on project activities. They focus on adherence to prudential regulatory ratios, minimum financial and operational standards, appropriate governance, policies, and risk management functions. Once qualified, an MFI will be expected to continue meeting minimum performance criteria throughout project implementation, with compliance reviewed annually.

The criteria for selection of MFIs are shown in table 1. If an MFI falls short on one of the criteria, that MFI can still become eligible for participation in the program if there is a credible action plan to address the issues that caused the MFI to fall short.

Table 1: Minimum Criteria for Participating MFIs

Participating MFIs	Minimum Criteria
All participating MFIs	Meet minimum financial and operational standards: ^a <ul style="list-style-type: none"> (a) At least five years in operation with at least (three) years of demonstrated profitability <ul style="list-style-type: none"> (i) At least one year during which portfolio at risk over 30 days (PAR30) remained at less than 20 % (b) At least one year of operating self-sufficiency above 60 % (c) At least [1,000] active borrowers (d) Governance: MFI board and management must demonstrate adequate standards of technical capabilities and expertise (e) Credit risk: Adequate limits on loan concentration and related party lending (f) Reporting: Adequate monthly reporting
Additional requirements for MFIs registered as microfinance banks	Maintain compliance with MFI Law No. 15 of 2009, including the following: <ul style="list-style-type: none"> (a) Capital adequacy: Paid-in capital of at least YER 500 million (b) Governance, credit risk, and reporting requirements as defined in the MFI law
Additional requirements for MFIs registered as commercial banks	Maintain compliance with central bank regulations for commercial banks, including the following: <ul style="list-style-type: none"> (a) Capital adequacy: Paid-in capital of at least YER 6 billion (b) Reserve requirements: The reserve account must maintain at least the same amount of paid-in capital (c) Deposit coverage: Total reserves plus paid-in capital must be at least 5 percent of total obligations to depositors (d) Minimum liquidity requirements (e) Governance, credit risk, and reporting requirements as defined by the central bank

Note: a. Criteria (a)–(d) will be assessed based on pre-conflict performance.

Note that, while being in accordance with these criteria qualify a MFI for eligibility to be considered for allocation, the decision to allocate is based on different criteria stipulated below.

GRANTS ALLOCATION

The allocation of grants will be based on the criteria designed to ensure their capacity to implement the project, achieve its objectives and meet its fiduciary and safeguard requirements

GRANT ALLOCATION CRITERIA

(a) In-kind Grant Model

The criteria for grant allocation will be finalized by UNOPS based on the MFI assessment and clarified in the CFP. The criteria for the evaluation of individual proposals are likely to reflect, among others:

- o Financial: Proposed pricing and credit terms;
- o Technical:
 - The MFIs' presence/ coverage in rural and peri-urban areas;
 - Prior experience with solar lending;
 - Demonstrated financial, operational and fiduciary performance, including in prior grant allocation periods under this project;
 - Proposed geographical coverage (i.e. number of districts and governorates covered in the proposal);
 - Proposed screening and selection criteria for beneficiaries;
 - Proposed logistical and operational arrangements;
 - Proposed reporting and fiduciary compliance mechanisms.

(b) Result-Based Financing model

The allocation of grants will be based on the criteria designed to ensure MFI capacity to implement the project, achieve its objectives and meet its fiduciary and safeguard requirements. The criteria for grants allocation will focus on the following:

- o **Financial:**
 - The proposed quantity of sales, cash and credit prices, for each product category and each district;
 - The expected operational costs, including sales & distribution costs, financing costs, expected margin / profit, final price;
 - Financial proposals will be assessed based on:
 - Locations, Sales & Distribution costs, Financing costs, Sales Targets, Expected Margin/Profit and Prices.
- o **Technical:**
 - The MFIs' presence/ coverage in rural and peri-urban areas;
 - Prior experience with solar product financing;
 - Demonstrated prior experience with microcredits;
 - Proposed geographical coverage (i.e. number of districts and governorates covered in the proposal);
 - Rationale behind the beneficiary selection criteria;

- Proposed methodology for operations and targeting, including beneficiary screening and targeting mechanisms, gender consideration, project management structure, and results framework;
- Proposed logistical and operational arrangements, including any proposed partnerships with financial institutions providing working capital for stock purchases or with distributors;
- Demonstrated level of adherence/compliance with the project guidelines on environmental and social safeguards (disclosed as part of the ESMF);

The technical evaluation should also take into account portfolio-level criteria to ensure that project allocations and disbursement are in line with the overarching project development objective. (Note: while a given MFI under consideration may meet both the minimum financial criteria and grant allocation guidelines, the project team may nevertheless reject the candidacy of the given MFI based on portfolio-level criteria). With portfolio-level criteria, the team seeks to:

- Maximize the number of governorates and districts.
- Maximize the number of beneficiaries.
- Maximize reach to lower-income households.
- Financing products (cash/credit) offered to beneficiaries, with the aim to maximize the number of solar systems offered on credit terms.
- Maximize the inclusion of female customers.
- Cap grant allocation to individual districts and governorates (only for IKG).
- Cap grant allocation to individual MFIs (only for IKG).

DELIVERY PROCEDURES

Under the ***In-kind Grant Model***, the procurement of the products will be conducted by UNOPS through solar importers. The solar importers will ensure delivering the quantities to UNOPS and UNOPS will store the quantities in the WFP Logistics Cluster warehouses. MF Banks/MFIs will submit to UNOPS requests for the solar kits quantity they desire to receive for a cap at hand value of USD 250,000 as per UNOPS rules and regulations on grants. UNOPS will coordinate with WFP Logistics Cluster warehouses to release the required quantity which will be handed over to the MF Banks/MFIs in the WFP Logistics Cluster warehouses compound.

MFIs shall assume all related logistics of storage, transport, handling, and distribution to beneficiaries. Logistics could be organized through partnership with local distributors/retailers. Products shall be delivered to the MFIs and ownership will be transferred to the MFIs from the moment of delivery. The MFIs shall have sufficient storage space with proper security and safety precautions to avoid any possible product loss or damage. In case of product damage or loss during transit or storage, MFIs are liable for full cost of the solar products damaged or lost. Grant agreement will specify volume and pick-up schedule, as well as details about supply chain mechanism and conditions based on the MFIs technical and financial proposals, including delivery arrangements terms and conditions, storage terms and conditions, transportation terms and conditions, damages and penalties. The grant agreement will follow related UNOPS standard procedures, including templates attached to the CfP.

Under the ***Result-Based Model***, the project will transition to an approach whereby the MFIs and distributors are given subsidies linked to the importation and sale of products. The procurement of

the products will thus be conducted by the MFIs through/in partnership with solar products importers. The subsidy will be paid upon verification of sales to eligible beneficiaries.

The MFIs and distributors will be expected to select from a much wider range of Lighting Global quality-verified products, and to manage their importation through legal channels. MFIs and distributors are also strongly encouraged to collaborate and/or establish commercial terms with each other in the various districts to support the sales, distribution and financing of the systems.

MFIs and/or their distribution partners shall have sufficient storage space with proper security and safety precautions to avoid any possible product loss or damage. Grant agreements will provide each lead grantee with an initial funding allocation, which will be available for them to claim from, upon verification of results. Allocations to MFIs will be reviewed on a 6-monthly basis, with additional funding allocated to successful MFIs as required. MFIs will also be able to request modifications to the retail prices agreed in their original proposals on a 6-monthly basis, which will be subject to UNOPS approval. Subsidy levels will also be revisited and modified on a 6-monthly basis. The grant agreement will also specify volume and schedule, as well as details about supply chain mechanism and conditions based on the MFIs technical and financial proposals, including terms and conditions, damages and penalties relating to delivery, storage and transportation. The grant agreement will follow related UNOPS standard procedures, including templates attached to the CfP.

STORING SAFETY

The MFIs will follow adequate safety measures to ensure that stores are in a proper location and not causing any traffic disturbance during loading and handling and supplying solar equipment; they should have proper storage conditions that should be equipped with a fire control system and provided with proper handling tools and guarding. The climatic conditions should also be considered to make sure that pico-solar products would withstand heat, cold, rain, humidity in order to maintain a constant temperature in the storage. MFIs will also ensure having an organized storing order for the product packages to consider the durability, size and weight of the package and to place pallets under them to avoid any possible storing damages.

PRODUCTS DISTRIBUTION

MFIs will ensure distributing pico-solar products to targeted beneficiaries within targeted districts during the agreements period. MFIs will arrange for storage, transportation and delivery to beneficiaries. It is the MFI responsibility to design the processes to transport and distribute the products to the beneficiaries as deemed necessary.

MANUFACTURE DEFECTS

The supplier, under the IKG, or the MFIs, under the RBF, who will provide the pico-solar products which are purchased; will conduct a training program for the distributors in consultation with UNOPS. The training will focus on product main features, operation, safety and warranty terms, MFIs will train the end users. In case of product manufacture defects, the supplier/ MFIs will rectify defects developed in the system within warranty period promptly, the products will be checked by the supplier to ensure that there is no tampering or manipulating and only the products that have manufacturing defects will be replaced. The warranty period for the supplier/MFIs shall be 2 years for the complete system including PV modules, battery, lamp, charger and switches from the date of system supply.

RETURN PROCEDURE FOR THE SUPPLIED SYSTEMS

Only under *In-kind Grant Model*, and in case any of the MFIs is found not able to distribute all pico-solar products during the contracted delivery time, then MFI will raise to UNOPS that they have not succeeded in delivering the products to the end users in the time-bound stated, and the MFI will be liable to a partial repayment of 5% of the returned products costs (50% of the unsubsidized portion). The products shall be returned and delivered to a location specified by UNOPS.

WARRANTY PROVISIONS

MFIs will ensure that all beneficiaries have access to these warranty provisions, including the duration of the warranty and the related procedures as provided by manufacturers. The warranty certificates will be available from the supplier to the end users in writing to understand the terms of warranty prior to purchase. The written information should be available in Arabic and English. Consumer-facing warranties could be included on the product box, or on a user agreement or warranty card that is easily accessed prior to purchase.

RETURN TO SUPPLIER PROCEDURES

Only under *In-kind Grant Model*, suppliers will describe how products or components that fail under warranty and are returned to them under warranty will be replaced and will detail prices of all spare parts that can be supplied separately, and which will be available to consumers in Yemen. The supplier will have a certified maintenance document from the manufacturer to ensure that he is authorized to repair the failed products.

CONSUMER AWARENESS AND GRIEVANCE REDRESS

The MFIs will provide consumer awareness materials in consultation with UNOPS to the beneficiaries. The awareness materials will include the environmental and social benefits of the solar systems and the safety precautions in using them. The user manual submitted by the supplier will present instructions for installation, use, and troubleshooting of the system. Installation instructions must include appropriate placement and installation of the PV module. Basic electrical safety and system maintenance will be covered. Installation and operation instructions will be presented in Arabic and English with graphics that can be understood by the typical consumer.

MFIs will also provide awareness to local communities and beneficiaries regarding Grievance Redress Mechanism GRM and the contact information in case complaints were raised.

MONITORING AND REPORTING MECHANISM

UNOPS in collaboration with TPM will conduct constant monitoring on MFIs from the grant signing stage until the system delivery to the targeted beneficiaries. The monitoring will focus on MFIs performance and their fulfillment towards agreed objectives and targets including, but not limited to, the verification of the importation process by the MFI and the sales of the products. Monitoring will reach out to targeted beneficiaries in all supported geographical areas through third party monitoring mechanisms and through ITC solutions. Monthly performance towards indicators will be monitored throughout the process.

Moreover, MFIs will ensure submitting monthly progress and financial reports. The monthly progress reports should include details on implementation progress, number of systems distributed, number and size of extended credit, portfolio status, recovery/default rate, household and end beneficiaries' data (disaggregated by sex), lessons learnt and any other relevant information. Financial reports will

include the use of grant funds. Data received from the MFIs will be used to reach out to end beneficiaries.

TAXES

MFIs shall be subject to all applicable taxes. These taxes are expected to be covered in the financial proposal.

REPAYMENT MECHANISM OF THE UNSUBSIDIZED PORTION FOR THE IN KIND GRANT MODEL

Repayment mechanism of the unsubsidized portion of the solar products shall be clarified during negotiation of grant agreement. UNOPS shall invoice the MFIs the unsubsidized portion of the solar products value. MFIs shall repay UNOPS the unsubsidized portion. The repayment is expected to follow the same cash/credit terms given to beneficiaries. In order to minimize transaction cost, UNOPS can accept quarterly repayment cycles of unsubsidized portions. The grant agreement with the MFIs shall be made in Yemeni Rials, calculated at the official UN rate at the date of the grant agreement signature. The project will take any foreign exchange risks. MFIs will deal only in Yemeni Rials. The proceeds received by UNOPS from the MFIs will be used by UNOPS for expenses in Yemeni Rials. Any remaining amount at the end of the project will be converted back to US dollars.

GRANT PAYMENTS UNDER THE RESULT-BASED FINANCING MODEL

Payments to the MFI are subject to the satisfactory verification of importation, on-site inspection of stock deliveries, and verification of sales to the end beneficiary.

Verification of importation will be undertaken by UNOPS through review of the relevant documentation, confirming importation took place through legal channels, and on-site inspection of stock deliveries. The on-site inspection will include checking that the products are Lighting Global quality-verified through review of specification and certification documents, cross-referenced against the Lighting Global website¹³. While verification of sales will be undertaken by the project's third party monitoring agent, with a randomly selected 8% of sales will be verified through a telephone survey, whilst a further 8% will be verified through an on-site inspection at the beneficiary's home.

All payments to the MFIs shall be in US dollars and the amount of payment of such Grant funds is not subject to any adjustment or revision because of price or currency fluctuations or the actual costs incurred by the MFI during the performance of the activities under this grant model.

ELIGIBILITY CRITERIA FOR APPLICANTS (BENEFICIARIES)

Grants will be passed through to beneficiaries who meet eligibility criteria. Access to grants will be limited to residents of rural and peri-urban areas (as defined in Annex 9) and will be restricted to small solar products that will be more appealing to lower-income households. The combination of product selection and geographical targeting of rural and peri-urban areas to reach low-income households reflects lessons learned from the World Bank's output-based aid and financial intermediary projects in off-grid solar. To mitigate the risk that the subsidized products are being systematically resold by beneficiaries, the number of systems available per household and per district will be restricted. Despite these measures, the risk of leakage to non-targeted beneficiaries remains high. The effectiveness of the targeting mechanism will be closely monitored and, if needed, adjusted.

¹³ <https://www.lightingglobal.org/products/>

The beneficiary selection criteria considers geographic spread and location—only rural and peri-urban residents- as well as the following criteria,

1. Proof of residency or employment in an eligible district;
2. Must be age 18 years or older;
3. Applicant cannot be a blood relative (that is, father, mother, brother, sister, son, or daughter) or an immediate relative (that is, grandparents, aunts, uncles, half-brother and/ or sister, first cousins, or in-laws) of an employee of the MFI.

SUBCOMPONENT 1.2: ELECTRICITY FOR CRITICAL SERVICES FACILITIES AND SUBCOMPONENT 1.3: SUPPORT TO COVID-19 ISOLATION AND VACCINE COLD CHAIN UNITS

DESIGN

Under Subcomponent 1.2, UNOPS will engage solar suppliers and installers to provide grant-financed solar energy systems to critical service facilities in rural and peri-urban areas. UNOPS will scale up the delivery of lifesaving off-grid access to electricity interventions to address the humanitarian crisis in rural and peri-urban areas across Yemen and seek to broaden collaboration with health; education; and water, sanitation, and hygiene (WASH) for greater impact and sustainability of interventions by (a) providing solar systems to more primary health centres/units, including maternal and reproductive health facilities, and expanding to health facilities in districts that require larger budgets per facility (health facilities will be crucial for treating more complicated and inpatient cases that health centres/units cannot handle) and might require additional interventions including, but not limited to, building dedicated rooms for batteries and rewiring and retrofitting existing electric components in the facilities; (b) scaling up the provision of solar solutions for drinking water wells as the demand for clear, potable water is huge and urgent and requires additional interventions all over Yemen, including supporting activities, such as the provision of submersible pumps, solar panels, water storage tanks, small desalination units, small water networks, and water meters, as well as capacity-building support to water user associations (WUAs)¹⁴ in collaboration with WASH and women collaboratives;¹⁵ and (c) providing solar systems to additional girls and boys schools, in collaboration with ongoing education sector interventions.

While under this sub-component 1.3 , UNOPS will focus specifically on scaling-up of the COVID-19 response and on vaccine cold chain. Additional COVID-19 isolation units and vaccine cold chain units will be identified to deliver the beneficial impacts of providing electricity to COVID-19 treatment facilities and vaccine cold chain warehouses.

GEOGRAPHICAL COVERAGE

Grants will be provided under this Subcomponent to facilities in rural and peri-urban districts throughout Yemen. A list of eligible districts is provided in Annex 9.

¹⁴ WUA capacity-building activities are linked with groundwater monitoring such as remote sensing, geophysical surveys, analysis of hydrogeological data, aquifer recharge rates combined with precipitation and climate data, and so on.

¹⁵ The project does not support water usage for agricultural or commercial purposes and, given water scarcity issues due to climate change and drought conditions in Yemen, imposes usage limitations to protect against overuse. There is some evidence that solar energy revolution in Yemen could deplete groundwater resources if not sustainably managed with awareness, effective monitoring, and regulations. A report published by the Conflict and Environment Observatory (CEOBS) in the United Kingdom suspects that the spread of solar power could drain the whole country of water. <https://ceobs.org/groundwater-depletion-clouds-yemens-solar-energy-revolution/#easy-footnote-bottom-1-4999>.

SELECTION OF SUPPORTED FACILITIES

Targeted facilities: the project targets critical service providers in rural and peri-urban districts, including health facilities, schools, rural water corporations, rural electricity corporations, and other providers of critical services, all of which will benefit from improved access to electricity because of grant-financed solar systems. The selection will focus on critical services facilities in which the lack of electricity is the binding constraint to service delivery.

Identification of facilities: recipient facilities will be identified by UNOPS on a needs basis in coordination with development partners and local stakeholders:

- UN agencies, other international humanitarian agencies and local NGOs active in health, education, water and infrastructure sectors;
- Local government authorities;
- Solar equipment contractors (limited to identify logistical feasibility).

Not in the scope are:

- Projects requiring involuntary resettlement, restricted land access or land acquisition (or any other exclusion criteria in the Environmental and Social Management Framework).
- Interventions in urban districts. These are covered in the parallel Yemen Integrated Urban Services Emergency Project (YIUSEP) with similar intervention.

Long-listing criteria for identifying assets/ facilities:

- Critical service facilities in rural and peri-urban areas in Yemen that do not have the means to invest in alternative energy sources (health clinics, schools, rural water corporations, rural electricity corporations, and other providers of critical services).
- Long lists will focus on rural health centers, schools, and water wells.

Shortlisting criteria for identifying assets/facilities:

- ***Urgency and visibility:*** prioritize facilities that are not functional or partially functional mainly because of lack of electricity, prioritize restoration of life-saving services, and prioritize facilities that, if functionality is restored, would make visible difference in the quality of life, through the nature of services provided and the number people benefiting from the services.
- ***Reach and logistics:*** prioritize facilities that private solar contractors are able to reach safely and economically feasible to install and maintain the systems.
- ***Financial & technical sustainability:*** 1) Prioritize facilities where operators, local authorities or NGOs can make credible commitment to fund operation and maintenance of the solar system beyond the project lifetime, and 2) Prioritize facilities that in general are more likely to be operated in a financially and technically sustainable manner.
- ***Synergies with other interventions:*** prioritize interventions that have synergies with interventions of other humanitarian agencies and NGOs targeting health and nutrition, the cholera response, education, and general public service delivery (including the World Bank Emergency Crisis Response Project, and Emergency Health and Nutrition Project).
- ***For Water Wells:*** should pass the pumping test and proof of safe water aquifer compensation that provides the sustainability of the intervention. Quality of water to be tested and verified. Only safe drinking water wells will be supported and the ones that need small

desalination/purification units. Water User Association should be available, active and have the capacity of operation and maintenance.

To ensure readiness for implementation, a short list of standardized technical solutions was developed by UNOPS based on the requests of the authorities. Some customization of systems may be required, particularly in instances in which facilities may be connected to the grid to ensure the utility of these systems even after power is restored on the public grid. UNOPS will coordinate with local authorities to facilitate handover of O&M responsibilities to local entities once the solar equipment is installed.

PROCUREMENT OF SOLAR SOLUTIONS

Procurement of solar contractors will follow UNOPS' procurement policies and procedures, as laid out under Procurement Arrangements in Section V.

The procurement documents will specify requirements regarding installation and after-sales services, including warranties.

DEFECTS NOTIFICATION PERIOD

Project's activities involving works (i.e. construction, rehabilitation, repairs, and installation) will be subject to UNOPS quality assurance and HSSE requirements; including the Defects Notification Period (DNP), which is the 12-month period between handover and final certificate for completion of the works. Sufficient time will be included in the project work plan to account for DNP and any close-out processes till DNP completion. Final completion occurs when the DNP has come to an end and all defects notified to the contractor have been addressed.

SUBCOMPONENT 2.1: PROJECT IMPLEMENTATION SUPPORT

This subcomponent will finance (a) general management support (indirect) costs for UNOPS; (b) direct management and supervision costs required to support the implementation of the project (including the use of remote monitoring technology); (c) independent audits of project activities, if required; and (d) the establishment of a Grievance Redress Mechanism (GRM) in the UNOPS Sana'a Office to document complaints and ensure follow-up. UNOPS will engage a TPM agent to undertake independent performance verification and field monitoring of activities funded under the project.

Procurement of any externally provided services under this Subcomponent will follow UNOPS' procurement policies and procedures, as laid out under Procurement Arrangements in Section V.

SUBCOMPONENT 2.2: TECHNICAL ASSISTANCE TO SUPPORT SOLAR-PV MARKET

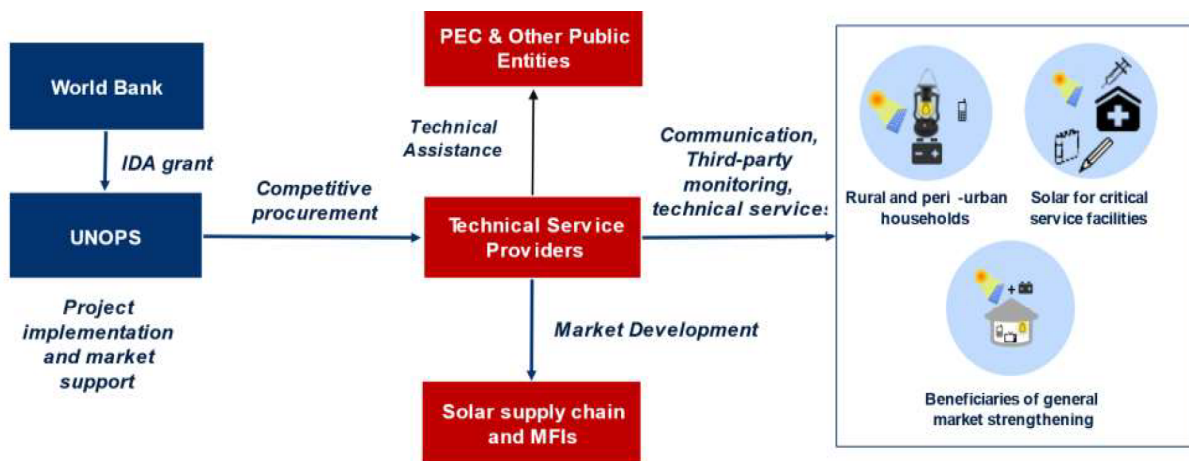
This subcomponent will lay the foundations for sustainability and scale-up of the solar market through a series of market, sector needs and gender assessments, scoping studies, and TA/capacity building activities for MFIs, solar PV suppliers, and beneficiaries. The following assessments and capacity building activities (a) Off-grid solar market assessment, (b) Mini-grid market assessment, (c) Quality standards and capacity building, (d) Batteries management scoping and capacity building, (e) Sector electricity needs assessments and (f) Gender impact assessment, are expected to be implemented during the project period.

SUBCOMPONENT 2.3: TECHNICAL ASSISTANCE FOR POWER SECTOR RECOVERY

The aim of this sub-component is for the government to be prepared for policy discussion on the recovery of the power sector as the country emerges from conflict. It will involve both on-grid and off-grid interventions. In view of the crisis situation, the selection of activities must be flexible, achievable, and respond to critical needs. They would include: (a) Power sector reform and policy, institutional, and regulatory aspects; (b) Rapid studies on rehabilitation, reconstruction, and expansion of generation, transmission, and distribution systems and, to the extent possible, the preparation of associated pre-feasibility studies; (c) Preparation of a geospatial-based electrification plan consisting of grid-based expansion, mini-grids, and stand-alone systems and assessing of the suitability of public sector and private sector delivery models; and (d) A diagnostic of the PEC to assess performance improvement needs including capacity building and structural and system enhancements such as improvements in metering, billing, and collection.

The detailed scope and implementation arrangements for the different activities under this Component will be decided upon based on the market assessment conducted by UNOPS after effectiveness. Procurement of technical service providers under this Subcomponent will follow UNOPS' procurement policies and procedures, as laid out under Procurement Arrangements in Section V. The implementation arrangements for sub-components 2.2 and 2.3 are illustrated in figure 8.

Figure (8). Procurement arrangements for subcomponents 2.2 and 2.3



SECTION III: PROJECT MANAGEMENT AND OVERSIGHT

UNOPS IMPLEMENTATION AND OVERSIGHT

UNOPS will: (a) be responsible for project implementation; (b) monitor project targets and results in coordination with the MFIs, contractors and suppliers; (c) handle relevant procurement, financial management, and disbursement management, including the preparation of Withdrawal Applications under the project; (d) enter contractual arrangements with service providers and third-party monitors to ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner consistent with the Project ESCP, and; (e) ensure that all reporting requirements for IDA are met according to the Project Financing Agreement.

The UNOPS office in Sana'a hosts a project management and implementation support team consisting of a project manager, engineers, Field Security Advisor, HSSE specialist, IT Officer, an Environmental and Social Officer, Communication Officer, a Gender Mainstreaming and GBV Officer (with skills and experience in gender based violence (GBV) issues, gender mainstreaming in infrastructure projects), an M&E specialist, a procurement specialist and an officer, financial management specialist and an officer, and an administrative officer.

UNOPS will decide on the appropriate procedures for selecting grantees/contractors/firms in accordance with its own rules and procedures. During project implementation, UNOPS may engage additional parties, if deemed necessary.

UNOPS has its Operational Hub, as well as the Regional Office in Amman, Jordan, that provides technical, operational and management support and advice, as needed, as well as oversight. The UNOPS Operational Hub in Amman hosts the Senior Quality Engineer who supports the project team during the implementation of the infrastructure activities with a focus on quality assurance and quality control. In addition, the Hub has a Project Management Office (PMO) who provides support, guidance and advice to the project team as needed with respect to monitoring and control, UNOPS compliance, best practices and knowledge management. The Hub also has a Health and Safety Specialist who fosters a safe and healthy work environment through facilitating compliance with UNOPS HSSE requirements as well as providing guidance on preventive measures to reduce OHS risk to a level that is as low as reasonably practicable. The Hub also hosts a Gender Specialist who supports the project team in the preparation of project-specific action plans and full compliance with gender requirements and objectives. The Regional Office has a Regional Oversight and Management Advisor who oversees the operations in the region and provides management advice to the Regional Director. The Regional Office is also supported by the UNOPS headquarters based in Copenhagen, Denmark, which provides global corporate oversight and program support.

WORLD BANK IMPLEMENTATION SUPPORT AND OVERSIGHT

The World Bank has set up a dedicated implementation support team based in Washington DC, Cairo, and Amman that is led by two senior energy specialists and supported by a field-based environmental specialist and a social specialist. The implementation support staff in country offices will help immediately address critical challenges that arise during implementation.

The World Bank team will closely coordinate with UNOPS on a regular basis for the implementation and overall oversight of the Project, and will: (a) review implementation progress and achievement of

the PDO and intermediate indicators; (b) provide technical support related to implementation, and achievement of results; (c) closely coordinate with UNOPS to ensure that adequate oversight mechanisms are in place; (d) discuss relevant risks and mitigation measures; and, (e) monitor the overall project performance through progress reports, financial reports, and “reverse” implementation support mission with UNOPS Amman and its local partners. Additionally, regular video conferences will be conducted to coordinate project management.

The World Bank will also organize consultative meetings every six months with the Government of Yemen (virtually or in person depending on the situation on the ground) to discuss implementation progress and challenges and prioritize needs. The World Bank task team, in close coordination with the Yemen Country Management Unit, will conduct scheduled implementation support for the Project.

Bank supervision will be enhanced through a multi-pronged approach that enables it to verify outputs to an acceptable degree of confidence as it were on-the-ground supervision. The approaches include: (i) engaging independent Third-Party Monitoring Agent (TPMA); (ii) conducting more frequent reverse and virtual missions, (iii) deploying state of the art technologies to better monitor technical and fiduciary aspects of the project remotely; Collect monitoring platform being developed by UNOPS, etc. Project reports from UNOPS and the TPM agent would include geotagged visuals in the form of photographs and videos to demonstrate the changes before and after project interventions.

THIRD PARTY MONITORING AGENCY (TPMA)

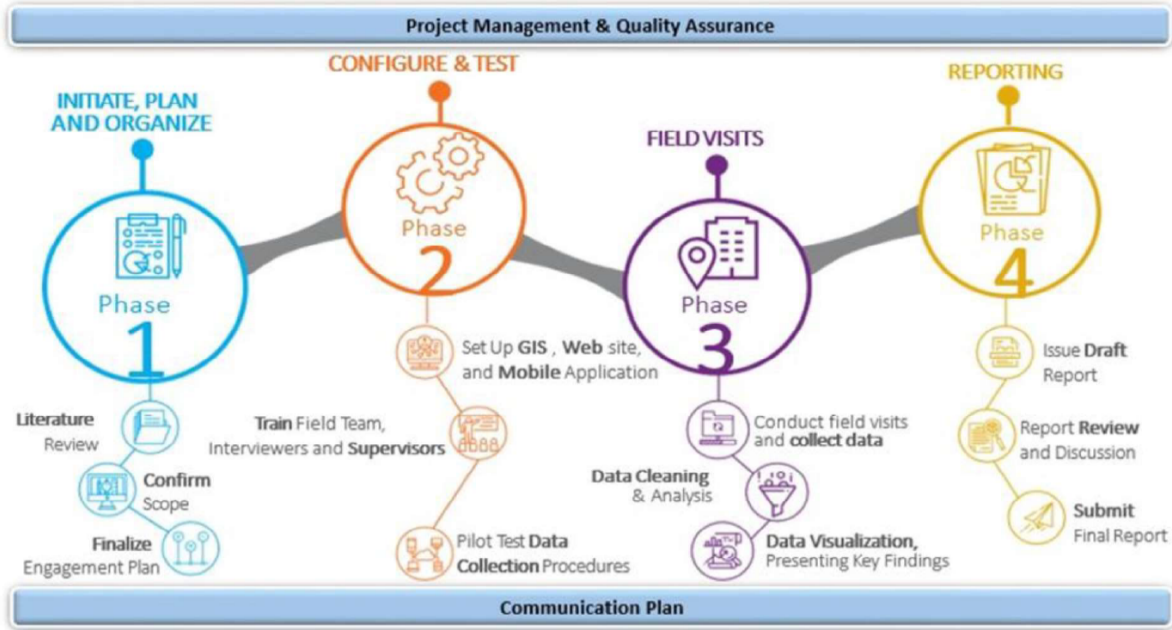
UNOPS will engage a TPM agent for project M&E to undertake independent results verification of project outcomes leading to documenting achievement of the PDO, including for environmental safeguards aspects of the project. The TPMA will also verify the timely delivery of goods and services contracted as part of the approved procurement plan and verification of the project’s outputs. This will include examination of the quality of works, procurement of goods and consulting services, conformance with quality norms and with performance criteria as described in the relevant project documents.

As an extended supervision arm to the Bank, the TPMA shall be provided by UNOPS and its contractors, subcontractors and supervision consultants, with unlimited access to all relevant project information and documents.

The TPM agent will report quarterly on the activity outputs, restoration of services for the intended beneficiaries, and fiduciary and environment and social management processes followed by the MFIs, contractors and suppliers. The TPM agent will monitor and report on compliance with the ESMF and other environmental and social instruments that will be prepared as part of project implementation. In addition, the TPM agent will verify implementation of activities and compliance of the MFIs, contractors and suppliers with fiduciary arrangements as agreed with UNOPS and in line with UNOPS financial rules and regulations.

UNOPS, through the TPM agent, used the monitoring methodology depicted in figure 9 for RY-EEAP. A similar monitoring methodology will be employed under Phase II of the project.

Figure (9). Monitoring Methodology



PROJECT MANAGEMENT TEAM

UNOPS will provide all management and technical expertise in order to effectively manage and ensure the quality of all project deliverables. The project team will be led by an experienced Project Manager and will be based in Sana'a, Yemen.

Project Manager (PM): Project Manager provides overall strategic direction and ensures a programmatic approach of activities and will be responsible for successful implementation and delivery of activities under the project. The PM will ensure effective coordination among key stakeholders (MFIs, the World Bank, UNOPS, and other entities such as NGOs and the UN agencies) and will maintain close oversight on project implementation.

Energy Unit: The unit will be based in Sana'a whose task will be responsible for overseeing the environmental review and compliance with the UNOPS policies during the project's implementation.

- **Energy Specialist (Lead Engineer):** The Energy Specialist will provide professional, technical, operational and administrative assistance throughout the energy provision programming process, through the application of theoretical and practical technical skills in research, collecting, analyzing and presenting programme information while adapting to organizational rules, regulations and procedures to support the development, implementation and monitoring of UNOPS' energy-related results in Yemen.
- **Solar Design Engineers:** Provide solar design and procurement expertise on solar PV and hybrid systems. Develop solar PV projects (from feasibility to installation). Deliver field support and technical assistance to customers. Assist the electrical and mechanical engineering scope of project implementation and commissioning phases.
- **Construction Engineer:** The Construction Engineer supports in managing work contracts in terms of planning and progress follow up as well as quality control and working closely with the area engineers.
- **Field Team:** Divided into two modalities, full-time area engineers and part-time retainers (Electrical, Mechanical and Civil). The Field Team carry out on-site supervision of work performed by Contractors to ensure the work is carried out as per the requirements stipulated in the contract, ensuring high standard of quality (HSSE), timely completion, maintaining cost under approved budget, while maintaining transparency and integrity. They will maintain and sustain the communication and collaboration with the project's stakeholders.
- **Assistant Engineer:** Support in collecting and organizing documents of the project in the different phases such as nomination, assessment, installations, testing and handover. working closely with the field teams and office team.

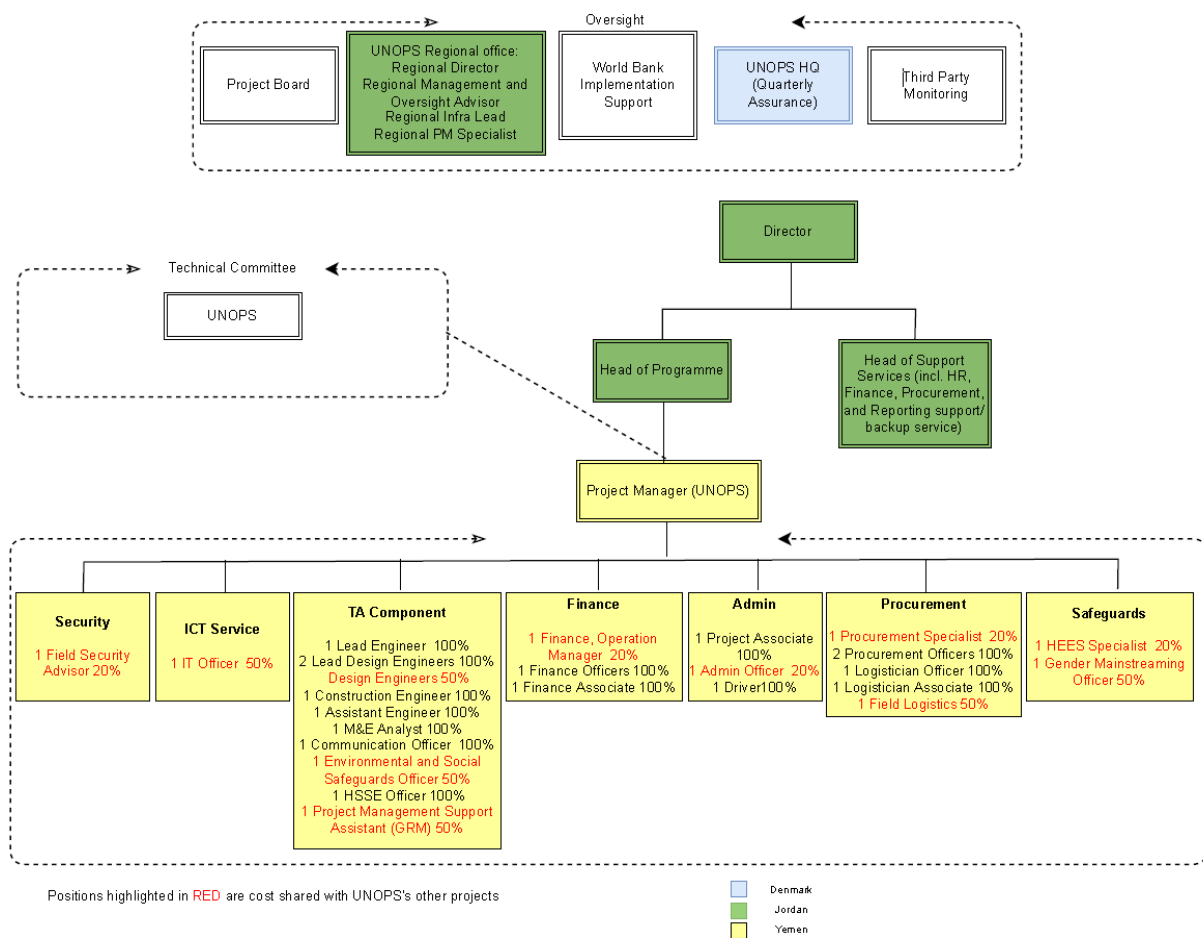
Finance Unit: The functional objective of the Finance Unit is to deliver efficient and effective financial management of funds in line with UNOPS principles, financial rules and regulations, to achieve the outcomes of the project. The Unit will ensure effective and accurate financial resources management (budget preparation, monitoring and control, treasury, accounts, payments), provide oversight, and ensure the implementation of operational strategies and procedures.

- **Finance, Operations Manager (shared with other projects):** The Finance and Operations Manager will be responsible for financial planning, expenditure tracking, and audit of the project's financial resources, in accordance with UNOPS financial rules and regulations. In addition, s/he will be responsible for oversight of cash management processes, including

liquidity management, risk assessment, relationship management with local banks, timely accounting, and the reconciliation of all transactions.

- **Finance Officer:** The Finance Officer with focused experience on grants management will provide support to the Finance Specialist, in particular during budget preparation, review of project expenditure reports, supporting documentation, and operational transactions processes. In addition, the Finance Officer will ensure proper tracking of grants accounts, prepare bank reconciliation, analyze discrepancies and take corrective actions if necessary.
- **Finance Associate:** Under the direct supervision of the Finance Specialist, the Finance Associate will provide support to the project team and will be responsible for the implementation of operational strategies, adaptation of processes and procedures, and provide accounting, administrative, and clerical support

Figure 10: Project Organogram and Oversight Structure



Information Technology Unit: The IT Unit is responsible for the information technology and communications-related services and functions to support the Yemen office in managing its operations. In particular, the IT Unit is responsible for all ICT systems, networks, hardware, and software in the Yemen office and ensures that they remain operational while providing reliable ICT services in support of the project.

- **IT Officer** (shared with other projects): Under the supervision of the PM, the IT officer will be responsible for ICT management, applications, network administration, telecommunications,

supervisory responsibilities (applicable if supervising staff), and Knowledge building and knowledge sharing.

Procurement Unit: The Procurement Unit is responsible for all matters of procurement and supply chain management of goods, services, and works related to the Project.

- **Procurement Specialist** (shared with other projects): The Procurement Specialist will provide expertise, support, and technical advice on Project's procurement-related activities, in order to obtain the best value for money, while ensuring compliance of the procurement activities with the UNOPS rules and regulations.
- **Procurement Officers:** Under the direct supervision of the Procurement Specialist, the Procurement Officers will be responsible for implementing operational strategies, management of procurement processes, implementation of sourcing strategy and e-procurement tools, and facilitation of knowledge-building and knowledge-sharing. The procurement officers will also be responsible for procurement planning and systems, requisitions, procurement and sourcing strategies, bidding and tendering processes and contract administration.
- **Logistician Officer:** Under the direct supervision of the Procurement Specialist, the Logistician Officer will be responsible for logistics and freight forwarding, travel management, asset management, transportation and shipping, vehicles and fleet management, and event and conference administration.
- **Logistician Associate:** Under the direct supervision of the Procurement Specialist, the Logistician associate will provide support to the project team and will support the logistification officer on all logistics' matters including freight forwarding, travel management, asset management, transportation and shipping, vehicles and fleet management, and event and conference administration.
- **Field Logistics** (shared with other projects): support the project team on the relevant logistification matters and will liaise between the UNOPS and the implementation entities to ensure timely implementation of the delivery plan. He/She will also arrange for any required customs clearance of imported supplies, materials and equipment, as applicable.
- **Communications Officer:** Under the overall guidance and supervision of the Project Manager, the Communications Officer will be responsible for developing and rolling out the Project Communications and Stakeholder Engagement Strategies, with particular attention paid to how best to target women and youth. He/She will also be responsible for preparing factsheets, press releases, and reports.

HSSE/ES Unit: The HSSE/ES Unit is responsible for all matters of environmental, social, health and safety matters related to the Project.

- **HSSE Specialist** (shared with other projects): Reporting to the PM, Health and Safety Specialist will be responsible to manage HSSE aspects and promote a culture of compliance and accountability as per the established procedures and policies for occupational health and safety. This role will also provide overall oversight and guidance on the HSSE related matters during the implementation of the Project. S/he will support and advise the PM in addressing any HSSE issues during project implementation stages. S/he will also coordinate relevant training/awareness raising and coordination activities with all stakeholders (MFIs,

contractors, communities/ beneficiaries, local corporations, NGOs and the World Bank) taking into consideration the stakeholder's different needs and as relevant.

- **Environmental and Social Safeguards Officer (ESSO)** (shared with other projects): Reporting to the PM, this role will provide overall social and environmental management oversight during the implementation of the Project. S/he will support and advise the PM in addressing social and environmental issues during project implementation stages. This role will implement the Environmental and Social Management Framework (ESMF) developed for the project. S/he will also coordinate relevant training/awareness raising and coordination activities with all stakeholders (MFIs, contractors, the communities/ beneficiaries, local corporations, NGOs and the World Bank) taking into consideration the stakeholder's different needs and as relevant.
- **HSSE Officer:** This role will provide day to day follow up on HSSE related matters during the implementation of the Project. S/he will support and advise the PM and Energy Unit in addressing any HSSE issues during project implementation stages. S/he will also provide relevant training/awareness raising and coordination activities with all stakeholders (MFIs, contractors, the communities/ beneficiaries, local corporations, NGOs and the World Bank) taking into consideration the stakeholder's different needs and as relevant.
- **Project Management Support Assistant (GM)** shared with other projects: The GM Assistant will be the focal person to receive and handle all GRM related complaints from various mediums. S/he will disseminate the information to the concerned project staff and follow-up for resolution and final closure of complaints.

Gender Mainstreaming Officer (shared with other projects): Reporting to the Project Manager and HUB Gender Specialist, this role will provide overall Gender mainstreaming and Gender safeguarding oversight during the implementation of the project. S/he will support and advise the Project Manager in addressing Gender equality and Gender safeguarding during Project implementation stages. This role will develop and implement the gender mainstreaming Action Plan as well as Sexual Exploitation and Abuse Prevention and Response Action Plan for the project. S/he will also coordinate relevant knowledge sharing, training/awareness-raising and coordination activities with all stakeholders (UNOPS personnel, contractors, the communities/ beneficiaries, local corporations, clusters, networks, NGOs and the World Bank).

Monitoring and Evaluation (M&E) Analyst: The M&E analyst will be responsible for developing and implementing the project's M&E framework. S/he will guide and advise the Project team in effective monitoring and evaluation practices and approaches while ensuring that evaluations are impartial and independent, including updating subprojects status in the GIS platform. The M&E expert should ensure that whenever possible the tracking and reporting of data should be sex-disaggregated.

Project Associate: The Project Associate will support the Project Manager in ensuring an integrated programmatic approach of interventions. S/he will coordinate with relevant stakeholders to ensure effectiveness of interventions.

Field Security Advisor (shared with other projects): The Security Advisor provides overall advice to staff on safety and security-related matters and their impact on the project design, implementation, and funding. In line with UN Security Management System (UNSMS) methodology and in cooperation with the UN Department of Safety and Security (UNDSS), s/he develops as required security risk assessments outlining potential risks and recommended mitigation strategies regarding project implementation taking into consideration relevant and existing assessments.

Admin Officer (shared with other projects): Under the direct supervision of the PM, the Admin Officer provides overall support to management on the administrative related issues, including management of premises, Project administrative services, management of office vehicles and transportation.

ADDITIONAL PROJECT MANAGEMENT ARRANGEMENTS

The project activities will be implemented according to the project plan, the investment plan developed annually as well as the procurement plan in accordance with the Environmental and Social Standards stipulated in the project ESCP and ESMF. The implementation arrangements between UNOPS and the MFIs and firms (contractors, suppliers, importers ...) are defined in a bilateral agreement with these entities.

By providing concrete methods for participation and building upon local methods of participation where they exist, the project has prepared the Stakeholder Engagement Plan (SEP) with an overall objective to define a program for stakeholder engagement under this project, including public information disclosure and consultation, throughout the entire project cycle. The SEP outlines the ways in which UNOPS will communicate with stakeholders and includes a mechanism by which people can raise concerns, provide feedback, or make complaints about the project and any activities related to the project. See Section V for more information (ESMF).

Gender Consideration: Given the gap between men and women's labor force participation rates, the project will include gender-sensitive workplace training and capacity building and training on non-discriminatory hiring and recruitment to the project contractors and MFIs, so as to create an enabling environment for prospective female employees; as stipulated in the following instruments.

The SEA/SH Prevention and Response Action Plan: will be prepared to meet the requirements of the World Bank's Environmental and Social Framework (ESF), most particularly the Environmental and Social Standard on Working Conditions (ESS2) and the Standard on Community Health and Safety Labor (ESS4) . It details the operational measures to assess and mitigate the risks of gender-based violence, most notably sexual exploitation and abuse (SEA) and sexual harassment (SH), and how they will be integrated over the life of the project. This includes procedures for reporting, responding and managing grievances related to such abuse.

Gender Action Plan (GAP): UNOPS will develop a Project-specific Gender Action Plan (GAP) after the completion of the citizen engagement. The GAP will respond to findings on gender-based constraints and opportunities relevant to project planned activities.

Grievance Mechanism (GM): UNOPS will be responsible for setting up the GM that would include a simple protocol, and multiple uptake mechanisms (telephone, complaints box, website, email and text messaging). The GM will include good communication on the GM process in terms of

beneficiaries' rights and as well as defining the boundaries in terms of what (project-related issues). Complaints received by the GM will be registered, tracked, investigated and promptly resolved. A separate protocol for dealing with SEA and SH cases within the GM will be applied.

Environmental and social implementation arrangement. UNOPS will have overall responsibility for environmental and social implementation and has led the preparation of the ESMF revision. UNOPS has environmental, health, and safety (EHS) procedures and practices that include:

- (a) The Project Health and Safety Plan, which is a management framework to ensure safer construction practices and prevent dangerous acts that could lead to accidents on site;
- (b) Standard contracts to which the Project Health and Safety Plan is attached as an integral part; and
- (c) Training programs for on-site staff on EHS aspects before the commencement of projects.

When partnering with MFIs, contractors and suppliers , UNOPS will ensure, through pre-selection screening and capacity building, that these entities have sufficient capacity to manage the ESF requirements and comply with the World Bank ESF. UNOPS will also incorporate the environmental, social, health, and safety requirements for all contractors, MFI contracts, including the solar PV system code of practice, and the code of conduct. UNOPS will audit the incremental life and safety risks associated with the installation of solar PV systems and will include proportionate mitigation measures. The procedure of environmental and social management is detailed in the ESMF and commitments are included in the ESCP to ensure proper environmental and social implementation by various players.

SECTION IV: ENVIRONMENTAL AND SOCIAL MANAGEMENT

UNOPS has Environmental and Social Management (ESM) guidelines and frameworks for physical infrastructure work, which helps project managers to incorporate measures needed to minimize any negative impacts and strengthen the environmental and social benefits. UNOPS has prepared the procedure for preparation, review, clearance, and implementation of subprojects' safeguards instruments as a conceptual framework including a consolidated and coordinated mechanism to facilitate the implementation of the Republic of Yemen Emergency Electricity Access Project (RY-EEAP) subprojects.

UNOPS has prepared a project Environmental and Social Management Framework (ESMF), which has been cleared by the WB to guide and ensure that all subprojects and activities meet the requirements of UNOPS' OHS and ESM guidelines and the additional (ESSs); including the preparation of subproject specific Environmental and Social Management Plans (ESMPs). This framework will be the base for elaboration of safeguards guidelines for UNOPS Technical Team in Sana'a office and UNOPS' contractors who will ensure the implementation of the ESS and practice in accordance with the project Environmental and Social Commitment Plan (ESCP) in all sites.

UNOPS is committed to avoiding and where this is not possible minimizing any adverse environmental or social impacts. The ESS procedure guides UNOPS contractors, suppliers, retainers as well the MFIs to avoid, and/or reduce to a level that is as low as reasonably practicable any potential adverse environmental and social impacts, in accordance with the World Bank environmental and social requirements, Yemen laws and regulations, and international related standards.

ENVIRONMENTAL AND SOCIAL STANDARDS AND PRACTICES

THE ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF)

The ESMF was prepared by UNOPS to meet the requirements of the World Bank's Environmental and Social Framework (ESF), most particularly the Environmental and Social Standard on the Assessment and Management of Environmental and Social Risks, including the World Bank Group Environment, Health and Safety (EHS) Guidelines. It also meets the UNOPS Environmental, Health and Safety (EHS) procedures and practices and complies with Yemeni environmental and social laws and regulations. The use of a Framework is appropriate and necessary, given that the Project consists of a large number of subprojects in many different localities, and that the specific location and activities of each subproject will only be determined during implementation.

UNOPS has recruited an Environmental and Social Safeguards Officer (ESSO) based in Sana'a, to oversee Project safeguards, as well as an international expert to support the ESSO and ensure the overall implementation of the ESMF. The bulk of the ESHS risks and impacts is directly associated with the construction activities of the contractors. The ESMF also details how appropriate mitigation measures are defined for every type of impact.

The ESSO will screen all subproject proposals prepared by UNOPS to: (i) determine the environmental and social issues that might be triggered by the subproject, including the risk of Sexual Exploitation, Abuse and Harassment (SEAH) (ii) identify the relevant Environmental and Social Standards (ESS); (iii) determine the appropriate Environmental and Social risk rating for the subproject, and; (iv) specify the type of environmental and social assessment required, including

specific instruments/plans. UNOPS will prepare proportionate ESMPs for subprojects not requiring a full ESIA and ESMP, according to the following table of content:

- (i) Summary Sheet
- (ii) Subproject Description
- (iii) Environmental and Social Baseline
- (iv) Consultations
- (v) Mitigation Instruments

Subprojects that cause significant environmental and social impacts will require a full ESIA and ESMP, and might require a Resettlement Plan. Guidance for resettlement planning is detailed in the Project's Resettlement Framework.

UNOPS will apply the World Bank's requirements for consultation and disclosure, as detailed in the Project Stakeholder Engagement Plan. Consultations will be initiated as soon as subprojects screening has been completed and consultation records will be kept in the Project Office. Consultations will take into consideration the sociocultural context of Yemen, as well as the ongoing COVID-19 epidemic. UNOPS will incorporate environmental and social requirements for contractors in tender documentation and contract documents, so that potential bidders are aware of environmental and social performance requirements expected from them and are able to reflect that in their bids. The cost to contractors of meeting the ESHS requirements will be included in their respective contracts. UNOPS and its implementing partner will enforce compliance by contractors with these requirements. The requirements include the following sections:

- Contractor Environmental and Social Management Plan (C-ESMP)
- Environmental, Social, and Health and Safety Training (ESHS)
- Construction Site Management
- Occupational Health and Safety (OHS)
- Stakeholder Engagement
- PSEA Action Plan
- Code of Conduct

UNOPS will monitor and report on implementation of the ESMF, with inputs from the MFIs, contractors and suppliers and the TPM agent. UNOPS ESSO will ensure that safeguards monitoring is included in the Project's semi-annual reports to the World Bank. The Project will establish a Grievance Mechanism (GM), as detailed in the Project Stakeholder Engagement Plan, which will be used for environmental, resettlement and social issues.

THE STAKEHOLDER ENGAGEMENT PLAN (SEP)

The SEP is prepared to define a program for stakeholder engagement under this project, including public information disclosure and consultation, throughout the entire project cycle. The SEP outlines the ways in which UNOPS will communicate with stakeholders and includes a mechanism by which people can raise concerns, provide feedback, or make complaints about the project and any activities related to the project. UNOPS will disclose Project information to the targeted stakeholder audiences. Key dates for information disclosure are at the start of the project, at mid-term as well as at the end of the lifespan of the project. UNOPS will translate into Arabic the Project SEP, the Environmental and Social Management Framework (ESMF), the Resettlement Framework, and the

Labor Management Procedures (LMP), and make hard copies in publicly available locations at its Project Office in Sana'a as well as soft copies at UNOPS Project website. These documents will remain in the public domain throughout Project lifespan.

UNOPS will keep stakeholders informed as the project develops, including reporting on project environmental and social performance, and implementation of the stakeholder engagement plan and grievance mechanism. The SEP will be periodically revised and updated as necessary in the course of project implementation, in order to ensure that the information presented herein is consistent and is the most recent, and that the identified methods of engagement remain appropriate and effective in relation to the project context and specific phases of the development.

In accordance with best practice, UNOPS and its implementing partners will apply the following principles to their stakeholder engagement activities:

- **Openness** UNOPS and its implementing partners will carry out public consultation throughout Project preparation and implementation Project life-cycle, in an open manner, free of external manipulation, interference, coercion or intimidation. Venues will be easily reachable, and not require long commutes, entrance fees, or preliminary access authorization.
- **Culturally appropriateness.** The format, timing and venue will respect local customs and norms.
- **Informed participation and feedback:** UNOPS will provide and widely distribute information to all stakeholders in an appropriate format, and provide opportunities to stakeholders to provide feedback, and will analyze and address stakeholder comments and concerns.
- **Inclusivity.** Consultations will engage all segments of the local society, including disabled persons, the elderly, minorities, and other marginalized and/or vulnerable individuals and groups. If necessary, UNOPS will provide logistical assistance to enable participants with limited physical abilities and those with insufficient financial or limited transportation means to attend public meetings organized by the Project.
- **Gender sensitivity.** As necessary, UNOPS will organize separate meetings and focus group discussions for women, using women facilitators and adapting meeting logistics to women's needs in terms of timing, transportation and available facilities.

UNOPS ESSO will prepare monthly summary reports on public grievances, enquiries and related incidents, together with the status of implementation of associated corrective/preventative actions, and transmit these summary reports to UNOPS' Project Manager. The monthly summaries will provide a mechanism for assessing both the number and the nature of complaints and requests for information, along with the Project's ability to address those in a timely and effective manner. UNOPS will produce a standalone annual report on the project's interaction with the stakeholders during the year.

THE LABOR MANAGEMENT PROCEDURES (LMP)

The LMP was prepared by UNOPS to meet the requirements of the World Bank's Environmental and Social Framework (ESF), most particularly the Environmental and Social Standard on Labor and Working Conditions (ESS2). The LMP sets out the way in which project workers will be managed, in accordance with the requirements of national law and ESS2. They address how ESS2 requirements will apply to various categories of project workers including direct workers, and the way in which UNOPS will require third parties to manage their workers in accordance with the project ESCP (ESS2).

The table of content of the LMP is based on the LMP template (v1, September 6, 2018) proposed through the World Bank ESF website. However, adjustments to the proposed template were made to more closely follow the order in which issues are addressed in ESS2. UNOPS will update the LMP as necessary, in light of experiences during Project implementation. Any update will be submitted to the World Bank for prior review before becoming effective. UNOPS will meet ESS2 requirements by relying on the Yemeni Labor Code when appropriate, while also supplementing the requirements spelled out in the Code with sufficient and proportionate additional measures if there is a gap.

SEA/SH PREVENTION AND RESPONSE ACTION PLAN

The Project SEA/SH Prevention and Response Action Plan is prepared to meet the requirements of the World Bank's Environmental and Social Framework (ESF), most particularly the Environmental and Social Standard on Working Conditions (ESS2) and the Standard on Community Health and Safety Labor (ESS4) . It details the operational measures to assess and mitigate the risks of gender-based violence, most notably sexual exploitation and abuse (SEA) and sexual harassment (SH), and how they will be integrated over the life of the project. This includes procedures for reporting, responding and managing grievances related to such abuse. Please refer to Annex 4 for SEA/SH Action Plan Timeline.

Where relevant, the Action Plan will build on available and planned mechanisms, as they are grounded in the organizations' experience in the country or in their respective sectors. This allows for the most efficient use of available systems, avoiding duplication in initiatives. The Plan is organized around the following key actions:

- Strengthen institutional capacity for GBV/SEA/SH risk mitigation and response by:
 - a. Strengthen coordination and collaboration with relevant GBV actors in Yemen, in particular the Protection Cluster, GBV sub-cluster and Child protection sub-cluster to tap into the existing referral system in project areas
 - b. Recruit a GBV/SEA/SH officer in the UNOPS Yemen office to supervise and provide technical support for the implementation of GBV/SEA Action Plan.
- GBV/SEA/SH capacity building of project's MFIs, contractors and suppliers through:
 - a. Sensitization and training of MFIs, contractors and suppliers' staff on expectations around SEA/SH.
 - b. Establishment of misconduct response systems. These responses will comply with the relevant UN protocols on management of SEA/SH risks and will include the implementation of sanctions for violations of worker code of conducts.
- Establishment of GBV/SEA/SH channels and procedures for the Grievance Mechanism.
- Communication to project affected communities about GBV/SEA/SH risks and mechanisms:
 - a. Community awareness on GBV/SEA/SH. Education and raising of awareness for project beneficiaries of SEA and their legal rights will be provided as part of the project activities and stakeholders' engagements.
 - b. Gender-sensitive communication channels. Disclosure will take place through multiple communication channels to be identified, taking into consideration women's safety when designing and distributing information.
- Sensitization and capacity building of contractors and suppliers on GBV/SEA/SH in the project:

- a. Selection and sensitization/training of contractors. Previous high-value contract contractors (above 500.000 USD) will be identified and trained on developing and implementing a GBV Action Plan, as per existing guidelines and checklists. This will happen during the initiation phase of the project. A simple and implementable GBV action plan will be included as a tender requirement for high-value contractors.

THE SECURITY MANAGEMENT PLAN (SMP)

The Project SMP was prepared by UNOPS to meet the requirements of the World Bank's Environmental and Social Framework (ESF), most particularly the Environmental and Social Standard on Community Safety and Health (ESS4). The SMP defines how UNOPS will ensure security protection and duty of care to all project workers and project-affected parties. UNOPS fall under the UN Security Management System (UNSMS). The UNSMS operates under a 'Framework of Accountability for the United Nations Security Management System' that provides guidance for the various security actors and mechanisms in a country. The Designated Official (DO) is the highest-ranking UN official in a given area. S/he is supported by a Security Management Team (SMT) – which is usually constituted by all heads of agencies and UN Security Professionals. The UNSMS policies and procedures apply universally to all UN personnel, regardless of contract type or whether they are local or international. All policies apply to all project implementation locations.

UNOPS has deployed a Field Security Advisor (FSA) in Sana'a, who is a security professional and is responsible for overseeing the security arrangements relating to the implementation of the project. In the field, the local UNOPS team leader is dedicated to security as the UNOPS Security Focal Point. They have received basic security training, for example, SSAFE and BSAFE and the Security Focal Points are equipped with Tetra radios, cellular phones and laptops with internet access for direct communication with the closest UNDSS security office and with the respective FSA. The UNOPS FSA is the coordinator and Security Focal Points for all UNOPS personnel and will advise UNDSS and the Designated Official (DO) on any matters concerning the safety of UNOPS staff.

UNOPS will have full duty of care of all direct workers on the project. This includes internationals and nationals with all types of contracts. In regards to Third Party (non-UN) contracted workers and workers engaged by primary suppliers for the project, UNOPS and its implementing partner will include Saving Lives Together (SLT) principles in the procurement and bidding process to ensure that either contractors or primary suppliers become members of the SLT and adhere to its principles, or have in place security measures for their staff and assets adhering to SLT measures. This includes close coordination and exchange of security-related information between all project implementers, contractors, and primary suppliers, the putting in place of internal security risk management procedures, or contingency planning and emergency response arrangements. These will be legally binding clauses in contracts and the implementation will be subject to monitoring and supervision by the Programme Manager. Duty of Care will be provided by the local contractors to all their workers.

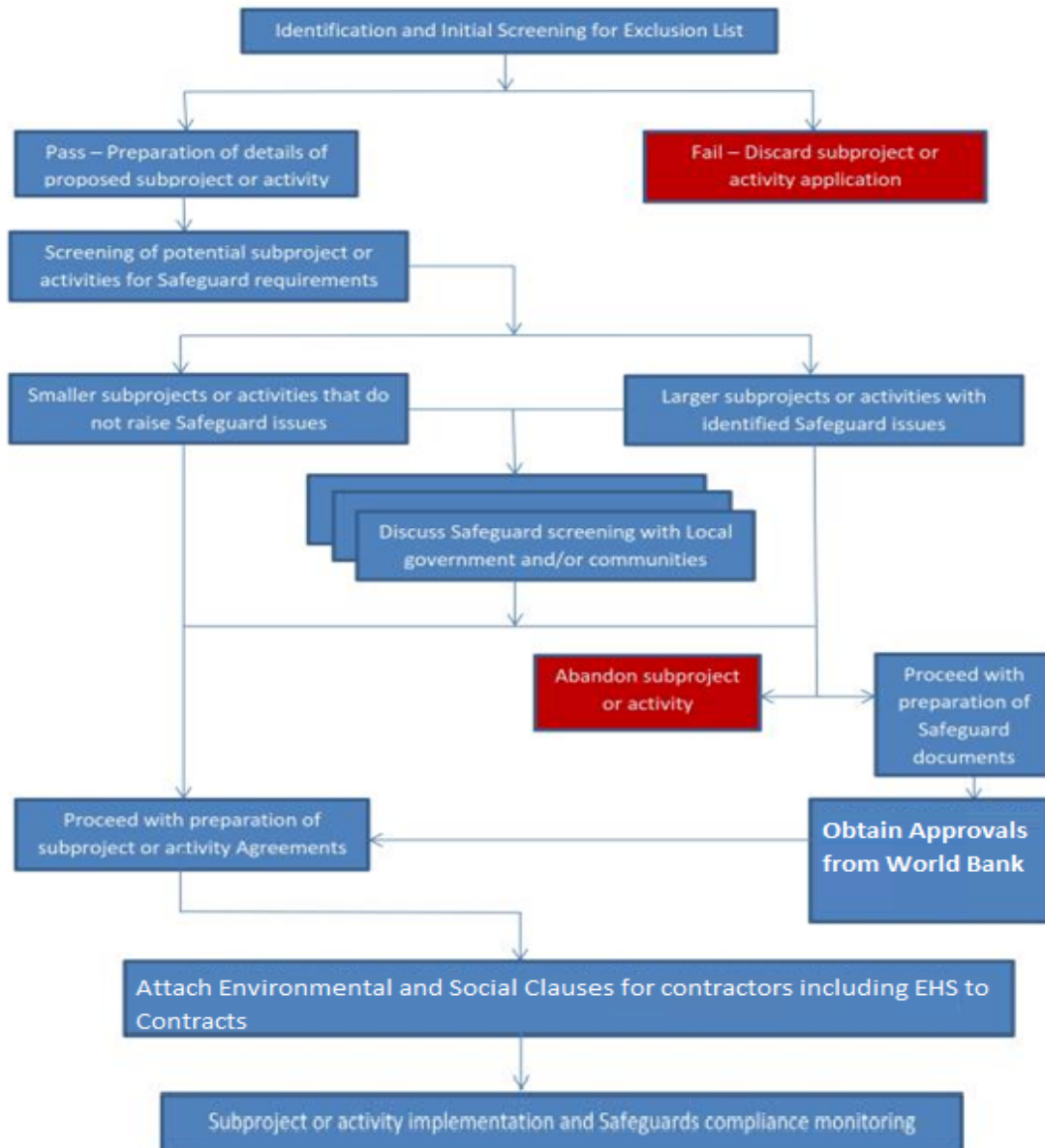
LEGAL BASIS

The ESS procedures have been designed based on a set of applicable Yemeni laws and regulations related to social and environmental protection, Environmental and Social Management Framework (ESMF), Environmental and Social Requirements and International Standards including Principles Standards, World Bank Safeguards Policies, UNOPS HSSE procedures and practices and guidelines.

1. **Yemeni laws and regulations:** Law No. 26 /1995 and its by-law No. 148/ 2000: Environmental Protection in Yemen.
2. **World Bank Requirements:** The Project triggers the World Bank’s Operational Policy on Environmental Assessment (OP 4.01), this ESMF covers OP 4.01 requirements.
 - World Bank Policy on Environmental Assessment, OP 4.01.
 - Environment, Health and Safety Guidelines.
 - World Bank Operational Policy on Involuntary Resettlement.
3. **UNOPS Requirements:** UNOPS has Environmental, Health and Safety (EHS) procedures and practices that include:
 - a. a Project Health and Safety Plan (PHSP), which is a management framework to ensure safer construction practices and to prevent dangerous acts that could lead to accidents on site;
 - b. standard contracts to which the PHSP is attached as an integral part; and
 - c. training programs for on-site staff on EHS aspects before projects begin.
4. **National Environmental Action Plan:** The Republic of Yemen enacted a National Environmental Action Plan (NEAP) in 1995 that was prepared with the support of the UNDP and the World Bank. The NEAP defines priority actions regarding key environmental issues such as water resources, land resources, natural habitats, and waste management.
5. **Environmental Protection Law:** The Environmental Protection Law (Law 26/1995; EPL), enacted in 1995 in the wake of the NEAP, constitutes the framework environmental legislation for Yemen. It includes provisions for environmental protection in Yemen, the issuance of permits, and Environmental Impact Assessments (EIAs). The provisions of the law are implemented through By-Law 148/2000
6. **Application of ESS Procedure:** This procedure applies to all projects that are under UNOPS implementation. The ESS procedure includes, but is not limited to, subproject screening, safeguard instruments preparation, and implementation of subprojects. The application of the procedures begins right at the time of the subproject’s approval and inclusion in the procurement plan and is relevant through the subproject screening, implementation, and subproject monitoring stages.

PROJECT SCREENING AND IMPACT ASSESSMENT

All subproject proposals prepared by UNOPS shall be screened to determine the environmental and social issues that might be triggered by the subproject, and to decide what type and level of assessment is needed.



The subprojects screening process will involve the following steps:

- Determination of applicability of environmental and social safeguards. Subprojects unlikely to have direct or indirect environmental or social impacts will not require further work.
- Eligibility of subprojects for project financing. The ESSO will identify, analyze and assess if the subproject is likely to have any attributes that are on an exclusion list.
- Determination of the need for works contracts for the subproject in order to apply environmental and social clauses for contractors
- Application of a checklist to screen eligible subprojects.
- Assigning each eligible subproject one of the following risk levels:
 - Level 1: Subprojects that are unlikely to have direct or indirect environmental or social impacts (equivalent to Category C in OP 4.01). These subprojects do not require safeguards instruments such as clauses for contractors, ESIA or ESMPs.

- Level 2: Subprojects that involve work but do not have impacts beyond generic construction impacts that are managed by contractors. These subprojects will require an ESMP consisting only of a description of the subproject and the Environmental and Social Clauses for contractors.
- Level 3: Sub Projects that cause no more than three environmental or social impacts. In addition to the Environmental and Social Clauses for Contractors, these subprojects will require an assessment limited to the triggered impacts and will define proportionate and sufficient mitigation measures specific to these impacts. These mitigation measures will be implemented by UNOPS.
- Level 4: Subprojects that trigger significant environmental and social impacts. These subprojects will require a full ESIA and ESMP. They might also require an ARAP or a RAP.

UNOPS will apply the World Bank requirements for consultation and disclosure of safeguards instruments. Consultations will be initiated as soon as subprojects screening has been completed and will take into consideration the sociocultural context of Yemen. UNOPS and its implementing partner will incorporate environmental and social clauses for contractors in tender documentation and contract documents, so that potential bidders are aware of environmental and social performance requirements expected from them and are able to reflect that in their bids. UNOPS and its implementing partner will enforce compliance by contractors with these clauses.

The clauses cover four issues: (i) Environment, Health and Safety (EHS); (ii) environmental and social monitoring by contractors; (iii) environmental and social liabilities; and (iv) grievance mechanism for workers. These clauses will be referred to in all subproject ESMPs. Subproject ESMPs will also include any training required for contractors to understand and satisfactorily meet the Project's environmental and social requirements.

SECTION V: FIDUCIARY MANAGEMENT

FINANCIAL MANAGEMENT

The project's financial management arrangements will be governed by the Financial Management Framework Agreement (FMFA), which provides for the use of UNOPS's financial rules and regulations. To provide adequate financial management service supporting the project, the UNOPS regional office in Amman, Jordan, would conduct a risk assessment of the new MFI partners¹⁶ in Yemen.

UNOPS will (a) maintain a financial management system, including records and accounts, that is adequate to reflect the transactions related to the project activities, in accordance with the requirements of its financial regulations; (b) maintain a separate ledger account (Grant Control Account) in its books to record the financial transactions of this project; and (c) prepare, on a six-monthly basis, interim unaudited financial reports (IUFs) in accordance with accounting standards established pursuant to its financial regulations and in the format agreed with the World Bank, which are adequate to reflect and track expenditures related to the IDA grant. The IUFs will be provided to the World Bank no later than 45 days after the end of each six-month period.

UNOPS will provide reasonable assurance that project funds are spent for the intended purposes, the following arrangements will be in place: (a) reliance on UNOPS' internal control mechanisms and internal oversight functions throughout the financial management and disbursement arrangements, documentation of expenditures, and detailed reporting; (b) making direct payments to contractors and putting in place controls around advances (c) contracting technical experts to supervise the implementation of activities; (d) using the TPM agent to verify the physical implementation of activities and compliance of MFIs, contractors and suppliers with fiduciary arrangements as agreed with UNOPS and in line with UNOPS financial rules and regulations; (e) implementing the agreed enhanced approach for TPMs' reports which should strengthen the quality of those reports as a monitoring tool and establish links between technical findings and their financial impacts, when applicable. The agreed enhancements include i) a flagging system to identify findings of a high-risk nature and link them, when applicable, to their related monetary values and ii) a tracking system to ensure that findings are addressed in a timely manner; (f) establishing a real-time oversight, transparency, and accountability mechanism through a GIS-based expenditure tracking and information dissemination system; (g) providing updated GIS maps of the project areas to help monitor progress and enhance project supervision; (h) using social media to analyze community perception of subprojects on a real-time basis, to identify red flags for fraud, corruption, and unequal treatment of communities, and complement the GM; (i) submitting financial and progress reports on a semiannual basis; (j) ensuring that the reported uses of funds in the IUFs represent only actual expenditures excluding advances; and (k) ensuring that all advances made by UNOPS are covered by bank guarantees, except for operational advances to implementing units that are monitored on a monthly/quarterly basis by the UNOPS team and do not exceed USD250K to meet operational expenses. UNOPS will share findings of their reviews of implementing units with the Bank during implementation support missions

¹⁶ The current six MFIs have been assessed under RY-EEAP, therefore UNOPS will conduct full risk assessments for new MFIs only. All MFIs will be evaluated as part of each new Call for proposals (CFPs) and as part of the TPM agent's regular reporting.

DISBURSEMENT PROCEDURES

UNOPS operates a range of bank accounts throughout the world, in areas where it has operations. In Yemen, UNOPS has bank accounts in both USD and YER in the International Bank of Yemen (IBY) and the Tadhamon Bank (TB). Wire transfers from the IBY account are only possible to other IBY account holders and same case for TB. It should be noted that there is no Central Bank in Sana'a to process domestic payments within Yemen.

As a contingency plan, and to tackle the above concerns and overcome the challenges in the banking system and financial institutions, UNOPS has contracted a cash supplier that can provide cash transfers to Yemeni beneficiaries in Sanaa, Aden, Taizz, Ibb, Hadramaut, as well as other cities.

The cash supplier is based in Yemen with a coverage all over the country can deliver cash or deposits into different bank accounts, overcoming any issues with domestic transfers. The cash supplier charges commission per transfer depending on the delivery point (i.e. to the destination city in Yemen).

Under the cash supplier modality, the project team will raise a request for payment to be paid via cash supplier. The Project Finance team will process this modality by creating a cash request dually signed by the authorized signatories. The project finance team will send the cash request to the cash supplier for processing. Once the cash supplier sends the project Finance team a signed receipt from the beneficiary, they will release the cash to the cash supplier. As a result, UNOPS will always ensure the cash supplier will advance the money on the project's behalf, rather than pay up front.

Disbursement of funds to the MFIs, contractors and suppliers will be defined in each bilateral agreement between both parties.

UNOPS will minimize currency exposure and foreign exchange risk through matching currency requirements for expenditure in USD and local currency and ensure the availability of both as per forecasted cash needs. In addition, solar energy systems will be procured in U.S. dollars to the extent possible, the same aforementioned standards will be applicable to agreements with MFIs, contractors and suppliers.. Payments required in local currency will be paid from UNOPS local currency bank accounts with two local banks, which will be replenished under the supervision of UNOPS Treasury functions and at the best available market rate. Furthermore, implementation of the FOREX Strategy agreed with all UN agencies (shaped in the form of the UN Guidance Note) that follows published market rates by the Currency Traders Association for the south. UNOPS will continue to use the UN Operational Rates of Exchange in the north, which is updated regularly to reflect any changes in the market rates.

REPLENISHMENT OF UNOPS ACCOUNT

Disbursement from the World Bank to UNOPS is simplified to ensure the timely availability of funds to implement the project. Disbursement to UNOPS's official bank account shall be made on the basis of the IUFRs. Requests for disbursement will cover the projected expenditures and activities for twelve months.

Withdrawal applications, or new cash advances, will be submitted to the Bank every six months to document funds disbursed and to request a new advance to cover an amount representing UNOPS' good faith projection of the expenditures for the following six months, up to the project's closing

date. Withdrawal applications would reconcile against amounts previously withdrawn against the project budget.

UNOPS will receive grant proceeds into a centralized corporate account and will then allocate funds to the project. It starts implementation by transferring funds to its local accounts in Yemen and/or it will pay from any of its accounts externally, depending on the contracts. The local accounts will be maintained by UNOPS' Yemen Office Finance Team and will be replenished on a regular basis. To mitigate potential challenges associated with using the local banking system, UNOPS has established an additional payment mechanism whereby it will use the regional cash supplier to make payments in the country.

SETTING UP THE PROJECT BUDGET

The PM, supported by the project finance unit, will create work packages that include various budget categories and further provide more details and customize as per the budget lines agreed with the World Bank, for the purposes of more effective budget tracking and reporting.

The budget will be reviewed by the Finance team in Amman and sent to the IPAS Finance Unit in UNOPS' HQ. The latter will conduct a budget review and verify the budget against the signed agreement, financial reporting, UNOPS costs, etc. The IPAS team, after verification, will approve the budget entered in the UNOPS ERP system (oneUNOPS).

CONTRIBUTION INSTALLMENTS

Based on the contribution agreement, WB will wire installments to UNOPS as stated in the contribution schedule to the designated corporate bank account. Once the installment is received, the Finance team in Amman will request UNOPS HQ to apply it to the Project account. The UNOPS Finance Group in HQ will apply it to the project on oneUNOPS by creating accounts receivable entry. The entry will be recorded in UNOPS books in USD as received. The Project will then be able to obligate and disburse funds. The Project operations will then be able to obligate the funds received against the project cash by raising Purchase Orders (POs) and disburse the funds through Request for Payments (RFPs).

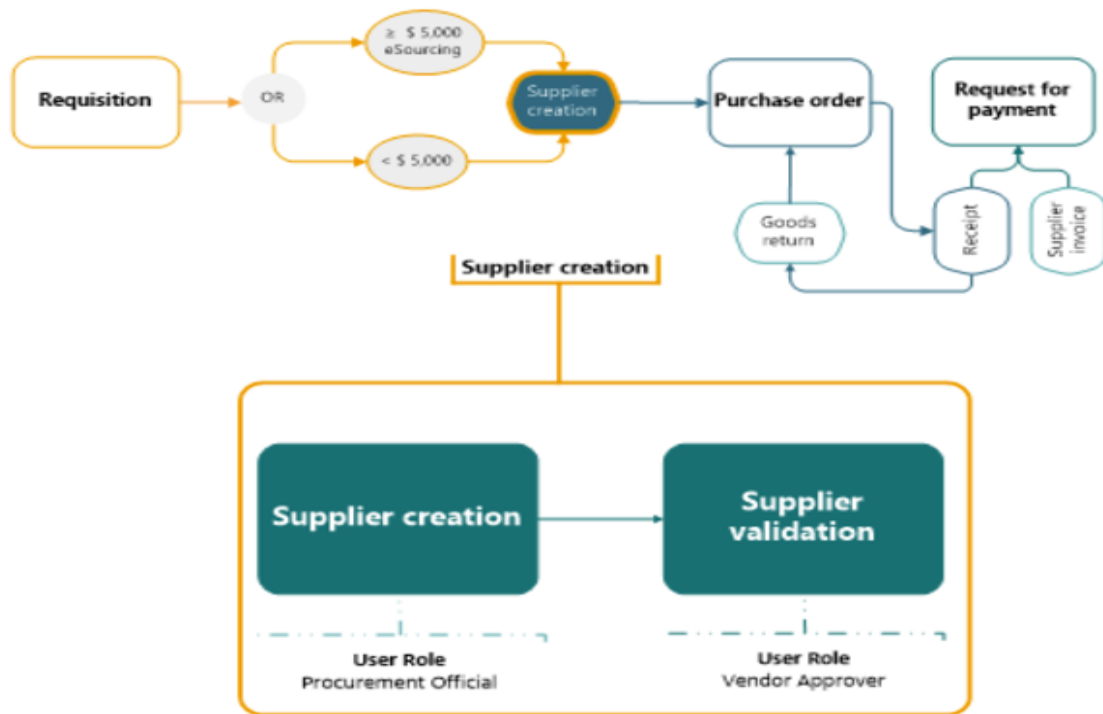
CASH FORECAST

In order to better control the level of cash, the Project is required to submit the cash forecast on a monthly basis to the Finance team in Amman. Based on the cash forecast, the Finance team in Amman will coordinate with UNOPS Treasury on disbursements to the local bank account in order to ensure that the Project has sufficient cash available. The Finance team in Amman will also follow up and coordinate that the funds are received into UNOPS bank accounts in Yemen in a timely manner and monitor cash-in and cash-out on a weekly basis.

SUPPLIER MANAGEMENT

The suppliers and the related payments will be managed through the vendor management process in UNOPS ERP System. A procurement official will be designated for the purpose. All suppliers will be requested to complete the "Vendor Request Form" based on which the procurement official will create the vendor profile on the OneUNOPS system (UNOPS ERP system). The profile will then be forwarded to a "Vendor Approver"—a function held in UNOPS Global Shared Services Center (GSSC) in Bangkok. The vendor approver will verify the vendor data by checking the supporting documents to ensure that beneficiary banking details are correct.

Figure 11: Supplier management process



WORKFLOW FOR VOUCHERS (REQUEST FOR PAYMENT)

The project finance team will create vouchers to pay suppliers and contractors through oneUNOPS. The voucher is sent by the requester to the Finance Delegation of Authority (DoA) Level 1 (reviewer). The reviewer will check the voucher in the system along with all needed supporting documents. As per UNOPS Financial Rules and Regulations (FRRs), a payment will be processed as per the following checklist:

- a) Said payment is due and had not previously been made;
- b) It is supported by documents which indicate that the goods and services for which the payment is claimed have been received or rendered in accordance with the terms of the contract and related commitment;
- c) The payment is made against a recorded commitment;
- d) No other information is available which would bar the payment.

The project team will need to provide the following supporting documents:

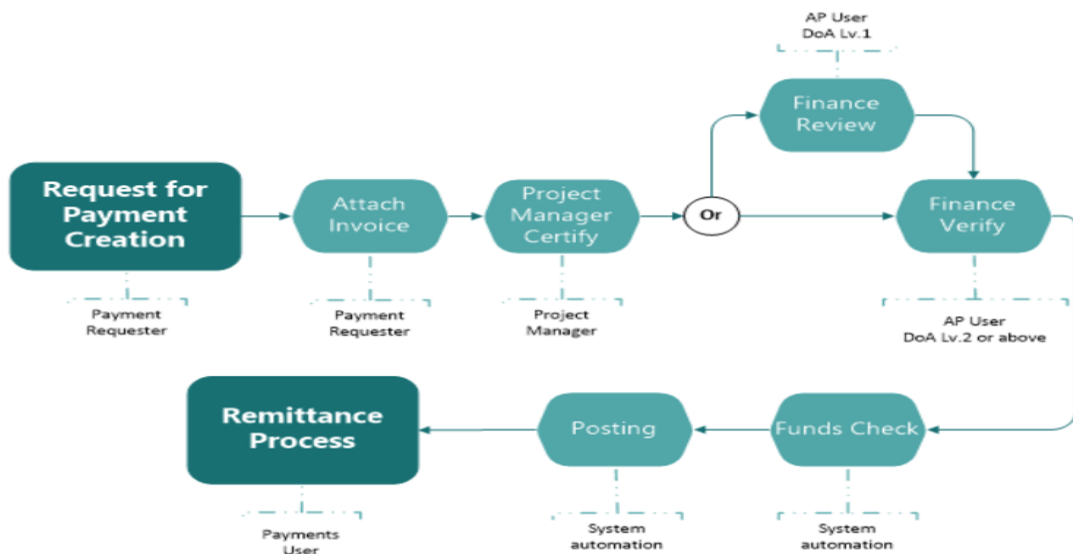
For Suppliers:

- a) Confirmation on receipts of goods & services
- b) Invoice/ Delivery Order
- c) Copy of the contract
- d) Receipt and Inspection Report (if applicable)
- e) Copy of PO

For payments to Personnel:

- a) Certified payroll
- b) Travel Authorizations approved by authorized personnel in OneUNOPS ERP
- c) Travel and Expenses Claims approved by authorized personnel, along with any supporting documents for expenses to be claimed

Figure 12: Voucher workflow



To complete the payment, Finance DoA Level 1 (Reviewer) will then send the voucher to Finance DoA Level 2 (Verifier) to verify and release the payment.

Figure 13 Voucher in oneUNOPS

Purchase invoice approval

Purchase invoice information

Supplier: Amal Jayamanne
 InvoiceNo: 121212 OrderNo: 200212
 Invoice date: 16/10/2015 Amount To Pay: 3,000.00
 Due date: 15/11/2015 To be approved: 3,000.00
 Transaction number: 620000247 Invoice Amount: 3,000.00
 VAT amount: 0.00 Offset Amount: 0.00
 Payment method: EF Currency: USD
 RefNo: 0

Workflow log (row 1)

16/10/2015 15:10 Issam AMARIN (ISSAM) - Distributed
 16/10/2015 15:44 Issam AMARIN (ISSAM) - Task complete

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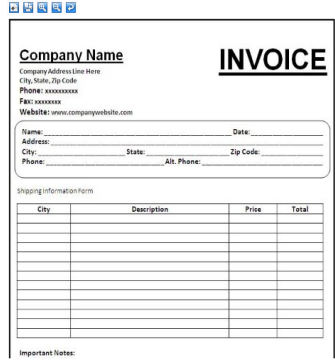
Final invoice

Final invoice Prepayment

Recurring journal

Distribution: Corr. start period:

Image



Invoice control

Source	Purchase order	Amount ordered	10%	Quantity delivered	0%	Amount delivered	10%
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Order lines

Order line	Currency	Inv. qty.	Inv. price	Inv. amt.	Order qty.	Order price	Order amt.	Unit	Qty. received	Amt. received	Product	Product descri...
1	USD	0.06	50,000.00	3,000.00	1.00	50,000.00	50,000.00	Lump s...	0.20	10,000.00	80111600	Temporary pe...
				Σ			3,000.00					

Show discrepancies only

Purchase invoice details

Map	Tax	Order	Status	Funds check	Currency	Curr. amou...	Type	Account	Work package	Donor	Natcost	Activity	Client ref	Tax code	Tax system
					USD	3,000.00	GL	21015	100110-10	571	100110-10-...			0	
						Σ									

Once the voucher is verified and set to be released by Finance DoA Level 2, it will go through system fund check and posting, before the remittance process is initiated. Additional verification and acknowledgement thresholds are applied based on the USD amount or its equivalent in local currency.

Table 2: Additional RFP acknowledgements by threshold

Acknowledgement Levels		Amount
1	HoSS / Country Director / Hub Director	100,000 - 499,999 USD
2	RMOA / Regional Directors	500,000 - 1,999,999 USD
3	Deputy CFO	2,000,000 - 9,999,999 USD
4	CFO	Above 10,000,000 USD

The Project Finance Team will ensure application of the following segregation of duties aspects:

- a) Between personnel who may verify that payments may be made on behalf of UNOPS and personnel who may disburse resources on behalf of UNOPS;
- b) Between personnel who receive funds on behalf of UNOPS and personnel who register the deposit of funds.

Once the payment is reviewed, it will be affected by the supplier/vendor. The oneUNOPS system is designed in such a way that it will automatically register banking details for the beneficiary to be paid and direct the disbursements as per the banking details. Vouchers can be disbursed through corporate bank accounts or through local bank accounts. The OneUNOPS system has a built-in payment matrix that will automatically redirect the payment to the best UNOPS bank account for disbursement to the supplier/vendor.

The process is an automated one under the Treasury Management System (TMS). The International Bank of Yemen (IBY) is fully integrated with the oneUNOPS system where the minute payment is approved through the verification channels; it passes through the TMS process of integration and initiates a pay cycle. The pay cycle is automatically processed through a KYRIBA and initiates SWIFTS in IBY and payments are released without any human intervention. UNOPS is working to move this technology to Tadhamon Bank (TB) and use the same modality. This eliminates human error and any potential fraud.

At the beginning of each month, the Finance Unit in Amman will upload the bank statements to the UNOPS ERP system. Under the Treasury Management System, bank reconciliation is automated and managed by HQ as a layer for oversight and supervision on all local bank accounts. Timeline for Finance functions. Table below illustrates the expected timeframe for finance processes.

Table 3: Timeline for finance functions

Process	Duration	Responsibility
RFP Creation	1 working day	Project Team
Finance Level 1 Review	1 working day	Finance Team
Finance Level 2 Verification	1 working day	Finance Team
Remittance process (including release of payment)	1 working day	Finance Team
Receipt of payment in Beneficiary bank account	Depends on the bank account of beneficiary and country	Banking system

AUDITS

UNOPS will carry out project-specific audits on an annual basis or according to other frequencies agreed with the World Bank. The audit sample will be decided by the auditor as part of its scope and methodology. Costs of the audits will be covered by the project. UNOPS will share the TORs for the project-specific audit with the Bank. If the Bank has any specific concerns regarding the operation, those will be highlighted to UNOPS, and UNOPS will convey those to the auditors at the time of the audit. Audits would be conducted in line with UNOPS FRR and all reports will only be finalized by the Internal Audit and Investigation Group (IAIG) of UNOPS and issued as IAIG’s reports.

In addition, UNOPS Internal Audit and Investigation Group (IAIG) agreed in principle to spot checks of specific transactions reported in the IUFRRs and selected by the Bank with the understanding that the review will be conducted by the LTA holder on behalf of IAIG (as is the case with projects audits), the TORs for such spot checks to be reviewed and cleared by IAIG and any costs associated are to be covered by the project budget.

GRANTS ARRANGEMENT

The following paragraphs outline the instructions, procedures and processes applicable to all Grant Support Arrangements undertaken under Subcomponent 1.1 for or on behalf of UNOPS and its funding sources, as defined in the UNOPS Financial Regulations and Rules, Regulation 1.01 (h). Authorities for approving Grant Support Agreements are defined under the UNOPS DoA and Accountability Framework.

Grant Support in UNOPS’s Financial Regulations and Rules, Regulation 1.02, is defined as “a project activity which is outside the framework of procurement activities, and is undertaken by way of grants, credits, or loans carried out through a participating partner.”

The principal purpose of the relationship between UNOPS and the participating partner under the Grant, is the transfer of funds and/ or goods, in line with the relevant Grant Support Agreement.

Within the constraints of the Grant Support Agreement between UNOPS and the Grantee, the Grantee will enjoy significant autonomy in pursuing its stated purpose/objective. This means that the Grantee develops the agreed initiative/proposal, deploys its own resources and that UNOPS relinquishes involvement in the day-to-day management of the Grant. The role of UNOPS shall be limited to reasonable monitoring of agreed milestone achievements internally as well through TPM.

Under the *In-Kind Grant Model*, grantees will be allowed a reasonable recovery of a Grantee's overhead or operational costs not exceeding 10% of the total value of the Grant Award. This 10% maximum does not include distribution cost and contingency cost of default. While under the *Result-Based Financing Model*, grantees will be provided with an initial funding allocation, which will be available to claim, upon verification satisfactory by UNOPS and the TPM.


Grantees shall be selected through a competitive process in line with the principles of fairness, transparency and integrity. UNOPS will monitor Grants to participating partner/s (or Grantees) to ensure that any payment to a grantee should be subject to certification of the designated UNOPS person that the grant activities are implemented in line with the Grant Support Agreement, and based on the approved proposal/concept/work plan.

UNOPS will issue a Call for Proposals (CFP) in accordance with its rules and procedures to solicit submission from eligible participating MFIs in line with the following:

- (a) Instructions stating how, when and where to submit proposals, together with eligibility criteria;
- (b) A description of the purpose and outputs sought;
- (c) Sector area and specific activities to be funded;
- (d) Method of evaluation; and evaluation criteria.
- (e) Include submission templates, and a standard Grant Support Agreement template containing the UNOPS General Conditions.

The CFP documents must be approved by the PM.

Figure 14: CFP Structure Template



CFP Structure Template

- a) **Proposal submission:** How, when and where to submit?
 - **Eligibility Criteria:** limitations, minimum requirements/qualifications and other critical considerations. This could include focus on the expected capacity building element.
Examples: Only national NGOs under local ownership; expertise in natural resource management required; no sub-agreements allowed.
 - **Scope of Work:** What sector, what activities?
Examples: Repair of urban sewage system; climate resilient adaptation of rain-dependent agriculture.
- b) **Evaluation process:** How will proposals be reviewed? This should outline the overall assessment level to include the formal, technical and financial aspects as well as other considerations. It is required to state that the evaluation is done in line with UNOPS evaluation principles of fairness, transparency and integrity, and based on the criteria outlined in the 'Call for Proposals' (CFP).
- c) **Standard 'Grant Support Agreement':** A template should be attached (or made available) for review by potential grantees. This is critical as the Grant Support Agreement (and the General Conditions for Grants) constitutes an integral part of the Call for Proposals (CFP). It is usually mandatory to accept this agreement with its conditions before submitting a proposal.

RECEIPT OF PROPOSALS

Proposals must be submitted to UNOPS in accordance with the CFP. UNOPS will acknowledge through a standardized reply/receipt either by hand or electronically to all potential grantees that have submitted a proposal, acknowledging receipt of the proposal. In the event only one proposal was received, request for award to the MFI that has submitted such proposal shall be subject to the prior review by UNOPS Legal, or regional or local grants focal person, as appointed by the Grant Authority.

GRANT EVALUATION COMMITTEE AND REVIEW

The Evaluation Committee shall comprise of a minimum of three (3) individuals. Where UNOPS is responsible for the selection of the Grantee, the majority of the Evaluation Committee must be UNOPS personnel. This requirement is not applicable in situations where an independent Project Board or Steering Committee is responsible for the Grant review and selection process as outlined in the Engagement Agreement. The Evaluation Committee shall review the proposals in accordance with the CFP. All members of an Evaluation Committee shall sign the 'No Conflict of Interest' declaration form.

SUBSTANTIALLY COMPLIANT PROPOSALS

UNOPS will award the Grant a 'substantially compliant' proposal that meets or exceeds the quantitative and qualitative criteria requirements. Any non-compliant proposals should be eliminated from further consideration.

At the request of the funding source, UNOPS may award a Grant to a Grantee that has been pre-selected by the funding source in accordance with their own applicable rules, regulations and

procedures. In this case, the name of the Grantee, the activities to be implemented with the Grant and the estimated Grant value must be included in the Engagement Agreement between UNOPS and the funding source, or in an official letter from the funding source to UNOPS. In addition, the Engagement Agreement or official letter shall include a statement that UNOPS does not guarantee that the Grantee is the optimal entity to perform the Grant Support activities and shall not be accountable for any failures on the part of the Grantee relating to issues of pre-selection. In pre-selection cases, UNOPS shall remain responsible for the oversight, management, due diligence and monitoring of the Grantees.

GRANTEE REGISTRATION AND ELIGIBILITY

Regardless of the selection process, in order to be eligible to a grant, a Grantee shall not:

- have a conflict of interest;
- be included in any of the following ineligibility lists (which are consolidated and can be checked at the United Nations Global Marketplace): The United Nations Ineligibility List (UNIL) which includes UNOPS' ineligibility list; The World Bank Corporate Procurement Listing of Non-Responsible Vendors and The World Bank Listing of Ineligible Firms and Individuals; and the Consolidated United Nations Security Council Sanctions List;
- Be included in an ineligibility list of the client/partner, if such provision is included in the Engagement Agreement signed with UNOPS; or,
- Be currently suspended from doing business with UNOPS.

Grantees must be registered as a supplier within the ERP system (oneUNOPS). The Operational Instruction on Vendor Sanction, which includes grants, shall be checked for further details.

AWARD

Once a Grantee has been selected, the PM will Request for Award (RFA) to the relevant Grant Authority in accordance with established UNOPS levels of DoA.

GRANT SUPPORT AGREEMENT

Upon award of the grant, the Grant Authority with an appropriate DoA will sign the Grant Support Agreement with the Grantee. Where a Grantee proposes any amendments to the General Conditions of the Grant Support Agreement prior to award, such amendments shall be reflected in the Special Conditions, and in all cases, shall be submitted to UNOPS Legal for review. The grant agreement includes standard terms and conditions with the description of action, budget, and log frame attached as annexure. The Grantee is responsible for the achievement of deliverables as stated in the annexure within set financial limits and obligations.

Where the deliverables of the contribution funds are co-financed, it is the responsibility of the Grantee to make this explicit prior to approval of the grant agreement. Use of funds, budgets from the different sources and reporting requirements will be clarified in the grant agreement.

Subject to the completion of grant negotiations, the grant agreement will be issued in two copies for signature by the Grantee. The grant agreement will come into effect upon the date of signature by both parties, unless otherwise specified in the agreement.

DISBURSEMENT OF GRANT (CASH AND/ OR GOODS) TO THE GRANTEE:

To ensure the proper management of UNOPS' financial liability, disbursement of a grant (cash and/ or goods), full or partial, to the Grantee shall be authorized by the appropriate Grant Authority. Further disbursements to the Grantee shall be made on the basis of acceptance of performance either against milestones and reported in interim financial and narrative reports under the In-kind Grants, or against satisfactory results under the RBF model in accordance with the Grant Support Agreement (GSA).

PROCUREMENT ARRANGEMENT

UNOPS will follow its own procurement procedures as Alternative Procurement Arrangements allowed by the World Bank's new Procurement Framework Policy Section III.F.

UNOPS will have a procurement team within its office in Sana'a. It will be led by an experienced international procurement specialist who will oversee national procurement staff to carry out the day-to-day implementation of procurement activities. Procurement decision authority is vested with the Program Manager. The UNOPS Regional Director approves awards of contracts above US\$ 250,000 equivalent. Awards decisions above US\$1 million equivalent will be reviewed by the HQ Contracts and Property Committee (HQCPC) at UNOPS Headquarters. The Committee has virtual reviews twice a week. The Regional Director can request an ad-hoc meeting in the case of critical, time-sensitive procurement. If purchase orders are placed against the existing Long-Term Agreements with UNOPS' suppliers, no reviews by the Committee are required.

UNOPS procedures require its regional committee's review for contracts above US\$250,000 even under emergency situations – a process that could take from ten to fourteen working days which may have an effect of delaying the procurement process. This risk will be mitigated by delegation of authority to the Yemen Country Office as needed, and also by invoking emergency procurement procedures within UNOPS which allows to have only one person from HQCPC to review and approve related procurement processes within less than 10 working days.

UNOPS will need to remain abreast of the local market response and the complexity of the banking system in Yemen, where local bidders must submit a bid and performance security from reliable local commercial banks. To that end, UNOPS has already carried out an initial market assessment. UNOPS will also take the necessary pre-arrangements to assess the possibility of signing agreements with local commercial banks to accept their securities and include the list of acceptable banks in the bidding documents. UNOPS will also assess the possibility of waiving the requirement for bid security for low-value contracts or may accept certified cheques from credible banks in Yemen.

UNOPS PROCUREMENT PRINCIPLES

Best value for money: UNOPS shall attain best value for money by ensuring the trade-off between price and performance provides the greatest overall benefit under the specified selection criteria. UNOPS shall consider among other factors, the optimum combination of the total cost of ownership (i.e. acquisition cost, cost of maintenance and running costs, disposal cost) of a purchase and its fitness for purpose (i.e. quality and ability to meet the requirements). The statement may not always mean selection of the lowest initial price option, but rather represents the best return on the investments, taking into consideration the evaluation criteria specified in the solicitation documents. It requires an integrated assessment of technical, commercial, organizational, and pricing factors in light of their relative importance, including social and environmental. Other sustainability and strategic objectives defined in the legal agreement with the partner must also be considered.

Fairness, integrity and transparency: Integrity, fairness and transparency, and professionalism should be maintained by staff involved with the procurement process at all times. The procurement process shall be handled in a way that provides protection from proscribed practices, for example, fraud, corruption, collusion and other unethical practices, and must be conducted based on clear and appropriate regulations, rules, and procedures that are applied consistently to all potential vendors. Further, the manner in which the procurement process is undertaken must provide all internal and

external stakeholders of the organization with assurance that the process is fair and transparent and that integrity has been maintained

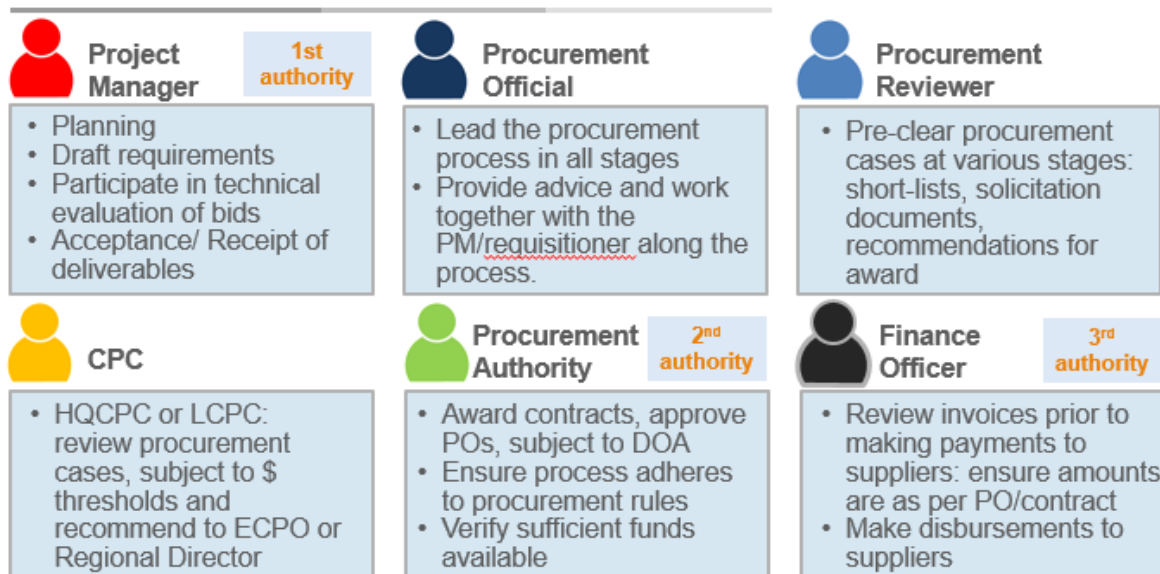
Effective competition: Effective Competition ensures equal access of bidding documents and information through any clarifications. UNOPS fosters competition in all procurement processes, as a means of ensuring fairness, integrity and transparency. There may be, however, exceptional circumstances when competition is not feasible and this shall be justified in line with the exceptional guidelines. As competition is the basis for fair and transparent procurement, no restrictions should be placed on the competitive process by limiting the pool of potential suppliers unless explicitly mentioned in the legal agreements.

The best interests of UNOPS and its clients: Undertaking procurement in the interest of UNOPS and its partners shall refer to focusing on the achievement of the objectives set out in project agreements, while maintaining the image and reputation of the organization. In doing so, UNOPS shall carry out background checks/due diligence of vendors prior to contract award.

ROLES AND RESPONSIBILITIES

There are four key roles within a procurement process: Project Manager/ requisitioner, procurement official, procurement reviewer, and committing officers with procurement authority (PA). The responsibilities of these roles, as well as the essential segregation of duties measures among these roles, are set out in the Procurement Manual. See below figure 15.

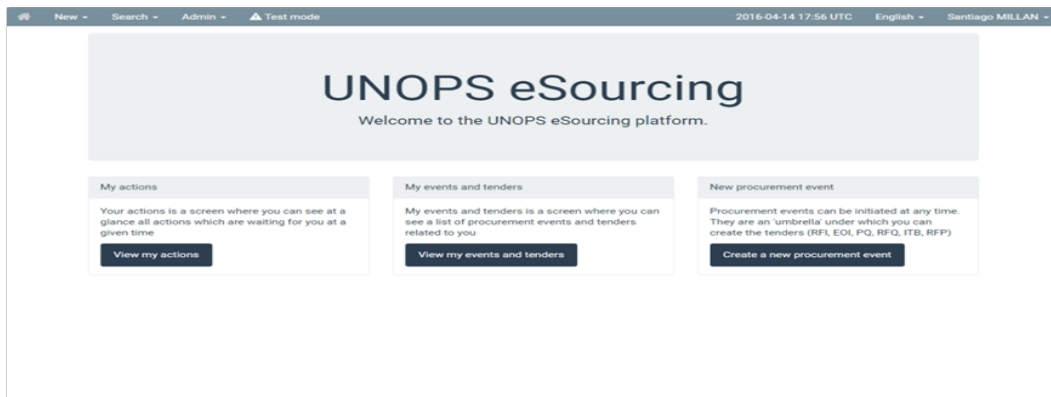
Figure 15: Procurement roles and responsibilities in UNOPS



E-SOURCING

All procurement processes for a value of USD 5,000 or above must be carried out in the UNOPS eSourcing system. This excludes cases done under Emergency Procurement Procedures (EPP) and any other applicable exceptions set out in the Procurement Manual. All procurement activities related to this project will be advertised in the UNGM, and Local Newspaper (when needed) for the aim of attracting more local suppliers.

Figure 16: UNOPS eSourcing interface page



SUPPLIER REGISTRATION AND ELIGIBILITY

UNOPS contracts shall only be awarded to vendors that are registered with the United Nations Global Marketplace (UNGM), except for processes under advisory services projects where UNOPS does not sign the contract with the vendor. Furthermore, for procurement processes carried out through the UNOPS eSourcing system, it is mandatory for vendors to register in UNGM (www.ungm.org) to access the full tender details, request clarifications, and submit an offer. More details are included in the Procurement Manual.

PROCUREMENT STRATEGY AND PLANNING

Developing a strategic approach to procurement is a key element for the successful acquisition of the goods, services, and works and necessary for the timely implementation of projects or operations. Procurement planning for an individual procurement activity includes setting up the timelines required to perform each step of the procurement process per the identified solicitation method, contract type and type of competition.

Figure 17: Procurement planning and monitoring

REQUISITION INFORMATION											PROCUREMENT PLANNING														
S/N	Requesting Unit	Project Name	Type of Requirement	Category	Description of goods, services or works required	Unit of Measure	Quantity	Estimated Unit Price (USD)	Estimated Total Price (USD)	Requested delivery date	Finalization of services date	End user	Procurement Officer	Solicitation Method	Procurement strategy	Requirements def.	EOI/ITP Issued	Solicitation start	Solicitation finish	Evaluation finished	Committee review	Contract date	STATUS		
1																									
2																									
3																									
4																									
5																									
..																									

REQUIREMENTS DEFINITION



Requirements definition is a systematic approach aimed at defining the procurement with the purpose to identify the precise needs of the requisitioner and to determine the best solution to meet those needs. Requirements definition for goods and services can take the form of technical

specifications, terms of reference, or statement of work. For work requirements, these can be: terms of reference for design and other technical consultancy services for works, design document for works, Employer's Requirements for Design and Build Construction Contracts. Requirements must be generic and defined with the aim of engendering competition; no specific brands, or other unnecessary restrictions can be requested unless for justified standardization purposes.

PROCUREMENT METHODS

UNOPS Procurement Manual provides a detailed account on procurement methods. Table 3 below summarizes the different solicitation methods and respective procurement thresholds.

Table 4: UNOPS Procurement methods

Solicitation method	Contract estimated value	Requirement	Evaluation method	Envelope system
Shopping	< US\$5,000	Off-the-shelf goods, standard specification, simple services and works	Lowest priced most technically acceptable	No requirement for sealed offers
RFQ	US\$5,000 < US\$50,000	Requirement for goods, services or works is clear and specific.	Lowest priced most technically acceptable	No requirement for sealed offers
ITB	≥ US\$50,000	Requirements for goods, services or works are clearly and completely specified	Lowest priced substantially compliant	
RFP	≥ US\$50,000	Requirements for goods, services or works that cannot be expressed quantitatively and qualitatively or complex requirements that may be met in a variety of ways	Cumulative analysis	

PROCUREMENT PROCESS

SOURCING

Sourcing is carried out by two main methodologies:

- a) Market research, including through internal and external sources; and
- b) Advertisement of business opportunities, through either open competition solicitation, or through sourcing methods (RFI, Expression of Interest, pre-qualification). All UNOPS business opportunities must be advertised on UNGM and on any website/media specified as mandatory in the project agreement. In addition, it should be advertised or distributed in a manner that, according to the nature and circumstances of the requirements, would lead to the most beneficial responses. If the sourcing process is used to create a short list of suppliers to be invited to a limited competition tender, supplier selection must follow the provisions set out in the Procurement Manual, and the short list must be approved by the relevant PA.

SOLICITATION

Solicitation is done either through formal methods of solicitation or exceptions to formal methods of solicitation. Unless exceptions to the use of formal methods of solicitation are justified, procurement contracts shall be awarded on the basis of effective competition which include:

- (a) Acquisition planning for developing an overall procurement strategy and methodology;
- (b) Market research for identifying potential contractors;
- (c) Competition on as wide a geographic basis as is practicable and suited to market circumstances; and
- (d) Consideration of prudent commercial practices (Fin. Rule 118.03).

Open international or national/regional competition is the default method of competition. In the event of a valid reason (as set out in the Procurement Manual) for not holding an open competition and if approved by the PA, a limited competition tender may be issued where only selected vendors are invited to participate in a solicitation.

Limited international and national/regional competition is restricted to a short list of suppliers selected in a non-discriminatory manner from rosters, pre-qualifications, expressions of interest, market research, etc. There are four solicitation methods: Shopping, Request for Quotation (RFQ), Invitation to Bid (ITB) and Request for Proposal (RFP). The first two are considered non-formal methods (to be used for procurements up to USD 5,000 in the case of shopping, and up to USD 50,000 for RFQ), and the latter two formal methods of solicitation to be used for values equal or above USD 50,000. For procurement of works, the specific solicitation documents for works must be used.

For the procurement of works, to ensure that the necessary standards for the design of UNOPS projects are followed, it is mandatory that prior to commencing the tender process, all infrastructure designs and technical specifications have been reviewed and assessed for design risks according to the UNOPS applicable design planning manual and that IPMG has issued a Certificate of Design Review Compliance.

Prior to the procurement of solar systems by the suppliers, Forced Labor provisions shall be taken into consideration as indicated within the project's FLAP. The provisions will oblige suppliers to (i) comply with applicable laws concerning terms of employment and conditions of work, and any collective agreements to which it is a party; (ii) prohibit suppliers from engaging or employing forced labor and trafficked persons; (iii) oblige suppliers to take all reasonable actions to identify and remove such occurrences in its own supply chain; (iv) include a clause prohibiting forced labor in the contracts they execute with their suppliers; and (v) obtain evidence from the suppliers confirming that the above provisions are complied with. A copy of the FLAP is included in Annex 10 of this POM.

Contracts must be awarded in accordance with the evaluation methodology that corresponds to the selected solicitation method: 'the lowest priced, most technically acceptable offer' methodology for RFQs and shopping; 'lowest priced, substantially compliant offer' for ITBs, and 'cumulative analysis' of technical and financial proposals for RFPs as per definitions included in the Procurement Manual. The evaluation criteria should include as applicable: formal and eligibility criteria, qualification criteria, technical criteria, and financial criteria.

The solicitation documents must be approved by the relevant PA prior to issuing with prior pre-clearance by a Procurement Reviewer, if applicable. The deadline for submission should allow vendors a sufficient number of days to prepare and submit an offer. Unless otherwise approved by the PA, the following minimum solicitation period 9 applies: 5 calendar days (RFQ), 15 calendar days (ITB for goods and works), 21 calendar days (ITB for services and RFPs).

Pursuant to the project agreement and subject to review by a contracts and property committee(s) where necessary in accordance with the FRRs, the ECPO or authorized personnel may authorize the issuance of contracts in reliance on the pre-selection of a contractor or participating firm by the funding source, per further provisions detailed in the Procurement Manual.

MANAGEMENT OF SUBMISSIONS

It is the responsibility of suppliers to ensure that offers are submitted to UNOPS in accordance with the stipulations in the solicitation documents. Bidders may modify or withdraw their offers only prior to the submission deadline. For procurement values equal or exceeding USD 50,000 (except for RFQs under secondary bidding under a LTA, RFQs under Emergency Procurement Procedures, and processes done with the eSourcing system) an individual not directly concerned with the procurement function must be appointed to receive all offers. For ITBs and RFPs, a bid opening panel must be appointed by the PA and consist of a minimum of two individuals, where at least one individual has no involvement in the subsequent stages of the procurement process, except for processes carried out with the eSourcing system, and documented waivers of segregation of duties in small offices. The bid opening report shall be available for viewing by bidders who submitted bids and may be made available electronically if the bidder requests a copy.

EVALUATION

Evaluation is the process of assessing offers in accordance with the evaluation methodology and criteria stated in the solicitation document. Prior to starting the evaluation, the PA must approve the composition of an evaluation team comprised of a minimum of two members per provisions in the Procurement Manual. As part of the evaluation, it is recommended to always undertake an assessment of price reasonableness to establish value for money, and such justification is mandatory when less than three substantially compliant offers have been received.

The results of the evaluation shall be documented in an evaluation report to be signed by the evaluation team members. After completion of the evaluation but prior to award, UNOPS shall conduct background checks/due diligence on the bidder recommended for award to verify that the bidder meets the criteria set forth in the solicitation document or as appropriate to the nature of the procurement process, and may reject a bidder on the basis of these findings, which shall be documented. Further provisions including the tiered risk approach to be followed for background checks are included in the Procurement Manual.

REVIEW AND AWARD

All procurement activities are subject to a review process prior to award. The review process should ensure that that appropriate authority has been obtained for the commitment of funds, that the best interests of UNOPS and its clients are protected, that the procurement activities are carried out in conformity with UNOPS FRRs, and that the relevant policies and procedures and are in accordance with generally recognized leading business practices. Procurement review shall be done by either: (a)

the PA directly; (b) a Procurement Reviewer, or; (c) a contracts and property committee (CPC), subject to the applicable thresholds. The award is, as per UNOPS FRRs, the authorization given by authorized personnel to establish a commitment. Contracts are awarded by the relevant authorized PA, and when applicable, based on recommendations from a CPC. Requests for award for any works contract must include a contingency sum of between 6 percent and 12 percent in the procurement submission except in situations identified in the Procurement Manual. UNOPS posts on its website (<http://data.unops.org/>) information about all awarded purchase orders, upon approval in the ERP system (oneUNOPS). Furthermore, when a tender process has been carried out using the UNOPS eSourcing system, information on the contracts awarded will be posted on the UNGM website.

CONTRACT FINALIZATION AND ISSUANCE

Written procurement contracts shall be used to formalize every procurement activity with a monetary value of USD 2,500 or above. All contracts must be signed by a PA on behalf of UNOPS except when the purchase order generated in the UNOPS ERP system (oneUNOPS) is used as the contract itself and it has been approved electronically by an appropriate PA in the ERP system.

Contract management and administration is the responsibility of the project manager/requisitioner as supported by the procurement official in charge of the procurement process. Contracts may be amended further to the provisions set out in the Procurement Manual, and may require a prior review by a CPC subject to applicable thresholds.

COMPLAINT HANDLING PROCEDURES

Procurement protest procedures are provided for in the UNOPS Procurement Manual. Suppliers perceiving that they have been unjustly treated in connection with the solicitation or award of a contract may lodge a complaint directly with the UNOPS General Counsel. All bidders must be informed of UNOPS independent bid protest procedure in the solicitation documents as well as in subsequent contracts.

Under no circumstances will the personnel involved in the procurement activity under complaint be allowed to participate in the review of the protest.

The General Counsel will make an initial assessment of the complaint and may, at the Counsel's discretion, seek clarification from the PA responsible for the procurement process or any other personnel. The General Counsel will issue a response to the supplier. This response will reflect the final formal position of UNOPS on the matter. Suppliers filing complaints may be granted clarification meetings with the General Counsel in order to better understand the rationale for UNOPS' final decision on the subject.

Any further appeals by the supplier must be dealt with through arbitration, in line with the provisions in the solicitation documents. The solicitation documents shall contain a paragraph informing potential suppliers of the independent protest mechanism in UNOPS.

EMERGENCY PROCUREMENT

The UNOPS Financial Regulations and Rules (FRR) provide an exception for the use of formal methods of solicitation in clearly defined emergency situations (FRR 118.05 (b)). UNOPS has a set of

formal procedures in place to be able to rapidly respond in emergency situations without waiving competition. EPP are based on the informal solicitation method of Request for Quotation (RFQ) for all requirements, irrespective of procurement value, and they come with a set of other processes which help make procurement easier and faster during emergencies. At UNOPS, special situations which justify the use of EPP are limited, with the underlying principle being that the emergency situation is defined as “where there is clear evidence that an event or a series of events has occurred which imminently threatens human life/lives or livelihoods, and where the event or a series of events produces disruption in the life of a community on an exceptional scale”. The other consideration is that use of the EPP is subject to the prior written approval by the UNOPS Executive Chief Procurement Officer (ECPO).

Pursuant to Fin. Rule 118.05(b), the ECPO has authorized the Director, PG, to establish the following emergency procurement procedures:

- a) Definition of emergency situation: “urgent situations in which there is clear evidence that an event or a series of events has occurred which imminently threatens human life/lives or livelihoods, and where the event or a series of events produces disruption in the life of a community on an exceptional scale.”
- b) Based on the definition mentioned above, the ECPO determines when there is an emergency situation justifying use of the emergency procurement procedures. Therefore, requests for approval of the use of the emergency procurement procedures must be presented to the ECPO using the standard corporate template.
- c) Upon approval by the ECPO of the use of the emergency procurement procedures, Request for Quotations (RFQs) may be used for the solicitation of offers regardless of the value of the procurement. Notwithstanding section (b) above, where such ECPO approval has been granted, the solicitation of offers using an RFQ shall be deemed to be a formal method of solicitation.
- d) Save as stated in the following paragraph, the PA for awards made under emergency procurement procedures is the same as for normal awards.
- e) At his/her discretion, the ECPO may decide that only the Headquarters Contracts and Property Committee (HQPC) and not a Local Contracts and Property Committee (LCPC) can review submissions under emergency procurement procedure requiring committee review. The committee designated to review emergency procurement submissions will be indicated by the ECPO at the time of his/her approval. If a CPC review is required according to the OI establishing CPC scope and thresholds, the following simplified review process is established for emergencies:
 - i. Procurement undertaken following the approval of the ECPO to use emergency procedures can be submitted to the relevant PA for award through the chairperson of the relevant contracts and property committee.

- ii. There is no requirement for a full committee review, but the chairperson reviews and provides written advice to the relevant PA. Alternatively, an ad hoc meeting of the relevant CPC can be called at the discretion of the chairperson.
- f) The approval for use of EPP is time-bound - limited to a specific operation - and may also be limited to the procurement of defined products in relation to a specific operation. Contract awards can only be done outside the approved EPP period provided the solicitation process for that procurement activity was initiated within the EPP period.
- g) Additional instructions on emergency procurement procedures are set out in the Procurement Manual.

GENDER RESPONSIVE PROCUREMENT

Gender-responsive procurement is when considerations are made during the selection of services, goods and civil works that considers their impact on gender equality and women's empowerment. UNOPS Procurement Policies and Sustainable Procurement Framework provides a basis and guidance on how the UNOPS procurement cycle can be gender-responsive as well as contributing towards UNOPS efforts in realizing SDG 5 on Gender equality.

Considerations can be made, but not limited to; including specific gender evaluation criteria in tenders, ensuring the specifications consider gender-specific needs, having gender diversity in the evaluation panel as well as attracting Women-Owned Businesses into the tender process. In doing so, this allows UNOPS to align its procurement activities with the corporate gender and social inclusion strategy.

In this project, gender responsive procurement activities shall include:

- a) Identifying and reaching out to Women Owned Business in Yemen that UNOPS can work with in the areas engaged under the project;
- b) Running training and capacity building sessions for Women Owned Businesses in the areas engaged under the project on UNOPS procurement processes and tendering, eSourcing, logistics, safeguarding requirements and registration in UN Global Marketplace (UNGM.org) that will enable them to participate in any tenders that may arise. Encouraging local WOBs to register in the UNGM and to apply for UNOPS small-scale tenders that are reserved for WOBs. The progress of this initiative will be measured in terms of the number of WOBs that obtain official registrations and are awarded contracts with UNOPS.
- c) Identifying and reserving tenders or lots of small to medium financial value for Women Owned Businesses in accordance with the results framework; as this will increase participation of women in doing business with UNOPS. The lots to be reserved shall be carefully selected in line with the capacity and expertise of the business activities owned by women.
- d) Bidders across all tenders must reserve a portion of contracted labour opportunities of no less than 10% for women. The below shall be included under the qualification criteria in all tenders:

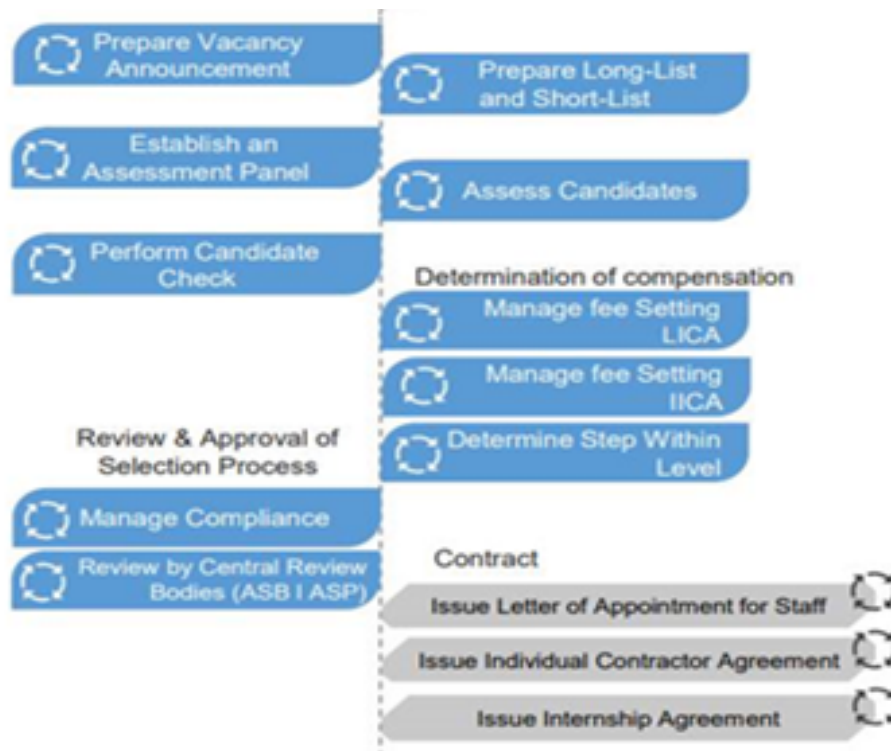
The bidder must hire or have in place female employees, that should constitute at minimum 10% of the company's overall workforce. Bidders are encouraged to include female employees among the proposed key personnel for the contract and/or contract representatives. Bidders must submit the company organogram with clear indication of the job titles/portfolio that the female employees hold in the company. The job description and CVs for the female employees shall be submitted along with the bid. These employees must be in place at the time of submitting the offers and preferably have permanent employment with the company.

HUMAN RESOURCES MANAGEMENT

The project will benefit from the UNOPS human resource system, which is defined by the high quality of services and cost efficiency, adaptability to operational needs and operational solutions to facilitate project-based nature of operations, and transparency. UNOPS administers two types of contracts – UN staff contracts and the local and international Individual Contractor Agreement (LICA/IICA) – and this project will utilize both of the modalities. The UN staff contracts are subject to the UN Staff Rules and Regulations, and will be used to recruit personnel who will perform core functions for the project, such as the PM, and Finance, Procurement, and Security Officer posts. The ICA modality is a non-staff, flexible personnel contract that accommodates for the project nature of UNOPS and at the same time offers a long list of benefits to the contract-holders. The rest of the project personnel will be recruited on LICA and IICA contracts.

In recruiting personnel, UNOPS will employ competitive selection. This is a standard and preferred method of recruitment for all positions, regardless of the contractual modality. The competitive selection process can be completed by open competition or limited competition. In the case of open competition, the process includes posting a Vacancy Announcement (VA), interviewing shortlisted candidates and conducting/documenting reference checks. In the case of limited competition, the process includes identifying candidates from an established roster followed by a desk review and conducting/documenting reference checks. The competitive process is summarized in the flowchart below.

Figure 18 UNOPS recruitment process



SECTION VI: OTHER PROJECT MANAGEMENT ASPECTS

RISK MANAGEMENT

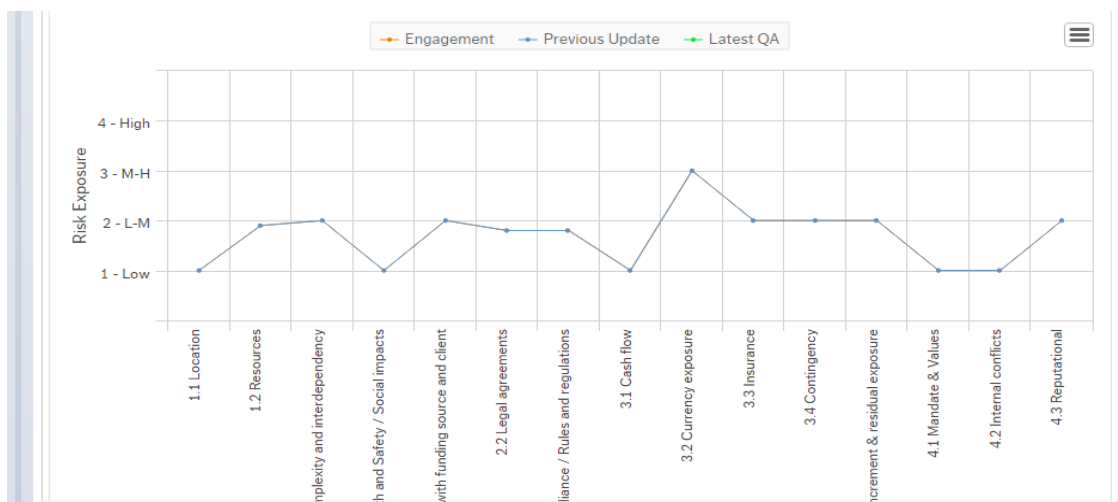
All projects encounter uncertainty when trying to achieve their objectives of delivering an agreed scope and benefits to an agreed time, cost and quality. This uncertainty may arise from events inside or outside the organization. Inspired by international standard for risk management ISO 31000 definition, UNOPS defines “risk” as “an uncertain event - threat or opportunity - that, should it occur, would have a positive or negative effect on the achievement of an entity’s objectives”.

The Risk and Quality Group (RQG) has been established in UNOPS’ HQ with the mandate to support UNOPS regional and country teams to develop and maintain risk registers at various organizational levels. Through the OneUNOPS system, the PM can view the project’s performance and risk profile – see figure 19.

In accordance with the above, UNOPS risk management approach necessitates clear roles and responsibilities for identifying, assessing and managing risks associated to the project; focusing project efforts on responding to key risks with relevant organizational consequences; provide guidance and support to raise confidence, quality and align the project risk exposure with the identified tolerances; and ensuring appropriate transparency and visibility to the project governing bodies and relevant authorities in relation to the adopted approach for managing project risks.

The project operates in a high-risk environment with multi-folded risks in which the PM will create, maintain, and undertake periodic risk management in accordance with the established UNOPS risk management approaches. Periodically review the project risks in line with the UNOPS risk management approach. The risk management approach will be approved by the Regional Management and Oversight Advisor and the Regional Director, who has overall authority for risk management in the region.

Figure 19: Risk profile example in oneUNOPS



A risk register has been developed in consultation with the World Bank and project stakeholders. The risk register will be updated and monitored in accordance with the established risk tolerance applied for UNOPS project, as per the table below:

Table 5: Monitoring risk levels and proximity

L E V E L O F R I S K	4. High	AVERSE: Recommended response and approval through escalation to relevant authority	Regular reporting on the status of risk, review and monitoring	Continuous reporting on the status of risk, review and monitoring		
	3. Medium to High	CAUTIOUS: Recommended response and approval of assigned risk owner				
	2. Low to Medium	COMFORTABLE: Optional response	Quarterly monitoring and review during QA	Monthly monitoring and review		
	1. Low	INCLINE Optional response Quarterly review during QA	Quarterly monitoring and review during QA	Quarterly monitoring and review during QA		
	Opportunity	INCLINE Optional response Quarterly review during QA	Quarterly monitoring and review during QA	Monthly monitoring and review		
RISK PROXIMITY			Far	Middle	Close	Imminent

RESULTS MONITORING AND EVALUATION

UNOPS will be responsible for: (i) reporting and follow up on overall achievement of indicators defined in the results framework of the project, and; (ii) quality assurance of the project and the necessary data verifications at sub-projects and Project levels through frequent monitoring assurance processes.

UNOPS will use a range of conventional and innovative monitoring approaches. The PM based in Sana'a will have the overall responsibility for monitoring and evaluation (M&E) activities. An M&E expert will provide the necessary coordination, support and oversight to the MFIs, contractors and suppliers in conducting M&E activities (data collection and verification) in line with the Results Framework of the project. Project officers will conduct regular project site visits, meetings with key stakeholders; verifications and quality checks to ensure a programmatic approach of sub-projects.

The project team will undertake monitoring of the activities under the overall guidance of the PM and technical guidance from M&E Analyst. Formal and informal feedback will be solicited from beneficiaries and other relevant stakeholders as part of field visit, community engagement activities, analysis of grievance redress mechanism.

In addition, innovative techniques including GIS mapping, real-time monitoring using mobile technologies, and engaging both male and female members of the local community will be the extra measures to be taken in support of a transparent and accountable monitoring mechanism. All monitoring activities will be closely reviewed. Gender disaggregated data will be collected, reviewed and analysed whenever possible. Adjustments will be made throughout the life of the project to ensure it remains effective, efficient, and relevant to the operational context, while ensuring to the extent possible the quality and reliability of data and reporting.

A monitoring schedule will be developed and monitored. The level of activity details to be included in the schedule will reflect project complexity and required resources to achieve project objectives.

THIRD PARTY MONITORING

Under the Project, UNOPS will engage a third-party monitoring agency (TPM). The TPM will be contracted and supervised by UNOPS, while operating independently in the verification of the results of Project activities. The key Objective of the TPM will be to undertake the independent results verification of identified activities funded under the Project to report on the outputs, the achieved results, the safeguard processes, red flag issues and possible risks for delays and mitigation measures followed by contractors and suppliers.

The main tasks of the TPM will be as follows:

1. Verification during implementation that activities meet the quality and technical standards necessary to achieve desired results;
2. Verification of the existence of project deliverables and final results at the moment of completion to confirm the restoration of services for the intended beneficiaries;
3. Post-project spot check verification that the restored services remain operational after contract completion;
4. Identification and immediate reporting of any irregularities or red flags to UNOPS for action while carrying out its responsibilities;
5. In agreement with UNOPS, follow up on the flagged issues/red flags and report those in the following reporting period.

The Project's implementation and procurement plans will be used as a basis for determining the location and the timing of site visits depending on the type and completion status of each project activity. UNOPS will provide the electronic copies of these documents to the TPM.

The locations and minimum number of site verification visits to be conducted by the TPM staff will be planned in accordance with the Project's implementation schedule and as per the TOR. The reporting format and data collection/analysis procedures may be adjusted during implementation subject to UNOPS approval. The TPM reporting will include the following requirements:

1. Physical verification of deliverables and results including: (i) physical verification and spot check on site, reporting on timely progress and the quality of the deliverables as per technical requirements and standards of the approved contracts; (ii) physical verification at the moment of completion of activities, and; (iii) post-completion spot checks and site visits, (upon request) at least semi-annually or more frequently for the locations with high potential risks for red flags. Such verification shall be supplemented by the feedback from local communities, including youth, women, and other marginalized groups, on their satisfaction with the delivered services. Physical verifications within communities should be done in a gender sensitive manner – for example, female head of households should be approached by female TPM staff. In addition, physical verification shall also include taking date-stamped digital photographs where appropriate, together with the GPS readings for each location (if applicable).
2. Verification of citizen engagement, when applicable, that the grievance redress mechanism (GRM) provisions and procedures set out in the PAD and the POM have been satisfied. Similarly, verification that grievances reported by women were addressed in a timely way should be conducted by female TPM staff.
3. Safeguards Compliance Verification include two phases:
 - Phase 1 includes a compliance check with the environmental and social safeguards requirements in regard to the preparation/design and existence of these

requirements in the bid and contract documents or other related implementation arrangements;

- Phase 2 includes verification of conformity with safeguards' requirements during implementation, and compliance check with all environmental and social safeguards requirements.

Financial Oversight. All accounting procedures, and financial management and auditing requirements are subject to the standard UNOPS procedures and are outside the purview of the TPM. UNOPS may request the TPM, under UNOPS' supervision, to verify that these procedures/systems are in operation and are being implemented by the MFIs, contractors and suppliers to satisfactory standards. In the event that UNOPS determines that the TPM should perform this function, the TPM would agree with UNOPS on the reporting format and verification protocol.

ENVIRONMENTAL RISKS AND IMPACTS

The project's interventions are expected to have positive environmental impacts in the form of mitigated GHG emissions and lower air pollution (indoor and outdoor). Potential negative environmental impacts include:

- (a) temporary impacts during civil work activities under sub-components 1.2 and 1.3;
- (b) impacts on water resource sustainability from scaling up solar solutions for water supply;
- (c) impacts from the improper disposal of batteries; and
- (d) life and safety aspects following the installation of the off-grid solar system, which are all expected to be small-scale, local, site specific, and manageable.

While UNOPS has strong capacity in managing environmental and social aspects of the project, the capacity of the MFIs, contractors and suppliers, and potential beneficiaries to manage these risks according to the ESF requirements is limited. The project includes support for capacity building and studies to prepare the project to address e-waste management issues in a more systematic manner in the future phase of the project. Given the relatively small footprint of project activities and implementation track record of UNOPS and considering the security situation in Yemen, the environmental risk is rated Moderate.

CONSTRUCTION RELATED IMPACTS

Contractors manage most impacts that are directly related to construction activities. These also include impacts related to the construction or management of Project related facilities by the contractor, such as offices, storage facilities or guard houses.

UNOPS expects contractors to conduct all works using workers that already reside in the areas where the works are conducted. Thus, subprojects will trigger minimal labor influx and contractors are not expected to build or operate residential labor camps to host such workers. The following is a list of the main impacts:

- Community Health and Safety:

- 1) Temporary disruption of economic activities and movement during installation/ construction;
 - 2) Public safety during and after installation/ construction/ operation, including from poorly installed panels.
 - 3) Sexual Exploitation, Abuse and Harassment from project workers (UNOPS, MFI and contractor personnel) towards vulnerable local community members
- General Environmental Impacts:
 - 1) Disposal of construction debris and waste materials, most particularly batteries and spent solar panels;
 - 2) Damage to significant physical cultural property.
 - Occupational Health and safety:
 - 1) Work related accidents and injuries;
 - 2) Risk to workers from electric shocks;
 - 3) Poor onsite sanitation or water supply, leading to illness and disease;
 - 4) The risk of employing children for construction activities¹⁷.
 - Social:
 - 1) Potential exclusion of poor and vulnerable households, including female-headed households and internally displaced people (IDP);
 - 2) Potential exclusion of small retailers from lists of prequalified suppliers.

IMPACT MITIGATION MEASURES

UNOPS will mitigate the environmental and social impacts associated with the installation/construction by:

- including environmental and social clauses, including PSEA clauses, in all installation/construction contracts;
- ensuring that contractor personnel are familiar with these clauses;
- requiring contractors to comply with the National Labor Law (Decree 5/1995) and applicable International Labour Organization conventions on workplace conditions;
- preparing safety manuals or handbooks for contractors as required.

UNOPS will also ensure that MFIs proportionally apply these clauses to any contacts they finance with support from the Project. Finally, UNOPS will directly intervene to ensure that poor and vulnerable households are not excluded, and that small retailers are not excluded from lists of prequalified suppliers.

¹⁷ For the purposes of the ESME, a child is a person under age 18.

Table 6. Potential impacts and matching mitigation measures.

Potential impact	Mitigation measures
Community Health and Safety	
<ul style="list-style-type: none"> • Temporary disruption of economic activities and movement during installation/construction 	<ul style="list-style-type: none"> • Inform and coordinate with the local councils and the public on the maintenance schedule • Shorten works period • Provide alternative access to residences and roadside businesses • Avoid work during night hours
<ul style="list-style-type: none"> • Public safety during installation/construction/operation 	<ul style="list-style-type: none"> • Erect removable barriers in high risk areas • Install warning signs • Protect proper shielding scaffolds
<ul style="list-style-type: none"> • Sexual Exploitation, Abuse and Harassment from project workers (UNOPS, MFI and contractor personnel) towards vulnerable local community members 	<ul style="list-style-type: none"> • Train UNOPS, MFI and contractor personnel on PSEA. MFIs and contractors in turn must train their workers. • All workers involved in the project sign a Code of Conduct outlining the key PSEAH principles • PSEAH posters containing the GRM contact information is displayed in each project site for awareness raising and to facilitate reporting
General Environmental Impacts	
Disposal of construction debris and waste materials, most particularly batteries and spent panels	<ul style="list-style-type: none"> • Properly dispose of solid waste at designated permitted • Ensure proper recycling and disposal paths exist for batteries • provide Awareness to the end users on the safe disposal of waste materials
Damage to significant physical cultural property	<ul style="list-style-type: none"> • Contracts to include provisions for chance find • In the event of a potential find, liaise with the Archaeological Department at the Ministry of Culture or a local university for quick assessment and action.
Occupational Health and Safety	
Work related accidents and injuries	<ul style="list-style-type: none"> • Provide occupational health and safety training to all employees involved in works • Provide protective masks, helmet, overall and safety shoes, safety goggles, as appropriate • Provide workers in high noise areas with earplugs or earmuffs • Ensure availability of first aid box
Risk to workers from electric shocks	<ul style="list-style-type: none"> • Train workers regarding avoiding and responding to electric shocks
Poor onsite sanitation or water supply, leading to illness and disease	<ul style="list-style-type: none"> • Provide employees with access to toilets and potable drinking water
The risk of employing children for construction activities ¹⁸	<ul style="list-style-type: none"> • verify that workers are older than 18 when hiring • exclude all persons under the age of 18. • review and retain copies of verifiable documentation concerning the age of workers
Social	
potential exclusion of poor and vulnerable households, including female-headed households and internally displaced people (IDP)	<ul style="list-style-type: none"> • target rural and peri-urban areas with attention paid to reaching first-time borrowers and vulnerable households and by ensuring that beneficiaries'

¹⁸ For the purpose of this ESMF, a child is a person under age 18.

	eligibility criteria will be transparent and applied by the MFIs.
potential exclusion of small retailers from lists of prequalified suppliers	<ul style="list-style-type: none"> ● rely as much as possible on the local supply chain and by targeting small and medium-size enterprises

REPORTING

Progress Reports: UNOPS will be responsible for monitoring in accordance with the Results Framework and will ensure that implementation is appropriately responsive to changing circumstances on the ground. UNOPS will provide semi-annual progress reports to the World Bank, incorporating regular monthly progress reports by the MFIs, following an agreed template that will include:

- (a) Summary of the progress and the context within which the project is implemented;
- (b) Activities carried out during the reporting period;
- (c) Any challenges encountered and measures taken;
- (d) Changes introduced during implementation, including changes in the budget;
- (e) Achievements and results of the project with reference to identified indicators;
- (f) The work plan for the subsequent reporting period.

In addition, UNOPS will provide updated Global Information System (GIS) maps of the project areas to help monitor progress of activities under sub-components 1.2 and 1.3.

UNOPS will also ensure that:

- (1) “The UNOPS Internal Audit and Investigation Group (“IAIG”) shall provide the World Bank Group Integrity Vice Presidency (“INT”), on a confidential basis every six months, with a report on Non-Frivolous Allegations of which it becomes aware, as well as any related investigations and any actions taken. This process applies to all such Non-Frivolous Allegations, regardless of whether IAIG intends to act on the allegation, or of any actions taken by IAIG to address the allegation. Should IAIG not become aware of any Non-Frivolous Allegations during the reporting period, IAIG will inform INT of this fact in the report.
- (2) In addition to this reporting, if INT informs IAIG that a Non-Frivolous Allegation falls under the World Bank Group’s sanctions jurisdiction, IAIG shall continue to work in close collaboration with INT—in accordance with its accountability and oversight framework, including its regulations, rules, policies, procedures, and administrative instructions—to: (i) cooperate with INT’s investigation of the allegation; or (ii) if IAIG takes action and completes an investigation of an allegation of that matter itself, cooperate with INT in bringing a sanctions case against any implicated entities and individuals, as appropriate. The specific terms of this collaboration will be agreed-upon by INT and IAIG on a case-by-case basis. The entities and individuals potentially subject to INT investigation, or to a World Bank sanctions case initiated by INT, do not include UNOPS or its personnel.”

Financial reports: UNOPS will prepare, on a semi-annual basis, interim unaudited financial reports no later than forty-five (45) days after each subsequent semester covering such a six (6) months period in accordance with its Financial Regulations and accounting standards acceptable to the World Bank. In addition, UNOPS will submit the Certified Final Financial Statement after 6 months of the end of the agreement.

Procurement reports: UNOPS will prepare and furnish to the World Bank reports on the implementation of the Procurement Plan no later than forty-five (45) days after each subsequent reporting period.

TPM Reporting: TPM will provide regular reports to UNOPS, each of which shall contain recommendations, if any, for the improvement of oversight of activities, and the summary of the identified and reported red flags and irregularities to UNOPS, including follow up of red flags and irregularities. The TPM and UNOPS will agree on performance indicators to be included in the work/monitoring plan. Adjustments may occur over the course of the contract and will need to be agreed upon with UNOPS. Following reports will be submitted:

- Quarterly progress reports. The TPM will prepare quarterly reports according to the agreed schedule and reporting format, and submit them to UNOPS within 15 days of the end of the reporting period.
- Annual reports. The TPM will submit an annual report within 30 days of the end of the reporting period. The report will consolidate the previous three quarterly reports, as well as reflect the final quarter per the format agreed with UNOPS.
- Completion report. The completion report would be prepared at the end of the assignment and is expected to give a candid assessment including lessons learned.

PROJECT COMMUNICATIONS AND VISIBILITY

UNOPS and the World Bank will develop a project communication plan jointly, in order to reflect the collaborative nature of this project. In addition, UNOPS and the Bank will establish a joint communications task force, to ensure that the messaging is agreed upon by both sides, and that the messaging is synchronized. The objective of the project communications will be to reflect the nature of the project as that of supporting the local institutions and providers.

The branding will be joint, and will follow the practice employed by previous UNOPS projects, whereby the World Bank Group logo will be followed by “implemented by UNOPS”. IDA branding will be emphasized when the communication products will be aimed at IDA donors. Although branding will be considered for project sites, it will not be placed on the procured equipment, due to the risk of misuse.

The project will also make use of the different social media platforms (Facebook, Twitter, etc.) and will have a designated website¹⁹ as well as a GIS platform to communicate project messaging on a more frequent basis. The press releases, websites, statements, and interviews will be a part of the communication outreach beyond the direct stakeholders of the project, and those will be agreed upon by both sides.

Visual communication material, such as before and after pictures, videos, and other presentations will be actively shared and communicated, including possibly at the World Bank annual meetings. The project will undertake proactive efforts to showcase successes to a wide audience internally and externally. The project will undertake specific efforts to elaborate messaging that would mitigate negative communication, such as explaining why certain projects have been prioritized over others.

¹⁹ <https://ye.unopsmr.org/project/yemen-emergency-electricity-access-project-yeap-ii/>

SECTION VII: GRIEVANCE MECHANISM

UNOPS has already established a unit to handle project-related complaints and has a dedicated focal point. The grievance mechanism focal point will receive training to ensure that he or she can interface effectively with users of the grievance mechanism and treat all complaints equally.

The UNOPS program manager will take overall responsibility for managing and handling complaints about the project. The grievance mechanism system will also be used for reporting on SEA and GBV cases and the focal point will be trained in SEA and GBV reporting and reporting pathways, as well as safe referrals to adequate services for SEA and GBV survivors. The SEA and GBV cases will be registered and investigated separately according to UNOPS reporting and investigation protocol for such cases, to maintain survivor confidentiality and a survivor-centered approach.

PROCEDURES FOR COMPLAINTS

REGISTERING COMPLAINTS

Multiple access points including the toll-free number, complaint boxes, website, email, and text messages are provided so that beneficiaries have different ways to voice their concerns. Separate log sheets will be kept to ensure that complaints are routed to the recipients and redressed adequately. Complaints received by UNOPS will be registered by gender, age, and location among other indicators; tracked; investigated; and promptly resolved. Copies of complaints will be recorded in the activity files and the progress reports, including the number and type of complaints and the results of their resolution.

Grievances can be brought up by affected people in case of:

- i. Non-fulfillment of contracts or agreements;
- ii. Compensation entitlements;
- iii. Types and levels of compensation;
- iv. Disputes related to destruction of assets or livelihoods;
- v. Disturbances caused by construction activities, such as noise, vibration, dust or smell.
- vi. Allegations of Sexual Exploitation, Abuse and Harassment from UNOPS or contractor personnel.

The project's MFIs, contractors and suppliers will also keep a log of issues brought directly to their attention verbally or in writing by Project affected communities or individuals, and relay these concerns in writing to UNOPS on a next day basis. UNOPS will determine if these concerns rise to the level of a complaint.

UNOPS will register the complaint in a dedicated log, including a copy of the complaint and supporting documents. A template for registering grievances is found in Annex 1. UNOPS will record and document complaints received in the project file and progress reports, including the number and type of complaints and the results of their resolution.

The existing grievance mechanism has proven to be functioning well where grievances are resolved within a reasonable period of time to the satisfaction of the beneficiaries. The SEP also describes the grievance mechanism within UNOPS, and MFIs will use the UNOPS grievance mechanism for Phase II until they establish their own customer grievance mechanisms.

TRACKING, INVESTIGATING AND RESOLVING COMPLAINTS

The GRM log maintained by UNOPS will track the date the complaint was received, date responded to, the type of response, and if the complaint was resolved to the satisfaction of the plaintiff.

The GRM Focal Point will coordinate with MFIs, contractors and suppliers, local field staff and local government officials to ensure prompt follow up action in response to each complaint. More specifically, the GRM focal point will:

- Inform the plaintiff if the complaint is accepted or rejected within one week of receiving the complaint. If necessary the response will include input from Project team
- If the complaint is accepted, send the plaintiff an officially stamped review card indicating:
 - plaintiff name or legal representative
 - plaintiff address
 - complaint title
 - review date
 - list of annexes submitted with the complaint
- work with engineers, MFIs, contractors and suppliers to resolve the complaint within 28 days of its submission

A separate protocol for handling cases of SEAH will be applied, including separate registration and investigation of SEAH complaints/allegations to ensure confidentiality of survivors and the application of a survivor-centered approach.

Complaints and submissions may be sent to the GM by:

Email: GRM-yemen@unops.org
Hot line: +967 1 504914 /+967 1 504915
Toll Free: 8000190
WhatsApp and SMS: 739888388

UNOPS will include the log of complaints to the World Bank as part of UNOPS semi-annual reporting.

GRIEVANCE REDRESS SERVICE

The World Bank's Grievance Redress Service (GRS) provides an additional, accessible way for individuals and communities and individuals to submit complaints directly with the World Bank if they believe that a World Bank-financed project had or is likely to have adverse effects on them or their community. The GRS enhances the World Bank's responsiveness and accountability by ensuring that grievances are promptly reviewed to address project-related concerns.

The GRS accepts complaints in English or the official language of the country of the person submitting the complaint. Submissions to the GRS may be sent by:

- Online: access the online [form link](#)
- Email: grievances@worldbank.org
- Fax: +1-202-614-7313
- Tel: +1-202- 473-1000
- Letter: The World Bank
Grievance Redress Service (GRS)
MSN MC 10-1018
1818 H St NW
Washington, DC 20433, USA

ANNEX 1: SAMPLE GRIEVANCE AND RESOLUTION FORM

Name (Filer of Complaint): _____ Sex _____ and Age: _____
ID Number: _____ (PAPs ID number)
Contact Information: _____ District/Community mobile phone)

Nature of Grievance or Complaint:

Date	Individuals Contacted	Summary of Discussion
-------------	------------------------------	------------------------------

Signature _____ Date: _____

Signed (Filer of Complaint): _____
Name of Person Filing Complaint: _____ (if different from Filer)
Position or Relationship to Filer: _____

Review/Resolution

Date of Conciliation Session: _____
Was Filer Present? Yes No
Was field verification of complaints conducted? Yes No
Findings of field investigation:

Summary of Conciliation Session Discussion:

Issues:

Was agreement reached on the issues? Yes No

If agreement was reached, detail the agreement below:

If agreement was not reached, specify the points of disagreement below:

Signed (Conciliator): _____ Signed (Filer): _____

Signed: _____
Independent Observer

Date: _____

ANNEX 2: UNOPS GM PROCESS

Summary of Complaints Management Review Process			
#	Action	Responsibility	Time frame
1	Complaint/requests/inquiries submitted	Complainant	Any time
2	Complaint logged into the/UNOPS registration system with index number	GM assigned staff	1 day
3	Confirm a receipt of complaint and notify the complainant whether the complaint is eligible or not.	GM Assigned staff	Within 2-3 days
4	Gather evidence on the complaint and conduct interviews as necessary, analyse information and develop resolution on grievance.	GM appointed staff/team including ESSO (at central level and with local focal points and implementing partners)	Within 10 days
5	Send notification letter to the complainant in case the investigation of the case is going to take longer than two weeks.	GM assigned staff and ESSO	Within 14 days from the process start
6	Review and approve resolutions	Project Manager	Within 18 days
7	Produce grievance summary report	GM assigned staff	Within 21 days
8	Inform the complainant resolutions on the (correction actions)	GM assigned staff and ESSO	Within 21 days
9	Implement resolutions and report on the progress (monitoring)	Implementing Partners with contractors	Agreement for implementation
10	Close the complaint file and fill it in the system for documentation.	GM assigned staff, ESSO and Project Manager	
11	Provide record of complaints or requests or inquiries per month to the WB showing number resolved and pending for review and comments	GM assigned staff, ESSO and Project Manager	Quarterly basis

ANNEX 3: GM CASES MONITORING AND TRACKING LOG

Case Number	Receive Date	Project name	Place in relation	Case brief	Case Type	Case Status	Reason for inadmissibility	Expected Outcome date	Completed Date	Action taken

ANNEX 4: SEA/SH ACTION PLAN TIMELINE

RY EEAP II - SEA/SH Prevention and Response Action Plan timeline																																																																															
Year	YEAR 1											YEAR2											YEAR3											YEAR4																																													
Month	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12																															
Activity																																																																															
Development and printing of IEC material for local stakeholders on SEA/SH	█	█																																																																													
In-depth sessions (4 full day training sessions) for 10-12 high-value contractors on preparing & implementing SEA/SH Prevention and Response Action Plans	█	█	█	█									█	█	█	█																																																															
SEA/SH sessions take place during kick-off meetings with each new contractor during the project implementation phase	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
Introduction of SEA/SH Prevention and Response Action Plan requirement for high-value contracts (above 500.000 USD)	█	█	█	█																																																																											
Gradual introduction of SEA/SH Prevention and Response Action Plan requirement for other contracts (below 500.000 USD)																									█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█							
SEA awareness for local community actors (as part of stakeholder engagement activities)	█	█																							█	█											█	█																																									
Training (and refresher) of GM staff on SEA/SH and safe referrals	█																																																																														
Development of referral protocols and procedures (e.g., informed consent protocols) to enable access to services for survivors	█	█																																																																													
SEA/SH risk assessment for each subproject before initiation of works and integration of mitigation measures in HSSE plans	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█																															

Appointment and training of SEA/SH Focal points at sub-project level to adequately refer GBV complaints, if received directly and outside of the GM	
Pre-Bid meetings for all suppliers and contractors will be held during the launching of tenders, to sensitize them to the UNOPS SEA/SH tender requirements.	
Development of an accountability matrix for verification/investigation/over all management of/SEA/SH cases	
Quarterly third-party monitoring of selected contractors' implementation of their SEA/SH action plans	
Activities to be covered in contractor /MFIs SEA/SH Prevention and Response Action Plan GBV action plans for each contract	
Monthly training of all contractor /MFIs workers on the CoC	
Development of awareness raising material on SEA/SH for work sites (posters, leaflets etc.) by contractors	
Securing funding for SEA/SH service referral and case investigation	

ANNEX 5: SEA/SH REPORTING FORMAT

The following is a sample-reporting format

		INCIDENT DETAILS	Guiding Notes
1.	Type of Violation		SEAor SH (by UNOPS, IP or contractor staff)
			Other forms of GBV (by third party)
2.	Who is the Perpetrator		UNOPS or IP or Contractor personnel
3.	Nature of the incident reported (What happened and by whom)		Basic facts of the incident: What, Who. Is the incident related to the project? No in-depth details should be asked for.
4.	Source of information		Community Focal Point, GM Operator, email, other (specify)
5.	Where did the incident occur	Governorate:	Governorate
		City: Project site name:	City
6.	When did the incident occur	Date : Time:	Date
7.	Whether the victim/survivor is an adult or child;		
8.	Additional information (if available)		Sex, Age
<p>The identity and safety of a survivor must be protected at all times. No personal data or identifying information about a survivor or their experience can be shared through this document. Personal/identifying information includes the survivor's name, perpetrator(s)' name, date of birth, home address, the exact time and place the incident took place, visible disability, residence status e.g., minority clan or IDP, which can be identified in small village/community settings.</p>			

ANNEX 6: PROJECT WORK PLAN

ID	Task Mode	Task Name	Start	Finish	Timeline																			
					2022				2023				2024				2025				2026			
					Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1		YEMEN EMERGENCY ELECTRICITY ACCESS PROJECT-PHASE II	Thu 7/14/22	Wed 10/7/26																				
2		Component 1: Electricity in Rural and Peri-urban Areas	Wed 9/14/22	Wed 9/30/26																				
3		Sub-component 1.1: Electricity for households	Wed 9/14/22	Wed 9/30/26																				
4		GSA 1	Sun 1/1/23	Tue 12/31/24																				
5		Pilot of PAYG/ PUE	Fri 9/1/23	Mon 9/2/24																				
6		GSA 2	Mon 1/1/24	Tue 12/31/24																				
7																								
8		GSA n	Wed 1/1/25	Mon 8/31/26																				
9		Sub-component 1.2: Electricity for Critical Services Facilities	Wed 9/14/22	Wed 9/30/26																				
10		Package - 1	Wed 9/14/22	Tue 2/6/24																				
11		Package - 2	Wed 12/14/22	Tue 5/7/24																				
12		Package - 3	Tue 3/14/23	Mon 8/5/24																				
13																								
14		Package - n	Wed 5/8/24	Tue 9/30/25																				
15		DNP	Wed 10/1/25	Wed 9/30/26																				
16		1.3. Electricity provision to COVID-19 isolation and vaccine cold chain units	Fri 7/1/23	Tue 7/30/25																				
17		Package 1	Fri 9/1/23	Thu 1/23/25																				
18		Package n	Wed 5/8/24	Tue 9/30/25																				
19																								
20		Component 2: Implementation Support, Market Development and Technical Assistance for Power	Thu 7/14/22	Wed 9/30/26																				
21		Sub-component 2.1: Project Implementation Support	Thu 7/14/22	Wed 9/30/26																				
22		Sub-component 2.2: Technical Assistance to Support Solar-PV Market	Wed 3/1/23	Mon 6/30/25																				
23		Sub-component 2.3: Technical Assistance for Power Sector Recovery	Mon 1/1/24	Wed 9/30/26																				

ID	Task Mode	Task Name	Start	Finish	2022			2023			2024			2025			2026				
					Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
24		Component 3: Contingency Emergency Response Component (CERC) (US\$0 to be capitalized in case of																			

DRAFT

Project: YEEAP II HIGH LEVEL PLAN Date: Thu 9/8/22	Task		External Milestone		Manual Summary Rollup	
	Split		Inactive Task		Manual Summary	
	Milestone		Inactive Milestone		Start-only	
	Summary		Inactive Summary		Finish-only	
	Project Summary		Manual Task		Deadline	
	External Tasks		Duration-only		Progress	

ANNEX 7: TEMPLATE FOR SUBPROJECT SCREENING

UNOPS will use this form to screen for the potential environmental and social risks and impacts of a proposed subproject. The form will allow UNOPS to: (i) identify the relevant Environmental and Social Standards (ESS); (ii) establish an appropriate Environmental and Social risk for the subproject; and (iii) specify the type of environmental and social assessment required, including specific instruments/plans.

The Screening Form is not a substitute for subproject-specific environmental and social assessments or specific mitigation plans.

Subproject name	
Subproject location	
Estimated Investment	
Subproject Risk Level	
Was the site visited beforehand	
Estimated Start/Completion Date	
Observations/Comments	
Signature of UNOPS ESSO	
Signature of Program Manager	

Question	
Is the subproject likely to generate large to medium scale adverse risks and impacts on human populations or the environment?	An ESIA and ESMP must be prepared
What is the nature of these risks and impacts and what standards must an ESIA and ESMP would have to take into account	
Does the subproject involve civil works including the rehabilitation of buildings affected by the POB?	
Is the subproject located in the vicinity of any known cultural heritage sites?	
Does the subproject have adverse risks and impacts on human populations or the environment that are not likely to be significant, do not involve activities that have a high potential for harming people or the environment, and are located away from environmentally or socially sensitive areas.	A proportionate ESMP must be prepared
Does the subproject have potential adverse risks to and impacts on human populations or the environment that are likely to be minimal or negligible?	The SEP, LMP, and the SEA/SH Prevention and Response Plan

Conclusions of the screening:

1. **Indicate the proposed environmental and social risk ratings²⁰ (Moderate or Low) and provide justifications. High and substantial risk subprojects³⁴ are not eligible under the Project).**
2. **Indicate the proposed environmental and social risk management instruments that must be prepared.**

²⁰ **High Risk** subprojects are likely to generate a wide range of significant adverse risks and impacts on human populations or the environment, because of the complex nature of the Project, their large to very large scale, or the sensitivity of the subproject locations. Impacts are likely to be long term, permanent, irreversible, and impossible to avoid entirely due to the nature of the Project

Medium Risk subprojects are likely to generate some significant adverse risks and impacts on human populations or the environment, because of their large to medium scale. They are not located in a highly sensitive area. Impacts are likely to be mostly temporary, predictable and reversible.

Moderate Risk subprojects have adverse risks and impacts on human populations and/or the environment that are not likely to be significant, because the subproject is not complex or large, do not involve activities that have a high potential for harming people or the environment, and are located away from environmentally or socially sensitive areas.

Low Risk subprojects have potential adverse risks to and impacts on human populations or the environment that are likely to be minimal or negligible. These subprojects do not require further ES assessment following the initial screening

ANNEX 8: INDICATIVE OUTLINE OF AN ESMP

An ESMP consists of the set of mitigation, monitoring, and institutional measures to be taken during implementation and operation of a subproject to eliminate adverse environmental and social risks and impacts, offset them, or reduce them to acceptable levels. The ESMP also includes the measures and actions needed to implement these measures. UNOPS will (a) identify the set of responses to potentially adverse impacts; (b) determine requirements for ensuring that those responses are made effectively and in a timely manner; and (c) describe the means for meeting those requirements.

The content of the ESMP will include the following:

Mitigation

- The ESMP identifies measures and actions in accordance with the mitigation hierarchy that reduce potentially adverse environmental and social impacts to acceptable levels.
- The plan will include compensatory measures, if applicable. Specifically, the ESMP:
 - identifies and summarizes all anticipated adverse environmental and social impacts (including those involving indigenous people or involuntary resettlement);
 - describes - with technical details – each mitigation measure, including the type of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate;
 - estimates any potential environmental and social impacts of these measures;
 - takes into account, and is consistent with, other mitigation plans required for the project (e.g., for involuntary resettlement, indigenous peoples, or cultural heritage).

Monitoring

- The ESMP identifies monitoring objectives and specifies the type of monitoring, with linkages to the impacts assessed in the environmental and social assessment and the mitigation measures described in the ESMP. Specifically, the monitoring section of the ESMP provides
 - a. a specific description, and technical details, of monitoring measures, including the parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and definition of thresholds that will signal the need for corrective actions; and
 - b. monitoring and reporting procedures to (i) ensure early detection of conditions that necessitate particular mitigation measures, and (ii) furnish information on the progress and results of mitigation.

Capacity Development and Training

- To support timely and effective implementation of environmental and social project components and mitigation measures, the ESMP draws on the environmental and social assessment of the existence, role, and capability of responsible parties on site or at the agency and ministry level.
- Specifically, the ESMP provides a specific description of institutional arrangements, identifying which party is responsible for carrying out the mitigation and monitoring measures (e.g., for operation, supervision, enforcement, monitoring of implementation, remedial action, financing, reporting, and staff training).
- To strengthen environmental and social management capability in the agencies responsible for implementation, the ESMP recommends the establishment or expansion of the parties responsible, the training of staff and any additional measures that may be necessary to support implementation of mitigation measures and any other recommendations of the environmental and social assessment.

Implementation Schedule and Cost Estimates

- For all three aspects (mitigation, monitoring, and capacity development), the ESMP provides (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (b) the capital and recurrent cost estimates and sources of funds for implementing the ESMP. These figures are also integrated into the total project cost tables.

Integration of ESMP with Project

- The Borrower's decision to proceed with a project, and the Bank's decision to support it, are predicated in part on the expectation that the ESMP (either stand alone or as incorporated into the ESCP) will be executed effectively. Consequently, each of the measures and actions to be implemented will be clearly specified, including the individual mitigation and monitoring measures and actions and the institutional responsibilities relating to each, and the costs of doing so will be integrated into the project's overall planning, design, budget, and implementation.

ANNEX 9: LIST OF TARGETED DISTRICTS

Governorate	District Name (English)	District Name (Arabic)	PCode
Abyan	Al Mahfad	المحفد	1201
Abyan	Mudiyah	موديه	1202
Abyan	Jayshan	جيشان	1203
Abyan	Lawdar	لودر	1204
Abyan	Sibah	سباح	1205
Abyan	Rasad	رصد	1206
Abyan	Sarar	سرار	1207
Abyan	Al Wade'a	الوضيع	1208
Abyan	Ahwar	احوار	1209
Abyan	Zingibar	زنجبار	1210
Abyan	Khanfir	خنفر	1211
Al Bayda	Na'man	نعمان	1401
Al Bayda	Nati'	ناطع	1402
Al Bayda	Maswarah	مسورة	1403
Al Bayda	As Sawma'ah	الصومعة	1404
Al Bayda	Az Zahir	الزاهر	1405
Al Bayda	Dhi Na'im	ذي ناعم	1406
Al Bayda	At Taffah	الطفة	1407
Al Bayda	Mukayras	مكيراس	1408
Al Bayda	Al Bayda City	مدينة البيضاء	1409
Al Bayda	Al Bayda	البيضاء	1410
Al Bayda	As Sawadiyah	السوادية	1411
Al Bayda	Radman Al Awad	ردمان	1412
Al Bayda	Rada'	رداع	1413
Al Bayda	Al Quraishyah	القرشية	1414
Al Bayda	Wald Rabi'	ولد ربيع	1415
Al Bayda	Al A'rsh	العرش	1416
Al Bayda	Sabah	صباح	1417
Al Bayda	Ar Ryashyyah	الرياشية	1418
Al Bayda	Ash Sharyah	الشريية	1419
Al Bayda	Al Malagim	الملاجيم	1420
Aden	Al Buraiqeh	البريقة	2404
Aden	Ash Shaikh Othman	الشيخ عثمان	2402
Aden	Dar Sad	دار سعد	2404
Al Dahle'e	Juban	جبين	3001
Al Dahle'e	Damt	دمت	3002
Al Dahle'e	Qa'atabah	قعطبة	3003
Al Dahle'e	Ash Shu'ayb	الشعيب	3004
Al Dahle'e	Al Hussein	الحصين	3005
Al Dahle'e	Ad Dhale'e	الضالع	3006
Al Dahle'e	Jahaf	جحاف	3007
Al Dahle'e	Al Azariq	الازارق	3008
Al Dahle'e	Al Husha	الحشاء	3009
Al Hudaydah	Az Zuhrah	الزهرة	1801
Al Hudaydah	Alluheyah	اللحية	1802
Al Hudaydah	Kamaran	كمران	1803
Al Hudaydah	As Salif	الصليف	1804

Al Hudaydah	Al Munirah	المنيرة	1805
Al Hudaydah	Al Qanawis	القناوص	1806
Al Hudaydah	Az Zaydiyah	الزيدية	1807
Al Hudaydah	Al Mighlaf	المغلاف	1808
Al Hudaydah	Ad Dahi	الضحى	1809
Al Hudaydah	Bajil	باجل	1810
Al Hudaydah	Al Hajjaylah	الحجيلة	1811
Al Hudaydah	Bura	براع	1812
Al Hudaydah	Al Marawi'ah	المراعة	1813
Al Hudaydah	Ad Durayhimi	الدريهمي	1814
Al Hudaydah	As Sukhnah	السحنة	1815
Al Hudaydah	Al Mansuriyah	المنصورية	1816
Al Hudaydah	Bayt Al Faqiah	بيت الفقيه	1817
Al Hudaydah	Jabal Ra's	جبل راس	1818
Al Hudaydah	Hays	حيس	1819
Al Hudaydah	Al Khawkhah	الخورخه	1820
Al Hudaydah	Zabid	زبيد	1824
Al Hudaydah	Al Garrahi	الجراحي	1825
Al Hudaydah	At Tuhayat	التحيتا	1826
Al Jawf	Khabb wa ash Sha'af	خب و الشعف	1601
Al Jawf	Al Humaydat	الحميدات	1602
Al Jawf	Al Matammah	المطمه	1603
Al Jawf	Az Zahir	الزاهر	1604
Al Jawf	Al Hazm	الحزم	1605
Al Jawf	Al Maton	المتون	1606
Al Jawf	Al Maslub	المصلوب	1607
Al Jawf	Al Ghayl	الغيل	1608
Al Jawf	Al Khalq	الخلق	1609
Al Jawf	Bart Al Anan	برط العنان	1610
Al Jawf	Rajuzah	رجوزه	1611
Al Jawf	Kharab Al Marashi	خراب المراشي	1612
Al Maharah	Shahan	شحن	2801
Al Maharah	Hat	حات	2802
Al Maharah	Hawf	حوف	2803
Al Maharah	Al Ghaydah	الغيظه	2804
Al Maharah	Man'ar	منعر	2805
Al Maharah	Al Masalah	المسيلة	2806
Al Maharah	Sayhut	سيحوت	2807
Al Maharah	Qishn	قشن	2808
Al Maharah	Huswain	حصوين	2809
Al Mahwit	Shibam Kawkaban	شيام كوكبان	2701
Al Mahwit	At Tawilah	الطويلة	2702
Al Mahwit	Ar Rujum	الرجم	2703
Al Mahwit	Al Khabt	الخبث	2704
Al Mahwit	Milhan	ملحان	2705
Al Mahwit	Hufash	حفاش	2706
Al Mahwit	Bani Sa'd	بني سعد	2707
Al Mahwit	Al Mahwait City	مدينة المحويت	2708
Al Mahwit	Al Mahwait	المحويت	2709
Amanat Al Asimah	Bani Al Harith	بني الحارث	1310
Amran	Harf Sufyan	حرف سفيان	2901
Amran	Huth	حوث	2902
Amran	Al Ashah	العشه	2903

Amran	Al Qaflah	القفلة	2904
Amran	Shaharah	شهاره	2905
Amran	Al Madan	المدان	2906
Amran	Suwayr	صوير	2907
Amran	Habur Zulaymah	حبور ظليمة	2908
Amran	Dhi Bin	ذيبين	2909
Amran	Kharif	خارف	2910
Amran	Raydah	ريده	2911
Amran	Jabal Iyal Yazid	جبل عيال يزيد	2912
Amran	As Sudah	السوده	2913
Amran	As Sawd	النسود	2914
Amran	Amran	عمران	2915
Amran	Maswar	مسور	2916
Amran	Thula	ثلاء	2917
Amran	Iyal Surayh	عيال سريح	2918
Amran	Khamir	خمر	2919
Amran	Bani Suraim	بني صريم	2920
Dhamar	Al Hada	الحداء	2001
Dhamar	Jahran	جهران	2002
Dhamar	Jabal Ash sharq	جبل الشرق	2003
Dhamar	Maghirib Ans	مغرب عنس	2004
Dhamar	Utmah	عتمة	2005
Dhamar	Wusab Al Ali	وصاب العالي	2006
Dhamar	Wusab As Safil	وصاب السافل	2007
Dhamar	Mayfa'at Anss	ميفعة عنس	2009
Dhamar	Anss	عنس	2010
Dhamar	Dawran Aness	ضوران أنس	2011
Dhamar	Al Manar	المنار	2012
Hadramaut	Rumah	رماه	1901
Hadramaut	Thamud	ثمود	1902
Hadramaut	Al Qaf	القف	1903
Hadramaut	Zamakh wa Manwakh	زموخ ومنوخ	1904
Hadramaut	Hagr As Sai'ar	حجر الصيغر	1905
Hadramaut	Al Abr	العبر	1906
Hadramaut	Al Qatn	القطن	1907
Hadramaut	Shibam	شباب	1908
Hadramaut	Sah	ساه	1909
Hadramaut	Sayun	سيتون	1910
Hadramaut	Tarim	تريم	1911
Hadramaut	As Sawm	السوم	1912
Hadramaut	Ar Raydah Wa Qusayar	الريده وقصيغر	1913
Hadramaut	Ad Dis	الديس	1914
Hadramaut	Ash Shihr	الشحر	1915
Hadramaut	Ghayl Bin Yamin	غيل بن يمين	1916
Hadramaut	Ghayl Ba Wazir	غيل باوزير	1917
Hadramaut	Daw'an	دوعن	1918
Hadramaut	Wadi Al Ayn	وادي العين وحوره	1919
Hadramaut	Rakhyah	رخيه	1920
Hadramaut	Amd	عمد	1921
Hadramaut	Adh Dhli'a'ah	الضليعه	1922
Hadramaut	Yabuth	يبعث	1923
Hadramaut	Hajr	حجر	1924
Hadramaut	Brom Mayfa	بروم ميفع	1925

Hadramaut	Al Mukalla	المكلا	1926
Hadramaut	Huraidhah	حريضة	1928
Hajjah	Bakil Al Mir	بكيل المير	1701
Hajjah	Haradh	حرض	1702
Hajjah	Midi	ميدي	1703
Hajjah	Abs	عيس	1704
Hajjah	Hayran	حيران	1705
Hajjah	Mustaba	مستباء	1706
Hajjah	Kushar	كشر	1707
Hajjah	Al Jamimah	الجميمة	1708
Hajjah	Kuhlan Ash Sharaf	كحلان الشرف	1709
Hajjah	Aflah Ash Shawm	افلاح الشام	1710
Hajjah	Khayran Al Muharraaq	خيران المحرق	1711
Hajjah	Aslem	اسلم	1712
Hajjah	QafI Shamer	قفل شمر	1713
Hajjah	Aflah Al Yaman	افلاح اليمن	1714
Hajjah	Al Mahabishah	المحابشة	1715
Hajjah	Al Miftah	المفتاح	1716
Hajjah	Al Maghrabah	المغربة	1717
Hajjah	Kuhlan Affar	كحلان عفار	1718
Hajjah	Sharas	شرس	1719
Hajjah	Mabyan	مبين	1720
Hajjah	Ash Shahil	الشاهل	1721
Hajjah	Ku'aydinah	كعيدنه	1722
Hajjah	Wadhrah	وضرة	1723
Hajjah	Bani Qa'is	بني قيس	1724
Hajjah	Ash Shaghadirah	الشغادرة	1725
Hajjah	Najrah	نجرة	1726
Hajjah	Bani Al Awam	بني العوام	1727
Hajjah	Hajjah City	مدينة حجة	1728
Hajjah	Hajjah	حجة	1729
Hajjah	Washhah	وشحة	1730
Hajjah	Qarah	قارة	1731
Ibb	Al Qafr	القفر	1101
Ibb	Yarim	يريم	1102
Ibb	Ar Radmah	الرضمة	1103
Ibb	An Nadirah	النادرة	1104
Ibb	Ash Sha'ir	الشعر	1105
Ibb	As Saddah	السدة	1106
Ibb	Al Makhadir	المخادر	1107
Ibb	Hubaysh	حبيش	1108
Ibb	Hazm Al Udayn	حزم العدين	1109
Ibb	Far Al Udayn	فرع العدين	1110
Ibb	Al Udayn	العدين	1111
Ibb	Jiblah	جبلة	1112
Ibb	Ba'dan	بعدان	1113
Ibb	As Sabrah	السبرة	1114
Ibb	As Sayyani	السياني	1115
Ibb	Dhi As Sufal	ذي السفال	1116
Ibb	Mudhaykhirah	مذيخرة	1117
Ibb	Ibb	إب	1120
Lahj	Al Had	الحد	2501
Lahj	Yafa'a	يافع	2502

Lahj	Al Maflahy	المفلحى	2503
Lahj	Yahr	يهر	2504
Lahj	Habil Jabr	حبيل جبر	2505
Lahj	Halimayn	حالمين	2506
Lahj	Radfan	ردفان	2507
Lahj	Al Milah	الملاح	2508
Lahj	Al Musaymir	المسيمير	2509
Lahj	Al Qabbaytah	القبيطه	2510
Lahj	Tur Al Bahah	طور الباحة	2511
Lahj	Al Maqatirah	المقاطرة	2512
Lahj	Al Madaribah Wa Al Arah	المضاربة و العاره	2513
Lahj	Al Hawtah	الحوطة	2514
Lahj	Tuban	تين	2515
Marib	Majzar	مجزر	2601
Marib	Raghwān	رغوان	2602
Marib	Medghal	مدغل	2603
Marib	Harib Al Qaramish	حريب القرامش	2604
Marib	Bidbadah	بدبده	2605
Marib	Sirwah	صرواح	2606
Marib	Al Jubah	الجوية	2607
Marib	Rahabah	رحبه	2608
Marib	Harib	حريب	2609
Marib	Mahliyah	ماهليه	2610
Marib	Al Abdiyah	العبدية	2611
Marib	Marib City	مدينة مأرب	2612
Marib	Marib	مأرب	2613
Marib	Jabal Murad	جبل مراد	2614
Raymah	Bilad At Ta'am	بلاد الطعام	3101
Raymah	As Salafiyah	السلفية	3102
Raymah	Al Jabin	الجبين	3103
Raymah	Mazhar	مزه	3104
Raymah	Kusmah	كسمه	3105
Raymah	Al Jafariyah	الجعفرية	3106
Sa'ada	Baqim	باقم	2201
Sa'ada	Qatabir	قطاير	2202
Sa'ada	Monabbih	منبه	2203
Sa'ada	Ghamr	غمر	2204
Sa'ada	Razih	رازح	2205
Sa'ada	Shada'a	شداا	2206
Sa'ada	Al Dhaher	الظاهر	2207
Sa'ada	Haydan	حيدان	2208
Sa'ada	Saqayn	ساقين	2209
Sa'ada	Majz	مجز	2210
Sa'ada	Sahar	سحار	2211
Sa'ada	As Safra	الصفراء	2212
Sa'ada	Al Hashwah	الحشوه	2213
Sa'ada	Kitaf wa Al Boqe'e	كتاف و البقع	2214
Sa'ada	Sa'adah	صعدة	2215
Sana'a	Hamdan	همدان	2301
Sana'a	Arhab	ارحب	2302
Sana'a	Nihm	نهم	2303
Sana'a	Bani Hushaysh	بني حشيش	2304
Sana'a	Sanhan	سنحان و بني يهلول	2305

Sana'a	Bilad Ar Rus	بلاد الروس	2306
Sana'a	Bani Matar	بني مطر	2307
Sana'a	Al Haymah Ad Dakhiliyah	الحيمة الداخلية	2308
Sana'a	Al Haymah Al Kharijiyah	الحيمة الخارجية	2309
Sana'a	Manakhah	مناخه	2310
Sana'a	Sa'fan	صعفان	2311
Sana'a	Khwlan	خولان	2312
Sana'a	Attyal	الطيال	2313
Sana'a	Bani Dhabyan	بني ضبيان	2314
Sana'a	Al Husn	الحصن	2315
Sana'a	Jihanah	جحانة	2316
Shabwah	Dhar	دهر	2101
Shabwah	Al Talh	الطلح	2102
Shabwah	Jardan	جردان	2103
Shabwah	Arma	عرماء	2104
Shabwah	Usaylan	عسيلان	2105
Shabwah	Ain	عين	2106
Shabwah	Bayhan	بيحان	2107
Shabwah	Merkhah Al Ulya	مرخه العليا	2108
Shabwah	Merkhah As Sufla	مرخه السفلى	2109
Shabwah	Nisab	نصاب	2110
Shabwah	Hatib	حطيب	2111
Shabwah	As Said	الصعيد	2112
Shabwah	Ataq	عتق	2113
Shabwah	Habban	حبان	2114
Shabwah	Ar Rawdah	الروضه	2115
Shabwah	Mayfa'a	ميفعه	2116
Shabwah	Rudum	رضوم	2117
Socotra	Hidaybu	حديبو	3201
Socotra	Qulensya Wa Abd Al Kuri	قلنسيه و عبدالكوري	3202
Taizz	Mawiyah	ماوية	1501
Taizz	Shara'b As Salam	شرعب السلام	1502
Taizz	Shara'b Ar Rawnah	شرعب الرونة	1503
Taizz	Maqbanah	مقبنة	1504
Taizz	Al Mukha	المخاء	1505
Taizz	Dhubab	ذباب	1506
Taizz	Mawza	موزع	1507
Taizz	Jabal Habashy	جبل حبشي	1508
Taizz	Mashra'a Wa Hadnan	مشرعة و حدنان	1509
Taizz	Sabir Al Mawadim	صبر الموادم	1510
Taizz	Al Misrakh	المسراخ	1511
Taizz	Dimnat Khadir	دمنة خدير	1512
Taizz	As Silw	الصلو	1513
Taizz	Ash Shamayatayn	الشمائيتين	1514
Taizz	Al Wazi'iyah	الوازعية	1515
Taizz	Hayfan	حيفان	1516
Taizz	At Ta'iziyah	التعزية	1520
Taizz	Al Ma'afar	المعافر	1521
Taizz	Al Mawasit	المواسط	1522
Taizz	Sama	سامع	1523

**UNITED NATIONS OFFICE FOR PROJECT
SERVICES**

**For the benefit of the Republic of Yemen
Yemen Emergency Electricity Access Project
Phase - II (P178347)**

Forced Labor Action Plan (FLAP)

April 2022

	Action	Content	Time frame	Method
1	For project component 1: Forced Labor provisions related to the procurement of solar systems.	Inclusion of provisions ²¹ concerning forced labor and human trafficking in all solicitation documents and procurement contracts. The provisions will oblige suppliers to (i) comply with applicable laws concerning terms of employment and conditions of work, and any collective agreements to which it is a party; (ii) prohibit suppliers from engaging or employing forced labor and trafficked persons; (iii) oblige suppliers to take all reasonable actions to identify and remove such occurrences in its own supply chain; (iv) include a clause prohibiting forced labor in the contracts they execute with their suppliers; and (v) obtain evidence from the suppliers confirming that the above provisions are complied with ²² .	Prior to the procurement of solar systems	UNOPS solicitation documents and procurement contracts
2	For project component 1.1: Require the suppliers and MFIs to confirm compliance with the UN Code of Conduct for Suppliers	Suppliers will be required to confirm during vendor registration on UN Global Marketplace (UNGM) that they will comply with the UN Supplier Code of Conduct (2017) which becomes part of the supplier contract upon contract award. UNOPS will develop Code of Conduct for MFIs, and a specific confirmation form for MFIs to confirm compliance with the MFI Code of Conduct. The MFI Code of Conduct will require the MFIs: (i) not to engage any forced labor within their own work force; (ii) to include in their contracts with suppliers of solar panels or components to require the suppliers not to engage or employ forced labor; (iii) monitor the adherence to no forced labor requirements by	For suppliers: at the time of registration For MFIs: prior to signing of GSAs	UNGM registration Tailored confirmation template for the MFIs

²¹ See Annex 2 for sample provisions, which may be subject to modification from time to time.

²² Evidence could include: 1) Transaction details, e.g., purchase order(s) and contracts along with associated commercial invoice(s); 2) Freight forwarder notice of arrival and Bill of Lading; 3) Certificates of origin; 4) Production orders; 5) Affidavits from each manufacturer; 6) additional records on case by case basis.

	Action	Content	Time frame	Method
		themselves and their suppliers, and report to UNOPS. This MFI Code of Conduct will be referenced in the agreement between UNOPS and MFIs.		
3	For project component 1.1: Condition attached to subsidies to the MFIs	Compliance with the Forced Labor provision	Prior to signing the agreements and to be included from the beginning of the Call for Proposals processes for PICO solar systems	UNOPS solicitation documents (CfPs).
4	Training sessions on solar supply chain	UNOPS in-house training sessions to suppliers and contractors on how to improve traceability with a focus on solar products.	Prior to the procurement process of solar systems Periodic refresher trainings	UNOPS Progress Reports
5	Supplier registration in the UNGM	Vendors applying to be registered on the UNGM procurement portal must complete the process of self-registration in the portal, including a confirmation of their acknowledgement of the United Nations Supplier Code of Conduct.	Prior to bid submission	UNGM Registration
6	Penalties for non-compliance	Contract termination without costs and/or blacklisting on UNGM and/or referral to vendor sanctions processes.	Upon report and verification of intentional non-compliance	Contractual provisions

ANNEX 1: Provisions included in the (ESF) documents and UNOPS contracts

From the Labor Management Procedure (LMP)

Forced labor, which consists of any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty, will not be used in connection with the project. This prohibition covers any kind of involuntary or compulsory labor, such as indentured labor, bonded labor, or similar labor-contracting arrangements. No trafficked persons will be employed in connection with the project.

Labor Force Management²³

i. Labor Conditions

The Contractor shall:

- Implement the measures and commitments defined in the Project Labor Management Procedures.
- Provide all workers with terms and conditions that comply with Yemeni labor legislation, and applicable International Labor Organization conventions on workplace conditions.
- Hire workers through recruitment offices, and avoid hiring “at the gate” to discourage spontaneous influx of job seekers
- Put in place workplace processes for project workers to report work situations that they believe are not safe or healthy, and to remove themselves from a work situation which they have reasonable justification to believe presents an imminent and serious danger to their life or health. Project workers who remove themselves from such situations will not be required to return to work until necessary remedial action to correct the situation has been taken. Project workers will not be retaliated against or otherwise subject to reprisal or negative action for such reporting or removal.
- Ensure that children and minors are not employed directly or indirectly on the project and keep registration and proof of age for all employees on-site.
- Avoid all forms of forced or compulsory labor, i.e., all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.
- Develop and adopt a Gender Action Plan to promote the transfer of skills to local women, to facilitate their employment at the Project site, including training and recruitment targets.

ii. Insurance

The Contractor shall:

- Protect the health of workers involved in onsite activities
- Compensate any employee for death or injury

iii. Grievance Mechanism for Workers

The Contractor shall put in place a Grievance Mechanism for its workers and the workers of its subcontractors that is proportionate to its workforce. The GM for workers shall be distinct from the Project level Grievance Mechanism described in the Project Stakeholder Engagement Plan (SEP) for affected individuals and communities, and shall adhere to the following principles:

- *Provision of information.* All workers should be informed about the grievance mechanism at the time they are hired, and details about how it operates should be easily available, for example, included in worker documentation or on notice boards.

²³ See the Project’s Labor Management Procedures (LMP)

- *Transparency of the process.* Workers must know to whom they can turn in the event of a grievance and the support and sources of advice that are available to them. All line and senior managers must be familiar with their organization's grievance procedure.
 - *Keeping it up to date.* The process should be regularly reviewed and kept up to date, for example, by referencing any new statutory guidelines, changes in contracts or representation.
 - *Confidentiality.* The process should ensure that a complaint is dealt with confidentially. While procedures may specify that complaints should first be made to the workers' line manager, there should also be the option of raising a grievance first with an alternative manager, for example, a human resource (personnel) manager.
 - *Non-retribution.* Procedures should guarantee that any worker raising a complaint will not be subject to any reprisal.
 - *Reasonable timescales.* Procedures should allow for time to investigate grievances fully but should aim for swift resolutions. The longer a grievance is allowed to continue, the harder it can be for both sides to get back to normal afterwards. Time limits should be set for each stage of the process, for example, a maximum time between a grievance being raised and the setting up of a meeting to investigate it.
 - *Right of appeal.* A worker should have the right to appeal to the World Bank or national courts if he or she is not happy with the initial finding.
 - *Right to be accompanied.* In any meetings or hearings, the worker should have the right to be accompanied by a colleague, friend or union representative.
 - *Keeping records.* Written records should be kept at all stages. The initial complaint should be in writing, if possible, along with the response, notes of any meetings and the findings and the reasons for the findings. Any records on SEA shall be registered separately and under the strictest confidentiality.
 - *Relationship with collective agreements.* Grievance procedures should be consistent with any collective agreements.
 - *Relationship with regulation.* Grievance processes should be compliant with the national employment code.
- iv. *Protection from Child Labor*
- The Contractor shall:
- Verify that workers are older than 18 when hiring
 - Exclude all persons under the age of 18.
 - Review and retain copies of verifiable documentation concerning the age of workers
- v. *Protection from Sexual Exploitation and Abuse*
- The Contractor shall:
- Provide repeated training and awareness raising to the workforce about refraining from unacceptable conduct toward local community members, specifically women.
 - Inform workers about national laws that make sexual harassment and gender-based violence a punishable offence which is prosecuted.
 - Prohibit its employees from exchanging any money, goods, services, or other things of value, for sexual favors or activities, or from engaging any sexual activities that are exploitive or degrading to any person.
 - Develop a system to capture gender-based violence, sexual exploitation and workplace sexual harassment related complaints/issues.
 - Adopt a policy to cooperate with law enforcement agencies in investigating complaints about gender-based violence.
- vi. *Code of Conduct*
- The Contractor shall ensure that all employees, including those of subcontractors, are informed about and sign the following Code of Conduct:

Annex 2: Sample Provisions concerning Standards of Labor, Forced Labor and Human Trafficking (adapted from text proposed for use by UN Procurement Division)

xx.1 The Contractor shall comply with all applicable laws concerning terms of employment and conditions of work, and any collective agreements to which it is party.

xx.2 The Contractor shall refrain from taking measures to restrict the freedom of association, shall enable its personnel to organize freely, and shall provide for equal opportunity and treatment in respect of employment without discrimination on grounds of race, color, gender identity, sexual orientation, religion, political opinion, national origin, social origin or disability status. The Contractor shall take all appropriate measures to ensure that workplaces are safe and without risk to health, including with respect to chemical, physical and biological substances and agents under the Contractor's control.

xx.3 The Contractor shall not engage, directly or indirectly, in "Forced Labor," i.e., by exacting work or service from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.

xx.4 The Contractor shall not engage, directly or indirectly, in "Trafficking in Persons," i.e., by recruiting, transporting, transferring, harboring or receiving persons by threat or use of force or other forms of coercion, abduction, fraud, deception, or abuse of power.

xx.5 Whenever Forced Labor or Human Trafficking occur in the Contractor's operations, including in its supply chain, the Contractor shall, as soon as reasonably practicable, take all reasonable action to address or remove these occurrences, including where relevant, by addressing any practices of other entities in its supply chain.

[xx.6 Failure by the Contractor to abide by the provisions of this Article [Z] shall entitle the United Nations to terminate the Contract or any other contract with the United Nations immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.]