Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 26-Mar-2018 | Report No: PIDISDSA24561

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Yemen, Republic of	P163777	Yemen Emergency Electricity Access Project	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
MIDDLE EAST AND NORTH AFRICA	15-Jan-2018	13-Apr-2018	Energy & Extractives
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	United Nations Office for Project Services (UNOPS)	United Nations Office for Project Services (UNOPS)	

Proposed Development Objective(s)

Improve access to electricity in rural and peri-urban areas within the Republic of Yemen.

Components

Component 1: Financing for Off-grid Solar
Component 2: Implementation Support and Market Development
Component 3: Contingent Emergency Response

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.
Yes

Financing (in USD Million)

Financing Source	Amount
IDA-D3010	50.00
Total Project Cost	**50.00**

Environmental Assessment Category

B - Partial Assessment

Decision

B. Introduction and Context

Country Context

1. **Yemen has been in serious armed conflict for the past 4 years with severe humanitarian and developmental costs.** Since the conflict erupted, the economy has contracted sharply, by approximately 40 percent. Enterprises have lost up to 70 percent of their business; working hours have been reduced by over 50 percent; and up to 55 percent of the workforce has been laid off. Humanitarian conditions worsened with an estimated eight million Yemenis who have lost their livelihoods or are living in communities with minimal or no basic services. According to the UN, an estimated 10.3 million out of 27.4 million Yemenis require immediate assistance to save or sustain their livelihood.

Sectoral and Institutional Context

Electricity sector

2. **The ongoing conflict in Yemen has significantly worsened the electricity supply situation from an already low level, as the provision of public electricity service has essentially collapsed.** In 2014, before the conflict erupted, only about 66 percent of the population in the Republic of Yemen (henceforth referred to as Yemen) had access to public electricity (another 12 percent had access to private electricity solutions), the lowest level in the region. By end-2017, this number had dropped to below 10 percent[1] due to extensive damage to the national grid and fuel shortages across the country.[2] Six out of 10 cities assessed in the second phase of the Yemen Dynamic Damage and Needs Assessment (DNA) were found to have no access at all to public electricity, including major cities such as Sana'a, Hodeida and Taiz. Even in cities in which critical power infrastructure remains largely intact, such as Aden, these assets often sit idle due to fuel shortages. Rural and peri-urban areas, which are estimated to account for two thirds of Yemen's estimated 27 million population[3], had suffered disproportionately from a lack of access to modern energy even before the conflict, with pre-conflict rural electricity access rates of only 53 percent. Pervasive fuel shortages due to the disruption of transport linkages have only exacerbated the effects of energy poverty on the rural poor.

3. **Restoring power supply to productive users is critical to alleviate the dire humanitarian situation in the country, including the Cholera epidemic, especially in rural and peri-urban areas which are home to the poorest and most vulnerable parts of the population.** Already before the conflict, the lives of the many Yemenis, especially in rural and peri-urban areas, were characterized by lack of access to basic infrastructure and service facilities. Impacts of the collapse of public electricity have been devastating: Electricity is becoming a binding constraint for critical service facilities that do not have the means to invest in alternative energy sources, including health facilities and vaccine cold chain, water supply and sanitation, food supply, banking services and more. Even where diesel generators have been adopted for emergency power supply during the conflict, fuel shortages are leading to severe constraints to service delivery, including in the water and health sectors where prolonged power

[1] The Yemen Humanitarian Response Situatoin Report (Save the Children, October 2016) estimated access to grid-based electricity at 10 percent. Phone survey results from November 2017 by the World Food Program (WFP) indicate that less than 1 percent of households relied on the electricity grid as their main source of electricity.
[2] . Using fuel sales to electricity plants as an indicator, total power generation in 2015 dropped by 77 percent compared to 2014. Light emissions visible from satellite imagery indicate a decline in electricity consumption by about 75 percent.
[3] World Bank population estimates based on extrapolations from 2004 census data.

outages are contributing to the spread of the Cholera epidemic[4]. Businesses also cite electricity shortages as the second most important constraint after conflict and political instability. Continued lack of electricity access is likely to contribute to a decrease in productivity, deterioration of the business environment, and reduction in the country's GDP.[5]

4. **Improving households' access to modern energy is central to restoring livelihoods and mitigating the impacts of the crisis on the poor and most vulnerable.** Particularly in rural and peri-urban areas, the collapse of electricity and fuel supplies has severely impacted employment and household incomes due to the dependence on agriculture and energy-intensive groundwater extraction for irrigation. Immediate effects on household budgets of the lack of electricity supply also include the increased dependency on scarcely available and expensive liquid fuels. Social impacts include limits to children's ability to study in the evenings and limited functionality of schools. The collapse of power supply and nighttime lighting has also added to security concerns, especially among women for whom the lack of lighting on the way to shared latrines exacerbates risks to gender-based violence (GBV).[6] Due to the lack of electricity for water pumping, many rural households have been forced to travel long distances to fetch water – a task that falls disproportionately on women and children[7]. Health effects on households include indoor air pollution from using liquid fuels to power appliances and kerosene for lighting, and reduced access to health services that depend on electricity. Fuel shortages have also caused prices to spike, with the price of cooking gas rising by 66 percent compared to pre-crisis times[8], and many women have reportedly resorted to cooking with plastic,[9] which releases severely harmful chemicals.

[4] As electricity is required for pumping clean water, many Yemenis have resorted to drinking surface water, which may be contaminated with Cholera bacterium
[5] UNFPA, August 2017.
[6] Ibid. Also, UNFPA (2017) reports 2.6 million women and girls at risk of GBV.
[7] Oxfam (2014)
[8] WFP February 2017
[9] Ibid.

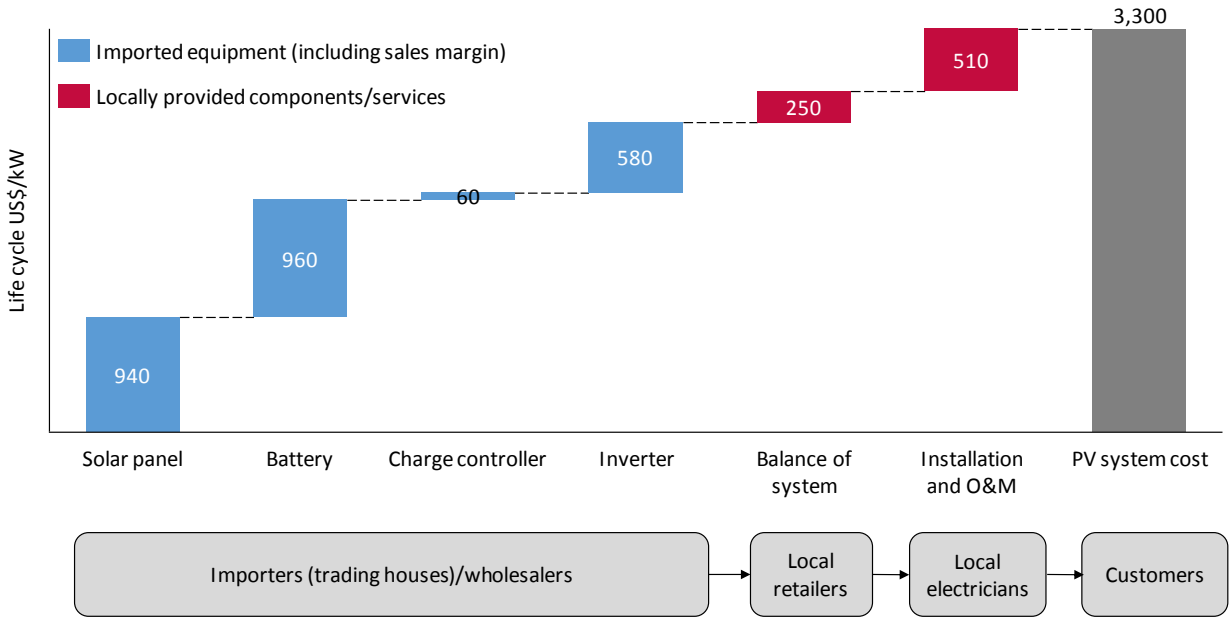

Figure 1: Illustration of supply chain and approximate cost break-down (Source: RCREEE, 2017)[10].

5. **Solar power represents the most immediate opportunity to help alleviate the most immediate impacts of the unfolding developmental crisis.** In one of the few positive stories that emerged from the conflict, the lack of public electricity supply and limited fuel availability for diesel generators—in combination with the rapidly falling cost of solar globally—has spurred a booming industry for solar systems, serving better-off households, farmers, small to medium-sized enterprises (SMEs), and solar lamps for basic lighting. A market assessment commissioned by the World Bank during 2016 estimated the market penetration of solar for lighting or appliances is as high as 75 percent of households in selected urban areas, including Sana'a.[11] Estimates suggest that more than US$200 million have been invested per year in the residential off-grid solar sector since the outbreak of the conflict. The solar market in Yemen is operating on a commercial basis and is driven by the private sector, with a supply chain that ranges from trading houses that import panels, charge controllers and batteries, to small-scale retailers that have expanded their business to solar panels (Figure 1 provides an illustration of the supply chain). This solar supply chain represents the fastest and most resilient solution for overcoming the severe electricity shortages in the country, providing electricity to households, and restoring service delivery of electricity-dependent services.

6. **However, despite the rapidly falling cost of solar globally, affordability of solar products remains a barrier for the poor and most vulnerable population, and the immaturity of the market has resulted in low quality of products and after-sales support.** Affordability is a major constraint for lower-income households, including because almost all systems are paid upfront in cash and debt finance is not readily available to most households (in line with generally low access to formal finance, as detailed below). Further, many solar installations suffer from high failure rates due to improper system design, poor quality components, and a lack of after-sales service. Broader access to microcredits for solar to those that can afford paying for kerosene or other

[10] RCREEE (2017), Assessment of the Status of Solar PV in Yemen. Regional Centre for Renewable Energy and Energy Efficiency (RCREEE), Cairo, Egypt.
[11] RCREEE (2017), Assessment of the Status of Solar PV in Yemen. Regional Centre for Renewable Energy and Energy Efficiency (RCREEE), Cairo, Egypt.

alternatives, but do not have enough savings to invest in solar, and improved technical standards would make the market significantly more inclusive and sustainable.

7. **Besides the immediate positive impacts on beneficiaries, restoring and expanding access to electricity through distributed solar would contribute to building more inclusive, bottom up service delivery in Yemen.** Yemen's authorities have struggled for decades to provide reliable and affordable public services—including publicly provided electricity through the national grid—and recurring conflicts have repeatedly set back whatever small progress was being made. Amid a fragile political and security outlook for the country and the region more broadly, a bottom-up approach to expanding access to electricity that aims to create jobs, strengthen the private sector, provide a more resilient energy infrastructure and significantly reduce the need for fuel import, refining and transport should be promoted. Such an approach could contribute to building more inclusive, bottom up service delivery in Yemen, and develop an implementation model that could be expanded or adapted to other sectors of the economy.

Microfinance sector

8. **Commercial retail and consumer banking had been limited in Yemen prior to the crisis, but the microfinance sector has been a success story and has emerged as the most robust channel for extending financial services to rural and lower-income households.** Yemen's banking sector was highly limited in its interaction with the population: Bank deposits barely passed a quarter of GDP, well below the MENA average of three quarters, only 6.4 percent of Yemenis held banks accounts—with a notable gap between women (2 percent) and men (11 percent); and much of the lending was secured by assigned salaries civil servants (almost a quarter of the population). The microfinance sector had been a success story in this context, with a growing number of profitable entities increasing outreach to a broader population—including rural and lower-income households (and including a higher share of women borrowers—over 40 percent—compared to the commercial banks[12]). Before the crisis, microfinance institutions (MFIs) had a portfolio of over 100,000 borrowers with loans of over US$50 million, and 280,000 savers with deposits of over US$130 million. Cumulatively, by 2013, Yemeni MFIs had extended 624,491 loans worth US$257 million. The rapid growth of the sector after 2010 was partly a result of the enabling regulatory framework and partly a result of the vacuum left by the banks in rural and small business banking. The MFIs have also been increasingly leaders in mobile money, especially for smaller consumers.

9. **While the financial system was severely hit by the crisis, the MFI sector has shown resilience.** The outbreak of conflict in 2015 has halted progress on financial system development and severely damaged banks' profitability. However, MFIs were better shielded from the crisis due to their lower exposure to government bonds, greater reliance on cash, and more diverse portfolio and savings base. Most MFIs suffered losses in 2015, mainly resulting from dramatic declines in credit quality but also including foreign exchange and other losses. Portfolio at Risk (PAR: overdue loans) shot up from relatively low rates of under 3 percent up to an unsustainable 20 percent on average and as high as 50 percent. Recovery rates on overdue loans are low, typically estimated at less than 10 percent, given that many borrowers have permanently lost their original cash flow source and collateral are hard to collect. These significant loan losses notwithstanding, the MFIs, especially the larger ones, suffered much less and were largely able to retain both capital and profitability, primarily from operational activity such as money transfers.

[12] Yemen Microfinance Network (2015). Microfinance in Yemen: Hopes vs. Reality. A first insight into the impact of war on the industry, Sana'a, Yemen.

10. **The MFIs have been able to sustain their operations and develop new business lines, in particular financing for solar.** Outreach has remained relatively stable, with apparently greater confidence in the MFIs, especially the larger ones, than the commercial banks (the number of savers has grown slightly). New lending in solar has been an important field of business for the MFIs since the outbreak of the crisis, with solar loans making up 5-20 percent of total lending among assessed MFIs (US$0.5 million to US$2 million of total solar loan volumes per MFI). Most solar lending has so far been extended to better-off households, farmers and SMEs. The geographical footprint and capacity seem to vary significantly between the MFIs, collectively representing a diverse portfolio of strengths and networks across the existing institutions.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

11. **The Project Development Objective is to improve access to electricity in rural and peri-urban areas within the Republic of Yemen.**The project is responding to two immediate needs: (i) restoring electricity supply to critical infrastructure (esp. hospitals, water corporations, rural electricity corporations and schools) to respond to the immediate developmental crisis; and (ii) targeted interventions to make the existing commercial market for solar products—which has emerged as coping mechanism during the crisis—more inclusive and sustainable by providing financing and improving the quality of off grid energy access products based on international experience.

Key Results

12. While the exact scope and results framework of the project will be determined during appraisal, it is expected that **e**lectricity supply will be restored several hundred thousand households and several hundred critical facilities including health facilities, rural water corporations, rural electricity corporations, irrigation pumps and schools. In addition, an estimated 20-30% of the investment value is expected to remain in the Yemeni economy and create jobs.

D. Project Description

13. **The project consists of the following components and subcomponents** (subject to change during appraisal)**:**

a. **Under Subcomponent 1.1**, **UNOPS will engage eligible microfinance institutions (MFIs), help them set up financing windows for high-quality, small-scale solar solutions for rural households, and provide partial grants to make the systems affordable.** UNOPS will act as grant administrator while the MFIs will serve as financial intermediaries and distribution agents to reach grant recipients in rural and peri-urban areas. Participation in the subcomponent will be open to all MFIs that meet eligibility criteria in order to broadly build capacity among the MFIs and not distort the competitive landscape.

b. **Under Subcomponent 1.2, UNOPS will contract solar suppliers and installers to provide grant-financed solar systems to rural and peri-urban health clinics and schools**. Recipient facilitates will be identified by UNOPS on a need-basis in coordination with development partners and local

stakeholders. Additional solutions, including for water corporations and mini-grids operated by rural electricity corporations, will be included from the second year onward.

c. **Under Component 2, UNOPS will contract technical service providers and NGOs to provide market strengthening activities**, including *inter alia* (a) an awareness campaign and consultations (see Section VI F for further elaboration); (b) technical training and capacity building to firms along the solar supply chain (incl. financial institutions, retailers, installers, and other service providers) to increase their reach and strengthen the job-creation aspect of the program; (c) technical assistance to the financial sector to develop de-risking mechanisms for commercial lending for solar; (d) technical standard definition and dissemination, and establishment of testing centers in cooperation with local universities to enhance the technical standards in the industry; and (e) support for recycling of batteries from the project as well as the market more generally to minimize the environmental risks from disposing hazardous materials. As with other subcomponents, the activities under this subcomponent will be adjusted based on implementation progress and needs of the market.

E. Implementation

Institutional and Implementation Arrangements

14. **The Project will be implemented by the United Nations Office for Project Services (UNOPS) in partnership with the private sector.** IDA funding will be channeled as a grant to UNOPS, which will serve as implementing agency of the project. UNOPS will partner with local entities to deliver the different components.

15. **UNOPS has been selected as the implementing agency and recipient of IDA funds based on:** (a) its significant experience in managing complex projects in FCV environments, including projects involving financial intermediation by MFIs; (b) its experience specifically in solar projects in other FCV contexts; (c) its proven track record in project management, procurement, compliance with World Bank safeguards, and financial management; (d) the ability to quickly scale up its operational presence as proven in other FCV contexts; and (e) its existing operational presence in Yemen.

16. **The project will work with Yemeni financial institutions as delivery agents and financial intermediaries, allowing the Project to capitalize on the reach of their agent networks and the private sector supply chain to cover all of Yemen, including rural and peri-urban areas that are home to two-thirds of the population.** Activities under the project will be implemented partially through MFIs and grantees/contractors/implementation partners (Subcomponent 1.1) and partially through direct implementation by UNOPS (Subcomponent 1.2). UNOPS will: (a) take responsibility for project implementation; (b) monitor the project targets and results in coordination with the local partners; (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, and (e) ensure that all reporting requirements for IDA are met per the Project Financing Agreement. UNOPS will decide on the appropriate procedures for selecting grantees/contractors/implementation partners in accordance with its own operational guidelines. During project implementation, UNOPS may engage additional parties, if deemed necessary.

17. **By working through and strengthening the existing, private-sector driven supply chain for solar, the Project is maximizing finance for development in Yemen.** The Project leverages private financing for solar by providing grants[13] and helping establish microcredit structures, and contributes to making Yemen's overall solar

[13] In this document, 'grants' refers to both in-kind and cash grants covering part or all of the solar equipment costs.

market more sustainable and inclusive through technical assistance and capacity building. Following the approach of Maximizing Finance for Development (MFD), the Project will increase commercial financing for infrastructure in Yemen, safeguard scarce public resources and contribute to establishing a self-sustaining solar market beyond the lifetime of the Project.

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F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project is expected to be implemented in rural and peri-urban areas across Yemen and might support interventions in any of Yemen's 22 governorates. The Project will finance small-scale, distributed solar systems with a likely system size no larger than 100 W and 10 kW under Subcomponents 1.1 and 1.2, respectively. Such systems are small enough to be installed on the premises of the supported households or critical service facilities.

G. Environmental and Social Safeguards Specialists on the Team

Amer Abdulwahab Ali Al-Ghorbany, Environmental Safeguards Specialist
Ibrahim Ismail Mohammed Basalamah, Social Safeguards Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This policy is triggered as the Project will include activities that might cause minor, site-specific reversible impacts such as those resulting from improper disposal of used batteries; and other health and safety impacts. These activities are (a) partial grants provided for small-scale household solar products, which aim to scale up this market segment in rural and peri-urban areas; and (b).the installation of small-scale solar systems to restore electricity supply to providers of critical services in rural and peri-urban areas, such as health clinics, schools, rural water corporations, mini-grids operated by rural electricity corporations, and others. Since the location of sub-projects (activities) is not

		known at this stage, an Environmental and Social Management Framework (ESMF) will be prepared and that will include a checklist for excluding any activities that might cause significant or irreversible environmental impact (category 'A') or might cause impacts on natural habitats, forest, cultural resources and/or pest management applicability. Sub-projects will be screened for potential environmental impacts to determine if a subproject-specific ESMP is needed or mitigation measures contained in the ESMF are sufficient. To inform the design and implementation of the ESMF's measures to mitigate any impact that might result from improper disposal of equipment, in particular batteries, an assessment will be conducted of the current battery recycling and disposal options in Yemen. If needed, technical assistance will be provided to local entities involved in Project implementation to mitigate the risk of improper disposal. If the Project engages on a significant scale in financing solar solutions for water supply at later stages of implementation of Subcomponent 1.2, an assessment of water resource management practices and water resource sustainability will be conducted to ensure that the proposed design and the ESMF maintain the sustainability of water resources for all users. The ESMF will include a section on the CERC based on the indicative list of activities related to the likely emergencies expected. As this Project is prepared under emergency procedures as defined by the Bank Policy on Investment Project Financing, paragraph 12, the preparation of the ESMF is deferred to allow sufficient time for the implementing agency to undertake the ESMF, public consultations, and the battery recycling and disposal assessment. A Safeguards Action Plan (SAP) has been prepared and will be disclosed with the PAD.
Natural Habitats OP/BP 4.04	No	Policy is not triggered as the project will not intervene in areas of natural habitat nor result in loss, conversion or degradation of natural habitats or critical natural habitats as defined by the policy.
Forests OP/BP 4.36	No	Policy is not triggered as the Project will not be implemented in any forested areas.

Pest Management OP 4.09	No	Policy is not triggered as the Project will not support the purchase or use of pesticides or pesticide application equipment.
Physical Cultural Resources OP/BP 4.11	No	Policy is not triggered as the Project will not be implemented in areas of cultural heritage sites.
Indigenous Peoples OP/BP 4.10	No	Policy is not triggered as indigenous people as defined in the policy are not present in the project.
Involuntary Resettlement OP/BP 4.12	No	Policy is not triggered as (a) no physical displacement or potential impact on the livelihood is anticipated due to the nature of the supported activities (solar systems that are small enough to be installed rooftops or on the beneficiaries' or facilities' premises); and (b) no acquisition of additional land outside the beneficiary property will be permitted as part of activities supported by the project. The ESMF will include a screening tool to screen out projects that might lead to involuntary land take.
Safety of Dams OP/BP 4.37	No	Policy is not triggered as the project will not include any activities associated with the construction or operation of dams as defined by the policy.
Projects on International Waterways OP/BP 7.50	No	Policy is not triggered as the project will not undertake any activities in the catchment areas of international waterways and shared aquifers.
Projects in Disputed Areas OP/BP 7.60	No	Policy is not triggered as project activities will not be implemented in any disputed areas as defined by the policy.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The Project is classified Environmental Category "B" in accordance with World Bank Operational Policy 4.01 ('Environmental Assessment') because the Project's interventions are expected to have generally positive environmental impacts in the form of mitigated greenhouse gas emissions and lower air pollution (indoor and outdoor).

No significant or irreversible impacts are anticipated under this project due to the nature of supported activities and the small-scale nature of the investments. Potential negative environmental impacts from the improper disposal of batteries (e.g., lead-acid or nickel-cadmium batteries) will be mitigated by implementing the measures recommended in the ESMF that will be prepared for this operation. To inform preparation and implementation of the ESMF's recommendations on battery recycling and disposal, an assessment will be conducted on the current battery recycling

and disposal options in Yemen. If needed, technical assistance will be provided to local entities involved in implementation to mitigate the risk of improper disposal. If the Project engages on a significant scale in financing solar solutions for water supply at later stages of implementation of Subcomponent 1.2, an assessment of water resource management practices and water resource sustainability will be conducted to ensure that the proposed design and the ESMF maintain the sustainability of water resources for all users.

The Project will have broad social benefits for households in rural and peri-urban areas, as improving households' access to modern energy is central to restoring livelihoods and mitigating the impacts of the crisis on the poor and most vulnerable.

Social risks associated with the potential exclusion of poor and vulnerable households, including female-headed households and internally displaced people (IDPs), will be mitigated by targeting rural and peri-urban areas with particular attention paid to reaching first-time borrowers and by ensuring beneficiaries' eligibility criteria will be transparent and part of the communication campaign. Risks associated with the potential exclusion of small retailers from lists of prequalified suppliers will be mitigated by relying as much as possible on the local supply chain and by targeting small to medium-scale enterprises in the market strengthening measures under Subcomponent 2.3. More general mitigation measures to mitigate social risks under the Project include (a) engaging with communities, especially women, youth and the marginalized, early on through focus group consultations to ensure their needs will be incorporated into the technical specifications of supported solar products; (b) an awareness campaign to communicate the benefits of solar and the Project in a way that can effectively reach out to various target audiences, including to those living in remote, rural areas as well as to firms along the supply chain who would benefit from potential financing and training offered through the project; (c) a GIS-based portal mapping all project activities to promote transparency; (d) allocating dedicated staff to the GRM to handle feedback and complaints in a time-sensitive and equitable way; (e) and taking into consideration during the selection of MFIs their portfolio of financing services and ability to partner with community-based organization for outreach to vulnerable population groups, including women and the youth.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
There are no potential indirect or long-term impacts due to anticipated future activities in the Project area.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
The counterfactual scenario of not implementing the project would imply the continued lack of access to modern energy or reliance on costly, scarce, and polluting fossil fuels, and the associated severe negative impacts on public health, socioeconomic conditions, and the environment.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
ESMF: An Environmental and Social Management Framework (ESMF) will be prepared by June 15, 2018. The ESMF will guide the preparation of further safeguards documents, such as an Environmental and Social Impact Assessment (ESIA) and site-specific Environmental and Social Management Plans (ESMPs) and/or checklist. The ESMF will detail measures to manage potential environmental and social impacts, including those on public and site workers' health and safety. To ensure proper management of safeguards aspects under the Project, the implementing agency, UNOPS, will deploy permanent environmental and social officers at the local and central levels. Reporting on compliance with the ESMF and any subsequent environmental and social instruments will form part of regular progress reports that will be prepared by UNOPS and shared with the World Bank. Third Party Monitoring (TPM) service will be used under this project, and safeguards aspects will be incorporated in the scope of the TPM which will be also reporting on the

compliance with safeguards requirements and on the implementation of environmental and social mitigation measures.

UNOPS and Local Entities' Safeguard Procedures: UNOPS has Environmental, Health and Safety (EHS) procedures and practices which include a) The Project Health and Safety Plan 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, of which the Project Health and Safety Plan forms an integral part; and c) Training programs for on-site staff on EHS aspects before the commencement of projects. For the GRM, UNOPS can rely on the GRM unit in its Sana'a Office established for the ongoing Yemen Integrated Urban Services Emergency Project to handle Project-related complaints. When partnering with MFIs and other local entities, UNOPS will ensure through pre-selection screening and capacity building that these entities have sufficient capacity to manage safeguards requirements and comply with the World Bank safeguards policies. Generally, UNOPS will ensure under the selection process to limit participation in the Project to entities that have retained their capacities and functionality despite the current conflict in the country.

Because the status of battery disposal and recycling practices is not known and might have been impacted due to the situation in the country, an assessment will be conducted prior to Project commencement on the current battery recycling and disposal options in Yemen. If needed, technical assistance will be provided to local entities participating in the Project to mitigate the risk of improper disposal.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Public consultations are a significant challenge in FCV contexts like Yemen. To ensure two-way communication with beneficiaries before and during Project implementation, the Project will (i) hold focus group discussion prior to implementation (pre-financed by UNOPS) and during implementation to inform the specifications of solar products supported under Subcomponent 1.1; (ii) finance an outreach campaign to raise awareness; (iii) explore use UNOPS' remote monitoring tools for engaging citizens in monitoring and quality assurance; and (iv) include a TPM component. The focus group discussions and other consultations will be inclusive of various groups including women, men (including tribal leaders and men widely respected in the communities), youth, displaced populations and marginalized groups, to enhance their voice in the participatory planning process for defining technical specifications of solar products.

GRM. UNOPS can rely on the GRM unit in its Sana'a Office established for the ongoing Yemen Integrated Urban Services Emergency Project to handle Project-related complaints. Separate log-sheets will be kept for the two projects to ensure that complaints are routed to the recipients and redressed adequately. Multiple access points (telephone, complaint box, website, email, text message, etc.) will be provided so that beneficiaries will have different ways to voice their concerns. The contact information of the GRM focal point(s) will be posted in local language, will form part of product documentation received by beneficiaries, and be communicated through multiple channels to ensure all groups can easily access contact information and relevant mechanisms to provide feedback. The GRM focal point will receive training to ensure that he or she can interface effectively with users of the GRM and treat all complaints equally. The UNOPS Program Manager will have the overall responsibility to address concerns brought to the attention of the focal points regarding any environmental and/or social impacts due to Project activities. 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.

B. Disclosure Requirements

The review of this Safeguards has been Deferred.

Comments
As this Project is prepared under emergency procedures as defined by the Bank Policy on Investment Project Financing, paragraph 12, the preparation of the ESMF is deferred. A Safeguards Action Plan (SAP) has been prepared and will be disclosed with the PAD.

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?
Yes
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?
NA
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?
Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?
NA
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?
NA

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?
Yes

Have costs related to safeguard policy measures been included in the project cost?
Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?
NA

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?
Yes

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