



Ref: 4/114 - 25

21 February 2022

Dr. Khalida Bouzar
Assistant Secretary General, Assistant Administrator
& Regional Director Regional Bureau for Arab States
United Nations Development Programme
One UN Plaza, DC1-2228
New York, NY 10017
United States of America

Subject : Grant Agreement between Kuwait Fund for Arab Economic Development and the United Nations Development Programme in Support of the Renewable Energy for Improved Health Services in Yemen Project

Dear Dr. Bouzar,

I am pleased to enclose herein two original copies of the Grant Agreement between Kuwait Fund for Arab Economic Development and the United Nations Development Programme in Support of the Renewable Energy for Improved Health Services in Yemen Project. Kindly sign the documents, keep one original copy for your records and return to us one signed original for our records.

I take this opportunity to reassure you of our continued cooperation with the United Nations Development Programme, please accept my best regards.

Yours sincerely,


Marwan A. Th. AlGhanem
Director-General

Copy to:
Mrs. Hideko Hadzialic
Resident Representative
United Nations Development Programme
State of Kuwait
hideko.hadzialic@undp.org



المنشورون الكويتي للتنمية الاقتصادية العربية
Kuwait Fund For Arab Economic Development



GRANT NO. 418.3

GRANT AGREEMENT

BETWEEN

KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT

AND

UNITED NATIONS DEVELOPMENT PROGRAMME

IN SUPPORT OF

**RENEWABLE ENERGY FOR IMPROVED HEALTH
SERVICES IN YEMEN PROJECT**

**Grant Agreement in Support of
Renewable Energy for Improved Health
Services in Yemen Project**

This Grant Agreement (the “**Agreement**”) dated as of 23 February 2022 is entered into by and between the Kuwait Fund for Arab Economic Development (hereinafter “**Kuwait Fund**”) and the United Nations Development Programme (hereinafter “**UNDP**”) (together referred to as the “**Parties**”) in support of the Renewable Energy for Improved Health Services in Yemen Project;

WHEREAS, the purpose of Kuwait Fund is to assist Arab and other developing countries in developing their economies and to provide them with loans, and other forms of assistance, required for the execution of their development projects and programmes;

WHEREAS, the mandate of the UNDP is to end poverty, reduce inequalities and exclusion, and help countries to develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience in order to sustain development results;

WHEREAS, Kuwait Fund Board of Directors decided on the 23rd May 2021 under the Board Resolution No. 17 of 2021 to provide a grant in the aggregate amount equivalent to Twenty Million United States Dollars (USD 20 million) to assist in financing humanitarian initiatives in the Republic of Yemen (Grant No. 418);

WHEREAS, Kuwait Fund has agreed to provide a grant to UNDP in an amount of Two Million Five Hundred Thousand United States Dollars (USD 2,500,000) (hereinafter the “**Grant**”) from the proceeds of Kuwait Fund Grant No. 418, which will be utilized in financing the UNDP Project described in Annex (1) of this Agreement (hereinafter the “**Project Document**”);

WHEREAS, Kuwait Fund is convinced of the importance and benefits of the proposed Project in contributing to the mandate of UNDP; and

WHEREAS, Kuwait Fund has agreed, on the basis, inter alia of the foregoing, to provide the Grant to UNDP on the terms and conditions set forth in this Agreement;

NOW THEREFORE, the parties hereto agree as follows:



ARTICLE I Definitions

SECTION 1.01. Except where the context otherwise requires, the following terms have the following meanings wherever used in this Agreement or any Annex hereto:

- (1) The term 'Project Proposal' or 'proposed Project' or 'Project Document' means the scheme for which the Grant is extended, as proposed by UNDP and as described in the Annex (1) to this Agreement, summarizing the operational context thereof, the planned activities and the estimated budget distributed on the different components of the Project, and as the description thereof shall be amended from time to time by agreement between Kuwait Fund and UNDP.
- (2) The term 'goods' means equipment, supplies and services, which are required for the Project. Wherever reference is made to the cost of any goods, such cost shall be deemed to include the cost of importing such goods into the site of the project.
- (3) The term "Local Competent Authorities" means any relevant authorities in Yemen, and any other entity involved in carrying out of the proposed Project.

ARTICLE II The Grant

SECTION 2.01. UNDP hereby agrees that the sum of Two Million Five Hundred Thousand United States Dollars (USD 2,500,000) representing the Grant shall be utilized for the financing of the proposed Project in accordance with the terms and conditions set forth in this Agreement, which shall be expended over the period extending from 01 March 2022 through 30 June 2023. No amount shall be withdrawn from the proceeds of the Grant on account of expenses incurred prior to the effectiveness of this Agreement.

SECTION 2.02. The Grant proceeds may be used for expenditures made or to be made in respect of the reasonable cost of goods and services required for the Project.

SECTION 2.03. The Grant is denominated in US Dollars, which is considered the currency of account and the medium of payment in all transactions relating to the Grant. All payments by UNDP shall be recorded in US Dollars. Where necessary, expenditures shall be converted into US Dollars using the applicable UN operational rate of exchange.

SECTION 2.04. The closing date for withdrawals from the Grant shall be 31 December 2023 or such date as may from time to time be agreed by UNDP and Kuwait Fund.

SECTION 2.05. The Grant shall be administered by UNDP in accordance with its own rules and procedures. In the event of a funding gap and if no further financing is available, the Parties agree to consult on remedial measures which might include reduction, amendment, suspension or termination of activities under the proposed Project.

ARTICLE III Withdrawal and Use of the Grant

SECTION 3.01. UNDP shall be entitled to withdraw from the Grant amounts expended or to be expended for the Project in accordance with the provisions of this Agreement. Except as Kuwait Fund may otherwise agree, no amount shall be withdrawn from the Grant on account of expenses incurred prior to 01 March 2022.

SECTION 3.02. Each application for withdrawal will be made in line with Section 4.02 to satisfy Kuwait Fund that UNDP is entitled to withdraw from the Grant the amount applied for and that the amount to be withdrawn from the Grant is to be used only for the purposes specified in this Agreement.

SECTION 3.03. UNDP shall apply the Grant exclusively to financing the reasonable cost of goods required to carry out the Project described in Annex (1) of this Agreement. The specific goods and the costs related to, and which to be financed out of the Grant are determined in the said Document, subject to modification by further agreement between the Parties.

SECTION 3.04. Kuwait Fund shall make appropriate arrangements to make the payments requested by UNDP on account of withdrawals from the Grant, as and when requested by UNDP in accordance with this Article, and promptly inform the UNDP of each payment so made and of the withdrawn amount of such payment.

SECTION 3.05. UNDP shall furnish to Kuwait Fund sufficient evidence of the authority of the person or persons UNDP will sign the withdrawal applications and the authenticated specimen signature of each such person.

ARTICLE IV Procedures for Disbursement form the Grant and Reporting

SECTION 4.01. The Grant will be paid to the bank account of UNDP set out below:



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Kuwait Fund For Arab Economic Development



Bank : Citibank, N.A., 111 Wall Street, New York , NY
ABA No. : 021000089
SWIFT Code : CITIUS33
Account Number : 36349562
Account Name : UNDP Contributions Account
Beneficiary : UNDP
Currency : USD

SECTION 4.02. The Grant shall be disbursed in three (3) installments as follows:

- (a) Upon the effectiveness of this Agreement, in accordance with Article (VIII) hereof, an amount of **USD 1,000,000** representing **40%** of the total amount of the Grant, will be paid upon signature to UNDP.
- (b) When 80% of the first installment have been expended or financially committed, UNDP is entitled to submit a withdrawal application for the second installment amounting to **USD 1,000,000** representing **40%** of the total amount of the Grant to UNDP. To this end UNDP shall submit an interim report covering the relevant period on the use of the Grant (30) days before the scheduled date of transfer of the second installment.
- (c) The third and last installment of **USD 500,000** representing **20%** of the total amount of the Grant shall be paid to UNDP in the same manner set forth in the previous sub-paragraph, and after submitting an interim report covering the relevant period on the use of the Grant (30) days before the scheduled date of transfer for the last installment.

SECTION 4.03. Interim report shall include a report on the progress of implementation of the Project along with a financial report summarizing all the expenditures on the goods and services for the Project made by UNDP.

SECTION 4.04. (a) In addition to the reports mentioned above, UNDP shall submit to Kuwait Fund an annual financial report presented as per UNDP standard format, summarizing all yearly operations under this Agreement. A certified financial report will be issued on 30 June of the following year of the period being reported.

(b) within six months of the date of completion of the Project, UNDP shall furnish to Kuwait Fund a completion report, which shall include, in particular, comparison of actual expenditures on the Project with its estimated costs and indicate the reasons for any cost overruns as well as any special problems encountered during the execution of the Project and the measures taken to overcome such problems, if any. Reports to be furnished by UNDP to Kuwait Fund shall conform to UNDP rules and practices.

SECTION 4.05. Kuwait Fund agrees that UNDP will be audited solely in accordance with UNDP Financial Rules. All financial transactions and related activities covered by UNDP Financial Rules shall be subject to audit by internal auditors and the United Nations Board of Auditors.

ARTICLE V Particular Covenants

SECTION 5.01. UNDP shall carry out the Project or cause it to be carried out with due diligence and efficiency and in conformity with sound technical, financial and administrative practices in accordance with UNDP rules, procedures and policies as well as the provisions of this Agreement.

SECTION 5.02. UNDP shall, in collaboration with the Local Competent Authorities, take all reasonable steps necessary to acquire, maintain and renew all licenses, consents or other rights as may be necessary for project implementation and to ensure on-site coordination of all activities and services as well as handling relations with the concerned authorities in the host country and to promote cooperation with them in all aspects related to the project implementation.

SECTION 5.03. UNDP shall maintain records adequate to record the progress of the Project (including the cost thereof) and to disclose the use of the funds received for its implementation, and shall endeavour to facilitate Kuwait Fund's representatives visits to the sites included in the Project. These visits shall not be understood as an external audit and/or verification by Kuwait Fund of UNDP books, accounts and transactional documents. Auditing will be executed per the United Nations Single Audit Principle and UNDP auditing procedures exclusively.

SECTION 5.04. UNDP shall take all action which shall be necessary on its part to execute the Project and shall do all its best efforts to prevent any action which would interfere with the execution or operation of the Project or the performance of any of the provisions of this Agreement.

SECTION 5.05. When applicable, UNDP shall ensure that appropriate and effective coordination with the public utility agencies of the Local Competent Authorities being maintained for the installation and provision of electricity and water facilities and structures in the Project areas, so as not to cause any delay in the implementation of the Project.

SECTION 5.06. UNDP shall insure or cause to be insured with responsible insurers all goods financed out of the Grant. Unless otherwise agreed with Kuwait Fund, such insurance shall cover marine, transit and other hazardous incidents to cover the purchase and importation of goods, and delivery thereof to the site of the Project, and shall be for such amounts as shall be consistent with sound commercial practices, including the agreed INCOTERM per UNDP procedures. Such insurance shall be payable in the currency in which the cost of the goods insured thereunder shall be payable, or in freely convertible currency. The insurance will be considered an eligible cost under the Agreement.



SECTION 5.07. UNDP shall take or cause to be taken all reasonable measures for protection of the environment against any negative effects which may otherwise result from the execution of the Project or subsequent operation thereof in the Project areas. To this end, UNDP shall make reasonable efforts to seek to ensure that the execution and operation of the Project is carried out with due regard to health, safety and environmental factors, and in accordance with UNDP standard environmental assessment, standards related to the public health, water and drainage management.

ARTICLE VI Administration of the Grant

SECTION 6.01. The Grant shall be administered by UNDP in accordance with relevant decisions of the UNDP Executive Board, and UNDP rules and regulations, including financial regulations and rules, policies and procedures. It was mutually agreed that UNDP's Grant shall include a General Management Support Cost of 5%. In addition to this, all direct costs (per UNDP procedures) will be charged by UNDP and shall be considered as eligible costs. No other costs or fees will be requested or added to Kuwait Fund financial commitment under this Agreement.

ARTICLE VII Methods and Procedures for Procurement

SECTION 7.01. Except as Kuwait Fund shall otherwise agree, the purchase of goods and services included in the Project to be financed out of the Grant will be procured in accordance with the methods and procedures for procurement determined by UNDP. The awarding of contracts, as well as the amendment or termination of such contracts, shall be subject to UNDP procedures.

ARTICLE VIII Effective Date

SECTION 8.01. This Agreement will become effective upon its signature by both Parties, acting through their duly authorized representatives, as of the date above written. Unless terminated earlier under the terms of this Agreement, the Agreement will remain in full force and effect until all obligations of the Parties under this Agreement have been fulfilled.

ARTICLE IX Suspension, Cancellation and Termination

SECTION 9.01. UNDP may at any time request Kuwait Fund, in writing, to cancel any amount of the Grant that will not be required for the purposes of the Project.



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Kuwait Fund For Arab Economic Development



SECTION 9.02. Kuwait Fund may, at any time, after consultation with UNDP, suspend or terminate any amount of the Grant if any circumstances arise, which in the opinion of Kuwait Fund, interfere with the successful implementation of the Project in accordance with the terms and conditions of this Agreement. Should Kuwait Fund suspend or terminate any amount of the Grant pursuant to the foregoing, UNDP shall be entitled to withdraw from the Grant such amounts as have been spent or irrevocably committed by UNDP in accordance with this Agreement prior to receipt of Kuwait Fund suspension or termination notice. Kuwait Fund shall promptly process any outstanding withdrawal applications.

SECTION 9.03. The Parties shall agree as to the use of any amount of the Grant, which UNDP shall not have withdrawn prior to the cancellation of any amount or the termination of this Agreement in accordance with the preceding Sections of this Article. Such amount may be reallocated as shall be agreed between the UNDP and Kuwait Fund.

SECTION 9.04. It is understood and agreed that, in special circumstances, either the UNDP or Kuwait Fund may, by notice terminate the UNDP responsibilities as administrator of the Grant under this Agreement as from the date specified in such notice. Before giving such notice, Kuwait Fund and UNDP shall consult with each other on the most practical and effective means of transferring such responsibilities to a new administrator. Termination of such responsibilities shall not affect the arrangements for cooperation and exchange of information between UNDP and Kuwait Fund.

ARTICLE X

Enforceability, Amicable Settlements and Settlement of Disputes

SECTION 10.01. The rights and obligations of Kuwait Fund and UNDP under this Agreement shall be valid and enforceable in accordance with their terms.

SECTION 10.02. The Parties to this Agreement shall endeavor to settle amicably all disputes or differences between them, arising out of this Agreement or in connection therewith.

ARTICLE XI

Assignment

SECTION 11.01. None of the Parties shall assign, transfer, pledge or make other disposition of the present Agreement or any part thereof or of any of their rights or obligations under the present Agreement except with the prior written approval of the other Party. Any of the aforementioned actions taken without such written approval shall not be valid.



ARTICLE XII Privileges and Immunities

SECTION 12.01. Nothing in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the UN, including its subsidiary organs.

ARTICLE XIII Visibility

SECTION 13.01. Without limiting the generality of the visibility provisions in Annex (1) of this Agreement, Kuwait Fund and UNDP agree to undertake the following actions:

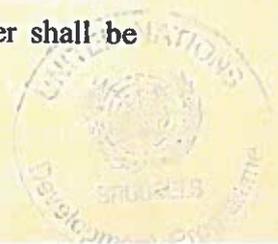
- Visibility activities will be carried out as per the agreed upon Communication and Visibility Plan.
- Kuwait Fund logo will be included in the boards depicting donors at Project locations covered by this Grant.
- A press release and postings on UNDP social media platforms targeting local, regional and international audiences acknowledging the contribution.
- Kuwait Fund Grant will be mentioned in UNDP official reports.
- Printed materials such as leaflets or brochures that may be produced for the activities supported under this Project will include acknowledgment of this Grant, including the Kuwait Fund logo.

ARTICLE XIV Disclosure

SECTION 14.01. By entering into this Agreement, Kuwait Fund and UNDP consent to disclosure of information regarding operational implementation and amount of funding made available, as per applicable policies of Kuwait Fund and UNDP. The terms of this Agreement and any information exchanged between the Parties which is marked confidential shall not be disclosed by the receiving Party unless otherwise authorized in advance in writing. This clause shall not, however, prevent disclosure of the terms of this Agreement by either Party to its advisors, auditors and employees on the basis of their requirements of carrying out their responsibilities, or to organs of the UN system, provided that the same obligation of confidentiality shall apply to the recipient.

ARTICLE XV Communications and addresses

SECTION 15.01. All notices, consents and communications hereunder shall be made in writing to the applicable Party using the contact details below:





المنشور الاقتصادي للكويت
Kuwait Fund For Arab Economic Development



For Kuwait Fund:

Kuwait Fund for Arab Economic Development
Mubarak Al-Kabeer Street
Murgab, Kuwait City
The State of Kuwait
P.O. Box 2921 Safat
Kuwait 13030
Tel: +965 22 999 000
Fax: + 965 22 999 190
Email: operations@kuwait-fund.org

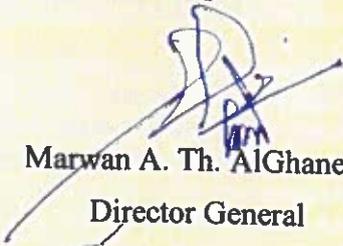
For UNDP:

United Nations Development Programme
Al-Khorashi Building Opposite Awqaf Housing Complex, Sharaa Al-Siteen
Sana'a, Yemen
Tel: (+ 967) (1) 448605
Fax: (+967) (1) 448841
Mr. Auke Lootsma, Resident Representative, UNDP Yemen
Email: auke.lootsma@undp.org

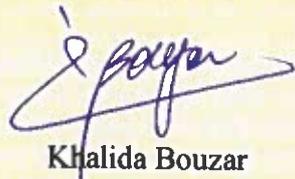
SECTION 15.02. Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Agreement on behalf of UNDP may be taken or executed by the Yemen Office UNDP or any person thereunto authorized in writing by it. Any modification or amplification of the provisions of this Agreement may be agreed to on behalf UNDP by its aforementioned representative or any person thereunto authorized in writing by it.

IN WITNESS WHEREOF, the authorized representatives of the Parties have signed this Agreement in two original counterparts in the English language.

Kuwait Fund for Arab Economic
Development


Marwan A. Th. AlGhanem
Director General

United Nations Development
Programme


Khalida Bouzar
UN Assistant Secretary General
UNDP Regional Director for Arab States





Annex (1) Project Document

PROJECT DESCRIPTION

Yemen continues to remain the world's worst humanitarian and development crisis. Since the eruption of the crisis, basic services have suffered severe setback with lack of access to energy as one of the major challenges to provide key services. The inflation and commodity prices are at an all time high and with the contrast of regional disparities in USD and YER, Yemen faces a difficult situation in managing liquidity related challenges.

The ongoing conflict has severely affected the country's health-care system: barely half of public health facilities are fully functional; salaries for health-care workers went unpaid irregularly since August 2016; and essential medications and equipment are in short supply or absent. Due to price rise and scarcity of fuel, health systems have experienced the worst. The declining oil, gas, agricultural and fishery exports - used to be a major source of GDP - caused the national economy to shrink. In 2020, the real GDP recorded cumulative contraction of about 50.5% compared to 2014. This means that more people, including children, would be pushed below the poverty line, while the humanitarian crisis will exacerbate, pushing living standards further down. As a result of the economic downturn, the average per capita GNP and its lost value in dollar terms in 2020 compared to 2014, this means that women have been exposed to greater economic pressures, as they have to strive to support their families, though they often have limited or no experience regarding income-generating activities. Therefore, rehabilitative and developmental skills around income-generating activities targeting women and girls remains an urgent need that must be addressed. Data indicate that an estimated 40% of households have lost their main source of income (since the onset of the crisis).

The project intends to address the lack of access to energy in health facilities as well as the lack of income opportunities for women and youth. In addition, the project interventions will provide support to improving the access to health services and livelihoods overall. The overall objective of the project is to contribute to reduced energy poverty and strengthened resilience capacity of conflict affected communities through improved health services and sustainable livelihoods. The project would be implemented in Aden, Lahj, Abyan, Sana'a and Hajjah governorates, and is expected to reach approximately 205,000 individuals (106,600 men and 98,400 women).

CONTRIBUTING OUTCOME (CPD)

Outcome 1: By 2023, all people in Yemen, especially the most vulnerable and marginalised, benefit from green economic transformation, improved food security and more sustainable livelihoods.

Indicative Output(s) with gender marker:

Output 1.2: Enhanced resilience and livelihoods of vulnerable people and communities.GEN2

DEVELOPMENT CHALLENGE

Yemen is facing an unprecedented political, humanitarian, and development crisis. Long the poorest country in the Arab region, over half its population was living below the poverty line before the current conflict worsened. That number has risen steeply, with over 21.5 million people needing humanitarian assistance now close to 80 per cent of the country's 28 million people. Yemen is considered the worst humanitarian crisis in the world and one of the most disproportional and devastating development crises. As per the UNDP's recent report-- Assessing the Impact of War on Development in Yemen - at the end of 2019, Yemen's war had thrust development back by more than two decades. Should the war continue through 2030, this will become nearly 40 years of development lost. Poor and average Yemenis find extreme hardship to support their families as expenditure on food, electricity, health, transportation, and water increases while sustaining an income has remained the biggest bottleneck in Yemen. Continuing,



lack of on-grid infrastructure and access to energy has made health support expensive and out of reach to many women, men, boys and girls. Sporadic availability of fossil fuel and high price makes it very difficult for hospitals to run in full capacity.

Public health services in Yemen have worsened significantly due to the conflict, which has been ongoing for more than six years. According to the UN, about half of the country's health facilities are non-functional or only partially functioning. One of the main reasons is long-lasting power outages that have become all too regular since the start of the war. Over the past six difficult years, and due to outages in remote and rural communities, in particular, Yemenis have been unable to access vital healthcare services to acceptable standards. Some health professionals reported that they sometimes have to work with candlelight. And economic hardship and lack of transport options caused by fuel shortages have prevented people from reaching the few functional clinics remaining to seek health services. Before the conflict, only around two-thirds of Yemenis had access to the public electricity grid (with approximately 12% who had access to private electricity networks), which was already one of the lowest access rates across the MENA region. In 2017, two years after the onset of the war, this number had dropped to below 10%. Most health facilities have maximized their dependence on the national grid by installing diesel generators with the government or international organizations' fuel. However, health facilities relied on diesel-based power generators, which are expensive and vulnerable to shortages of energy.

Yemen is now one of the world's most energy insecure and poor countries, with most of the country lacking sustainable energy access. Even before the conflict, rural areas holding 75% of the national population had only 23% energy access rates. The ongoing conflict has dramatically worsened; it is estimated that access to electricity had dropped to below 10 per cent due to extensive damage to the national grid and fuel shortage across the country. In general, Yemen's energy supply for many years has been minimal due to weak generation capacity, restricted access, high electricity losses from the grid, and increasing demand. Energy access in Yemen has been heavily dependent on local diesel generators to meet social services' needs. The collapse of electricity combined with price and the severe shortage of fuel needed to operate social services, businesses and household generators (for those who can afford them) has restricted most people access to essential social services such as healthcare, water supply, education, as well as lighting and the ability to power home electric appliances. The cholera outbreak in 2016 and 2017 was due to lack of access to energy in the health facilities and collapse of water systems due to the unavailability of fuel supply and high price. The solar microgrid business model is now a tested initiative and is capable of handling the above bottlenecks. The solar micro-grid model in Yemen was the first initiative implemented by women and youth groups to tackle access to energy challenges. With funding support from the European Union (EU), United Nations Development Programme (UNDP) and its partners implemented the micro-grid business model, initiated in 2018. Until now, the micro-grid stations despite the COVID-19 challenges, have continued to function well, earning an average of \$600/month and supporting their communities to access radically cheaper energy compared to fossil fuel. The pilot initiative has received global recognition from Ashden Award 2020 under the Humanitarian Energy Category. The initiative also has received acknowledgement where the representative of the solar microgrid has been featured in the BBC100 Women 2020.

In summary, there is a huge need to support access to energy to hospitals so that the critical facilities can continue to function, and vulnerable communities can benefit. On the other hand, the decentralized energy solution would let the communities have sustained income opportunities to support their health, medicine, and care expenditure. Most of the emissions that account for global warming come from the electricity sector, where the use of fossil fuels is quite rampant. We all know that burning fossil fuels let loose carbon dioxide and greenhouse gases, which contribute to the degeneration of air quality. On the other hand, sustainable energy sources release little or no greenhouse gases, thereby helping in rolling back global warming and keeping our environment unsoiled and dirt-free and would HEAL communities and countries affected by the crisis.



STRATEGY

The project would adopt two prong strategies to tackle health and economic capacities of target beneficiaries through an integrated approach of confidence building through livelihoods. The project encompasses and rests on capacity building in two key areas; Economic and health.

The health aspect would focus on providing solar hybrid solutions to hospitals and building the capacities of health staff and Ministry of Health on renewable energy. Whereas, the economic part would emphasize on; MSMEs creation, business skill building and support in building linkages with private sector and market. **through two prong strategies:**

- (Re)build and strengthen the capacities of Ministry of Health and hospitals on renewable energy
- Restoring livelihoods opportunities, and building capacities to improve socio-economic conditions of vulnerable communities;

The project will focus on reducing vulnerabilities and will contribute to improved levels of access to health services and livelihood opportunities. The approach would complement, but is distinct from humanitarian support by focusing on:

- Supporting health systems in resuming critical functions and services to the most needy people in the target areas
- Community livelihoods, and capacities improved and strengthened in the area of renewable energy;

The project will focus on the link between humanitarian and development initiatives in the targeted areas. Where possible, the project will be implemented in areas that receive limited humanitarian and development assistance. Considering the fluid nature of the conflict, COVID-19, coordination with providers of humanitarian assistance will be ensured through the Food Security and Agriculture Cluster (FSAC) and Health Cluster coordination system.

The Theory of Change (ToC) assumes that (i) improving capacities of local communities and systems, (ii) enabling conditions to improve the access to health services for affected people and to livelihoods means, and (iii), addressing cross-cutting issues will enable local communities to manage risks and shocks with increased economic self-reliance and enhanced health.

Complimentarity with UNDP's Supporting Resilience Livelihoods and Food Security in Yemen (ERRY) Project

UNDP Yemen has proven experience in providing renewable and affordable energy solutions to frontline communities of the conflict in Yemen, which has resulted in reduced need for humanitarian assistance, saving lives and (re)establishing livelihoods. This has been achieved through UNDP Yemen's *Enhanced Rural Resilience in Yemen (ERRY)* project currently in its second phase (ending 2021) and preparing for its third phase (starting March 2022). ERRY II comprises of three outputs with the second focusing on vulnerable communities benefitting from solar energy for sustainable livelihoods opportunities and enhanced social service delivery, to which HEAL will directly contribute. In its anticipated third phase, ERRY comprises of three workstreams, each consisting of two pathways. HEAL will form part and contribute directly to workstream B on *Sustainable Environment – Clean Energy and Climate Resilience* and to its pathway on *Access to Affordable, Clean Energy*, and secondly to workstream C on *Sustainable Circular Economies – Agriculture, Employment, and Economic Resilience* and to its pathway on *Supporting Sustainable Livelihoods and Economic Development*.

HEAL will build on the groundwork done by ERRY to ensure amplification and sustainability of the progress achieved, especially through two activities: (i) scale up of solar hybrid systems to which ERRY already provided a key requisite by installing a remote sensing application to monitor the systems' performance, and (ii) enhancing income opportunities for women and youth through solar microgrids.



A such, HEAL and ERRY will be driven by strong linkages, with ERRY providing the umbrella under which the projects' effective complementarity will help to reach better development outcomes, as well as (cost) efficiency. The theory of change that underlies the project rests on a number of interconnected assumptions, principles, and lessons learned on fragile and conflict-affected settings and from the ongoing work in Yemen, as detailed below:

Conflict sensitive approach: The project would adopt the conflict sensitive approach in the implementation of the initiatives. The lessons learnt from the success solar micro-grid pilot initiatives suggests that, the scan of the local level conflicts is a pre-requisite to implement the community level initiatives. This is also important to engage the powerholder and those who do not have in the initiative. Otherwise, chances are high that the initiative could hit the roadblock. Secondly, the pilot initiative would engage both displaced and host population to build the social cohesion among the communities. Due to protracted crisis, Yemen is also experiencing the overstretch of natural resources and conflict between IDPs and host. Therefore, the proposed project would take the above into project design and ensure that DO NO HARM principle is applied to it.

Gender mainstreaming: Yemen sits at the bottom of gender index globally and crises has been broken the gender division of labor for women and men. Women are now allowed to participate in economic activities. The project would focus on women and youth to build up the economic and empowerment model through the solar micro-grid. The current station in the north in Abs (one of the districts) is run by group of women which has received considerable community acceptance. This is also the fact that, the solar micro-grid provided the decent job with dignity and women were able to overcome various challenges and barriers at the initial phase of the community. Lessons from the group of women would be applied to the proposed scale up initiative.

RESULTS AND PARTNERSHIPS

Expected Results

Project Outcome: By 2023, all people in Yemen, especially the most vulnerable and marginalised, benefit from green economic transformation, improved food security and more sustainable livelihoods.

The objective of the project is The overall objective of the project is to contribute to reduced energy poverty and strengthened resilience capacity of conflict affected communities through health services and sustainable livelihoods improvement.

Outputs, activities and actions

Output 1: Targeted hospitals have improved access to energy in sustainable manner and resumed critical facilities and services

Activity Result 1: Targeted hospitals have improved access to energy and resumed critical facilities and services

The project will reach hospitals, focusing on quick and high impact initiatives that will create sustainable access to energy for affected hospitals. As identified one of the key bottlenecks is lack of access to energy, the selected hospitals would be provided solar hybrid systems. These systems would be defined by conducting the energy gap assessment in consultation with relevant UN agencies such as United Nations Office for Project Services UNOPS and others. Concurrently the provision of capacity building of health staff and Ministry of Health on operation and maintenance will be valuable for hospitals.

Activity 1.1 Production of Integrated and Hybrid energy design for targeted hospitals: It consists of a modular simulation of energy consumption, the electrical system's status, layout and loads. The project would hire two consultants through the direct contract modality to produce hybrid design composed of fuel supply, grid provision, and solar energy requirement. It would be advisable if local



consultants from the targeted governorates are hired to ensure the accessibility to site with less transportation and mobility.

Activity 1.2: Capacity building for staff of hospitals and representative from Ministry of Health on operation and maintenance of hybrid energy solution; The activity would focus on training the hospital staff in operation and maintenance. The training would provide understanding of the installation and regular maintenance, replacing spare parts, checking the electrolyte in batteries, corrosion cleaning, inspecting and replacing protection fuses and short circuit problems. Cleaning the panels, supervision of the hybrid systems and how to manage the GPS tool for the grievance and redressal mechanism during the breakdown would also be part of the capacity building. The solar installation suppliers would be responsible for providing the capacity building training to targeted beneficiaries.

Activity 1.3 Installation of hybrid energy design using long term agreement (LTA) for a hospital: UNDP has existing LTA for solar systems under the ERRY project. The project team would discuss with the procurement unit to access the LTA to install a hybrid energy system. The hired consultant under activity one would provide the specification, bill of quantity and support in developing the RFQ to launch.

Activity 1.4 Activation of Remote Sensing Application to monitor the system performance as Grievance Redressal Mechanism and scaling up of solar inventar systems: The solar hybrid system would have the remote sensing application inbuilt to monitor it on a real-time basis. UNDP under ERRY project has experienced and installed the remote sensor, and real-time information can be gathered. The remote sensor relays messages to the delegated mobile numbers in case of system break down. The solar supplier would train the hospital staff to manage the real-time transmission and handle the system breakdown or any unforeseen events. UNDP has developed the solar inventar platforms (www.solarinventar.info) to support the renewable energy initiative in Yemen through developing the list of all solar programming by agencies. The inventar includes the health sector along with others such as agriculture, water and sanitation, education, shelter and jobs and employment. The above activity would support in scaling up the inventar while engaging the partners across clusters (FSAC and Health) and update the platform with solar/renewable energy projects.

Output 2: Targeted women and youth have access to sustained income opportunities through solar micro-grid supported expenditure for health, medicine and care.

Activity Result 2: Targeted women and youth have improved income opportunities options through solar microgrid. The result will focus to develop solar microgrid models based on the earlier success of it under the ERRY project. The solar microgrid provides clean energy as well as livelihoods to the targeted communities in a sustainable manner. The result will also focus on leveraging the engagement of the private sector to scale up the solar microgrids. The solar microgrid model would be developed with the support of microbusinesses who would provide the clear energy to commercial and residential needs as well as earn income from it.

Activity 2.1: Access to energy analysis, consumption and gap assessment at the community level: At the initial stage, with the support of implementing partners and solar engineers, energy analysis based on consumption and gap would be assessed in all the targeted locations. The energy gap analysis would provide estimation of energy and capacity model that would be required to be built to facilitate the solar microgrid establishment. The assessment would also provide the cost estimation that each solar microgrid model needs and support to micro enterprises.

Activity 2.2: Identification of targeted micro-small-medium enterprises (MSMEs) to establish solar micro-grid businesses: with the energy gap analysis, existing or new micro enterprises would be established in the targeted areas. UNDP along with implementing partner would develop strong and robust criteria for selecting MSMEs based on energy gap assessment linking health, education and public services. Selected MSMEs would be receiving basic and advance capacity building and training on business and life skills, and solar energy microgrid models. The group members from the existing solar



microgrid stations would be invited to share the hands-on experience in running the plants and how challenges and bottlenecks with regards to businesses can be addressed. In the business training, the participants would learn how to set up the microgrid plants, business management, including accounting, cash flow, link with banking and MFIs. The microgrids in Hajjah and Lahj would be considered as a model and their group members would be invited to newly established microgrids.

Activity 2.3: Procurement and provision of micro-grid station equipment to the identified MSMEs; UNDP would procure the solar panels, battery, inverter and related equipments based on specifications and bill of quantity through competitive bidding process. Once the procurement process is completed, UNDP along with implementing partner would develop the solar microgrid equipment distribution mechanism to install and commission the stations. UNDP with the implementing partner would monitor and supervise the installation and commissioning of the microgrid stations to ensure the technical appropriation for the functioning of the microgrid as well as operation and maintenance.

Activity 2.4: Establishment of energy connections to the households, commercial shops, schools, health centers and public offices: After the establishment of solar microgrid stations through MSMEs, energy connection including tariff establishment would be done. Microgrids use different revenue models. These models consider the daily and monthly electricity consumption. For example, two microgrids in Hajjah (north part of Yemen) are using a non-fixed load type model. In this model, the station has installed a digital kWh meter at end-user points to record the monthly consumption of electricity, and users must pay the number of units consumed. The accountant issues the consumption bill for the first ten days (three times a month) using the electronic billing form. The form gets distributed to all its users, and in return, users pay the electricity fees at the station office. All transactions (money in and money out) are recorded with an official receipt and acknowledgments. UNDP would collaborate and consult the Ministry of Electricity to develop a harmonized renewable energy tariff system to promote the MSMEs income generation opportunities.

Resources Required to Achieve the Expected Results: The project will rely first and foremost for its implementation on human resources, grant funds and technical services.

Human Resources

- **Project staff:** The project would be implemented based on cost sharing approach. It will include one international staff and four national staff of which one is female (full staffing list is shown in Section VIII). International staff would act as Chief Technical Advisory and where as 1 national coordinator, 1 solar energy specialist, 1 procurement and finance associate, 1 monitoring and evaluation officer) would be part of the team. Given the security constraints, none of the project staff will be outposted in government offices whether national or local. Project staff will be involved with overall and day-to-day planning of project delivery, managing procurement and recruitment processes and agreements with responsible parties, coordinating with government and development partners, providing guidance to responsible parties and overseeing their performance, collating and analysing monitoring data and preparing progress reports. Project staff will also be involved in delivering policy advice and capacity-building support to local institutions relevant to project and crosscutting issues such as gender.
- **Local authorities:** project outputs will be implemented in close coordination with the local authorities, relevant departments and experts appointed by governorate and district authorities.
- **Service Providers:** all project activities will involve implementation by Service Providers selected by UNDP, given the security and operational constraints that limit the ability of UNDP for direct implementation – except for activities taking place out of the country.
- **UNDP Yemen programme staff:** the Governance & Rule of Law Pillar and the Economic Recovery & Development Pillar as well as Peace Support Facility unit in UNDP Yemen Country office will support the project for resource mobilization, quality assurance, technical guidance and policy



advocacy support towards the central government and the broader development community. UNDP Yemen will support day-to-day administrative and financial management needs of the Project team for executing the project. All UNDP Yemen staff time devoted to implementing project are accounted for in the Direct Project Costs (DPC) and Common Services (CS) incorporated in the project budget calculations.

Equipment and other resources: Various types of equipment will be procured by the Project for achieving the intended results. The range of equipment that may be procured has been listed in the result section related activities. Any procurement done through grants will be done by Responsible Parties according to their SOPs, as they have been approved through the HACT process.

Partnerships: Different actors will be responsible for the planning, implementation and monitoring/reporting of the project activities at all levels, in close coordination with the implementation team of the project. The direct implementation of activities is designed to create the organizational foundation necessary for the sustainability of the project. In addition to technical assistance and capacity development, the project will provide indirect support to stakeholders. Partnership arrangements will detail the delivery of services by local partners, respecting both national and international priorities.

The project intends to partner with Ministry of Health and Ministry of Water Resources and Environment and Department of Renewable Energy. Also, close partnerships with sister agencies will be maintained and expanded for the ultimate benefit of the project and consequently for higher impact on the affected population. To date, UNDP has set strong cooperation with ILO, IOM and UNWOMEN, UNHCR, UN Women, Women Entrepreneurship Association and Yemen Women Unit (local NGOs), especially will be a crucial partner in enhancing women's leadership in relation to women's economic empowerment and promotion of gender equality. The project would further explore the partnership with other projects of UNDP in country and would strengthen the cooperation closely by working together from the planning, implementation and evaluation stages.

UNDP would collaborate with local Yemeni partners) and Regional Center for Renewable Energy and Energy Efficiency (RCREEE- regional organization leading in renewable energy) based in Cairo for developing the capacity building certified curriculum for communities on solar micro-grid. RCREEE being the regional umbrella for the renewable energy, various expertise would also be sought from the regions to support this initiative. RCREEE has sound experience in implementing renewable energy projects in fragile and conflict countries in the region (e.g., Yemen, Iraq and Sudan). For Yemen, RCREEE, during the last few years, collaborated with several international organizations (World Bank, UNDP and UNOPS) to implement several energy projects aimed to find solutions to recover the electricity services and to develop innovative business models to spread using solar photovoltaic applications in the Yemeni communities. UNDP Yemen over the past few years have increased its footprint in the area of renewable energy and currently chairs the Solar Working Group at the national level. UNDP along with RCREEE has developed the SOLARINVENTAR (www.solarinventar.info) to support the local and national partners in the area of renewable energy while promoting communities of practice. UNDP would also bring the regional hub (Istanbul) support to this initiative to implement the project. UNDP would also closely work with GIZ and partner in building networks with private sector.

Relevance to Yemen Humanitarian Response Plan (HRP) 2021: The HRP identifies the decaying infrastructure and basic services where only half of health facilities (10,000) are currently functioning. It further highlights that 90 per cent of the population lacks access to publicly provided electricity, with shortage due to chronic under-supply, lack of plant capacity, conflict related damage, inadequate maintenance and fuel shortages. The HRP also highlights that conflict has weaponized the economy. Since 2015, the economy has shrunk by half, and more than 80 per cent of Yemenis now live below poverty line. The collapse is most visible in loss of income, depreciation of the Yemeni rial (YER), loss of Government revenue and rising commodity prices. More than 40% of Yemeni households are estimated to have lost their primary source of income.



The proposed interventions tackle lack of electricity while solarizing the hospitals and thus help Yemenis to improve access to critical health facilities. Economic instability and limited livelihood opportunities will further reduce household purchasing power, and impose increasing economic barriers to services, creating tensions with the host community; it also increases the likelihood IDPs will need to resort to negative coping mechanisms, with consequent protection risks, especially for children and women. The solar microgrid solution would support the vulnerable communities in income generation and thus mitigate the risks of negative coping mechanism.

Risks and Assumptions

Political risks: The UN works within complex dynamics reflecting competing interests of political actors and member states, limitations of responding to the scale of needs, a society under pressure and trauma, and security and access constraints. The UN maintains its operational integrity through adherence to principles of impartiality, human rights and inclusive humanitarian/civilian assistance and engages stakeholders clearly communicating these principles. UNDP coordinates with the Office of the Special Envoy to the Secretary-General and is a member of the Humanitarian Country Team and UN Country Team to collectively address political risks.

To mitigate the political risks, UNDP will put in place a communication strategy and ensure regular Project monitoring, risk analysis and oversight. Grievances from beneficiaries and stakeholders will be channelled through mechanisms established within the project. UNDP will inform MOPIC and other relevant authorities of project progress and issues and to support implementing partners in gaining acceptance of the strategies and principles of the project and enabling a conducive operating environment.

Operational risks: Due to the ongoing pandemic, conflict and related insecurity, the project will face some operational risks in relation to potential disruption in UNDP's business processes and project management services. UNDP has developed a Business Continuity Plan for COVID-19 which ensures that the critical office functions can be performed from other locations if necessary. UNDP has staff presence in the targeted locations, through other ongoing programs in which UNDP has presence, can reach all governorates. UNDP will also rely on a contracted Third-Party Monitoring Agent to perform complementary monitoring of the project. Service Providers would be recommended to take the preventive measures of COVID-19 for their frontline staff as well as for beneficiaries to mitigate the risks of infection.

In terms of asset delivery and management, the project will seek to establish specific arrangements with the local authorities, male/female community committees for delivery and premises protection in project sites. Further and to prevent violence against women during assets delivery, women will participate in the selection of location and timing. Regular assessments of the political and security situation will generate evidence to inform all project decisions and help to determine if additional security measures or adaptations to any aspect of the project are required to ensure its relevance, effectiveness and impact.

Financial/fiduciary risks: The financial and fiduciary risks are defined by several factors, including hyper-inflation, fraud, and cash advance management. UNDP's anti-fraud policy, the annual audits, regular spot-checking by UNDP staff, and above the donor internal procedures to mitigate the risk of fraud, misappropriation and diversion of funds.

Programmatic risks: The programmatic risks are associated with access and targeting due to security or conflict-related obstacles. These will be mitigated with the help of implementing partners' widespread network, as well as regular analysis of the conflict context through specific conflict-sensitivity tools. UNDP level risks are associated with UNDP's potential inability to verify results on the ground in a timely manner, potential inability to recruit staff in a timely fashion to support Project implementation, and potential inability (or significant delays) to meet delivery expectation/targets. UNDP will closely review the quarterly expenditure reports of the responsible parties to monitor financial delivery of the project.



Further, empowering women and shifting the gender roles and level of power within the targeted communities may lead to GBV. Male/female community committees established throughout the project can be utilized in the awareness creation of women human rights, GBV and PSEA and how to respond and report to such incidents. Accountability channels will be established to report these incidents in confidential matter.

Security risks: The ongoing protracted conflict continues to pose significant security risks to the implementation of the project in the form of (petty) crime, air strikes, landmines and UXO, terrorist attacks, and ground combat, arbitrary arrests and detentions. This situation compounded by the breakdown of law and order and rise of crime and general insecurity. UNDP intends to mitigate these risks through close collaboration and coordination with the UN Department for Safety and Security, including the de-confliction protocols and strict adherence to UN security procedures. Staff training on conflict-sensitive communications and risk management will continue.

Stakeholder Engagement

The implementation of the project will be highly participatory and will be overseen by a project board. The direct beneficiaries will be engaged based on their willingness and commitment to contribute to the project results on a non-monetary basis. From its onset, the project will promote ownership by the targeted local authorities and communities.

While activities are designed to benefit communities at large, the project will include dedicated efforts to identify the most vulnerable groups among communities and address their specific needs. Vulnerable households/individuals will be selected through a consultative and inclusive participatory process with women and men community-based institutions using beneficiary selection criteria jointly developed by partners. An accountability channels will be established to report against any unfair exclusion or selection of beneficiaries.

Specifically, the project will target unemployed youth, women, socially excluded and other marginalized groups, including IDPs, returnees and host communities, households with highest levels of food insecurity and malnutrition, women-headed households, as well as people with disabilities and minority groups.

Youth: Of the youth population, 71 percent live in rural areas and 91 percent work in the informal sector. The presence of a large youth population with limited employment opportunities fuels alienation and exclusion from the state and economy, and feeds into conflict and instability. The population pressure has serious ramifications on scarce land and water resources and on the labour market, which is exacerbated even more due to the escalation of conflict.

The project will actively engage youth through social and community mobilization work, which has the potential to translate into longer-term employment opportunities. The project will give special attention to youth –actively including young women – as an important driver of peace, providing them with income and participation opportunities through the microbusiness opportunities interventions. In this sense, the project contributes by providing opportunities for jobs, ensuring interventions enhance inclusion, and providing opportunities for collaboration around the project implementation and monitoring.

Women: For more than ten consecutive years, Yemen has been at the bottom of the World Economic Forum's Global Gender Gap Index for women's equality (141 out of 141 countries). Child marriage is common. Gender-based violence is hidden, but ever present in Yemen. Women have limited freedom of movement; conservative traditions prevent their participation in the economic arena; they have little control over family resources. There are striking differences between the attainments of women and men in the labour market, both in terms of employment status and the range of occupations open to women.



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Due to the ongoing conflict, women are disproportionately affected and have become increasingly vulnerable – women-headed households in particular. The number of women-headed households are increasing due to conflict as men are often absent seeking employment, engaging in fighting, or have been killed. Experiences from the ongoing intervention shows that, women are capable of leading the entrepreneurship and therefore the livelihood and income generation would target them to support the most vulnerable.

In rural areas, where strong tradition restricts women's participation, community consultation and discussions with women will be part of the priority outreach approach in order to explore suitable cash for work and other livelihood activities, including small businesses, that women can participate in. Throughout existed local women community committees, women will be included in the project design, implementation, monitoring and evaluation to assure that they have access to benefits that they value and that they are able to manage the resource base in a sustainable manner.

The solar microgrid model has demonstrated that targeting with community engagement would help women to prosper in becoming the role model through the economic empowerment approach. The experience of successful solar microgrid would be applied in targeting women under the above initiative.

Marginalized groups: The *Muhamasheen*, of African descent, are one of the most marginalized and socially excluded groups in Yemen. This is exacerbated by numerous and complex factors, such as discrimination and inequality, which limit their access to quality education; and racism in the wider community, which limits their employment opportunities. Often the only work options for them are low-wage and precarious such as street cleaning or smuggling; this has only been exacerbated by the conflict. Competency-based skill development trainings could significantly improve their livelihood-generating options. To improve integration, livelihoods opportunities and reduce vulnerabilities, the *Muhamasheen* will be involved in community level consultation processes.

Internally displaced people and returnees: IDPs are another priority target group for the project. Livelihoods opportunities and access to food are among the top two priority needs for IDPs and returnees; the project will address this by providing skill development opportunities and provision of grants for the establishment of MSMEs related income opportunities.

Relevant government agencies and insitutions: The project is intended to work closely with the insitutions and cooperatatives to strengthen the institutional capacity in the sector. In order to build the capacities of the solar microgrids, the project would collaborate with Technical and Vocational Education Institute (TVET).

Solarization of hospitals (5) would provide the outreach of approximately 100,000 direct beneficiaries who would benefit from the resumption of critical facilities. The micro-grid stations have a capability to reach more than 100-200 households (approx. 1400 individuals) and connecting the schools, hospitals and public offices could reach around 300 households (approx. 2100 individuals). With 50 micro-grid stations, the project would reach directly 15,000 households and approximately 105,000 individuals. In total the project would reach 205,000 direct beneficiaries.

South-South and Triangular Cooperation (SSC/TrC): Bilateral cooperation: organizing inclusive learning events gathering for SMEs, MFIs and private sector actors and policy makers and community representative. The learning event will be comprised of the targeted districts of the project as well as non target districts would be invited to exchange learning and their experiences from the project. The project will ensure the equal representation of men and women and will encourage women to share their experience, present their achievements, discuss the challenges and document women and men success stories and lessons learnt.

Knowledge: The Project will develop and disseminate two types of knowledge products:

→ for use by the Project's beneficiaries (individuals households, women, men and youth, private sector organizations, microfinance institutions' and MSMEs, public and commercial banks): publications



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issued by the Project (including UNDP, service providers) such as guidelines to access banks, MFIs, human interest stories, project brochures, leaflets etc.

→ for use by the wider international community and governments of other developing countries presenting a similar context to that of Yemen and seeking to address the resilience including lesson learnt documents, case studies, research papers on innovative approaches successfully piloted by the Project, as well as a final report presenting the Project's approach and results.

Knowledge products will fall within the thematic areas covered by the Project (capacities for service delivery, renewable energy, livelihoods, peer networking, improving public services, resilient businesses) as well as on cross-cutting aspects (gender equality, social inclusion, conflict sensitivity).

Communications: The project will undertake a series of communications activities. All the project communications will portray women and girls, men and boys equitably and fairly. The project will use inclusive language throughout all written communications as well as visual and audio materials.

Online communication and visibility: Information about the Kuwait Fund will be disseminated through web platforms and social media. The Government of Kuwait emblem and acknowledgement of its support will also be included, as will links to the relevant websites and social media accounts.

Electronic newsletters, online articles and blogs: The intervention will disseminate inclusive and gender sensitive electronic newsletters, online articles and blog posts to inform the stakeholder's audiences about the Government of Kuwait-financed project. These publications will also be shared in social media channels of UNDP in Yemen, regional and globally into their webpages. They will also be shared in the implementing partner website. Arabic versions of these publications will be produced whenever possible.

Inclusive Information campaigns, events, visits, stakeholder meetings: These will be conducted according to Government of Kuwait Communication and Visibility criteria. These events will link overall objectives, achievements and impacts of project with Government of Kuwait general partnerships with UN agencies working in Yemen. Public events (such as workshops, learning, training courses, and exhibitions) will be conducted to highlight the objectives and achievements of the Programme. The Government of Kuwait emblem will be displayed prominently on all these events to ensure that attendees are aware of the Government of Kuwait's financial support. The project will ensure equal representation of women and men in all campaigns, events and meetings.

Press releases: Press releases will be issued at action launches, and during events or joint field visits. The Government of Kuwait partnership with UNDP and implementing partner in Yemen and funds provided by the Government of Kuwait will be mentioned.

Audio-visual material, photography and other productions: An inclusive and gender sensitive Audio-visual and photographic materials will be produced to convey project accomplishments, impact, and key messages. All materials will comply with the Government of Kuwait-financed external actions' criteria in and will consider the generally recognized standards and best practice. The Government of Kuwait's will be entitled to use or reproduce all audio-visual and photographic materials produced by UNDP or implementing partners. Audio-visual materials will also feature the Government of Kuwait emblem at the beginning and/or end of the production, accompanied by the following text: *This [film/video/...] was produced with the financial support of the Government of Kuwait.*

Photographs related to project progress, results, and impact will also be available to the Government of Kuwait, accompanied by metadata or a separate English metadata file detailing (for each image) the photographer's name, production date and location and a caption detailing the names and functions of any identifiable individuals.

Audio-visual material and photographic material will ensure that women and men are represented and should challenge any existing gender stereotypes in the targeted communities.

An inclusive and gender sensitive newsletters, leaflets, brochures, assessments, human stories, case studies and other printed materials: These will be disseminated in electronic form through websites,



social media and email. All these materials will comply with the Communication and Visibility in Government of Kuwait-financed external actions criteria. The cover or front page of any document will clearly identify the Programme as an Government of Kuwait-financed action. The Government of Kuwait emblem will be prominently visible.

Promotional materials: projects promotional materials (jackets, t-shirts, calenders, mugs and notebooks) will be produced and distributed to implementing partners, stakeholders and people working in the field. These promotional materials seek to increase Government of Kuwait visibility in the field and amongst government officials and stakeholders. The Government of Kuwait emblem will be prominently visible in these materials accompanied with the sentence: *This programme is supported by the Government of Kuwait.*

Banners and commemorative plaques: The Government of Kuwait emblem will be prominently visible on all project special event banners. project permanent structures (such as training centres, solar systems or markets) will bear a commemorative plaque inscribed with the following sentence: *This [type of structure] was built with the Financial support of the Government of Kuwait.* These will be placed in the most visible part of the structure, such as at the front of the building or at its main entrance.

Sustainability and Scaling Up: The sustainability of the proposed interventions would handled at two major levels:

1. **Solarization of health systems:** the provision of solar hybrid systems in hospitals would result in significant savings by having less expenditure for fossil fuel. The hospitals would be able to save money due to the solar hybrid model which has very negligible operation and maintenance cost. The solar system would have at least two years of warranty period to support the operation and maintenance. In two years of time, the targeted hospitals would be able to save substantial amounts in order to expand any future solar systems. The solar panels would last for at least twenty years whereas the battery for five years maximum. The targeted hospital can replace the battery with the amount of savings in five years time period.
2. **Solar microgrid:** Interventions will adopt the value chain approach by promoting the local producers, market actors, private sectors, and economic institutions. Building the horizontal and vertical linkages will strengthen the value chain, and thus the MSMEs could be sustained. MSMEs have a significant advantage over larger organizations regarding addressing sustainability issues- their size means they can react very quickly to changes in the business environment. They are disadvantaged, however, by lack of information on marketplace changes that make sustainability an opportunity to innovate, and to inspire others. While some SMEs could become a leader in the business environment as opportunities-seeing the tasks which require more change as an additional burden, rather than a source of potential advantage. The intervention has been designed to tackle bottlenecks as mentioned above, in terms of providing accurate and timely information about the marketplace.

PROJECT MANAGEMENT

Cost Efficiency and Effectiveness: HEAL project introduces the following features to enhance the effectiveness of its development and reform interventions:

Gender inclusive Approach: Through its stakeholder strategy, the project benefits from the involvement of women/men national actors, specialized institutions and civil society groups which ensures that interventions are effective, relevant and sustainable in the long term.

Dynamic Programme Building on Lessons Learned: The programme builds upon and scales up combined experiences of UNDP and the UN sister agencies of what works in the field. Through effective communication and coordination, the project will adjust to new circumstances and lessons learned to maximize impact and reduce costs.



Harmonized and Integrated Development Approach: Project will be implemented within a broader programmatic framework notably encompassing livelihoods, local development and conflict reduction making the stabilization interventions more strategic and effective for the people of Yemen.

Health & Safety and Environmental Safeguards: The project will analyse and address significant social and environmental and occupational health and safety risks and impacts via UNDP's Strategic Environmental and Social Assessment (revised SESA, 2021). Where a risk is determined to be Moderate to High, the project will undertake a comprehensive environmental and social impact assessment (ESIA), including the development of a social, environmental and occupational health and safety management plan. The plan will include steps for implementing protective and safety measures for the community members, contractors and labourers/workers. The project will also utilize a Stakeholder Response Mechanism that includes stakeholder analysis, a stakeholder engagement plan, a consultation process and a grievance and the Complaints Handling Mechanism (CHM), as referred to above.

Project Management: Effective management of the Programme will be critical, given its importance, size and complexity. To this end, the project will employ a project management methodology which emphasizes a simple and structured yet flexible framework, with an emphasis on delivering measurable outcomes and benefits. The following guiding principles will be applied:

- **'Do no harm'.** This approach ensures that the project's work does not harm beneficiaries and stakeholders.
- **Foster local ownership and skills transfer.** This will be both through the Board members, and through day-to-day involvement of counterpart institutions.
- **Manage the Programme in a flexible and responsive way.** Drawing on the experience of the project's Yemeni staff, who are able to solicit informal feedback from counterparts, make sure that the Programme is responsive to its counterparts' changing needs.
- **Gender equality.** This approach ensures that the project will be able to apply Gender-sensitive language, the collection and analysis of gender-specific data, equal access to and utilisation of services, involve women and men in decision making.
- **Draw on local insight and expertise.** Maximise the use of Yemeni experts on the project team.
- **Build momentum and demonstrate positive impact in the early stages of the project.** This will take place under each programme component, with an emphasis on 'quick wins' and a robust M&E strategy.
- **Close partnerships with Ministry of International Planning and Cooperation, Ministry of Water Resources and Environment, Ministry of Health, vocational training institutes, and relevant agencies, and associations including UN Women, Women Entrepreneurship Association and Yemen Women Union (local NGOs).**

RESULTS FRAMEWORK

Intended Outcome as stated in the Country Programme Development: Outcome 1: By 2023, all people in Yemen, especially the most vulnerable and marginalised, benefit from green economic transformation, improved food security and more sustainable livelihoods. **Related outcome indicators as stated in the Yemen CPD:** Output 1.2: Enhanced resilience and livelihoods of vulnerable people and communities. (As per Table A below)

MONITORING & EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: Monitoring Plan. (As per Table B below)

PROJECT BUDGET

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project,



such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document. (As per Table C below)

GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The project will be directly executed by UNDP and in compliance with existing rules and regulations. The project activities will be implemented under supervision and the guidance of the Resident Representative (RR) and Deputy Resident Representative (DRR), who will directly oversee technical implementation of the project. Other UNDP units such as Management Support Unit (MSU), Procurement, Finance, Communications, Common Services, Information and Communication Technology, Human Resources, will support efficient and effective project delivery and oversight. The project will benefit from a wealth of technical and managerial expertise from the UNDP Regional Bureau in Arab States.

The Project Board: A Project Board would be established and preside over this project offering advice and guidance to overall implementation of the project. Should there be any major changes in the landscape this organ will lay the strategic guidance on how to meet such challenges and with what appropriate measures. The Project Board will consist of the Resident Representative of UNDP and representatives of GoK. The project board will be supported by UNDP Economic and Development Unit and the Chief Technical Advisor Based on the approved AWP, the project board may review and approve quarterly project plans and authorize any major deviation from these agreed plans. It is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next. This ensures that required resources are committed, arbitrates on any conflicts within the project, and negotiates a solution to any problems between the project and external bodies. In addition, it approves the appointment and responsibilities of the Project Manager and any delegation of its project assurance responsibilities. The project board will be convened bi-annually. Procedures for interest income and unspent balances are in line with the policies and procedures of the Kuwait-UNDP Partnership Fund.

The board will:

- Review and approve the annual work plan of the project and the quarterly work plans if necessary
- Review the progress report and ensures that obstacles to smooth implementation of the project are addressed.
- Ensure gender is mainstreamed throughout the project lifecycle
- Suggest revisions/measures or reallocation of funding if the project faces obstacles in implementation under any given section.
 - Facilitate audits and evaluations, and report back to the Project Board;
 - Review and approve M&E plan
 - Review and approve gender initiatives and side activities
 - Promote synergies across the project activities and with all cross-cutting themes;
 - Coordinate and compile narrative reports received from Participating UN Agencies, and report back to the Project Board for review and approval

The Project Implementation Team UNDP: The project team will be responsible for implementing the present project according to specific terms of reference, under the overall direction of the project manager and the Project Board. The percentage of female project staff and consultants will be 50%, if applicable. This will ensure gender inclusion, mainstreaming and empowerment throughout all the project phases.

The CTA (P5-International) will be based in Sana'a and will be responsible for day-to-day management and decision-making for the project. CTA's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The CTA time and cost would shared and charged from the ongoing projects.



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National Coordinator will be based in Aden and will be responsible for strategic coordination support and support the implementation of key activities under the project. The National Coordinator would provide his/her expertise and technical assistance and advisory support to implementing partners and relevant counter partners. Currently the National coordinator is also supporting other livelihoods project in the country offices and therefore the cost would be on shared basis.

Monitoring and Evaluation Officer: The role M&E would be to work closely with the national coordinator and support in the implementation project related activities. The officer would also be responsible to ensure the implementation of monitoring and evaluation framework and activities during the project intervention. The M&E officer works and manages three different projects and the cost for the position would be shared.

Finance and Procurement Officer to be based in Aden will be responsible for guidance in overall financial management of the project, including the release of funds, quality of financial delivery, audit process, financial reports to UNDP and the donor etc. The cost of the position would be shared with ongoing fisheries and Government of Japan funded project.

Solar Energy Specialist: the specialist would be based in Sana'a and responsible for the technical guidance and providing expert support in the implementation of output 1 and 2. Solar energy specialist support EU funded project and salary cost would be determined based on cost sharing basis with other project.

Composition and organization

This group contains three roles:

- **Executive (UNDP):** is responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher-level outcomes; ensures that the project gives value for money, uses a cost-conscious approach to the project and balances the demands of beneficiary and supplier.
- **Senior Supplier (Donors/UNDP):** primary function within the project board is to provide guidance regarding the technical feasibility of the project. The senior supplier represents the interests of the parties which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing) and has the authority to commit or acquire required supplier resources.
- **Senior Beneficiary (MOPIC):** represents the interests of those who will ultimately benefit from the project or those for whom the deliverables resulting from activities will achieve specific output targets. The senior beneficiary's primary function within the project board is to ensure the realization of project results from the perspective of project beneficiaries. They validate the needs and monitor so that the solution will meet the needs of the project. The senior beneficiary also monitors progress against targets and quality criteria.
- **Ministry of Water Resources and Environment:** represent the interest of those who would be able to take the initiative forward and replicate. The engagement would also ensure that, the intervention is in line with the agreed stranded and institutional arrangements.

Other project roles by UNDP are as follows:

- **Project Assurance:** project assurance is the responsibility of each project board member. The project assurance role supports the project board by carrying out the objectives and independent project oversight and monitoring functions. This role ensures appropriate project-management milestones are managed and completed.
- **Project Support:** the project support role provides project administration, management and technical support to the CTA, as required by the needs of the individual project. The provision of any project support on a formal basis is optional. It is necessary to keep project support and project assurance roles separate in order to maintain the independence of project assurance.



TABLE A: RESULTS FRAMEWORK						
EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE	Implementation		DATA COLLECTION METHODS & RISKS
			Value	2022	2023	
Output 1 Targeted hospitals have improved access to energy in sustainable manner and resumed critical facilities	Indicator 1: # Number of health facilities supported Baseline: 1 Target: 4	UNDP	1	4	0	Energy gap assessment report Project Final Report
	Indicator 2: # Number of critical facilities have resumed and supported women, men, girls & boys. Baseline: TBC Target: TBC	UNDP	0	TBC	0	
Output 2 Targeted women and youth have access to sustained income opportunities through solar micro-grid supported expenditure on health, medicine and care.	Indicator 3: # solar microgrids stations have supported households/commercial places to access clean energy Baseline: 3 Target: 50 HHs	UNDP	3	45	05	Energy Gap Assessment Report Pre and Post Training Report Project Final Report
	Indicator 4 # number of women and men have improved access to sustained income through solar microgrids Baseline: 30 Target: 500	UNDP	3	450	50	Energy Gap Assessment Report Pre and Post Training Report Project Final Report
Output 3 Project Management	Delivery rate of annual funded budget	UNDP	0	80%	20%	Project Annual Report
	Number of knowledge products on Solar Hybrid Solutions and Microgrids	UNDP	0	3	1	Longitudinal Case Studies, Human Interest Stories, Blogs, Article



TABLE B: MONITORING PLAN

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost
Track results progress	Progress data against the results indicators in the project will be collected, disaggregated by sex and analyzed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	UNDP	
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a gender sensitive risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks (gender sensitive) are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	UNDP	
Learn	Knowledge, good practices, lessons and gender impact will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project. All learning materials will include gender equality as cross cutting issues.	At least annually	Relevant gender sensitive lessons are captured by the project team and used to inform management decisions.	UNDP	
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decisions to improve the project. The report will indicate the project contributions to gender empowerment.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	UNDP	
Review and Make Course Corrections	Internal review of disaggregated data and evidence from all monitoring actions to inform gender and conflict sensitive decision making, as well as adaptive management.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	UNDP	
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of disaggregated progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period. Gender issues will be reviewed in the report.	Annually, and at the end of the project (final report)		UNDP	



TABLE C: PROJECT BUDGET (in US Dollars)

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year		PLANNED BUDGET	
		2022	2023	Budget Description	Amount
Output 1: Targeted hospitals have improved access to energy in sustainable manner and resumed critical facilities Activity Result 1: Targeted hospitals have improved access to energy and resumed critical facilities and services <i>Gender marker: 2</i>	Activity 1.1: Production of Integrated and Hybrid energy design for targeted hospitals	30,000	0	Contractual Services (three months)	30,000
	Activity 1.2: Capacity building for staff of hospitals and representative from Ministry of Health on operation and maintenance for hybrid energy solution	75,000	0	Contractual Services (Training fees lump sum) for five months	75,000
	Activity 1.3 Installation of hybrid energy design using long term agreement (LTA) for a hospital	848,000	43,000	Supplies, commodity and material	891,000
	Activity 1.4 Activation of Remote Sensing Application to monitor the system performance as Grievance Redressal Mechanism and scaling up of solar inventar systems	10,000	0	Contractual Services	10,000
		45,000	0	Travel 3,000 USD × 15 visits	45,000
		30,000	0	Provision of COVID-19 Protective Gears for 1000 beneficiaries @\$30	30,000
Output 2 Targeted women and youth have access to sustained income opportunities through solar micro-grid supported expenditure on health, medicine and care. Activity Result 2: Targeted women and youth have improved income opportunities through solar microgrid. <i>Gender Marker: 2</i>	Activity 2.1: energy analysis, consumption and gap assessment at the community level	10,000	0	Supplies, commodity and material	10,000
	Activity 2.2: Identification of targeted micro-small-medium enterprises (MSMEs) to establish solar micro-grid businesses	5,000	0	Contractual services	5,000
	Activity 2.3: Procurement and Provision of solar micro-grid station equipment; solar panels, battery, inverter to the identified MSMEs	1,000,000	30,000	Supplies, commodity and material	1,030,000
	Activity 2.4: Establishment of energy connections to the households, commercial shops, schools, health centers and public offices	0	20,000	Contractual Services	20,000
		30,000	20,000	Contractual services	50,000
Output 3: Project Management <i>Gender marker: 2</i>	Project Management	20,000	5,000	Communication/Visibility	25,000
		120,000	40,000	Contractual Services (National Coordinator, M&E Officer, Procurement and Finance Officer, Solar Energy Expert)	160,000
Sub Total Project		2,223,000	158,000		2,381,000
GMS (5%)		111,100	7,900		119,000
Total Programme Budget		2,334,100	165,900		2,500,000