Mr. Jamie Mcgoldrick  
UN Resident Coordinator  
UNDP Resident Representative  
Republic of Yemen  

Re: Republic of Yemen: IDA Grant Number D162  
(Additional Financing for Yemen Emergency Crisis Response Project)  

Dear Mr. Mcgoldrick:

I am writing on behalf of the International Development Association (the “World Bank” or the “Disbursing Organization”), to indicate the Disbursing Organization’s agreement to make an additional grant (Additional Financing) in an amount not exceeding one hundred eighty-four million seven hundred thousand Special Drawing Rights (SDR 184,700,000) (the “Grant”) to the United Nations Development Programme (the “Receiving Organization”) for the benefit of the Republic of Yemen (the “Beneficiary”).

The Grant is made for the purposes and on the terms and conditions set forth in the annexes to this Agreement.

The Receiving Organization represents, by confirming its agreement below, that it is authorized to contract and withdraw the Grant for the said purposes and on the said terms and conditions, and the Receiving Organization makes this representation knowing that Disbursing Organization will rely on it for purposes of disbursing the Grant.

In light of the fact that both the Disbursing Organization and the Receiving Organization are signatories to the Fiduciary Principles Accord dated as of December 2, 2008, (the “FPA”), the funds transferred under this Grant will be received, administered, managed, expended, reported on, and audited, exclusively in accordance with the regulations, rules, procedures and administrative practices of the Receiving Organization, including those relating to its environmental, social and resettlement policies as well as those relating to direct and indirect costs (including indirect programme support costs) and interest, and will be subject to the terms of this Agreement. In this regard, it is understood that indirect costs of the Receiving Organizations recovered through programme support costs will be 3% and that in accordance with the UN General Assembly resolution 62/208 (2007 Triennial Comprehensive Policy Review principle of full cost recovery), all other costs incurred by such Receiving Organization in carrying out the Activities under this Grant will be recovered as direct costs. It is also understood that the Financial Management Framework Agreement between the United Nations and the World Bank dated March 10, 2006, does not apply to the Grant.

Please note that, in accordance with the Disbursing Organization’s policy on disclosure of information, the Disbursing Organization will make this Agreement publicly available after this Agreement has become effective and the Receiving Organization, by countersigning this Agreement, gives its consent to such disclosure, it being understood, however, that the Disbursing Organization will
consult with the Receiving Organization regarding whether to disclose any information in Annex B to this Agreement that the Receiving Organization regards as sensitive.

Please confirm your agreement with the foregoing, on behalf of the Receiving Organization, by signing, dating, and returning to us the enclosed copy of this Agreement. Upon receipt by the Disbursing Organization of the copy of this Agreement countersigned by you this Agreement will become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: ____________________________
Asad Alam
Country Director for the Republic of Yemen
Middle East and Africa Region

AGREED ON BEHALF OF UNITED NATIONS DEVELOPMENT PROGRAMME

By: ____________________________
Jamie Mcgoldrick
UN Resident Coordinator
UNDP Resident Representative
Republic of Yemen

Date: 25 January 2017
Purposes, Terms, and Conditions of the Grant

1. Purposes and Activities

1.1 The purpose of the Grant is to support the implementation of the Yemen Emergency Crisis Response project (the "Project"). A description of the Project, including project outcomes and specific activities (the "Activities") together with the Project budget (the "Project Budget"), are set out in the attached Annex B.

2. Implementation Generally

2.1 The Receiving Organization will:

(a) carry out the Activities with due diligence and efficiency;

(b) promptly provide the Grant funds, facilities, services and other resources required for that purpose;

(c) take all reasonable steps to ensure that all goods and services financed out of the proceeds of the Grant will be used exclusively for the purposes of the Project;

(d) exercise the same care in the administration of the Grant as it exercises in the administration of all other funds it administers (including in particular its own funds), having due regard for economy and efficiency and the need to uphold highest standards of integrity in the administration of public funds including the prevention of fraud and corruption, consistent with the standards reflected in the FPA;

(e) implement the Activities in conformity with the agreed design, including with respect to the applicable environmental, social (including resettlement) arrangements for such implementation, it being understood that such implementation shall be subject to the application of the Receiving Organization’s own environmental and social policies and procedures;

(f) provide the financial and programmatic reports referred to in Sections 5.3 and 6.2 below in a timely manner, and furnish all other information covering the Activities and the use of the proceeds of the Grant as the Disbursing Organization shall reasonably request that are both consistent with this Agreement;

(g) notify the Disbursing Organization in writing of any substantial deviation from agreed plans or budgets in connection with the Activities as set out in Annex B, including as to their nature, content, sequencing, and duration (it being understood that all such substantial deviations are subject to the agreement of the Receiving Organization and the Disbursing Organization); and

(h) if necessary, upon the Disbursing Organization’s request, use its best efforts with the authorities of the Beneficiary to enable representatives of the Disbursing Organization to visit the territory where the Activities are being carried out for the purposes of this Agreement.

3. Procurement

3.1 The Receiving Organization will carry out procurement of goods, works and non-consulting
services and selection of consultants in accordance with the provisions of the Receiving Organization's procurement policies, guidelines, methods and procedures and with the same care and diligence with which it undertakes all procurement, having due regard to economy and efficiency, transparency and the need to uphold the highest standards of integrity in the administration of public funds including the prevention of fraud and corruption, consistent with the standards reflected in the FPA.

3.2 (a) The Receiving Organization will require any party with which it has either a long-term arrangement or with which it intends to enter into a contract in connection with the Activities financed by the Grant to disclose whether it is subject to any sanction or temporary suspension imposed by any organization within the United Nations System including the organizations of the World Bank. The Receiving Organization will give due regard to any such sanctions or temporary suspensions, when issuing contracts in connection with the Activities.

(b) If the Receiving Organization proposes to issue a contract in connection with the Activities financed by the Grant to a party which has disclosed to the Receiving Organization that it is under sanction or temporary suspension by the Disbursing Organization, the following procedure will apply: (i) the Receiving Organization will so inform the Disbursing Organization, before signing such contract; (ii) the Disbursing Organization may request direct consultations at a senior level between the Receiving Organization and the Disbursing Organization to discuss such decision; and (iii) the Disbursing Organization may thereafter inform the Receiving Organization by notice that funds disbursed to it under Section 4 of this Annex A may not be used to fund such contract.

(c) Any funds received by the Receiving Organization under this Agreement that were to be used to fund a contract in respect to which the Disbursing Organization has exercised its rights as set out in Section 3.2(b) above shall be used to defray the amounts that may be requested by the Receiving Organization in any subsequent notice of withdrawal pursuant to Section 4.3 of this Annex A, or if no subsequent notice of withdrawal is made, such funds will be transferred by the Receiving Organization to the Disbursing Organization pursuant to Section 8.3 of this Annex A.

3.3 The Receiving Organization shall retain all documentation with respect to the Activities in accordance with Section 5.6 below and upon the Disbursing Organization's reasonable request, the Receiving Organization shall provide relevant information drawn from such documentation to the Disbursing Organization. Should the Disbursing Organization identify any need for further clarification with respect to a particular transaction, the provisions of Section 7 of this Agreement will apply.

3.4 In the event that either the Receiving Organization or the Disbursing Organization becomes aware of factors that would indicate that corrupt, fraudulent, collusive or coercive practices were undertaken in relation to any procurement activities under the Grant, including during contract award process or contract implementation, the provisions of Section 7 of this Annex A will apply.

3.5 Unless self-insured, the Receiving Organization shall ensure that all imported goods to be financed out of the proceeds of the Grant shall be insured against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and that any indemnity for such insurance is payable in a freely usable currency to replace or repair such goods. The Receiving Organization shall ensure that any supplies and equipment procured using Grant funds are at all times operated and maintained in accordance with appropriate practices and that any repairs or renewals of such facilities are promptly made as needed.

3.6 Upon completion of the Activities, the Receiving Organization will deal with all equipment and materials financed out of the proceeds of the Grant in accordance with the provisions of the relevant provisions of the basic agreement between the Receiving Organization and the Beneficiary that governs
the treatment of such equipment and materials or, if there is no relevant provisions, in accordance with the Receiving Organization’s policies and usual practices and procedures and shall so advise the Beneficiary.

4. **Withdrawal of Grant Proceeds**

4.1 The Disbursing Organization will credit the proceeds of the Grant to an account opened by the Disbursing Organization on its books in the name of the Receiving Organization (the “Grant Account”), in line with the Project Budget set forth in Annex B. The proceeds of the Grant may be withdrawn from the Grant Account by the Receiving Organization in accordance with the provisions of this Section 4. The Disbursing Organization will notify the Receiving Organization in writing as soon as any amount of the Grant has been credited to, and is available for disbursement from, the Grant Account.

4.2 The Receiving Organization will make withdrawals from the Grant Account by delivering to the Disbursing Organization a written notice of withdrawal, in line with the attached Annex B, and the Disbursing Organization will be entitled to rely upon such instructions. The notice of withdrawal must be signed on behalf of the Receiving Organization by official(s) designated by the Receiving Organization to sign such notices. The amounts set out in each notice of withdrawal will be disbursed to the bank account set out in section 4.3(b) of this Annex A unless the Disbursing Organization is otherwise notified in writing by the Receiving Organization.

4.3 (a) The Receiving Organization’s first notice of withdrawal will cover projected expenditures for the Activities for the first nine (9) months of implementation. The Receiving Organization will deliver to the Disbursing Organization subsequent notices of withdrawal each six (6) months thereafter, and each such notice will cover an amount representing the Recipient’s good faith projection of the expenditures for the Activities for the following nine (9) months, reconciling against amounts previously withdrawn and against the Project Budget.

(b) The Disbursing Organization will disburse to the Receiving Organization the full amount requested in each notice of withdrawal and will do so: (i) by wire transfer in the currency requested by the Receiving Organizations pursuant to section 4.4 of this Annex A; (ii) within five (5) working days of receiving a notice of withdrawal; and (iii) to the following bank account or such other bank account as the Receiving Organization may nominate and notify in writing to the Disbursing Organization.

UNDP’s Contributions Account # 36349562 (Swift Code: CITIUS33; ABA 021000089) maintained with Citibank, N.A., 111 Wall Street, New York, NY 10043, U.S.A.

When making such disbursements the Disbursing Organization will notify the Receiving Organization’s chief financial manager, by e-mail to contributions@undp.org, of the following: (i) the amount transferred; (ii) the value date of the transfer; (iii) that the transfer is from the Disbursing Organization’s Grant Account for Yemen Emergency Crisis Response Project (IDA Grant No. D162; and (iv) the date of the notice of withdrawal to which the disbursement relates.

4.4 Withdrawals will be made in such currency as the Receiving Organization shall reasonably request. The amount of each withdrawal from the Grant Account shall be calculated as the equivalent in terms of Special Drawing Rights (“SDR”) (determined as of the date of withdrawal) of the currency so requested.

4.5 Notwithstanding the provisions of Section 4.2 above:
(a) No withdrawals may be made from the Grant Account: (i) for payments made for expenditures prior to the date of signature of this Agreement by the Receiving Organization; (ii) on account of payments for any taxes unless the Receiving Organization is required to make payment for such taxes; or (iii) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations;

(b) No withdrawals may be made from the Grant Account after June 30, 2019, or such other date as may be approved by the Disbursing Organization (the “Closing Date”).

4.6 Following the Closing Date, and subject to the provisions of Section 4.5 above, the Receiving Organization will promptly reconcile the amounts withdrawn from the Grant Account against the amounts expended for the implementation of the Activities and refund to the Disbursing Organization any amounts not expended to finance the implementation of the Activities in accordance with Section 8.3 of this Annex A.

5. Accounts and Audits

5.1 The Receiving Organization will maintain or cause to be maintained a financial management system, including records and accounts, adequate to reflect the transactions related to the Activities, in accordance with the requirements of the relevant Financial Regulations and Rules of the Receiving Organization (the “Financial Regulations”).

5.2 The Receiving Organization will maintain in a separate ledger account in its records (the “Grant Control Account”) a complete, true and fair record of all disbursements to it from the Grant Account and all expenditures using the funds so disbursed to it.

5.3 During the term of this Agreement:

(a) The Receiving Organization shall prepare, on a six-monthly basis or more frequently should the Disbursing Organization reasonably request, interim unaudited financial reports, in accordance with accounting standards established pursuant to the Financial Regulations and in the format agreed with the Disbursing Organization, adequate to reflect the expenditures related to the Grant. The first interim unaudited financial reports will be provided to the Disbursing Organization no later than forty-five (45) days after the end of the first six-months period after the effectiveness of this Agreement, and will cover the period from the incurring of the first expenditure under the Grant through the end of such first six-months period; thereafter, each interim unaudited financial report will be provided to the Disbursing Organization no later than forty-five (45) days after the end of each subsequent six-months period, and will cover such six-months period.

(b) The Receiving Organization will provide the Disbursing Organization with an annual financial statement of account certified by the Receiving Organization’s chief financial officer, showing income and the expenditure as of 31 December each year with respect to the Grant. Such financial statement of accounts will be provided within six (6) months after the closure of the Receiving Organization’s accounts for the year to which the annual financial statement relates. This financial statement will be in United States dollars. The exchange rate used for converting expenditures in other currencies will be the UN Operational Rate of Exchange in effect on the date the expenditure was made.

5.4 The Grant Control Account will be subject exclusively to the internal and external audit arrangements applicable to the Receiving Organization as set out in the Financial Regulations. The Parties will make their externally-audited financial statements and accompanying reports of their external auditors
on their financial statements available to all other signatories to the FPA in accordance with Article 2(b)(I) of the FPA.

5.5 In the event that either the Receiving Organization or the Disbursing Organization becomes aware of factors that would indicate the need for further scrutiny of the implementation of Activities or any Grant expenditures (including non-frivolous allegations that corrupt, fraudulent, collusive or coercive practices were undertaken in relation to such Activities) the provisions of Section 7 of this Annex A will apply.

5.6 The Receiving Organization will retain all records evidencing all expenditures in respect of which withdrawals from the Grant Account were made, in accordance with its regulations, rules, policies and procedures relating to retention of records.

6. Monitoring and Evaluation; Programme Reporting

6.1. The Receiving Organization will monitor and evaluate implementation of the Activities in accordance with its applicable rules, regulations, policies and procedures, consistent with the standards reflected in the FPA.

6.2 The Receiving Organization will, at the same time it provides the semi-annual interim unaudited financial reports referred to in Section 5.3(a) above (or at such other times as may be agreed between the parties hereto), provide to the Disbursing Organization, narrative progress reports on the impact of the Activities and progress towards achieving the identified outcomes for the Activities during the period to which such report relates. To this end, the Receiving Organization will include in such progress reports, the report of any third party monitoring agent.

6.3 The Receiving Organization acknowledges that given the emergency context of this Project and the unique implementation arrangements of the FPA to which the Disbursing Organization has exceptionally agreed to apply to this Project, the Receiving Organization agrees to allow the Disbursing Organization to conduct joint technical review missions with the Receiving Organization, with particular focus on Project supervision, monitoring and evaluation.

7. Further Assurances; Consultation; Suspension and Termination of Withdrawals

7.1 In fulfillment of the undertakings of the Receiving Organization under Article 2(b)(I) of the FPA:

(a) In the event that the Receiving Organization or the Disbursing Organization becomes aware of information that indicates the need for further scrutiny of the implementation of Activities or any Grant expenditures (including non-frivolous allegations that corrupt, fraudulent, collusive or coercive practices were undertaken in relation to such Activities) the entity that has become aware of such factors shall promptly notify the other.

(b) This information will be brought promptly to the attention of the appropriate official or officials of the Receiving Organization and the Disbursing Organization.

(c) Following consultation between the Receiving Organization and the Disbursing Organization, the Receiving Organization will, to the extent the information relates to actions within the authority or accountability of the Receiving Organization, take timely and appropriate action in accordance with its accountability and oversight framework, including applicable regulations, rules, and administrative instructions, to investigate this information. For greater clarity on this matter the Parties agree and acknowledge that the Receiving Organization has no authority and accordingly shall have no
responsibility to investigate any Government official or officials or consultants of the Disbursing Organization.

(d) To the extent such investigation confirms the allegations and to the extent that remedial action is within the authority of the Receiving Organization, the Receiving Organization will take timely and appropriate action in response to the findings of such investigation, in accordance with the Receiving Organization’s accountability and oversight framework and established procedures, including its Financial Regulations and Rules, where applicable. It is agreed and understood that such action may include, where the Receiving Organization concludes it is appropriate, the invoking and enforcement of the Receiving Organization’s contractual rights against third parties.

(e) To the extent consistent with the Receiving Organization’s oversight framework and established procedures, it will keep the Disbursing Organization regularly informed by agreed means of actions taken pursuant to Section 7.1(d) and the results of the implementation of such actions, including where relevant, details of any recovery of funds or writing-off of losses. The Receiving Organization will use its best efforts, consistent with its regulations rules policies and procedure to recover any funds misused. The Receiving Organization will, in consultation with Disbursing Organization, credit any funds so recovered to the Grant Account or agree with them to use these funds for a purpose mutually agreed upon.

7.2 In the event that the Disbursing Organization reasonably believes that timely and appropriate action has not been taken, it may request direct consultations at a senior level between the Disbursing Organization and the Receiving Organization in order to obtain assurances that the Receiving Organization’s oversight and accountability mechanisms have been and are being fully applied in connection with such allegations. The Parties take note of the provisions of Article VII of the United Nations Financial Regulations and Rules on external audit and its analogous provisions in the financial regulations and rules of the Special Agencies.

7.3. The Disbursing Organization may, following consultation with the Receiving Organization, by notice to the Receiving Organization, suspend the right of the Receiving Organization to make further withdrawals from the Grant Account if any of the following events has occurred and is continuing:

(a) The Receiving Organization substantially deviates from agreed plans and budgets without prior approval of the Disbursing Organization and/or fails, without justification, materially to fulfill any of its substantive obligations pursuant to this Agreement, including its reporting obligations, and, after being given notice by letter to comply with those obligations, still fails to do so and fails to furnish a satisfactory explanation within thirty (30) days of receipt of such notice;

(b) The Disbursing Organization reasonably believes the actions taken by the Receiving Organization under Section 7.1 have not been sufficient to fulfill its fiduciary obligation with respect to the funds constituting the Grant;

(c) The Receiving Organization has withdrawn or was deemed to have withdrawn from the FPA in accordance with Article 2(b)(IV) or Article 5 of the FPA; or

(d) If the Republic of Yemen has failed to make payment (notwithstanding the fact that such payment may have been made by a third party) of principal, interest, service charges or any other amount due to the Disbursing Organization or the International Bank for Reconstruction and Development (“Bank”): (i) under any agreement between the Republic of Yemen and the Disbursing Organization or the Bank; or (ii) in consequence of any guarantee extended or other
financial obligation of any kind assumed by the Disbursing Organization or the Bank to any third party with the agreement of the Republic of Yemen.

7.4. The Disbursing Organization may, upon giving thirty (30) days' written notice to the Receiving Organization, terminate the right of the Receiving Organization to make further withdrawals from the Grant Account at any time after the right of the Receiving Organization to make withdrawals of the Grant Account has been suspended pursuant to the provisions of Section 7.3 above.

7.5 For the purposes of this Agreement, the following definitions shall apply:

(a) "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(b) "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;

(c) "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(d) "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

8. Term and Termination

8.1 Upon receipt by the Disbursing Organization of this countersigned copy, this Agreement shall become effective as of the date of its countersignature by the Receiving Organization; provided, however, that the offer of this Agreement shall be deemed withdrawn if the Disbursing Organization has not received the countersigned copy of this Agreement within ten (10) days after the date of signature of this Agreement by the Disbursing Organization, unless the Disbursing Organization shall have established a later date for such purpose.

8.2 This Agreement will expire on completion of the Activities; provided, however, that the Receiving Organization may terminate it before that time by giving thirty (30) days' notice to the Disbursing Organization: (a) if the Disbursing Organization exercises its rights under Section 7.4 above, or (b) for any reason.

8.3 Upon expiry or termination of this Agreement, the Receiving Organization will consult with the Disbursing Organization as to the proper use of any funds remaining unexpended in the Grant Control Account following satisfaction of outstanding commitments and liabilities. Upon termination of this Agreement prior to the completion of the Activities the Parties will fully cooperate with each other to put in place arrangements for the completion of the Activities.

9. Privileges and Immunities; Dispute Resolution

9.1 Nothing in or related to this Agreement shall be or be construed to be a waiver, express or implied, of the privileges and immunities of either the Disbursing Organization or the Receiving Organization.

9.2 This Agreement shall be interpreted in a manner that is consistent with any applicable basic texts and conventions on privileges and immunities to which the Receiving Organization or the Disbursing Organization is a party.
9.3 The Parties shall use their best efforts to amicably resolve any dispute, controversy, or claim arising out of or relating to this Agreement and in the event that it is not thus resolved, it shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules.

10. Notices

10.1 Any notice or request required or permitted to be given under this Agreement shall be given in writing.

10.2 The following addresses are specified for purposes of this Agreement:

For the Disbursing Organization:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: Country Director for Yemen

Telex: 248423 (MCI)  Facsimile: 1-202-477-6391

For the Receiving Organization:

United Nations Development Programme

Attention: Mr. Jamie McGoldrick
UN Resident Coordinator
UNDP Resident Representative
Republic of Yemen

+967-1-448841

with copy to: Mr. Darshak Shah
Chief Financial Officer
UNDP Headquarters
New York, NY USA
ANNEX B

Project Description and Budget

1. Project Description

1.1. The objective of the Project is to provide short-term employment and access to basic services to the most vulnerable; and preserve implementation capacity of two service delivery programs.

For the purpose of this Annex B, the respective terms defined immediately below have the following meanings:

(a) "Additional Financing" means the additional grant in various currencies equivalent to one hundred eighty-four million seven hundred thousand Special Drawing Rights (SDR 184,700,000) provided to the Receiving Organization, on the terms and conditions set forth or referred to in this Disbursement Agreement, such amount being additional to the Original Grant.

(b) "Original Grant" means the original financing in various currencies equivalent to thirty-five million seven hundred thousand Special Drawing Rights (SDR 35,700,000) provided to the Receiving Organization pursuant to the Disbursement Agreement dated July 20, 2016, on the terms and conditions set forth or referred to in said Disbursement Agreement.

(c) "Social Fund for Development" means the fund established pursuant to the Beneficiary's Law No. 10 of 1997, as the same may be amended from time to time.

(d) "Public Works Program–Project Unit" or "(PWP-PU)" means an implementation unit established by the Beneficiary for the purpose of carrying out the responsibility for management, implementation and coordination of the IDA-financed Labor-Intensive Public Works Project.

(e) "Targeted Community" means a community within any Governorate in the territory of the Beneficiary, which is participating in labor-intensive works Activities under Component 1(a), 1(b) and 1(c) of the Project.

1.2. The expected activities financed by this Grant (Activities) are as follows:

Component 1. Labor Intensive Works and Improving Community Services

(a) Carrying out of program of labor-intensive works (Subprojects) to support cash-for-work and youth-targeted community services; such Subprojects to consist of, inter alia, development of community infrastructure identified by the Targeted Community, income generating interventions and community service youth initiatives, and to focus of the following:

(i) creating employment, and provision of cash-for-work to households, cash-for-service to youth, and cash-for-malnutrition prevention, in Targeted Communities;

(ii) increasing productivity assets and means of livelihood of households and Targeted Communities; and
(iii) reducing the vulnerability of unemployed youth, through a youth-targeted labor intensive service in Targeted Communities.

(b) Carrying out of a program of labor-intensive work to develop small-scale infrastructure (Subprojects) in Targeted Communities; such Subprojects to focus on the following:

(i) developing small community infrastructure to improve access to basic services; and

(ii) creating short term employment opportunities for Targeted Communities.

c) Carrying out of a program for small and microenterprise (SME) revitalization and employment generation; such program to consist of the following:

(i) supporting the recovery of conflict-affected farmers, fishermen and animal producers in Targeted Communities and SME clients of microfinance institutions; and

(ii) improving the resilience of the microfinance industry to continue to provide financial services to the poor.

Component 2. Project Management and Monitoring

Supporting Project management, monitoring and evaluation, including overall coordination of the Activities, in addition to indirect costs required to support Project delivery, inter alia: (i) direct Project management and supervision costs required to support implementation of the Project; (ii) hiring of a third party monitoring agency (TPM); and (iii) Project evaluation.

1.3 The expected indicators for this Project are as set forth in Annex E to this Agreement, including the following key indicators:

(a) The number of direct beneficiaries of wage employment (disaggregated by gender, youth and internally displaced persons).

(b) The number of people provided with access to key services (disaggregated by gender).

(c) The number of people who benefited from the nutrition services (disaggregated by women and children).

(d) The percentage of core staff of Social Fund for Development and the Public Works Program – Project Unit (PWP-PU) retained.
## 2. Project Budget

<table>
<thead>
<tr>
<th>Project Costs by Component</th>
<th>Total in SDR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component 1: Labor Intensive Works and Improving Community Services</strong></td>
<td></td>
</tr>
<tr>
<td>(1.a) cash-for work and youth-targeted community services</td>
<td>114,800,000</td>
</tr>
<tr>
<td>(1.b) small community infrastructure</td>
<td>51,800,000</td>
</tr>
<tr>
<td>(1.c) SME revitalization and employment generation</td>
<td>11,100,000</td>
</tr>
<tr>
<td><strong>Component 2: Project Management and Monitoring</strong></td>
<td>5,300,000</td>
</tr>
<tr>
<td>(2.a) Receiving Organization’s indirect cost</td>
<td>(3% of the total Grant amount)</td>
</tr>
<tr>
<td>(2.b) Receiving Organization’s direct cost</td>
<td>1,450,000</td>
</tr>
<tr>
<td>(2.c) Third Party Monitoring and Evaluation cost</td>
<td>250,000</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td>184,700,000</td>
</tr>
</tbody>
</table>
Notice of Withdrawal

[DATE]

[Loan Department]
The World Bank
1818 H Street, NW, MSN MC7 - 714
Washington, DC 20433, USA

Re: Republic of Yemen: IDA Grant Number D162
(Additional Financing for Yemen Emergency Project)

Dear [Name of Bank Contact]:

Reference is made to the Disbursement Agreement between the International Development Association (the "World Bank") and the United Nations Development Programme ("UNDP"), dated [.........] (the "Disbursement Agreement") for the above-mentioned project, in which the World Bank has agreed to transfer funds to the UNNDP in accordance with the terms and conditions of the Disbursement Agreement.

Pursuant to Paragraph 4.2 of the Disbursement Agreement, the UNDP hereby requests the World Bank to transmit [insert amount] from the Grant Account (as defined in the Disbursement Agreement) to the account specified below for the UNDP's use consistent with the terms of the Disbursement Agreement.

Please make the payment by wire transfer to:

Beneficiary Name:
Beneficiary Address:
Beneficiary A/C No.:
Branch No.: (if any)
Ben. Bank Name and SWIFTCode:
Bank Address:
Ben. Bank account No (if any) (with)
Intermediary Bank: [if disbursement is to be made in US dollars]

Sincerely,

UNITED NATIONS DEVELOPMENT PROGRAMME

[Name]
[Title]Authorized Signatory

CC: [Bank Contact]
ANNEX D

[UNDP letterhead]

[DATE]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: Mr. Asad Alam
Country Director for Yemen, Middle East and Africa Region

Dear Mr. Alam:

Re: Republic of Yemen: IDA Grant No D162
(Additional Financing for Yemen Emergency Crisis Project)

I refer to the Disbursement Agreement (the “Disbursement Agreement”) between the International Development Association (the “World Bank”) and the United Nations Development Programme ("UNDP"), dated [.........] for the above-mentioned project.

For the purposes of Section 4.2 of the Disbursement Agreement, any [‘one’] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the UNDP to sign applications for withdrawal under this Grant.

This confirms that UNDP is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. In full recognition that the World Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of SIDC"), the Recipient represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.

[Name], [Title] Specimen Signatures: ______________________

[Name], [Title] Specimen Signatures: ______________________

[Name], [Title] Specimen Signatures: ______________________

Yours truly,

1 Instructions to the UNDP:
(i) Please stipulate if more than one person needs to sign Applications, and how many or which titles, and if any thresholds apply.
(ii) Should this letter be sent in relation to a change in signatories, please also stipulate whether previous signatory authorizations remain valid or stand revoked (and, if the latter, the effective date for such revocation).
The Letter is signed by the same authorized representative that signed the Disbursement Agreement.

2 The Letter is signed by the same authorized representative that signed the Disbursement Agreement.
ANNEX D-1

Terms and Conditions of Use of Secure Identification Credentials
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation

March 1, 2013

The World Bank will provide secure identification credentials (SIDC) to permit the UNDP to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

A. Identification of Users

1. UNDP will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the World Bank each person who will be authorized to deliver Applications. The World Bank will provide SIDC to each person identified in the ASL (Signatory), as provided below. UNDP shall also immediately notify the World Bank if a Signatory is no longer authorized by the UNDP to act as a Signatory.

2. Each Signatory must register as a user on the World Bank's Client Connection (CC) website (https://clientconnection.worldbank.org) prior to receipt of his/her SIDC. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

B. Initialization of SIDC

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.

2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a "SIDC User". The World Bank will maintain in its database
a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the UNDP nor the SIDC User will have any access to the Account.

3. Prior to first use of the SIDC by the SIDC User, UNDP shall ensure that the SIDC User has received training materials provided by the World Bank in use of the SIDC.

C. Use of SIDC

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC User in the manner prescribed by the World Bank in the Agreement(s) and these Terms and Conditions. Any other use of the SIDC is prohibited.

2. The World Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC by the SIDC User, other representatives of the UNDP, or third parties.

3. The UNDP undertakes to ensure, and represents and warrants to the World Bank (such representation and warranty being expressly relied upon by the World Bank in granting SIDC) that each SIDC User understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

4. Security

4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.

4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the World Bank.

4.3. The SIDC User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.

4.4. If the SIDC User believes a third party has learned his/her PIN or has lost his/her Physical Token he/she shall immediately notify clientconnection@iworldbank.org.

4.5. The UNDP shall immediately notify the World Bank at clientconnection@worldbank.org of any lost, stolen or compromised SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.

5. Reservation of Right to Disable SIDC

5.1. The UNDP shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.

5.2. The World Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, de-activate a SIDC User’s Account or both.

6. Care of Physical Tokens

6.1. Physical Tokens will remain the property of the World Bank.
6.2. The World Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.

6.3. Physical Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Physical Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Physical Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at http://www.rsa.com.

7. **Replacement**

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the UNDP.

7.2. The World Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User’s Account.
## Results Framework

### Arrangement for Results Monitoring

<table>
<thead>
<tr>
<th>PDO Level Indicator</th>
<th>Core UOM</th>
<th>Baseline Original Project Start</th>
<th>Accumulative Target Values</th>
<th>Frequency and Reports</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (Indicator definition and to on)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One:</strong></td>
<td>2 No.</td>
<td>25,732 registered</td>
<td>80,000 240,000 400,000</td>
<td>Every six months</td>
<td>Administrative data Progress reports</td>
<td>UNDP</td>
<td>Aggregate number of all subcomponents under 1.1, 1.2, and 1.3.</td>
</tr>
<tr>
<td>The number of direct beneficiaries of wage employment (core indicator: # of beneficiaries of safety net programs)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total #</td>
<td>0 5,559 enrolled of which</td>
<td>30% 20% 20%</td>
<td>30% 30% 30%</td>
<td>Administrative data Progress reports</td>
<td>UNDP</td>
<td>Aggregate of SFD&amp;PWP # of people who have potentially access to a specific basic services.</td>
<td></td>
</tr>
<tr>
<td>Female %</td>
<td>30% female</td>
<td>35% 35% 35%</td>
<td>Every six months</td>
<td>Administrative data Progress reports</td>
<td>UNDP</td>
<td>Aggregate of SFD&amp;PWP # of people who have potentially access to a specific basic services.</td>
<td></td>
</tr>
<tr>
<td>IDPs/Returnees %</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Aggregate of SFD&amp;PWP # of people who have potentially access to a specific basic services.</td>
<td></td>
</tr>
<tr>
<td>Youth % (age 16-35)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Aggregate of SFD&amp;PWP # of people who have potentially access to a specific basic services.</td>
<td></td>
</tr>
<tr>
<td><strong>Indicator Two:</strong></td>
<td>2 No.</td>
<td>0 600,000 1,500,000 2,500,000</td>
<td>40% 40% 40%</td>
<td>Every six months</td>
<td>Administrative data Progress reports</td>
<td>UNDP</td>
<td>Aggregate of SFD&amp;PWP # of people who have potentially access to a specific basic services.</td>
</tr>
<tr>
<td>The number of people provided with access to key services</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total #</td>
<td>0 600,000 1,500,000 2,500,000</td>
<td>40% 40% 40%</td>
<td>40% 40% 40%</td>
<td>Administrative data Progress reports</td>
<td>UNDP</td>
<td>Aggregate of SFD&amp;PWP # of people who have potentially access to a specific basic services.</td>
<td></td>
</tr>
<tr>
<td>Female %</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Aggregate of SFD&amp;PWP # of people who have potentially access to a specific basic services.</td>
<td></td>
</tr>
<tr>
<td><strong>Indicator Three:</strong></td>
<td>2 No.</td>
<td>0 15,000 60,000 85,000</td>
<td>8,339 of which</td>
<td>Every six months</td>
<td>Administrative data Progress reports</td>
<td>UNDP</td>
<td></td>
</tr>
<tr>
<td>Number of people (women and children) who benefited from the nutrition services</td>
<td></td>
<td></td>
<td>10,000 40,000 50,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total #</td>
<td>0 8,339 of which</td>
<td>10,000 40,000 50,000</td>
<td>15,000 60,000 85,000</td>
<td>Every six months</td>
<td>Administrative data Progress reports</td>
<td>UNDP</td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>(4,222 women)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Children</td>
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</tr>
</tbody>
</table>
**Intermediate Level Indicator (By subcomponent)**

<table>
<thead>
<tr>
<th>Core</th>
<th>Unit</th>
<th>Baseline Original Project Start</th>
<th>Progress to Date</th>
<th>Accumulative Target Values</th>
<th>Frequency and Reports</th>
<th>Data Source/ Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition and so on)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>Component One: Labor Intensive Works and Community Services</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Subcomponent 1-1: Cash-for-Work and youth-targeted community services</td>
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<td></td>
<td>Number of working days created Total #</td>
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<td></td>
<td></td>
<td>Youth (16-35 yrs) % 38% female</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>35% 20% 30%</td>
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<td></td>
<td></td>
<td>Female % 30%</td>
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<td></td>
<td>Indirect beneficiaries from the income support (family members of the workers) No. 0</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100,000 800,000 1,000,000 Every six months Administration data Progress reports UNDP Total # of individuals of participating families in the cash for work activities, cash for services and nutrition</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>Cubic meters of water schemes constructed/rehabilitated m³ 0</td>
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<td></td>
<td></td>
<td></td>
<td>40,800 232,000 300,000 Every six months Administration data Progress reports UNDP Capacity of water schemes constructed/rehabilitated</td>
</tr>
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<td></td>
<td></td>
<td>Area of agriculture land and terraces rehabilitated Hectare 0</td>
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<td></td>
<td></td>
<td></td>
<td>320 1,400 1,900 Every six months Administration data Progress reports UNDP Area of agriculture land and terraces rehabilitated</td>
</tr>
<tr>
<td>Length of roads improved</td>
<td>Km</td>
<td>0</td>
<td>40</td>
<td>160</td>
<td>200</td>
<td>Every six months</td>
<td>Administrative data</td>
<td>UNDP</td>
</tr>
<tr>
<td>--------------------------</td>
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<td>---------------------</td>
<td>------</td>
</tr>
</tbody>
</table>

**Subcomponent 1-2: Small Community Infrastructure**

<table>
<thead>
<tr>
<th>Number of working days created</th>
<th>No.</th>
<th>123 projects will start in December</th>
<th>160,000</th>
<th>1,000,000</th>
<th>2,000,000</th>
<th>Every six months</th>
<th>Administrative data</th>
<th>UNDP</th>
<th>Total # of working days for all beneficiaries aggregating data for IDPs/Returnees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect beneficiaries from the income support (family members of the workers)</td>
<td>No.</td>
<td>0</td>
<td>80,000</td>
<td>300,000</td>
<td>700,000</td>
<td>Every six months</td>
<td>Administrative data</td>
<td>UNDP</td>
<td>Total # of individuals of participating families in the cash for work activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cubic meters of water schemes constructed/rehabilitated</th>
<th>m³</th>
<th>0</th>
<th>20,000</th>
<th>100,000</th>
<th>200,000</th>
<th>Every six months</th>
<th>Administrative data</th>
<th>UNDP</th>
<th>Volume of water schemes constructed/rehabilitated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area of agriculture land protected</td>
<td>hectare</td>
<td>0</td>
<td>600</td>
<td>3000</td>
<td>7,000</td>
<td>Every six months</td>
<td>Administrative data</td>
<td>UNDP</td>
<td>Area of agriculture land protected</td>
</tr>
</tbody>
</table>

| Number of classrooms rehabilitated | No. | 200 | 650 | 820 | Every six months | Administrative data | UNDP | Number of classrooms rehabilitated |

**Subcomponent 1-3: SME Revitalization and Employment Generation**

<table>
<thead>
<tr>
<th>Number of microfinance clients (SMEs) supported</th>
<th>No.</th>
<th>2,000</th>
<th>1,600</th>
<th>2,800</th>
<th>4,000</th>
<th>Every six months</th>
<th>Administrative data</th>
<th>UNDP</th>
<th>Total # of SMEs receiving in-kind support through the Takaful Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of individuals who benefited from farm, fishery and animal production-based wage employment (short or long term, including informal)</td>
<td>No.</td>
<td>800 athletes identified with anticipated 6,400 beneficiaries of wages</td>
<td>8,000</td>
<td>20%</td>
<td>20%</td>
<td>26,000</td>
<td>Every six months</td>
<td>Administrative data</td>
<td>UNDP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total</th>
<th>Female %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Female %</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of micro-finance institutions that benefited from the project</td>
<td>No.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Percentage of registered grievances that are addressed within the timeframe specified in the project implementation manual</td>
<td>%</td>
</tr>
<tr>
<td>Percent of surveyed beneficiaries who expressed satisfaction with the project participatory approach</td>
<td>%</td>
</tr>
</tbody>
</table>