New Solar Project to Restore Electricity to Over One Million Yemenis

REPORT

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Washington, April 13, 2018 - The World Bank announced today a new project to finance off-grid solar systems in Yemen to power vital basic services, and improve access to electricity for vulnerable Yemenis in rural and outlying urban areas.

Funded by a US\$50 million grant from IDA, the World Bank's fund for the world's poorest countries, the new project will rely on the commercial solar market, which has grown despite the conflict, providing further support to the local economy and creating jobs.

Solar power has proved to be the most immediate solution for severe energy shortages in Yemen. A booming solar industry has developed driven by the private sector, but the costs have put the technology beyond the reach of public facilities and the most vulnerable populations.

The <u>Yemen Emergency Electricity Access Project</u> will work with the current solar supply chain and the existing network of microfinance institutions, to finance and deliver off-grid solar systems to rural and periurban areas. The aim is to restore or improve access to electricity to 1.4 million people, around half of them women. The project will also fund solar power for critical infrastructure, such hospitals, schools, water corporations, and rural electricity providers.

"The lack of electricity in Yemen has had a devastating impact on Yemenis and the provision of services," said Dr. Asad Alam, World Bank Group Country Director for Yemen, Egypt, and Djibouti. "While responding to immediate need, the project will contribute to building a more inclusive and sustainable solar market in Yemen through targeted financing to the private sector which will expand its reach to the poor and vulnerable."

The project will be implemented in partnership with the United Nations Office for Project Services (UNOPS) and in collaboration with the local private sector, including Micro Finance Institutions, solar equipment suppliers and technicians. Working with the Yemeni private sector will help create hundreds of jobs.

"Investing in solar will make Yemen's electricity more resilient, reduce the dependence on fuels for critical service facilities, and create jobs in the private sector," said Joern Torsten Huenteler, World Bank Energy Specialist and Task Team Leader of the project, "What Yemenis need today more than ever is a quick and innovative energy solutions to help ease the crisis."

With this new financing, IDA emergency grants to Yemen issued since July 2016 have totaled US\$1.183 billion.

These projects have been prepared - and are being implemented - in partnership with Yemeni institutions and UN organizations such as the United Nations Development Program, the United Nations Children's Fund, the World Health Organization, the United Nations Food and Agriculture Organization, and the United Nations Office for Project Services.

Contacts

Washington

William Stebbins

+1-202-458-7883

wstebbins@worldbank.org

Washington

Ebrahim Al-Harazi

+1-202-855-1565

ealharazi@worldbank.org

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