BID BULLETIN1

Date: 08 June, 2021

BID Reference: RFP-YEM-0032-2021

Bid Subject: Consultancy servies for credit risk protection mechanism in Sana’a and Aden, Yemen

Below are bidders questions and UNDP answers.

1. Q. Is the risk assessment mechanism referring to a loan guarantee program? or Micro-insurance scheme? Or credit default swaps mechanism?

UNDP Feedback: This is about micro-insurance which can work for MSMEs as safety net where they can save and contribute some earnings on regular basis and that savings can be used for future loans to avoid any insolvency issues. Similar to Micro-Credit schemes in India and Bangladesh.

1. Q. The TOR states that the services are to be implemented in Sana’a and Aden. Does this mean there are two mechanisms for each location? Or is it one unified approach for both locations?

UNDP Feedback: Considering that the BRISCC project was targeting Aden and Lahj. We would only implement in south as BRISCC is being implemented there. However some of other project would also participated such as ERRY which is also in Lahj and Abyan and Taiz.

1. Q. Does this the risk protection mechanism have a specific prototype adapted or the contracted firm is to develop the risk protection mechanism based on best practices and current status of Yemen?

UNDP Feedback: Contracted firm would need to develop the mechanism on a pilot basis engaging banks and MFIs and MSMEs to see how that protection mechanism helps financial institution to resolve the insolvency issues, provide loan based on savings of MSMEs. In India and Bangladesh, there is a concept of revolving fund where MSMEs contribute and save in the bank. However to do all, it is important to study what are the layers of risk for MSMEs and then develop the product based on it.

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Note: Any other bid conditions which are not mentioned here but mentioned in the RFP-YEM-0032-2021 documents will remain the same.

Sincerely,

Procurement unit.