



# Additional Financing Appraisal Environmental and Social Review Summary Appraisal Stage **(AF ESRS Appraisal Stage)**

Date Prepared/Updated: 02/21/2023 | Report No: ESRSAFA526



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Borrower(s)	Implementing Agency(ies)
Yemen, Republic of	MIDDLE EAST AND NORTH AFRICA	United Nations Children's Fund (UNICEF), United Nations Development Programme (UNDP)	Social Fund for Development, Public Works Project
Project ID	Project Name		
P180358	Emergency Social Protection Enhancement and COVID-19 Response Project AF2		
Parent Project ID (if any)	Parent Project Name		
P173582	Emergency Social Protection Enhancement and COVID-19 Response Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Jobs	Investment Project Financing	2/14/2023	3/21/2023

**Proposed Development Objective**

The project development objective is to provide cash transfers, temporary employment, and increased access to basic services and economic opportunities to food-insecure populations affected by COVID-19, the conflict and climate-related shocks, as well as to strengthen the capacity of national institutions.

Financing (in USD Million)	Amount
Current Financing	503.90
Proposed Additional Financing	300.00
<b>Total Proposed Financing</b>	<b>803.90</b>

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

Yes



### C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The project aims to support poor and vulnerable Yemenis to immediately respond and mitigate the shocks associated with the ongoing conflict. The project thus aims to address increased food prices and reduced remittances -given that most of the population is already food insecure or at risk of being food insecure. The project will provide the poorest 30 percent of Yemen's population with unconditional cash transfers - and enhance their purchasing power to meet their food and basic needs. The project will also prioritize activities that are labor intensive to address the famine risk while maintaining a development focus through cash for work interventions, unconditional cash transfers to vulnerable pregnant or lactating women and children, creation of community assets, as well as support to small and micro enterprises. The project will also focus on further enhancing the capacity of local institutions including the Social Fund for Development and the Public Works Project and will utilize the country's existing systems while providing technical assistance as needed for local entities.

### D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The conflict in Yemen, now in its eighth year - continues to make Yemen one of the poorest and most food insecure countries in the world. Widespread conflict, severe economic decline, food insecurity and collapse of essential services continue to take a toll on the population, exacerbating an already vulnerable situation. With a collapsed economy and diverging currency, along with surging increases in prices of basic needs, fewer people can meet their basic needs, and many are increasingly dependent on humanitarian assistance. The effects of the Russia/Ukraine war, which have worsened global food shortages, have impacted many households in Yemen as prices of food become unaffordable for vulnerable households. The conflict has also pushed basic services towards the brink of collapse, making it more difficult for people to access healthcare, education, clean water, sanitation, or social protection services.

In terms of environmental challenges, Yemen is a country poorly endowed with water resources. The climate is largely semi-arid or arid. Rainfall is abundant only in the southern uplands and is characterized by seasonally intense and short-lived heavy storms that often lead to flash floods with implications for soil erosion and degradation of agricultural terraces. Heavy rainfall is frequently followed by long dry periods that result in a widespread drought, desertification and land degradation. High year-to-year variability makes it difficult to detect a trend in precipitation. There are no perennial rivers: water comes from rainfall, springs, seasonal spate flows, runoff and groundwater.

The Second Additional Financing (AF2) scales up the parent project's four main components. The AF2 covers the same 333 districts of the 22 governorates, and in particular those with high levels of distress index and poorest communities, including malnourished children.

(1) Component 1: UNICEF is implementing the provision of Unconditional Cash Transfers (UTC) in coordination with its local implementing partner the Social Fund for Development (SFD). The project uses the pre-conflict beneficiary list of the Social Welfare Fund Cash Transfer program, who are located across the country. In this component, the AF2 will finance three new payment cycles, as well as introduce a new activity on Digital and Financial Literacy, specifically supporting a switch to receive payments digitally for beneficiaries who wish to switch, including incentives to switch to digital options and facilitating acquisition of IDs augmented by access to financial literacy interventions.



(2) Component 2: UNDP is implementing the Cash for Nutrition (CfN -Subcomponent 2.1), consisting in the provision of Geo-focused bundles to reduce food insecurity and malnutrition, the Cash for Work (CfW- Subcomponent 2.2) and the construction of community assets (Subcomponent 2.3), Subcomponent 2.4 (SME support). This component is implemented by UNDP in partnership with SFD (and its affiliated institutions: SMEPS, SMED, YLG) and the Public Works Project (PWP). The AF2 will target 72,300 pregnant/lactating women and women who have children under five or children with disabilities up to the age of 17 years in five districts in five governorates, provide remuneration to over 28,000 vulnerable people (of which 30 percent are women) to build community assets accessible to over 100,000 individuals, as well as access to finance to 1,360 SMEs. Under the ongoing parent project and AF1, the targeted districts, communities are selected for the Cash for Word (CfW) and Cash for Nutrition (CfN) activities on a need-basis in consultation and coordination with local leaders, civil society organizations, international NGOs and UN agencies. The specific locations of the community assets are still yet to be identified.

(3) Components 3 and 4: UNICEF and UNDP are jointly responsible for the provision of Project Management, Monitoring, Evaluation and Capacity Building of National Institutions (Component 3); and Contingency Emergency Response (Component 4).

#### D. 2. Borrower's Institutional Capacity

The project will continue to be implemented by UNDP and UNICEF in partnership with local implementation agencies i.e. SFD and (and its affiliated institutions: SMEPS, SMED, YLG), as well as PWP. This approach builds on the successful partnership between UNICEF and SFD for SFD to carry out UCT-related functions previously undertaken by UNICEF either directly or through third party vendors.

SFD. The contracting of SFD to carry out UCT-related activities is being done gradually, in a way that minimizes any disruption to the program, and in consultation with national authorities. This is part of a broader Bank approach, further articulated in the draft CEN for Yemen (FY22-23), to gradually increase the role of local institutions in project implementation. This partnership will be strengthened under the AF2. SFD has demonstrated a strong performance in implementing environmental and social mitigation measures to date and has sufficient capacity to continue to manage E&S risks as its role increases in the implementation of Component 1. Established in Yemen by law No. 10/1997, SFD is working under a Board of Directors headed by the Prime Minister, and comprising members from government, NGOs, Private, and Financial sectors. A Managing Director leads the SFD's executive body in the Main Office and the SFD's nine branches, which cover all the governorates of Yemen. SFD's central office in Sana'a will provide overall support in implementing the project's components. Staff in the branch offices include a branch manager, procurement officer, financial management (FM) officer, technical officer for the quality supervision, Monitoring and Evaluation Officer (M&E), Information Technologies. SFD has experience managing environmental and social aspects as part of implementing the ongoing World Bank-supported parent operation and AF1 as well as the ongoing Yemen Food Security Response and Resilience Project (P176129) and other operations which are already closed i.e the Emergency Crisis Response Project (P159053) and its additional financings. Furthermore, SFD is the local implementation partner of the Yemen Desert Locust Response Project (P174170). SFD has significantly enhanced their environmental and social capacities through these and the ongoing parent project. SFD maintains adequate institutional arrangements for the implementation, monitoring, and reporting on safeguards aspect. The Environmental and Social Officer in the Head Office is in charge of supervising SFD's 10 E&S focal points at regional/governorate level, who cover E&S aspects as well as OHS. SFD also employs Community Officers at each of SFD's 30 branches who are also responsible for training and awareness on, among others, gender-based violence. SFD developed an ESMF in 2014 for all operations which SFD implements as well as an OHS Policy in 2018. Both



instrument and policies were updated in 2020. Furthermore, there is a Management Information System (MIS) which is used in subprojects' screening, classification and reporting.

PWP. The Public Works Project (PWP) has developed an adequate environmental and social institutional structure with support from World Bank projects, including the parent project and AF1, the Integrated Urban Services Emergency Project (P164190), and the Yemen Food Security Response and Resilience Project (P176129) as well as the Emergency Crisis Response Project (P159053) which is already closed. This structure includes an E&S Safeguards' Unit which was formally established in August 2018 with environment, social and gender specialists as well as an OHS sub-unit to provide overall support, monitoring and coordination on OHS aspects. At the branch level, PWP maintains E&S focal points to ensure compliance with OHS measures. Furthermore, site technicians are deployed at each site to monitor and report on the technical compliance of subprojects including E&S aspects. In terms of policies and frameworks, PWP has updated its ESMF to be in line with the World Bank Environmental and Social Framework (ESF). New OHS Guidelines/procedures were prepared including screening tools that are required at site level, e.g. monitoring and reporting checklists and templates. Since 2018, SFD and PWP have embarked on a capacity building program on E&S aspects including OHS. Under these programs, over 4000 individuals including staff, site engineers, consultants, contractors and site workers have received training on E&S safeguards as relevant to their roles. This has significantly contributed to the satisfactory performance of both SFD and PWP under the ongoing project. Under the proposed AF2, the implementation of project activities will be carried out through national institutions (as implementing partners (IPs), namely SFD and PWP—under the oversight of UNDP and UNICEF as implementing agencies and IDA grant recipients.

The AF will also continue to provide capacity building to SFD and PWP, and will enhance its engagement with, and capacity of Social Welfare Fund (SWF) to support the implementation of UCT. UNDP in Yemen has their main office in Sana'a under the leadership of the Country Director and is supported by the sub-office in Aden, the regional hubs in Saada, Hodeidah, and Ibb, and project offices in Socotra and Hajja. Their main office in Sana'a is staffed with an Environmental and Social Safeguards' Officer as well as an OHS Officer. These are supported by an International E&S Specialist based in Amman. The regional hubs are staffed with hub coordinators, M&E officers, and support staff, and the support is extended to cover all governorates. UNDP in Yemen has previous experience with World Bank projects through the Yemen Food Security Response and Resilience Project (P176129); the Emergency Crisis Response Project (159053) and the parent project. UNICEF has its main office in Sana'a with five field offices in Sana'a, Aden, Al Hodeida, Ibb and Sa'ada governorates. The Sana'a office has a dedicated PMU equipped with E&S Unit which was established at the end of 2022 including E&S officer, gender mainstreaming and GM focal point. The Sana'a office is backed up by Amman office with an international Gender/GBV specialist. UNICEF been implementing the Unconditional Cash Transfer (UCT) with SFD under the ongoing parent project. As mentioned above, UNICEF entered into a subsidiary agreement with SFD for the implementation of this component and the AF2 will continue to strengthen the successful partnership between UNICEF and SFD for SFD to carry out UCT-related activities previously undertaken by UNICEF. As the IDA recipient, UNICEF will continue to manage the TPM, MIS, capacity building and external communications. It is mentionable that TPM agencies will be hired by UNICEF and UNDP for monitoring and evaluation of the project including environmental and social safeguards' aspects of such projects.

Public Disclosure

## II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

### A. Environmental and Social Risk Classification (ESRC)

High



**Environmental Risk Rating**

Substantial

The Environmental Risk Rating is "Substantial" as the AF2 project will support activities that may result in risks and impacts on workers and community health and safety, as well as on the environment, if the project's activities are not managed adequately. Although environmental risks and impacts are expected to be site-specific, reversible and generally of low magnitude that can be mitigated following appropriate measures. Nonetheless, there is risk for serious injuries or fatal incidents to occur under the project, particularly under the labor intensive community subprojects. It is mentionable that there is no sever OHS-related incident recorded under the ongoing parent project or AF1 so far. Nonetheless, such risk still exist since the project will provide temporary work opportunities to a large number of local community members who are un-skilled, largely illiterate, and with little or no knowledge or experience in applying OHS measures. Furthermore, there is a risk of injuries due explosion of remnant of war (ERW). Given the nature and scale of the interventions to be supported under the AF2, it is not expected that such interventions make significant use of resources such as water, energy and raw materials. It is not anticipated that activities supported under the AF2 Project will significantly generate pollution. The production of construction waste will be limited. Furthermore, the project is not expected to increase the pesticides as it will scale up the support for the rehabilitation of existing damaged terraces as well as growing vegetables at households' gardens.

**Social Risk Rating**

High

The project's social risk rating is high primarily due to the Universal Cash transfer (UTC), Cash for Nutrition (CfN) and Cash for Work (CfW) activities, which present security and safety risk for the workforce, the risks of elite capture, as well as the potential for social conflict or the exclusion of vulnerable and disadvantage individuals, as a result of inadequate/poor targeting of project beneficiaries. These activities may also lead to the an increased SEA/SH risks. Impacts associated with land acquisition, economic resettlement and restriction of land use and access (ESS5) are not expected. Only community infrastructures developed on public land or on land provided through voluntary land donations will be eligible for project financing. These small land needs are expected to be met with community contributions, which is a common practice locally, accepted and practiced under the parent project as well as its first additional financing project. Moreover, the project has developed a negative list of activities that will not be supported under the project, including the financing of infrastructures that require significant land needs or lead to physical resettlement. Moreover, there may be social risks related to labor and working conditions, such as occupational health and safety, poor working conditions, as well as child or forced labor. Community health and safety risks include the risk of being exposed tp Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH), which screening has been rated as high, especially with activities that involve cash transfers. Other risks include risks associated with dangerous road conditions and transportation to collect cash benefits. The SME subcomponent 2.4 activities could also face social risks as above, but these risks are expected to be low given the small size of investments expected. These would be further assessed when the investment activities are identified during implementation. Finally, given that the project will be implemented in a conflict setting, security risks are anticipated, particularly for project staff and targeted beneficiaries.

**B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered**

**B.1. General Assessment**

**ESS1 Assessment and Management of Environmental and Social Risks and Impacts**

Public Disclosure



**Overview of the relevance of the Standard for the Project:**

ESS1 is relevant as there are potential environmental and social risks and impacts associated with the Project’s interventions. The project’s combined environmental and social risk rating is high primarily due to the significant social risks associated with the Universal Cash transfer (UTC), Cash for Nutrition (CfN) and Cash for Work (CfW) activities, which present security and safety risk for the workforce, SEA/SH risks for beneficiaries, the risk of elite capture, as well as the potential for social conflict or the exclusion of vulnerable and disadvantage individuals, as a result of inadequate/poor targeting of project beneficiaries. While the addition of UTC via digital payment is a new activity under the project, this option will only added to beneficiaries who have the capacity to access their benefits through digital payments, the other will continue to be able to collect via payment sites. Other environmental and social risks include potential generation of solid wastes, exposure of project workers and communities to health and safety risks during the implementation of works if project activities are not adequately managed. Based on the implementation experience of ESPCRP parent project & AF1, there is risk of security threats to project workers, in particular payment staff and case managers, particularly under the UCT component. Potential occupational health and safety (OHS) risks are also anticipated if adequate measures are not implemented as the project under the cash-for-work program and community asset construction will provide temporary work opportunities to a large number of local community members who are unskilled, largely illiterate, and with little or no knowledge or experience in applying OHS measures. The types of interventions planned under this project are not expected to require physical or economic displacement.

To mitigate potential risks and impacts, the project will further update and implement the ESMF of the parent and first additional financing projects, including the provisions on OHS Framework and Toolkit in line with relevant OHS policies. The updated ESMF will reflect design measures of AF2 to address potential risks of social exclusion, security concerns and elite capture that have been integrated into the beneficiary selection criteria at household and community level under Component 2, the operational manual and in the monitoring and evaluation arrangement. The updated instrument for AF2 will be adopted within two months of project effectiveness. The project is being prepared under emergency procedures given the urgent need of assistance caused by the ongoing conflict coupled with insecurity exacerbated by the recent dissolution of truce, political instability, need for support to recover from the August – September 2022 floods, high food price inflation, along with the effects of the Russia/Ukraine war, which have all led to a situation of severe economic distress. While the updated Stakeholder Engagement Plan (SEP) and Environmental and Social Commitment Plan (ESCP) will be adopted prior to the end of appraisal, all other ESF instruments, including the ESMF, will be updated within two months of project effectiveness.

The parent project ESMF was already updated to account for the activities of the AF1 and includes provisions and planning requirements to (i) screen and assess potential environmental and social risks and impacts of the project activities – including the screening against a negative list of activities, (ii) outline the objective and principles to be followed in addressing environmental and social risks and impacts, (iii) propose mitigation measures to address identified environmental social risks and impacts under all components of the project, including activities to be supported under the Contingent Emergency Response Component (CERC), and (iv) implementation arrangements, including organizational setups, staffing and responsibilities, as well as monitoring mechanisms. Furthermore, subprojects – including those that might be supported by the Contingent Emergency Response Component (CERC)– will be screened against environmental and social criteria that will be included in the ESMF, and subsequent site-specific environmental social assessment instruments and mitigation plans will be prepared -if needed- during the implementation phase and will be implemented before the commencement of any physical activities.



Under the parent and first additional financing projects, UNDP, UNICEF, SFD and PWP have established an environmental and social management system with adequate policies, procedures, capacity and resources, focusing on OHS aspects. Under the proposed AF project, the agencies will continue to implement capacity building programs which were initiated under the ECRP targeting different groups (senior managers and officials of implementation and monitoring agencies, project managers, supervisors, consultants and contractors) and identified areas (ESMF, OHS Framework; OHS tools and their application in field). Considering the high security risk in which the project will be implemented in, UNDP and UNICEF will use their security management plans that define how projects workers and equipment are secured. Community officers will provide training and close supervision in implementing the above, particularly on OHS. Under component 2.4, the AF2 project will provide financial assistance to Micro Finance Institutions (MFI) to increase commercial financing access for SMEs. To mitigate any potential risk and impact which might be associated with supporting SMEs, and prior to start the implementation of the activities in this subcomponent, the implementing agency will conduct an ESMS assessment of the potential eligible MFIs. Where MFIs' ESMS are not available or inadequate, an ESMS shall be developed in compliance with ESS9 requirements. UNDP will ensure that MFIs remain in compliance with the existing ESMS. MFIs shall appoint a representative from the senior management to manage and monitor E&S risks in subprojects. The project LMP, in compliance with ESS2, will also apply to the MFI personnel. The contingent emergency response component (CERC) allows UNDP and UNICEF to receive support by reallocating funds from other project components to mitigate, respond and recover from the potentially harmful consequences arising from the emergency situation. Disbursements under this component will be subject to the declaration of emergency and the preparation of an "Emergency Response Operational Manual" (EROM) by UNDP and UNICEF, agreed upon by the Bank. The ESMF includes requirements for managing the environmental and social risks and impacts by following the World Bank ESF.

### **ESS10 Stakeholder Engagement and Information Disclosure**

The stakeholders under the project remain the same, with affected stakeholders including beneficiaries and non-beneficiaries of project activities (UTC, Cash for Work, and Cash for Nutrition beneficiaries, Small and Medium Enterprises (SMEs, community assets), project workers, including those from the UN agencies (UNICEF/UNDP), local implementing partners (PWP, SFD, SMEPs) and their contractors (commercial banks conducting the payments, facilitation organization), community workers and the two third party monitors. Concerned stakeholders include local governmental, tribal representatives and non-governmental organizations. Vulnerable stakeholders include Internally Displaced People (IDPs), beneficiaries with disabilities, families with pregnant, lactating women and young children.

The parent project has established a structured approach to engage with stakeholders that is based upon meaningful consultations and disclosure of appropriate information, considering its specific challenges. A Stakeholder Engagement Plan (SEP) has been developed. The AF2 project is supporting the continuation of existing development programs in the country under various development initiatives. The project design itself has benefited or is based on the earlier country sector analytical work, and broad stakeholder consultations that were carried out for the planning and implementation of these programs. Stakeholder consultations for the preparation and implementation of the parent project have included coordination meetings between the UNDP and UNICEF and the World Bank as well as extensive public consultations conducted in the preparation and design of various subcomponents, particularly with local communities in the preparation and implementation of the various subproject ESMPs of various subproject across the project governaterates. Stakeholder consultations will continue to reach a broad range of stakeholders,





including local communities and public and private sector stakeholders. The Stakeholder Engagement Plan (SEP) prepared under the parent project and updated for the first additional financing will be further updated prior to the ROC to account for its implementation progress and AF2 activities, and shall be implemented throughout project implementation.

A grievance mechanism was designed based on existing systems within UNDP, UNICEF, SFD, and PWP, and has been operational since the start of the implementation of the parent project. UNICEF and UNDP have been assuming overall responsibility for managing and handling complaints for the project. Its operating performance has been satisfactory in resolving grievances during the project implementation (see implementation status below). The same system will be used under the AF2.

Implementation of the SEP under the AF1 and parent project.

Component 1: Universal Cash Transfer Component (UNICEF): . Overall, the SEP has been implemented throughout various media, such as the local radio, public meetings, social media (Twitter and Facebook) and the recruitment of community facilitators who have disseminated eligibility criteria and detailed information on the payment dates, locations and procedures on complaints and feedback mechanism, fraud reporting and prevention of SEA/SH. Throughout 2022 , close to 39,000 communities in rural and urban areas were reached either in-person or through telephone, including beneficiary and non-beneficiary households, leaders and other local actors such as teachers, healthcare workers and other influencers. Moreover, the What’s App platform was used to send messages to over 95,808 local actors and beneficiaries. To ensure a gender-sensitive approach, 49 female Facilitation Assistants have been recruited to support the implementation of the SEP and a female-only WhatsApp was set up with around 32,187 members.. Over 1,600 female-only community meetings were conducted across 48 rural districts in ten governorates, ensuring the participation of 6,881 female community actors and cash beneficiaries. In terms of grievances, as of November 2022, the GM registered 21,510 grievances for the UTC component and a resolution rate of 96 per cent. Most grievances were filed through the Project’s Call Centre toll-free line (8003090). A total of 86 agents (42 males and 44 females) operated the call center. Additionally, the Project also continued to use the mobile application for grievance collection previously developed by UNICEF. An SEA complaint was received in March 2022 and investigated by SFD. UNICEF is still reviewing the result of the investigation.

Component 2: For the implementation of the CFN activity, SFD conducted stakeholder consultations sessions in which women were engaged in the identification of their community infrastructure needs. As for the CFW and community asset activities, PWP recently increased women’s participation at the sub project site through engaging 408 women as community committees’ members to participate in the selection and identification of the subprojects. PWP has, thus far, employed 25 female engineers and provided work opportunities to 99 females in construction activities (including carrying sand and water, planting, and irrigating trees on sites, carrying stones, cleaning, and cooking). In terms of grievance mechanism, for the CFW, CFN and community asset activities, PWP set up a complaints box at every subproject site and SFD set a free hotline number to which direct beneficiaries, community members, and others can submit complaints. A total of 1,562 complaints (1,448 by SFD and 114 by PWP) were received since the inception of the above activities. Nearly 77 percent of these complaints are simple enquiries from CFN beneficiaries that were answered immediately on the spot. UNDP agreed with SFD to divide the received complaints under CFN into additional sub-categories to provide details on the type and nature of the complaints. The majority of the



remaining 23 percent are related to administrative or financial issues. There are no pending complaints. 98.5 percent of the complaints were resolved within the agreed timeframe of 15 days and the rest were resolved in 20 days.

## **B.2. Specific Risks and Impacts**

**A brief description of the potential environmental and social risks and impacts relevant to the Project.**

### **ESS2 Labor and Working Conditions**

As under the parent project and AF1, the AF2 project will involve the use of direct workers, contracted workers and community workers. Direct workers will include staff of the two implementing agencies i) UNICEF and ii) UNDP. The contracted workers will include staff already in the employment of or additional staff to be recruited by SFD and PWP for their respective subcomponents, including private contractors' workers as well as MFIs' employees. The community workers will involve community members from the selected communities under the Cash for Work subcomponent as temporary employment opportunities to vulnerable populations to restore agricultural land and to have access to water, sanitation and markets. There could also be primary supplier worker from major contractors under the project.

Key labor risks under the project include occupational health and safety risks, such as those associated with minor civil works, such as the risks of physical injuries, falls, accidents, heat exhaustion. Other key risks include security and safety risks of the project workers involved in the cash payment, such as risks of physical aggression, threat, kidnapping, road safety accidents. Moreover, labor-related risks include possible child labor or forced labor, discrimination, gender discrimination, Gender-Based Violence/Sexual Exploitation and Abuse (SEA/SH), working conditions risks, and risks associated with Sexual Harassment (SH) and safety issues. A labor-management procedure (LMP) has been developed by the implementing agencies under the parent project and has clearly identified the terms and conditions of all workers the worker categories highlighted above, including the amount and method of payment and hours of work. The LMP also specifies the way through which workers can raise grievances in relation to the project. The parent project LMP will be updated and adopted for the AF project. The two implementing agencies will comply with OHS and EHSs. Required measures relating to OHS will be applied to the project, as described in the LMP. These OHS measures will take into account the requirements of the General Environmental Health and Safety Guidelines (EHSs). Worksites will be assessed and cleared of ERW before any commencement of works and earth movement. Training and supervision will be provided through project community officer. These will be set out in the legal agreements and the ESCP.

**Implementation of the LMP under the AF1 and Parent Project:**

In the past two years, under the UCT component, has reported over 10 reported incidents of verbal threats, physical aggressions, some coming from armed individuals or groups of people, towards payment agents at payment sites during the distribution of cash to beneficiaries. Most of these incidents did not result in physical injuries. There is a proposal to enhance safety protocols at the payment sites as well as a proposal for enhanced safety measures. There is the pending case of a payment agent who was physically attacked while on duty and had to go to the hospital to treat his head injury. Unfortunately, the agent did not have any insurance. We are seeking more information for why this is the case and how the project can support his medical expenses.



Regarding workers' training, under the UCT component, UNICEF and SFD trained around 9,000 project workers. Additionally, trainings on the Prevention of Sexual Exploitation and Abuse (PSEA) were conducted for 25 members of the Facilitation Teams, 47 Call Centre Agents and 40 Case Management Team on 15, 18 and 19 May 2022. The TPMO also conducted PSEA training on 12 June 2022, which included 62 female enumerators. UNDP organized several workshops with the RPs to clarify the gender requirements for ESPECRP and discuss ways to mainstream gender and SEA/SH. UNDP and implementing partners have each recruited gender specialists and some technical support was provided by UNDP for RPs to integrate gender and SEA/SH into the Grievance Mechanism (GM) and to improve their capacities in gender sensitivity reporting. SFD under the CFN activities organized online awareness trainings on the SFD platform on the main principles of gender awareness for its field.

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

This standard is relevant. The project intervention will consist community access to water, road rehabilitation. However, given the nature and scale of the physical interventions foreseen under the Project, it is not expected to make significant use of resources such as water, energy and raw materials. It is not anticipated that activities supported under the AF2 Project will significantly generate pollution. The production of construction waste will be limited. Furthermore, the project is not expected to increase the pesticides as it will scale up the support for the rehabilitation of existing damaged terraces as well as growing vegetables at households' gardens. The ESMF, to be updated, will identify and include any relevant mitigation measures, which will be proportionate to the risk, to ensure proper disposal of wastes associated with project activities.

### **ESS4 Community Health and Safety**

The implementing agencies will avoid and mitigate any potential adverse impacts on the health and safety of communities under the AF2. Social risks associated, as assessed under the parent project and AF1, include possible corruption, elite capture and conflict for accessing project benefit. These will be mitigated through an open, transparent, and inclusive stakeholder engagement and by a robust grievance mechanism, as outlined in the Stakeholder Engagement Plan. Other risks include those associated with working in a conflict environment, including the risks of injuries due explosion of remnant of war (ERW). UNDP and UNICEF have prepared and adopted each a stand-alone Security Management Plan (SMP). If there is a need to deploy security personnel, this would be done in compliance with the requirements of ESS4 and an indicative procedure for this will be provided in the updated SMP that will be adopted within two months of effectiveness. These plans will be updated, based on implementing experiences so far within two month of the AF2 effectiveness, and continued to be implemented throughout Project implementation, consistent with the requirements of ESS4, in a manner acceptable to the Association.

The AF2 was screened for SEA/SH risks and the rating assessed as high compared to substantial under the parent project. This is in part due to the allegations of SEA under Component 1 (UTC) that are currently being investigated. Under the AF2, there are risks that female community workers, including female consultants employed by SFD and PWP and the implementing agencies, as well as female beneficiaries could face SEA/SH risks, and sexual harassment. The risk is particularly high, given the conflict environment, the urgent need for cash transfers and temporary job opportunities to be delivered under the project, as well as the weak governance conditions. UNICEF and UNDP have prepared an GBV action plan that is being updated to integrate the lessons-learned from the parent project and AF1. These plans will be cleared and disclosed within two months of the AF2 effectiveness.



### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

ESS5 is relevant. As demonstrated through the implementing experiences of the parent project and AF1, the type of interventions under this project is not expected to generate physical or economic displacement. Nonetheless, there might be a potential need for private or community land contribution under the community asset activities (i.e. subcomponents 2.2 and 2.3). Given the minor scale of the civil works expected to be rehabilitated or built, the possible needs for land are expected to be minimal and are expected to be met through community contributions, which is a common practice in the local area and also accepted and practiced under ongoing World Bank projects, including the parent project and the first additional financing. The voluntary land donation document should be prepared, signed by the community and endorsed by the local council for verification purposes. These requirements are included in the ESMF.

### **ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

The project's physical interventions will be limited to the existing inhibited rural and urban centers and will not intervene in areas of biological importance. This has been the experience under the ongoing parent project and AF1. However, the ESMF includes relevant measures that may improve the landscape where cash for work activities will be undertaken. It is not expected to impact biodiversity and habitats.

### **ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

ESS7 is not currently relevant. No indigenous people are identified under the project.

### **ESS8 Cultural Heritage**

ESS8 is not currently relevant. No tangible or intangible cultural heritage will be impacted by the project activities. However, the ESMF includes chance find procedures.

### **ESS9 Financial Intermediaries**

ESS9 is currently relevant. The AF2 project will provide financial assistance to micro finance institutions (MFI) to increase access to commercial financing for SMEs. Under the ongoing project and AF1, the Yemen Loan Guarantee Program (YLG) submitted the Environmental and Social Management System (ESMS) including MFIs Environmental and Social Performance Criteria. Prior to the start of the implementation of activities in this subcomponent, the implementing agency will conduct an ESMS assessment of the potential eligible MFIs. Where MFIs' ESMS were not available or inadequate, an ESMS shall be developed in compliance with ESS9 requirements. UNDP will ensure that MFIs comply with their own ESMSs. The LMP, in compliance with ESS2, will apply to the MFI personnel. Each MFI will assign a representative from the MFI's executives for the management of E&S risks. Each MFI, will have an acceptable ESMS and will be in place and operational prior beginning to disburse funds provided through the project.

## **B.3 Other Relevant Project Risks**



The Republic of Yemen is in the midst of a complex conflict that is causing massive physical damage, devastating the economy, weakening institutions and generating an unprecedented humanitarian crisis. The country is entering its eight year of conflict, and there are substantial security and political challenges on the ground.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways** No

**OP 7.60 Projects in Disputed Areas** No

**B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts**

**Is this project being prepared for use of Borrower Framework?** No

**Areas where “Use of Borrower Framework” is being considered:**

“Use of Borrower Framework” is not considered under this operation.

**IV. CONTACT POINTS**

**World Bank**

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**Borrower/Client/Recipient**

Borrower: United Nations Children's Fund (UNICEF)

Borrower: United Nations Development Programme (UNDP)

**Implementing Agency(ies)**

Implementing Agency: Social Fund for Development

Implementing Agency: Public Works Project

**V. FOR MORE INFORMATION CONTACT**

Public Disclosure



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## VI. APPROVAL

Task Team Leader(s):	Andras Bodor
Practice Manager (ENR/Social)	Senait Nigiru Assefa Cleared on 20-Feb-2023 at 06:03:32 EST
Safeguards Advisor ESSA	Aki Tsuda (SAESSA) Concurred on 21-Feb-2023 at 17:15:19 EST