



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 01-Sep-2020 | Report No: PIDISDSA28037

**BASIC INFORMATION****A. Basic Project Data**

Country Yemen, Republic of	Project ID P172662	Project Name Yemen Emergency Crisis Response Project - Fifth Additional Financing	Parent Project ID (if any) P159053
Parent Project Name Yemen Emergency Crisis Response Project	Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date 28-Jul-2020	Estimated Board Date 30-Sep-2020
Practice Area (Lead) Social Protection & Jobs	Financing Instrument Investment Project Financing	Borrower(s) UNDP, United Nations Children's Fund (UNICEF)	Implementing Agency UNICEF

Proposed Development Objective(s) Parent

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

Components

Labor Intensive Works and Community Services
Project Management and Monitoring
Emergency Cash Transfer

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	23.56
Total Financing	23.56
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS**Non-World Bank Group Financing**

Trust Funds	23.56
MNA-FS - MNA VPU Free Standing Trust Fund Program	23.56



Environmental Assessment Category

B-Partial Assessment

Decision

Other Decision (as needed)

B. Introduction and Context

Country Context

The proposed Additional Financing (AF) is being processed under paragraph 12 of the Bank Policy on Investment Project Financing (*Projects in Situations of Urgent Need of Assistance or Capacity Constraints*) to respond to the increasing social needs in Yemen arising from the ongoing conflict, the COVID-19 pandemic and climate-related shocks. Despite the occasional ceasefires (in 2015, 2016, 2018 and 2020) and numerous peace talks (including Geneva – 2015, Kuwait – 2016, Stockholm – 2018, Riyadh – 2019), the conflict is entering its sixth year with no immediate prospects of improvement. The conflict has brought the economy to a near collapse. Hydrocarbon exports, the main source of exports, government revenue and economic activity, came to a virtual halt in 2015 due to the repeated sabotage of infrastructure and increased insecurity. This had a major impact on economic activity and led to wide-scale suspension of basic public services and civil service salary payments, rapid depreciation of the currency, and shortages of imported goods. It is estimated that between 2015 and 2018, Gross Domestic Product (GDP) contracted by \$49.8 billion in real terms.

The conflict has made Yemen one of the poorest and most food insecure countries in the world. Projections suggest that over three-quarters of the population live on less than US\$3.20 purchasing power parity per day, compared to 45 percent in 2014. The high level of food poverty is of particular concern. Conflict has destroyed livelihoods and with that the ability to purchase food. It has also caused major disruptions in the food supply chain and increases in the price of imported foods, which Yemen is heavily reliant on, resulting in substantial increases in food prices—the cost of the minimum survival food basket increased by 134 percent in nominal terms between March 2015 and February 2020. About two thirds of the population (20 million people) are food insecure (double the number in 2014), 10 million people are at risk of famine, and two million children require treatment for acute malnutrition.¹ The 2019 International Food Policy Research Institute Global Hunger Index ranked Yemen 116 out of 117 countries,² and the 2020 Global Report on Food Crises calls it the “world’s worst food crisis.”³ Most of the population also lacks access to basic services such as education, health services, water and sanitation.⁴ These

¹ WFP Yemen Situation Report #2, February 2020.

² <https://www.globalhungerindex.org/results.html>

³ FSIN (2020) 2020 Global report on Food Crises: Joint Analysis for Better Decisions. Accessed online at https://docs.wfp.org/api/documents/WFP-0000114546/download/?_ga=2.73853716.720838996.1587659542-2013531706.1571253478

⁴ Only 51 percent of health centers remain fully functional. Access to safe water has become a major challenge and the lack of



deprivations are eroding Yemen's human capital: the future earnings potential of children born today in Yemen will be 63 percent lower than what it could have been with complete education and full health (World Bank 2018).

The COVID-19 pandemic poses severe and far-reaching negative consequences for the Yemeni population that is already coping with the effects of conflict. By September 2020, the COVID-19 pandemic had resulted in over 25.7 million cases and 855,968 deaths in 212 countries. The number of reported cases and deaths in Yemen (1958 and 566, respectively, as of September 1, 2020) are growing fast, and the actual number of cases and deaths are likely to be much higher due to the limited testing capacity. The indirect effects of the pandemic will be substantial. The pandemic will negatively affect the Yemeni economy through the domestic restrictions on economic activity and, most significantly, through its impact on global markets, particularly through the plummeting oil prices and the likely collapse in the Yemeni Rial (YR). This would significantly increase the prices of imported commodities, eroding households' purchasing power and increasing operating cost for businesses. Households will be affected by reduced labor incomes and remittances and, particularly, higher food prices—food insecure households and those vulnerable to food insecurity are most vulnerable. Food prices are already on the rise and they will likely increase further, particularly as food imports continue to decline following the disruption in global food supply chains caused by COVID-19.⁵

This is being compounded by the impact of climate-related shocks, including the desert locust plague and recent floods. Yemen is highly vulnerable to climate change, which intensifies the development of locust swarms and the occurrence of natural disasters. Climate change has triggered the strongest alterations in water temperature in the Indian Ocean in 60 years. Warmer seas create more extreme rainfall as well as stronger and more frequent cyclones, providing ideal conditions for locusts to hatch, breed, and disperse widely. The impact of the locust on crops is devastating: a small swarm (1 km²) can comprise as many as 80 million locusts and can consume the same amount of food in one day as 35,000 people. To make matters worse, Yemen was hit in April 2020 by the worst floods in a generation, destroying crops and irrigation systems, damaging houses and buildings and creating conditions for infectious diseases to spread.

Sectoral and Institutional Context

Prior to the conflict, Yemen instituted an array of social policies and programs providing a diverse set of social protection benefits to the population. These include Community-Driven Development (CDD) programs implemented by the Social Fund for Development (SFD); social safety net programs through a Labor-Intensive Works Program (LIWP) under SFD, a targeted cash transfer program under the Social Welfare Fund (SWF), and a labor-intensive Public Works Project (PWP). These national programs were established in the mid-1990s and their capacity was developed through two decades with intensive investments from the donor community and the Government of Yemen. Prior to the conflict in early 2015, SFD was successfully implementing its Phase IV program with around US\$1.12 billion funding that was committed by over 14 donors including the World Bank, with a planned 20 percent Government contribution. PWP was implementing its Phase IV program with US\$283 million funds committed by five donors and a 4 percent Government contribution. SWF is a fully Government-funded program that has expanded its coverage over the years reaching a current coverage of 1.5 million beneficiary households.

C. Proposed Development Objective(s)

proper sanitation has increased the risk of communicable diseases. About two million children are out of school, mostly girls.

⁵ Yemen Monthly Economic Update—April 2020 issue (World Bank 2020).



Original PDO

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

Current PDO

The Project Development Objective is to provide short-term employment and access to selected basic services to the most vulnerable; preserve existing implementation capacity of service delivery programs; and provide emergency cash transfers to the poor and vulnerable in response to the food crisis.

Key Results

The achievement of the PDO will be measured by the following key indicators:

- (a) The number of direct beneficiaries of wage employment (disaggregated by gender, youth, IDPs, and persons with disabilities) to measure coverage of income support;
- (b) The number of people provided with access to key services (disaggregated by gender and persons with disabilities) to measure potential coverage of community and social services;
- (c) Number of people benefited from the nutrition services (disaggregated by women and children and persons with disabilities) to measure coverage of the nutrition services;
- (d) The percentage of core staff positions of the SFD and PWP retained to measure preservation of the capacity of these critical national programs;
- (e) Beneficiary households of cash transfers (Number) (disaggregated by gender) to measure the coverage of unconditional cash transfers to beneficiaries.

D. Project Description

The proposed AF5 is financed by a US\$23.56 million grant funded by the US DoS through the Yemen Emergency MDTF. The grant will be added to Component 3 and will be allocated to the CT subcomponent. The proposed AF5 is financed by a US\$23.56 million grant funded by the US DoS through the Yemen Emergency MDTF. The grant will be added to Component 3 and will be allocated to the CT subcomponent. The additional funds will be used to finance PC9, to be delivered in October 2020. Depending on the evolution of the exchange rate, the additional funds could be used to help finance regular benefits in PC9 and/or to finance a benefit top-up in PC9.

In addition to the proposed grant, the Yemen Emergency MDTF has also included in the funding from DFID in the amount of GBP 7 million equivalent toward AF3 (ECT component). Additionally, DFID provided parallel financing to ECT in the amount of US\$19 million to top-up benefits in PC8. The US Department of State has provided parallel financing in the amount of about US\$9.6 million for ECT-supporting activities, including delivery system activities, capacity building of local institutions, and staffing and operational costs related to ECT. The ECRP is therefore part of a coordinated multi donor effort of CTs to Yemen.

1. **Component 3: Emergency Cash Transfer (US\$472.19⁶ million equivalent).** This component targets the SWF beneficiary households (chronic poor) who have been verified for the ECT program with direct cash assistance to improve their purchasing power for food and basic necessities. The proposed AF5 in the amount of US\$23.56 million

⁶ Exclusive of WB Trust Fund fee.



equivalent will be allocated to this component bringing the total allocation to US\$472.19 million. Component 3 includes two subcomponents:

Subcomponent 3.1: Cash Transfers (US\$23.088 million equivalent): This subcomponent finances quarterly CTs (average benefit of YR 15,000 per household) to households in the SWF beneficiary list (a target of 1.50 million households) so they can purchase food and other basic necessities. The subcomponent also finances the fees charged by the payment agencies contracted by the project to deliver the CTs.

Subcomponent 3.2: Project management and monitoring (PMM) (US\$0.471 million equivalent): This subcomponent finances the management, implementation and monitoring and evaluation of the ECT component. Specifically, under AF5, this subcomponent will finance: UNICEF's indirect cost and general management.

E. Implementation

Institutional and Implementation Arrangements

The ECT component is implemented by UNICEF. Under the proposed AF5, implementation arrangements will remain unchanged. UNICEF will continue implementing the project through its established Project Management Unit (PMU) in UNICEF Yemen, which manages and oversees all aspects of project design and implementation, in close coordination with their Country Office, Regional Office and Headquarters. The PMU consists of 43 staff who operate between Sana'a and Amman. UNICEF contracts four service providers to manage the various elements of the CT delivery processes including: TPM; facilitation⁷ and two payment agents to deliver cash benefits to eligible households through fixed and mobile payment sites. UNICEF is currently in the process of hiring additional payment agents to administer the CT delivery.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project is being implemented on a national level and will cover all of Yemen's 22 governorates. The project will deliver cash transfers to existing Social Welfare Fund (SWF) beneficiaries without enrollment of new recipients. During the cash distribution period, verified beneficiaries can go to the payment sites closer to their current location for payment, and with the payment agencies assigned to them or benefit from outreach support if they are elderly, differently abled or have any other mobility restrictions.

⁷ With the COVID-19 outbreak and ensuing travel and mobility restrictions, UNICEF will be contracting a second facilitation agency to complement the existing function.



G. Environmental and Social Safeguards Specialists on the Team

Amer Abdulwahab Ali Al-Ghorbany, Environmental Specialist
Ibrahim Ismail Mohammed Basalamah, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	OP/BP 4.01 remains triggered for this project. AF5 follows the environmental category of the original project which is category B. A Social Impact Assessment (SIA) has been prepared by UNICEF to assess and manage potential social risks and impacts of the project.
Performance Standards for Private Sector Activities OP/BP 4.03	No	This policy is not triggered.
Natural Habitats OP/BP 4.04	No	This policy is not triggered.
Forests OP/BP 4.36	No	This policy is not triggered.
Pest Management OP 4.09	No	This policy is not triggered.
Physical Cultural Resources OP/BP 4.11	No	This policy is not triggered.
Indigenous Peoples OP/BP 4.10	No	This policy is not triggered.
Involuntary Resettlement OP/BP 4.12	No	This policy is not triggered.
Safety of Dams OP/BP 4.37	No	This policy is not triggered.
Projects on International Waterways OP/BP 7.50	No	This policy is not triggered.
Projects in Disputed Areas OP/BP 7.60	No	This policy is not triggered.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

Environmental Impacts: AF5 will not involve construction activities causing negative environmental impact as it will continue the cash transfer program of the Social Welfare Fund (SWF) beneficiary households (chronic poor) with direct cash assistance to improve their purchasing power for food and basic necessities. AF5 will follow the environmental category of the parent project which is category 'B'.



Social Impacts: AF5 will however involve substantial social risks and impacts such as security risks, exclusion of poor and vulnerable households who are not included in the SWF list; reaching beneficiaries with limited or no physical mobility; grievances related to payments; potential gender and Sexual Exploitation and Abuse / Sexual Harassment (SEA/SH) and Gender Based Violence (GBV) risks issues at payment sites by service providers; COVID-19 infection risks at payment sites; and potential delays of payments due to security risks. These risks will be mitigated through the compliance with implementation guidelines and the Social Impact Assessment (SIA) to ensure proper targeting, inclusiveness, fairness, introducing a Code of Conduct to prevent GBV/SEA/SH and relying on security officers at payment agents. To minimize the risk of COVID-19 infection, the project will implement various precautionary measures, including the use of community facilitators to raise awareness on COVID-19 risks; scheduling payments and limiting the number of beneficiaries on a given day to avoid overcrowding at payment sites; payment providers will distribute hand-sanitizer, manage crowds, and ensure social distancing and the use of face coverings by beneficiaries at payment sites. Additionally, dissemination of the Grievance Redress Mechanism (GRM) details at service providers locations and verification and reporting by the Third Party Monitoring agency will be used to further minimize these risks.

Management of risks related to exclusion: ECT relies on the SWF beneficiary list (1.5 million households), who were identified prior to the conflict based on a combination of poverty-targeting (using a Proxy Means Test, PMT) and categorical targeting (elderly, female headed households, orphans and disabled). The beneficiary list covers households in all districts in Yemen and beneficiary identities were verified by UNICEF upon assuming implementation responsibility of the CT program in 2017. Although years of conflict have pushed more people into poverty, SWF beneficiaries are likely to remain among the poorest in the country. Under normal circumstances, the PMT would have been revised based on a new household survey, existing beneficiaries re-certified, and new households added to the beneficiary list. However, the current conflict makes this option not feasible from a technical and political perspective. However, other interventions under ECRP, such as cash for nutrition and cash for work, do benefit poor and vulnerable households that are not in the SWF list. The project will continue the efforts to reach all the households in the SWF list—the program has reached over 1.42 million households. To reach out beneficiaries with limited or no physical mobility, the project includes home-based outreach payment by payment providers. This service has been expanded in terms of reach and duration (one week) and precedes payments through fixed and mobile sites during each payment cycle. Finally, the World Bank will continue to engage with humanitarian agencies to improve coordination of beneficiary lists to avoid overlapping and to increase the coverage of people in need.

The proposed AF5 will serve as a continuation of original project and is expected to continue having a positive impact and increasing food consumption for a targeted 1.5 million poor households (approximately 9 million people) (of which 40 percent of targeted direct recipients are female). The CT program was designed to target the chronically poor, orphans, vulnerable children, widows, persons with disabilities, the elderly and female-headed households. Field facilitation will be supported by local field officers, including women, to ensure outreach to female beneficiaries; and the TPM agency will include female workers to also reach women and ensure that they are able to voice any potential concerns or complaints. Finally, UNICEF will continue facilitating the coordination between the CT program and UNICEF health and nutrition interventions building on the ECT / cholera collaboration (under the ongoing World Bank-financed EHNP) to link CT beneficiary households with health and nutrition supply interventions.

Reporting and Monitoring: A TPM agency provides independent monitoring services. The TPM agency is tasked with: (i) conducting process monitoring at Payment Sites; (ii) conducting spot checks; (iii) conducting post distribution monitoring; (iv) investigating outlier districts; (v) making recommendations for valuable solutions to any shortfalls in implementation, (vi) ensuring that records are properly maintained in case there is a need to verify any reported issue.



A separate firm has also been recruited by UNICEF to provide quality implementation support services and is tasked with investigating any fraudulent cases reported by the TPM agency.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: The proposed Additional Financing will only deliver cash transfers to existing Social Welfare Fund (SWF) beneficiaries. No potential indirect and/or long term impacts are expected under this AF.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
N/A.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

E&S risk management for Component 3 (Emergency Cash Transfer): While the overall project has triggered OP 4.01 and includes an Environmental and Social Management Framework (ESMF) for Component 1 (Labor Intensive Works and Community Services) prepared by UNDP – the SIA has been prepared by UNICEF to cover the ECT component (Component 3). UNICEF does have been implementing a solid E&S management system, such as stakeholder engagement protocol; measures to address risks of exclusion, security measures, SEA/SH and GBV, etc. These are outlined in the SIA and the project Operations Manual. The PMU includes relevant staff and supporting local agents who manage these social risks.

GRM system: A call center was established in Sana'a to be used by beneficiaries to file their grievances using a toll-free line. Due to concerns over the effectiveness and quality of the grievance collection and the need to secure the independence of this service, the call center operates under UNICEF direct oversight. Trained Call Centre Agents ensure that these grievances are registered in the Grievance module of the Management Information System (MIS) within the appropriate grievance type, to ease the analysis and redressal. Due to the risk of exclusion of those beneficiaries in areas with limited or no phone network coverage the PMU has released a mobile application for grievance collection, developed by the PMU MIS team. When connected to the internet, this mobile application connects to the MIS and the grievance information is deleted from the mobile device and uploaded in the system. All grievances recorded in the MIS are automatically categorized allowing for redressal as per agreed protocols. Grievances of suspected fraud are subject to a first level of desk review to determine which ones require immediate investigation by the third-party monitoring organization; and which ones need a different type of redressal such as review of documentation, clarifications to the beneficiary, etc. Grievances associated with the quality of services or mistreatment are referred to the concerned contract manager for follow up with the service provider. Grievance linked to beneficiary issues (i.e. challenges experienced by the beneficiaries that prevent them from collecting their cash benefits) are addressed by the case management team. All components of the grievance redressal mechanism (GRM) operate under the direct oversight of the UNICEF Yemen Project Management Unit (PMU). The entire grievance collection and redressal process is registered and recorded into the MIS. This enables the implementation of comprehensive quality assurance processes, with concrete protocols, to ensure that all grievances are recorded and handled in a proper manner.

Performance of the GRM: Findings from the third-party monitoring (TPM) agent in relation to beneficiaries' level of satisfaction with the services provided by the grievance redressal teams are very positive. In the fifth payment cycle, out of all those who contacted the call center, 97 percent were satisfied, which is an 11-percentage point increase from the fourth payment cycle of 86 per cent. Reasons for high satisfaction include "polite and cooperative staff", "grievance was solved" and "got a clear response to their grievance". However, the TPM reports that a significant



number of beneficiaries had not heard about the Call Centre or case management. It is important to more widely publicize the Call Centre and case management processes including how to contact them. Only 30 percent of spot-checked beneficiaries served at fixed and outreach (mobile) sites and 45 percent of home outreach beneficiaries said they had been told how to file grievances, while only 27 percent of beneficiaries at fixed and mobile payment and 32 percent of home outreach beneficiaries had been informed how to report fraud. This is the area for improvement during the next cycle.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Due to the conflict in Yemen since 2015 and the current COVID-19 crisis, it has been difficult under the project to conduct public consultations with key stakeholders and the target beneficiaries. Under the project, alternative ways of managing consultation and stakeholder engagement have been adopted in accordance with the local applicable laws and policies, especially those related to media and communication. A Facilitation Organization has been engaged by UNICEF to initiate and maintain regular and extensive dialogue with local, formal and informal, authorities and leaders to facilitate a smooth execution of project activities, and through them reach beneficiaries with all relevant information about the project. Community meetings are being organized as the entry point for community outreach. During community meetings, Facilitation Officers explained the key project principles to local actors/leaders, who then conveyed the key messages to the beneficiaries. In previous payment cycles, posters with key messages were placed in areas with wide visibility and leaflets distributed to local influencers. The outreach efforts of the Facilitation Organization were complemented with direct messaging from UNICEF through local radio and social media leveraging on UNICEF Facebook and Twitter channels. In the previous payment cycle, each message published on UNICEF Facebook page was pinned at the top of the page for three consecutive days to ensure it was visible to anyone accessing the page. The messaging platform RapidPro was also used for the first time in the previous payment cycle to announce the payment start and end dates, as well as to increase awareness on the grievance mechanism. To prevent overcrowding and ease the burden of beneficiaries, facilitators are additionally responsible for scheduling and directing beneficiaries to specific payment sites.

The SIA prepared by UNICEF was cleared by the World Bank on August 24, 2020 and disclosed on August 31, 2020 on UNICEF’s website and on August 31, 2020 on the World Bank external website. An Arabic version of the document is expected to be disclosed on UNICEF's website in the coming days.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
17-Aug-2020	01-Sep-2020	

"In country" Disclosure



Yemen, Republic of
31-Aug-2020

Comments

https://www.unicef.org/yemen/media/4591/file/Yemen%20ECRP_AF5_Social%20Impact%20Assessment.pdf

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

No

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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APPROVAL

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