



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 25-Nov-2021 | Report No: PIDA33138



**BASIC INFORMATION**

**A. Basic Project Data**

Country Yemen, Republic of	Project ID P178270	Project Name Additional Financing - Integrated Urban Services Emergency Project II	Parent Project ID (if any) P175791
Parent Project Name Integrated Urban Services Emergency Project II	Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date 25-Nov-2021	Estimated Board Date 16-Dec-2021
Practice Area (Lead) Urban, Resilience and Land	Financing Instrument Investment Project Financing	Borrower(s) United Nations Office for Project Services	Implementing Agency UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)

Proposed Development Objective(s) Parent

To restore access to critical urban services and strengthen resilience to shocks in selected cities within the Republic of Yemen.

Components

Service Restoration  
Implementation Support and Capacity Development  
Contingent Emergency Response

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

**SUMMARY**

<b>Total Project Cost</b>	120.00
<b>Total Financing</b>	120.00
<b>of which IBRD/IDA</b>	120.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	120.00
---	--------



IDA Grant	120.00
Environmental and Social Risk Classification	
High	

## I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

### A. Introduction

1. This Project Paper seeks the approval of the World Bank Board of Executive Directors of an IDA grant in the amount of US\$120 million equivalent for proposed Additional Financing (AF) for the Yemen Integrated Urban Services Emergency Project II (YIUSEP II) to continue to restore access to critical urban services and strengthen resilience to shocks<sup>1</sup> in selected cities within the Republic of Yemen. Since YIUSEP II became effective in July 2021 the conflict has escalated and the situation has become more unpredictable across the country. This has led to a further deterioration in access to basic services and loss of livelihoods, and increased displacement from areas of active conflict to relatively safer urban areas. This AF is an urgent scale-up of the parent project that is being processed following condensed procedures<sup>2</sup>, to provide critical infrastructure and services to urban centers across the country, with the dual purpose of creating an enabling environment for much needed humanitarian assistance, whilst creating the building blocks for sustainable economic recovery.

2. Based on the current implementation progress, the parent project is on track to achieve its Project Development Objective (PDO). The project is currently rated Satisfactory for both its progress towards achievement of the PDO and Implementation Progress (IP). There are no changes proposed to the PDO, the component design. The geographical scope expands to six additional eligible cities<sup>3</sup>. The changes to the results framework are proposed to reflect the scaled-up targets, and to increase economic and employment opportunities for Yemeni women. The closing date of the parent project will be extended from December 31, 2023 to December 2024. The area-based approach (ABA)<sup>4</sup> adopted by the parent project will be optimized by this AF to increase the climate resilience of investments and maximize the number of

<sup>1</sup> Shocks are defined as events that detrimentally affect people's wellbeing and safety, with a focus on floods, flash-floods, and pandemics.

<sup>2</sup> Section III of the Bank Policy for Investment Project Financing (IPF), following condensed procedures as defined in Paragraph 56, Section III, of the IPF Directive, Situations of Urgent Need of Assistance or Capacity Constraints.

<sup>3</sup> There are a total of 19 eligible cities under YIUSEP II and this AF: Sana'a, Aden, Dhamar, Amran, Sa'ada, Al Hodeidah, Zinjibar, Al Mukalla, Al Dhale'e, Taiz, Lahj, Bajil, Bayhan, Bayt al-Faqih, Ibb, Rida, Say'oun, Shihr, and Yarim. This AF expands implementation to six of these eligible cities which have not yet received support under the parent project due to limited project funds: Ibb, Al Dhale'e, Say'oun, Shihr, Yarim and Bayt al-Faqih.

<sup>4</sup> Based on the lessons learned from YIUSEP, the ABA approach is a spatially targeted and integrated approach to investments, with multisectoral coordination and participatory identification and planning of interventions. To retain flexibility and adaptability, sub-project selection will occur on an incremental basis to respond to changing needs on the ground.



beneficiaries protected from the dangerous effects of climate change. As in the parent project, water and sanitation will remain a major focus area, given the immense needs and the expected co-benefits in terms of strengthened health outcomes. The relevant Environmental and Social Standards are not expected to change. The United Nations Office for Project Services (UNOPS) will continue to be the implementing agency and will engage directly with local partners in each city.

## B. Country Context

**3. More than six years into the war, the hardships faced by the Yemeni people are extreme.** According to the United Nations (UN), the Yemen conflict has led to one of the direst humanitarian crises in the world, which has been further exacerbated by the COVID-19 pandemic and an ongoing severe cholera epidemic<sup>5</sup>. The conflict has led to displacement of more than 3.6 million civilians, and about 75 percent of the entire population (22.5 million people) requires humanitarian assistance. The war has already caused an estimated 233,000 deaths (131,000 from indirect causes such as lack of food, health services and infrastructure), many of them civilians. Severe flooding and flash floods during rainy seasons have hampered the humanitarian effort and the COVID-19 response and have exacerbated the spread of communicable diseases. Sadly, there are signs the conflict is escalating - there are currently 47 front lines, up from 33 in January 2020. The escalation in conflict, combined with climate impacts, natural disasters, declining remittances<sup>6</sup> and the COVID-19 pandemic, is disrupting trade, fuel supplies and economic activity. Consequently, Yemen's economy is estimated to have shrunk by 8.5 percent in 2020. In parallel, the Yemeni Riyal has depreciated to historic lows and inflation is expected to reach 45 percent in 2021, with food price escalation likely to push more Yemenis into extreme poverty.

4. Yemen's urban population (11.3 million) has suffered greatly from the conflict, due to widespread destruction of urban infrastructure. Waste collection services have been interrupted, roads have been wrecked, critical facilities have been left without electricity, and water, sanitation, and drainage infrastructure has been extensively damaged, significantly impacting service delivery. About 20 million people lack access to safe water and sanitation, and healthcare services are failing to meet the country's immense needs. Inflation linked to food insecurity will likely be pronounced in urban areas. The conflict is also leading to continued displacement, including rural-to-urban and urban-to-urban migration which puts huge pressure on constrained resources. Yemen's population and economy are predominantly rural<sup>7</sup>, but the urban population is growing at 3.9 percent per annum.<sup>8</sup> Furthermore, Yemen's urban population is estimated to almost double from a pre-war population of 8.4 million in 2013 to 16.2 million by 2030. Accommodating this population growth is a major challenge, as cities are ill-equipped to provide even basic services; and flooding, drought and heat waves which are projected to increase with climate change, present an existential threat to urban life unless action is taken to mitigate these risks now.

**5. Yemen is highly vulnerable to climate change impacts, which further aggravate the disaster vulnerability**

---

<sup>5</sup> In 2019, the cholera epidemic was one of the worst outbreaks in modern history. More recently the number of cases have significantly reduced thanks to vaccination, improved prevention/treatment and proactive surveillance. However, the burden is still higher than the global and regional average.

<sup>6</sup> Linked to the Saudization program and return of Yemenis working in Saudi Arabia.

<sup>7</sup> Approximately 62 percent of the population are rural.

<sup>8</sup> World Bank, 2020.



of the country.<sup>9</sup> In particular, increased flood hazard and water scarcity are anticipated in Yemen.<sup>10</sup> Due to the ongoing multiple crises, Yemen has very limited capacity to deal with the future impacts of a changing climate. The level of economic vulnerability to climate change is extremely high, given most of the population is reliant on humanitarian assistance. In addition, the mean annual temperature in Yemen is expected to increase by 1.2 C to 3.3 C on average by 2060 increasing risk for urban heat island and drought.

**6. Regular flash floods and heavy rainfall are compounding hardships in urban areas.** Sana'a, Al Hodeidah, Abyan, Marib, Amran, Sa'ada, Al Jawf, Ibb, Hajjah, Hadramout, and Al Dhale'e were badly flooded due to heavy rainfall between April to August 2020. This flooding led to 172 direct deaths and many more injuries according to media reports. In addition, an estimated 300,000 people in Yemen were reported to have lost their homes, crops, livestock, and personal belongings.<sup>11</sup> In the old city of Sana'a<sup>12</sup>, the high-velocity floodwater flowed down the road and because the magnitude of the flood exceeded the capacity of the road, the flood water inundated and caused severe damage to the surrounding urban area, damaging more than 260 historic homes. Going forward, rainfall intensity and associated flooding is projected to increase with climate change, especially in coastal cities, due to exposure to storm surge, flash floods, and epidemiological hazards enhanced by flash floods, the depletion of water resources for household consumption and sea level rise. For example, in the coastal city Al Mukalla the sea level has risen at a rate of about 1.77 millimeters per year over the past 20 years. This has the potential for adverse shoreline change, and increased hazards for already vulnerable internally displaced persons (IDP), and communities that typically concentrate in low lying, vulnerable areas.<sup>13,14</sup> Preliminary results of technical assistance (TA) supporting YIUSEP II has identified significant central areas in five Yemeni cities under the project (Sana'a, Aden, Hodeidah, Amran and Sada'ah) that will be increasingly exposed to flooding due to climate change. Inland, desertification, drought and water stress are expected to increase annually by 3 to 5 percent, which would negatively affect agricultural and food production and the overall availability of arable land. The rural population is engaged in farming and pastoralism and hence is highly reliant on favorable climatic conditions for their livelihoods.<sup>15</sup> As rainfall has decreased in recent years, harvests have become shorter, yielding less food. Increased drought risk in rural areas would further contribute to forced rural-to-urban migration, further impacting cities.

<sup>9</sup> The Notre Dame – Global Adaptation Initiative (ND-GAIN) ranks Yemen at 172 - the 11th the most vulnerable and least prepared country to handle climate change in the world, with its readiness score significantly impacted by the ongoing conflicts. <https://gain.nd.edu/our-work/country-index/rankings/>

<sup>10</sup> While the overall projected precipitation trends for the next 30 years differ among climate models, Yemen rainfall patterns have shown increasing extremes. On the one hand, showing mean decreases leading to droughts and agricultural losses, and on the other hand, extreme concentrations of rainfall that has led to flooding since the mid-1990s. Republic of Yemen (2018): Third National Communication to the Conference of the Parties of United Nations Framework Convention on Climate Change, [https://unfccc.int/sites/default/files/resource/Yemen\\_TNC\\_%202018.pdf](https://unfccc.int/sites/default/files/resource/Yemen_TNC_%202018.pdf); Republic of Yemen - Environmental Protection Agency (2008): National Adaptation Programme of Action (NAPA), [https://www.adaptation-undp.org/sites/default/files/downloads/yemen\\_napa.pdf](https://www.adaptation-undp.org/sites/default/files/downloads/yemen_napa.pdf)

<sup>11</sup> UNHCR, August 2020, <https://www.unhcr.org/en-us/news/briefing/2020/8/5f3e7faf4/300000-people-lose-homes-incomes-food-supplies-belongings-due-catastrophic.html>.

<sup>12</sup> A UNESCO World Heritage site.

<sup>13</sup> Republic of Yemen (2016). Coastal Zone Vulnerability and Adaptation Assessment. Al Mukalla coastal Zone (MCZSA). Published as a part of Third National Communication - Biennial Update Report, <https://info.undp.org/docs/pdc/Documents/YEM/VA%20Coastal%20Zone%20Final%20Draft%20Report.pdf>

<sup>14</sup> Semnani, S., & Lennard, J. (2019). Yemen: Urban Displacement in a Rural Society. The Internal Displacement Monitoring Centre, Switzerland, <https://www.internal-displacement.org/publications/yemen-urban-displacement-in-a-rural-society>

<sup>15</sup> <https://www.adaptation-undp.org/explore/arab-states/yemen>



### C. Project Background and Parent Project Performance

7. In November 2017, the World Bank Group (WBG) Board of Directors approved the US\$150 million Yemen Integrated Urban Services Emergency Project (YIUSEP) to restore access to critical urban services of selected cities. YIUSEP was able to deliver or exceed all results despite the challenging situation. The results achieved included support for 3 million beneficiaries, 1.5 million person-days of work, restoration of 240 kilometers of roads, 1.2 million people gaining access to water, sanitation, and hygiene (WASH) services. Despite the success of YIUSEP, Yemen's unmet urban infrastructure and service delivery needs remain immense due to the extent of damage to infrastructure and institutions caused by the ongoing conflict.

8. The significant needs on the ground led to repeated requests for additional support from local partners. These ultimately resulted in the launch of YIUSEP II, a follow-up US\$50 million IDA operation, which was approved in June 2021 to restore critical urban services impacted by the conflict and recent flooding (Component 1) for an estimated 1.5 million people, whilst strengthening the capacity of selected national and local institutions to provide continuity, resilience to shocks and sustainability of urban service delivery (Component 2). The capacity building component was strengthened under YIUSEP II to help restore the capacity and functions of local institutions with the aim of enhancing the sustainability of the restored services. YIUSEP II also expanded WASH services in response to the COVID-19 pandemic and focused heavily on the restoration of urban infrastructure damaged by flooding which has compounded the severity of the emergency in urban areas. The hardships faced in Yemen's cities due to the devastating combination of conflict, climate impacts, health and economic stresses have led to continued demands for additional assistance, resulting in this proposed AF.

9. YIUSEP, YIUSEP II and this AF have been designed as part of a holistic World Bank emergency response in Yemen. These projects are unique as they are targeting urban areas, whereas other IDA operations in Yemen are either national in scale, support rural and peri-urban areas, or are not spatially targeted. This complementarity of IDA operations<sup>16</sup> helps equally distribute resources to as many beneficiaries across the country as possible. Furthermore, to ensure complementarity with other donors and partners operating in Yemen, UNOPS is coordinating closely with the WASH cluster, the United Nations Children's Fund (UNICEF), the World Health Organization (WHO), the United Nations Development Programme (UNDP), the Saudi Fund for Development (SFD), *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ), the European Union (EU), and others.

10. YIUSEP II is on track to achieve its development objective. Based on its six months of implementation the project has been rated Satisfactory for the progress toward achievement of its PDO and IP. Contracting of the initial works and activities has started, building on the solid pipeline developed under the previous project (YIUSEP). This project has also been supported with the TA activities covering low carbon development, climate resilient infrastructure design, and solid waste management financed by three trust

---

<sup>16</sup> For instance, the Emergency Social Protection Enhancement and COVID-19 Response Project (P173582) supports cash transfers and temporary employment activities across the country, whereas the YIUSEP and YIUSEP II create temporary job creation through infrastructure works in urban areas. Similarly, the Emergency Health and Nutrition Project (P161809) supports the provision of basic health, essential nutrition, and WASH services, in cholera affected areas, including in peri-urban areas, whereas YIUSEP and YIUSEP II help restore WASH and electricity supply to existing health facilities within cities. The Emergency Electricity Access Project (EEAP, P163777) supports rural and peri-urban areas, whereas YIUSEP II focuses on restoring power sustainably to healthcare facilities in cities.



funds<sup>17</sup>. The financing envelope of US\$50 million allowed for sub-projects to be developed in 10 of the 19 cities eligible for support under YIUSEP II. The ongoing TA activities are informing the design of both the parent project and the proposed AF.

11. YIUSEP II has started delivering on its climate co-benefits commitments. Approximately 41 percent of the US\$39 million budgeted in the procurement plan for works, goods, and services, will contribute to climate change adaptation activities such as rehabilitation of rainwater drainage and sewerage; and mitigation activities, including the installation of solar photovoltaic (PV) for water wells and the operation of critical services, such as hospitals. The mitigation work includes indoor LED, outdoor LED, and solar water heaters where feasible. In addition, 2 percent of goods and services is dedicated to elementary solid waste management (SWM) activities. Additional climate-co-benefits are anticipated through capacity building and TA activities. The AF is expected to increase the share of both adaptation and mitigation activities significantly, as additional climate risk analysis has become available.

#### D. Rationale for Additional Financing

12. The current urban operations in Yemen only partially address the immense recovery and reconstruction needs of urban areas. As of January 2020, needs in the 16 cities covered by the World Bank's Yemen Dynamic Needs Assessment (DNA) were estimated between US\$12.5 and US\$15.3 billion, whereas the financing amount of YIUSEP and YIUSEP II combined is only US\$200 million. Furthermore, YIUSEP II can only support sub-projects in ten cities, with nine eligible cities not receiving any assistance due to funding limitations. Given the enormity of the challenge, the local partners are continually calling for financial support to address very basic needs, such as road rehabilitation, electricity to medical facilities, rehabilitation of WASH infrastructure and restoration of services. Funding from other development partners have not yet materialized to date.

13. Since YIUSEP II was launched, there has been a deterioration in the security situation in some governorates, with ongoing displacement of civilians. Currently, there are over 4 million IDPs as a result of conflict and violence<sup>18</sup>. This is adding pressure on host communities and local governments due to increased demand for local services and urban infrastructure. For instance, Aden has become a destination for IDPs from Taiz and Hodeidah<sup>19</sup>. In addition to 60,000 IDPs, the city is also struggling to accommodate 290,000 returnees from displacement, and 140,000 migrants and refugees<sup>20</sup>. Aden's infrastructure and service delivery functions cannot cope with additional demand, as the city is estimated to have suffered US\$2-2.4 billion worth of damage, including partial damage to 71 percent of the power sector assets as well as partial damage or destruction to 35 percent of the WASH sectors assets<sup>21</sup>. Sana'a is also facing population influxes of IDPs, driven from rural areas due to conflict, lack of economic opportunities and climate change-induced drought.<sup>22</sup>

14. Displacement is also driving the expansion of informal settlements and IDP camps on the edges

<sup>17</sup> Supported by the Partnerships for Global Results-Based Approaches (GPRBA), QIIP, and the City Climate Finance Gap Fund.

<sup>18</sup> UNHCR November Operational Update 2021. <https://reporting.unhcr.org/yemen>. Last accessed in November 2021.

<sup>19</sup> Internal Displacement Monitoring Centre, 2020. Data as of December 2020.

<sup>20</sup> UN Habitat, 2020, Aden City Profile. Data as of December 2020.

<sup>21</sup> World Bank, 2020, Yemen Damage Needs Assessment. Data as of December 2020.

<sup>22</sup> UN Habitat, 2020, Sana'a City Profile. Data as of December 2020.





of cities, often into the path of danger on hillsides and into flood-prone areas<sup>23</sup>. Several cities included under this AF are hilly and are prone to landslides, and risk will be exacerbated by climate change. Flooding and flash flooding is also an ongoing risk to life, property, and cultural heritage assets in cities. Most recent estimates point to 223,000 people displaced because of disasters<sup>24</sup>. Following the devastating floods of 2020, heavy rains and flooding have continued to create havoc during the 2021 rainy season in Yemen, culminating in Cyclone Shaheen in October 2021.

15. The conflict in Yemen is escalating and is unpredictable. Despite high-profile urban battles in the cities of Taiz, Hodeidah and Marib, it is estimated that 70% of conflict in Yemen is occurring in rural areas (70%)<sup>25</sup>. YIUSEP<sup>26</sup> and YIUSEP II recognize that cities provide a sanctuary for IDPs escaping active battles, and the lack of opportunities and extreme poverty in rural areas. Given the fluidity of the conflict, having the project operate in 16 cities is recommended under the AF. Furthermore, the parent YIUSEP II is designed to operate in 19 cities and could shift its focus in response to any emerging security risks or natural disasters which may evolve during implementation. This flexibility is a vital component of the YIUSEP II approach that has been effective to respond to quickly evolving situations.

16. Since Yemeni cities already bear the brunt of the dangerous effects of climate change, YIUSEP II has initiated a TA<sup>27</sup> which supports climate risk assessment studies for the cities included under this AF. This work demonstrates a high level of climate risk for Yemeni cities. There is a concerning level of risk facing dense urban areas and cultural heritage assets in Sana'a, Aden, Hodeidah, Amran and Sada'ah. Aden and Sana'a with respective populations of 1.14 million and 1.47 million<sup>28</sup> are prone to landslides, flooding, and flash flooding.

17. The evidence from this TA is being used to enhance resilience of the subprojects under the parent project, whilst helping to identify priority locations where more support is needed to restore and rehabilitate damaged and destroyed urban infrastructure, and to invest further in the cities' resilience to help save lives and support urban economic recovery. These additional investment priorities will be supported through this proposed AF to YIUSEP II. This AF will also further support Yemeni institutions, cities, and the private sector to better prepare for the impacts of climate change, through critical investments in resilience, technical assistance and capacity building focused on spatial planning to support climate adaptation.

18. Job creation, including temporary jobs, is critically important not only for reducing poverty, but also to mitigate social tensions between IDPs and their host communities in urban areas. This AF will increase its focus on supporting job creation and has the objective of providing 1.5 million person-days of temporary

---

<sup>23</sup> Internal Displacement Monitoring Centre, 2020. United Nations Human Settlements Programme in Yemen (UN-Habitat), United Nations Educational, Scientific and Cultural Organization (UNESCO), 2020.

<sup>24</sup> Ibid.

<sup>25</sup> Internal Displacement Monitoring Centre, 2020 <https://www.internal-displacement.org/publications/yemen-urban-displacement-in-a-rural-society>. Last accessed November 2021.

<sup>26</sup> Aden, Taiz, Al Dhale'e, Al Hodeidah, Al Mukalla, Amran, Sada'a, Dhamar, Lahj, Sana'a, and Zinjibar.

<sup>27</sup> The Bank Executed Trust Fund (BETF) activity is called "Enhancing the quality of climate resilient infrastructure design approaches in Yemeni cities" and is currently housed under YIUSEP II. This is supported by the Quality Infrastructure Investment Partnership (QIIP) in collaboration with the Government of Japan and has the objective of enhancing the quality of infrastructure investments in Yemeni cities as part of the YIUSEP II focused on building resilience to natural disasters and climate change, specifically flooding and flash flooding.

<sup>28</sup> UN Habitat, 2020, Aden City Profile; and UN Habitat, 2020, Sana'a City Profile. Data as of December 2020.





work. TA is also underway to explore the co-benefits of expansion of new industries and low carbon innovation, including access to clean, reliable, and affordable energy and green jobs<sup>29</sup>. This TA supports the further expansion of solar PV activities that have been initiated under YIUSEP and YIUSEP II. The solar PV value chain has the potential to create tens of thousands of jobs<sup>30</sup>, with skilled urban workforces benefiting greatly from these higher value jobs.

19. The UNOPS and a well-functioning Project Management Unit (PMU) is on the ground to implement the scaled-up activities under the proposed AF. In its original concept, YIUSEP II was designed to serve as a multisectoral platform that could quickly absorb additional funding and provide quick results to the Yemeni people. The UNOPS and the Bank have already identified a long list of sub-projects covering all the key sectors (roads, WASH, municipal services and solid waste, electricity) representing a solid pipeline in 16 cities that is ready to be discussed with the key stakeholders and local communities.

### E. Strategic Alignment of the AF

20. The proposed AF is aligned with the World Bank Group's (WBG) strategic goals of ending extreme poverty and boosting shared prosperity in a sustainable manner. As three-quarters of Yemen's population live in poverty and 40 percent have lost their primary source of income, restoring access to public services will greatly improve living and sanitary conditions, while also helping to support economic recovery. The conflict has increased the vulnerability of Yemeni women, and this project will contribute to the three pillars of the WBG Gender Strategy, directly and indirectly, through: i) improved access to human endowments; ii) creation of more and better jobs for women; and ii) enhanced access to voice and agency.

21. The AF directly contributes to the **WBG Middle East and North Africa (MENA) enlarged strategy** through its focus on service delivery restoration, creation of sustainable, higher earning jobs in IDA and Fragility, Conflict, and Violence (FCV) countries, and economic inclusion. **The AF is consistent with the WBG Country Engagement Note (CEN) for Yemen**, in particular, its objective of continued support for basic service delivery and institutional preservation. It is also aligned with the **Remaining Engaged in Conflict (RECA)** and **Bank's FCV Strategy 2020-2025**, given the focus on preserving human capital and the capacity of local institutions for service delivery.

22. **The proposed approach of engaging through UNOPS meets the criteria for IDA19.** The project supports a country in dire need of development assistance because of the ongoing conflict and related health emergencies. The project will also actively seek to rebuild local capacity, with the objective of guaranteeing long-term sustainability. The project will be financed through the Yemen IDA19 envelope, which helps respond to the dynamic needs of IDA FCV countries, such as Yemen, with greater agility.

23. The project is closely aligned with the **WBG 2025 Climate Change Targets**, as the project is expected to lower the current risks and vulnerabilities posed by climate change. The project also aligns with

---

<sup>29</sup> This is BETF is funded by the City Climate Finance Gap Fund and uses Aden as a case study and may become a model for other Yemeni cities where there are also massive reconstruction needs. The objective is to plant the seeds for future reconstruction of Aden based on a low carbon reconstruction model. This TA is also helping to identify investment priorities for mitigating climate change, which also optimize job creation.

<sup>30</sup> This is also supported by the findings in the World Bank report "Solar PV Industry Growth and Employment Impacts in Yemen" (draft).



the Green, Resilient and Inclusive Development (GRID) approach developed by the Bank, which aims to help mitigate the economic and human impact of the COVID-19 pandemic, keeping environmental sustainability and resilience at the core of all investments in restoration and rehabilitation of urban infrastructure. The low carbon components of the project (solar PVC) also supports Yemen’s Nationally Determined Contributions (NDC) pledge of 1 percent emissions reduction by 2030, with an additional 14 percent conditional on international support.<sup>31</sup>

## II. DESCRIPTION OF ADDITIONAL FINANCING

### A. Project Development Objective (PDO)

24. The PDO remains the same: To restore access to critical urban services and strengthen resilience to shocks in selected cities within the Republic of Yemen.

### B. Revision of the Results Framework

25. No changes are proposed to the definition or methodology of the PDO-level indicators. Given the nature of the AF the value of targets is proposed to be increased to account for the scale-up of the parent project. See Section VIII below for more details.

26. Intermediate results indicators (IRIs) will not change significantly, but two new IRI will be added. The first to enhance the gender focus of the project: “Value of tender slots allocated for Women Owned Businesses (WOB) only” (US\$1 million target). In addition, the gender indicator “Participating contractor and consulting firms must have a minimum of 5 percent of staff who are women” will be modified to increase the minimum requirement from 5 to 10 percent. The second new IRI is included to expand training and capacity building on climate change to the private sector: “Share of private sector participants that benefited from climate change training that reported they had a greater understanding of the need for climate adaptation and mitigation in Yemeni cities”.

### C. Project Description

27. This AF is effectively a scale-up of the activities supported by the parent project, with a greater focus on building the selected cities’ resilience to climate change. The geographical scope of the AF remains the same as under YIUSEP II. The proposed AF will continue to finance the same activities as YIUSEP II - restoration of critical urban services impacted by the conflict and recent flooding (Component 1), whilst strengthening the capacity of local institutions to provide continuity, resilience to shocks, and sustainability

---

<sup>31</sup> Despite the urgency of armed conflict, the Government of Yemen has recognized the importance of climate change mitigation and adaptation for the development of the country. In 2018, Yemen’s Third National Communication identified intensifying hazards to public health, water resources, coastal zones, agriculture, and ecotourism as key challenges for climate change adaptation, as Yemen is likely to be subject to higher temperatures, more frequent and longer heat waves, more frequent extreme storms and associated floods, increased potential for landslides, rising sea levels with accompanying higher storm surges and recurrent drought. Further Yemen identified mitigation measures such as Rooftop PV system as part of its Nationally Appropriate Mitigation Actions (NAMAs), among others, to address its Nationally Determined Contributions to the 21st Conference of the Parties (Paris Climate Agreement) which aimed at a 14 percent reduction of GHG emissions by 2030. Republic of Yemen (2018): Third National Communication to the Conference of the Parties of United Nations Framework Convention on Climate Change.



of urban service delivery (Component 2). Water and sanitation will remain a key priority. The project will also maintain a CERC (Component 3) to support the response to an eligible disaster if one arises. The number of beneficiaries will increase from 1 million under YIUSEP II to 3 million as a result of the AF.

#### D. Project Components

28. **Component 1: Service Restoration (US\$105 million under the AF, new total: US\$145 million).** Following the same design as the parent project, the AF will scale up preparation and implementation of infrastructure investments through the ABA, which is an integrated and spatially targeted multisectoral approach to implementation in strong cooperation with local partners, which has proved highly successful, providing tangible improvements to people's everyday lives. A tentative first-year investment pipeline has already been prepared, based on the technical and sustainability criteria of YIUSEP II<sup>32</sup>. New city level knowledge of climate risks is also helping to shape sub-project selection and investment locations. Furthermore, as under the parent project, the final list of sub-projects will be informed by a bottom-up citizen engagement process with equal male and female representation.

- (a) *Sub-Component 1.1: Tertiary Municipal Services and Solid Waste Management.* The AF will follow the finance the same type of activities as under the parent project while expanding to additional cities. Activities will focus on labor-intensive sub-projects which proactively reduce environmental health risks and mitigate flooding in urban areas in response to increasing occurrences and intensity of flash floods and heavy rainfall related to climate change. Under this sub-component, neighborhoods that face a high level of climate risk<sup>33</sup> will benefit from spatially targeted adaptation (and mitigation) investments, with the aim of protecting dense population, property, and cultural heritage assets. This includes rehabilitation of existing drainage channels and small-scale neighborhood sanitation infrastructure, as well as solid waste management initiatives to improve the cleanliness of cities<sup>34,35</sup>, reduce vector-borne and waterborne diseases, and remove potential blockages in drainage channels. Rehabilitation of parks and green spaces to better manage stormwater runoff, divert flood waters away from the city, and store floodwaters in the upstream areas (detention ponds) as part of the cities integrated open space network are also included. Water runoff management through stone paving of neighborhood streets and flood channel improvement are also included and will use locally sourced light-colored stone materials. The paving and green space investments aim to help reduce the urban heat island effect, in addition to flood mitigation.
- (b) *Sub-Component 1.2: Urban Water and Sanitation* aims to restore access to clean water and sanitation service delivery at the city level and supports the response to the COVID-19 pandemic and mitigating the health risks due to extreme weather. This includes replacement of critical assets such as pumps,

---

<sup>32</sup> The criteria include: (i) the ability to address the unmet needs in targeted cities; (ii) the impact on COVID-19 response; (iii) the potential to build resilience to urban flooding; (iv) feasibility (considering access to goods and supplies, conflict, capacities) and the potential for integration with other activities; (v) potential for local job creation; and (vi) potential positive impact on highly stressed communities.

<sup>33</sup> As identified through the climate risks assessments for the 16 cities supported under the QIP TA.

<sup>34</sup> In Yemeni cities, recycling is a relatively profitable industry, with recovery of plastics and materials happening primarily at source through local networks of waste pickers and collectors, supplying to neighborhood recycling shops, who in turn sell to larger recycling companies.

<sup>35</sup> No works at landfills are proposed as part of this AF.



generators, water treatments units, related facilities, and spare parts. Rehabilitation of water and sanitation networks, water tanks, existing wells, and wastewater treatment plants are also included under this sub-component, along with service delivery maintenance support at the city level. The parts replacement will include energy efficient equipment with real time process control and technologies used will prioritize energy efficiency to reduce CO2/GHG emissions and reduce water losses as far as possible. Solar energy will also be used to operate key water facilities, providing safe and clear water, with lower emissions. The WASH investments will significantly improve the quality of women and girls' lives<sup>36</sup>, and are proposed as a focal point for the ABA in the cities to ensure continuity and sustainability of services. In this vein, all rehabilitation measures will follow build back better resilience principles to maximize their climate adaptation potential.

- (c) *Sub-Component 1.3: Urban Roads* will continue to improve access and mobility within the target cities through the rehabilitation and repair of selected intra-urban roads, major entrances, and main streets in these cities<sup>37</sup>. Projects enhancing the flood capacity of roads which support drainage functions in old town areas are also proposed under this AF. All rehabilitation works will consider the climate risks that the roads are exposed to and will adopt climate adaptation measures and build back better resilience principles, such as increase the drainage function (flood discharge capacity) of roads in downstream areas.
- (d) *Sub-component 1.4: Energy for Critical Services*. This sub-component, just as its parent, will restore electricity supply to hospitals, clinics, other medical facilities. It will also restore electricity to schools and educational establishments. It will be closely coordinated with relevant UN agencies, local partners, and Sub-component 1.2 (which restores electricity for critical water and wastewater assets). As per the parent project, renewable and clean power generation (solar PV) will be prioritized. This sub-component will also fund solar LED street lighting systems in Yemeni cities to support local economic development (operation of night markets, kiosks, etc.), and enhance community safety and security.

29. **Component 2: Implementation Support and Capacity Development (US\$15 million under the AF, new total: US\$25 million)**. This sub-component will continue to support the same elements as under the parent project. Nevertheless, the AF is expected to have a greater focus on capacity building activities, with further expansion of support to the private sector.

- (a) *Sub-Component 2.1 Project Implementation and Management Support*. Since the PMU is already in place, no major revisions are expected to this sub-component, except for the required scale-up of staff related to project management, procurement, financial management (FM), and environmental and social supervision.

---

<sup>36</sup> Damaged water and sanitation infrastructure has had a particularly heavy burden on women, who spend three to six hours a day fetching water in some parts of Yemen, with children (especially girls) reportedly missing school to help their mothers. The World Health Organization (2017) have also found that of acute watery diarrhea (AWD) and cholera cases deaths, 49 percent were women, and 34 percent were children under five. This is because they have higher "occupational exposure" to waterborne disease due to greater amounts of household work.

<sup>37</sup> This includes spot and pothole repairs, crack sealing, patch works, asphalt resurfacing, road safety improvement works and intersection rehabilitation.



- (b) *Sub-Component 2.2: Enhanced Capacity Building.* The proposed AF will build on and broaden the scope of the capacity building elements of the parent project with a greater focus on decentralization of capacity building to support and strengthen local institutions. In addition, this AF will provide training, capacity building and technical support to institutions and service providers responsible for infrastructure and utilities, urban planning, and municipal planning. Moreover, training is proposed to help meet requests from the Yemeni local partners on: i) integrated service delivery to optimize health benefits for communities; ii) low carbon and climate-resilient spatial planning for Yemeni cities; iii) cities adaptation to climate change; iv) investigate low carbon development opportunities for local economic development; v) social inclusion and citizen engagement; vi) environmental, health and safety; and vi) asset management and O&M.
- (c) Training for other stakeholders, including the private sector, is also included. The purpose is two-fold: (i) expand awareness of city-specific climate risks, build-back-better approaches, inclusion and resilience among firms, contractors and consultants that are engaged in infrastructure and development projects throughout the country; and (ii) create awareness of the economic opportunities available through low carbon innovation and help foster a local business ecosystem to expand the sector and create higher value jobs for Yemenis<sup>38</sup>. Support to WOBs will also continue under this AF.
- (d) This sub-component is expected to be implemented by one or more experienced organizations to be contracted by UNOPS.
- (e) *Sub-Component 2.3: Third Party Monitoring (TPM).* The same approach to TPM will be maintained. It is proposed to expand the scope of the existing TPM agent for the parent project to account for the increase in activities.

30. **The Contingent Emergency Response Component (CERC) (component 3) (US\$0 under the AF, new total US\$ 0)** will allow for emergency response when an eligible disaster arises.

**E. Extension of the closing date**

31. The AF closing date will be June 30, 2025. The closing date of the parent project will be extended by 18 months to June 30, 2025<sup>39</sup>.

**F. Legal Operational Policies**

Legal Operational Policies	
	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

<sup>38</sup> YIUSEP, YIUSEP II and this AF include catalyst investments for the low carbon sector (solar PV and solar LED street lighting).

<sup>39</sup> This includes 1 year for the defect notification period for works, parts, and equipment.



Summary of Assessment of Environmental and Social Risks and Impacts

**G. Implementation**

Institutional and Implementation Arrangements

32. **Project implementation arrangements will not change.** The proposed AF is processed under Paragraph 3 of Bank Policy “Development Cooperation and Fragility, Conflict and Violence” and IPF Policy and Directive paragraph 12 ‘Situations of Urgent Need or Capacity Constraints’. The proposed AF will be implemented by UNOPS, which will act as the non-sovereign recipient of IDA funds and alternative implementation agency on an exceptional basis under the Financial Management Framework Agreement (FMFA) between the World Bank and UN agencies. The financial management arrangements will be governed by the FMFA, which provides for the use of the UN’s Financial Regulations. UNOPS will follow its own procurement procedures as Alternate Procurement Arrangements (APA) envisaged by the World Bank’s Procurement Framework Policy Section III.F.

33. **Local partners.** UNOPS will work with the same partners<sup>40</sup> as under the parent project through project cooperation agreements.

34. **Theory of Change.** Since there are no significant changes to the parent project design or strategic approach, the Theory of Change of the proposed AF will remain unchanged.

**CONTACT POINT**

**World Bank**

Federica Ranghieri  
Senior Urban Development Specialist

Abdulhakim Ali Ahmed Al-Aghbari  
Senior Highway Engineer

Naif Mohammed Abu-Lohom  
Senior Water Resources Management Specialist

<sup>40</sup> Public Works Project (PWP), Road Maintenance Fund Implementation Unit (RMF-IU), Cleaning Funds, and Urban Water Project Management Unit (UW-PMU).



**Borrower/Client/Recipient**

United Nations Office for Project Services  
Khalidoun Mohammed  
Programme Advisor  
khalidounm@unops.org

**Implementing Agencies**

UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)  
Fayyaz Rasul  
Project Manager  
FayyazFR@unops.org

**FOR MORE INFORMATION CONTACT**

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>

**APPROVAL**

Task Team Leader(s):	Federica Raghieri Abdulhakim Ali Ahmed Al-Aghbari Naif Mohammed Abu-Lohom
----------------------	---

**Approved By**

Practice Manager/Manager:		
Country Director:	Tania Meyer	25-Nov-2021