



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 06-May-2020 | Report No: PIDC28441

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

Country Yemen, Republic of	Project ID P168682	Parent Project ID (if any)	Project Name Yemen Water and Sanitation Rehabilitation Project (P168682)
Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date Jul 06, 2020	Estimated Board Date Sep 30, 2020	Practice Area (Lead) Water
Financing Instrument Investment Project Financing	Borrower(s) United Nations Office for Project Services (UNOPS)	Implementing Agency United Nations Office for Project Services (UNOPS)	

Proposed Development Objective(s)

The proposed Project Development Objective (PDO) is to restore and rehabilitate WSS services for people in selected cities across Yemen while rebuilding basic capacity of key sector institutions to stem the decline of services

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

Total Project Cost	75.00
Total Financing	75.00
of which IBRD/IDA	75.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	75.00
IDA Grant	75.00

Environmental and Social Risk Classification

Concept Review Decision



Substantial

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

- 1. After almost five years of escalating conflict, Yemen continues to face an unprecedented humanitarian, social and economic crisis.** In May 2015, the United Nations (UN) placed the Republic of Yemen at level 3 of humanitarian distress, the highest categorization of countries in conflict. Since then, Yemen has been classified as the worst humanitarian crisis in the world.¹ About 80 percent of the population (24 million people) requires humanitarian assistance. More than 20 million people are food insecure, of which 10 million are suffering from extreme hunger. About 17.8 million lack access to safe water and sanitation and 19.7 million lack access to adequate healthcare.² Cholera, diphtheria and other communicable diseases (dysentery, giardia, severe diarrhea) have hit the Yemeni people hard. At the same time, Yemen's public institutions are struggling with services delivery at even the most basic levels, a situation further complicated by the lack of regular salary payments to many public workers for more than 3 years, lack of electricity, fuel, etc. Moreover, the economy has been badly affected by the prolonged conflict, depriving millions of their livelihoods and jobs and driving poverty levels up to over 80 percent. The Gross Domestic Product (GDP) for 2018 was estimated at US\$23 billion, and although official statistics are no longer available, evidence suggests that Yemen's GDP has contracted by about 40 percent cumulatively since 2015.³
2. Given the ongoing armed conflict, the authorities have very limited resources to respond to the emerging COVID-19 outbreak. The outbreak will particularly hit the vulnerable, including the internally displaced persons due to the moving fighting fronts. Supporting COVID-19 preparedness and response plans under this project, is of critical importance to minimize the negative impacts on the WASH and Health systems.
3. Disease outbreaks such as cholera, measles, diphtheria, etc. that occurred in Yemen, were attributable to the weak WASH system. Safely managed water, sanitation and hygiene (WASH) services are an essential part of preventing disease and protecting human health during infectious disease outbreaks, including the current COVID-19 pandemic. As part of pandemic preparedness in urban water sector is to strengthen water and sanitation systems. Good and consistently applied WASH and waste management practices serve as essential barriers to human-to-human transmission of the COVID-19 virus in communities, homes, WASH facilities, etc.
4. **Significant damage to vital public infrastructure and private residences has contributed to a decline in access to basic services (like water), crippled civilian health and education facilities, and has led to an internal displacement of over 10 percent of the population.** The humanitarian response in Yemen continues to support the basic immediate needs of a significant share of the population in difficult circumstances. Macroeconomic stabilization is a challenge in the current context of fragmented control of key economic institutions between the internationally recognized government in Aden and the authorities in Sana'a. As of June 2019, there were approximately 169

¹ UN Secretary-General António Guterres in remarks to donor conference in Geneva on April 3, 2018

² <https://reliefweb.int/report/yemen/yemen-2019-humanitarian-needs-overview-enar>

³ World Bank Yemen Republic Overview, April 2018



humanitarian partners on the ground, comprising 123 national non-government organizations (NGOs), 35 international NGOs, and 11 UN agencies. The World Bank is supporting the most affected and vulnerable groups with approximately US\$1.8 billion of grant financing supporting five emergency operations in the areas of critical health and nutrition services, response to cholera outbreaks including water and sanitation interventions, smallholder agricultural production enhancement, access to electricity, restoration of urban services, social protection, and complementary income opportunities and cash transfers.⁴

Sectoral and Institutional Context

5. **Due to its geographical location within an arid to semi-arid zone, Yemen suffers from acute water scarcity/crisis.** The current annual renewable freshwater resources in Yemen are estimated at 80 m³ per capita, compared to a global average of 8,900 m³ per capita and below the absolute scarcity threshold of 500 m³ per capita.⁵ The total water quantity used each year in Yemen is about 3.9 billion m³, of which 90 percent is used for agricultural activities, 8 percent for municipal water supply sector, and 2 percent for the industrial sector. Several major cities are already bearing the brunt of water scarcity: Taiz experiences extreme water stress; the Local Water and Sanitation Corporation (LC) of Sana'a city is closing six existing deep wells on average each year, and expansion is constrained by the lack of new sources. In addition, the coastal cities, including Aden and Al-Hodeidah - the economic and commercial hubs - lack safe drinking water mainly due to sea water intrusion and deterioration of water quality due to the seepage of untreated wastewater from manholes, septic tanks, and non-operational wastewater treatment plants (WWTPs). Most of Yemen's water is used for agricultural production, mainly through irrigation from groundwater wells. This has led to the rapid abstraction of fossil/non-renewable groundwater particularly in the upper highlands water basins and regions surrounding Sana'a city. The main groundwater aquifers supplying some major cities, including the capital Sana'a, are at risk of being fully depleted in the foreseeable future.
6. **Access to improved water has been in decline for several years and significant access gaps persist in sanitation.** Even before the ongoing conflict, access to improved water sources declined from 96 percent to 72 percent in urban areas and from 59 percent to 47 percent in rural areas between 1990 and 2010. Overall, nationwide access to improved water sources declined from 66 percent to 55 percent during the same period,⁶ and reliance on private water trucks as a source of water supply has increased over time. Fifty-three percent of the population has access to improved sanitation,⁷ which includes flush toilets, piped sewer systems, septic tanks, flush or pour flush to pit latrines, ventilated improved pit latrines (VIP), pit latrines with slab, and composting toilets. Access to improved sanitation has improved in both rural and urban areas over time, increasing from 24 percent in 1990 to 53 percent in 2010 nationally. Open defecation, which was mostly prevalent in rural areas, substantially declined from 44 percent of the rural population in 1990 to 22 percent in 2010. However, these figures may not accurately depict the current situation due to the absence of reliable Water, Sanitation and Hygiene (WASH) data, particularly during the conflict.
7. **The conflict has exacerbated service gaps and institutional challenges in the water and sanitation sector.** Access to improved drinking water sources has declined by up to **50 percent** as a result of the conflict.⁸ Service delivery,

⁴ World Bank Yemen Republic Overview, April 2018

⁵ Dire Straits: The Crisis Surrounding Poverty, Conflict, and Water in the Republic of Yemen, World Bank, 2017.

⁶ Dire Straits: The Crisis Surrounding Poverty, Conflict, and Water in the Republic of Yemen, World Bank, 2017.

⁷ Ibid.

⁸ Estimated by UNICEF and Urban Water Project Management Unit, 2018.



which used to be intermittent in most cities before the conflict, has become even more uneven, forcing consumers to seek costly alternative sources of water supply with questionable quality, including private water tankers (**i.e., water vendors**). In addition to the destruction of water and sanitation facilities, many water utilities have partially or totally halted services because of physical damages, lack of fuel, electrical outages, inadequate revenue collection, water theft, tampering of water meters, and high absenteeism among unmotivated technical staff who have not received salaries in over three years. In addition, there has been a dramatic increase in the number of sewage system breakdowns since the armed conflict began due to lack of maintenance caused mainly by the reduction of revenues to pay the workers. The deteriorating water supply and sanitation situation has significantly contributed to the cholera crisis, which began in October 2016, subsided by January 2017, only to resurge in April 2017. By July 27, 2019, a cumulative total of 1,920,526 suspected cholera cases and 3,504 cholera-associated deaths were reported. The first 6 months of 2019 showed a new wave of cholera outbreak in which 494,699 suspected cholera cases and 742 associated deaths were reported.⁹

8. **Chronic water scarcity, which was already a driver of fragility, has been aggravated by the conflict.** Even before the ongoing conflict, an un-published report indicated that about 4,000 people used to be killed annually due to social conflicts over water scarcity. While a comprehensive assessment has not been done to date on the impact of the conflict on water resources and water uses, it is clear that conflict has affected the implementation of water law and its bylaws and weakened related sector institutions and has encouraged illegal drilling as well as the over abstraction of the fossil, limited groundwater. Private water tankers have emerged as alternative water providers who buy water of questionable quality and at high prices directly from the owners of shallow wells. Some of these wells are registered with the responsible authorities; in Sana'a, for example, a survey found that 75 percent of private well owners were registered with the Ministry of Water and Environment (MWE) and the General Authority for Rural Water and Sanitation Projects (GARWSP). However, some others are not registered; for example, in Aden, the same survey found that none of the well owners were registered. While water tankers have filled a wide gap in water service delivery particularly during the conflict, there have been indications that tankers can be a source of water contamination due to lack of sanitary inspection and contaminated water sources. In recent years, the United Nations Children's Fund (UNICEF) has implemented a small inspection program, and many water tankers in Sana'a have been subjected to inside and outside painting in addition to adding chlorine pills. Recently, the WASH cluster reported drastically reduced boreholes capacity and pumping hours (from 22 hours to 2 hours) and completely dried up wells in Hajjah governorate, causing tension between the Internally Displaced persons (IDP) and the host community. Salinity and Total Dissolved Solids (TDS) have significantly increased in shallow wells and deep boreholes, above the World Health Organization (WHO) limit (some tests show up to 6,000 ppm, while the last test in 2015 showed 800). Similarly, in Ibb city, several serious conflict cases over water have been reported as well. Given that groundwater resources were already being depleted at an alarming rate particularly in the main basins of the highlands, including Sana'a, Taiz, Amran, Saadah, Dhamar and Radaa, the continued unmonitored and uncontrolled abstraction of limited groundwater resources is a cause for concern, especially in light of the link between water resources, fragility, conflict and violence.

⁹ <https://nam03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fdrive.google.com%2Fopen%3Fid%3D1B9qQh-VcYOE8d4Mpa9jw6tdvYLOGh76&data=02%7C01%7Cnabulohom%40worldbank.org%7C71e3a3b3d16447cb3ce608d710c3bc40%7C31a2fec0266b4c67b56e2796d8f59c36%7C0%7C0%7C636996306662438623&sd=SoHnszeDNmU1x9K1P6Cdy2ojQt%2BIQ7jGWNtHpsGLyYs%3D&reserved=0>



9. **The structure of water sector institutions consists of two national-level ministries – the MWE and the Ministry of Agriculture and Irrigation (MAI) – and a regulatory authority called the National Water Resources Authority (NWRA).** According to the amended water law and its bylaw, MWE/NWRA are jointly responsible for the management and development of water resources. MAI is responsible for formulating policies and legislation that regulate the use of irrigation water in line with the national water policies and plans under the umbrella of the National Water Sector Strategy and the Investment Program (NWSSIP, Updated in 2009). MWE is the principal line ministry for Water Supply and Sanitation delivery. It sets tariff policy, including approving tariff levels charged by urban utilities, and must approve senior appointments to local utility boards. MWE used to subsidize capital and, sometimes, utilities' operating expenditures before the conflict. NWRA (through its seven branch offices) is authorized to implement water laws and regulation and to allocate surface and groundwater resources to the most compelling needs. It is empowered to implement strict management tools, including registering and allocating water rights, issuing licenses for water supply projects and drilling wells. Through the ongoing Emergency Health and Nutrition Project (EHNP) funded by the World Bank, UNICEF is providing some support to NWRA's branches and other local water entities to perform some specific monitoring activities. The ongoing conflict has badly affected the performance of said institutions to the extent they are almost fragmented, and there is a need to rearrange or reform the water sector in the future, immediately after the end of the conflict.

10. **LCs – decentralized, corporatized and commercialized utilities established under Cabinet Decree 237 of 1997 – serve the main cities and secondary towns in a given governorate.** Prior to the escalation of conflict, 23 LCs and 10 annexed Autonomous Utilities (AUs) had been established, and their service areas covered about 50 percent of the country's urban population, with the rest covered by private tankers. LCs provide services to large cities whereas AUs are utilities in secondary towns of the same governorate. By law, LCs' Boards are responsible for all aspects of service development and provision in their area, including design and construction of water supply systems and their subsequent ownership, operation and monitoring, as well as tariff setting. **Before the conflict, 15 out of 23 LCs were recovering 100 percent of Operation and Maintenance (O&M) costs, and three LCs were recovering O&M costs and depreciation.** Attempts to pass on donor financing to LCs on a loan basis have been unsuccessful, as cash flow has never been adequate to meet debt service. In practice, almost all capital spending is financed by the central government (including donor funds). A draft decree to set up an independent regulator was prepared in 2010 but has never been adopted.

11. **The conflict has put a massive strain on the functions of MWE, Urban Water Project Management Unit (UW-PMU), NWRA and LCs.** MWE and MAI continue to exist and try to carry out their strategic roles in the sector. UW-PMU has been involved in the damage needs assessment for the water sector with both the World Bank and Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ). It is also the main national partner for the implementation of both the EHNP (which includes cholera response and WASH Interventions) and the Integrated Urban Service Emergency Project (IUSEP) with a Water and Sanitation component funded by the World Bank. NWRA's branches have been active in water quality monitoring in some urban areas, particularly in terms of registering private water tankers. LCs are continuing to operate, although with reduced staff and limited supplies of electricity and spare parts to operate water and wastewater facilities. Several donors, including the World Bank, are providing support to UW-PMU, NWRA's branches and LCs, and are continuing to engage in dialogue with MWE to start the process of rehabilitation and reconstruction in the water sector. While these institutions are functioning, they are doing so at partial and limited capacity and will continue to need significant support in terms of human



resources, equipment, technical and institutional assistance, capacity building as well as guidance for the foreseeable future.

- 12. The conflict in Yemen has resulted in damage in the water supply and sanitation (WSS) sector estimated to range between US\$214.6 million and US\$262.3 million for the 16 cities of the Third Damage and Need Assessment (DNA-III) prepared by the World Bank.**¹⁰ Sana'a has faced the highest share of damage (20 percent of total damage costs), followed by Aden (19 percent), Taiz (12 percent) and Al-Hodeida (11 percent). The reconstruction costs for WSS over 5 years among the 16 cities of DNA-III varies between \$650 million and \$795 million and between \$1 billion and \$1.2 billion for the corresponding governorates of these cities. In the short-term (up to 3 years), the greatest need is to provide spare parts and priority equipment to water treatment plants (WTPs), WWTPs, wells, pumping stations and other WSS facilities to make them operational again. Incentives (transport allowances / per diem) also need to be provided to key staff of LCs and NWRA's branches to ensure that operations resume as quickly as possible. In the medium term (3 to 6 years), efforts should also focus on rehabilitating partially damaged or non-operational assets, building essential small-scale infrastructure, using private players and involving communities and end-users as much as possible. It will be crucial during this stage to begin strengthening the capacity of water sector institutions so that any recovery efforts are sustained, and WASH services continue to improve. Institutional strengthening and improvements to the cost of services will be essential to ensure the sustainability of service provision. Moreover, sector planning and management, including rehabilitation of monitoring stations for the collection of necessary data on water resources, will be needed to start laying the ground for the longer-term orientation of the water sector and ensuring resource sustainability.

Relationship to CPF

- 13. The proposed project is aligned with the Country Engagement Note (CEN) for FY2020–21, discussed by the Board on May 14, 2019, and the Yemen Policy Notes,**¹¹ which set out the Bank's contributions to supporting Yemen's transition toward peace and stability. It complements the CEN's strategic focus on strengthening service delivery and empowering local communities. It does so by financing the rapid repair and restoration of partially damaged or partially functioning WSS assets, followed by a more intensive period of rehabilitation of severely damaged or destroyed assets. It also builds on the recent WASH analytical works including the role of private water tankers. Moreover, the new project could contribute to contagious / waterborne diseases control (Cholera, COVID-19, etc.), building trust between citizens and the recognized government through job creation, improvement of livelihoods, and delivery of WASH services, which are an important part of the social contract between citizens and the government, and a crucial pillar for restoring peace and stability. By undertaking activities aimed at strengthening the capacity of local WASH institutions, the project could also build on existing local capacity and key operational focus of the CEN.
- 14. The project will build on and complement** the ongoing WASH interventions in Yemen, namely under the EHNP which entails emergency and rehabilitation WASH response to the cholera outbreak in Yemen and is implemented by UNICEF and WHO as well as the (IUSEP - P164190), which includes a development sub-component on urban water and sanitation implemented by UNOPS. These related operations will help inform the design and

¹⁰ Conducted by GSURR in May 2018

¹¹ Yemen Policy Notes (Includes Service Delivery, Economic, Fiscal & Social challenges, Private Sector Readiness, Aid Coordination and Delivery). The World Bank, May 27th, 2017.



implementation of the proposed WSRP in Yemen. The project will also draw on recent analytical work in the sector, including the findings from the WASH-Poverty diagnostic study¹² (P152686), the value chain analysis for private water tankers,¹³ Water Provision Partnership between Public Institutions and Private Water Tankers Trucks, Ibb Water and Sanitation Local Corporation, Resilience in Providing Urban Water Services During Severe Conflict (forthcoming), Sanitation Service Chain Mapping for Sana'a and Aden Cities (forthcoming) and the three phases of the Dynamic Damage and Need Assessment (DNA-I, II and III) (P165143).

15. **The proposed project is fully aligned with the World Bank Group's (WBG's) strategic goals of ending extreme poverty and boosting shared prosperity in a sustainable manner.** It is also aligned with the priorities of the International Development Association (IDA), as articulated in its "IDA18 towards 2030: investing on Growth, Resilience and Opportunity" paper, which includes a theme on fragility, conflict and violence. It also contributes to three of the four pillars of the WBG's MENA regional strategy – renewing the social contract, resilience, and reconstruction and recovery by supporting: (i) improving service delivery and protecting local jobs in the public and private sector; (ii) building capacity and resilience of existing sector institutions to address the challenges to service delivery in a fragile and conflict environment; and (iii) rehabilitating, upgrading and maintaining of water and sanitation infrastructure to support progress towards achieving the SDGs through improved access to safe drinking water and sanitation (WASH services).

C. Proposed Development Objective(s)

16. **The proposed Project Development Objectives (PDO)** is to restore and rehabilitate WSS services for people in selected cities across Yemen while rebuilding basic capacity of key sector institutions to stem the decline of services.

Key Results (From PCN)

17. The following indicators are proposed to measure the achievement of the PDOs:
- People provided with access to improved water supply in urban areas (Number) (corporate results indicator)
 - People provided with access to improved sanitation in urban areas (Number) (corporate results indicator)
 - Contingency plans for key local corporations approved and under implementation (number)
 - Training sessions done and trained staff (number)

D. Concept Description

18. **The project will build on previous and ongoing WSS interventions**, covering 4-5 selected urban centers throughout the country to demonstrate success projects, based on a prioritization framework that reflects the security situation, accessibility, capacity of local institutions, nature of interventions and cost and benefit trade-off of the interventions (as much service provision to as many people as possible). Additional criteria could be considered during the preparation stage in consultation with the implementing partners. The Project will identify quick (win) interventions on short- and medium-term perspective, considering a combination of network and non-network solutions to ensure maximizing the impact and would adopt the prioritization tools developed under the Bank's City-Wide Inclusive Sanitation (CWIS) among others. The list of priority interventions and LCs would be

¹² *Dire Straits: The Crisis Surrounding Poverty, Conflict and Water in the Republic of Yemen*, World Bank, 2017.

<https://openknowledge.worldbank.org/handle/10986/27531>

¹³ *Water Supply in a War Zone: a Preliminary Analysis of Two Urban Water Tanker Supply Systems in the Republic of Yemen*,

<https://openknowledge.worldbank.org/handle/10986/30107>



finalized during the preparation process of the project and agreed with the implementing agency, government technical counterparts, academic water research centers and private water providers as well as with other donors to ensure effective coordination and quick and efficient use of funds. The project will consist of four components: i) urban water and sanitation; ii) institutional capacity building; iii) project management; and iv) contingent emergency response component.

19. **The Project will aim to:** (i) restore access and improve quality to WSS services in selected urban area by rehabilitating and reconstructing damaged water facilities and building essential small-scale infrastructure; ii) building institutional capacity to help in stemming the decline in WSS services. In response to the COVID-19 pandemic, the project will strengthen water and sanitation systems, employing innovative WSS solutions, building on the innovations already introduced through the ongoing WASH interventions, that could be scaled up and expanded to significantly improve services and the fiduciary capacities of local institutions in the context of conflict.
20. **The proposed project duration is three years.** Given the huge needs of the sector, the team will work closely with the implementing partners and key national and local institutions to agree on technical, transparent criteria for the selection of 4-5 target urban cities. The available data and information from the third Damage and Needs Assessment carried out by the World Bank (DNA III, 2018), the Damage Assessment Study (DAS-2018) carried out by GIZ on 12 Local Water and Sanitation Corporations, in addition to the recent updated needs assessment of 2019 carried out by UNICEF and UW-PMU on 18 urban cities (LCs) will be key inputs for prioritizing the interventions for this project. A detailed description of project's components is presented below.

Component 1: Improving WSS services (US\$ 55.0 million); This is the core component of the project, given the urgency to restore access to WSS series. It will be divided into the following two sub-components:

Sub-component 1.1. Restoring Access and Improving Quality to WSS Services in Urban Areas (US\$ 48 million).

21. This sub-component will focus on restoring access to safe drinking water and sanitation services in selected 4-5 urban centers throughout the country by investing in related assets (i.e. rehabilitation and reconstruction of water and sanitation networks, water treatment plants (WTPs), wastewater treatment plants (WWTPs), wells, pumping stations, etc.) to improve service provision through both public and private providers. The Project will rely on quick (win) interventions on short- and medium- term perspective including non-network solutions as appropriate to ensure that services are available to beneficiaries in the shortest possible time and are sustainable. Therefore, the project will help improve the quality and reliability of water provision and strengthening the capacities of service providers involved in the delivery of water and sanitation services. In addition, this sub-component will support the operation, rehabilitation and reconstruction of main water and wastewater facilities (e.g. wells, reservoirs/tanks, WTPs and WWTPs, WSS networks, pumping stations and boosters, etc.), providing alternative sustainable energy solutions, in particular solar to provide a clean, cost effective, and reliable energy source for disadvantaged areas, and procuring and installing water meters (including prepaid metering systems when applicable) or repairing broken meters at households to help in reducing none-revenue water (NRW). While the focus of interventions will be on restoring access, this component will support complementary activities that will strengthen the sustainability of water resources in the select LCs through minimizing abstraction of groundwater, salinity intrusion etc.

Sub-component 1.2. Emergency Support for WASH Interventions in Response to COVID-19 Pandemic (US\$7.0 million).



22. This sub-component will support operation and maintenance capacity of selected LCs at key urban cities and marginalized communities to improve water, sanitary and hygiene practices by providing basic spare parts, equipment and necessary supplies for water and wastewater system (e.g. fittings, water meters, pipes, submersible pumps). It will help LCs and local government units to: (i) partner with private sector water tankers and sludge removal trucks to support areas of great needs including those with IDPs, isolation centers, point of entries between cities to address WASH priorities. This will include extending and scaling up the registration and monitoring – e.g. using GPS – of private tankers and trucks; and (ii) maintain and purchase sewage pressure trucks, as needed, and operate new sludge removal trucks as part of non-network solutions to ensure the safe disposal of sanitation waste. The preparedness activities as a response to COVID-19 may include rapid, low-cost water service provision for communities, health care facilities, schools and community gatherings that currently lack access to reliable and safe water supply which is critical to enable handwashing, hygiene and disinfection. This would include: (i) provision and operation of compact WTPs; (ii) construction and operation of water points to deliver safe water in strategic urban points; (iii) provision and operation of trucks for water delivery (bottled, sachets) and water tankers, including adequate water storage to service operators.

Component 2: Institutional Capacity Building (US\$ 7.0 million)

23. The protracted armed conflict is significantly impacting water and sanitation institutions at the national and local levels. Service provisions has deteriorated and almost stopped at the early stage of the ongoing conflict in 2015. Staff were not able to report to their work due to security situation and have not been paid salaries for more than 3 years now. This component will strengthen the institutional capacity mainly at the service delivery level following bottom-up approach, given the FCV context (LCs and Private providers. This -component, in parallel with other components, will help in improving the capacities of local water institutions and support their transition to take over the implementation of WSS interventions, by strengthening their capacities on technical, fiduciary, safeguards, managerial aspects and their development role in the sector. It will specifically: (i) develop emergency response plans for selected local urban water institutions, taking into consideration possible shocks whether man-made or caused by climate change, building crisis management teams within LCs, AUs and NWRA's branches, and training them on risk and disaster management;; and (ii) strengthen the capacity of the Board of Directors at the selected LCs by organizing regular meetings, workshops and needed trainings. Subject to improvement in the situation on the ground, firms will be hired by UNOPS to provide technical assistance in capacity building and institutional development activities (i.e. training for staff and improving of customer service systems and database, billing and collection, monitoring, citizen awareness, etc.) to help such institutions to take back their role in managing and developing the water and sanitation services. Furthermore, this component would support institutional capacity to cope with the COVID-19 pandemic. The preparedness activities as a response to COVID-19 pandemic may include communication and public awareness campaign in sanitary and hygiene practices and behavior.

Component 3: Project Management (US\$ 13 million)

24. This component provides support to the implementing agency (UNOPS), key national and local institutions (UW-PMU, Public Work Project – PWP-, LCs, NWRA's Branches, water research centers etc) , which will be working or contracted by UNOPS to help implement certain parts of the project's activities as part of strengthening their institutional capacity in order to take over the implementation by end of the project. The support may include operational cost for UW-PMU and PWP, transport allowances, per diem and logistical costs as a stop-gap measure to critical staff at LCs, and NWRA's branches to enable them to continue working, operating and maintaining the WSS facilities and implementing the project activities at local decentralized level, etc.. The component will also



finance the cost of the Third Party Monitoring Agency that will be recruited based on TOR approved by the WB as well as UNOPS's overhead and related costs as per the Strategic Partnership Framework to be signed between the World Bank and UNOPS, which will spell out the roles and responsibilities of each party and the financial arrangements. UNOPS shall be responsible on achieving project objective through effective, transparent and accountable implementation and shall observe the following under this component:

- Provide support to the World Bank team to strengthen the coordination of the water sector's Core Donor Group (CDG), namely, Dutch, German: Bank Aus Verantwortung (KfW) & GIZ and World Bank, as well as with other donors and International NGOs. Before the conflict started, the World Bank used to chair the water CDG and ensure coordination. This has continued even during the conflict through bilateral communication and sharing of updates on ongoing and planned activities. However, given the increased challenges on the ground, coordination needs to be strengthened to avoid duplication of activities and ensure the best use of available funds. It is also crucial to continue with the CDG's arrangements and improve planning, coordination among donors and reporting on sector interventions as well as strengthen linkages with other sectors, including the health cluster, to enhance the response to urgent needs, such as the cholera crisis as well as the outbreak of COVID-19 pandemic. On the other hand, the CDG need to strengthen the coordination with the Government of Yemen represented by the Ministry of Planning and International Cooperation (MoPIC) as well as the Ministry of Water and Environment (MWE) to cover planning and implementation of all interventions in the water sector to identify the needs and priorities and avoid any duplication of interventions.
- Recruit a qualified and independent third-party monitoring (TPM) agency to strengthen monitoring and supervision ensuring realistic and applicable TOR (approved by WB) using new smart technology to verify, supervise, monitor and report the findings. This has been the practice in the current IDA-funded projects implemented by UN agencies in Yemen. TPM agencies are useful complements to UNOPS supervision and reporting and fill the gap left by the World Bank's inability to support the implementation of the projects on the ground.
- Scale up the Geographical Information System (GIS) platform of Urban Water-PMU for monitoring project progress and promoting transparency to the public, incorporating the GIS system developed under the IDA-funded Integrated Urban Service Emergency Project (<http://yemen.unopsmr.org/yiusep>).

Component 4: Contingent Emergency Response Component (CERC) (US\$0 million)

25. This component is a zero-dollar Contingent Emergency Response Component (CERC) whereby the Bank could authorize the reallocation of funds from other project components in case of unforeseen events such as a natural disaster, epidemic or other emergency including response to COVID-19 pandemic. This measure will be applied according to the procedures outlined in paragraph 12, Section III of the IPF Policy. Disbursements under this component will be subject to the declaration of emergency or equivalent by the Government, the international community, or the UN; submission of a request to the Bank for support for an eligible emergency through the CERC, the preparation by the Borrower of an acceptable Emergency Action Plan for the use of CERC funds, and the Bank's approval of such a Plan. The Bank would determine how to reallocate funds from other components to address the emergency, in consultation with its implementing partners.

Climate Change



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

Summary of Screening of Environmental and Social Risks and Impacts

26. The overall environmental impacts of the Water and Sanitation Rehabilitation Project (WSRP) interventions are expected to be positive as the project will support improved urban water supply which will result in reducing water losses and, accordingly, decreasing associated consumption of energy and freshwater. The project will also improve the sanitation systems which will result in reducing/preventing environmental and health negative impacts associated with the deteriorated sanitation facilities in the targeted areas. Furthermore, the planned interventions will strengthen water resources management. Nonetheless, the project is considered of substantial risk because the interventions which will be supported under component 1 involve reconstruction and rehabilitation works which will involve excavation or earthworks to replace water or sewerage pipes that might cause risks and impacts on workers, communities as well as the environment. Such risks and impacts of construction works are related to earthworks, dust emissions, debris and other solid waste generation and management, ground/surface water contamination, social annoyance and community safety due to traffic increase, blocked streets, noise, dust, unsafe construction sites, etc. as well as workers safety including occupational health and safety, and other standard risks and impacts of construction. However, the environmental risks and impacts are expected to be site-specific, reversible and of low magnitude that can be mitigated following appropriate measures. Furthermore, the application of adequate occupational and community health and safety precautions is expected to be sufficient to prevent any associated impacts.
27. The project is not expected to cause large-scale, significant or irreversible impacts as a result of the implementation of the project's activities. On the contrary, the integrated approach that is adopted under the project for improving water and sanitation systems in urban cities will help to enhance environmental and social benefits in targeted areas. Since the targeted urban centers will only be identified during the project implementation period and in order to address potential environmental and social risks and impacts under the WSRP, an environmental and social management framework (ESMF) will be prepared to (i) identify potential environmental impacts of WSRP interventions, (ii) assess the environmental and risks social impacts, and (iii) mitigate risks and impacts appropriately.
28. From a social perspective, the Water and Sanitation Project will bring a lot of social benefits in the long run especially for the most affected people in the targeted areas. Despite that, the project will not involve land acquisition considering the required works should be limited to rehabilitation or maintenance, expansion of networks within the existing right of way, completion, and construction of the WSS networks which do not require permanent land acquisition. However, there are possibilities during the implementation stage that temporary acquisition of private lands by contractors for the storage of equipment and material, restriction on land use which can have adverse impacts on adjacent residential houses and businesses. Restrictions on land use may cause loss of residential assets leading to loss of income sources or other means of livelihood. Given the water scarcity and ongoing conflicts related to water supply, the project may have the following social risks: i) exclusion of vulnerable groups because it is difficult to access to areas under control of armed factions where vulnerable groups are residing; ii) elite capture of investments by powerful and/or better-connected beneficiaries, thus excluding some segments of society.



29. Additionally, a GBV risk assessment was carried out for the project based on the available documents and information at this stage. The results of the screening tool assessment rate the project as Moderate. This assessment can be further updated and finalized after conducting consultation by the implementing agency/ies prior to effectiveness.

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