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Report No: PAD3842

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED INTERNATIONAL DEVELOPMENT ASSOCIATION GRANT

IN THE AMOUNT OF SDR 19.6 MILLION
(US$26.9 MILLION EQUIVALENT)
IN CRISIS RESPONSE WINDOW RESOURCES

TO THE

WORLD HEALTH ORGANIZATION

FOR A

YEMEN COVID-19 RESPONSE PROJECT

UNDER THE
COVID-19 STRATEGIC PREPAREDNESS AND RESPONSE PROGRAM (SPRP)

USING THE MULTIPHASE PROGRAMMATIC APPROACH (MPA)
WITH AN IBRD AND IDA FINANCING ENVELOPE OF
US$1.3BILLION IDA AND $2.7BILLION EQUIVALENT

APPROVED BY THE BOARD ON APRIL 2, 2020

Health, Nutrition & Population Global Practice
Middle East And North Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective February 29, 2020)

Currency Unit =	Yemeni Rial (YR)
250.03 YR =	US$1
US$1.37 =	SDR 1

FISCAL YEAR
January 1 - December 31

Regional Vice President:	Ferid Belhaj
Country Director:	Marina Wes
Regional Director:	Keiko Miwa
Practice Manager:	Rekha Menon
Task Team Leader(s):	Moustafa Abdalla

ABBREVIATIONS AND ACRONYMS

APA	Alternate Procurement Arrangement
CDC	Center for Disease Control and Prevention of the United States
CBY	Central Bank of Yemen
CERC	Contingent Emergency Response Component
COVID-19	Coronavirus Disease 2019
DHO	District Health Office
DO	Development Objective
EHNP	Emergency Health and Nutrition Project
EROM	Emergency Response Operational Manual
ESF	Environmental and Social Framework
ESMF	Environmental and Social Management Framework
ESRS	Environmental and Social Review Summary
FM	Financial Management
FTF	Fast Track COVID-19 Facility
GHO	Governorate Health Office
GRS	Grievance Redress Service
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDP	Internally Displaced Person
IDSR	Integrated Disease Surveillance and Response
IFR	Interim Unaudited Financial Reports
IHR	International Health Regulations
IMF	International Monetary Fund
INGO	International Non-Governmental Organization
IPF	Investment Project Financing
LNGO	Local Non-Governmental Organization
M&E	Monitoring and Evaluation
MOPHP	Ministry of Public Health and Population
MPA	Multiphase Programmatic Approach
NGO	Non-Governmental Organization
OIE	World Organization for Animal Health
PAD	Project Appraisal Document
PDO	Project Development Objective
PPE	Personal protective equipment
PPSD	Project Procurement Strategy for Development
SARS	Severe acute respiratory syndrome
SDG	Sustainable Development Goals
SEA	Sexual Exploitation and Assault
SEP	Stakeholder Engagement Plan

SH	Sexual Harassment
SPRP	Strategic Preparedness and Response Program
TA	Technical Assistance
TPM	Third Party Monitoring
TOR	Terms of Reference
UN	United Nations
UNICEF	The United Nations Children's Fund
WASH	Water and Sanitation Hygiene
WBG	World Bank Group
WHO	World Health Organization

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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name
Yemen, Republic of	Yemen COVID-19 Response Project

Project ID	Financing Instrument	Environmental and Social Risk Classification
P173862	Investment Project Financing	Substantial

Financing & Implementation Modalities

[✓] Multiphase Programmatic Approach (MPA)	[ ] Contingent Emergency Response Component (CERC)
[ ] Series of Projects (SOP)	[✓] Fragile State(s)
[ ] Disbursement-linked Indicators (DLIs)	[ ] Small State(s)
[ ] Financial Intermediaries (FI)	[ ] Fragile within a non-fragile Country
[ ] Project-Based Guarantee	[✓] Conflict
[ ] Deferred Drawdown	[✓] Responding to Natural or Man-made Disaster
[✓] Alternate Procurement Arrangements (APA)	[ ] Hands-on Enhanced Implementation Support (HEIS)

Expected Project Approval Date	Expected Project Closing Date	Expected Program Closing Date
02-Apr-2020	30-Sep-2021	31-Mar-2025

Bank/IFC Collaboration
No

MPA Program Development Objective

The Program Development Objective is to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness

MPA Financing Data (US$, Millions)

MPA Program Financing Envelope	4,100.00

Proposed Project Development Objective(s)

To prevent, detect and respond to the threat posed by the COVID-19 pandemic

Components

Component Name	Cost (US$, millions)
Emergency COVID-19 Response	23.40
Implementation Management and Monitoring and Evaluation	3.50

Organizations

Borrower:	World Health Organization
Implementing Agency:	World Health Organization

MPA FINANCING DETAILS (US$, Millions)

Board Approved MPA Financing Envelope:	0.00
MPA Program Financing Envelope:	4,100.00
of which Bank Financing (IBRD):	2,700.00
of which Bank Financing (IDA):	1,400.00
of which other financing sources:	0.00

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	26.90
Total Financing	26.90
of which IBRD/IDA	26.90
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	26.90
IDA Grant	26.90

IDA Resources (in US$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Yemen, Republic of	0.00	26.90	0.00	26.90
Crisis Response Window (CRW)	0.00	26.90	0.00	26.90
Total	**0.00**	**26.90**	**0.00**	**26.90**

Expected Disbursements (in US$, Millions)

WB Fiscal Year	2020	2021	2022
Annual	5.00	20.00	1.90
Cumulative	5.00	25.00	26.90

INSTITUTIONAL DATA

Practice Area (Lead)

Health, Nutrition & Population

Contributing Practice Areas

Climate Change and Disaster Screening

This operation has not been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	High
2. Macroeconomic	High

3. Sector Strategies and Policies	Substantial
4. Technical Design of Project or Program	Substantial
5. Institutional Capacity for Implementation and Sustainability	Moderate
6. Fiduciary	High
7. Environment and Social	Substantial
8. Stakeholders	Substantial
9. Other	High
10. Overall	High
Overall MPA Program Risk	High

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

[ ] Yes [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes [✓] No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description

The Recipient shall, not later than (2) two months after the Effective Date, prepare, in accordance with terms of reference acceptable to the Association, and furnish to the Association an implementation manual for the Project, in form and substance acceptable to the Association.

Sections and Description

The ESMF and the MWMP shall be updated within one month after the Effectiveness Date.

Sections and Description

Environmental Expert and Social Expert shall be appointed within one month after the Effective Date.

Conditions

Type	Description
Disbursement	No withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed $2,000,000 may be made for payments made prior to this date but on or after March 1, 2020, for Eligible Expenditures under Category (1).

I. PROGRAM CONTEXT

1. This Project Appraisal Document (PAD) describes the emergency response to the Republic of Yemen under the COVID-19 Strategic Preparedness and Response Program (SPRP) using the Multiphase Programmatic Approach (MPA), approved by the World Bank's Board of Executive Directors on April 2, 2020. The overall Program financing envelope includes International Development Association (IDA) US$1.3 billion and of International Bank for Reconstruction and Development (IBRD) US$2.7 billion.

A. MPA Program Context

2. An outbreak of the coronavirus disease (COVID-19) caused by the 2019 novel coronavirus (SARS-CoV-2) has been spreading rapidly across the world since December 2019, following the diagnosis of the initial cases in Wuhan, Hubei Province, China. Since the beginning of March 2020, the number of cases outside China has increased thirteenfold and the number of affected countries has tripled. On March 11, 2020, the World Health Organization (WHO) declared a global pandemic as the coronavirus rapidly spreads across the world. As of March 25, 2020, the outbreak has resulted in an estimated 450,307 cases and 20,664 deaths in 199 countries and territories.

3. COVID-19 is one of several emerging infectious diseases (EID) outbreaks in recent decades that have emerged from animals in contact with humans, resulting in major outbreaks with significant public health and economic impacts. The last moderately severe influenza pandemics were in 1957 and 1968; each killed more than a million people around the world. Although countries are now far more prepared than in the past, the world is also far more interconnected, and many more people today have behavior risk factors such as tobacco use[1] and pre-existing chronic health problems that make viral respiratory infections particularly dangerous.[2] With COVID-19, scientists are still trying to understand the full picture of the disease symptoms and severity. Reported symptoms in patients have varied from mild to severe, and can include fever, cough and shortness of breath. In general, studies of hospitalized patients have found that about 83% to 98% of patients develop a fever, 76% to 82% develop a dry cough and 11% to 44% develop fatigue or muscle aches.[3] Other symptoms, including headache, sore throat, abdominal pain, and diarrhea, have been reported, but are less common. While 3.7% of the people worldwide confirmed as having been infected have died, WHO has been careful not to describe that as a mortality rate or death rate. This is because in an unfolding epidemic it can be misleading to look simply at the estimate of deaths divided by cases so far. Hence, given that the actual prevalence of COVID-19 infection remains unknown in most countries, it poses unparalleled challenges with respect to global containment and mitigation. These issues reinforce the need to strengthen the response to COVID-19 across all IDA/IBRD countries to minimize the global risk and impact posed by this disease.

4. This project is prepared under the global framework of the World Bank COVID-19 Response financed under the Fast Track COVID-19 Facility (FTF).

B. Updated MPA Program Framework

5. Table-1 provides an updated overall MPA Program framework.

[1] Marquez, PV. 2020. "Does Tobacco Smoking Increases the Risk of Coronavirus Disease (Covid-19) Severity? The Case of China." *http://www.pvmarquez.com/Covid-19*
[2] Fauci, AS, Lane, C, and Redfield, RR. 2020. "Covid-19 — Navigating the Uncharted." New Eng J of Medicine, DOI: 10.1056/NEJMe2002387
[3] Del Rio, C. and Malani, PN. 2020. "COVID-19—New Insights on a Rapidly Changing Epidemic." JAMA, doi:10.1001/jama.2020.3072

Table 1. MPA Program Framework

Phase #	Project ID	Sequential or Simultaneous	Phase's Proposed DO*	IPF, DPF or PforR	Estimated IBRD Amount ($ million)	Estimated IDA Amount ($ million)	Estimated Other Amount ($ million)	Estimated Approval Date	Estimated Environme-ntal & Social Risk Rating
#	Yemen COVID-19 Response	Simultaneous	Please see relevant PAD	IPF	0.00	$26.90	0.00	April 2, 2020	Substantial

6. The Program framework will be updated as more countries join SPRP. All projects under SPRP are assessed for ESF risk classification following the Bank procedures and the flexibility provided for COVID-19 operations.

C. Learning Agenda

7. The country project under the MPA Program will support adaptive learning throughout the implementation, as well as from international organizations including WHO, IMF, CDC, UNICEF, and others. The areas for learning envisaged during the project implementation are as follows:

- Forecasting: economic impact of disease outbreaks in fragile contexts;
- Technical: Cost and effectiveness assessments of prevention and preparedness activities;
- Supply chain approaches: assessments on options for timely distribution of medicines and other medical supplies; and
- Social behaviors: assessments on the compliance measures.

II. CONTEXT AND RELEVANCE

A. Country Context

8. The ongoing conflict in Yemen remains unresolved. At present, the conflict is riddled with a cobweb of actors, regional powers, dynamics and armed groups on the ground and is deepening societal fragility and fault lines in Yemen. Many factors such as tribal, regional and sectarian divisions, long-standing grievances, elite capture of resources and corruption have been the major causes of fragility drivers operating across Yemen. Three conflicts have divided the torn country into many areas of territorial, political control and static frontlines; the national-level conflict, the Southern Secession conflict and violent extremists. Since the initial phases of the conflict, especially at the frontlines, the brunt of violence and suffering that the population has been experiencing have changed little. However, latest peace talks hosted by the UN have shown a few positive signs.

9. Prior to the start of the conflict in 2014, Yemen was highly reliant on diminishing oil and gas resources for public revenue. Their reserves represented 25 percent of Yemen's GDP, nearly three quarters of government revenues, and 90 percent of the country's exports. The gradual depletion in oil reserves before the onset of the conflict has resulted in steep decline of the oil revenues and raised the budget deficit to 10 percent of GDP. The economy of Yemen has been in decline since the conflict erupted in 2015, and the real GDP has contracted by 35 percent since late 2014. In addition, the public revenues have declined by about 50 percent in 2015 and by additional 20 percent in 2016 due to the fall in oil revenues (77 percent) and non-oil revenues (34 percent).

10. Additionally, the conflict affected the country's trade balance, with an estimated drop by 51 percent and 54 percent in exports and imports, respectively, between 2014 and 2015 owing to the decrease of the foreign exchange reserves of the Central Bank of Yemen (CBY). The latter has become dysfunctional at the end of 2016 and unable to curb runaway inflation. The labor markets have been severely affected. Participation in the public sector has steeply declined; employment has decreased by 13 percent in Al-Hodeidah, Sana'a city and Aden, while for the private sector, enterprises have been operating with half of the capacity they had before the conflict. About 40 percent of the workforce was lost with reduced operating hours by almost half, and 74 percent of the firms have reported physical damage.

11. COVID-19 has already caused significant public health and economic impacts, both globally and in the Middle East and North Africa region. The public health impact of COVID-19 is apparent, with almost 20,000 confirmed cases in the Eastern Mediterranean region and over 1,110 deaths as of March 19, 2020. The epidemic poses unique public health risks in Yemen, given the already weak health system and high vulnerability among the population (24 million are in need of humanitarian assistance and 311,000 children suffer from severe acute malnutrition, which is likely to weaken immune system against infectious diseases). The country remains highly prone to the COVID-19 threat. Yemen is not only vulnerable to cases of diseases in the country (including amongst IDPs) but also has the potential to spread diseases further in the region and beyond if they are not managed and contained first within its borders. Yemen's proximity to neighboring countries and the flow of refugees into neighboring Djibouti as well as flow of illegal immigrants into Yemen further make preventing and mitigating the pandemic's effects in Yemen all the more critical for the region. The global economic slowdown from COVID-19 is likely to impact health services in Yemen, because of the limited availability of the health supply at country, regional and global levels. Early intervention to strengthen the health system has the potential to mitigate both the public health and economic impact of the pandemic.

B. Sectoral and Institutional Context

12. After five years of intense conflict in Yemen, the health system is on the brink of collapse. Millions have been surviving on emergency food aid, and the magnitude of chronic malnutrition in the Yemeni population has become seriously precarious due to the prolonged conflict. The people are barely surviving, and their vulnerability has become more pronounced with the advent of multiple overlapping infectious disease outbreaks from season to season, ranging from cholera to dengue. Furthermore, treatment of noncommunicable diseases, which are otherwise preventable, is not thoroughly addressed. To date, less than 50 percent of health facilities across the country are fully functional, and those which are operational lack specialists, equipment and medicines. There are no doctors in 18 percent of districts across the country. Immunization coverage has decreased by as much as 30 percent since the conflict started, and most health personnel have not received salaries for some years.

13. The health care system continues to be a victim of Yemen's conflict. The already dire humanitarian situation in Yemen has been exacerbated by successive outbreaks of diseases such as cholera and diphtheria over the last year. The recent conflict in Al-Hodeidah has also added more strain on the population due to the seaport closure. Since the conflict escalation, the continuous shortages of staff and supplies, mainly fuel, have put further strains on facilities. Moreover, since 2015, more than 160 health centers and hospitals were caught in conflict situations. IDA, through its partnership with UNICEF and WHO, has been supporting the health, nutrition and WASH by rehabilitating health and water and sanitation facilities to ensure functionality, making essential services available and investing in a case-based surveillance system. Even so, the situation is still deteriorating due to the conflict and the immense needs of the population across the country.

14. Multiple disease outbreaks requiring emergency response - cholera, diphtheria, measles, dengue, scabies - often emerge in several and unpredictable locations. After the decline of cholera cases at the end of 2017, Yemen's shattered health system started to battle diphtheria, which was a challenge given the ongoing conflict and blockades creating daily threats to public health. Moreover, given the ongoing logistical difficulties, bringing the needed medical equipment and supplies with specialized medical staff into the needy areas in Yemen is difficult rendering all the humanitarian and health actors struggling. According to the analysis conducted by the Health Cluster[4] consisting of various partners, the main causes of avoidable deaths in Yemen are communicable diseases, maternal, perinatal and nutritional conditions (together accounting for 50 percent of mortality) and non-communicable diseases (39 percent of mortality).

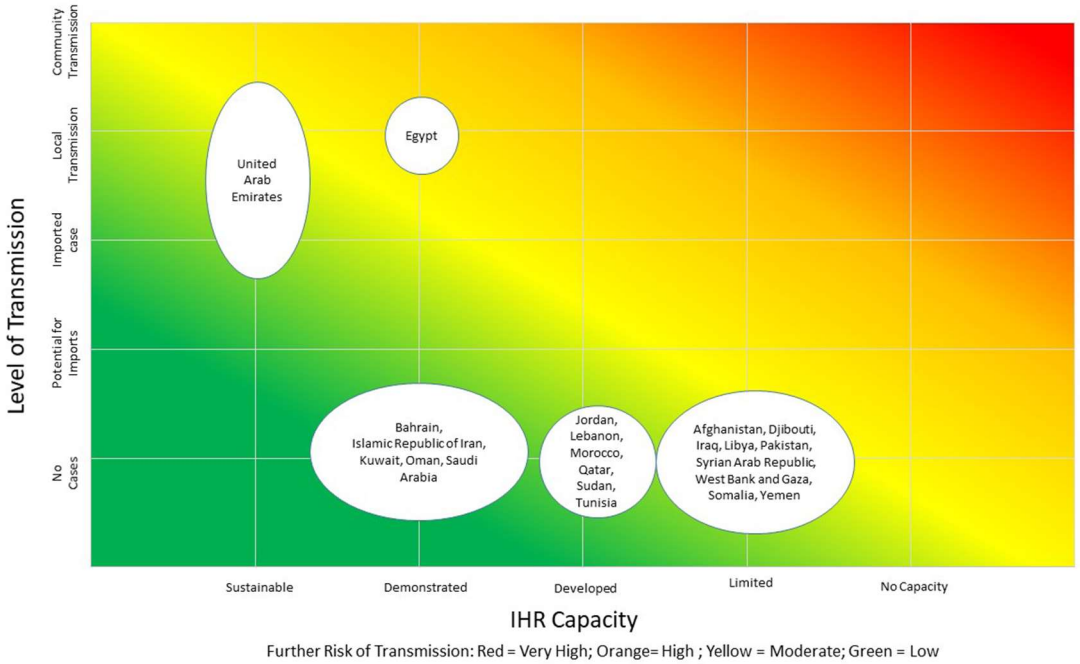
15. In light of the COVID-19 pandemic, which has rapidly spread globally, WHO Yemen conducted a risk assessment. This was done using a WHO tool entitled “Rapid Risk Assessment of Acute Public Health Events.” Estimates of the likelihood of importation of a confirmed COVID-19 case were combined with evaluations of the consequences post-importation. The likelihood of importation is primarily based on the frequency and nature of flights which operate into Yemen (i.e., only humanitarian flights into the north from Amman and Djibouti; and humanitarian flights into the south from Djibouti and Riyadh and minimal commercial flights to the south from Amman, Cairo, and Dubai) and COVID-19 transmission patterns in the neighboring countries. While this risk evolves in line with the global and regional situation, the consequences after importation are expected to be catastrophic not only on Yemen but also neighboring countries due to the cross-border movement such as Saudi Arabia, Oman, and Djibouti. This is based on recent experience dealing with multiple infectious disease outbreaks across Yemen and other countries, coupled with the debilitated response capacity in-country. The ongoing fragility in Yemen and lack of government control over all of the territory also make it all the more urgent to support a country-wide response to prevent and manage the effects of the pandemic.

16. The high rates of malnutrition among adults in the country is another alarming indicator of the compromised immunity and the vulnerability of the population to infectious diseases. IDPs and refugees are among the most vulnerable due to poor access to sanitation services along with insufficient hygienic practices.

17. The core capacities, as stipulated by the International Health Regulations (2005) to detect, assess, notify and report events, and respond to public health risks and emergencies of national and international concern, are very limited (Figure 1). Availability of testing kits is limited and only covers 600 people while the two reference laboratories in the country are already overwhelmed by other outbreaks such as cholera. Availability of Personal Protective Equipment (PPE) is very limited though extremely important and most health workers remain unprotected putting this critical group much at risk. Case management and isolation capacity with regard to training, equipment, medical and non-medical supplies is poor. Currently, there are only two equipped isolation and treatment centers in the country enough to cater for 40 patients. As the situation evolves, and the risk of importation followed by local transmission increases, the outbreak response in Yemen will require an imminent and substantial amount of assistance. To date, a few bilateral partners such as Saudi Arabia and U.K. Department for International Development have expressed interest in providing support, but no firm commitment specific to COVID-19 response has been made.

[4] It represents a partnership of 64 organizations in Yemen: local and international nongovernmental organizations and U.N. agencies that are committed to working together to provide needs-driven and evidence-based health and nutrition response for the vulnerable. For more details, see *https://www.who.int/health-cluster/countries/yemen/en/*

Figure 1: IHR Core Capacity with Respect to the Level of Transmission, as of January 2020[5]



Further Risk of Transmission: Red = Very High; Orange= High ; Yellow = Moderate; Green = Low

C. Relevance to Higher Level Objectives

18. The project is aligned with World Bank Group (WBG) strategic priorities, particularly the WBG's mission to end extreme poverty and boost shared prosperity in a sustainable manner. The focus on preparedness is also critical to achieving Universal Health Coverage. It is also aligned with the World Bank's support for national plans and global commitments to strengthen pandemic preparedness through three key actions: (i) improving national preparedness plans including organizational structure of the government; (ii) promoting adherence to the International Health Regulations (IHR); and (iii) utilizing international framework for monitoring and evaluation of IHR. The economic rationale for investing in the MPA interventions is strong, given that success can reduce the economic burden suffered both by individuals and countries. The project complements both WBG and development partner investments in health systems strengthening, disease control and surveillance, attention to changing individual and institutional behavior, as well as promoting gender inclusion and citizen engagement. Further, as part of the proposed IDA19 commitments, the World Bank is committed to "support at least 25 IDA countries to implement pandemic preparedness plans through interventions (including strengthening institutional capacity, technical assistance, lending and investment)." The project contributes to the implementation of IHR (2005), Integrated Disease Surveillance and Response (IDSR), and the OIE international standards, the Global Health Security Agenda, the Paris Climate Agreement, the attainment of Universal Health Coverage and of the Sustainable Development Goals (SDG), and the promotion of a One Health approach. It also responds to the Enlarged Middle East and North Africa (MENA) strategy's resilience pillar aiming to build human capital through better health care systems and providing services to most vulnerable populations, including refugees, migrants and internal displaced people, majority of whom are women and children. Finally, the project contributes to the Objective (a): Continued support for basic service delivery and institutional preservation of the Country Engagement Note for Yemen for FY20-21 (Report no. 136046-RY) by supporting the delivery of needed services related to COVID-19.

[5] As of February 16th, 2020

19. The WBG remains committed to providing a fast and flexible response to the COVID-19 epidemic, utilizing all WBG operational and policy instruments and working in close partnership with government and other agencies. Grounded in One-Health, which provides for an integrated approach across sectors and disciplines, the proposed WBG response to COVID-19 will include emergency financing, policy advice, and technical assistance, building on existing instruments to support IDA/IBRD-eligible countries in addressing the health sector and broader development impacts of COVID-19. The WBG COVID-19 response will be anchored in the WHO's COVID-19 global Strategic Preparedness and Response Plan (SPRP) outlining the public health measures for all countries to prepare for and respond to COVID-19 and sustain their efforts to prevent future outbreaks of emerging infectious diseases.

III. PROJECT DESCRIPTION

A. Development Objectives

20. The project objectives are aligned to the results chain of the COVID-19 Strategic Preparedness and Response Program (SPRP). This project will be implemented under the Investment Project Financing (IPF) Bank Policy paragraph 12 (that enables the application of the Bank Procedure, "Preparation of Investment Project Financing - Situations of Urgent Need of Assistance or Capacity Constraints"), as per the FTF supporting a number of flexibilities that support rapid implementation of the project.

21. **Project Development Objective (PDO)**: To prevent, detect and respond to the threat posed by the COVID-19 pandemic.

22. **PDO level Indicators**: The PDO will be monitored through the following PDO level outcome indicators:

- Country has activated their public health Emergency Operations Centre for COVID-19; and
- Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents

B. Project Components

23. The project aims to help Yemen immediately respond and mitigate the risks associated with COVID-19 outbreak in Yemen. Based on the Yemen Preparedness and Response Plan, WHO will aim to fill critical gaps in technical areas, such as: points of entry interventions; national laboratories; infection prevention and control; case management and gender-sensitive isolation; and operational support and logistics. These technical areas are identified to immediately strengthen the local capacity to respond and address the current COVID-19 potential challenges in timely manner, while working within the country's existing systems and providing technical assistance as needed for local entities. Emphasis will be placed on strengthening capacities at the district level through a model of decentralization. This plan is designed to leverage the capacities of other key stakeholders to engage multiple actors and sectors active in Yemen.

Component 1: Emergency COVID-19 Response (US$23.4 million).

24. The aim of this component is to prevent and limit to the extent possible the spread of COVID-19 in the country. This will be achieved through providing immediate support to enhance case detection, testing, case management, recording and reporting, as well as contact tracing and risk assessment. Specifically, this component will finance the

procurement of medical and non-medical supplies, medicines, vaccines and equipment[6] as well as training and implementation expenses and limited rehabilitation and upgrading of the existing facilities as needed for COVID-19 activities including such as (i) rapid detection at the district level and at the Points of Entry (POEs) identified by assessing air, sea, and land movement/transportation; (ii) Disease Surveillance, setting-up and strengthening emergency operating centers and rapid response teams to allow timely and adequate system of detecting, tracing, and reporting suspected cases; (iii) preparing and equipping isolation and case management centers across the country to ensure adequate and trained clinical capacity to respond to any symptomatic cases; (iv) Infection prevention and control at facility and community levels to ensure coordinated supply and demand side hygienic practices; and (v) enhance the testing and laboratory capacity across the country for COVID-19 response. Training will be conducted in a way that ensures equal participation of both female and male health and surveillance workers. The implementation operating costs will include hazard pay, per diems and travel costs for specific categories of civil servants, such as clinicians, nurses, and health workers, who are directly involved in COVID-19 activities.[7]

25. Other critical pillars of the COVID-19 agreed interventions - including (i) country level coordination, and (ii) risk communication and community engagement - are already supported through the existing structures developed by the ongoing IDA-financed Emergency Health and Nutrition Project (EHNP) in response to cholera epidemic and other outbreaks, taking into account the different habits that women and men typically adopt and their varying community roles in preventing the spread (i.e. hand washing, social distancing, etc.) and messaging accordingly. As a means to address increased risks of gender-based violence during crisis situations, communications can also embed messages related to healthy conflict resolution and parenting, stress and anger management.

Component 2: Implementation Management and Monitoring and Evaluation (US$3.5 million)

26. This component will support administration and monitoring and evaluation (M&E) activities to ensure smooth and satisfactory project implementation. The component will finance: (a) general management support for WHO; (b) hiring of Third Party Monitoring (TPM) agents and auditors, with terms of reference (TOR) satisfactory to IDA; and (c) direct cost for staffing and project management. To the extent possible, data collection and monitoring will be done in a gender- and age-disaggregated manner to contribute to a better understanding of the demographic profile of the affected population.

27. Yemen is highly vulnerable to natural disasters and impacts of climate change. According to the Notre Dame Global Adaptation Index, which measures overall climate risk, Yemen is one of the most vulnerable and least ready countries in the world, ranking 167 out of 181 nations. Temperature in Yemen is predicted to increase between 1.2 to 3.3 degrees Celsius by 2060. The number of hot days and nights is expected to increase, whereas the number of cold days and nights is expected to decline. There is no agreement between different GCM models on what will be average annual precipitation change, but most models consistently predict that proportion of rainfall in “heavy” events will increase during autumn season (September, October, November)[8]. Heavy rainfall may result in flashfloods, with

[6] Supplies in line with WHO’s list of disease commodities or any updates will be procured. There are no medicines for COVID-19 yet. Only when WHO approves any medicines and vaccines as applicable and effective, they will be procured.

[7] Implementation operating costs include the reasonable expenses covering vehicle operation for mobile and outreach teams, rental of warehouses, office space, water supplies and maintenance of health equipment in the health centers, maintenance of water and sanitation facilities, fuel required for running health and water facilities under the Project, utilities, communication charges, per diems and in-country transportation or travel allowances, and Hazard Pay, but excluding salaries and/or incentives (other than Hazard Pay) of officials of the Republic of Yemen’s civil service.

[8] http://sdwebx.worldbank.org/climateportalb/home.cfm?page=country_profile&CCode=YEM&ThisTab=RiskOverview. *Accessed* on March 23, 2020.

subsequent soil erosion, degradation of agricultural terraces, crop loss, other economic damages, food insecurity. Water stress in the country is high and is observed to be increasing, groundwater resources will likely be depleted in the next 2-3 decades, which will lead to 40% agricultural output reduction. Poor inadequate nutrition may lead to weaker immune system, especially in children. Both median and mean age of Yemen citizens is 19-20 years: young, child-bearing age; 68.3%[9] of population are rural residents who in some way depend on agricultural yields. More frequent storms and flooding is expected to amplify the incidence of infectious disease such as cholera, diphtheria, and dengue, which spread along water and mosquito-borne vectors. The warmer and wetter conditions forecasted in Yemen as well as greater water salinity from sea level rise promote the growth of vibrio cholerae bacteria, and other types of pathogens that live in cracking water. Flash floods, moreover, could contaminate water supplies with fecal matter and expand existing cholera outbreaks. Experts also predict a rise in schistosomiasis, lymphatic filariasis, scabies, and malaria cases. Finally, more extreme weather coupled with water scarcity and higher temperatures will impair the ability of Yemen's health system to respond to these challenges.

28. Yemen is suffering from complex conflicts. They put severe strain on the weak healthcare system. 2015 WHO report warned of looming healthcare system collapse in Yemen[10]. Availability of hospital beds in Yemen: 7 beds per 10,000 of population.[11] To offer a perspective: in Italy there are 34 (2012) hospital beds per 10,000 population, in China - 42 (2012), and in Japan - 134 (2012).[12] Conflicts in Yemen will likely become more severe and persistent if food, water, and other resources become more limited. It will be extremely challenging for healthcare sector to address the needs brought by conflicts, malnutrition, and potential epidemiological hazards, - all exacerbated by climate change. Essential medical supplies and personnel may be unavailable after natural disasters or conflicts, thus limiting treatment options for communicable diseases. Low income populations including internally displaced persons (IDPs) are especially vulnerable, as they lack the capacity to adapt to climate-induced shocks. The project contributes to climate change adaptation and to reducing risks to disease outbreaks due to climate change through enhancing service delivery by equipping health facilities and laboratories and training health workers and laboratory technicians. This improves essential healthcare service delivery and enables people to access the appropriate care, which builds resilience that is especially key for the poor who are the most vulnerable and least equipped to handle the impacts of climate change.

C. Project Beneficiaries

29. The expected project beneficiaries will be the entire population in Yemen including nationals and non-nationals, medical and emergency personnel, laboratory and testing facilities, and health agencies across the country. In 2018, the total estimated population size was 28.9 million,[13] including about 24 million needing humanitarian assistance.[14] For immediate response to stop the transmission and allocate necessary resources for treatment of cases, the project will specifically target communities that have high risks of local transmission, such as highly populated cities across the whole country.

[9] https://www.who.int/countries/yem/en/. *Accessed* on March 23, 2020.
[10] *https://www.who.int/bulletin/volumes/93/10/15-021015/en/* . *Accessed* on March 23, 2020.
[11] https://apps.who.int/gho/data/node.country.country-YEM. *Accessed* on March 23, 2020.
[12] https://data.worldbank.org/indicator/SH.MED.BEDS.ZS?view=chart. *Accessed* on March 23, 2020.
[13] The World Bank. World Development Indicators Data Bank. *https://databank.worldbank.org/source/world-development-indicators*. *Accessed* on March 21, 2020.
[14] United Nations Office for the Coordination of Humanitarian Affairs. Relief Web data on Yemen. *https://m.reliefweb.int/report/3422113*. Accessed on March 21, 2020.

IV. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

30. Under the proposed Yemen COVID-19 Response project, WHO will be the grant recipient as well as the implementing entity responsible for project activities based on the lessons learned from the implementation experience under EHNP. WHO managed to set implementation mechanisms in place for EHNP, through the existing local public system structures, to deliver results on the ground during the ongoing conflict in Yemen. Since 2017, WHO further strengthened and expanded their operational capacity and presence in the country to address the several health and nutrition issues at different levels. Similarly, WHO will build on and expand the existing EHNP Project Management Unit (PMU) to ensure dedicated and competent staff for the project day to day activities.

31. WHO is one of the main global and in-country players in addressing the current COVID-19 pandemic at both the technical and operational sides. WHO has its own network of global suppliers, local providers, contractors, governorate health offices (GHOs), district health offices (DHOs), and international/local nongovernmental organizations (INGOs/LNGOs). Under EHNP, WHO managed to further this network and strengthen the institutional and implementation channels for the delivery of essential services and ensuring the availability of critical medicines nationwide. These implementation arrangements, which proved successful under the Health and Population Project and Schistosomiasis Project funded by the IDA, are context specific and flexible based on the population needs and local capacity (DHOs or NGOs) to provide the identified package of healthcare services. Therefore, WHO will work with the existing local health system structures at the governorate, district and community levels through direct implementation modality to preserve the national capacity and maintain the core functions of the health system.

32. WHO's Country Office in Yemen expanded their presence in the field and scaled up their operations in the country over the last year through the recruitment of national and international positions on compliance, financial management, procurement, logistics, and supply chain to strengthen their internal controls and ensure functional fiduciary mechanisms. Total number has reached 267 staff and consultants (227 nationals, 40 internationals) distributed among the country office in Sana'a and other offices in Aden, Sa'ada, Hodeida, Ibb, and Mukalla. All offices have been operational and maintained supply chains to most service delivery points through their own contractors or partners. Further expansion of staffing capacity is ongoing in environmental and social safeguard aspects.

33. WHO is in coordination with relevant stakeholders. WHO has conducted a prioritization exercise of the activities, the geographical sequencing of the interventions under each pillar of the preparedness plan, the required staff training, and the operational support for the local teams at the decentralized levels. WHO also identified technical gaps and implementation capacity weaknesses as part of the Rapid Risk Assessment of Acute Public Health Events. These have been taken into consideration in the design of the proposed project.

34. Given the scope and design of the project, Component 1 will mainly focus on international procurement of medical and non-medical supplies and the related COVID-19 equipment according to the global WHO list of items for COVID-19 and other communicable diseases. WHO will capitalize on its global supply chain capacity managed centrally at their HQ to procure and ship the required supplies to the regional warehouses of Dubai and Salalah which were recently upgraded and strengthened with regard to physical and staffing capacity. WHO through its contractors will be responsible for delivering the procured items from WHO local warehouses in the country to the target facilities and institutions. In addition, WHO will be ensuring these items are used as per the preparedness and response plan for disease outbreaks. While this project will cover the whole country, the implementation will be carried out through

relevant stakeholders, including health facilities.

35. The World Bank and WHO have agreed to strengthen fiduciary controls of IDA-funded projects, and a number of measures have been implemented. Furthermore, the World Bank has been holding discussions with all UN agencies to ensure prompt and proactive notification to the Bank of any issues pertaining to financial management.

36. Based on the EHNP experience, WHO strengthened their decentralized approach through the following measures: (i) decentralization of planning and implementation related processes; (ii) decentralization of capacity development for planning, implementation and monitoring; and (iii) decentralization of accountability of GHOs as well as WHO responsibility for field monitoring and spot checks.

37. The proposed project specifically targeting COVID-19 response is critically needed and is the most efficient way for the World Bank to act upon COVID-19 in Yemen. The reasons include: (i) funding for the WHO portion of the EHNP is programmed for supporting the critically needed care, and diverting a portion of this funding for COVID-19 will create a gap in service delivery; (ii) the Fast Track Facility allows COVID-19 projects flexibility to follow condensed procedures for preparation to act rapidly on the evolving COVID-19 pandemic; and (iii) having a dedicated project makes monitoring of COVID-19 specific interventions easier. Under the EHNP, of the total US$232.49 million in grants for WHO, US$190.16 million has been disbursed to WHO, of which US$142.4 million has been disbursed to beneficiaries, and US$17.4 million were committed.[15]

B. Results Monitoring and Evaluation Arrangements

38. For their respective activities, WHO will use data collected by the GHOs and other implementing partners (international and local NGOs) as per the standard reporting formats for all interventions at different levels on services and supplies. Databases for each are maintained at national, governorate, and lower levels. At each WHO field office, data will be collected and reviewed before it is consolidated at the WHO central level in the country by focal points from the GHOs and NGO partners. The information management officers at field and country offices of WHO will support this process. Regular technical and financial verification will be undertaken during visits by WHO staff, and TPM agencies, using an agreed protocol. WHO will have an independent TPM mechanism in place to undertake quarterly performance verification and field monitoring of their program activities. The TPM agency will provide quarterly reports to WHO and the World Bank on the outputs as well as the delivery of services to the intended beneficiaries. WHO will submit to the Bank technical and financial reports on a quarterly basis on the progress of the project activities according to a template agreed with the Bank. To the extent possible, all data collected and reported on will be done in a gender- and age-disaggregated manner to contribute to a better understanding of the demographic profile of the affected population.

39. The World Bank will be conducting monthly meetings to discuss the project progress based on an agreed procurement plan to ensure progress, check on implementation arrangements and staffing, governorate selection/prioritization criteria for each service of the agreed upon pillars, and action plans. Similar to the EHNP, the Bank will rely on the TPM reports submitted directly to WHO and the Bank. The TOR for the TPM agency will be agreed and cleared by the Bank.

40. Large volumes of personal data, personally identifiable information and sensitive data are likely to be collected

[15] Figures as of March 22, 2020.

and used in connection with the management of the COVID-19 outbreak under circumstances where measures to ensure the legitimate, appropriate and proportionate use and processing of the data may not feature in national law or data governance regulations or be routinely collected and managed in health information systems. In order to guard against abuse of personal data, the Project will follow WHO's guidelines and procedures for dealing with such data in those circumstances. These measures may include, by way of example, data minimization (collecting only data that is necessary for the purpose); data accuracy (correct or erase data that are not necessary or are inaccurate), use limitations (data are only used for legitimate and related purposes), data retention (retain data only for as long as they are necessary), informing data subjects of use and processing of data, and allowing data subjects the opportunity to correct information about them, etc. In practical terms, operations will ensure that these principles apply through assessments of existing or development of new data governance mechanisms and data standards for emergency and routine healthcare, data sharing protocols, rules or regulations, revision of relevant regulations, training, sharing of global experience, unique identifiers for health system clients, strengthening of health information systems, etc.

C. Sustainability

41. The project finances WHO to provide emergency response for the COVID-19 epidemic by strengthening health system preparedness in Yemen for early detection, diagnosis and case management of infectious diseases. Outputs and outcomes from this emergency project are expected to have a sustainable impact on improved public health preparedness by addressing immediate needs for COVID-19. Particularly, the project design includes equipping health facilities and laboratories and training health workers. This will enable local entities to improve their capacities and sustain their efforts in addressing future epidemics.

V. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis (if applicable)

42. COVID-19 is rapidly engulfing the whole world. The rate of transmission and the spread of cases across countries have been dramatic over the last few weeks. Around 182 countries in the world have reported cases so far and some health systems in developed countries cannot cope with the demand for screening, testing, tracing, and case management. While Yemen has not reported cases as of writing this document, the likelihood of imported cases and/or local transmission remains high. The consequences of this transmission, if it takes a wider scale, would be catastrophic in a country already struggling with conflict, risk of famine, soaring malnutrition, and cholera. The vulnerable population in Yemen such as elderly, IDPs (many of whom are women) and refugees are particularly at a higher risk of being infected and developing severe to critical symptoms. The project was designed with a vision for supporting the immediate response to COVID-19 pandemic, while the ongoing EHNP focuses on building the capacity of the country to prevent and address future outbreaks. The project adopts horizontally and vertically integrated spectrum of activities under each pillar of the plan under component 1, specifically; (i) Points of Entry and screening; (ii) testing and laboratory investigation capacity; (iii) infection prevention and control at facility and community levels; and (iv) case management and isolation centers.

43. The horizontal integration is demonstrated through the incremental response to the pandemic with parallel and sequential prevention and control approach. In the short run, up to six months after effectiveness, activities are geared to prevent and contain the pandemic, halt spread and cater for case management. On the vertical integration, activities were grouped to target the national, facility-based and community and household levels, respectively.

44. The project also builds on the ongoing EHNP achievements which built country-wide structures for coordination, surveillance, and risk communication and community engagement. These mechanisms are already in place and have been used to develop a coordinated plan and raise the awareness of the public on COVID-19, through messaging and channels that will reach women and men equally as well as respond to their specific concerns and empirical behavior, including their different roles with children's hygiene. WHO will implement the project, while using the experienced and trained capacities working at decentralized GHO, DHO, and facility levels. The project will cover all governorates in Yemen on a needs basis that will follow a transparent, evidence based and pre-agreed upon set of criteria for each type of activity. Governorate prioritization per activity will be revisited periodically to appropriately respond to the evolving pattern of transmission risks, implementation capacity, and security situation.

B. Fiduciary

(i) Financial Management

45. The project's financial management will follow the arrangements applied by WHO under the existing EHNP project taking into consideration all the agreed management actions with WHO to mitigate the financial management (FM) risks. WHO will maintain separate accounts for the projects and ensure that original supporting documents of expenditures are retained. The project will use IFRs for disbursements and will submit the reports on quarterly basis to the Bank. Funds will flow from the Bank to WHO and then to ultimate recipients/beneficiaries. For this project, WHO will use the Direct Implementation modality where funds will flow directly from the WHO account to the ultimate beneficiaries/recipient accounts. The project will follow the audit arrangements agreed between the Bank and UN agencies as per the Financial Management Framework Agreement. In addition, the Bank may require additional financial audits based on terms of agreement (TORs) agreed with the Bank.

46. The project will envisage retroactive financing for withdrawals up to an aggregate amount of US$2,000,000 made on or after March 1, 2020, prior to signing date of the Financing Agreement for eligible expenditures under Category 1.

47. For additional details on financial management, please refer to annex 2.

(ii) Procurement

48. Alternative Procurement Arrangements will be applied in line with the World Bank's Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated July 1, 2016 (revised in November 2017 and August 2018) given that WHO's procurement procedures were assessed and found acceptable to the World Bank under other agreements as allowed by the Procurement Framework Policy Section III. F.

49. WHO will follow its own procurement procedures to procure the required supplies on the basis of an agreed positive list and including storage and distribution to the final destination.

50. WHO will provide technical assistance in:

- identification of items to be procured and their specifications based on the positive list;
- quantification of the items to be procured, taking into account (i) the country's needs as the pandemic evolves and (ii) availability of such equipment from other funding sources; and

- identification of the specific laboratories and health facilities which will be equipped with such medical equipment.

51. For global activities (e.g., bulk procurement), there is not a specific impact from the recent fiduciary issues encountered since the control issues that have arisen are primarily related to the decentralized operations. The project includes risk mitigation measures such as frequent reporting, direct contacts on a regular basis on status of activities, etc.

52. Mitigation includes more frequent and detailed reporting, and closer supervision by the Bank. For decentralized activities, a strengthened fiduciary approach would be used covering: (i) ex-ante a representation by the UN agencies of the internal controls surrounding these activities, including the governance arrangements underpinning the use of the TPM by WHO; (ii) ex-post frequent and sufficiently detailed reporting by WHO; (iii) the Bank's agreement on the TOR and selection of third party monitor; and (iv) increased supervision by the Bank.

53. WHO will be responsible for: (i) preparing a quarterly report on the progress of procurement and distribution as well as updates on the implementation of the Environmental and Social Commitment Plan (ESCP); (ii) reporting on the indicators in the results framework; (iii) providing other relevant performance information to the World Bank as requested; and (iv) engaging a firm(s) to conduct a financial audit as part of end-of-project M&E.

C. Legal Operational Policies

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

D. Environmental and Social

54. The project will have positive impacts as it should improve COVID-19 surveillance, monitoring and containment. However, the environmental risks are considered 'Substantial' as the project might also pose the following risks: (i) the occupational health and safety issues related to testing and handling of supplies and the possibility that they are not safely used by laboratory technicians and medical crews; (ii) environmental risks and impacts associated with strengthening of selected health facilities and establishment and equipping of quarantine and treatment centers, including impacts resulting from rehabilitation of isolation rooms in such facilities and treatment centers; and (iii) medical waste management and community health and safety issues related to the handling, transportation and disposal of healthcare waste. Wastes that may be generated from labs, quarantine facilities and screening posts to be supported by the COVID-19 readiness and response could include liquid contaminated waste (e.g. blood, other body fluids and contaminated fluid) and infected materials (water used; lab solutions and reagents, syringes, bed sheets, majority of waste from labs and quarantine and isolation centers, etc.) which requires special handling and awareness, as it may pose an infectious risk to healthcare workers in contact or handle the waste. It is also important to ensure that such medical wastes are properly disposed of.

55. To ensure proper environmental and social management of the project including occupation health and safety aspects, the Medical Waste Management Plan (MWMP) as well as the Environmental and Social Management

Framework (ESMF) which were prepared for the ongoing Yemen EHNP (which is co-implemented by WHO as well) will be adopted and implemented by WHO. The MWMP provides detailed procedures and measures for managing different types of medical wastes and handing medical consumables starting from distribution, use, - while applying infection prevention and control measures - collection, temporary storage, transportation, and final safe disposal. The ESMF as well as the MWMP include monitoring plans for ensuring proper implementation of procedures and mitigation measures. In addition, this project will apply WHO standards on COVID-19 response and international best practice as outlined in the WHO "Operational Planning Guidelines to Support Country Preparedness and Response", annexed to the WHO "COVID-19 Strategic Preparedness and Response Plan" (February 12, 2020). Further guidance is included in the WHO "Key considerations for repatriation and quarantine of travelers in relation to the outbreak of novel coronavirus 2019-nCoV" (February 11, 2020). The Environmental and Social Management Framework (ESMF) includes procedures for screening, assessment and monitoring of interventions which involve civil works and retrofitting of isolation rooms in health facilities and treatment centers. These interventions will be screened, and proper environmental and social assessment instrument will be prepared and implemented to ensure that such interventions will be implemented without causing adverse impacts on workers, beneficiaries or environment.

56. The key social risk is that vulnerable social groups such as the elderly, people with chronic conditions and those who are unable to easily access facilities and services during an epidemic could undermine the objectives of the project. To mitigate this risk WHO will adopt the "COVID-19 Strategic Preparedness and Response Plan" (February 12, 2020).

57. Vulnerable groups within the communities affected by the project will further be confirmed and consulted through dedicated means under Stakeholder Engagement Plan (SEP), as appropriate as well as the description of the methods of engagement that will be undertaken by the project to reach these groups. The SEP will also include an updated Grievance Redress Mechanism for addressing any concerns and grievances raised and will be finalized within one month of project effectiveness.

58. Beyond this, project implementation needs to ensure appropriate stakeholder engagement, proper awareness raising and timely information dissemination to (i) avoid conflicts resulting from false rumors; (ii) ensure to the maximum possible equitable access to services for all who need it; and (iii) address issues resulting from people being kept in quarantine, such as those related to gender-based violence. The project can thereby rely on standards set out by WHO as well as international good practice to: (1) facilitate appropriate stakeholder engagement and outreach plans towards differentiated audience (concerned citizens, suspected cases and patients, relatives, health care workers, etc.); and (2) promote the proper handling of quarantining interventions (including dignified treatment of patients; attention to specific, culturally determined concerns of vulnerable groups; and prevention of Sexual Exploitation and Assault (SEA) and Sexual Harassment (SH) as well as minimum accommodation and servicing requirements). The project will continuously assess how to best address these GBV/sexual exploitation and abuse/sexual harassment aspects during implementation through, for example, the communications and outreach work with communities.

VI. GRIEVANCE REDRESS SERVICES

59. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the

World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

VII. KEY RISKS

60. **The overall risk rating is High**. This rating stems from the exceptional context of the ongoing conflict in the Republic of Yemen. The key risks that may affect the achievement of the PDO and results are (i) political and governance; (ii) sector strategies and policies; (iii) macroeconomic; (iv) environmental; (v) technical design; (vi) institutional capacity for implementation and sustainability; (vii) fiduciary; (viii) stakeholders; and (ix) other risks, namely, the lack of official counterpart. Some important mitigation measures have been integrated. However, a considerable degree of risk is inherent due to the country context, and given the rapidly evolving situation on the ground and the operating environment increasingly becoming difficult, the overall residual risk remains to be High.

61. **Political and governance risks are High**. The ongoing conflict in Yemen can negatively affect PDO achievement. Difficulty in supervision and implementation could result in resource diversion of funds only benefiting population residing in areas linked to political interests. In addition, control of geographical areas by different political or armed factions could lead to interference and inadequate targeting of truly vulnerable people. This challenging environment also poses **sector strategies/policies** risks with the presence of different health authorities in the country. Maintaining a strong focus on procurement of necessary supplies and equipment and training of health and non-health workers at targeted hospitals and laboratories while working with politically neutral implementing partners and with different levels of different authorities are key mitigation measures. The residual risk remains to be High.

62. **Macroeconomic risk is High**. The economic impact of the conflict has been devastating for Yemen, aggravating an already weak pre-conflict economic performance, which could be further exacerbated by a COVID-19 epidemic. The government is unable to fund the operational costs of the health facilities, and there is a risk of salary payments to health personnel continuing to be sporadic or non-existent due to the shortage of public resources. While this project cannot mitigate risks associated with macroeconomics, the project does contribute to maintaining urgently needed public services and local capacities.

63. **Environmental and social risks are Substantial**. Environmental risks and impacts that are envisaged under this project would be related to: medical waste management and disposal; and Occupational Health and Safety (OHS) aspects. The Environmental and Social Management Framework (ESMF) and the Medical Waste Management Plan (MWMP) have already been prepared for the ongoing EHNP and in place to address any anticipated risks and impacts. Overall, the direct benefits and positive externalities of project interventions are significant compared to risks and impacts envisaged; nonetheless, the challenging environment in which the project is implemented translates into substantial residual risk.

64. **Technical design and institutional capacity risks are Moderate**. The project builds on the success of the IDA-financed operations in partnership with technical UN organizations in Yemen, where the capacity of local service providers in the health sector poses significant risks. Risks will be mitigated by keeping the design simple. The security challenge and frequent mobility of the population fleeing heavily conflict-affected areas may compromise the ability of WHO and their implementing partners. This will be mitigated by the strong field presence and knowledge of WHO

and their implementation partners. Thus, the residual risk is Moderate.

65. **Stakeholder risks**. There have been negative media coverage targeted against UN agencies in Yemen. To minimize risks related to delivering goods to health facilities, communication and outreach activities are being conducted to inform the public of the project's support and increase visibility through the ongoing EHNP. The residual risk is considered substantial given the varied level of access to information among the population.

66. **Other risks**. Risks related to the lack of official counterpart still remain. In an event of conflict escalation and resulting closure of WHO offices in Yemen, the risks associated with implementation coming to a halt would be mitigated by the local staff following the business continuity plan for project implementation as much as feasible. Given the increasing uncertainty with the threat of wide spread of the epidemic, the residual risk remains to be High.

67. **Fiduciary risk is High**. The tables below describe the constituent elements of the risk and their respective mitigation measures. The implementation of the mitigation measures will be reviewed, and the risks will be reassessed as part of the continuous implementation support on the project.

FM Risks	Proposed Mitigation measures
High risk due to limited capacity and fragile independence of TPMs/auditors, IPs and M&E consultants. This is a result of the conflict situation in Yemen so reliance is on local firms that are hired directly WHO. **Impact**: Misuse of funds and inaccurate reported results. Both the WHO and the WB are relying on the work of implementing partners (IPs) and reports received from various types of monitoring and review agents while there is no proof that those IPs and agents have been recently assessed to have the right capacity for the job. Also, the fact that contracts of TPMs and auditors can be directly terminated by the hiring agency may have negative impact on their independence and impartiality to report findings.	- New assessments of the IPs/ monitoring agents and audit firms to take stock. - The Bank will explore, with the help of Yemeni Association of the Accountants and Auditors, areas were capacity building support is provided to the local firms. - Selection related actions of TPMs and auditors will be in consultation with the World Bank - Applying the measures above will bring the risk down to substantial.
High risk related to fraud and corruption due to use of cash in IDA projects **Impact**: misuse of IDA funds	- Regular FM reviews during supervision mission to ensure that WHO is complying with the WB rules/regulations and that proper controls are in place. - WHO will use Direct Implementation modality for this project where funds will flow directly from WHO accounts to ultimate beneficiaries/recipients. - WHO will rely more on mobile banking and payment agencies to ensure that the funds reach the legitimate beneficiaries - The above mitigation measures will bring the risk to substantial
High risk due to limited capacity of national and international staff on the ground. **Impact**:	- WHO to ensure their finance and compliance departments are sufficiently staffed with qualified individuals who will be responsible for the ex-ante and ex-post review of all transactions.

- Inadequate controls applied augmenting the risk of misuse of funds Gap between what is reported and what is implemented on the ground (inaccurate reporting of results).	- Above measures will bring the residual risk to substantial.
Improper use of funds **Impact**: Using the funds of non-intended purposes.	- Use of Direct Implementation modality by WHO. - Regular review of samples of expenditures reported by WHO during supervision missions to ensure proper controls are applied.
High risk due to limited access to areas at both national and sub-national level due to conflict. **Impact**: - Impact on the number of beneficiaries of the project - Impact on the capability of TPMs and monitoring agents to access those areas and provide assurance on the work.	- Regular check by the WB team with the UN agencies, national institutions and monitoring agents to assess the magnitude of this risk and areas affected. - WB and WHO to be ready with plan B for cases when this risk materializes. The residual risk remains high.

68. Procurement risks and mitigation measures are presented in the table below.

Procurement risks	**Mitigation measures**
Delay in supply especially because of interruptions in supply chain due to spread of COVID-19 virus throughout the world, governments' export restrictions and scarcity of the goods in question due to high demand across the globe.	This risk would be mitigated through advance payment to the WHO to allow them to make the goods available in their regional stores such as Dubai and Djibouti prior to onward shipment to Yemen, as well as agreeing up front on their sourcing strategy. In addition, the use of Independent Inspection agents, such as SGS, in order to certify that goods comply with the technical specifications at the factory and/or at the port of shipment will be considered to be hired by the UN agency(ies) when purchasing the medical goods.
Delays due to the WHO agency internal processes and approvals.	This risk would be mitigated by advance planning and delegation of authority at the right levels as well as commitment by WHO to comply with agreed timelines.
Delay in delivering the goods due to the closure of borders. etc..	WHO has its own special arrangements including exceptions to bring the goods to Yemen. WHO will confirm to the Bank before signing any commitment.
Government's capacity to monitor and control receipt, storage and distribution of the procured goods.	WHO will be responsible for storage, distribution and delivery of the supplies to the final destination. Discussions will be held with WHO to adopt smart fiduciary tools, such as Internet of Things (IoT) and Block Chain, that can track goods to their final destination. TPM will also include checking the availability of supplies at health facilities.

VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework
COUNTRY: Yemen, Republic of
Yemen COVID-19 Response Project

Project Development Objective(s)

To prevent, detect and respond to the threat posed by the COVID-19 pandemic

Project Development Objective Indicators

Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
To prevent, detect and respond to the threat posed by the COVID-19 pandemic				
Country has activated their public health Emergency Operations Center for COVID-19 (Yes/No)		No	Yes	Yes
Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents (Number)		2.00	5.00	8.00

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Emergency COVID-19 Response				

Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Number of health staff trained in infection prevention and control per WHO protocols (Number)		0.00	1,500.00	2,000.00
Implementation Management and Monitoring and Evaluation				
Percentage of health staff expressing satisfaction with training of infection prevention and control per WHO protocols (Percentage)		0.00	80.00	80.00
M&E system established to monitor COVID-19 preparedness and response plan (Yes/No)		No	Yes	Yes

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Country has activated their public health Emergency Operations Center for COVID-19	Activation of public health Emergency Operations Center for COVID-19	Ongoing	WHO and Governorate Health Offices (GHOs)	WHO and GHOs to confirm the center is activated and functional	WHO and GHOs
Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents	Designated laboratories equipped with supplies for COVID-19 such as diagnostic equipment, test kits, and reagents	Ongoing	Designated laboratories and GHOs	WHO to aggregate reports from GHOs	WHO and GHOs

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Number of health staff trained in infection prevention and control per WHO protocols	Health staff receiving infection prevention and control training which follows the protocols developed by WHO	Every 6 months	WHO and GHOs	WHO to aggregate reports from GHOs	WHO and GHOs
Percentage of health staff expressing satisfaction with training of infection prevention and control per WHO protocols	Denominator: number of health workers trained in infection prevention and control per WHO protocols Numerator: number of health workers expressing satisfaction with training of infection prevention and control per WHO protocols	Every 6 months	Third party monitoring	Interview of health workers through third party monitoring	WHO and GHOs
M&E system established to monitor COVID-19 preparedness and response plan	Establishment of monitoring and evaluation system for the COVID-19 preparedness and response plan	Ongoing	WHO and GHOs	WHO and GHOs to report on the development/ establishment	WHO and GHOs

ANNEX 1: Project Costs

COUNTRY: Yemen, Republic of
Yemen COVID-19 Response Project

COSTS AND FINANCING OF THE COUNTRY PROJECT

Program Components	Project Cost	IBRD or IDA Financing	Trust Funds	Counterpart Funding
Emergency COVID-19 Response	23.4	23.4		
Implementation Management and Monitoring and Evaluation	3.5	3.5		
Total Costs (US$m)	26.9	26.9		
Total Costs	26.9	26.9		
Front End Fees				
Total Financing Required	26.9	26.9		

ANNEX 2: Procurement and Financial Arrangements

COUNTRY: Yemen, Republic of
Yemen COVID-19 Response Project

Procurement Arrangements:

1. The project aims to finance the procurement of essential inputs for treatment such as ventilators, pulse oximeters, laryngoscopes, oxygen generators, and other equipment/supplies for COVID-19 case management, as well as medicines (to avoid stock-outs) and vaccines (when they become available). All procurement will only be financed if they are in alignment with WHO guidelines and standards for combatting COVID-19 and other disease outbreaks. It will also finance the procurement of Personal Protective Equipment (PPE), disinfectants and other commodities for infection prevention and control. Furthermore, it will finance inputs and investments needed to ensure continuity of clinical care, including safe access to waste management, electricity, safe water and sanitation of isolation and treatment centers. Finally, the project will finance the implementation expenses including, among others, hazard pay[16] for certain staff to respond to a surge in demand for services due to the COVID-19 pandemic in selected facilities.

2. WHO will follow its own procurement procedures under APA arrangements to procure the required supplies on the basis of an agreed positive list and including storage and distribution to the final destination.

3. **Alternative Procurement Arrangements**: WHO will apply its own procurement procedures as Alternative Procurement Arrangements found acceptable to the Bank under other agreements and allowed by the Procurement Framework Policy Section III. F. This procurement arrangement is considered a fit-for purpose arrangement for several reasons:

a) WHO has strong presence on the ground and has proven that it is well equipped to work in conflict and post conflict areas in Yemen and has the capacity to reach out to the most affected women and children.
b) The procurement activities proposed under this project are within WHO's mandate and already in their existing strategy using the same implementation mechanism.
c) WHO has a preparedness mechanism, which enables optimal emergency procurement response. WHO has a strategic warehouse in Dubai to serve the whole region using their own arrangements for transportation of goods to Yemen.
d) The agencies procurement arrangements provide reasonable assurance that the Bank's financing will be used for the intended purpose.
e) WHO is well informed about the market response locally and internationally using its own criteria to register qualified suppliers considering the suppliers performance and their responses in emergency situations.

4. **FM Arrangements**: The project will use the financial management arrangements implemented by the WHO under the EHNP. Such arrangements include the agreed upon actions with WHO in light of the recent FM reviews

[16] This relates to "Hazard Pay" which means a reasonable benefit provided directly to clinical and health workers implementing COVID-19 pandemic response activities under the Project, as further detailed in the Project Implementation Manual.

5. **Accounting and financial reporting**: WHO will: (i) maintain a financial management system, including records and accounts, adequate to reflect the transactions related to the activities, in accordance with the requirements of the UN Financial Regulations; (ii) maintain a separate ledger account (Grant Control Account) in their books to record the financial transactions of this project; (iii) prepare, on a quarterly basis, interim unaudited financial reports (IFRs), in accordance with accounting standards established pursuant to the UN Financial Regulations and in the same format used under the EHNP project, adequate to reflect the expenditures related to the grant. The IFRs will be provided to the World Bank no later than 45 days after the end of the quarter;

6. **Internal controls**: in order to ensure proper controls are applied over the use of funds, WHO will ensure the following:

- The WHO finance team located in the field is comprised of sufficient qualified staff to review and properly maintain and file all original supporting documents of the project. The finance team will also ensure that proper controls are in place over the use of funds and that payments are made for eligible expenditures with consideration to economy and efficiency;
- The compliance team of the WHO will assist their finance team to ensure arrangements are in place for funds to reach the legitimate beneficiaries.
- WHO finance and compliance teams will ensure proper controls are in place for management and recording of inventory. In addition, they will ensure that proper measures are in place to prevent double dipping of activities.
- Adequate financial and technical reviews are conducted regularly by the TPMs and WHO finance and/or M&E teams.
- In case of payments to individuals in return for goods or services rendered, WHO will use mobile banking, payment agencies or other methods that can provide high level of assurance that funds reached the intended beneficiaries.
- WHO will ensure that IFRs are properly reviewed and approved before submission to the Bank. In addition, IFR reported expenditures will include no advances are than those agreed with the Bank and disclosed in the IFR.

7. **Flow of funds**: The project will use the IFR method for the flow of funds to the WHO. The existing IFRs used for EHNP are acceptable to the Bank and the same format will be used for the COVID-19 response project. For this project, WHO will use the Direct Implementation modality by which funds will flow from the Bank to WHO then to ultimate beneficiaries/recipients without going through intermediary accounts. WHO will exert all efforts to ensure that funds reach the ultimate beneficiaries with sufficient evidence provided. WHO will ensure that no funds are transferred to the central government or personal accounts of individuals unless those individuals are the legitimate recipients of cash for work or services rendered. Use of advances should be limited and in case of use of advances, WHO will ensure proper controls are in place such as: a) the advances should not exceed certain thresholds; b) no new advances are released to implementing agents unless previous advances are fully settled and in case of partial settlement, additional funds can be provided within the limit of the partial settlements made; and c) all original supporting documents for expenditures incurred under the project will be maintained by the WHO.

8. **Audit**: The project will be subject to the audit arrangements applicable to WHO as set out in the UN's Financial Regulations. WHO will make the audited financial statements and accompanying reports available to the World Bank. WHO will retain all records evidencing all expenditures in respect of which withdrawals of proceeds were made.

9. The Bank may require additional audits in accordance with TORs agreed between the Bank and WHO

10. Supervision Plan: The Bank will carry out quarterly supervision of the project's activities. The supervision will include desk work, which will include the review of the financial reports provided by WHO and TPMs, and field visits to review samples of expenditures and control procedures applied.