Early Warning System

WB-P511417

Yemen Agribusiness Program Phase 1

Quick Facts

Countries	Yemen
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2026-10-27
Borrower	World Food Programme, Food and Agriculture Organization of the United Nations
Sectors	Agriculture and Forestry, Finance
Investment Type(s)	Grant
Investment Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 110.40 million

Project Description

According to the Bank’s website, the objective of this project is to increase productivity, access to markets and use of financial services along the dairy value chain in selected governorates in Yemen.

This project is the first phase of a joint IDA-IFC Multiphase Programmatic Approach (MPA) designed to support the development of Yemen's agribusiness sector. The MPA seeks to unlock the sector's growth potential by fostering private investment, strengthening market systems, and enhancing resilience across high-potential value chains. As a strategic entry point for broader agribusiness development, Phase 1 focuses on the dairy sector, aiming to increase milk production and productivity, strengthen market linkages between producers and processors, and expand access to financial services in selected governorates.

The project addresses critical constraints across the dairy value chain through investments in climate-smart production systems, market infrastructure, access to finance, and institutional strengthening. Building on the AgriConnect framework, it combines IDA financing with complementary IFC interventions to support producers, producer organizations, MSMEs, financial institutions, and agribusinesses through improved access to inputs, technical services, finance, digital solutions, and commercial partnerships.

The project comprises interrelated components that reinforce each other to achieve sustainable outcomes.
Component 1: Productive and Climate-Smart Agriculture Support. This component focuses on increasing dairy productivity and climate resilience through a sequenced package of investments in animal breeding, nutrition, and veterinary services. Key activities include improving animal genetics and breeding systems, expanding access to quality feed and fodder, strengthening animal health and disease control services, and promoting climate-smart production practices. The component will also support policy and regulatory reforms related to animal health, breeding, quality standards, and livestock sector governance to create a more conducive environment for sustainable dairy sector development and private investment.
Component 2: Strengthening Market Access and Value Chain Integration. This component aims to increase the share of milk sold through formal markets and improve milk quality by strengthening linkages between producers, aggregators, and processors. Activities include establishing and upgrading milk collection and cooling infrastructure, strengthening cold-chain logistics, supporting aggregation and marketing systems, improving food safety, quality assurance, traceability, and milk testing practices, and building the business and governance capacity of producer organizations and MSMEs.
Component 3: Strengthening Financial Access and Inclusion. This component seeks to increase access to finance for dairy producers, producer associations, and MSMEs. It will establish a Partial Portfolio Credit Guarantee Facility, pilot blended finance products, and provide technical assistance to participating financial institutions to expand lending to the dairy sector. The component will also promote digital payments and financial inclusion, support access to transaction accounts, and strengthen the business management, financial literacy, and entrepreneurial capabilities of producers, producer organizations, and agribusinesses to improve their ability to access and effectively utilize financial services.
Component 4: Project Management. This component will support project implementation, coordination, monitoring, fiduciary management, environmental and social compliance, and reporting. It will finance the establishment and operation of a joint Project Management Unit and ensure effective coordination among implementing agencies, government counterparts, private sector partners, and other stakeholders to facilitate integrated delivery and achievement of project objectives.
Component 5: Contingent Emergency Response Component (CERC). This component provides a rapid response mechanism that allows the Project to reallocate resources in the event of an eligible emergency or crisis. It will support timely response and recovery efforts through streamlined procedures and implementation arrangements that can be activated when required.

Early Warning System Project Analysis

The Environmental and social risks include dust, noise, and construction waste which may arise from both construction and rehabilitation activities. Operation of new or upgraded facilities may increase energy and water consumption, and improper management of animal waste, chemicals (e.g., disinfectants, veterinary pharmaceuticals), and packaging materials may lead to localized soil and water pollution. The expansion of feed and fodder processing facilities may result in increased use of agricultural inputs and runoff to nearby water bodies. The project may generate non-hazardous and hazardous waste, including animal waste, expired pharmaceuticals, packaging, and organic residues from feed processing. Inadequate waste management could pose risks to soil and water quality, particularly in areas with limited municipal services. In terms of community health and safety, the intensification of livestock production and expansion of veterinary services may increase the risk of zoonotic disease transmission if biosecurity measures are not adequately implemented. Key social risks under all three components cluster around (i) equitable inclusion of communities in agricultural support and market access—especially among vulnerable groups such as women, youth, and smallholders; (ii) safe and equitable rollout of artificial insemination breeding services; (iii) One Health and zoonotic disease management as livestock services expand; (iv) barriers to accessing finance that can exclude vulnerable groups, especially women farmers; and (v) risks such as elite capture, market exclusion. It is not yet determined if there will be economic and/or physical displacement impacts.

Investment Description

- World Bank (WB)

Total Project Cost: US$ 110.40 million

IDA Grant: US$ 100.00 million

Contact Information

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ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: https://www.worldbank.org/en/access-to-information/request-submission

ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. Information on how to file a complaint and a complaint request form are available at: https://www.inspectionpanel.org/how-to-file-complaint

Bank Documents

- Appraisal Environmental and Social Review Summary (ESRS) - Yemen Agribusiness Program Phase 1 - P511
- Appraisal Project Information Document (PID) (English)
- Concept Environmental and Social Review Summary (ESRS) - IDA-IFC Agribusiness Program Phase 1 - P511
- Concept Project Information Document (PID)
- Environmental and Social Commitment Plan (ESCP) - Yemen Agribusiness Program Phase 1 - P511417 (Engl