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INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

FOR A

PROPOSED THIRD ADDITIONAL GRANT

IN THE AMOUNT OF (SDR100,400,000 MILLION)
(US\$140 MILLION EQUIVALENT)

TO THE

UNITED NATIONS CHILDREN'S FUND (UNICEF)

AND THE ESTABLISHMENT OF THE YEMEN EMERGENCY MULTI-DONOR TRUST FUND

FOR THE YEMEN EMERGENCY CRISIS RESPONSE PROJECT

December 3, 2018

Social Protection & Labor Global Practice
Middle East And North Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective (September 30, 2018))

Currency Unit =

250.10 YR = US\$1

US\$ 1 = SDR 0.71671743

GBP 1 = US\$1.3

FISCAL YEAR

January 1 - December 31

Regional Vice President: Ferid Belhaj

Country Director: Samia Msadek (Acting)

Senior Global Practice Director: Michal J. Rutkowski

Practice Manager: Hana Brix

Task Team Leader(s): Afrah Alawi Al-Ahmadi

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
CEN	Country Engagement Note
CT	Cash transfers
DFID	United Kingdom Department for International Development
EA	Environmental Assessment
ECRP	Emergency Crisis Response Project
ECT	Emergency Cash Transfers
EHNP	Emergency Health and Nutrition Project
GBP	British Pound Sterling
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
IDA	International Development Association
IDP	Internally Displaced Person
IFC	International Finance Corporation
IFR	Interim Unaudited Financial Report
ISR	Implementation Status and Results Report
MDTF	Multi Donor Trust Fund
MENA	Middle East and North Africa Region
MIS	Management Information System
NEA	United States State Bureau for Near Eastern Affairs
OP	Operational Policy
PDO	Project Development Objective
PWP	Public Works Project
SDR	Special Drawing Rights
SFD	Social Fund for Development
SWF	Social Welfare Fund
TPM	Third Party Monitoring
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
USD/US\$	United States dollar
WFP	World Food Programme
WHO	World Health Organization
YR	Yemeni Rial



BASIC INFORMATION – PARENT (Yemen Emergency Crisis Response Project - P159053)

Country Yemen, Republic of	Product Line IBRD/IDA	Team Leader(s) Afrah Alawi Al-Ahmadi		
Project ID P159053	Financing Instrument Investment Project Financing	Resp CC GSP05 (9344)	Req CC MNC03 (1491)	Practice Area (Lead) Social Protection & Labor

Implementing Agency: UNDP, UNICEF

Is this a regionally tagged project? No	
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Bank/IFC Collaboration No	
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Approval Date 19-Jul-2016	Closing Date 30-Jun-2019	Original Environmental Assessment Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
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Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach [MPA]	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-Linked Indicators (DLIs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input checked="" type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	

**Development Objective(s)**

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

Ratings (from Parent ISR)

	Implementation				Latest ISR
	26-Sep-2016	12-Jan-2017	19-Sep-2017	24-Apr-2018	28-Nov-2018
Progress towards achievement of PDO	S	S	S	S	S
Overall Implementation Progress (IP)	S	S	S	S	MS
Overall Safeguards Rating					
Overall Risk	H	H	H	H	H

BASIC INFORMATION – ADDITIONAL FINANCING (Yemen Emergency Crisis Response Project - Third Additional Financing - P164564)

Project ID P164564	Project Name Yemen Emergency Crisis Response Project - Third Additional Financing	Additional Financing Type Scale Up	Urgent Need or Capacity Constraints
Financing instrument Investment Project Financing	Product line IBRD/IDA	Approval Date 14-Dec-2018	
Projected Date of Full Disbursement 30-Sep-2019	Bank/IFC Collaboration No		



Is this a regionally tagged project?	
No	

Financing & Implementation Modalities

<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-Linked Indicators (DLIs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input checked="" type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input checked="" type="checkbox"/> Responding to Natural or Man-made disaster
<input checked="" type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on, Enhanced Implementation Support (HEIS)
<input type="checkbox"/> Contingent Emergency Response Component (CERC)	

Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed	
IBRD				<div style="width: 0%;"></div>	%
IDA	500.00	436.18	79.92	<div style="width: 85%;"></div>	85 %
Grants				<div style="width: 0%;"></div>	%

PROJECT FINANCING DATA – ADDITIONAL FINANCING (Yemen Emergency Crisis Response Project - Third Additional Financing - P164564)**FINANCING DATA (US\$, Millions)****SUMMARY (Total Financing)**

	Current Financing	Proposed Additional Financing	Total Proposed Financing
Total Project Cost	500.00	148.63	648.63
Total Financing	500.00	148.63	648.63
of which IBRD/IDA	500.00	140.00	640.00



Financing Gap	0.00	0.00	0.00
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DETAILS - Additional Financing

World Bank Group Financing

International Development Association (IDA)	140.00
IDA Grant	140.00

Non-World Bank Group Financing

Trust Funds	8.63
Miscellaneous 1	8.63

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	Total Amount
National PBA	0.00	140.00	140.00
Total	0.00	140.00	140.00

COMPLIANCE

Policy

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

Yes No

Does the project require any other Policy waiver(s)?

Yes No

Explanation

Two policy waivers are sought under the proposed Additional Financing: (i) approval to request that the Board waive paragraph 22 of the Bank Directive for Investment Project Financing, which would otherwise require application of the Bank’s Anti-Corruption Guidelines, in favor of relying on the fraud and corruption procedures of UNICEF for the Project; and (ii) agreement to request that the Board waive any application of the Commitment Charge to UNICEF during the life of the project.

Has the waiver(s) been endorsed or approved by Bank Management?

Approved by Management Endorsed by Management for Board Approval No



Explanation

The policy waiver memorandum was endorsed by management for Board approval.

INSTITUTIONAL DATA

Practice Area (Lead)

Social Protection & Labor

Contributing Practice Areas

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

Yes

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

Yes

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

Yes

PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
Afrah Alawi Al-Ahmadi	Team Leader (ADM Responsible)	Social Protection	GSP05
Jamal Abdulla Abdulaziz	Procurement Specialist (ADM Responsible)	Procurement	GGOPM
Luis R. Prada Villalobos	Procurement Specialist	Procurement	GGOPM



Moad M. Alrubaidi	Financial Management Specialist (ADM Responsible)	Financial Management	GGOMN
Amer Abdulwahab Ali Al-Ghorbany	Environmental Specialist (ADM Responsible)	Environmental Spec.	GEN05
Ibrahim Ismail Mohammed Basalamah	Social Specialist (ADM Responsible)	Social Safeguards	GSU05
Andrianirina Michel Eric Ranjeva	Team Member	Disbursements	WFACS
Ebrahim Mohammed Yahya Al-Harazi	Team Member	Communications	MNAEC
Khaled Mohamed Ben Brahim	Team Member	Disbursements	WFACS
Khalid Ahmed Ali Moheydeen	Team Member	Social Protection	GSP05
Maya El-Azzazi	Team Member	Operations Quality	GSP05
Qaiser M. Khan	Team Member		GSP01
Randa G. El-Rashidi	Team Member		GSP08
Saba Nabeel M Gheshan	Team Member		LEGAM
Safa'a Abdullah Al-Sharif	Team Member		MNCYE
Uma Balasubramanian	Team Member		GSP05
Wilfried Engelke	Team Member	Economist	MNC03
Yashodhan Ghorpade	Team Member		GSP05
Extended Team			
Name	Title	Organization	Location



YEMEN, REPUBLIC OF

YEMEN EMERGENCY CRISIS RESPONSE PROJECT - THIRD ADDITIONAL FINANCING

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I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

1. **The proposed Additional Financing, is being processed under paragraph 12 of the Bank Policy on Investment Project Financing (*Projects in Situations of Urgent Need of Assistance and Capacity Constraints*), given the instability and violence currently affecting the Republic of Yemen.** The ongoing conflict in Yemen coupled with insecurity, political instability, blockages to food and fuel deliveries, and economic collapse, has led to a situation of severe economic distress. Gross Domestic Product is reported to have decreased by 50 percent since 2014, underpinned by widespread disruptions of economic activity, with enterprises operating at half the capacity compared to prior to the conflict. An estimated eight million Yemenis have lost their livelihoods or are living in communities with minimal to no basic services, and civil service salaries are only being partially paid since September 2016. Fiscal revenues are failing, and deficit financing is increasingly resorting to arrears build-up, undermining state functions and impairing the environment for private sector activities. The repeated and successive exposure to multiple shocks – protracted conflict, food insecurity, natural disasters such as the Socotra cyclone, diseases including cholera outbreak, and institutional failures such as unpaid salaries of service providers, has further exacerbated the crisis in Yemen.

2. **The United Nations Office for the Coordination of Humanitarian Affairs 2018 Humanitarian Needs Overview for Yemen¹ (December 2017) estimates that the number of people in need of some form of humanitarian or protection support has increased to 22.2 million as a result of the food insecurity and multiple shocks.** This figure includes 11.3 million people in acute need of assistance. Moreover, an estimated 17.8 million people (63 percent of the population), are food insecure; with 8.4 million at the risk of starvation, and nearly 2.9 million acutely malnourished individuals (including 1.8 million children and about 1.1 million pregnant and lactating women)². In March 2017, the World Food Program (WFP) warned of impending famine in Yemen³. Yemen has also been plagued by disease outbreaks including Dengue Fever followed by a cholera outbreak late in 2016. The World Health Organization (WHO) reports that the cumulative number of suspected cholera cases in 2017 reached 663,451 including 2,074 deaths (of which 24.7 percent are children under the age of 5). Recent events such as escalated violence in Hodeidah, and the cyclone in Socotra have further intensified the need for urgent and sustained assistance. Furthermore, in October 2018 the United Nation (UN) warned of a worsening of the risk of famine in Yemen compared to 2017, with about 14 million people (i.e. half the population) on the verge of starvation, highly vulnerable to malnutrition, cholera and other diseases, and with complete reliance on aid for survival.

3. **The situation in Yemen is worsening considerably and more people are suffering as a result of the ongoing conflict.** The civilian death toll is estimated to have reached more than 8,176⁴ with about 46,335 wounded, including 15.2 percent and 16.4 percent women and children, respectively⁵. About 3.44 million people have been internally displaced. Furthermore, the conflict has had a devastating impact on service delivery, including health and education, weighing heavily on institutional capacity, with more than 15.7 million people

¹ United Nations Office for the Coordination of Humanitarian Affairs, *2018 Humanitarian Needs Overview—Yemen* (<https://reliefweb.int/report/yemen/yemen-2018-humanitarian-needs-overview-enar>).

² UN-OCHA Periodic Monitoring Review Report (December 2017).

³ WFP: <https://www.un.org/apps/news/story.asp?NewsID=56345#.WdaIK8iGM2w>

⁴ More recent official estimates are unavailable; however, several independent sources provide varying estimates of the death toll.

⁵ WHO, Yemen: Snap Shot of Health Facilities based Reported Deaths and Injuries, October 2017.



lacking clean water and sanitation. Over 166,000 teachers, or about 73 percent of all teachers in Yemen, have encountered difficulty receiving their salaries since October 2016.

4. **Additionally, climate change poses a significant threat to Yemen's development.** High aridity, fast-depleting groundwater reserves, projected increases in temperature, and greater rainfall variability, will contribute to a decrease in agricultural production and further complicate food and water security. Coastal areas—due to rises in sea levels—are already experiencing land degradation and salt-water intrusion. Signs of severe water shortages are apparent in several parts of the country (including the capital city), while other parts are repeatedly hit by cyclones and floods. The most recent shock took place in late May 2018 – a tropical cyclone (Makunu) directly hit several areas in Yemen including Socotra, Al Mahra and some towns in Hadhramout, while other areas were hit indirectly with heavy rainfall and flooding (several towns of Lahj governorate). People in the affected areas lost their livelihoods and source of income, houses, accessibility to clean water and experienced damages to infrastructure. Furthermore, a range of policy, socioeconomic and institutional factors hamper Yemen's ability to respond to current and projected changes in climate, including: weak institutional structures, lack of long-term reliable data or technical capacity to analyze the data, uncertainties in regional and local climate scenarios as well as socioeconomic scenarios, generally low awareness levels regarding climate change, low institutional or technical capacity to interpret, modify, or develop existing models or methodologies, and a dearth of research on applicable policy measures to address climate change.

5. **Increasing adaptive capacity to climate change, amid successive exposure to multiple shocks, is critical to Yemen's development.** Multiple shocks impact poor households' resilience, increasing the likelihood of coping mechanisms that weaken the long-term adaptive capacity to climate change, exacerbating grievances, and placing additional stress on existing vulnerabilities to the quantity, quality, and distribution of natural resources. Developing and adopting social protection delivery systems, such as targeting, registries, mobile banking, grievance redress and social accountability, contributes to the expanded capacity of safety nets, which in turn reduce pressure on households to adopt negative coping strategies to meet their basic needs and risking irreversible damage to their human capital, and thus contributes to preserving the country's human capital.

6. **Background.** The parent project – the Emergency Crisis Response Project (ECRP) - was approved for an amount of US\$50 million equivalent in July 2016, with the objective of providing short-term employment and access to selected basic services to the most vulnerable and preserving existing implementation capacity of two national service delivery programs, namely the Social Fund for Development (SFD) and the Public Works Project (PWP). The project was intended to provide an immediate response to the crisis and to protect the targeted poor, conflict-affected families, including Internally Displaced Persons (IDPs) and communities from falling into extreme poverty. In January 2017, the Board of Executive Directors approved an Additional Financing (AF) in the amount of US\$250 million equivalent to scale up the impact of the emergency response. The AF provided the resources needed to expand coverage and emphasize nutrition-sensitive interventions which are currently being closely coordinated with the ongoing Emergency Health and Nutrition Project (EHNP), to respond to the soaring rates of malnutrition, particularly among children. The parent project and first AF are being implemented by the United Nations Development Programme (UNDP) in partnership with SFD and PWP. The project includes two components: Component 1 – Labor Intensive Works and Community Services, and Component 2 – Project Management and Monitoring.

7. In May 2017, the Board of Executive Directors approved a Second Additional Financing (AF2) in the amount of US\$200 million equivalent and a restructuring of the parent project. While the parent project was



providing wage and livelihood support to poor communities through labor intensive works, the AF2 was a direct response to the food crisis and risk of famine in Yemen. It aimed to reach the most vulnerable Yemenis, most of whom cannot participate in labor and were therefore not benefitting from the cash-for-work program supported by the parent project (i.e. the elderly, disabled, female-headed households, among others). AF2 is thus providing critical direct cash assistance for purchasing food and basic necessities and has scaled up the impact of the project by targeting an additional 1.5 million households (with an estimated 9 million individuals) among the chronic poor and most vulnerable. The United Nations Children's Fund (UNICEF) is implementing AF2. The parent project was thus restructured to add a new recipient and a new component – Component 3 (Emergency Cash Transfer), for a total amount of US\$200 million equivalent, as well as a revision to the project development objective (PDO) to reflect the new component.

8. **Project Development Objective (PDO).** The PDO, which was revised with the approval of the AF2 to include the emergency cash transfer (CT) component, is *“to provide short-term employment and access to selected basic services to the most vulnerable; preserve existing implementation capacity of two service delivery programs and provide emergency cash transfers to the poor and vulnerable in response to the food crisis.”*

9. **Project implementation status.** The last project Implementation Status and Results Report (ISR) rated both progress towards achievement of PDO and overall implementation progress Satisfactory. As of November 1, 2018, overall project disbursements stand at US\$436 million equivalent (85 percent), and disbursements under the Emergency Cash Transfer Component (AF2) stand at US\$173 million equivalent. Further, there are no outstanding audits under the grants, and the project is in compliance with financial management reporting requirements. In terms of safeguards arrangements, the parent project is implemented by UNDP under the WB-UN Fiduciary Principle Accords (FPA) framework, which relies on fiduciary and safeguards policies of the implementing UN agency. Under this arrangement, the Bank receives progress reports, and Third-Party Monitoring (TPM) Reports, on a bi-annual and quarterly basis respectively. Both reports include reporting on safeguards compliance. No safeguard policies are triggered under the emergency cash transfer component which is implemented by UNICEF.

10. **The project has delivered significant results to date.** Under the Labor Intensive Works and Community Services component, the project has provided income and livelihood support to approximately 2.5 million individuals through the provision of wage employment and economic opportunities to around 300,639 direct beneficiaries (of which, 28 percent female participants; 18 percent IDPs; and 47 percent youth), and the provision of nutrition-sensitive cash transfers to over 115,000 mothers of children suffering from or at high risk of malnutrition. Over 6.7 million workdays have been created and the number of people provided with access to key services has reached around 2.45 million people. Furthermore, approximately 220,094 pregnant and lactating poor mothers and their children (of which, 131,830 female; and 88,264 children) are benefiting from access to nutrition services (including nutrition-sensitive CTs, screening, and referral services); over 7500 youth (70 percent female) have been trained and employed to deliver nutrition, education and community led initiatives. 1,820 community-based organizations and village development counsels are supported to establish self-help mechanisms and community action groups - which are bringing hope to families and facilitating social cohesion.

11. Nine microfinance institutions (which are supporting over 85,000 microfinance clients) have been assisted/revived, and over 2,655 distressed microenterprises received support to revive their businesses. Additionally, 44,629 individuals benefited from farm, fishery and animal production-based wage employment



(short or long term, including informal). The two national institutions engaged in delivery have also been able to retain key staff reflecting the fulfillment of the fourth PDO indicator -number of core staff positions (SFD, PWP).

12. Under the Emergency Cash Transfer Component (AF2), a total of 1.45 million households have been verified and received three rounds of quarterly CTs. Around 47 percent of the direct recipients are women. This coverage extends benefits to approximately 9 million individuals. The delivery of CTs has been rolled out nationally in all 333 districts in Yemen, through 1,350 fixed and mobile payment sites. According to the Third-Party Monitoring report, 86 percent of beneficiaries spend most of their cash benefit on food, 5 percent on medicine, and 5 percent on rent and utilities.

II. DESCRIPTION OF ADDITIONAL FINANCING

13. The proposed Third Additional Financing (AF3) aims to provide resources to further scale up the impact of the project by extending CTs to cover the existing beneficiaries of the CT program for two additional quarters to provide them with relative income stability and predictability. It will be funded by an IDA Grant in amount of US\$140 million equivalent, and upon the World Bank Executive Board of Director's approval of the establishment of a Multi Donor Trust Fund (MDTF) for Yemen (Yemen Emergency Multi-Donor Trust Fund), described in the paragraph below, an Administration Agreement is expected to be signed between the World Bank and the United Kingdom Department for International Development (DFID) for 7 million Pound Sterling (GBP) (approximately US\$9.1 million) to co-finance the project. Following the establishment of the MDTF, and the signature of the Administration Agreement, a Grant Agreement will be negotiated and signed with UNICEF to jointly finance the project's activities as described below. Table 1 reflects the proposed grant amounts by project component. The AF3 is expected to enhance the purchasing power of beneficiary households to meet their food and basic necessities. The proposed AF will expand the social assistance from three to five or six quarters in total, extending the coverage period from July 2018 to December 2018⁶, or March 2019, depending on the exchange rate and Yemeni Rial (YR) equivalent. This is intended to contribute to the expanded capacity and efficiency of safety nets in response to the food insecurity and risk of famine and has the potential to lead to activities that increase climate adaptation measures and reduce the need to adopt coping mechanisms that decrease adaptive capacity to climate change, and other risks.

14. The proposed Yemen Emergency Multi-Donor Trust Fund is being established to provide emergency CTs to the poor and vulnerable in response to the prevailing food crisis in Yemen and is expected to include a contribution of up to US\$50 million. The MDTF⁷ will finance the following activities:

Recipient-executed activities, for which UNICEF will have implementation responsibility:

- (i) Cash transfers to beneficiaries and associated payment of agency/agencies fees
- (ii) Cash transfers systems, technical and Operational Support.

15. In addition to the DFID Grant under the Yemen MDTF mentioned above, the US State Bureau for Near Eastern Affairs (NEA) is providing parallel financing in the amount of approximately US\$4.99 million for delivery system activities, capacity building of local institutions, and staffing and operational costs. The same assistance

⁷ The MDTF will also be funding Bank activities including implementation support and program administration.



was provided for activities under AF2 with a parallel financing of US\$4.6 million. This project is therefore part of a coordinated multi donor effort to cash transfers to Yemen.

16. The AF3 will also help lay the foundation for enhancing the delivery system and processes of the ECT program which would subsequently be transferred to the national CT program (Social Welfare Fund). The proposed AF3 does not require any change to the PDO, design, components/activities, or implementation arrangements. The AF3 will include a three-month closing date extension to allow for closure of all accounts – from June 30, 2019 to September 30, 2019. The project’s results framework will also remain unchanged apart from the revision to end-target dates which will be aligned with the revised closing date.

Table 1: Total Project Amount⁸ (including proposed AF3)

Component	Current Amount (US\$ million equivalent)	Proposed Amount (US\$ million equivalent)
Component 1: Labor Intensive Works and Community Services	285.40	285.40 (no change)
Component 2: Project Management and Monitoring (of Component 1)	14.60	14.60 (no change)
Component 3: Emergency Cash Transfer	200.00	348.63 (revised)
Total	500.00	648.63

17. The proposed AF3 will continue expanding the duration of the coverage of the ECT program to contribute to the protection of human capital of vulnerable households and respond to emerging crises such as food insecurity, high risk of famine and the impacts of climate related shocks. It therefore establishes a clear linkage to the World Bank Group’s twin goals of ending extreme poverty and promoting shared prosperity in a sustainable manner. The AF3 will contribute to the World Bank Group’s MENA Regional Strategy (October 2015) pillars: renewing the social contract; and resilience to IDP/refugee shocks. Finally, the project is fully aligned with the World Bank Group’s Country Engagement Note (CEN) for Yemen (FY17-18) (Report No. 106118-YE, discussed by the Board of Executive Directors on July 19, 2016) which aims to provide emergency support to conflict-affected families and communities in close collaboration with UN institutions. The proposed AF3, similar to the parent project, contributes to the CEN’s first objective of “providing emergency support to preserve local service delivery capacity to support conflict-affected families and communities.”

18. The development of systems to enhance the delivery and processes of social safety nets, e.g. verified beneficiary database, e-payments/mobile banking, grievance redress and social accountability, will affect the capacity to enable households to meet their basic needs both now and in future activities. These activities also have the potential to reduce the pressure to engage in coping mechanisms which weaken long-term adaptive capacity to climate change, and other risks, like food and water insecurity. As in AF2, it is expected that some households will use cash received to acquire household assets that increase adaptive capacity climate change, specifically as it relates to water security, such as water tanks and water harvesting infrastructure. The project will also enhance national systems in anticipation of the recovery phase contributing to strengthening the shock responsiveness including climate related shocks.

⁸ Total project amount includes: ECRP parent project (P159053); Additional Financing (P161806); Additional Financing 2 (P163729); and the proposed Additional Financing 3 (P164564) (IDA contribution and DFID Grant).



19. **Component 1: Labor Intensive Works and Improving Community Services (implemented by UNDP) (US\$285.40 million equivalent).** The objectives of this component are to: (a) provide income support to targeted communities through temporary employment opportunities; (b) increase the productive assets and means of livelihood of beneficiary households and communities and improve access to community and social services; and (c) preserve the implementation capacity of the SFD and PWP, as key national service delivery programs. This component will not be revised under AF3.

20. **Component 2: Project Management and Monitoring (for Component 1 implemented by UNDP) (US\$14.60 million equivalent).** This component supports project management and monitoring and evaluation costs, including Third Party Monitoring to ensure that the project is successfully and efficiently implemented. This component will not be revised under AF3.

21. **Component 3: Emergency Cash Transfer (US\$148.63 million equivalent).** This component targets the Social Welfare Fund (SWF) beneficiary households (chronic poor) who have been verified for the ECT program with direct cash assistance to improve their purchasing power for food and basic necessities. The proposed AF3 in amount of US\$148.63 million equivalent (US\$140 million equivalent IDA grant, and approximately US\$8.63 million DFID co-financing grant⁹) will bring the total allocation of component 3 (AF2 and AF3) to US\$348.63 million equivalent. Under AF3, Component 3 includes two subcomponents:

Subcomponent 3.1: Cash Transfers (US\$139.05¹⁰ million equivalent): This subcomponent will entail the continuation of provision of cash assistance to reduce the vulnerability of eligible beneficiaries, and to enable targeted households to purchase food and basic necessities. The subcomponent will also finance hiring of payment agency(ies) to deliver cash and administer the cash transfers within Yemen. This subcomponent will continue financing CTs to 1.5 million households (equivalent to an estimated 9 million individuals) with an average benefit amount of YR 5,000 per household, per month, delivered on a quarterly basis and fixed in Yemeni Rials. The design parameters (targeting, benefit calculation formula, frequency of delivery, coverage, etc.) of the CTs build on those of the national CT program - Social Welfare Fund - as of Q4 of 2014.

Subcomponent 3.2: Project management and monitoring (PMM) (US\$9.58¹¹ million equivalent): This subcomponent will continue to support the implementation of the proposed AF3, management and monitoring and evaluation (M&E) to ensure that the program is successfully and efficiently implemented in conformity with the design. This subcomponent will finance: (a) UNICEF's direct costs, including staffing and operating expenses; (b) UNICEF's indirect cost and general management; (c) consultancy services required for technical assistance and implementation support; and (d) Third-Party Monitoring. The consultancy services include: CT systems, technical and operational support (including the outcome assessment and the Management Information (MIS) support), grievance redressal and case management support, communication and field facilitation firm.

22. A detailed cost breakdown of AF3 by funding source and indicative payment schedule is presented in Table 2, while an indicative payment schedule and financing source is presented in Table 3 below.

⁹ Exclusive of WB cost recovery fee.

¹⁰ US\$131.04 IDA Grant / US\$8.01 DFID Grant

¹¹ US\$8.96 IDA Grant/ US\$0.62 DFID Grant



Table 2: Cost breakdown of AF3 by Financing Source

Category	IDA (US\$ m)	(Proposed MDTF funding) (estimated US\$ m)	Parallel Financing (US Grant)
Expenditure Category 1: Emergency Cash Transfer (Subcomponent 3.1)	131.04	8.01	0.00
1.a. Cash Transfers	128.60	7.49	0.00
1.b. Payment Agency Fees	2.44	0.52	0.00
Expenditure Category 2: Consultant's Services and Recipient's Cost (Subcomponent 3.2)	8.96	0.62	4.99
2.a. Consultant's Services	0.85	0.05	3.16
CT Systems, Technical and Operational Support ¹²	0.85	0.05	2.04
- Grievance Redress Mechanism	0.00	0.00	0.62
- Communication and Facilitation	0.00	0.00	0.50
2.b. Third Party Monitoring	1.00	0.00	0.00
2.c. Recipient's Direct Costs ¹³	3.00	0.00	1.46
2.d. Recipient's Indirect Costs	4.11	0.57	0.37
Total	140.00	8.63¹⁴	4.99

Table 3: Indicative Payment Schedule and Financing Source

	Quarter	Coverage Months	Delivery Schedule	Funding Source
AF2	Q1	Oct-Dec. 2017	Sep-Oct 2017	AF2 (IDA + US Parallel Financing)
	Q2	Jan-Mar 2018	May-2018	AF2 (IDA + US Parallel Financing)
	Q3	Apr-Jun 2018	Oct-2018	AF2 (IDA + US Parallel Financing)
AF3	Q4	Jul-Sep 2018	Jan-2019	AF3 (IDA +DFID+US Parallel Financing)
	Q5	Oct-Dec 2018	Apr-2019	AF3 (IDA + US Parallel Financing)

III. KEY RISKS

23. As with the parent project, the overall risk rating of the proposed AF3 is maintained as high. The main risks which are rated as either high or substantial include: political and governance, macroeconomic, sector strategies and policies, fiduciary, environment and social, and stakeholder risks. These risks were identified under the parent project and remain valid for the proposed AF3 (key risks and their proposed mitigation measures are

¹² Including preparatory activities towards consolidating data on case payment programs across different development and humanitarian programs and the outcome assessment which is not an impact evaluation.

¹³ Cover UNICEF's staffing costs up to September 2019.

¹⁴Co-financing from DFID, and exclusive of WB cost recovery.



discussed in detail in the approved Project Papers - Reports No. PAD2154 and No. PAD2402). Mitigation measures were built into the project design, and both UNDP and UNICEF continue to monitor whether the identified risks are being adequately managed, using a working matrix which is shared with the World Bank on a regular basis and closely reviewed during implementation support missions. The World Bank will continue carrying out reverse implementation support missions, two to three times a year, to review project progress with UNDP, UNICEF and the local service delivery institutions. Furthermore, as the political and security situation continued to deteriorate, and the risks have escalated in both nature and scope since December 2017¹⁵, the World Bank's country management unit has established a portfolio-wide risk-monitoring mechanism, to ensure timely identification of risks, and real-time mitigation actions, through which risks are reviewed and reported to management on a biweekly basis.

24. Of the risks that were identified under AF2, a number of risks have materialized during implementation (political and governance, fiduciary and other risks) and the associated mitigation measures that were previously identified were applied to address these risks. Furthermore, additional mitigation measures were introduced by UNICEF in consultation with the World Bank as outlined in the following paragraphs.

25. **Political and governance risk is rated High.** This specifically includes security risks associated with the ongoing conflict which remain relevant under the project and will likely continue under the proposed AF3. The greatest security risks in many locations are the threat of physical violence for individuals involved in the implementation of the project such as payment agents, beneficiaries (at payment and work sites or while traveling to payment locations) contractors and their workers, potential damage to property of implementing agencies and contractors, and the risk of forced expropriation of CT funds from beneficiaries and payment agents. Other political risks include attempts of interference by the authorities in various parts of the country in operational decisions. UNICEF is currently implementing a series of measures to mitigate these risks, including: (a) establishing a clear mechanism to identify security threats to the project and to communicate changes in threat levels to the various parties involved in project implementation; (b) establishing communication and facilitation arrangements that enlist the support of all relevant political and community actors at the national, governorate, and local levels to promote safe and politically neutral implementation of the project; and (c) project activities may be suspended in areas where political and governance risks cannot be effectively managed. Additionally, mitigation measures will include the establishment of clear implementation arrangements which emphasize the independence of decision making by any political and/or public-sector entity. These arrangements are communicated to all parties and stakeholders on a regular basis.

26. At the national and governorate level, arrangements include regular interactions between UNICEF and SWF and all relevant political actors, while at the local level, facilitation groups are formed comprised of local community leaders and village councils to raise the awareness of project activities, diffuse potential tensions, and foster a general acceptance of the project. These communication and facilitation arrangements serve as information channels for the timely monitoring of the security situation. Furthermore, the use of independent entities to distribute payments is helping de-politicize transfer distribution and reduce the likelihood of politically motivated violence against recipients.

27. Apart from the risk of violence, insecurity risks the ability of project staff or the designated Third-Party Monitoring (TPM) to supervise and monitor project activities in certain locations. To maintain the integrity of

¹⁵ Escalation of violence and political dynamics that followed the killing of former president Saleh and the breakdown of the Saleh-Houthies Alliance.



supervision arrangements, the entities involved in monitoring are included in the communications on security threats. Furthermore, a protocol has been established to inform the decision to suspend implementation in locations that may be deemed inaccessible. The project is also engaging local field workers and consultants for facilitation functions – which allows adjustment of project activities to the fluid security situation on the ground based on local knowledge.

28. **Fiduciary risk is rated High.** Similar to AF2, managing the high fiduciary risks under AF3 will involve the continued application of a set of financial management procedures that ensure that beneficiary funds reach the intended beneficiary. Major fiduciary risk factors, some of which have materialized during the course of implementation of AF2, are related to the financial management structure, fraud and corruption, and data discrepancies. Under the ongoing AF2, UNICEF has taken concrete actions to mitigate and address these risks, including conducting thorough analysis and investigations of alleged cases of potential fraud and carrying out field survey(s) to further inform the analysis, cross-checking multiple data sources as part of the reconciliation process, and reviewing technical and operational issues with the data management system. The continued engagement of a TPM Agency, grievance redress mechanism (GRM), and the two independent payment delivery agencies, with transparent procedures and robust accounting and internal control practices, will help minimize the project's exposure to corrupt practices. UNICEF has also revamped the project's data management system to ensure daily data replication and stronger data handling protocols to prevent large data discrepancies in future payment cycles.

29. At the local level, field facilitation officers play a role in information dissemination and community mobilization and do not handle payments. TPM arrangements and grievance redress and case management support mechanisms which the project currently employs will also continue contributing to accountability and transparency and help control potential fraud and corruption.

30. The mitigation measures, including the system enhancement, that were introduced during the second payment cycle have resulted in a substantial reduction in the number of irregularities. Going forward, UNICEF will continue to enhance their oversight and monitoring functions and put in place additional measures to better manage the risks associated with the volatile context and challenging implementation environment.

31. *Insufficient liquidity and foreign exchange rate volatility:* A risk that emerged is the availability of sufficient liquidity for the distribution of cash payments and continued depreciation of the local currency. UNICEF has addressed this risk through a comprehensive banking strategy. This includes engaging multiple banking institutions and payment agencies with adequate capacity to secure and distribute cash through a wide network of nationwide local agents, as well as by expanding the payment delivery period to a full month to allow time to mobilize the needed cash. For the cash payments under the proposed AF3, UNICEF is exploring the introduction of mobile banking in select areas. Discussions are underway with potential banks and an arrangement should be in place by the signature date of the proposed grant.

32. *Limited capacity of consultancy firms:* The risk of limited capacity of local consultancies, particularly the GRM under the emergency CT component has also materialized during implementation and slowed down the roll out of the first quarter payment. UNICEF expanded its own central and local capacity to undertake the grievance redressal function while utilizing technology and social media platforms to enhance accessibility to the GRM and timely and quality implementation.



IV. APPRAISAL SUMMARY

A. Economic and Financial Analysis

33. The increased financing is estimated to yield a substantial return overall, given its response to an emergency situation. The calculated rate of return of the invested resources is linked to assisting poor families, including children and mothers to cope with food insecurity, and temporarily afford a minimum food intake. It is presumed to be life saving for about 30 percent of the target group. It therefore yields a calculated return of about 123 percent, particularly for the prevention of famine for mothers and children. Assuming a full funding of the CT program for one year, a far higher return could be achieved. The calculation does not account for the institutional advances the project supports with regards to facilitating the CT program and its envisaged institutional improvements. Further, the synergy effect created by the other World Bank financed emergency activities under this project and the ongoing EHNP are not calculated. However, a substantial synergy effect is assumed to be realized.

B. Technical

34. **Design.** The proposed AF3 does not introduce any major changes to the technical design or implementation arrangement of the project. The design of the proposed AF3 considered lessons from the project implementation to date and from World Bank-wide experience with emergency response operations. These include emphasis on higher impact interventions and responding to emerging challenges as well as enhancing the coordination with other IDA operations in Yemen and those of the humanitarian agencies. This arrangement is working well and has contributed to the reactivation of SFD and PWP activities and maintaining their core staff, and to the enhancement of the delivery systems of the CT program which will ultimately be transferred back to the national CT program – the Social Welfare Fund.

35. **Scaling up.** The ECT component targets 1.5 million poor and vulnerable households across Yemen who are currently eligible beneficiaries from AF2. The proposed AF3 will expand the coverage duration from three quarters (9 months) to a total of five-six quarters in total (15-18 months). As in the parent project and AF2, the proposed AF3 will target all of Yemen's 22 governorates and 333 districts. The continuation of direct CTs will provide beneficiary households with relative income stability and predictability and will therefore maximize the project's impact on the protection of human capital and provision of economic opportunities of nearly nine million individuals. Beneficiaries include women-headed households, elderly, people with disabilities and chronically poor families.

36. **CT delivery system.** Under the ongoing AF2, UNICEF has engaged a number of private sector consultancy firms to support the development and implementation of delivery systems and processes for an effective and secure delivery of CTs. These systems will be transferred to the national program (SWF) to support its readiness at the recovery phase and include the following:

- *Verification of beneficiary identity:* The payment process under AF2 required a thorough process for identity verification whereby beneficiaries were required to provide one additional document of identification (such as a national ID card, electoral card, passport, student ID, or disability ID - in addition to the SWF beneficiary card). It was determined that cross-checking identity verification was required as the SWF beneficiary card does not include adequate security features. This process helped establish



credibility of the SWF list. Given that about 95 percent of beneficiaries were verified during Q1 and Q2 payments, this process step will no longer be required at a full scale during Q3 and under the proposed AF3. Any cases that require identity verification will be addressed through the grievance redressal and case management support mechanism.

- *Capacity enhancement of national CT program:* UNICEF's current collaboration with SWF during implementation of AF2, through the project consultative committee will continue into AF3. Considering the ambition of the project to ensure the transfer of the CT operational system to the national cash transfer system after the conflict, UNICEF will engage the SWF core technical team for knowledge transfer and understanding of the delivery systems of the ECT project including the MIS to facilitate the future transfer of the applicable systems and the verified beneficiary list upon resumption of the national CT program after the conflict. This approach aims to ensure the readiness of SWF capacity for the recovery phase. Additionally, UNICEF will map existing databases on humanitarian cash transfers for potential coordination of interventions.
- *The role of social media in enhancing project monitoring:* Apart from the agreed arrangement for project monitoring under AF2 (field monitoring through UNICEF's regional offices, TPM, and implementation support missions), UNICEF piloted the monitoring of social media and other media to track public response to the project. The pilot has proven to be effective and concluded with identifying social media as an important additional source of information for reporting on suspected cases of non-compliance by staff of service providers and implementation weaknesses. Therefore, monitoring of social media will be added as monitoring activity in addition to the TPM, GRM and UNICEF's field visits.
- *E-payment/Mobile banking:* The project will actively pursue increasing efficiency of the cash payments through the use of technology. Bank/payment cards are being introduced by UNICEF for each verified beneficiary. The beneficiary will receive a bank card based on the assigned bank of that beneficiary. The cards will be linked to virtual (electronic) accounts; therefore, they will enable better tracking of flow of funds to the beneficiary and improve the process of the cash transfers and provide beneficiary access to limited financial services. Mobile banking will also be explored, while acknowledging the challenge that the majority of beneficiaries do not have mobile phones.

37. The benefit amount under the project is aligned with the amount set by the SWF program at an average of YR 5,000 per month per household and is estimated to assist beneficiary households to meet about 25 percent of the cost of the minimum food basket (for a family of five), as defined by the WFP food monitor of July 2018. Given the depreciation of the YR and its continuing uncertainty, as well as rising food prices, the ECT project will continue to monitor food prices and the real value of the ECT benefit to assess the need for any adjustments of the benefit amount to preserve the real value of the ECT benefit and how this may relate to the number of payment cycles.

38. Moreover, to further inform policy dialogue with regards to the adequacy of the benefit amount, UNICEF will undertake an outcome assessment to examine the effect of the project's transfers on consumption of food and other necessities, as well as on household's economic social decisions and behavior. Pre-conflict, the transfer amount per individual was equivalent to 9.2 percent of the food poverty line. Between the onset of the conflict and July 2018, the price of the WFP minimum food basket has gone up by 68 percent in nominal (YER) terms¹⁶.

¹⁶ WFP (2017). Yemen – Market Watch Report. World Food Programme. The January 2015 pc minimum food basket value was YER 2,365. The corresponding amount in July 2018 was YER 3,972.



According to staff calculations, this increase in food prices would have led to a decrease in the value of the transfer amount per individual from 9.2 percent of the food poverty line before conflict to (i) 7 percent, assuming no increase in the cost of non-food items, and (ii) 6.2 percent assuming that the price of non-food items increased by 30 percent. This reflects a reduction in the value of the 'per individual' transfer, as a share of the food poverty line, by 2.2 to 3 percentage points.

C. Financial Management

39. The Financial Management Framework Agreement (as defined in the legal agreement) will be applied under the proposed AF3. The nature of the CT program renders it high risk due to the delivery of cash to a large number of beneficiaries, over a large geographical area, with several entities involved in implementation. The risk is further compounded due to the ongoing conflict and the volatile political situation. These factors thus pose significant financial management challenges and increase the risk of errors and leakages.

40. The design of the proposed AF3 will be similar to AF2 and will include controls and accountability mechanisms to help mitigate key fiduciary risks to ensure that the full amount of eligible cash benefits is delivered to eligible beneficiaries in a timely manner. These mechanisms include: (a) analysis and control of the database of beneficiaries and list of payments; (b) independent payment agencies acceptable to UNICEF and the World Bank; (c) defined financial management arrangements for transfer of funds and required financial reports for payment; (d) third party monitoring (TPM); and (e) GRM and leveraging social media to analyze community perception and feedback on a real-time basis and identify red flags for fraud to complement the GRM. The implementation of the ongoing AF2 (Emergency Cash transfer component) has deemed the current controls in place and the actions taken by UNICEF to be adequate and effective. The controls identified a number of irregularities and red flags which were investigated by UNICEF and the TPM which led to further enhancement of the oversight and monitoring functions during subsequent payment cycles.

41. *Flow of Funds and Disbursement Arrangements.* Withdrawals from the grant will continue to be made based on Interim Unaudited Financial Reports (IFRs) and withdrawal applications submitted by the designated officials of UNICEF to the World Bank. UNICEF will prepare and submit IFRs in accordance with the format and periodicity agreed with the World Bank. The IFR is designed to provide meaningful information to facilitate project monitoring. In addition to the expenditure categories, the IFR will provide pertinent information on household profiles, geographical distribution (as applicable) etc., and will be fully reconciled against the lists of payments made by the payment agencies.

D. Procurement

42. The proposed AF3 does not introduce any major changes to the technical design or the implementation arrangements of the project, including the nature of procurement activities. The procurement arrangements of the proposed AF3 will thus be similar to those of AF2 and Alternative Procurement Arrangements will be applied under the proposed AF3 as defined in the Financing Agreement. This is in line with the World Bank's procurement framework, given that UNICEF procurement procedures were assessed and found acceptable to the World Bank as allowed by the New Procurement Framework Policy Section III. F. The proposed project is being processed under the paragraph 12 of the Bank Policy for Investment Project Financing (Projects in Situations of Urgent Need of Assistance and Capacity Constraints). Given the ongoing violence and instability, the proposed project is also prepared within the context of OP 2.30 (Development Cooperation and Conflict). Since there is no official



government counterpart to sign the financing agreement, UNICEF is the grant recipient and implementing agency for the AF3. UNICEF will continue to follow their own procurement procedures as Alternative Procurement Arrangements allowed by the Procurement Policy. UNICEF will implement AF3, given its solid experience and proven track record and satisfactory performance in implementing the ongoing AF2. This experience along with their capacity, field presence and social protection mandate, make UNICEF the most suitable partner for the World Bank to continue implementing the proposed AF. The main activity under the AF3 is the CT program which does not involve procurement activities that would need additional or external capacity. Under AF3, UNICEF will continue contracting a number of consultancy services, including a TPM agency as part of the monitoring activities to follow up on implementation and ensure that the agreed upon procedures are followed and to report on any deviations.

43. UNICEF will follow its own procurement rules and procedures; therefore, no contracts will be subject to prior or post review. The use of the World Bank's Systematic Tracking of Exchanges in Procurement tool will not be required under this project. However, UNICEF is using its own tracking system and generates procurement related reports on a regular basis.

E. Social (including Safeguards)

44. *Gender and Social Inclusion:* With persistent gender gaps existing even prior to the conflict – i.e., in education, legal restrictions on mobility and decision-making, barriers to female participation in the labor force and in political life, and few opportunities for voice, paid work and entrepreneurial activity – women are more vulnerable to the economic, social and security challenges that result from the conflict and should thus be proactively reached for access to cash to improve their purchasing power for food and basic necessities. The stark gender gaps are influenced by and set within the context of conservative and strict gender norms. As in the parent project, the AF introduces specific actions and design parameters to ensure the inclusion and participation of women.

45. The proposed AF3 will serve as a continuation of original project and is expected to continue having a positive impact and increasing food consumption for a targeted 1.5 million poor households (approximately 9 people) (of which 40 percent of targeted direct recipients are female).

46. The CT program was designed to target the chronically poor, orphans, vulnerable children, widows, persons with disabilities, the elderly and female-headed households. Field facilitation will be supported by local field officers, including women, to ensure outreach to female beneficiaries; and the TPM agency will include female workers to also reach women and ensure that they are able to voice any potential concerns or complaints. Finally, UNICEF will continue facilitating the coordination between the CT program and UNICEF health and nutrition interventions building on the ECT / cholera collaboration (under the ongoing World Bank-financed EHNP to link CT beneficiary households with health and nutrition supply interventions.

47. *Social Safeguards:* UNICEF has developed and is implementing a GRM system where complaints are being received through several channels. The GRM system is intended to react to all complaints received and ensure that all grievances are addressed efficiently and effectively.

48. *Social Accountability:* Social accountability under the proposed project will follow the same approach as the parent project and will be taken into account through: (a) the ability of beneficiaries to voice complaints and



provide feedback through well-established GRMs; (b) public information on the extension of the CT program to the intended beneficiaries and to relevant communities; (c) independent verification through the TPM agency; and (d) UNICEF’s regular field monitoring activities.

F. Environment (including Safeguards)

49. The proposed Additional Financing will not result in any negative environmental impact as it will continue the cash transfer program of the SWF beneficiary households (chronic poor) with direct cash assistance to improve their purchasing power for food and basic necessities. The AF3 will follow the environmental category of the parent project which is category ‘B’. As with the parent project, the United Nations Fiduciary Principles Accord applies to this AF3.

G. Other Safeguard Policies (if applicable)

50. No safeguard policies are triggered for this project.

V. WORLD BANK GRIEVANCE REDRESS

51. 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 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, because 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.

VI. SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Implementing Agency		✓
Project's Development Objectives		✓



Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓

VII. DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
Labor Intensive Works and Community Services	285.40	No Change	Labor Intensive Works and Community Services	285.40
Project Management and Monitoring	14.60	No Change	Project Management and Monitoring	14.60
Emergency Cash Transfer	200.00	Revised	Emergency Cash Transfer	348.63
TOTAL	500.00			648.63

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Current Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-D1320	Effective	31-Aug-2018	30-Jun-2019	30-Sep-2019	30-Jan-2020
IDA-D1620	Effective	30-Jun-2019	30-Jun-2019	30-Sep-2019	30-Jan-2020
IDA-D1970	Effective	30-Jun-2019	30-Jun-2019	30-Sep-2019	30-Jan-2020



Expected Disbursements (in US\$)

Fiscal Year	Annual	Cumulative
2017	110,271,759.26	110,271,759.26
2018	325,906,204.53	436,177,963.79
2019	133,467,518.21	569,645,482.00
2020	78,984,518.00	648,630,000.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● High	● High
Macroeconomic	● High	● High
Sector Strategies and Policies	● High	● High
Technical Design of Project or Program	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate
Fiduciary	● High	● High
Environment and Social	● High	● High
Stakeholders	● High	● High
Other		● Substantial
Overall	● High	● High

LEGAL COVENANTS – Yemen Emergency Crisis Response Project - Third Additional Financing (P164564)

Sections and Description

No information available

Conditions



VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Yemen, Republic of

Yemen Emergency Crisis Response Project - Third Additional Financing

Project Development Objective(s)

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

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	Intermediate Targets			End Target
			1	2	3	
Provide short-term employment and access to selected basic services to the most vulnerable. (Action: This Objective is New)						
The number of direct beneficiaries of wage employment (core indicator: # of beneficiaries of safety net programs) (Number)	0.00	80,000.00	240,000.00	400,000.00	400,000.00	400,000.00
Action: This indicator has been Revised						
Share of female beneficiaries (Percentage)	0.00	30.00	30.00	30.00	30.00	30.00
Action: This indicator has been Revised						
Share of IDPs/Returnees (Percentage)	0.00	20.00	20.00	20.00	20.00	20.00



Indicator Name	DLI	Baseline	Intermediate Targets			End Target
			1	2	3	
Action: This indicator has been Revised						
Share of Youth beneficiaries (age 16-35) (Percentage)	0.00		35.00	35.00	35.00	35.00
Action: This indicator has been Revised						
The number of people provided with access to key services (Number)	0.00		600,000.00	1,500,000.00	2,500,000.00	2,500,000.00
Action: This indicator has been Revised						
Share of female (Percentage)	40.00		40.00	40.00	40.00	40.00
Action: This indicator has been Revised						
Number of people (women and children) who benefitted from the nutrition services (total) (Number)	0.00		15,000.00	60,000.00	85,000.00	85,000.00
Action: This indicator has been Revised						
Of which women (Number)	0.00		10,000.00	40,000.00	50,000.00	50,000.00
Action: This indicator is New		Rationale: <i>The aggregate breakdown of beneficiaries of access to nutrition services (women / children) has been included to the indicator to reflect gender participation.</i>				
Of which, children (Number)	0.00		5,000.00	20,000.00	35,000.00	35,000.00



Indicator Name	DLI	Baseline	Intermediate Targets			End Target
			1	2	3	
<i>Action: This indicator is New</i>						
Preserve existing implementation capacity of two service delivery programs. (Action: This Objective is New)						
The percentage of core staff positions (Percentage)		100.00	100.00	100.00	100.00	100.00
<i>Action: This indicator has been Revised</i>						
SFD (Number)		185.00	185.00	185.00	185.00	185.00
PWP (Number)		53.00	53.00	53.00	53.00	53.00
Provide emergency cash transfers to the poor and vulnerable in response to the food crisis. (Action: This Objective is New)						
Beneficiary households of cash transfers (Number)		0.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
<i>Action: This indicator has been Revised</i>						
Female (Percentage)		0.00	40.00	40.00	40.00	40.00
<i>Action: This indicator has been Revised</i>						
Beneficiaries of social safety net programs (CRI, Number)		0.00	8,000,000.00	8,000,000.00	8,000,000.00	8,000,000.00
<i>Action: This indicator has been Revised</i>						
Beneficiaries of Safety Nets programs - Unconditional cash transfers (number) (CRI, Number)		0.00	8,000,000.00	8,000,000.00	8,000,000.00	8,000,000.00



Indicator Name	DLI	Baseline	Intermediate Targets			End Target
			1	2	3	
<i>Action: This indicator has been Revised</i>						
Beneficiaries of social safety net programs - Female (CRI, Number)	0.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00
<i>Action: This indicator has been Revised</i>						

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	Intermediate Targets			End Target
			1	2	3	
Component 1: Labor Intensive Works and Community Services (Action: This Component is New)						
Number of working days created (for subcomponent 1.1 Cash for Work and youth targeted community services) (Number)	0.00	600,000.00	4,380,000.00	7,000,000.00	7,000,000.00	7,000,000.00
<i>Action: This indicator has been Revised</i>						
Share of Youth (Percentage)	0.00	35.00	35.00	35.00	35.00	35.00
<i>Action: This indicator has been Revised</i>						
IDPs/Returnees (Percentage)	0.00	20.00	20.00	20.00	20.00	20.00



Indicator Name	DLI	Baseline	Intermediate Targets			End Target
			1	2	3	
<i>Action: This indicator has been Revised</i>						
Female (Percentage)	0.00	30.00	30.00	30.00	30.00	30.00
<i>Action: This indicator has been Revised</i>						
Indirect beneficiaries from the income support (family members of the workers) (for subcomponent 1.1 Cash for Work and youth targeted community services) (Number)	0.00	100,000.00	800,000.00	1,000,000.00	1,000,000.00	1,000,000.00
<i>Action: This indicator has been Revised</i>						
Cubic meters of water schemes constructed /rehabilitated (for subcomponent 1.1 Cash for Work and youth targeted community services) (Cubic Meter(m3))	0.00	40,800.00	232,000.00	300,000.00	300,000.00	300,000.00
<i>Action: This indicator has been Revised</i>						
Area of agriculture land and terraces rehabilitated (for subcomponent 1.1 Cash for Work and youth-targeted community services) (Hectare(Ha))	0.00	320.00	1,400.00	1,900.00	1,900.00	1,900.00
<i>Action: This indicator has been Revised</i>						
Length of roads improved (for subcomponent 1.1 Cash for Work and youth-targeted community	0.00	40.00	160.00	200.00	200.00	200.00



Indicator Name	DLI	Baseline	Intermediate Targets			End Target
			1	2	3	
services) (Kilometers)						
Action: This indicator has been Revised						
Number of working days created (for subcomponent 1.2 Small community infrastructure) (Number)	0.00	160,000.00	1,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
Action: This indicator has been Revised						
Share of IDPs/Returnees (Percentage)	0.00	30.00	30.00	30.00	30.00	30.00
Action: This indicator has been Revised						
Indirect beneficiaries from the income support (family members of the workers) (for subcomponent 1.2 Small community infrastructure) (Number)	0.00	80,000.00	300,000.00	700,000.00	700,000.00	700,000.00
Action: This indicator has been Revised						
Cubic meters of water schemes constructed/rehabilitated (for subcomponent 1.2 Small community infrastructure) (Cubic Meter(m3))	0.00	20,000.00	100,000.00	200,000.00	200,000.00	200,000.00
Action: This indicator has been Revised						
Area of agriculture land protected (for subcomponent 1.2 Small community infrastructure)	0.00	600.00	3,000.00	7,000.00	7,000.00	7,000.00



Indicator Name	DLI	Baseline	Intermediate Targets			End Target
			1	2	3	
(Hectare(Ha))						
Action: This indicator has been Revised						
Number of classrooms rehabilitated (for subcomponent 1.2 Small community infrastructure) (Number)	0.00		200.00	650.00	820.00	820.00
Action: This indicator has been Revised						
Number of microfinance clients (SMEs) supported (for subcomponent 1.3 SME revitalization and empl. gen.) (Number)	0.00		1,600.00	2,800.00	4,000.00	4,000.00
Action: This indicator has been Revised						
Female (Percentage)	0.00		50.00	50.00	50.00	50.00
Action: This indicator has been Revised						
Number of individuals who benefited from farm, fishery and animal production-based wage employment (short or long term, including informal) (for subcomponent 1.3 SME revitalization and empl. gen.) (Number)	0.00		8,000.00	20,000.00	26,000.00	26,000.00
Action: This indicator has been Revised						



Indicator Name	DLI	Baseline	Intermediate Targets			End Target
			1	2	3	
Female (Percentage)		0.00	20.00	20.00	20.00	20.00
Action: This indicator has been Revised						
Number of micro-finance institutions that benefited from the project (for subcomponent 1.3 SME Revitalization and empl. gen.) (Number)		0.00	9.00	9.00	9.00	9.00
Action: This indicator has been Revised						
Component 2: Project Management and Monitoring (for Component 1) (Action: This Component is New)						
Percentage of registered grievances that are addressed within the timeframe specified in the project implementation manual (Percentage)		0.00	60.00	75.00	90.00	90.00
Action: This indicator has been Revised						
Percent of surveyed beneficiaries who expressed satisfaction with the project participatory approach (Percentage)		0.00	70.00	70.00	70.00	70.00
Action: This indicator has been Revised						
Component 3: Emergency Cash Transfer (Action: This Component is New)						
Number of surveyed beneficiaries who report receiving full amount of benefit (Percentage)		0.00	0.00	100.00	100.00	100.00



Indicator Name	DLI	Baseline	Intermediate Targets			End Target
			1	2	3	
<i>Action: This indicator has been Revised</i>						

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
The number of direct beneficiaries of wage employment (core indicator: # of beneficiaries of safety net programs)	Aggregate number of all subcomponents under 1.1., 1.2., and 1.3.	Every six months.	Administrative data and progress reports		UNDP
Share of female beneficiaries		Every six months	Administrative data and progress reports		UNDP
Share of IDPs/Returnees		Every six months	Administrative data and Progress Reports		UNDP
Share of Youth beneficiaries (age 16-35)		Every six months	Administrative data and Progress reports		UNDP
The number of people provided with access to key services	Aggregate of SFD&PWP of people who have potentially access to a	Every six months	Administrative data and Progress		UNDP



	specific basic service.		reports		
Share of female		Every six months	Administrative data and Progress reports		UNDP
Number of people (women and children) who benefitted from the nutrition services (total)	Verification of attendance and compliance with referrals /follow up action	Every six months.	Administrative data and progress reports		UNDP
Of which women		Six month basis.	Administrative data and progress reports		SFD
Of which, children		Six month basis.	Administrative data and progress reports		UNDP
The percentage of core staff positions	Number of core staff of SFD and PWP pre-crisis/number of current core staff of SFD and PWP by 100	Every six months	Administrative data and Progress reports		UNDP
SFD		UNDP	Administrative data and Progress reports		Every six months
PWP		UNDP	Administrative data and		Every six months



			Progress reports		
Beneficiary households of cash transfers		Every three months.			UNICEF
Female		Every three months.			
Beneficiaries of social safety net programs		Every three months.			UNICEF
Beneficiaries of Safety Nets programs - Unconditional cash transfers (number)		Every three months.			UNICEF
Beneficiaries of social safety net programs - Female					

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Number of working days created (for subcomponent 1.1 Cash for Work and youth targeted community services)	Total of working days for all beneficiaries aggregating data for Female/Male; IDPs/Returnees; and Youth	Every six months	Administrative data and progress reports		UNDP
Share of Youth		Every six months.	Administrative data and progress reports		UNDP
IDPs/Returnees		Every six months	Administrative data and		UNDP



			progress reports		
Female		Every six months	Administrative data and progress reports		UNDP
Indirect beneficiaries from the income support (family members of the workers) (for subcomponent 1.1 Cash for Work and youth targeted community services)	Total #of individuals of participating families in the cash for work activities, cash for services and nutrition	Every six months	Administrative data and progress reports		UNDP
Cubic meters of water schemes constructed /rehabilitated (for subcomponent 1.1 Cash for Work and youth targeted community services)	Capacity of water schemes constructed/rehabilitated	Every six months	Administrative data Progress reports		UNDP
Area of agriculture land and terraces rehabilitated (for subcomponent 1.1 Cash for Work and youth-targeted community services)	Area of agriculture land and terraces rehabilitated	Every six months	Administrative data and Progress reports		UNDP
Length of roads improved (for subcomponent 1.1 Cash for Work and youth-targeted community services)	Roads paved or improved	Every six months	Administrative data and progress reports		UNDP
Number of working days created (for subcomponent 1.2 Small community infrastructure)	Total #of working days for all beneficiaries aggregating data for IDPs/Returnees	Every six months	Administrative data and Progress reports		UNDP
Share of IDPs/Returnees		Every six months	Administrative data and Progress reports		UNDP



Indirect beneficiaries from the income support (family members of the workers) (for subcomponent 1.2 Small community infrastructure)	Total # of individuals of participating families in the cash for work activities	Every six months	Administrative data and progress reports		UNDP
Cubic meters of water schemes constructed/rehabilitated (for subcomponent 1.2 Small community infrastructure)	Volume of water schemes constructed/rehabilitated	Every six months	Administrative data and Progress reports		UNDP
Area of agriculture land protected (for subcomponent 1.2 Small community infrastructure)	Area of agriculture land protected	Every six months.			UNDP
Number of classrooms rehabilitated (for subcomponent 1.2 Small community infrastructure)	Number of classrooms rehabilitated	Every six months	Administrative data and progress reports		UNDP
Number of microfinance clients (SMEs) supported (for subcomponent 1.3 SME revitalization and empl. gen.)	Total #of SMEs receiving in-kind support through the Takaful Fund	Every six months	Administrative data and Progress reports		UNDP
Female		Every six months	Administrative data and progress reports		UNDP
Number of individuals who benefited from farm, fishery and animal production-based wage employment (short or long term, including informal) (for subcomponent 1.3 SME revitalization and empl. gen.)	Aggregation of all individuals benefiting from wage employment created by SMEs and farmers receiving support through the project	Every six months	Administrative data and Progress reports		UNDP
Female		Every six months	Administrative data and progress		UNDP



			reports		
Number of micro-finance institutions that benefited from the project (for subcomponent 1.3 SME Revitalization and empl. gen.)		Every six months	Progress Reports		UNDP
Percentage of registered grievances that are addressed within the timeframe specified in the project implementation manual	# of grievances received/ of grievances addressed by UNDP and/or its implementing partners By UNDP and/or its implementing partners	Every six months	Administrative data and Progress reports; and verified by TPM agency		UNDP
Percent of surveyed beneficiaries who expressed satisfaction with the project participatory approach	# of beneficiaries surveyed in the TPM/# reported satisfaction	Every six months	Technical review missions and TPM reports		UNDP
Number of surveyed beneficiaries who report receiving full amount of benefit		Every 3 months			UNICEF

