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Report No: PIDIAF0003

Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 07-Aug-2024

**BASIC DATA****A. Product Information****Main: Sudan Somoud - Enhancing Community Resilience Project (P181490)**

Operation ID P181490	Product/Financing Instrument Investment Project Financing (IPF)
Beneficiary Country/Countries Sudan	Geographical Identifier Sudan

Practice Area (Lead)

Social Sustainability and Inclusion

Borrower(s) Mercy Corps, United Nations Children's Fund, World Food Programme	Implementing Agency Mercy Corps, United Nations Children's Fund, World Food Programme
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Additional Financing Request 1

Estimated Appraisal Date 18-Dec-2023	Estimated Board Date 19-Apr-2024
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Development Objective

Original Development Objective (Approved as part of Decision package on 13-Apr-2024)

Improve access to basic services and food security of Select Communities in the Republic of the Sudan

ComponentsCommunity Led Basic Service Delivery
Improving Food Security**COSTS & FINANCING (US\$, Millions)****SUMMARY**

	Last Approved	Proposed	Addition	Total
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Total Operation Cost	130.00	30.00	160.00
Total Financing	130.00	30.00	160.00
Of which IBRD/IDA	0.00	0.00	0.00

FINANCING DETAILS

World Bank Group Financing	Last Approved	Additional Financing	Total
Non-World Bank Group Financing			
Trust Funds	130.00	30.00	160.00
Miscellaneous 1	130.00	30.00	160.00

IDA Resources

Other Decision (as needed)

B. Introduction and Context

Country Context

1. The Republic of the Sudan is the third largest country by land area in Africa and is geo-strategically important as it is located at the cross-roads of Sub-Saharan Africa, East Africa, and the Middle East. It has long been a center of trade and commerce, connecting neighboring countries, with vast human and natural resource endowments. However, since independence in 1956, Sudan's history has been marked by coups, political instability, and conflict, which have hindered socioeconomic development gains. Economic disparities increased over time and were compounded by sociocultural and political divisions. These were at the root of conflict between the northern and southern parts of the country, and they resulted in two civil wars, between 1955-72 and between 1983-2005. The second civil war ended with the signing of a Comprehensive Peace Agreement between the Government of the Republic of the Sudan and the Sudan People's Liberation Movement/Army. South Sudan became independent in 2011 following a referendum, though fighting continued between the government and rebel groups in Blue Nile and South Kordofan states - adjoining the newly created border. With South Sudan's independence, Sudan lost nearly a third of its territory, a quarter of its population, and more than 75 percent of its oil production.¹ This contributed to a growing economic crisis characterized by rapid inflation over time, which led to a significant deterioration in the purchasing power of the Sudanese people, especially the urban salaried classes. In August

¹ Luke Patey. 2014. *The New Kings of Crude: China, India, and the Global Struggle for Oil in Sudan and South Sudan*. London: Hurst and Co.



2019, after four months of civil disobedience and street protests, a transitional government came into power, attempting to resolve the long-standing internal conflicts and economic distortions. However, Sudan's economic crisis worsened over time, exacerbated by the effects of the 2019 Coronavirus Diseases (COVID-19).

2. In October 2021, a military takeover took place, and the transitional government was dissolved. Political objections and street protests continued, which, according to several accounts, were met with excessive force, varying forms of gender-based violence (GBV), and extra-judicial detentions. Violence in Darfur and other conflict-affected areas intensified, and the situation escalated further into an open violent conflict when two factions within the military council – the Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF) – started open battles in Khartoum in April 2023, pushing the country towards a state of collapse. Many businesses closed, the formal banking system collapsed and led to a cash shortage, and the payment of non-military government salaries ceased. The situation has since worsened, with some 30 percent of Sudan's 79 counties directly affected by the conflict.

3. The fighting between RSF and SAF in various states and heavy clashes in Khartoum have led to significant displacement of people, both internally and into neighboring countries.² As of October 25, 2023, the International Organization for Migration (IOM) estimates that there are over 4.8 million internally displaced persons (IDPs) in Sudan, the vast majority of whom (3.29 million, 67.80 percent) are urban populations moving from Khartoum state to urban centers in the neighboring states (Al Jazirah, Red Sea, River Nile, Sennar, and White Nile states), while others are a mix of urban and rural population moving from the Darfur States to Chad. Over 66 percent of the IDPs reside within host communities in rented accommodations, schools, gathering sites, improvised shelters, and camps. Despite increasingly stricter border regimes, over 1.3 million individuals have crossed into neighboring countries since the onset of the conflict, putting considerable pressure on these countries, some of which are contending with their own fragility challenges. The World Food Programme (WFP), United Nations Children's Fund (UNICEF), United Nations High Commissioner for Refugees (UNHCR), and international non-government organizations (INGOs) have been providing humanitarian support (such as food, medicine, and shelter) to IDPs, refugees, and other vulnerable groups in urban populations in Sudan and in IDP camps in neighboring countries.

Sectoral and Institutional Context

4. While humanitarian efforts have been addressing the immediate and urgent needs of these communities, their medium-term development needs and resilience remain unaddressed and the country's human capital remains jeopardized. The decades of conflict and large movements of people have resulted in insufficient delivery of basic services, such as water, sanitation, and hygiene (WASH), health, and education. Prior to the conflict, 40 percent of households in Sudan did not have access to basic water supply, two-thirds lacked access to basic sanitation, and three quarters did not have access to basic hygiene.³ Open defecation was practiced by 53 percent of the poorest quintile. Poor WASH has impacted Sudan's malnutrition levels, with 37 percent of its under five-year children being stunted.⁴ From the onset of the conflict, the status of WASH services has further deteriorated due to destruction of facilities in active conflict zones and population pressures on services exerted by IDPs in host communities. Health indicators are similarly lagging, with 65 percent of the population lacking access to healthcare and between 70 to 80 percent of hospitals in conflict-affected areas dysfunctional.⁵ The large displacement situation is placing unprecedented pressure on health facilities, and diseases that were under control before

² Data taken from International Organization for Migration (IOM). 2023. *Sudan: Monthly Displacement Overview (02) (covering the period between 27 September – 25 October 2023)*. <https://dtm.iom.int/sudan>.

³ WHO/UNICEF Joint Monitoring Program, 2023.

⁴ UNICEF Sudan. 2019. Annual Nutrition Report.

⁵ WHO. 2023. Sudan – Health Indicators.



the conflict have been on the rise owing to the disruption of public health services and causing deaths. Although the education sector has seen some improvements in school availability, enrolment, and completion rates, the sector still underperforms with low learning outcomes, unavailability of teachers, inadequate infrastructure, many out of school children, and poor access for girls. This is attributed to various factors, with conflict being a significant driver, as evidenced by the Humanitarian Response Plan reporting 19 million children are currently out of school due to the ongoing conflict. Parts of the national electricity grid were destroyed or damaged during the conflict, and some regions are suffering from the break of the fuel supply chain. The lack of reliable power supply has been a binding constraint to service delivery in many local facilities.

5. The ongoing conflict has also led to a surge in varying forms of GBV, including conflict-related sexual violence, intimate partner violence, physical assault, and trafficking, among other violations, with IDPs and conflict-affected communities particularly at risk.⁶ While incidence data is not available, roughly 4.2 million people (including refugees inside Sudan) are estimated to be at risk of GBV as violence continues and protection services and support systems break down. GBV risk identification and management is insufficient in the humanitarian response across sectors, leading to increased challenges of sexual exploitation and abuse and sexual harassment. Humanitarian responders have worked to expand the capacity of GBV services providers to provide care, but challenges remain; service providers report increased attacks and harassment on their facilities and increasing fear of survivors to report violations and seek care. Additional challenges include limited access to health facilities for clinical management of rape and lack of safe spaces to provide holistic GBV services, for example, case management or mental health and psychosocial support. Service providers and humanitarian actors further report shortages of material supplies, such as rape treatment kits, dignity kits, and medication. The GBV sub-sector in Sudan indicates that of the US\$63 million needed to provide GBV support to targeted communities, including the over 4 million IDPs, only 18 percent has been funded to date.

6. According to Integrated Food Security Phase Classification (IPC) projections, more than 42 percent of the population experienced high levels of acute food insecurity (IPC Phase 3 or above) between July and September 2023,⁷ nearly double the number reported during the same time in 2022. Conflict has disrupted trade and caused market distortions and service interruptions, which have undermined household access to food in affected areas. Cultivation has been widely disrupted with the plantation area for the 2023/24 season estimated to be 15 percent below the average.⁸ Furthermore, the war has disrupted the supply of inputs and services to farmers, and the value chain from farmers to processing and markets. The transportation of goods across the country has also been a significant challenge for farmers and traders due to insecurity and fuel shortages, resulting in reduced trade flows and high transportation costs, as well as inability to access finance or process banking transactions. Amid this precarious landscape, the private sector, especially Small and Medium-sized Enterprises (SMEs) operating in critical sectors like manufacturing, agriculture, and agro-processing, has been acutely impacted. The cessation of commercial and banking activities in Khartoum has resulted in extensive asset depletion and a surge in unemployment, intensifying already fragile supply chain dynamics from farmgate to markets. This disruption has had severe implications on food prices and the overall market systems, with food prices increasing by over 50 percent since the war started.⁹

7. The Sudan Somoud - Enhancing Community Resilience Project (P181490, ‘parent project’) was approved by the World Bank on April 15, 2024 with a US\$74 million grant from the Sudan Transition and Recovery Support (STARS) Multi-Donor Trust Fund to UNICEF and a US\$56 million STARS grant to WFP. The Grant Agreements were signed and declared effective

⁶ Data in this paragraph are taken from the ReliefWeb Sudan GBV Sub Sector Coordination Brief, September 18, 2023.

⁷ Integrated Food Security Phase Classification. 2023. *Sudan: IPC Acute Food Insecurity Analysis June 2023 – February 2024*. August 2, 2023.

⁸ Ibid.

⁹ WFP’s Monthly Market Monitor, October 2023.



on April 16, 2024 and April 15, 2024, respectively. This Project Information Document describes Additional Financing (AF) to the parent project in an amount of US\$30 million from the STARS Multi-Donor Trust Fund to be implemented by Mercy Corps in an additional state, namely Gedaref.

C. Proposed Development Objective(s)

Original Development Objective

8. The Development Objective of the parent project and the AF is “Improve access to basic services and food security of Select Communities in the Republic of the Sudan”.

D. Project Description

9. The parent project's beneficiaries are IDPs and host community individuals in target localities in Kassala, Northern, and River Nile states, and farmers in nearby agricultural areas. The project finances two interlinked components:

- (i) *Component 1: Community Led Basic Service Delivery.* This component supports: (i) delivery of improved community-led basic services; (ii) temporary engagement of frontline workers and volunteers in select sectors; (iii) project management and technical assistance costs; and (iv) technical assistance and training to select local authorities.
- (ii) *Component 2: Improving Food Security.* This component supports: (i) increased resilience and production of select crops and protection of livestock assets in rural areas that supply food to the target communities; (ii) agricultural value chains; (iii) the scaling-up and strengthening of community consumer cooperatives and organizations and community food centers that distribute agricultural outputs and provide affordable food to vulnerable groups; and (iv) project management and implementation costs.

10. The US\$30 million Additional Financing will scale up the development effectiveness of the parent project by increasing its geographic scope to an additional state, namely Gedaref, where components 1 and 2 will be implemented. Consequently, the outcome and result targets will increase. As in the parent project, the AF will be implemented in Gedaref because of its IDP influx, relative security, and overall project feasibility criteria, such as access and proximity to productive agricultural areas that supply food to domestic markets serving IDPs and host communities. The localities, communities, and agricultural cooperatives will be selected using a formula agreed by the World Bank and Mercy Corps, that will be based on a defined set of criteria, such as IDP influx, service and food security levels, climate vulnerability, and complementarity with development partners' humanitarian interventions. The activities financed by components 1 and 2 of the parent project will not change, rather replicated to Gedaref. Following the AF, the cost of Component 1 will increase from US\$74 million to US\$91 million and the cost of Component 2 will increase from US\$56 million to US\$69 million. The end targets of relevant PDO-level Indicators and IRIs will increase proportionally.

11. The AF is aligned with the goals of the Paris Agreement on both mitigation and adaptation. Financed mitigation-related activities include solar installations for critical health, education, and education, health, and WASH infrastructure where relevant, upgrading of existing water pumps to solar, provision of fuel-efficient cookstoves to community consumer cooperatives and food centers, climate-smart agricultural, and veterinary inputs and services. These fall under the universally aligned activities, namely “low-greenhouse gas and climate-smart agriculture”, “water supply systems and quality improvement”, “renewable energy-powered irrigation systems”, and “education and human health services”. Support to community consumer cooperatives and food centers will not involve construction or upgrading of roads. Support to climate-smart agricultural and provision of veterinary inputs and services would not expand or promote expansion into



areas of high carbon stocks or high biodiversity areas. The AF has negligible to low risk of preventing the country's transition to a low-carbon development pathway. The main climate risks likely to affect the AF investments are drought and floods; however, risks from climate hazards have been reduced to an acceptable level since the design takes them into consideration. Specifically, climate change risks and vulnerability to drought and floods will be managed through targeted adaptation measures, which include: (i) climate resilience measures in the design of basic services, i.e., their engineering and design would withstand such climate events; (ii) integrating climate information, such as precipitation, hydrology projections, and seasonal forecast, into planning; (iii) provision of climate-smart agricultural and veterinary inputs; and (iv) strategic water management options to ensure water availability and access to communities and productive activities. These interventions will not only reduce target communities' vulnerability to droughts and floods, but also increase the resilience of the interventions themselves. In summary, the AF design adequately reduces the physical climate risks to outcomes, and the AF's climate resilience and adaptation design considerations limit the exposure to a low/acceptable level of residual climate risk.

Legal Operational Policies

Policies	Triggered?
	Current
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The AF is expected to have largely positive environmental and social impacts, as it is to improve environmental, health, and safety (EHS) conditions for local communities through the provision of basic services (education, health, and WASH) and rehabilitation of service facilities for conflict-affected communities. As such, the project activities are not anticipated to cause the conversion of natural habitats or generation of large-scale pollutants, given the small-scale nature of the project activities, including rehabilitation works whose impacts will be largely limited within the compound of existing education, health, and WASH facilities. The construction and rehabilitation of basic service facilities may involve small-scale site clearance/removal of vegetation resulting in soil erosion due to exposure of soil surfaces to rain and wind during site clearing, as well as excavation activities. Construction or rehabilitation activities, though small, can cause noise, air and water pollution, and increase project workers and/or community's exposure to health and safety impacts. Furthermore, there will be potential occupational health and safety (OHS) risks resulting from the project activities, especially the construction and/or rehabilitation of basic service facilities. There are also potential EHS risks from health facilities, including medical waste and generation of sanitary wastewater and solar waste. Although the irrigation schemes supported by the project will be micro-scale, they will have the potential for the use of agrochemicals, with their associated risks of water and soil pollution, and risks to humans arising from mishandling and the absence of protection. The context of both pesticide use and waste generation will be community-level. The oversight of mitigating measures will be the responsibility of the local implementing partners, backed up by technical support and monitoring by the MC country office. No TA that will have downstream environmental and social risks, such as feasibility studies, design, and preparation of strategic studies, is anticipated in this AF. However, any capacity-building activities as well as training shall be undertaken in compliance with the requirements of the World Bank's Operations Environmental and Social Review Committee's (OESRC) Advisory Note on Technical Assistance and the Environmental and Social Framework (May 21, 2019). Given the nature and type of



activities and capacity limitations in conflict-affected areas and the lack of ESF experience by MC, the environmental risk of the AF is rated Moderate. The social risk of the AF is high mainly due to the fragility, conflict, and violence (FCV) context of Sudan. Other potential social risks and impacts include (i) exclusion of Indigenous Peoples/Historically Underserved Traditional Local Communities (IPs/SSAHUTLCs) and vulnerable groups from project benefits and decision-making structures; (ii) security risks and illegal activities, such as violence, extortion, theft, armed assault, looting, and vandalism of project materials and properties; (v) high risk of gender-based violence (GBV), including sexual exploitation and abuse (SEA)/sexual harassment (SH); (iii) weak community participation and engagement during implementation; (iv) social tensions or conflict between the IDPs and host communities over project benefits and rejection of targeting criteria; (v) a possible increase in IDP mobility to the project areas to benefit from the project; and (vi) risks relating to labor and working/OHS conditions, child labor, forced labor (in the context of global supply chain for solar panels and solar components), and labor influx and disputes. There is also the risk of weak community consultations, inadequate monitoring, supervision, and timely redress of complaints, which could impact implementation. These risks might be exacerbated by dispersion, remoteness, and institutional challenges and by contextual security risks.

12. The AF triggers OP 7.50 given that the activities may involve the use of the Nile River system, Baraka River system, Gash River system, Gedaref Aquifer, Nubian Sandstone Aquifer, and Baggara Aquifer systems, all of which are shared by other countries. The exception to the riparian notification requirement according to paragraph 7(a) of the Policy applies because activities are limited to upgrading and modernization of existing, small-scale schemes, which will not adversely change the quantity and quality of water flows to other riparians. The exception to the notification requirement was approved by the Regional Vice President on December 19, 2023.

E. Implementation

Institutional and Implementation Arrangements

Mercy Corps will be added as a third recipient and implementing agency, implementing component 1 and component 2 activities in Gedaref state. Mercy Corps was selected given its high capacities in-country to implement both components, including the specific expertise needed for Component 2 on food security value chains, based on technical and financial proposals, and following World Bank assessments of its E&S risk management, financial management, and procurement capacities. As an INGO, MC was selected also to broaden the spectrum of implementing partners in the fluid conflict-affected context of Sudan and capitalize on its agile work modality and close collaboration with local actors, including NGOs and civil society organizations. As in the parent project, Mercy Corps will maintain monitoring and oversight responsibilities, including fiduciary and E&S aspects of its activities. Mercy Corps will establish a Project Implementation Unit (PIU) within its Sudan office (as appropriate based on the security situation) and carry out day-to-day management and implementation of the activities. The PIU will be adequately staffed to ensure effective AF management and coordination and compliance with fiduciary and E&S requirements. The PIU's composition, roles and responsibilities, and resources will be described in the Project Implementation Manual (PIM). Locality-level authorities will be engaged to the extent possible and throughout implementation in planning, coordination, and operations and maintenance of services; however, project funds will not be provided to these institutions. While the core of the AF activities will be implemented by Mercy Corps, several activities will be contracted to local contractors, NGOs, and CSOs.



13. From a technical level, coordination between UNICEF, WFP, and Mercy Corps will be facilitated through (i) the parent project's Coordination Platform where core stakeholders will meet quarterly or more frequently if needed to provide, inter alia, overall guidance and coordination of the project and ensure synergies and project-wide monitoring; and (ii) a dashboard for joint progress monitoring. The World Bank-hired Bank Support and Monitoring Agency (BSMA) will complement Mercy Corps' technical support, carry out sample monitoring of project progress and implementation in accordance with the Grant Agreement and the PIM, support mid-term and end-term reviews, and monitor the inclusiveness of project-funded activities and Community Development Committees (CDCs).

CONTACT POINT

World Bank

Simon Sottas

Senior Social Development Specialist

Habab Taifour

Senior Water Resources Management Specialist

Jeren Kabayeva

Senior Agriculture Specialist

Borrower/Client/Recipient

Mercy Corps

Ms. Sibongani Kayola

Country Director

skayola@mercycorps.org

United Nations Children's Fund

Ms. Mandeep O'Brien

Representative

Sudan@uniced.org

World Food Programme

Mr. Eddie Row

Representative

Sudan.feedback@wfp.org

Implementing Agencies



The World Bank

Sudan Somoud - Enhancing Community Resilience Project (P181490) – Additional Financing Request 1

Mercy Corps

Ms. Sibongani Kayola
Country Director
skayola@mercycorps.org

United Nations Children's Fund

Ms. Mandeep O'Brien
Representative
Sudan@unicef.org

World Food Programme

Mr. Eddie Row
Representative
sudan.feedback@wfp.org

FOR MORE INFORMATION CONTACT

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

APPROVAL

Task Team Leader(s):	Simon Sottas, Habab Taifour, Jeren Kabayeva
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Approved By

Practice Manager/Manager:	Helene Monika Carlsson Rex	28-Jun-2024
Country Director:	Juliana Chinyeaka Victor	07-Aug-2024