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INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL GRANT

IN THE AMOUNT OF (SDR 39) MILLION
(US\$50 MILLION EQUIVALENT)

FROM THE INTERNATIONAL DEVELOPMENT ASSOCIATION'S
CRISIS RESPONSE WINDOW EARLY RESPONSE FACILITY

AND

IN THE AMOUNT OF (SDR 78) MILLION
(US\$100 MILLION EQUIVALENT)

FROM THE INTERNATIONAL DEVELOPMENT ASSOCIATION

TO THE

FOOD AND AGRICULTURE ORGANIZATION

AND

UNITED NATIONS DEVELOPMENT PROGRAMME

AND

INTERNATIONAL COMMITTEE OF THE RED CROSS
FOR THE BENEFIT OF THE REPUBLIC OF YEMEN

FOR THE

ADDITIONAL FINANCING FOR YEMEN FOOD SECURITY RESPONSE AND RESILIENCE

PROJECT

NOVEMBER 15, 2022

Agriculture and Food Global Practice
Middle East and North Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective October 31, 2022)

Currency Unit = SDR

SDR 0.779 = US\$ 1

US\$ 1.283 = SDR 1

FISCAL YEAR

January 1 – December 31

Regional Vice President: Ferid Belhaj

Country Director: Marina Wes

Regional Director: Paul Noumba Um

Practice Manager: Marianne Grosclaude

Task Team Leader(s): Artavazd Hakobyan, Eva Hasiner

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
AREA	Agricultural Research and Extension Agency
AM	Accountability Mechanism
AWPB	Annual Workplan and Budget
CAHWs	Community Animal Health Workers
CFW	Cash for Work
COVID-19	Coronavirus Disease
CRW ERF	Crisis Response Window Early Response Facility
CSB	Community Seed Bank
ECRP	Emergency Crisis Response Project
EO	Earth Observation
ESMP	Environmental and Social Management Plan
ESMF	Environmental and Social Framework
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESRS	Environmental and Social Review Summary
FAO	Food and Agriculture Organization of the United Nations
FCV	Fragility, Conflict and Violence
FFS	Farmer Field Schools
FIES	Food Insecurity Experience Scale
FM	Financial Management
FMFA	Financial Management Framework Agreement
FSAC	Food Security and Agriculture Cluster
FSCPP	Food Security Crisis Preparedness Plan
FSRRP	Food Security and Resilience Response Project
GAFSP	Global Agriculture and Food Security Program
GAHVQS	General Animal Health and Veterinary Quarantine Service
GBV	Gender Based Violence
GCFR	Global Crisis Response Framework
GSMC	General Seed Multiplication Corporation
GHG	Greenhouse Gases
GRS	Grievance Redress Service
ICA	Intuitional Capacity Needs Assessment
IDA	International Development Association
ICRC	International Committee of the Red Cross
IFC	International Finance Corporation
IFR	Interim Financial Reports
IPC	Integrated Food Security Phase Classification
LMP	Labor Management Plan
M&E	Monitoring and Evaluation
MAIF	Ministry of Agriculture, Irrigation and Fisheries
MSME	Micro, Small and Medium Enterprises
NGO	Non-Governmental Institution
OHS	Occupational Health and Safety

PAD	Project Appraisal Document
PCC	Project Coordination Committee
PDO	Project Development Objective
PLW	Pregnant and Lactating Women
PLWG	Pregnant and Lactating Women and Girls
POM	Project Operational Manual
PMP	Pest Management Plan
PPSD	Project Procurement Strategy for Development
PPR	Peste des petits ruminants
PWP	Public Works Project
RF	Resettlement Framework
SAPREP	Smallholder Agricultural Production Restoration and Enhancement Project
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SEP	Stakeholder Engagement Plan
SFD	Social Fund for Development
SGP	Sheep and Goat Pox
SMEPS	Small Micro Enterprise Promotion Service
SMP	Security Management Plan
TPM	Third Party Monitoring
TPMA	Third Party Monitoring Agent
UNDP	United Nations Development Programme
WASH	Water, Sanitation and Hygiene
WFP	World Food Programme
YHRP	Yemen Humanitarian Response Plan

Yemen, Republic of
AF Yemen Food Security Response and Resilience Project

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BASIC INFORMATION – PARENT (Yemen Food Security Response and Resilience Project - P176129)

Country Yemen, Republic of	Product Line IBRD/IDA	Team Leader(s) Artavazd Hakobyan		
Project ID P176129	Financing Instrument Investment Project Financing	Resp CC SMNAG (9242)	Req CC MNC03 (1491)	Practice Area (Lead) Agriculture and Food

Implementing Agency: Food and Agriculture Organization, International Committee of the Red Cross, United Nations Development Programme, World Food Programme

Is this a regionally tagged project? No			
Bank/IFC Collaboration Yes	Joint Level Historical Project/Activity implemented in sequence with an IFC activity(Loan/Credit/Guarantee/AAA)		
Approval Date 11-May-2021	Closing Date 30-Jun-2025	Expected Guarantee Expiration Date	Environmental and Social Risk Classification Substantial

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"/> Performance-Based Conditions (PBCs)	<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 Expanded Implementation Support (HEIS)



Development Objective(s)

The Project Development Objective is to improve the availability of and access to food and nutritious diets, both in the short and medium term, for targeted households in the Project Area, and to enhance Yemen's capacity to respond to food insecurity.

Ratings (from Parent ISR)

	Implementation	
	12-Sep-2021	22-May-2022
Progress towards achievement of PDO	S	S
Overall Implementation Progress (IP)	S	MS
Overall ESS Performance	S	S
Overall Risk	H	H
Financial Management	S	MS
Project Management	S	S
Procurement	S	MS
Monitoring and Evaluation	S	MS

BASIC INFORMATION – ADDITIONAL FINANCING (AF Yemen Food Security Response and Resilience Project - P178439)

Project ID	Project Name	Additional Financing Type	Urgent Need or Capacity Constraints
P178439	AF Yemen Food Security Response and Resilience Project	Restructuring, Scale Up	Yes
Financing instrument	Product line	Approval Date	
Investment Project Financing	IBRD/IDA	30-Nov-2022	
Projected Date of Full Disbursement	Bank/IFC Collaboration		



30-Apr-2027	No		
Is this a regionally tagged project?			
No			

Financing & Implementation Modalities

[] Series of Projects (SOP)	[✓] Fragile State(s)
[] Performance-Based Conditions (PBCs)	[] Small State(s)
[] Financial Intermediaries (FI)	[] Fragile within a Non-fragile Country
[] Project-Based Guarantee	[✓] Conflict
[] Deferred Drawdown	[✓] Responding to Natural or Man-made disaster
[✓] Alternate Procurement Arrangements (APA)	[] Hands-on Expanded Implementation Support (HEIS)
[] Contingent Emergency Response Component (CERC)	

Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed	%
IBRD					
IDA	100.00	50.15	42.03	<div style="width: 54%; background-color: #2e7131;"></div>	54 %
Grants	27.00	7.50	19.50	<div style="width: 28%; background-color: #2e7131;"></div>	28 %

PROJECT FINANCING DATA – ADDITIONAL FINANCING (AF Yemen Food Security Response and Resilience Project - P178439)

FINANCING DATA (US\$, Millions)

SUMMARY (Total Financing)

	Current Financing	Proposed Additional Financing	Total Proposed Financing
Total Project Cost	127.00	150.00	277.00
Total Financing	127.00	150.00	277.00



of which IBRD/IDA	100.00	150.00	250.00
Financing Gap	0.00	0.00	0.00

DETAILS - Additional Financing**World Bank Group Financing**

International Development Association (IDA)	150.00
IDA Grant	150.00

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount
Yemen, Republic of	0.00	150.00	0.00	0.00	150.00
National Performance-Based Allocations (PBA)	0.00	100.00	0.00	0.00	100.00
Crisis Response Window (CRW)	0.00	50.00	0.00	0.00	50.00
Total	0.00	150.00	0.00	0.00	150.00

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

Operational Policy Waiver of the Application of Anti-Corruption Guidelines to UNDP and FAO.

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

Approved by Management [] Endorsed by Management for Board Approval [] No []



Explanation

In order to facilitate the implementation of the proposed AF by UNDP and FAO, a waiver is sought of the Bank Directive for Investment Project Financing and Section 5.14 of the IDA General Conditions for Credits and Grants for Investment Project Financing, which would otherwise require the application of the World Bank's Anti-Corruption Guidelines (ACGs), in favor of relying on the fraud and corruption procedures of UNDP and FAO.

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

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

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

INSTITUTIONAL DATA

Practice Area (Lead)

Agriculture and Food

Contributing Practice Areas

Finance, Competitiveness and Innovation

Social Protection & Jobs

Water

**Climate Change and Disaster Screening**

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

PROJECT TEAM**Bank Staff**

Name	Role	Specialization	Unit
Artavazd Hakobyan	Team Leader (ADM Responsible)		SMNAG
Eva Hasiner	Team Leader		SMNAG
Ashraf Ahmed Hasan Al-Wazzan	Procurement Specialist (ADM Responsible)		EMNRU
Akram Abdelaziz Hussein	Financial Management Specialist (ADM Responsible)		EMNGU
Mohame ElShorbagy	Specialist (ADM Responsible)		
Amer Abdulwahab Ali Al-Ghorbany	Environmental Specialist (ADM Responsible)		SMNEN
Ibrahim Ismail Mohammed Basalamah	Social Specialist (ADM Responsible)		SMNSO
Aliya Husain	Team Member		MNCA3
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Caroline Marie Cecile Cerruti Hailey	Team Member		EMNF1
Daria Goldstein	Counsel		LEGAM
David Gordon Lugg	Team Member		SMNAG
Ebrahim Mohammed Yahya Al-Harazi	Team Member		ECRMN
Ena Shin	Team Member		SMNAG
Faiza Hesham Hael Ahmed	Team Member		SMNAG
Georges Tony Abou Rjaily	Team Member		WFACS
Hanan Nawar Obaid Al Gertani	Team Member		MNCA3
Naif Mohammed Abu-Lohom	Team Member		SMNWA
Nils Junge	Team Member		IEGEC
Volana Andriamasinoro	Team Member		SMNAG



Wael Ahmed Elshabrawy	Team Member	EMNGU
Zacharey Austin Carmichael	Team Member	SAGGL

Extended Team

Name	Title	Organization	Location
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I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

A. Original Project design and scope

1. The Yemen Food Security Response and Resilience Project (FSRRP, P176129) is financed by an IDA grant of SDR 35 million (US\$50 million equivalent); an IDA Crisis Response Window Early Response Financing (CRW ERF) grant of SDR 35 million (US\$50 million equivalent); and a Global Agriculture and Food Security Program (GAFSP) grant of US\$27 million. The FSRRP was approved by the Board on May 11, 2021, and declared effective on August 6, 2021.
2. The FSRRP's project development objective (PDO) is to improve the availability of and access to food and nutritious diets, both in the short and medium-term, for targeted households in the Project Area, and to enhance Yemen's capacity to respond to food insecurity. The grant recipients and implementing entities of the FSRRP are the Food and Agriculture Organization of the United Nations (FAO), the World Food Programme (WFP) and the United Nations Development Programme (UNDP) for the benefit of Republic of Yemen (the Implementing entities). The FSRRP was prepared under the emergency condensed procedure, triggering paragraph 12 of Section III of the Investment Project Financing (IPF) Policy.
3. **The FSRRP's distinguishing feature is its support for food security along the continuum from humanitarian to development response.** It does so by providing a foundation for sustainably restoring and protecting livelihoods and helping Yemenis escape a vicious cycle of heightened vulnerability.¹ The prevailing approach for addressing food insecurity in Yemen was, until recently, focused on delivering emergency support to address immediate needs and protect lives and livelihoods. This approach dominates the humanitarian-led Yemen Food Security and Agriculture Cluster (FSAC),² which focuses on providing: a) emergency livelihood support to around 1.5 million individuals to alleviate food insecurity and malnutrition; b) conditional cash transfers to around 2.8 million individuals with cash-for-work and similar interventions; and c) limited support to livelihoods restoration to around 200,000 individuals, as well as resilience-building interventions and medium-term support for productive activities.
4. **Recognizing the fluidity of the conflict environment in Yemen, the FSRRP was designed as a scalable and flexible platform offering a combination of short- and medium-term activities across four components.** Component 1 (Improving household incomes through Cash-for-Work for agricultural production infrastructure and building climate resilience) implemented by UNDP through the Social Fund for Development (SFD) and the Public Works Project (PWP) provides immediate employment opportunity at the community level through a Cash-for-Work (CFW) program for the rehabilitation of agricultural production infrastructure, while increasing the resilience of food insecure populations in the medium-term through improved access to climate-resilient water infrastructure, irrigation networks, rehabilitated lands, and rehabilitated rural roads. Component 2 (Increasing production and sale of nutritious crop, livestock, and fish products), implemented by FAO and closely coordinated with

¹ Households deplete their assets to address food security and nutrition requirements, but then fall into more severe food insecurity due to depletion of their assets.

² FSAC has been established in 2011 to coordinate the food security response during a humanitarian crisis, addressing issues of food availability, access, and utilization. It is based at WFP headquarters in Rome and is co-led by FAO and WFP.



Component 1, supports smallholder farmers and producers to invest in productive assets and helps improve their capacity to better commercialize their products and enter new markets. Component 3 (Improving the nutritional status of vulnerable rural households), implemented by WFP, aims at improving in the short-term the nutritional security of very vulnerable and moderately vulnerable households through a variety of instruments, including: (a) targeted nutrition-sensitive agriculture activities and facilitating uptake by poor households of appropriate dietary and nutrition practices, in particular improving nutrient intakes of pregnant mothers and children under two; (b) promoting women's entrepreneurship activities and improving the diets of the female-led households; and (c) improving nutrition in vulnerable households with malnourished women and children. Finally, Component 4 (Capacity building for food security management and climate resilience) aims at strengthening the capacity of both the private (households) and public sectors for food security crisis planning and response, including through the preparation of a Food Security Crisis Preparedness Plan (FSCPP).

5. The FSRRP design envisages measuring results at three levels:

- (a) Short-term results, such as persons benefiting from community-based infrastructure improvements; households receiving home-gardening and backyard farming start-up kits; and beneficiaries receiving quality nutrition products. These results are expected to contribute to access to food and nutritious diets in the short term.
- (b) Short to medium-term results (more than one agriculture cycle), such as: improved access to land and water resources to improve agriculture production; adoption of improved agricultural practices, improved nutrition-sensitive practices for households, and increase in the volume of agri-food products commercialized by beneficiaries. These results are expected to contribute to improved food production and availability of food in the short- to medium-term.
- (c) Medium-term (project life), such as: improved preparedness to food crises, increased number of households with improved food insecurity experience index. These results are expected to contribute to improved capacity to respond to food insecurity.

6. **The FSRRP works through several Implementing entities (UNDP, FAO, and WFP) for the benefit of Yemen to allow for tailoring and scaling up interventions based on the evolution of the food security situation.** The FSRRP is expected to reach about 1 million beneficiaries, in the areas with the highest food insecurity, poor nutrition outcomes and livelihood constraints, and in need of emergency assistance. A set of 59 target districts in which the project would operate, was selected across 11 governorates based on vulnerability and accessibility criteria, and subject to adjustment based on the evolution of those criteria. Most activities under the FSRRP are scalable, and the project's original design recognizes that while the project is expected to achieve positive outcomes in reducing food insecurity in the project area, additional funding and interventions would be required going forward, to scale up the response to more beneficiaries.
7. **Given the marked deterioration in food security conditions in Yemen and the fact that the FSRRP is the only operation that supports resilience and livelihood restoration at a large scale, there is a critical need to scale up the project.** The Additional Financing (AF) is designed to scale-up activities focused on: (i) restoring livelihoods through improving climate-resilient agricultural production infrastructure; (ii) increasing household-level food production and market development by restoring climate-resilient agricultural production as well as food supply chains; and (iii) providing immediate relief to vulnerable rural households by supporting them with production kits



to kick-start and maintain household-level climate-resilient food production. These efforts align with the World Bank Group's roadmap³ for responding to food security and nutrition crisis risks driven by the global impacts of the war in Ukraine and support the Global Crisis Response Framework (GCRF) as further described below.

B. Project performance

8. **During the first year of implementation, the FSRRP has laid the foundation for effective support to livelihood restoration and resilience combining short-term livelihood support interventions with medium- to long-term resilience-building interventions.** Specifically, nutrition support has been implemented by WFP in all 59 target districts, assisting 614,601 beneficiaries in total including 329,256 children under the age of five and 285,345 pregnant and lactating women. UNDP has launched 73 small-scale infrastructure sub-projects in 47 districts, with these sub-projects implemented by SFD and PWP. Overall, good progress has been observed in the design and implementation of the sub-projects, and the main issue identified during the September 2022 supervision mission related to delays in the preparation and approval of site-specific environmental and social management plans (ESMPs). These are being addressed by improvements in the process of preparing ESMPs, including additional trainings for the local staff. FAO has launched the design and rehabilitation of two fish landing sites, the procurement of equipment for fisheries and veterinary services, and the procurement of consulting services for various studies. FAO has also initiated partnership agreements with the Small and Micro Enterprise Promotion Service (SMEPS), SFD and the Agriculture Research and Extension Agency (AREA) for the implementation of selected activities under Component 2. The main issues reported relate to delays in the importation of goods, as well as delays related to endorsement by local authorities of project activities. These are being addressed by improvements in planning of procurement activities and overall improvements in project management. Progress towards the achievement of the PDO and Implementation Progress is rated Moderately Satisfactory. The Moderately Satisfactory rating reflects the initial slow progress in the finalization of critical project preparation activities (such as site-specific Environmental and Social Management Plans or ESMPs) and documents.
9. **The implementation of the FSRRP is contingent on having well-vetted geographic targeting and site selection in agreement with in-country partners and local authorities.** The Implementing entities have agreed on the selection of 59 districts across 11 governorates distributed between North and South, covering areas primarily affected by crisis (Integrated Food Security Phase Classification 3 - IPC3) and emergency (IPC4) levels of acute food insecurity.⁴ The total population in these districts is 5,940,000, of which an estimated 1 million are targeted by the FSRRP as direct or indirect beneficiaries of resilience and livelihood restoration activities.

³ World Bank. April 12, 2022. World Bank Group Response to Global Impacts of the War in Ukraine – A Proposed Roadmap. <https://thedocs.worldbank.org/en/doc/bf544fb23105352f4aef132bd6f40cb8-0290032022/original/WBG-Response-to-Global-Impacts-of-the-War-in-Ukraine-A-Proposed-Roadmap.pdf>.

⁴ The Integrated Food Security Phase Classification (IPC) is an innovative multi-partner initiative for improving food security and nutrition analysis and decision-making. By using the IPC classification and analytical approach, Governments, UN Agencies, NGOs, civil society, and other relevant actors, work together to determine the severity and magnitude of acute and chronic food insecurity, and acute malnutrition situations in a country, according to internationally recognized standards. IPC measures and classifies acute food insecurity according to a 5-phase scale, namely: IPC 1 (minimal), IPC 2 (stressed), IPC 3 (crisis), IPC 4 (emergency), and IPC 5 (catastrophe / famine) conditions. (Source: www.ipcinfo.org)



10. **Under the FSRRP, the Food Security Crisis Preparedness Plan for Yemen (FSCPP) has been prepared and its draft has been adopted by a working group of development partner representatives.** The FSCPP was prepared as a requirement of the CRW ERF window under IDA19. It was discussed and broadly agreed during a technical consultation workshop in Amman, Jordan on May 25-26, 2022. As an operational plan developed based on the CRW ERF requirements, the FSCPP seeks to mitigate the impacts of acute shocks that can significantly worsen food security conditions in Yemen. The FSCPP (a) details how emerging food security crisis risks are proactively monitored and collectively recognized; (b) develops procedures for convening a dedicated group of programmatic food security focal points across humanitarian and development partners to review this information and consider options for scaling up responses; and (c) sets forth protocols for escalating critical needs and funding gaps to senior decision makers to promote collective and early action.
11. **Disbursements under the FSRRP currently stand at 47.28 percent and are expected to substantially increase over the coming months as activities pick up.** As of September 7, 2022, overall disbursements under the FSRRP were US\$57.65 million transferred to the designated accounts of FAO, UNDP, and WFP. Most of the disbursed funds are committed, i.e., procurement is underway, or contracts are signed and are being implemented.
12. **The FSRRP is in compliance with the Environmental and Social Framework (ESF), fiduciary requirements, and legal covenants.** All ESF instruments have been finalized, and the Environmental and Social Management Framework has been disclosed. As of the last implementation support mission, carried out in September 2022, 13 environmental and social management plans (ESMP) covering 73 sub-projects have been prepared by SFD and PWP, and approved by the World Bank, and 7 ESMPs covering 44 subprojects are under review. There are no overdue financial audits.

C. Rationale for Additional Financing

13. **Since the approval of the FSRRP, Yemen has been facing various aggravating factors and shocks which are worsening food security conditions.** The protracted conflict has led to enduring food insecurity, with 19 million people in need of assistance as of August 2022 (IPC 3 and above), representing 60 percent of the population currently considered acutely food insecure. Since March 2022, the entire country has been categorized as being in crisis or worse (IPC 3+) with acute food insecurity, meaning that 100 percent of the population lives in districts categorized as IPC 3+. This extreme situation has led to the country being listed as one of the countries with the highest number of people in IPC3+ conditions.⁵
14. **While conflict and the resulting economic crisis have been the key drivers of acute food insecurity in Yemen, several external shocks have emerged which are worsening food security outcomes.** While drivers of food insecurity identified under the FSRRP remained the same, the economic impacts of the war in Ukraine are compounding the already severe and lingering food insecurity impacts of the COVID-19 pandemic. The main impacts include: (i) sudden and significant increases in global food and fuel prices starting in March 2022; (ii) steep reductions in food imports, especially imports of wheat (a major staple food for the country); and (iii) recent and substantial financing gaps with regards to humanitarian assistance, driven by increasing humanitarian priorities in

⁵ Global Network Against Food Crises. April 5, 2022. 2022 Global Report on Food Crises.
http://www.fightfoodcrises.net/fileadmin/user_upload/fightfoodcrises/doc/resources/GRFC_2022_FINAL_REPORT.pdf.



other countries. Those impacts have been further exacerbated by more frequent climate hazards (e.g., floods, droughts) and have further affected food affordability and availability.

15. **Domestic food prices have increased significantly, affecting food affordability, and driven, *inter alia*, by the consequences of the war in Ukraine.** According to the latest WFP Monthly Food Security Update (September 2022), the price of the minimum food basket increased by 65 percent and 31 percent between August 2021 and August 2022 in the South and North, respectively. Food price spikes are especially devastating for the poor in the short-term, as they spend a larger share of their incomes on food staples. Coupled with reduced income-earning opportunities including for Yemeni civil servants who live without salaries for months, and the continued depreciation of Yemen's local currency against foreign currency, food price increases are negatively affecting household purchasing power, resulting in more households needing to employ extreme coping mechanisms which have long-lasting consequences. The coping mechanisms of households experiencing crisis or worse (IPC3+) include the depletion of livelihood assets to meet basic food needs. Moreover, the ability of households to rebuild lost livelihood assets takes significant time and resources, which extend beyond core humanitarian assistance. The steady loss of livelihood assets is already reflected in a continuing increase in the number of people experiencing acute food insecurity in Yemen over the last few months. This creates a vicious cycle of heightened vulnerability.
16. **Food availability, another serious concern, has been declining for key staple foods.** Nearly all wheat consumed in Yemen is imported, as domestic production represents only 3-4 percent of total consumption. Imports from Ukraine and the Russian Federation, furthermore, constitute almost half of all wheat imports. In the 2020/2021 marketing season, total wheat imports amounted to around 4 million metric tons, including 1 million metric tons from the Russian Federation (25.7 percent), and nearly 0.8 million metric tons from Ukraine (19.6 percent), altogether accounting for around 45 percent of all wheat imported by Yemen. Total wheat imports in the new 2021/2022 marketing season are estimated to be 0.5 million metric tons less than in 2020/2021. The reduced supply of wheat and other imported staple foods is expected to result in food shortages. In the event of a protracted war in Ukraine, these impacts on Yemen will likely be exacerbated.
17. **In addition, Yemen is highly exposed to climate risks, which exacerbate chronic food insecurity and bring additional acute shocks.** In July 2022, heavy rains brought flash floods in Mareb, Sana'a, Al-Mahra, Hadramawt, Amran, Amanat Al-Asemah, Hajjah, Al-Hodeidah, Shabwa, Abyan, and Al-Jawf governorates, causing deaths and large-scale damage to homes, infrastructure, and crops. Water shortages, combined with unpredictable heavy rainfall have damaged already deficient critical infrastructure contributing to increased vulnerabilities for rural population. Specifically, unpredictable floods destroyed agricultural lands and damaged rural roads, as well as washed away already planted crops. Climate change-induced erratic and changing weather patterns, aggravated with periodic locust infestations, are damaging crops and preventing rural residents and farmers from recovering their losses. Old farming techniques and agricultural practices are no longer sufficient for ensuring crop resilience to the effects of climate change, hence affecting food and income security for rural populations. Most vulnerable populations, namely internally displaced people, have been disproportionately affected.
18. **The impact of climate change on food security in Yemen complicates current and conflict-induced challenges.** Through long-term temperature rise, climate change impacts agriculture and food production. The mean annual temperature is expected to increase by 1.2-3.3 °C by 2060 and by 1.6-5.1 °C by the end of this century. Models predict a strong increase in the duration of heat waves, as well as a strong reduction in the duration of cold spells.⁶

⁶ Source: Climate Service Center Germany (2015). Climate-factsheet. Yemen, updated version 2015



Rainfall is decreasing at an average of 0.3mm per annum, and extreme patterns, including more droughts, and more floods, are expected in the future. Combined with impacts in other sectors (such as energy, water, and sanitation) the overall vulnerability of the country to climate risks increases. Moreover, the decreasing water availability and declining agricultural productivity due to long-term climate change impacts are exacerbated by annual shocks through natural disasters, such as floods, which bring immediate losses. Finally, because of the relatively large share of the agriculture sector in the economy, Yemen's agriculture emissions represent around 30.2 percent of all greenhouse gas (GHG) emissions.

19. **While Yemen's pressing needs require short-term immediate interventions, these needs also reflect longer-term developmental issues which must be addressed now to bolster resilience and break the vicious cycle of heightened vulnerabilities.** It is essential to build medium- to long-term resilience, and this is recognized by the World Bank's GCRF.⁷ Maintaining a focus on longer-term priorities is critical to avoid setbacks on development objectives and to achieve the World Bank's Twin Goals of eliminating extreme poverty and promoting shared prosperity in Yemen.
20. **The AF is part of the GCRF and supports two of its pillars.** Under GCRF Pillar 1 (Responding to Food Insecurity), the AF supports sustainable food and nutrition security, through strengthening food systems to make them more resilient to rising risks (conflict, climate, and diseases), balancing short-term needs with long-term investments. The AF also prioritizes medium- to long-term solutions by building resilient productive capacity, enhancing market access and commercialization, and improving institutional capacity for service delivery. In alignment with the GCRF Pillar 3 (Strengthening Resilience), the AF supports climate-smart and resilient physical community-based small-scale infrastructure.
21. **To help sustain domestic food production, it is essential to restore basic support services to agricultural producers.** The weak provision of public services during the period of the war, as well as in the decades preceding the war, combined with periodic climate-induced hazards in recent years (heatwaves, floods), has resulted in a severe reduction of crop yields and livestock productivity. The agri-food sector now suffers from critically low access to agricultural inputs and services and lacks the skills necessary to restore domestic food production. For example, good quality foundation cereal seeds are estimated to be sufficient to only cover 2,000 to 3,000 hectares of production, very little compared to domestic needs (current domestic production of various cereals (millet, sorghum, and wheat) is estimated to reach at least 75,000 to 80,000 hectares). In addition, due to the lack of animal health services, livestock productivity and health has deteriorated significantly, reducing households' access to high-quality domestic protein supply and increasing vulnerability to climate change.
22. **While domestic food production is a fraction of total consumption, investing in staple crops and livestock production is critically important for rural livelihoods and overall food security.** Agricultural production in Yemen deteriorated for many years even before the war due to the underfunding of the sector, the lack of adequate support policies as well as weak national institutions that were not able to deliver public services and promote private investments. Investments in improved seeds, animal health, and other public goods would help restore and protect the livelihoods of smallholder farm households, who produce cereals and livestock for their own consumption and for commercial sale. Promoting such smallholder farm household-level food production is essential for household- and national-level food security and resilience.

⁷ World Bank. 2022. Navigating Multiple Crises, Staying the Course on Long-term Development: The World Bank Group's Response to the Crises Affecting Developing Countries. Washington, DC. World Bank.
<https://openknowledge.worldbank.org/handle/10986/37826> License: CC BY 3.0 IGO.



23. **The proposed AF will scale-up several activities of the FSRRP to increase the focus on resilience to food crises.** Its design aligns closely with the pillars of the World Bank's roadmap for supporting countries navigating crises, providing crisis response support while making progress toward longer-term development objectives. In particular, the AF seeks to: (i) increasingly emphasize the climate-resilient restoration of productive assets to protect livelihoods, focusing on restoration and recovery of agricultural production; (ii) scale-up household-level food production as well as domestic food distribution using a combination of short- and medium-term interventions, and, where possible, targeting areas with chronic incidence of food insecurity and malnutrition as a priority. To mitigate the ongoing impacts of the war in Ukraine in terms of reduced imports of cereals, the AF will scale-up domestic cereal production through support to domestic multiplication and smallholder farm household-level production of high-quality and climate-resilient cereal seeds (such as wheat, millet, and sorghum). The AF will also scale-up animal health programs to reduce livestock mortality, improve productivity and increase resilience to climatic shocks such as heat waves, by covering nearly all small-ruminant livestock with vaccination and treatment programs. Such livelihood restoration interventions address food safety and security as well as resilience to climate change.
24. **The AF will scale-up investments in community-based climate-resilient infrastructure, increasingly emphasizing water infrastructure.** Water scarcity is a major constraint for agricultural production, exacerbated by climate change. In addition, floods which have become more frequent due to climate change, destroy crops and significantly affect livelihoods. Therefore, the AF will increase the project's emphasis on climate-resilient small-scale community water infrastructure to protect agricultural lands from floods, and collect and store water for irrigation and livestock use. Similar to the FSRRP, such water infrastructure investments under Component 1 will be closely coordinated and sequenced with agricultural production-focused investments under Component 2.
25. **The design of the proposed AF is consistent with the World Bank's Country Engagement Note (CEN) FY22-23 (Report No: 169022-YE) discussed by the Board by the Executive Directors on April 14, 2022 and the World Bank Group Strategy for FCV.⁸** It is linked to the second area of the CEN "promote food security, resilience, and livelihood opportunities through a 'continuum of support'". The proposed AF adopts the new 'Continuum of Support' approach highlighted in the CEN that aims at integrating short- and medium-term programs in Yemen's food security response. The FSRRP and AF are consistent with the World Bank's strategy to remain engaged during conflict and crisis situations to preserve hard-won development gains, protect essential institutions, build resilience and capacity, and be ready for future recovery.
26. **The AF also includes a targeting and geographic bundling approach that will identify specific areas for project interventions.** The targeting approach is designed as a funneling selection process, where at each stage of the selection (governorates, districts, sub-districts and communities), additional criteria will be introduced by the technical team (Project Coordination Committee in consultation with the local partners), to specify geolocations (see Annex 2). The approach uses a unified targeting mechanism for the geographic locations where the food security-related interventions (including Social Protection, Community Driven Development, and Nutrition programs) would be implemented, through the selection of the most food insecure geographic locations with agricultural production potential. The continuum of integrated activities spans from addressing acute food security

⁸ World Bank. 2020. Strategy for Fragility, Conflict, and Violence 2020-2025.

<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/844591582815510521/world-bank-group-strategy-for-fragility-conflict-and-violence-2020-2025>.



needs to livelihood interventions to help sustain food security gains. Ultimately, the objective is that the integrated activities across various World Bank-financed projects, and eventually those of other development partners, achieve better food security outcomes than the sum of only loosely coordinated programs.

- 27. The AF is aligned with the World Bank's core principles for building stronger food systems in FCV settings.⁹** Improving food security is critical for poverty reduction, especially in FCV-affected contexts such as Yemen, as food poverty accounts for most of the overall poverty. Investing in preventing future food crises helps keep attention from being diverted away from much-needed longer-term investments. Best practices for remaining engaged in conflict and crisis situations include protecting essential institutions, scaling up food distribution services, restoring productive assets, and investing in next-season food production to break the cycle of worsening food insecurity and the intergenerational transmission of poverty. The AF focuses on entry points for building stronger food systems in Yemen, including by: (a) strengthening governance and institutional capacity by supporting domestic seed and animal health institutions and agricultural services; (b) preventing and responding to food crisis conditions by scaling up livestock vaccination programs, seed multiplication, and distribution activities, and improving small-scale irrigation schemes; and (c) creating jobs through agri-business development by supporting domestic micro- and small agri-food businesses.
- 28. The AF incorporates lessons learned from global experience as well as practical evidence from the GAFSP-funded Smallholder Agricultural Production Restoration and Enhancement Project (SAPREP, 162659).** The recently completed Implementation Completion and Results Report (ICR) of SAPREP points to successful agriculture production interventions in livestock (including vaccination); seeds; dairy; horticulture and apiculture, which can be scaled up through the AF to reach a larger number of households than currently targeted under the FSRRP. Further details are given in the Technical Appraisal section IV.B.
- 29. The AF is aligned with the UN Office for the Coordination of Humanitarian Affairs' Humanitarian Response Plan for Yemen (YHRP).** The 2022 YHRP sets out three strategic objectives: to reduce morbidity and mortality; improve living standards and resilience; and prevent, mitigate and respond to risks faced by crisis-affected people. In 2022, an estimated US\$ 4.27 billion is required to assist 17.3 million people, particularly vulnerable groups and displaced populations. The YHRP stresses the importance of building resilience, enabling families to buy or produce their own food, investing in key infrastructure, and helping preserve local institutions in the longer term. It also recognizes that the development of local partnerships helps sustain resilience.
- 30. The AF was prepared under the emergency condensed procedure, triggering paragraph 12 of Section III of the IPF Policy.** The AF fulfills the criteria of urgent need of assistance and capacity constraints, in particular: (a) the urgent need to address the deteriorating food security situation generated by the conflict and the resulting insecurity, as well as by external and acute factors, such as the food price increase induced by the COVID-19 pandemic and by the war in Ukraine, and reduced humanitarian assistance, and (b) climate-induced natural disasters, including the recent floods and drought, that have affected domestic food production.

⁹ World Bank. 2021. Future of Food - Building Stronger Food Systems in FCV Settings.
<https://openknowledge.worldbank.org/handle/10986/36497>.



II. DESCRIPTION OF ADDITIONAL FINANCING

31. **PDO and Results.** The Project Development Objective (PDO) would remain unchanged. The PDO level indicator – “Percentage of women in households with minimum dietary diversity” and “Percentage of children consuming minimum acceptable diet” would be removed, as the experience of the FSRRP indicates that these indicators are difficult to attribute to the project’s activities.
32. **Intermediate Results indicators.** Given that the AF is emphasizing community infrastructure improvement, through community contracting mechanisms in addition to cash-for-works (as detailed below), the intermediate indicator that measures short-term labor generation was rephrased to “Persons benefiting from community-based infrastructure improvements”. Additional changes in the intermediate results indicators relate to consolidating all indicators that measure benefits at the smallholder farm household level and at the enterprise level. Those consolidated indicators will provide an overall picture of the number of beneficiaries supported through project interventions, the mix of which is demand-driven with targets that cannot be fully predetermined. At the farm level, the new indicator is “Smallholder farm households receiving productivity enhancement support (Number)”, and it will consolidate all data across project interventions that focus on smallholder farm households. At the enterprise level, a similar adjustment was made with a new consolidated indicator, “Small-medium and micro-enterprises and groups receiving innovation and business development support”. Lastly, the following indicator was removed as it was found to be difficult to measure and attribute to project interventions: “Percentage of target population that participates in an adequate number of distributions (adherence)”.
33. The modifications proposed for the results indicators would not affect the integrity of the Theory of Change.
34. **Beneficiaries.** The AF will add around 107,500 beneficiaries who would participate in various project activities and around 735,000 beneficiaries who would benefit from livestock vaccination campaigns. In total, it is expected that the direct beneficiaries of the AF will be around 842,500. Therefore, together with the FSRRP, the total number of beneficiaries is expected to be around 1,842,500.
35. **The proposed changes to components and activities are summarized below, including new activities as well as activities that will be scaled up.** The detailed updated costs are presented in Annex 1.
36. **Component 1: Improving agricultural production infrastructure and building climate resilience (US\$38 million).** To improve smallholder farm households’ resilience to food insecurity and climate shocks, and to improve household-level food production, the AF will scale up the FSRRP’s activities that focus on improving climate-resilient agricultural production infrastructure, with increasing emphasis on water infrastructure. Component activities will be grouped in four categories: (a) agricultural land improvement and protection including terracing and flood control; (b) small-scale irrigation improvement including on-farm spate irrigation; (c) water harvesting; and (d) rural road improvement. The component focuses on improving existing infrastructure. These infrastructure investments will target farmers currently growing staple crops (wheat, sorghum, and millet) and crops such as sesame that will be supported under Component 2. The component will finance community-based civil works through Cash-for-Work (CFW) and Community Contracting modalities. Increasingly, the Component will employ a Community Contracting approach through locally sourced contractors for more complex works that require a higher level of skilled labor and machinery inputs. The implementation mechanisms for both CFW and Community



Contracting will be detailed in the Community Infrastructure Works Manual, which will be part of the Project Operational Manual (POM).¹⁰

37. Agricultural land improvement and protection including terracing and flood control,¹¹ is intended to provide both climate change adaptation and mitigation benefits. The expected benefits include: preventing soil erosion; enhancing soil carbon capture and retention; and improving productivity of pastures and farmlands through agricultural land improvements and protection including terracing, the prevention of erosion, and flood control. The community-based small-scale infrastructure works will be accompanied with climate-smart agricultural practices and mitigation techniques through Component 2.1 crop production activities, including: cover crops, crop rotation, higher inputs of organic matter to soil, and the processing and application of manure.¹²
38. All small-scale community-based infrastructure activities will be designed to ensure that participating communities and smallholder farm households can adapt to climate change. These land and water infrastructure improvements will be implemented using climate-resilient designs and will be coordinated with the production activities supported under Components 2 and 3 to enable participating smallholder farm households to mitigate climate risks. Infrastructure improvements are expected to contribute to the restoration of community assets to enable climate-resilient agricultural production and to mitigate the impacts of climate-induced shocks, such as floods and heat waves, on selected communities. Combined with interventions under Component 2, small-scale community-based infrastructure activities also contribute to GHG emission reduction (see Section IV.A).
39. In addition to restoring agricultural infrastructure, the component will create short-term employment opportunities for beneficiary communities. It is estimated that 50,000 additional workers would be engaged in the component's activities and almost 31,800 smallholder farm households are expected to benefit directly from the improved climate-resilient infrastructure.
40. As under the FSRRP, UNDP will be the recipient of financing under the grant, while the component will be implemented by two experienced local partners, the Social Fund for Development (SFD) and the Public Works Project (PWP).
41. **Component 2: Increasing domestic food production and market development (US\$51 million).** The component aims to restore agricultural production (including staple crops, livestock, and beekeeping) through improvements in the delivery of public goods and services and through the facilitation of commercial rural activities and improved links to markets. The AF will scale up the number of beneficiaries of Component 2 in the existing target districts. In addition, there will be improved targeting of activities to facilitate bundling between Component 2 activities with the rehabilitation of community assets, in particular land and water infrastructure improvements foreseen in Component 1, thus allowing the smallholder farm households to benefit from complementary activities which may further enhance their productive capacities and increase their resilience to crises and climate shocks. The crop production activities will be timed to follow infrastructure improvements under Component 1 as necessary, with scheduling determined by the Project Coordination Committee including both UNDP and FAO. The

¹⁰ A separate section of the POM on Community Infrastructure Works will be developed by SFD and PWP and adopted by UNDP.

¹¹ See Annex 1 for detailed costs of activities.

¹² McDonald, S.E., Reid, N., Waters, C.M., Smith, R., Hunter, J., 2018. Improving ground cover and landscape function in a semi-arid rangeland through alternative grazing management. Agric. Ecosyst. Environ. 268, 8–14. <https://doi.org/10.1016/j.agee.2018.08.021>.



component will finance goods, works, training and technical assistance, matching grants, and operational costs for the implementation of component activities. The component has two sub-components:

42. **Sub-component 2.1: Restoring climate-smart agricultural production (US\$26.5 million).** The sub-component complements and, based on the experience from Yemen Smallholder Agricultural Production Restoration and Enhancement Project (SAPREP), scales-up those activities under the FSRRP that have demonstrated high impacts on service delivery for climate-resilient agricultural production. To restore climate-resilient agricultural production, the AF will focus on the delivery of public goods and services for: (a) staple crop production, (b) animal health, and (c) apiculture. All activities will be supplemented with farmer training programs. The sub-component is expected to directly benefit about 9,000 smallholder farm households and an additional 735,000 livestock owners through animal vaccination programs.
43. In addition to temperature and precipitation changes, as a result of climate change, it is expected that the frequency of extreme weather events, such as droughts and floods would increase, contributing to crop and livestock losses. Frequent droughts and flash floods have already affected crop production, livelihoods, and income generation for a large percentage of the population. Many households also face the threat of crop failure because of pests and diseases, sandstorms, and land degradation – all of which further threaten their food and nutrition security. Being able to reduce losses through the introduction of climate-resilient crops and climate-smart practices, will become important for the livelihoods of smallholder farm households, as extremes become more frequent. Studies find that climate-induced changes in temperature and humidity may also increase the incidence of livestock disease pathogens, such as Peste des petits ruminants (PPR) or Sheep and Goat Pox (SGP). In addition, changes in the environment resulting from reduced availability of water or feed (reduced productivity of grassland and pastures), may result in mass migration of wildlife, bringing them closer to livestock, hence enhancing the interaction between livestock and wildlife and increasing the frequency of transmission of diseases.¹³ Therefore developing and establishing a system for vaccinating farm animals prepares farmers in advance for potential risks and helps avoid losses and prevent epidemics among livestock. Reduced availability of water is also threatening areas previously engaged in agricultural activities with increased desertification. In these areas, smallholder farm households that have been engaged in beekeeping may also be unable to sustain their livelihoods.¹⁴
44. Therefore, to address the identified climate risks, and based on the lessons learned from the FSRRP, changes to activities and implementation arrangements will include the following:
 - (a) **Staple crop production (scale-up and modification)** activities will primarily focus on increasing the availability of good quality climate-resilient seeds of major staple food crops in the context of shortages and increasing prices of essential inputs. As a new approach under the AF, this activity will increase the production of local, climate-resilient improved seeds through support to seed producer groups and enable the creation of community seed banks (CSBs) and enterprises for the production, processing, and commercialization of improved seeds at the village level. This design adjustment would allow the AF to facilitate a gradual shift from seed distribution under the FSRRP to the establishment of a more sustainable community-based seed system. Initially, the AF will support 200 seed groups (4,000 farmers) through the provision of improved and climate-resilient

¹³ Lacetera, Nicola. "Impact of climate change on animal health and welfare." *Animal Frontiers* 9.1 (2019): 26-31.

¹⁴ See for example: <https://www.redcross.org/about-us/news-and-events/news/2022/climate-change-and-conflict-impacting-beekeeping-in-yemen.html>



varieties of foundation seed, producer production and processing tools and equipment such as threshers and cleaners, seed storage facilities¹⁵, and technical training and support. The best-performing seed producer groups will then receive additional financial and technical support to develop their capacity as enterprises. To boost climate-resilient staple crop production, where feasible, the AF will target improved and climate-resilient crop seed packages primarily comprising wheat, sorghum, and millet. Furthermore, to develop a sustainable, demand-driven formal seed sector, a Seed Security Assessment (SSA) will be conducted at the onset of the implementation of the AF (see Component 4). All activities supporting staple crop production will be implemented by FAO.

- (b) **Animal health (scale-up):** The AF will scale up the livestock vaccination and treatment program, focused on small ruminants. Climate-induced risks, such as lack of fodder and water, and the increasing prevalence of various livestock diseases exacerbate vulnerabilities of smallholder farm households who are engaged in livestock production.¹⁶ This activity will focus on animal health, while Component 3 will address fodder availability for the most vulnerable. The animal health program will be implemented based on a National Animal Health Strategy that will be developed under Component 4 and will guide medium- to long-term control of livestock diseases that *inter alia*, have become prevalent due to climate change. The national herd of 20 to 22 million heads of small ruminants will be vaccinated against the transboundary Peste des Petits Ruminants (PPR) and sheep and goat pox, highly infectious animal diseases that affect most small ruminants in Yemen, decreasing the viability of the livestock sector, which is one of the remaining lifelines and income sources for the rural population. Small ruminants will also be treated for parasites. Cattle will be vaccinated against Lumpy Skin Disease on an ad hoc basis as requested by the Ministry of Agriculture, Irrigation and Fisheries (MAIF). In total, it is expected that 735,000 livestock keepers (smallholder farm households) will benefit from this program. The focus on animal health is expected to improve household resilience, reduce livestock mortality and improve livestock productivity. In the medium-term, improved animal health would also result in strengthened climate resilience, protecting vulnerable households who rely on livestock production. The AF will establish and train local animal disease control units (Rapid Response Teams) and equip them with the required equipment, cold chain capacity (up to 12 cold chain facilities), vaccines, and consumables to enable timely response to disease outbreaks. The project will also support local extension services and indirectly benefit 100 existing and 150 new community animal health workers (CAHWs) during the vaccination campaigns (see Component 4). This activity will be implemented by ICRC.
- (c) **Apiculture (scale-up):**¹⁷ The AF will provide beekeeping kits for an additional 5,000 beekeepers and will provide training on efficient and market-oriented high quality honey production. The upgraded

¹⁵ FAO will discuss with GSAC, AREA and MAIF options for appropriate seed storage at the producers group level, including cool chambers powered with renewable energy sources.

¹⁶ Magiri, R., Muzandu, K., Gitau, G., Choongo, K., Iji, P. (2021). Impact of Climate Change on Animal Health, Emerging and Re-emerging Diseases in Africa. In: Oguge, N., Ayal, D., Adeleke, L., da Silva, I. (eds) African Handbook of Climate Change Adaptation. Springer, Cham. https://doi.org/10.1007/978-3-030-45106-6_19

¹⁷ SAPREP demonstrated the potential of beekeeping and honey production as a livelihood intervention, providing an average incremental net benefit of about US\$1,700 per year per household.



beehives introduced by ICRC through its previous interventions¹⁸, have proven to increase the productivity and health of bee colonies. This means overall improved climate-resilience for beekeepers, notwithstanding climate-induced shocks, such as frequent temperature variations and droughts. Based on the successful implementation in its previous interventions, ICRC will scale-up this activity nationwide.

45. Sub-component 2.2: Restoring food supply chains and value addition (US\$24.5 million). The sub-component will facilitate commercial rural activities and improved market linkages by supporting selected Micro, Small and Medium Enterprises (MSMEs) and formal or informal groups involved in agricultural input and service provision, food production, processing, storage, and distribution. Eligible value chain participants will be provided with matching grants (in kind and/or in cash, depending on windows and activities) to support business ideas. Eligible value chain participants will include farmers, agricultural producers, logistics providers, input providers, processors and traders, including, *inter alia*, micro- small and medium livestock producers, sesame producers, other producer groups, associations, and cooperatives. The Asset Transfer Manual developed under the FSRRP will be updated as Matching Grants Manual to emphasize the modified focus on matching grants, still maintaining the aspects of asset transfer, depending on windows and activities. The Matching Grants Manual, which is a part of the Project Operational Manual (POM), will lay out the updated grant methodology and mechanisms, including eligibility criteria, application and selection procedures, cost-sharing requirements, reporting requirements, and experience-sharing responsibilities of the grant recipients. The size of the monetary equivalent of the matching grant allocations will depend on the type of the activity to be supported, as well as whether the beneficiaries will apply as a group or as individuals. The activities to be supported will be grouped in four windows (a) to (d) as described below. Market and producer capacity assessments will be carried out during the process, with supporting studies commissioned, if necessary, during implementation (under Component 4). FAO will be the recipient of financing of the IDA grant, while the activities will be implemented by FAO, SMEPS, SFD, and/or other contractors selected based on terms and conditions acceptable to the World Bank. The adjustments introduced under the AF are summarized below.

(a) **Support to micro, small and medium livestock producers (new activity):** The AF will support smallholder farm households who are engaged in small ruminant and cattle farming. Female-headed households in the target areas will be prioritized, however men will not be excluded. The activity would aim at increasing food production at household level, productivity, access to markets, and incomes. Beneficiaries would be selected based on needs assessments, and in consultation with elected community committees. Beneficiaries would be supported through a combination of technical support and matching grants.¹⁹ Technical support will involve training on personal hygiene and health, climate-smart animal husbandry practices, micro business training, basic financial literacy and group saving schemes, shopping procedures for assets, clean production of milk, and household level production of cheese and yoghurt. Such technical training will fully integrate the principles of adaptation to climate change for smallholder farm households, such as improved manure management, improved fodder production, and improved and more efficient grazing. Matching grants will help expand producers' asset base, including rehabilitation and building of animal shelters and barns. Such investments would help protect animals from extreme

¹⁸ See for example: <https://blogs.icrc.org/ir/en/2022/07/yemen-ancestral-honey-production-in-yemen-at-risk-due-to-impact-of-conflict-and-climate-change/>

¹⁹ Based on the technical design and terms and conditions acceptable to the World Bank as outlined in the Project Operational Manual.



weather events. Beneficiaries will be supported to establish dairy producer groups for commercialization on community and local markets.

- (b) **Support to supply chain enablers (new activity).** This activity will support up to 200 enterprises or groups that engage in commercial agri-food activities, including production, processing, retail, storage, transportation, service and input provision, and others. The agro-logistic assessment conducted under the FSRRP would contribute to the identification of eligible beneficiaries, who may include small-scale input suppliers, agri-business enterprises, veterinary health shops, rural food collectors, processors and distributors, traders, and intermediaries. The AF will emphasize business development, planning, and marketing capacities of these beneficiaries. The beneficiaries will be eligible to receive matching grants that will be provided based on the manual to be developed and adopted under the project, based on terms and conditions acceptable to the World Bank. Grants will be used to finance eligible expenditures, such as the purchase of productive/capital assets and services to expand business activities.
- (c) **Support to sesame value chain (new activity).** The AF will support about 7,000 sesame producers following a value chain study to identify the main actors, constraints, and opportunities in the sesame value chain. Sesame is a cash crop with considerable market potential and demand. Sesame is also very drought and insect resistant; it helps maintain the moisture retention of soils, hence helping improve overall climate resilience. The application of climate-smart practices (timely planting, more efficient soil preparation, etc.) can improve climate-resilience while further increasing sesame yield (currently estimated at 0.5 t/ha, with a potential to increase to 1.5 t/ha). Selected individuals and groups will be provided with packages that would include improved drought resistant seeds, tools, and equipment combined with training to enhance their technical, operational, and marketing capacities. Processing and market opportunities will also be identified.
- (d) **Support to producer groups, associations and cooperatives (new activity).** This activity will focus on strengthening the resilience of producer groups, associations, and cooperatives in the agri-food sector as potential engines for innovation, employment, and improved quality of products and services. Technical support will include business training, advisory services, institutional training on governance, training on marketing, and quality, product/ service enhancement. An estimated 120 groups, associations, and cooperatives will also be provided with matching grants to procure capital assets and equipment that will enable them to implement their approved business continuity plans. Groups/associations/cooperatives in the following sectors will be prioritized:²⁰ seedling production, horticulture production, and dairy production.

46. Component 3: Improving the nutritional status and incomes of vulnerable households (US\$27.0 million).

Component 3 will provide immediate support to vulnerable smallholder farm households through the provision of horticulture production kits and feed for livestock. The beneficiaries will include families with malnourished children, women-headed households, and displaced households in districts classified IPC 4 or above. This will be a scale-up of support under the FSRRP and it will be focused on alleviating the impacts of the food crisis in the short-term and reducing households' vulnerabilities in the medium-term by providing them with the inputs needed to kick-start or maintain household-level food production and safe storage. The AF will thereby

²⁰ The prioritization is based on the potential identified in the FSRRP, as well as on lessons learned from SAPREP.



complement direct nutrition assistance under the FSRRP and by other development partners. Where possible, complementarities will be sought with WFP's nutrition support programs, where beneficiaries will be eligible to receive individual support that would enhance the sustainability of nutritional support. FAO will be the recipient of financing of the IDA grant, and activities will be implemented by FAO in cooperation with relevant in-country local partners and Yemen-based institutions. In total, the component is expected to benefit 46,300 households. The component will finance goods, operating costs, and training and technical assistance for the following activities:

- (a) **Improved kitchen gardens (scale-up):** The AF would scale-up the provision of production kits to support household-level next season food production, as a way to mitigate the effects of multiple crises on the most vulnerable, alleviating any potential impacts of food shortages or climate-induced shocks on vulnerable households. The kits would include good quality seeds for products such as onions, tomatoes, hot peppers, okra and fava beans depending on agro-ecological zone, associated inputs, small plastic greenhouses, small-scale irrigation systems (pipes, water storage tanks, drip systems), and home cooking and safe food storage tools. The component will be coupled with a nutrition- and gender sensitive training program in good agricultural practices, home cooking, vegetable production and processing, and nutrition using farmer field school (FFS) and other adult learning participatory methodologies. At least 20,000 households will be supported with a primary focus on women-led vulnerable households, although men will not be excluded.
- (b) **Feed for livestock (scale-up):** The AF will scale-up the provision of essential feed to vulnerable smallholder farm households who have livestock. To address the short-term impacts of climate induced shocks, such as the lack of fodder due to drought or flooding, support will be provided to at least 20,000 smallholder farm households. This would ensure that the most vulnerable smallholder farm households, who rely on livestock as the main source of the livelihood, have enough fodder to maintain their livestock through the next season and avoid destocking. Priority will be given to women-led households.
- (c) **Innovative activities (scale-up):** The AF will scale-up innovative and modern agricultural production methods, by supporting at least 6,300 smallholder farm households with climate-smart vegetable production, including the provision of support to set-up greenhouses, drip irrigation and other inputs designed to increase yields, quality, and reduce water wastage. These climate-smart techniques are meant to make smallholder farm households less dependent on the fluctuations of natural precipitation through efficient water use in drought-prone areas. Hydroponic systems will also be introduced to promote farmers' adoption of environmentally sustainable, climate-smart and yield-enhancing technologies. The targeted beneficiaries will be supported with necessary inputs and equipment, which will be complemented with training.

47. **Component 4: Capacity building for food security management (US\$21.65 million).** The AF will scale-up existing and introduce new capacity-building efforts, particularly to strengthen national institutions relevant to the implementation of Components 2 and 3 focusing on agricultural extension, animal health, seed production and beekeeping. This component builds on the approach of SAPREP and the FSRRP that combines physical investments with capacity-building. The AF will finance technical assistance, training, small equipment and repairs for priority institutions responsible for the implementation of project activities and critical for public service delivery. No



salaries will be financed. The priority institutions were identified with the participation of the local partners and with additional inputs from the institutional assessment carried out by the World Bank²¹. An institutional capacity needs assessment (ICA) will be conducted in the North and South at the onset of the AF to identify the specific needs of each of the participating institutions and to inform capacity building under the project. The ICA will lay the groundwork for future support and help understand the constraints and opportunities for agriculture sector development in the context of climate change. The ICA is not intended to change the priority institutions already identified. FAO and ICRC will be the recipients of the IDA grant and will be responsible for implementation of component activities as described below. This component will finance training, consulting and non-consulting services, goods, and civil works. Depending on the findings of the ICA, the component would include:

- (a) **Strengthening agricultural extension services (scale-up).** To enhance the provision of training and advisory services for smallholder farm households, the AF will continue to support a decentralized participatory approach²² following the farmer field school (FFS) model focusing on climate-smart practices to be used under Components 2 and 3 (crops, livestock, and horticulture). The project will work with the extension department of MAIF and Agricultural Research and Extension Agency (AREA) to scale up FFSs, enable the use of information communication technology in extension outreach, and strengthen the links between AREA, the extension department, and producers. Selected staff of MAIF and AREA will also receive the necessary training of trainers to enable them to promote the FFS approach in their districts. This activity will be implemented by FAO.
- (b) **Supporting animal health institutions (new activity).** The AF will support relevant animal health institutions, including units of the MAIF General Animal Health and Veterinary Quarantine Services (GAHVQS) and the Central Veterinary Laboratories in Sana'a and Aden. Support may include: (i) training of national and governorate level Veterinary Divisions on emerging issues in animal health and production; (ii) strengthening the capabilities for surveillance and control of transboundary animal diseases through the development of disease surveillance protocols and outbreak contingency plans; (iii) enhancing diagnostic capacities in the four national reference laboratories; (iv) rehabilitation and upgrading of 10 government clinics at the central and governorate levels; (v) rehabilitation of three veterinary vocational training centers (two in the North and one in the South) to be used to develop the skills and knowledge of the CAHVs and veterinary officers; and (vi) capacity building for the veterinary faculties in selected universities. This activity will be implemented by FAO.
- (c) **Supporting relevant seed and plant health institutions (new activity).** The AF will support the General Seed Multiplication Corporation (GSMC), Seed Quality Control Unit, and AREA. Through the Seed Sector Assessment (under activity 4(f) described below) the AF will facilitate a seed sector focused institutional mapping and needs assessment, and tailor the capacity-building activities of national institutions (GSMC, AREA, and MAIF) to the production of climate-resilient quality seeds. The Seed Sector Assessments will also incorporate climate change risks (such as

²¹ Assessment of National institutions and Private Sector to Support Restoration of Agriculture and Fisheries Sector, World Bank 2020-21

²² Participatory approaches put responsibility in the hands of farmers to determine agricultural extension programs, can make services more responsive to local conditions, more accountable, more effective, and more sustainable.



frequent droughts) and considerations relevant for scaling up high-quality seed production and distribution. Through this activity, the AF will provide equipment for the seed production centers, rehabilitate the seed quality control lab at AREA, and improve the quality control department of MAIF. This activity will be implemented by FAO.

- (d) **Strengthening apiculture institutions (new activity)** The AF will finance the rehabilitation of six MAIF apiary training units and provide support to eight bee-keeping associations (covering around 5,000 beekeepers). Inputs would include provision of equipment, other goods, and small civil works for the apiary training units if needed, and technical assistance and training. This activity will focus on and strengthen the relevant institutions that support beekeeping and home-production industry and will complement the activities under Sub-Component 2.1 that will support individual beekeepers. This activity be implemented by ICRC.
- (e) **Animal health and vaccination service delivery (scale-up).** The AF will support and institutionalize the CAHW program and livestock extension program including the selection of around 150 new CAHWS, and training and provision of veterinary kits and supplies for both the 150 new and 100 existing CAHWS. The AF will help ensure long-term institutional support and sustainability of the CAHWS, as a primary strategy for the expansion of livestock extension services, by developing stronger and sustained links between the CAHWS and veterinarians from MAIF. The project will finance regular technical support to CAHWS by GAHVQS veterinarians, expand the geographic coverage of livestock extension services, and institutionalize livestock extension services. To carry out the expanded vaccination program under sub-component 2.2, the AF will provide training, vaccination kits, and logistical support including transport costs for approximately 350 veterinary officers each year. This activity will be implemented by ICRC.
- (f) **Institutional capacity needs assessment (ICA):** In addition to the ICA (new activity), other supporting studies to be carried out under the AF will include: i) a Seed Security Assessment (SSA) described above, based on FAO methodology for areas in conflict, which would include an assessment of smallholder farm households' demand relative to the availability of quality seed; and ii) an Animal Health and Livestock Development Strategy which would include a needs assessment based on surveys of smallholder farm households. Additional value chain studies to analyze markets and assess capacity may also be included during implementation. These studies will identify constraints and solutions in support of the proposed activities under the AF. This activity will be implemented by FAO.

48. **Component 5: Project Management (US\$12.35 million).** The AF will cover the additional costs associated with project management, including financial management (including audits), procurement, environmental and social (E&S) aspects, communication and stakeholder engagement, third-party monitoring, and monitoring and evaluation (M&E).
49. **Summary of Project Costs.** The proposed AF would amount to US\$ 150 million. Table 1 shows the FSRRP costs, the proposed AF costs, and the revised costs by component:



Table 1. Summary of Project costs by component: Additional Financing and FSRRP

Component	FSRRP (US\$ million)	Additional Financing (US\$ million)	Revised costs (US\$ million)
Component 1: Improving agricultural production infrastructure and building climate resilience	20	38	58
Component 2: Increasing domestic food production and market development	35	51	86
--Sub-component 2.1: Restoring climate-smart agricultural production	15	26.5	41.5
--Sub-component 2.2: Restoring food supply chains and value addition	20	24.5	44.5
Component 3: Improving nutritional status and incomes of vulnerable households	49.3	27.0	76.3
Component 4: Capacity building for food security management	6	21.65	27.65
Component 5: Project Management	16.7	12.35	29.05
TOTAL	127	150.0	277.0

50. The summary of AF costs for each implementing entity is presented in Table 2 below.

Table 2. Summary of costs for each implementing entity

Implementing Entity	Activity costs (US\$ million)	Project management costs (US\$ million)	Total costs (US\$ million)
UNDP	38	2.2	40.2
FAO	75.1	4.3	79.4
ICRC	24.55	5.85	30.4
Total	137.65	12.35	150

51. **Implementation arrangements.** The implementation arrangements will be in line with the FSRRP, although there will be greater emphasis on support activities by the local partners (SFD, PWP, and SMEPS). The recipients of the IDA grant under the AF will be two of the implementing entities under the FSRRP, namely UNDP and FAO, plus a new implementing entity with an active program in Yemen, the International Committee of the Red Cross Yemen (ICRC). For the implementation of activities, FAO and UNDP will sign relevant partnership agreements with local partners: SFD, PWP, and SMEPS, and other national contractors, based on terms and conditions acceptable to the World Bank. For this AF, FAO, and UNDP are expected to continue using the current third-party monitoring agents (TPMA) under the FSRRP. ICRC will hire a TPMA with terms of reference (TORs) acceptable to the World Bank.

52. The World Bank will prior review key stages of the selection of a TPMA. Overall, given the limited number of TPM service providers, and high demand for TPM services in Yemen, the quality of TPMA reports has been variable so far. The TORs and implementation arrangements for TPMA will be revised, to ensure effective sample-based



verification and reporting of project activities. For each selection of a TPMA, the TORs, request for proposals or equivalent document, report on the evaluation of proposals, and the draft contract will be reviewed and approved by the World Bank prior to their finalization.

53. For Component 1, UNDP will be the recipient of the IDA grant, and activities will be implemented with the support of two local partners, the Social Fund for Development (SFD) and the Public Works Project (PWP). Both organizations have extensive experience with similar activities under several other operations and under the FSRRP. The civil works under Component 1 will be implemented with two implementation modalities: a) Cash for Work and b) Community Contracting. Both modalities have been used in the FSRRP. The Project Operational Manual will be updated to reflect the experiences of the FSRRP and the specific mechanisms required for the implementation of community infrastructure works.
54. For Component 2, FAO and ICRC will be the recipients of the IDA grant. All crop and fodder production activities, seed production and distribution, and dairy production activities will be implemented by FAO. Seed production activities will be carried out in collaboration with private producers with the involvement of government-based institutions including the GSNC for seed supply and seed grower contracting, the Quality Control Unit in MAIF for seed testing and certification, and the AREA for crop variety development. FAO will also liaise regularly with the MAIF on seed production, including with the National Seed Board under the ministry, which comprises both public and private sector members. FAO, in partnership with SFD and/or SMEPS, will help build the entrepreneurial capacities of the seed-producing groups to approach seed production as a business and in the mobilization, formation, and operations of CSBs.
55. Under Component 2.1, ICRC will implement the livestock vaccination program, as well as other animal health-related activities. ICRC would also implement the beekeeping program.
56. Under sub-component 2.2 and for other activities building entrepreneurship skills, FAO will partner with SMEPS, SFD, and/or contractors, for the provision of business development services to eligible MSMEs and formal and informal groups. FAO will sign a partnership agreement(s) with a selected national institution(s) (SMEPS, SFD, and/or contractors) with terms and conditions acceptable to the World Bank. The satisfactory partnership agreement will be a disbursement condition for sub-component 2.2 activities.
57. Under Component 3, FAO will be the recipient of the IDA grant and activities will be led by FAO in partnership with SFD, while other local partners may be contracted for specific innovative activities as needed.
58. The training activities for crop, livestock, and horticulture under Components 2 and 3 will be implemented by FAO, who will work with the General Directorate of Extension (Extension Department) of MAIF and the AREA for Training of Trainers. For the FFS program, trainers will generally be selected from local extension agents under the Extension Department.
59. For Component 4, FAO and ICRC will be the recipients of the IDA grant. FAO will have the primary responsibility for the implementation of the capacity-building of agricultural extension services (in partnership with the MAIF Extension Department and the AREA), strengthening animal health institutions (with the GAHVQS), training and support for CAHWs, strengthening of seed-related institutions (including the GSNC), and supporting studies including the SSA and the Animal Health Strategy as well as the ICA. ICRC will take over the CAHWs program for local veterinary work and will strengthen the linkages between the CAHWs and the GAHVQS and the Livestock



Direktorate in the MAIF. ICRC will implement the program to train and equip vaccinators in support of the vaccination program, and to support the relevant bee-keeping institutions in support of the apiculture activities.

60. Through those activities, the project will collaborate with and strengthen the capacity of existing in-country institutions as well as involve the private sector and community members to the extent possible. The involvement of local institutions will contribute to building capacity at the country-level for community-based interventions and for the provision of technical support. For activities that would be implemented by national institutions, FAO, UNDP, and ICRC will provide technical guidance and backstopping as required. Annex 1 summarizes the proposed implementation arrangements and costs for the AF.
61. **The AF emphasizes the role of the SFD, the PWP, and the SMEPS.** SFD is a key institution for poverty reduction and social and economic development in Yemen, with extensive experience working with local communities. PWP is focused on infrastructural development. Both SFD and PWP are key local partners to UNDP, including in the FSRRP. SMEPS is specialized in private sector development including value chain, small business, and entrepreneurship development. All three institutions have extensive experience covering more than 20 years and have worked on several previous Bank projects in Yemen and have local staff in the governorates. Accordingly, each institution is ideally placed to support the AF activities, and the AF would help preserve national capacity for community-based interventions following project implementation.
62. **Project Coordination.** The project coordination arrangements will be in line with those of the FSRRP. Through the project coordination committee (PCC), the implementing entities (FAO, UNDP, WFP, and ICRC) will meet regularly (monthly) to coordinate their activities, evaluate progress, address bottlenecks, and consolidate annual work plans. Each implementing entity will set up a Project Coordination Unit, as a case may be, that will be staffed with key personnel with qualifications, experiences, and terms of reference satisfactory to the World Bank. The implementing entities will prepare annual workplans and budgets (AWPB), which will be shared with the World Bank by November 1 of each year for review and approval, unless agreed otherwise with the World Bank. Each AWPB will cover a period of one year and could be revised from time to time to reflect any changes in project implementation. The modalities for the collection and reporting of indicators for the results framework and implementation progress will be agreed among the implementing organizations and partners with the support of the World Bank. A mechanism will also be established to brief on a regular basis the authorities at the local, governorate, and national levels on project results and implementation progress. ICRC will continue to make use of its current communication channels with authorities.
63. **Project Operational Manual (POM).** An updated POM covering all AF components including a section on Community Infrastructure Works Manual under Component 1 and a section on Matching Grants Manual under Component 2.2 will be prepared as a condition of effectiveness. The POM will be updated by all implementing entities through the coordination mechanism via PCC.
64. **Monitoring and Evaluation (M&E) Arrangements.** As under the FSRRP, the implementing entities (FAO, UNDP, and ICRC) will be responsible for coordinating M&E activities for their respective components and sub-components. Through the PCC, the implementing entities will agree with their local partners on the methodology and frequency of the collection and reporting of data on the PDO and intermediate indicators as given in the Results Framework). The results will be presented to the World Bank in semi-annual progress reports as well as the Mid-Term Review report and final evaluation reports. In addition to the data reported as part of the RF, each



implementing entity will collect additional data as needed in agreement with the World Bank. The updated POM will provide detailed reporting arrangements.

65. **Safeguards.** The AF will build on the FSRRP's environmental and social framework (ESF) instruments comprising the Environmental and Social Management Framework (ESMF), Pest Management Plan (PMP), Labor Management Plan (LMP), Resettlement Framework (RF), Stakeholder Engagement Plan (SEP) and Environmental and Social Commitment Plan (ESCP), which were cleared by the World Bank and disclosed during the period January-March 2022. The Security Management Plan (SMP) and Gender-based Violence (GBV) action plan have also been cleared by the World Bank. For the AF, the ESF instruments will be updated as required, including the ESCP and SEP as well as other required instruments such as the ESMF, PMP, and LMP.
66. **The financial management (FM) arrangements for the AF will build on the measures adopted under the FSRRP and the lessons learned from implementing these measures.** This primarily includes:
- (a) Adopting the foreign exchange (FOREX) strategy agreed with the World Bank which follows the market rate as per the Currency Traders Association. The consistent implementation of this measure allowed to overcome the issue of difference in the foreign exchange rates between North and South.
 - (b) The agreement with UN agencies to ensure that no advances are reported as actual expenditures in the interim financial reports (IFRs).
 - (c) Throughout the implementation of the FSRRP, several incidents of delays in submitting the quarterly IFRs by recipients were noted. The World Bank met with FAO to explain the IFR process including the reconciliation with the World Bank's records and the provision of realistic forecasts.
 - (d) Adopting the recent efforts to enhance TPMA reports by adding the monetary value of findings, when applicable, and a tracker to monitor previously reported findings.
 - (e) Recipients will share with the World Bank the financial review reports of Local partners (IPs) as per the Harmonized Approach to Cash Transfers (HACT)²³ approach. This will include initial assessments, spot-checks, and audits of IPs.
 - (f) Continuing to exercise controls over advances to ensure that cash does not stay dormant at IPs accounts.
67. A waiver to the application of the Anti-Corruption Guidelines for the respective grants from IDA is sought from the IDA Board of Executive Directors for third-party implementation, of the World Bank Directive for Investment Project Financing and Section 5.14 of the IDA General Conditions for Credits and Grants for Investment Project Financing, which would otherwise require application of the World Bank's Anti-Corruption Guidelines, in favor of relying on the fraud and corruption procedures of FAO and UNDP.
68. **Citizen Engagement.** The AF will update and mainstream citizen engagement in line with the Strategic Framework for Mainstreaming Citizen Engagement in WBG Operations. The AF will ensure that beneficiaries know the project development objective and understand how to utilize the available Grievance Mechanism (GM). In addition to its primary function of receiving complaints, the GM in the AF will operate as a feedback system and provide more channels for beneficiaries' queries and suggestions. Furthermore, the AF will ensure that the regular and planned project surveys will reach and consult the beneficiaries to the maximum. In particular, the AF will continue with

²³ Harmonized Approach to Cash Transfers - establishes common principles and process for managing cash transfers among UN agencies that have adopted the approach across all countries and operational contexts.



the following activities: (a) participatory planning through focus group discussions in the locations/sites of the planned community-based civil works for agriculture infrastructure improvements and participatory monitoring and beneficiary feedback; (b) participatory planning and focus group discussions on designing and constructing the Horticulture Collecting Centers and seedling production centers, including the view of (potential) members/farmers who will handle it in the future; and (c) conducting regular gatherings in relevant communities where participants can learn about ongoing project activities, ask questions and provide feedback.

69. **Gender.** The AF addresses the same gender gaps as the FSRRP, including lesser access to agricultural assets and higher food insecurity. Women working in agriculture face many constraints, such as limited access to land ownership, finance, markets, livelihood activities, and information, aside from legal and cultural restrictions on economic independence. Female-headed households are more at risk of food insecurity due to scarce work opportunities for them. The AF will continue to address these gender gaps in each component, providing employment and income generation opportunities for women through engaging in agricultural production, targeted marketing, and micro and small business development, and increasing the number of female extension agents. The AF specifically adds support to the organization on women's agro-processing groups and for women-led firms and smallholder farm households. These activities are also covered by the existing gender-gap measuring indicators in the Results Framework (on women's economic opportunities and businesses and increase in the number of female extension agents).
70. **Climate Change:** Activities supported by the AF, such as community infrastructure (with focus on land and water protection), climate-smart agriculture support activities, support to public services and delivery of public goods, capacity-building, training, and outreach; all contribute to mitigating and reducing risks related to climate change within the project's immediate and broader development context. The risk analysis under the FSRRP identified women as a group that is particularly vulnerable to the impacts of climate and geophysical hazards, but it also determined that the project contains components and activities that are expected to alleviate the risks to women from such hazards.
71. **Maximizing Finance for Development.** Though the proposed activities will be implemented in the context of a conflict and challenges associated with such operating environments, there could be some possible outcomes for maximizing finance for development. In particular, the AF includes a matching grant scheme to support commercial agriculture and food production activities and business development. Such a scheme can potentially attract private-sector financing to match the project's investments.
72. **Project closing date.** The Project closing date will be extended from June 30, 2025 to December 31, 2026.

III. KEY RISKS

73. **The overall risk is High.** The main risk to the implementation of the AF is conflict-related. This affects physical access to beneficiaries, which remains challenging in governorates near frontlines. It also translates into complicated procedures that implementing entities face to obtain security permits from different authorities in the North and South to deploy their teams in the field. The UN-brokered truce reached on April 2, 2022 was not extended after October 2, 2022. However, even before the truce, the implementing entities' ability to implement FSRRP activities was obstructed by the requirement to secure deconfliction clearances – a process in which implementing entities must notify the Evacuation and Humanitarian Operations Cell based in Riyadh of their operational movements. During the truce, these deconfliction requirements were not a major burden for FSRRP



implementation, as air and ground conflict have nearly stopped altogether. However, implementing entities still reported no material improvement in project implementation resulted from the truce, as internal checkpoints and movement restrictions continue to remain. Therefore, conflict-related risks continue to remain high.

74. Another security-related issue under the FSRRP concerns movement restrictions in Abyan province due to the kidnapping of UN staff prior to the start of FSRRP activities in February 2022. While no FSRRP staff has been affected, overall, implementing entities' movements within Abyan must be carefully managed.²⁴ Local partners (e.g., SFD and PWP) report overall fewer movement restrictions and issues compared to the implementing entities.
75. **Political and governance risk is High.** There is a high risk of political interference in project activities. Implementing entities do not have full access to all project sites, and therefore must rely on national institutions and local partners, as well as indirect monitoring. These circumstances create risks that funds may be diverted to benefit populations in areas linked to various political interests. In addition, the control of geographical areas by different political or armed factions could lead to interference and inadequate targeting of vulnerable people. The implementing entities need to clear project-specific documentation (including budgets, designs, program schedules, monitoring and evaluation arrangements, etc.) with different authorities in the country. The clearance process takes time and effort and often results in adjustments and politically motivated requests.
76. **The AF integrates several mitigation measures against identified conflict-related and political risks.** First, the increased role of local partners in the design and implementation of the project would ensure broad-based agreement with project interventions and fewer barriers imposed by various authorities. SFD, PWP, and SMEPS have the ability to access most of the districts in Yemen, and among the three institutions, have staff in almost all districts. Second, ICRC's national presence and access, as well as its logistics network allows scaling-up animal health and vaccination service delivery nationwide. Third, detailed design and costing of project interventions, including detailed description of project activities in the POM reduce the risks of interference and adjustments that could be politically motivated.
77. **The procurement risk is High due to the potential risks of delay in implementation** because of the security situation in Yemen and import restrictions for essential equipment and goods, global disruption of supply chain including those caused by the war in Ukraine, and global and local inflation. This is in addition to the limited competition and lack of service delivery in Yemen. The mitigation measures include improved planning and budgeting, and timely reporting of all procurement activities. The World Bank's close supervision and implementation support will be critical to help the implementing entities address any procurement-related risks. Other risks related to the activities implemented by ICRC include: a) the limited local market used by ICRC, and b) the high procurement thresholds for local procurements under ICRC. To mitigate those risks, the following was agreed with ICRC: a) ICRC to conduct regular market analysis to identify the potential suppliers/service providers; the Project Procurement Strategy for Development (PPSD) will highlight the recommended procurement approaches, lessons learned from the FSRRP, and what is fit for purpose under this project; and b) ICRC should propose the appropriate mitigation measures and add these measures to the PPSD. In addition, there is a risk that may evolve from engaging local partners such as undue political interference and insufficient fiduciary oversight at the local level. This risk will be mitigated by monitoring of activities through the TPMA and having comprehensive reports (to be detailed in the WB's agreements with FAO, UNDP, and ICRC) on progress with implementation of the procurement plan that should detail the activities to be implemented by UN Agencies/ICRC

²⁴ In Abyan five districts have FSRRP activities: Sibah, Sarar, Ahwar, Al Mahfad and Al Wade'a under the responsibility of UNDP, FAO, and WFP.



or by local partners. In addition, the World Bank will: a) review and approve the procurement plans and their updates; b) review the TORs of the third-party monitoring agent/s and summary of qualifications of the recommended candidate or entities for this position prior to finalizing and signing the contract; and c) review the reports of the TPMA/s and take actions as needed. Moreover, the limited consulting firms market including the unavailability of qualified firms to conduct the TPM duties is a risk foreseen under this project. The implementing entities should propose appropriate measures to mitigate this risk such as building the capacity of the existing firms working with them.

78. **The Financial Management risk is High before applying mitigating measures.** The implementation of the mitigation measures will be reviewed, and the risks will be reassessed as part of the continuous implementation support for the project. The successful implementation of mitigation measures can lower FM risk from High to Substantial.
79. **Environmental and social (E&S) risks are Substantial.** Overall, the direct benefits and positive externalities of project interventions are significant compared to the risks and impacts envisaged. Nonetheless, the challenging environment in which the project is implemented translates into Substantial residual risk. The environmental risks and impacts under this project are related mainly to occupational health and safety (OHS)-associated risks, pollution of ecological habitats, contamination of land and water used for agriculture (including livestock), and localized noise and waste generation. The social risks are mainly related to inequitable and non-transparent access to project services by the affected population and vulnerable groups, owing to factors such as elite capture and the ongoing conflict. These risks and associated risk mitigation measures are discussed in detail in Section IV.F.

IV. APPRAISAL SUMMARY

A. Economic and Financial (if applicable) Analysis

80. A set of typical models has been utilized to illustrate the financial results of investments under Component 1, 2 and 3. These models were updated from the FSRRP to consider the modifications of the Additional Financing. The analysis identified quantifiable benefits directly related to the increased productivity of smallholder farm households. The main assumptions are that the financial discount rate remains at 6 percent and the exchange rate at 540 YER/US\$ over the project period.²⁵ Additionally, the analysis identifies two relevant externalities: a) a reduction in malnutrition which leads to the reduction in health costs and increased earnings; and b) a reduction in greenhouse gas (GHG) emissions calculated using the EX-ACT tool (FAO) and valued following World Bank guidelines on carbon accounting and GHG shadow prices. Carbon accounting identified the mitigation potential of 557,060-ton CO₂ equivalent in the life of the project, which translates into annual mitigation potential of 27,853-ton CO₂ equivalent – around 30 percent compared with the baseline scenario. In line with the High-Level Commission on Carbon Prices, the economic analysis used a low and high estimate of the carbon price starting at US\$40 and 80, respectively, in 2020 and increasing to US\$50 and 100 by 2030. Most of the mitigation potential is estimated due to interventions under Component 1 and 2, with a total value of financing of these components equal to US\$89 million. The economic net present value of the incremental benefits of the project is estimated to be US\$172 million under the optimistic scenario which uses the high prices for GHG emissions, US\$156 million under the scenario with low prices of GHG emissions, and US\$142 million under the base scenario without carbon

²⁵ The exchange rate used is the UN rate.



accounting. The economic internal rate of return is 31 percent, 29 percent, and 27 percent, respectively under the high carbon price, lower carbon price, and base scenario, respectively.

81. **Sensitivity analysis.** The robustness of those results was tested and confirmed with a sensitivity analysis assuming different risk scenarios. These include (a) an increase in project costs (10 percent, 20 percent, and 50 percent), (b) a reduction in project benefits (10 percent, 20 percent, and 50 percent), (c) combined scenarios (reduction in benefits and increase in costs), (d) delay in project benefits (1 to 4 years), and (e) external shocks (climate change, prices, others) affecting overall benefits (every 2 and 3 years). Based on the theoretical simulation scenarios that exclude conflict-related deteriorations that cannot be modeled, the project is both profitable and resilient, as the economic internal rate of return remains above 12 percent for most scenarios under analysis.

B. Technical

82. **The AF design is technically sound and consists of activities that have been successfully tested and carried out** by the implementing entities either as part of other Bank-financed projects or as part of their regular programs. In particular, the AF has drawn on lessons learned from the recently completed Bank-financed SAPREP project. These point to successful food production interventions in livestock (including vaccination); seeds; dairy; horticulture and apiculture, which can be scaled up through the AF to reach a larger number of households than currently targeted under the FSRRP.
83. **UNDP has considerable experience in implementing Cash-for-Work activities through the Social Fund for Development (SFD) and Community Contracting through the Public Works Project (PWP)**, with both partners having extensive experience implementing their respective roles under other interventions, including several Bank-financed projects. UNDP has a strong group of both locally-based specialists and back-up specialists responsible for infrastructural activities, E&S, financial management, and procurement. Community-based land and water infrastructure works have been shown to create significant employment opportunities for local people and to provide benefits for local farmers in terms of improved access to improved land and water resources.
84. **FAO has successfully carried out field crop, livestock, and horticulture programs** comprising a large number of complementary activities including most of those foreseen under the AF and previously carried out under SAPREP. FAO has a strong group of locally-based specialists to guide the AF activities including seed, livestock, and agricultural extension as well as financial management, procurement, and E&S. . The range of activities, although complex, addresses many of the identified constraints, and will be informed by supporting studies in seed production and animal health under the AF as well as fisheries, value chain, and agro-logistics studies under the FSRRP. New activities under the AF include support for seed producer groups and community seed banks, which will facilitate the needed shift from seed distribution to a more sustainable community-based seed production system. FAO has been working on developing a seed producer group modality and will also learn lessons from the EU/SIDA project “Enhanced Rural Resilience in Yemen Phase II” which is currently piloting this approach. Under SAPREP, improved seed of sorghum, millet, and wheat was distributed to 53,950 households, with data suggesting that yields increased by between a quarter and one third as a result of the inputs and knowledge provided: sorghum yields averaged 24 percent higher, and millet yields an average of 33 percent. Around 89 percent of beneficiaries experienced increased production in the season they received the seed.



85. FAO will work extensively through local partners, notably SFD and SMEPS, both of which have had substantial experience in similar community-based activities. Based on SAPREP experience, most of the FAO-implemented activities can result in substantial benefits including improved seed availability, beekeeping, dairy production, animal health, and horticultural development.
86. **The AF increases the emphasis on horticulture production and processing, which is a particular focus of women and can lead to benefits to family nutrition.** Under SAPREP, 87 percent of the beneficiaries of horticulture interventions considered the irrigation system to be effective and 90 percent stated that the seed provided suited their needs. The activity had positive effects on household health and nutrition. It reduced women's workload (for 85 percent of respondents) and improved the nutritional status of women and children (for 83 percent of respondents). The horticulture component resulted in significant yield increases of between 23 percent (potatoes) and 200 percent (onions), with most yields doubling or more. The net profit per hectare of beneficiaries increased by 91 percent, on average.
87. **ICRC also has considerable experience in the AF activities and has the ability to reach areas in Yemen that other donors cannot easily access.** ICRC has a strong locally-based team coupled with back-up specialists to help guide implementation, including technical, financial management, and procurement staff. They have the most comprehensive animal vaccination program of any donor in Yemen and have developed an effective system of distributing vaccines and contracting vaccinators in close cooperation with the GAHVQS. Around 3 million animals were vaccinated in 2021. ICRC has also developed effective beekeeping programs, which have considerable potential to improve household livelihoods and will be carried out in different districts thus widening the scope of this activity. Under SAPREP, more than 80 percent of beneficiaries reported income increases due to increased production and improved quality of honey, resulting in a higher selling price, with an incremental net benefit of about US\$1,700 per year on average.
88. **The AF will emphasize strengthening national institutions,** particularly those institutions relevant to the implementation of Components 2 and 3. An institutional capacity needs assessment (ICA) will be conducted in the North and South at the onset of the AF to identify specific needs, understand the constraints and opportunities, and lay the groundwork for future support. The project implementing entities, particularly FAO and UNDP, will partner with local partners (SFD, PWP, and SMEPS) to help build capacity through joint planning and the provision of logistical support and will provide guidance during project implementation and thus increase the sustainability of results after project completion.
89. **The AF will include training programs at all levels including at the community level to increase the likelihood of sustainable results.** Training programs will be based on the FFS model which consists of a participatory season-long learning-by-doing approach focusing on climate-smart practices and integrated pest management. The FFS model was used successfully in SAPREP and is generally more effective and sustainable than traditional training approaches.
90. The AF will also enable improved synergies between agricultural infrastructural improvements and production activities as well as complement food production and distribution interventions in other Bank-financed projects under the new geo-bundling approach.

C. Financial Management



91. **The project's financial management (FM) arrangements are similar to those of the FSRRP.** FAO and UNDP will maintain separate accounts for the project and ensure that original supporting documents of expenditures are retained. ICRC will use a pooled fund account, but will segregate the proceeds and use of funding for this project. The project will use unaudited IFRs for disbursements and will submit the reports on a quarterly basis to the World Bank. Due date for said reports is 45 days after the end of each calendar quarter. Funds will flow from the World Bank to the recipients' corporate accounts before flowing to their local bank account or the bank accounts of their local partners (in the case of UNDP and FAO) and onward to the ultimate recipients/beneficiaries. The project will follow the arrangements agreed between the World Bank and UN agencies (the Recipients) as per the Financial Management Framework Agreement (FMFA).
92. **The Fiduciary Capacity Assessment of ICRC Yemen concluded that ICRC Yemen possesses the needed capacity to carry out the FM activities under the project.** ICRC will apply the FOREX mechanism for Yemen which relies on the Currency Traders Association daily rates published on its Telegram channel for both North and South. The foreign exchange risk is managed by ICRC through its Foreign Exchange policy. ICRC has a procedure stating how exchange rates are set to record expenses and revenues.
93. The FM arrangements between the World Bank and ICRC will be fully mainstreamed into ICRC's regular financial procedures and systems, aligned with the World Bank's requirements as agreed under the Operational Framework Agreement signed between ICRC and the World Bank in 2020. Bank funds will finance specific expenditure accounts in ICRC's Chart of Accounts which were considered eligible by the World Bank and annual Agreed Upon Procedures (as per ISRS 4400) would be conducted on the specific expenditure accounts to confirm the mathematical accuracy of the expenditures reported, and to ensure consistency with the underlying records (general ledger) and supporting documentation. The Agreed Upon Procedures will be carried out in accordance with TORs mutually agreed between the World Bank and ICRC. Annual reports of AUP will be due three months after the end of the calendar year.
94. For FAO and UNDP and in case the World Bank and the Recipient agree that additional due diligence measures are needed, the Recipient will ensure that any additional due diligence measures of its respective part of the project is carried out exclusively in accordance with its Financial Regulations and Rules, and in conformity with the single audit principle observed by the United Nations system as a whole.
95. Recipients will maximize the use of the Direct Implementation modality, by which funds will flow directly from recipients' accounts to the ultimate beneficiaries in addition to more reliance on mobile banking and payment agencies to ensure that the funds reach the intended beneficiaries.

D. Procurement

96. The implementing entities will follow their own procurement procedures as Alternative Procurement Arrangements (APA) found acceptable to the World Bank under other agreements and allowed by the Procurement Framework Policy Section III. F.
97. The World Bank recently assessed the ICRC procurement procedures and found them acceptable as well. A fiduciary capacity assessment of ICRC at country level has been conducted in July 2022 and minor procurement



capacity and management gaps were noticed; those findings will be discussed with ICRC and appropriate mitigation measures/actions will be put in place.

98. The APA is considered a fit-for-purpose arrangement for several reasons:

- (a) FAO, UNDP, and ICRC have a strong presence on the ground and have proven that they are well-equipped to work in conflict and post-conflict areas in Yemen and have the capacity to reach out to the most affected beneficiaries.
- (b) The procurement activities proposed under this project are within the mandate of FAO, UNDP, and ICRC. Those agencies have in place fast-track procedures for countries in emergencies such as Yemen where there is a dedicated country Emergency Support Team to ensure that the required technical and operational support is provided in a timely manner.
- (c) The implementation arrangement is flexible and may rely on the capacity of SFD and/or SMEPS for activities under a threshold as assessed and prescribed by FAO, UNDP, and ICRC in coordination with the World Bank.
- (d) FAO, UNDP, and ICRC have preparedness and mobilization mechanisms in place, which enable optimal emergency procurement.
- (e) FAO, UNDP, and ICRC are well informed about the market response locally and internationally, have a strong presence on the ground, and have the capacity to work in conflict and post-conflict areas in Yemen.
- (f) FAO, UNDP, and ICRC's procurement arrangements provide reasonable assurance that World Bank financing will be used for the intended purpose.

99. FAO, UNDP, and ICRC will be responsible for: (a) preparing the Procurement Plan, (b) implementing the Procurement Plan as agreed with the World Bank, (c) preparing semi-annual reports on the progress of procurement implementation, (d) monitoring and reporting to the World Bank on implementation progress of the Procurement Plans as approved by the World Bank to verify the completion of the procurement activities as part of verification of project's outputs, and (e) ensuring prescreening of companies/individuals before awarding any contract financed by the project against the World Bank's lists of sanctioned or temporarily suspended companies (this includes ensuring that all local partners and MFIs have procedures in place for such screening). The Procurement Plan will be updated and adopted by effectiveness of the Additional Financing.

E. Legal Operational Policies

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

F. Environmental and Social

100. The AF might result in potential substantial environmental and social risk considering the type and scale of interventions which the AF will support. These risks and impacts are expected to be site-specific, reversible, and generally of low magnitude that can be mitigated following appropriate measures. The risks and impacts might be



generated from the implementation of the livestock vaccination campaign under sub-component 2.1 which might be associated with OHS risks as well as improper disposal of vaccination kits. Furthermore, there is a risk of injuries due to the potential explosion of remnants of war. Component 1 will support the rehabilitation of small-scale rural land and water infrastructure and access roads to isolated villages/communities, therefore improper management of materials that will be used for the rehabilitation activities might lead to the generation of waste and open dumping in the environment. In addition, the project might support some interventions such as rehabilitation of terraces and construction of hydroponics which might increase the use of pesticides (the project will not finance procurement of pesticides) and fertilizers which should be applied and disposed of adequately and in a controlled manner. The AF will apply COVID-19 precautions and measures – as needed – to prevent the transmission among community workers. Under the AF, supporting commercial agri-food activities under component 2.1 might increase the use of resources (energy and water usage), increase generation of solid and liquid waste and wastewater from food processing and manufacturing operations. To address and manage any potential adverse risks and impacts, and to ensure that environmental and social management is integrated into the development cycle of individual activities, the ESMF of the FSRRP will be updated before AF effectiveness and will: (1) identify potential environmental/social impacts of project interventions, (2) assess potential environmental and social impacts, and (3) mitigate risks and impacts appropriately, including OHS risks, labor working conditions and potential Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) risks. Furthermore, activities will be screened against environmental and social criteria that will be included in the ESMF. Adequate mitigation measures for any potential risk will be detailed in the site-specific ESMPs which will be prepared by the implementing entity and cleared by the World Bank before the implementation of the activities. Besides, the RF, PMP, LMP, SMP and SEA/SH of the FSRRP will be updated jointly by all implementing entities including ICRC to reflect the changes made under the AF. As this AF is an emergency operation, and considering the limited preparation timeline, the environmental and social instruments will be updated by the project's effective date and will be a condition of effectiveness. The updated ESMF, RF, PMP, and LMP will be disclosed in country and on the World Bank external website while the SMP and SEA/SH will be cleared but will not be disclosed. As per ESCP, the Implementing entities, i.e., FAO, UNDP, WFP and ICRC in close collaboration with SFD, PWP and SMEPS, will be responsible for updating and implementing the ESMF. Any site-specific environmental and social assessment instruments will be prepared if required based on the screening procedure during project implementation and before the commencement of any physical activities. The SEP was updated twice under the FSRRP, and the third update was undertaken for the AF by FAO, UNDP and ICRC. To address complaints or concerns related to project and its AF activities, the Implementing entities will adopt the existing GM systems of FAO, UNDP, WFP, and ICRC Community Engagement Center (CEC) in addition to the SFD and PWP GMs. The FAO, WFP and ICRC will take overall responsibility for managing complaints received through SFD and SMEPS, under components 2 – 4, and UNDP will take overall responsibility for managing complaints received through SFD and PWP under comp 1. The specific set of grievances will be treated separately such as grievances related to SEA/SH, and grievances revolving around the Labor and Working Conditions of Project workers. The FSRRP is still in its initial implementation stage, and its performance for the environmental and social standards is rated as satisfactory. It is noted that sub-projects affecting international waterways are not eligible for financing.

V. WORLD BANK GRIEVANCE REDRESS

101. **Grievance Redress.** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project-affected communities and individuals may submit their complaints to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines



whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's Accountability Mechanism, please visit <https://accountability.worldbank.org>.

**VI SUMMARY TABLE OF CHANGES**

	Changed	Not Changed
Implementing Agency	✓	
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Legal Covenants	✓	
Project's Development Objectives		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓

VII DETAILED CHANGE(S)**IMPLEMENTING AGENCY**

Implementing Agency Name	Type	Action
Food and Agriculture Organization	UN Agency	No Change
International Committee of the Red Cross	Bilateral/Multilateral Agency	New
United Nations Development Programme	UN Agency	No Change
World Food Programme	UN Agency	No Change

**COMPONENTS**

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
Improving household incomes through CFW for agricultural production infrastructure and building climate resilience	20.00	Revised	Improving agricultural production infrastructure and building climate resilience	38.00
Increasing production and sale of nutritious crop, livestock and fish products	35.00	Revised	Increasing domestic food production and market development	51.00
Improving the nutritional status of vulnerable rural households	49.30	Revised	Improving nutritional status and incomes of vulnerable households	27.00
Capacity building for food security management and climate resilience	6.00	Revised	Capacity building for food security management	21.65
Project management and knowledge management	16.70	Revised	Project management	12.35
TOTAL	127.00			150.00

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Current Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-D8140	Effective	30-Jun-2025	30-Jun-2025	31-Dec-2026	30-Apr-2027
IDA-D8150	Effective	30-Jun-2025	30-Jun-2025	31-Dec-2026	30-Apr-2027
IDA-D8160	Effective	30-Jun-2025	30-Jun-2025	31-Dec-2026	30-Apr-2027
TF-B5644	Effective	30-Jun-2025	30-Jun-2025	31-Dec-2026	30-Apr-2027
TF-B5645	Effective	30-Jun-2025	30-Jun-2025	31-Dec-2026	30-Apr-2027

Expected Disbursements (in US\$)

Fiscal Year	Annual	Cumulative
2021	0.00	0.00
2022	0.00	0.00
2023	15,000,000.00	15,000,000.00



2024	22,000,000.00	37,000,000.00
2025	32,350,000.00	69,350,000.00
2026	0.00	69,350,000.00
2027	0.00	69,350,000.00

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	● Substantial	● Substantial
Technical Design of Project or Program	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial
Fiduciary	● High	● High
Environment and Social	● Substantial	● Substantial
Stakeholders	● Substantial	● Substantial
Other	● High	● High
Overall	● High	● High

LEGAL COVENANTS – Yemen Food Security Response and Resilience Project (P176129)

Loan/Credit/TF	Description	Status	Action
IDA-D8150	FAO: Schedule 2, Section I, Paragraph A.2: Within 30 days of the Effective Date, the Recipient shall establish, and thereafter maintain, throughout the Project implementation period, a Project Coordination Unit (“PCU”).	Complied with	No Change
IDA-D8150	ALL IMPLEMENTING AGENCIES: Schedule 2, Section I, Paragraph A.3: The Recipient shall establish and thereafter maintain, throughout Program implementation, a Coordination Committee.	Complied with	No Change
IDA-D8150	ALL IMPLEMENTING AGENCIES: Schedule 2, Section I, Paragraph A.5: The Recipient	Unknown	Marked for Deletion



	shall: (a) engage Yemen Partners pursuant to a partnership or service contract arrangement agreed between the Recipient and each of the Yemen Partners, under the Recipient's relevant rules and procedures, and satisfactory to the Association; and (b) make part of the proceeds of the Financing allocated under Category (1) of the table set forth in Section IV.A of this Schedule available to Yemen Partners to implement activities agreed upon under relevant the partnership or service contract arrangement.		
IDA-D8150	ALL IMPLEMENTING AGENCIES: Schedule 2, Section I, Paragraph B.1(a): The Recipient shall prepare, in accordance with terms of reference acceptable to the Association, and furnish to the Association an operational manual for the Project.	Complied with	No Change
IDA-D8150	FAO: Schedule 2, Section I, Paragraph B.2(b): The Recipient shall ensure that access to the data generated by the satellite-based crop and pasture monitoring systems is limited to persons and entities prescribed in the POM.	Unknown	No Change
IDA-D8150	FAO: Schedule 2, Section I, Paragraph B.2(a): The Recipient shall ensure that the use of the satellite-based crop and pasture monitoring systems follows the terms of reference for its use outlined in the POM, and is acceptable to the Association.	Unknown	No Change
IDA-D8150	ALL IMPLEMENTING AGENCIES: Schedule 2, Section II, Paragraph B.4: In case the Association and the Recipient agree that additional due diligence measures are needed, the Recipient shall ensure that any additional due diligence measures of its Respective Parts of the Project is carried out exclusively in accordance with its Financial Regulations and Rules, and "in conformity with the single audit	Not yet due	No Change



	principle observed by the United Nations system as a whole” .		
IDA-D8150	ALL IMPLEMENTING AGENCIES: Schedule 2, Section I, Paragraph B.3(a): The Recipient shall, not later than four months after the Effective Date, and thereafter, on November 1, of each year during the implementation of the Project, or such later date as the Association may agree in writing, prepare and furnish to the Association for its approval, the annual work plan and budget containing all proposed activities for inclusion in the Recipient’s Respective Parts of the Project.	Complied with	No Change
IDA-D8150	ALL IMPLEMENTING AGENCIES: Schedule 2, Section II, Paragraph B.5: The Recipient shall retain, and cause its implementing partners to retain, until at least one year or pursuant to the standard practice of the Recipient, whichever is longer, after the Association has received the final interim unaudited financial report referred to in the Disbursement and Financial Information Letter referenced in Section IV.A all records (contracts, orders, invoices, bills, receipts and other documents) evidencing all expenditures in respect of which withdrawals of the proceeds of the Financing were made.	Not yet due	No Change
IDA-D8150	ALL IMPLEMENTING AGENCIES: Schedule 2, Section I, Paragraph E.1: Within 30 days of the Effective Date, the Recipient shall hire and maintain throughout Project implementation, Third-Party Monitoring Agent(s) with qualifications, experience and terms of reference acceptable to the Association, to be financed out of the proceeds of the Financing as set forth in the table under Section IV.A. of Schedule 2 to this Agreement, to carry out Third-Party Monitoring of the Project	Partially complied with	No Change



implementation.				
IDA-D8150	ALL IMPLEMENTING AGENCIES: Schedule 2, Section I, Paragraph E.2: The Recipient shall: (a) ensure that Third-Party Monitoring Agent(s) promptly furnish Third-Party Monitoring reports to the Recipient and the Association simultaneously, or (b) after its review, and no later than three (3) business days after its receipt, make available such monitoring report to the Association, as the case may be with the various Recipients.	Not complied with	No Change	
IDA-D8150	ALL IMPLEMENTING AGENCIES: Schedule 2, Section II, Paragraph B.3: The Recipient will prepare periodic financial statements in accordance with its Financial Regulations and accounting standards acceptable to the Association. The financial statements will be submitted to the Association in accordance with the provisions of Section II. Financial Reports and Audits of the Disbursement and Financial Information Letter referred to in Section IV.A	Partially complied with	No Change	

LEGAL COVENANTS – AF Yemen Food Security Response and Resilience Project (P178439)

Sections and Description		
No information available		
Conditions		
Type Effectiveness	Financing source IBRD/IDA	Description Updated ESMF including the SEA-SH/GBV Action Plan, labor management plan, pest management plan, resettlement framework, security management plan, and disclosed when appropriate, and adopted the Procurement Plan.
Type Effectiveness	Financing source IBRD/IDA	Description Updated Project Operational Manual.
Type Disbursement	Financing source IBRD/IDA	Description FAO: For payments under Category (2), unless and until



the Recipient engages with Yemen Partners pursuant to a partnership or service contract arrangement agreed between the Recipient and each of the Yemen Partners, under FAO's relevant rules and procedures, and satisfactory to the Association.



VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Yemen, Republic of
AF Yemen Food Security Response and Resilience Project

Project Development Objective(s)

The Project Development Objective is to improve the availability of and access to food and nutritious diets, both in the short and medium term, for targeted households in the Project Area, and to enhance Yemen's capacity to respond to food insecurity.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Access and availability of food and nutritious diets at household level improved.					
Households (HH) with improved Food Insecurity Experience Scale (FIES) (Percentage)		0.00	25.00	30.00	35.00
Percentage of female-headed households (HH) with improved FIES (Percentage)		0.00	25.00	30.00	35.00
Percentage of women in households with minimum dietary diversity (Percentage)		0.00	30.00	50.00	70.00
Action: This indicator has been Marked for Deletion					
Percentage of children consuming minimum acceptable diet. (Percentage)		18.30	70.00	70.00	70.00



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Action: This indicator has been Marked for Deletion					
Increase in the volume of agri-food products commercialized by beneficiaries (Percentage)		0.00	10.00	20.00	30.00
Increase in the volume of agri-food products commercialized by female beneficiaries. (Percentage)		0.00	10.00	20.00	30.00
Country capacity to respond to food insecurity strengthened. (Action: This Objective has been Revised)					
Preparedness to respond to food security crises improved, through the adoption of the food security preparedness plan and the use of the EO monitoring tool. (Yes/No)		No	No	Yes	Yes
Food Security Preparedness Plan elaborated and adopted by all relevant parties (Yes/No)		No	Yes	Yes	Yes
Earth Observation (EO) crop and pasture monitoring and early warning system established and operational. (Yes/No)		No	No	Yes	Yes

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Component 1: Improving agricultural production infrastructure and building climate resilience (Action: This Component has been Revised)					



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Persons benefiting from community-based climate-resilient infrastructure improvements. (Number)	0.00		8,000.00	25,000.00	60,000.00
Action: This indicator has been Revised					
Women recipients benefitting from community-based climate-resilient infrastructure improvements (Number)	0.00		2,000.00	5,000.00	10,000.00
Action: This indicator has been Revised	<p>Rationale:</p> <p><i>The indicator has been revised to reflect the experience to-date that women are often involved in support and service roles for infrastructure works (e.g. directing traffic).</i></p>				
Person work-days generated by community-based infrastructure improvement works. (Number)	0.00		225,000.00	675,000.00	1,000,000.00
Action: This indicator has been Revised					
Person work-days generated by community-based infrastructure improvement works benefiting women (Number)	0.00		20,000.00	30,000.00	35,000.00
Smallholder farm households with improved access to water resources (Number)	0.00		4,000.00	15,000.00	50,000.00
Action: This indicator has been Revised					
Female-headed smallholder farm households with improved access to water resources. (Number)	0.00		1,500.00	5,000.00	15,000.00



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
<i>Action: This indicator has been Revised</i>					
Smallholder farm households with improved access to land resources. (Number)		0.00	1,000.00	2,500.00	3,500.00
<i>Action: This indicator has been Revised</i>					
Female-headed smallholder farm households with improved access to land resources. (Number)		0.00	215.00	645.00	800.00
<i>Action: This indicator has been Revised</i>					
Component 2: Increasing domestic food production and market development (Action: This Component has been Revised)					
Smallholder farm households receiving productivity enhancement support through climate-smart interventions (Number) (Number)		0.00	30,000.00	350,000.00	800,000.00
<i>Action: This indicator has been Revised</i>					
Female-headed smallholder farm households receiving productivity enhancement support through climate-smart interventions. (Number)		0.00	8,000.00	150,000.00	250,000.00
<i>Action: This indicator has been Revised</i>					
Small ruminants treated and vaccinated against PPR and SGP (Number)		0.00	4,000,000.00	10,000,000.00	20,000,000.00
<i>Action: This indicator has been Revised</i>					



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Ruminants treated and vaccinated against PPR and SGP of female livestock keepers (Number)	0.00		1,000,000.00	2,500,000.00	5,000,000.00
Action: This indicator has been Revised					
Smallholder farmers who have received climate-smart agriculture support (Number)	0.00		14,600.00	30,000.00	36,590.00
Action: This indicator has been Marked for Deletion					
Smallholder female farmers who have received climate-smart agriculture support (Number)	0.00		3,700.00	7,300.00	9,100.00
Action: This indicator has been Marked for Deletion					
Farmers adopting improved agricultural technology (CRI, Number)	0.00		12,480.00	24,960.00	31,200.00
Action: This indicator has been Revised					
Farmers adopting improved agricultural technology - Female (CRI, Number)	0.00		3,120.00	6,240.00	7,800.00
Farmers adopting improved agricultural technology - male (CRI, Number)	0.00		9,360.00	18,720.00	23,400.00
Land area receiving improved production support (CSA) (Hectare(Ha))	0.00		20,000.00	42,000.00	42,000.00
Action: This indicator has been Marked for Deletion					



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Farmers with improved access to markets through value chains (Number)	0.00		4,360.00	8,720.00	10,900.00
Action: This indicator has been Marked for Deletion					
Female farmers with improved access to markets through value chains (Number)	0.00		870.00	1,500.00	3,000.00
Action: This indicator has been Marked for Deletion					
Small-medium and micro-enterprises and groups receiving innovation and business development support (Number)	0.00				14,000.00
Action: This indicator is New					
Female-headed small-medium and micro-enterprises and groups receiving innovation and business development support. (Number)	0.00				7,000.00
Action: This indicator is New					
Improving the nutritional status and incomes of vulnerable rural households. (Action: This Component has been Revised)					
Households receiving homegardening and backyard farming start-up kits (Number)	0.00		7,000.00	20,000.00	60,000.00
Action: This indicator has been Revised					
Households adopting improved nutrition sensitive practices (Percentage)	0.00		25.00	60.00	80.00
Beneficiaries receiving quality nutrition products (Number)	0.00		518,230.00	518,230.00	518,230.00



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
PLWG receiving quality nutrition products (Number)	0.00		189,600.00	189,600.00	189,600.00
Infants receiving quality nutrition products (Number)	0.00		109,540.00	109,540.00	109,540.00
Young children receiving quality nutrition products (Number)	0.00		219,090.00	219,090.00	219,090.00
Women businesses supported (Number)	0.00		600.00	2,000.00	4,000.00
Action: This indicator has been Revised					
Women entrepreneurs continuing business activity one year after establishment (Percentage)	0.00		50.00	50.00	50.00
Percentage of target population that participates in an adequate number of distributions (adherence) (Percentage)	60.20		62.00	64.00	66.00
Action: This indicator has been Marked for Deletion					
Assisted households (HH) with acceptable Food Consumption Score (FCS) (Percentage)	70.90		71.00	72.00	73.00
Assisted female-led households (HH) with acceptable Food Consumption Score (FCS). (Percentage)	70.50		71.00	72.00	73.00
Capacity building for food security management					
Increase in the number of female extension agents (Percentage)	0.00		15.00	20.00	25.00
Increase in the number of farmers using extension services for climate-resilient agriculture production. (Percentage)	0.00		25.00	35.00	50.00



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Action: This indicator has been Revised					
Increase in the number of female farmers using extension services for climate-resilient agriculture production. (Percentage)		0.00	25.00	35.00	50.00
Action: This indicator has been Revised					
Project Management and Knowledge Management					
Percent of feedback cases that are registered and addressed within a timeline that is publicly communicated by the project. (Percentage)		0.00	100.00	100.00	100.00
Action: This indicator has been Revised					
Rationale: <i>This indicator captures all nature of feedback, and ensures that potential and existing GM users area aware of the GM service standards that they are entitled to.</i>					
Beneficiaries satisfied with the project support. (Percentage)		0.00	85.00	85.00	85.00
Action: This indicator has been Revised					
Female beneficiaries satisfied with the project support. (Percentage)		0.00	85.00	85.00	85.00
Action: This indicator has been Revised					



Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Households (HH) with improved Food Insecurity Experience Scale (FIES)		Annual.	Project's M&E system.	Beneficiary surveys based on the agreed methodology of 8 core questions.	FAO
Percentage of female-headed households (HH) with improved FIES		Annual	Project's M&E system	Beneficiary surveys based on the agreed methodology of 8 core questions.	FAO
Percentage of women in households with minimum dietary diversity		Annual	Project M&E system.	Project progress reports and beneficiary surveys.	FAO, WFP
Percentage of children consuming minimum acceptable diet.		Annual	Project M&E system	Project progress reports and beneficiary surveys	WFP
Increase in the volume of agri-food products commercialized by beneficiaries	Increase in the surplus products produced by beneficiaries and sold on the market.	Annual	Project M&E system.	Project progress reports and beneficiary surveys.	FAO, SMEPS.
Increase in the volume of agri-food products commercialized by female beneficiaries.		Annual	Project M&E system.	Project progress reports and beneficiary surveys.	FAO, SMEPS.
Preparedness to respond to food security crises improved, through the adoption of the food security preparedness plan and the use of the EO monitoring tool.		Annual	Project M&E system.	Project progress reports.	FAO



Food Security Preparedness Plan elaborated and adopted by all relevant parties	The Food Security Crisis Preordance Plan (FSCP) was submitted to the World Bank on February 6, 2022, and is currently being revised by FAO and the World Bank team to meet the requirements of the Crisis Response Window Early Response Facility (CRW ERF). The FSCP is expected to be submitted for an internal World Bank quality review by mid-May. In addition, the project will organize a consultation workshop on the FSCP involving donor and development partners and the government around the end of May in Amman.	Annual	Project M&E system	Project progress reports	FAO
Earth Observation (EO) crop and pasture monitoring and early warning system established and operational.		Annual	Project M&E system.	Project progress reports.	FAO

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Persons benefiting from community-based climate-resilient infrastructure	The indicator will measure the number of persons,	Semi-annual	Project M&E system.	Project progress reports	UNDP, SFD, PWP



improvements.	who are engaged in community infrastructure improvement activities, through cash-for-work or community contracting mechanisms.				
Women recipients benefitting from community-based climate-resilient infrastructure improvements	Number of female beneficiaries under the Cash-for-Works program, directly benefiting from cash-based transfers.	Semi-annual	Project M&E system.	Project progress reports.	UNDP, SFD
Person work-days generated by community-based infrastructure improvement works.		Semi-annual.	Project M&E system	Project progress reports	UNDP, SFD, PWP
Person work-days generated by community-based infrastructure improvement works benefiting women		Semi-annual.	Project M&E system.	Project progress reports	UNDP, SFD.
Smallholder farm households with improved access to water resources		Semi-annual	Project M&E system	Project progress reports	UNDP, SFD
Female-headed smallholder farm households with improved access to water resources.		Semi-annual	Project M&E system	Project progress reports	UNDP, SFD
Smallholder farm households with improved access to land resources.		Semi-annual	Project M&E system	Project progress reports	UNDP, SFD
Female-headed smallholder farm households with improved access to land resources.		Semi-annual	Project M&E system	Project progress reports	UNDP, SFD
Smallholder farm households receiving productivity enhancement support	Include all smallholder farm households, such as	Semi-annual	Project M&E support	Project progress reports	FAO, SFD



through climate-smart interventions (Number)	beekeepers, dairy producers, seed producers and others, who have participated in project support activities and received production enhancing support through project-supported climate-smart interventions.				
Female-headed smallholder farm households receiving productivity enhancement support through climate-smart interventions.		Semi-annual	Project M&E system	Project progress reports	FAO, SFD
Small ruminants treated and vaccinated against PPR and SGP		Semi-annual	Project M&E system	Project progress reports	FAO
Ruminants treated and vaccinated against PPR and SGP of female livestock keepers		Semi-annual	Project M&E system	Project progress report	FAO
Smallholder farmers who have received climate-smart agriculture support		Semi-annual	Project M&E system	Project progress reports	FAO
Smallholder female farmers who have received climate-smart agriculture support		Semi-annual	Project M&E system	Project progress reports	FAO
Farmers adopting improved agricultural technology	This indicator measures the number of farmers (of agricultural products) who have adopted an improved agricultural technology promoted by operations supported by the World	Semi-annual	Project M&E system	Project progress reports	FAO



	<p>Bank.</p> <p>NB: "Agriculture" or "Agricultural" includes: crops, livestock, capture fisheries, aquaculture, agroforestry, timber and non-timber forest products.</p> <p>Adoption refers to a change of practice or change in use of a technology that was introduced or promoted by the project.</p> <p>Technology includes a change in practices compared to currently used practices or technologies (seed preparation, planting time, feeding schedule, feeding ingredients, postharvest storage/ processing, etc.). If the project introduces or promotes a technology package in which the benefit depends on the application of the entire package (e.g., a combination of inputs such as a new variety and advice</p>			
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	on agronomic practices such as soil preparation, changes in seeding time, fertilizer schedule, plant protection, etc.), this counts as one technology. Farmers are people engaged in farming of agricultural products or members of an agriculture related business (disaggregated by men and women) targeted by the project.				
Farmers adopting improved agricultural technology - Female		Semi-annual	Project M&E system	Project progress reports	FAO
Farmers adopting improved agricultural technology - male					
Land area receiving improved production support (CSA)		Semi-annual	Project M&E system	Project progress reports	FAO
Farmers with improved access to markets through value chains		Semi-annual	Project M&E system.	Project progress reports	FAO, SMEPS
Female farmers with improved access to markets through value chains		Semi-annual	Project M&E system	Project progress reports	FAO, SMEPS
Small-medium and micro-enterprises and groups receiving innovation and business development support	Includes all MSMEs	Semi-annual	FAO, SMEPS	Progress reports	FAO, SMEPS



Female-headed small-medium and micro-enterprises and groups receiving innovation and business development support.					
Households receiving homegardening and backyard farming start-up kits		Semi-annual	Project M&E system.	Project progress reports	FAO
Households adopting improved nutrition sensitive practices		Semi-annual	Project M&E system.	Project progress reports.	FAO
Beneficiaries receiving quality nutrition products		Semi-annual	Project M&E system	Project progress reports	WFP
PLWG receiving quality nutrition products		Semi-annual	Project M&E system	Project progress report	WFP
Infants receiving quality nutrition products		Semi-annual	Project M&E system	Project progress reports	WFP, FAO
Young children receiving quality nutrition products		Semi-annual	Project M&E system	Project progress report	WFP
Women businesses supported		Semi-annual	Project M&E system	Project progress reports	WFP
Women entrepreneurs continuing business activity one year after establishment		Semi-annual	Project M&E system	Project progress report	WFP
Percentage of target population that participates in an adequate number of distributions (adherence)		Semi-annual	Project M&E system.	Project progress reports	WFP



Assisted households (HH) with acceptable Food Consumption Score (FCS)		Semi-annual.	Project M&E system.	Project progress reports and beneficiary surveys.	WFP
Assisted female-led households (HH) with acceptable Food Consumption Score (FCS).		Semi-annual.	Project M&E system.	Project progress reports and beneficiary surveys.	WFP
Increase in the number of female extension agents		Semi-annual	Project M&E system	Project progress report	FAO
Increase in the number of farmers using extension services for climate-resilient agriculture production.		Semi-annual	Project M&E system	Project progress reports	FAO
Increase in the number of female farmers using extension services for climate-resilient agriculture production.		Semi-annual.	Project M&E system	Project progress reproto	FAO
Percent of feedback cases that are registered and addressed within a timeline that is publicly communicated by the project.	This indicator captures all nature of feedback, and ensures that potential and existing GM users area aware of the GM service standards that they are entitled to.	Semi-Annually	GM reports and Project M&E system	GM reports and Project progress reports	All implementing entities and local partners.
Beneficiaries satisfied with the project support.	Survey findings will be used to develop and implement action plans that will take into account the inputs from beneficiaries to improve project approaches and processes.	Bi-annual	Project M&E system, and beneficiary surveys.	Project progress report and beneficiary surveys.	All implementing entities and local partners.
Female beneficiaries satisfied with the project support.		Semi-annual	Project M&E system and	Project progress reports and beneficiary surveys.	All implementing entities and local partners.



The World Bank

AF Yemen Food Security Response and Resilience Project (P178439)

beneficiary
surveys.

**Annex 1. Detailed Costs**

Activities	Total Estimated Cost (US\$)	Number	Beneficiaries (Direct)	Amount per Beneficiary	New Activity under AF	Recipient	Local partner or Other Agency
Component 1. Improving agricultural production infrastructure and building climate resilience							
1.a. Agricultural land improvement and protection including terracing and flood control	11,900,000	2,000 ha	10,000	1,190	No	UNDP	SFD / PWP
1.b. Small-scale irrigation improvement including on-farm spate irrigation	13,000,000	3,000 ha	12,000	1,083	No	UNDP	SFD / PWP
1.c. Water harvesting	10,700,000	15,000 m3 water	5,000	2,140	No	UNDP	SFD / PWP
1.d. Rural road improvement	2,400,000	64 km	4,800	500	No	UNDP	SFD / PWP
Sub-total Component 1.	38,000,000						
Component 2. Increasing domestic food production and market development							
Sub-component 2.1: Restoring climate-smart agricultural production							
2.1.a. Staple crop production	8,000,000	4,000	Farmers	2,000	No	FAO	GSMC / MAIF / SFD
2.1.b. Animal health	9,500,000	2,000,000	Small ruminants	0.48	No	ICRC	GAHVQS
2.1.c. Apiculture	9,000,000	5,000	Beekeepers	1,800	No	ICRC	ICRC
Sub-total Sub-component 2.1.	26,500,000						
Sub-component 2.2. Restoring food supply chains and value addition							
2.2.a. Support to micro-small and medium livestock producers	17,000,000	11,500	Livestock owners	1,478	Yes	FAO	SFD / SMEPS / Contractors
2.2.b. Support to supply chain enablers	2,000,000	200	SMEs	10,000	Yes	FAO	SMEPS / Contractors



2.2.c. Support to sesame value chain	2,500,000	7,000	Sesame producers	357	Yes	FAO	SFD / SMEPS / Contractors
2.2.d. Support to producer groups, associations and cooperatives	3,000,000	120	Groups	25,000	Yes	FAO	SMEPS / Contractors
Sub-total Sub-component 2.2.	24,500,000						
Component 3. Improving the nutritional status and incomes of rural households							
3.a. Improved kitchen gardens	10,000,000	20,000	Households	500	No	FAO	SFD / Contractors
3.b. Feed for livestock	10,700,000	20,000	Households	535	No	FAO	SFD / Contractors
3.c. Innovative activities	6,300,000	6,300	Households	1,000	Nos	FAO	SFD / Contractors
Sub-total Component 3.	27,000,000						
Component 4. Capacity building for food security management							
4.a. Strengthening agricultural extension services	5,000,000		MAIF and AREA Extension Services		Yes	FAO	AREA / MAIF (Extension Dept) / SFD / PWP / Contractors
4.b. Supporting animal health institutions	7,000,000		GAHVQ S at central and government levels and Central Vet Labs		Yes	FAO	GAHVQ S / Vet Lab / Vet Univ
4.c. Supporting relevant seed and plant health institutions	3,000,000		GSMC, AREA and MAIF		Yes	FAO	GSMC / Quality Lab / AREA



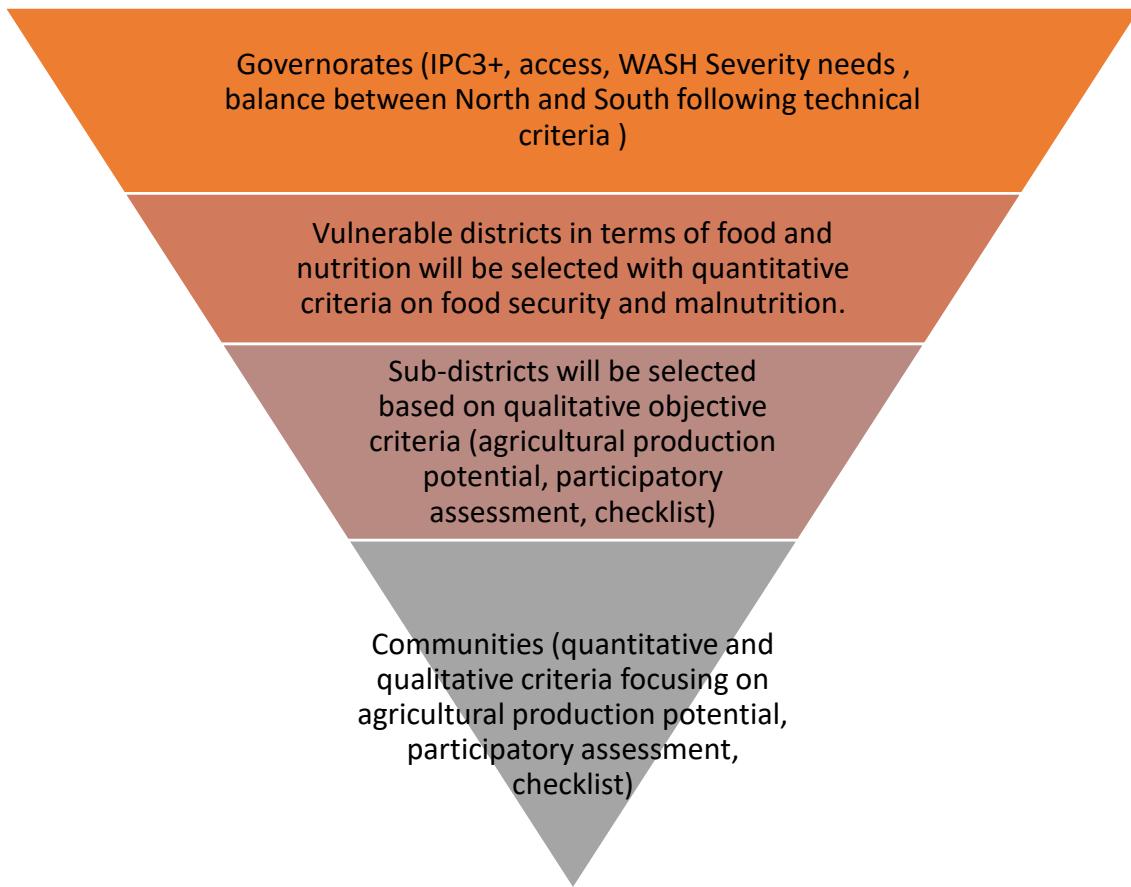
4.d. Strengthening apiculture institutions	1,900,000		MAIF Apiary Training Units and Bee- Keeping Associat ions		Yes	ICRC	MAIF	
4.e. Animal health and vaccination service delivery	4,150,000	600	Veterin ary Officers and CAHWs		No	ICRC	GAHVQ S	
4.f. Studies and technical assistance	600,000		GSMC, AREA, MAIF, GAHVQ S staff and farmers		Yes	FAO	Consult ants	
<i>Sub-total Component 4.</i>	21,650,000							
Component 5. Project Management	12,350,000							
TOTAL	150,000,000							

**Annex 2: Proposed Targeting Approach**

1. In line with the CEN, the targeting of the location of project activities is not determined at project level, but in alignment with the country program through the “Continuum of Support” or geo-bundling approach.
2. The objective is to maximize improvements in food security by integrating activities across the various food security-related World Bank-financed projects to achieve a more robust and sustainable impact than the sum of ‘only’ loosely coordinated projects. In this sense, social protection, community asset development, and nutrition-sensitive interventions belong to the broadly defined ‘food security’ domain.
3. Continuum of Support refers to the span of programs to be bundled from addressing acute food insecurity to livelihood-focused interventions for improved sustainability. At the core of the approach is a unified targeting mechanism across projects. Simply said, optimizing improved and sustained food security gains across multiple projects relies on the bundling of interventions at locations with the highest degrees of food insecurity and proven agricultural production potential ('geo-bundling').
4. The implementation of geo-bundling will consist in the following steps. First, the most food insecure districts of Yemen are identified based on objective quantitative indicators (IPC, malnutrition). Within the selected food insecure districts, a set of quantitative and qualitative indicators guide the selections of subdistricts, and eventually communities or clusters of communities. These quantitative and qualitative indicators prominently feature aspects of agricultural potential. The implementation of the geobundling approach is followed by a robust monitoring mechanism and an impact evaluation for optimal learning for further expansion.
5. In practice, the geo-bundling approach is designed as a funneling selection process (see Figure 1), where at each stage of selection (governorates, districts, sub-districts and communities), additional criteria will be introduced by the technical team (PCC in consultation with the Local partners), to specify geolocations.



Figure 1. The geobundling process



Governorates

6. **Selection process.** The selection would be carried out by a Project Coordination Committee (PCC) consisting of implementing entities (FAO, UNDP, ICRC) and in consultation with national Local partners (SFD, PWP and others).
7. **Selection criteria.** Following the approach of the FSRRP, the governorates would be selected based on the following criteria, *inter alia*: (i) severe food security/malnutrition/vulnerability issues (IPC 3 or above, and prevalence of Global Acute Malnutrition (GAM) equal or above 10 percent); (ii) level of Water, sanitation and hygiene (WASH) severity needs (4-6); (iii) accessibility; and (iv) balance between governorates in the North and the South based on technical criteria.
8. **AF.** Under the AF, activities would take place in the 11 governorates already selected under the FSRRP, with an option to expand to new governorates depending on access and security concerns. Animal Health and Vaccination programs supported under the project will not be included in the targeting approach, as they are proposed to be carried out throughout the country, where ICRC as an implementing entity has access. The AF would continue to maintain a balance between the



governorates in the territory of the Republic of Yemen following technical criteria as under the FSRRP.

Districts

9. **Selection process.** The selection would be carried out by a Project Coordination Committee (PCC) consisting of implementing entities (FAO, UNDP, ICRC) and in consultation with national Local partners (SFD, PWP and others).
10. **Selection criteria.** Selection of specific districts would be based on the vulnerability criteria adopted by the World Bank at the country level²⁶. Currently, only IPC data are available for such widespread district selection. The most vulnerable districts in terms of food and nutrition will be selected based on quantitative criteria on food security and malnutrition.
11. **AF.** These selected districts would be mapped digitally based on IPC classification, presence of ongoing project activities, food security/malnutrition, crop productivity, livestock numbers, sustainability of water and availability of water facilities. The following digital maps could be used to overlay the priority criteria: (i) ICARDA²⁷'s Geoinformatics for Agricultural Monitoring; (ii) FAO's IPC mapping, (iii) CEOBS²⁸ Agricultural Areas in Distress, (iv) USDA/FIEWS²⁹ Livelihood Zones and (v) FANACK's Water Resources³⁰ (vi) WASH severity needs map. From these 59 districts, it is proposed to select 20 pilot districts for geo-bundling. During AF implementation, adjustments in the target districts may be required due to changes in the security and access situation.

Sub-districts

12. **Selection process.** The selection would be carried out by the PCC consisting of Implementing entities (FAO, UNDP, ICRC) and in consultation with national Local partners (SFD, PWP and others).
13. **Selection criteria.** Focusing on activities of restoration and recovery of agricultural production, and considering that no reliable widespread and up-to-date data is available at sub-district and below levels, the potential for resilient agriculture development will be considered using a mix of qualitative and quantitative criteria: (i) potential for improved agricultural production and productivity (including livestock)³¹; and (ii) irrigation availability and water resources sustainability (quality and quantity) and the potential for land improvement and groundwater recharge (i.e., terraces, water harvesting, small dams, bunds, cistern, sub-surface dams, recharge pits, check weirs, rehabilitation of wells, springs etc.). Given the lack of any relevant up-to-date

²⁶ Such as the Emergency Crisis Response Project (ECRP), Emergency Health and Nutrition Project (EHNP), Emergency Human Capital Project (EHCP) and Emergency Social Protection Enhancement and COVID-19 Response Project (ESPECRP).

²⁷ The International Center for Agricultural Research in the Dry Areas

²⁸ The Conflict and Environment Observatory

²⁹ United States Department of Agriculture/Famine Early Warning Systems Network

³⁰ <https://water.fanack.com/yemen/water-resources-yemen/>

³¹ Partly based on existing maps such as those prepared for the World Bank by ICARDA (Geoinformatics for Agricultural Monitoring) and partly on consultations with local partners



data on agricultural production, a preliminary screening may be conducted using the 2001 Agricultural Survey. This survey, while outdated, would allow a preliminary mapping of agricultural production sub-districts based on historical crop and livestock production/productivity, population density and other relevant factors.

14. AF. First, pilot sub-districts could be selected for the targeting approach, with the potential to scale-up to all sub-districts of districts. Under the AF all rural sub-districts in the selected 20 pilot districts will be assessed, and a list of eligible sub-districts prepared. The list composed of the top ranked sub-districts in a given district would be identified by the PCC in consultation with the Local partners, using indicators agreed with the Ministry of Agriculture and Irrigation, Agency for Research and Extension, district Agriculture Office, and local institutions such as Water User Groups/Associations (WUGs/WUAs) and Agriculture Associations/Cooperatives, and the World Bank. The initial list will contain approximately half (3-4) of the sub-districts per district (there are an average of 7 sub-districts per district). It is noted that some districts may only have one sub-district.

Communities (villages)

15. Selection process. The selection would be carried out by the PCC consisting of implementing entities (FAO, UNDP, ICRC) and in consultation with national Local partners (SFD, PWP and others).
16. Selection criteria. The selection of the eligible communities (villages) will be conducted by using a participatory approach and applying a set of quantitative and qualitative criteria through a checklist. Possible criteria include:
 - Target villages/communities that have regular access (physical and logistical) to project staff and partners to implement and monitor project activities.
 - Villages/communities in the district will be prioritized based on community (qualitative) social economic criteria (poverty, food insecurity, water availability and social services).
 - Villages/communities hosting internally displaced people or returnees.
 - Villages/communities, where agriculture and /or livestock production is the main source of income and livelihoods.
 - Villages/communities, which have agricultural productive resources (topography, agricultural lands, water, pastures, livestock and etc.) that can be developed.
 - Villages/communities affected more by recent natural disasters (flash flood, locust, drought and etc.) and damage to agricultural asset considered in the prioritization.
 - Villages/communities, whose dwellings and agricultural holdings are close together, not far apart and scattered.
 - Villages/communities, which have formal or informal farmer's groups/ associations/organizations such as Water User Group (WUGs) have an advantage.
 - Villages/communities, which promote women participation in the production and marketing processes.
17. Each village would also be scored based on the following criteria:
 - Sustainability of resources: Availability of water resources, facilities and possibility for land improvement and groundwater recharges (i.e., terraces, water harvesting, small



dams, bunds, cistern, sub-surface dams, recharge pits, check weirs, rehabilitation of wells, springs etc.).

- Villages are specialized in agriculture and/or livestock production.
- Villages are affected by disasters or prone to natural disasters.
- Villages/communities promote women participation in economic activity.
- Presence/absence of village-level institutions, i.e., Village Council, Water User Groups/Associations, Agricultural Cooperatives, other Village Associations.
- Presence or absence of complementary investments from other World Bank-financed projects and donor programs that may lead to either positive synergies or, conversely, unnecessary intervention under the AF.
- Economic infrastructure – proximity to markets, availability of some processing, storage or service infrastructure for agriculture, food production and processing.

18. Once the list of eligible villages is compiled, the final list of participating villages will be selected by the PCC from the eligibility list based on subjective local knowledge in discussion and agreement with authorities and other partners. The following process would be applied:

- Local partners will conduct a participatory and qualitative assessment based on the guiding checklist using the criteria identified above. The assessment will help further in collecting socio-economic information to verify prioritized villages/ communities from the local stakeholder's consultation. This assessment will also help in identifying priority needs of the community and guide the project activities to be considered.
- Local partners will facilitate a consultation workshop and present project interventions, objectives, proposed selection criteria (villages / community's as well as households). The entire long-list of villages/communities in the district will be assessed against the proposed criteria. FAO (M&E team) will convert the criteria into a qualitative scale of measurement (e.g., Likert scale) to facilitate the assessment and ranking. About 25-50 percent of the top-ranking villages/communities will be considered in the final analysis depending on the population of a district.

19. AF. The location of the eligible villages would be mapped using the selection criteria above. Approximately 15 villages would be selected per sub-district. Once the long-list of eligible villages is compiled, the final list of participating villages (around 300) will be selected by the PCC from the eligibility list based on subjective local knowledge in discussion and agreement with authorities and other partners following the process outlined above.