## Summary of Project Concept

### PILOT PROGRAM FOR CLIMATE RESILIENCE

**Summary - Project/Program Concept Note for the Use of Additional PPCR Resources**

<table>
<thead>
<tr>
<th>1. Country/Region:</th>
<th>Yemen</th>
<th>2. CIF Project ID#:</th>
<th>(Trustee will assign ID)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. SPCR endorsement date:</td>
<td>April 30, 2012</td>
<td></td>
<td></td>
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<tr>
<td>4. Project/Program title:</td>
<td>Climate Resilience of Rural Communities (CRRC)</td>
<td></td>
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<td>5. Type of PPCR investment</td>
<td>Private:</td>
<td>Public:</td>
<td>Mixed:</td>
</tr>
<tr>
<td>6. Funding request (in USD million total) (including preparation grant):</td>
<td>Grant: US$8 million (Additional PPCR Resources Allocated in November 2012)</td>
<td>Loan:</td>
<td></td>
</tr>
<tr>
<td>7. Financing will be used for:</td>
<td>a – adding to an approved PPCR project/program</td>
<td>☐</td>
<td></td>
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<tr>
<td></td>
<td>b – adding to a PPCR project/program in preparation for Sub-Committee approval</td>
<td>☑</td>
<td></td>
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<tr>
<td></td>
<td>c- a new PPCR project/program¹</td>
<td>☐</td>
<td></td>
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<tr>
<td>8. Implementing MDB:</td>
<td>The World Bank</td>
<td></td>
<td></td>
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<tr>
<td>9. National executing agency²:</td>
<td>Social Fund for Development</td>
<td></td>
<td></td>
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<tr>
<td>10. MDB PPCR focal point and project/program task team leader (TTL):</td>
<td>Headquarters-PPCR Focal Point:</td>
<td>TTL:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kanta Kumari Rigaud (The World Bank)</td>
<td>Garry Charlier (The World Bank)</td>
<td></td>
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</table>

### Project/Program Description (including objectives and expected outcomes):

**Background:** The proposed Climate Resilience of Rural Communities (CRRC) Project is one of the three (initially four) projects identified as part of Yemen’s Strategic Program for Climate Resilience (SPCR). The SPCR was developed by the Government of Yemen with support from the World Bank and the International Finance Corporation (IFC), and was approved on April 30, 2012 by the PPCR Sub-Committee of the Climate Investment Funds. The SPCR concept proposals for ‘Improving the Climate Resilience of the Water Sector’ and ‘Improving Rural Livelihood through Adaptation in Rain-fed Agriculture (IRLARA)’ were subsequently merged into one concept and became the Climate Resilience of Rural Communities Project. The PPCR Sub-Committee approved indicative funding of US$50 million for three of the original four projects. Of this amount, US$11 million was allocated to the proposed multi-sector CRRC concept. On November 1, 2012 the PPCR-Sub-Committee allocated an additional US$8 million in grant resources for the Yemen PPCR program. The GoY has decided to include this additional PPCR resources to the US$11.0

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¹ Same as above.
² Can be Government agency or private sector firm
million previously allocated for CRRC project to scale up activities identified under the project. This concept note is for the additional PPCR resources of US$8 million.

**Proposed Development Objective:** The project’s proposed development objective is to increase the adoption of climate resilient natural resource management and climate-smart agriculture measures in targeted rural communities of rainfed areas.

**Project Description:** The proposed project (including the initial US$11 million and the additional US$8 million in PPCR grants) will scale up and mainstream climate resilience into the agricultural sector, local rural development planning and implementation. The project will increase climate resilience and enhance the landscape of Yemeni agriculture by building on the participatory processes and institutional mechanisms established by the Rainfed Agriculture and Livestock Project (RALP) to improve soil and water conservation. The proposed project will adopt the RALP integrated pilot approach of combining soil and water management for climate change adaptation and enhanced provision of ecosystem goods and services. In addition to building on the RALP approach, the project will explore innovative approaches to improve climate resilience by supporting community risk management, including the development of early warning systems. It will support, strengthen and help scale up current best practices and help disseminate them among the most vulnerable populations living in areas with high climatic risk, with a special focus on the situation of women, youth and chronically poor. Poverty is especially high in rural areas, which is home to about 68 percent of the population and 84 percent of the poor. The criteria for identifying vulnerable populations will be based upon the RALP experience in selection of communities and targeting. The project will explore options for scaling up geographically to include new governorates beyond RALP governorates. (RALP has focused on 23 districts in the five governorates of Al-Mahweet, Hajjah, Hodeidah, Lahaj, and Sana’a). Project implementation has been designed at the watershed-level, spanning Yemen's three major Agro-ecological zones.

The proposed project, which will be implemented over five years (2015-2020), will consist of three inter-related components. Indicative allocations for each component are shown below.

**Component A: Climate Resilient Community Investments (US$13.3 million PPCR Grant):** This component would support community investments or sub-projects prioritized by the beneficiaries in participatory action plans in the following areas:

- **Natural Resource Management:** including structures for soil and water conservation, water harvesting and storage, terrace rehabilitation, protection of wadi banks, flood-breaking structures, and improvement of rangelands, tree planting, and small-scale irrigation systems.

- **Agricultural Production:** including climate-smart agriculture investments for the development of climate-resilient plant varieties, livestock, seed storage, post-harvest handling, processing, and marketing.

- **Livelihoods Support:** including income generating investments or activities, cash-for-work activities to protect vulnerable households against shocks such as crop failures or natural hazards and climate resilient cash crops, including alternatives to qat.

- **Rehabilitation of basic infrastructure:** including the rehabilitation of rural tracks or feeder roads, or improvement of small scale potable water systems, etc. with a consideration of long-term climate
Component B: Capacity Building, Strategic Knowledge and Community Risk Management (US$2.85 million PPCR Grant): This component would support technical assistance and capacity building activities (consultant services, goods, training, workshop and non-consultant services) in support of the following:

- Capacity building of beneficiary communities: to develop participatory community action plans for improving climate resilience, including collection and documentation of local best experiences and indigenous knowledge on improving climate resilience at the local level, knowledge sharing and exchange in coordination with relevant local and national stakeholder, disaster preparedness and use of early warning information at local level to enhance use of early warning systems for droughts and flood hazards. Technical advice and training to farmers in support of organizational and managerial capacity building to existing and/or newly formed farmer groups and organizations. Also included are capacity-building activities in support of development and implementation through community mobilization and training of an integrated landscape approach to promote more sustainable management of water and other natural resources.

- Capacity building for government officials and key partners at the local, regional and central levels: to strengthen the capacity of local councils, local branches of government agencies such as CAMA, MAI, field units, as well as local NGOs including study tours and knowledge exchange. To improve the protection of livestock assets of vulnerable populations, this component could include also capacity building and training animal health workers or veterinarian agents to expend coverage of animal health services in targeted remote areas.

Component C: Project Coordination and Management (US$2.85 million PPCR Grant): This component would support the SFD as implementing entity through the provision of consultant services, goods and training and incremental operating costs associated with the responsibility of project coordination, management, implementation, monitoring and evaluation (including the establishment and operation of an adequate M&E system, the completion of baseline, mid-term and end-of-project evaluation), and audits.

12. Activities to be financed from the additional resources (including breakdown of funding by component, as appropriate):

This concept note for US$8 million in additional resources is prepared, as requested by the PPCR Sub-Committee in its decision of November 1, 2012 (PPCR/SC.11/CRP.5) to allocate the additional financing to Yemen. The additional resources would enable the project to expand its geographic scope in building on the participatory processes and institutional mechanisms established by the ongoing Rainfed Agriculture and Livestock Project (RALP) project to scale-up and mainstream climate resilience into local development planning and implementation. The additional resources will be used primarily to scale up the activities described under Component A above.

As mentioned in Section 11, project implementation has been designed at the watershed-level. Without the additional resources, and at an indicative cost of $.4 to $1m for each watershed, the project would only be able to target 5 to 7 watersheds in three or four governorates. With the additional resources, about US$13.3 m investments could be made under Component A, targeting
about 10 to 15 watersheds in 9 governorates in the three major agro-ecological zones.

Without the additional resources, the PPCR funds are allotted to Project components as follows:

Component A: Climate Resilient Community Investments -- 60 %, US$6.6 m  
Component B: Capacity Building, Strategic Knowledge Management, and Community Risk Management -- 20 %, US$ 2.2m  
Component C: Project Coordination and Management -- 20 %, US$ 2.2m  
Total -- US$11 m

With the additional resources, the new indicative amounts would be as follows:

Component A: Climate Resilient Community Investments -- 70 %, US$13.3m  
Component B: Capacity Building, Strategic Knowledge Management, and Community Risk Management -- 15 %, US$ 2.85M  
Component C: Project Coordination and Management -- 15 %, US$ 2.85M  
Total -- US$19 m

13. Briefly summarize how the proposed project/program further advances the objectives of the endorsed SPCR:

As stated in the SPCR document, the development objective of Yemen’s SPCR is to improve institutional capacity at local and national levels to address climate change risks and increase resilience of communities to climate change impacts. Yemen is expected to experience an increase in the variability and intensity of rainfall, resulting in increased aridity and heightened flood risks.

The threats to the water sector from a changing climate would have serious implications on agriculture, with significant negative impacts on agricultural yields, exacerbating food insecurity, especially in the rural areas in Yemen. The rural communities, comprising of more than 80 percent of the poor in Yemen, are also mostly food-insecure and tends to be asset-poor, with small landholdings and inadequate access to irrigation. Food insecurity (in terms of per capita calorie intake) is estimated at 32 percent in Yemen. The vulnerability of rural livelihoods, especially in rainfed areas, will be further exacerbated by the interlocking problems of water and agriculture induced by changing climate. Because of the interconnected nature of water, agriculture, and food security, and rural development in Yemen, changes in climatic variables will bring accompanying variations in the biophysical underpinnings of the economy, with corresponding knock-on effects that will ripple outward through the entire society.

As part of the efforts to address these challenges, the interventions proposed under the Climate Resilience of Rural Communities Project would therefore advance the SPCR objectives by supporting activities identified in the SPCR, such as climate resilient soil and water conservation investments and capacity building for local communities. By expanding the geographic scope of the existing project design, the additional resources will promote activities that will lead to the expected outcomes from implementation of the SPCR, as outlined in the SPCR document, including:
• Building climatic resilience and ability adaptation into the water and agricultural sectors;
• Improving food security by improving resilience of both water and agriculture sectors; and
• Augmenting current agricultural production planning that does not take into account future climate change.

14. **Expected Key Results from the use of the new resources**

Note: The indicators will be fleshed out further at the project preparation stage.

<table>
<thead>
<tr>
<th>Result</th>
<th>Indicators (consistent with approved PPCR Results Framework)</th>
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<tbody>
<tr>
<td>(a) Innovative soil and water conservation practices improve agricultural productivity and reduce the impact of climate risks.</td>
<td>1. Number of Comprehensive Watershed Management Plans. [<em>Relates to PPCR Core Indicator 3: Quality and extent to which climate responsive instruments/investment models are developed and tested.</em>]</td>
</tr>
<tr>
<td>(b) Innovative investment channels improve the livelihoods of local populations and reduce the impact of climate risks.</td>
<td>2. Number of community sub-projects initiated. [<em>Relates to PPCR Core Indicator 3: Quality and extent to which climate responsive instruments/investment models are developed and tested.</em>]</td>
</tr>
<tr>
<td>(c) The security of the most vulnerable groups is increased.</td>
<td>3. Number of communities adopting community based early warning systems. [<em>Relates to PPCR Core Indicator 4: Extent to which vulnerable households, communities, businesses and public sector services use improved PPCR supported tools, instruments, strategies and activities to respond to climate variability or climate change.</em>]</td>
</tr>
</tbody>
</table>

**15. Expected Co-Financing for the project or program:**

<table>
<thead>
<tr>
<th>• Beneficiaries</th>
<th>Amount (USD million):</th>
<th>Type of contribution:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$0.665</td>
<td>In-kind</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>US$0.665</strong></td>
<td></td>
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**16. Expected Project/Program Timeframe**

Project Preparation: October 2013 – May 2014  
Decision Meeting / PPCR Sub-Committee approval: end-May 2014  
Appraisal – June 2014,  
Negotiation – September 2014  
Board Approval – October 2014  
Signing/Effectiveness: November 2014

**17. Other Information:**

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3 If the request is for adding resources to an already approved PPCR project/program, list relevant results of approved project/program and/or additional results the additional resources will contribute to and the relevant indicator and revised target.

4 This includes: in-kind contributions (monetary value), MDB loan or grant, parallel financing, etc.
The project will be prepared and implemented in close coordination with the implementing agency for the ongoing PPCR investment I (Climate Information System and PPCR program Coordination project) and other relevant stakeholders involved in the overall PPCR Program. Coordination is proceeding through an ad-hoc Technical Coordination Committee, including all relevant institutions and stakeholders, established in November 2013. In particular, this coordination will be strengthened for the design and implementation of the activities related to downscaling of climate information and making the information available for end-users at the farm or community level. Similarly, the final selection of project sites will take into consideration the locations of the proposed end-to-end early warning system pilots to be implemented under PPCR Investment I.

Good progress has been made to date in project preparation, including selecting project sites, finalizing the activities to be supported, conducting the social and economic assessment of targeted beneficiaries, and finalizing the terms of reference for the Environmental and Social Management Framework (ESMF) documents required by the World Bank safeguards guidelines.