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Report No: PADHI00626

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 75.2 MILLION
(US\$100 MILLION EQUIVALENT)

TO THE

WORLD FOOD PROGRAMME AND UNITED NATIONS CHILDREN'S FUND

FOR A

SUDAN SANAD - EMERGENCY CRISIS RESPONSE SAFETY NET PROJECT

NOVEMBER 29, 2024

Social Protection and Jobs Practice Area
Eastern and Southern Africa Region

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CURRENCY EQUIVALENTS
(Exchange Rate Effective October 31, 2024)

Currency Unit = Sudanese Pound (SP)

SP 600.52 = US\$1

SDR 0.7509535 = US\$1

US\$1.33 = SDR 1

FISCAL YEAR
January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

| | |
|--------|--|
| AM | Accountability Mechanism |
| BSMA | Bank Support and Monitoring Agent |
| BMZ | <i>(Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung)</i> Federal Ministry for Economic Cooperation and Development (Germany) |
| CBO | Community-Based Organization |
| DPF | Development Policy Financing |
| E&S | Environmental and Social |
| FCV | Fragility, Conflict, and Violence |
| FM | Financial Management |
| FMFA | Financial Management Framework Agreement |
| FSP | Financial Service Provider |
| GBV | Gender-Based Violence |
| GEMS | Geo-Enabling Initiative for Monitoring and Supervision |
| GRM | Grievance Redress Mechanism |
| GRS | Grievance Redress Service |
| HACT | Harmonized Approach to Cash Transfers |
| HOPE | Humanitarian Cash Operations and Programme Ecosystem |
| IDA | International Development Association |
| IDP | Internally Displaced People |
| IFR | Interim Financial Report |
| IPC | Integrated Food Security Phase Classification |
| KfW | <i>Kreditanstalt Für Wiederaufbau</i> (Credit Institute for Reconstruction) |
| LMP | Labor Management Procedures |
| M&E | Monitoring and Evaluation |
| MCCT+ | Mother and Child Cash Transfer Plus |
| MIS | Management Information System |
| MSG | Mother Support Group |
| NGO | Nongovernmental Organizations |
| OCHA | Office for the Coordination of Humanitarian Affairs |
| OHS | Occupational Health and Safety |
| PDO | Project Development Objective |
| PHC | Primary Healthcare Center |
| PLW | Pregnant and Lactating Women |
| PMU | Project Management Unit |
| PIM | Project Implementation Manual |
| PPSD | Project Procurement Strategy for Development |
| SEA/SH | Sexual Exploitation and Abuse and Sexual Harassment |
| SEP | Stakeholder Engagement Plan |
| SESNP | Sudan Emergency Safety Nets Project |
| SFSP | Sudan Family Support Project |
| SHARE | Sudan Health Assistance and Response to Emergencies |
| SMF | Security Management Framework |
| SOMOUD | Enhancing Community Resilience Project |
| STARS | Sudan Transition and Recovery Support |
| TPM | Third-Party Monitoring |
| UN | United Nations |

| | |
|--------|---|
| UNHCR | United Nations High Commissioner for Refugees |
| UNICEF | United Nations Children's Fund |
| WASH | Water, Sanitation, and Hygiene |
| WFP | World Food Programme |



TABLE OF CONTENTS

DATASHEET i

I. STRATEGIC CONTEXT 8

A. Country Context 8

B. Sectoral and Institutional Context 11

C. Relevance to Higher Level Objectives 12

II. PROJECT DESCRIPTION..... 13

A. Project Development Objective 13

B. Project Components 13

C. Project Beneficiaries 22

D. Results Chain..... 22

E. Rationale for Bank Involvement and Role of Partners 22

F. Lessons Learned and Reflected in the Project Design..... 23

III. IMPLEMENTATION ARRANGEMENTS 24

A. Institutional and Implementation Arrangements..... 24

B. Results Monitoring and Evaluation Arrangements 24

C. Sustainability 25

IV. PROJECT APPRAISAL SUMMARY 26

A. Technical, Economic and Financial Analysis 26

B. Fiduciary 27

C. Legal Operational Policies 28

D. Environmental and Social 28

V. GRIEVANCE REDRESS SERVICES 29

VI. KEY RISKS..... 30

VIII. RESULTS FRAMEWORK AND MONITORING 32

ANNEX 1: Implementation Arrangements and Support Plan 37



DATASHEET

BASIC INFORMATION

| | | | |
|-----------------------------------|--|--|---|
| Project Beneficiary(ies) Sudan | Operation Name Sudan SANAD - Emergency Crisis Response Safety Net Project | | |
| Operation ID P505963 | Financing Instrument Investment Project Financing (IPF) | Environmental and Social Risk Classification High | Process Urgent Need or Capacity Constraints(FCC) |

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"/> Alternative Procurement Arrangements (APA) | <input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS) |

| | |
|---------------------------------------|--------------------------------------|
| Expected Approval Date 13-Dec-2024 | Expected Closing Date 30-Jun-2026 |
| Bank/IFC Collaboration No | |

Proposed Development Objective(s)

To provide Emergency Safety Nets support to vulnerable and food insecure populations in selected areas of the Republic of the Sudan.

Components

| Component Name | Cost (US\$) |
|----------------|-------------|
|----------------|-------------|



| | |
|--|---------------|
| Unconditional cash transfers | 66,300,000.00 |
| Human capital sensitive cash transfers | 11,700,000.00 |
| Project Management | 22,000,000.00 |

Organizations

| | | | |
|----------------------|---|---------------|--------------------|
| Borrower: | World Food Programme (WFP), United Nations Children's Fund (UNICEF) | | |
| Contact | Title | Telephone No. | Email |
| Implementing Agency: | World Food Programme (WFP), United Nations Children's Fund (UNICEF) | | |
| Contact | Title | Telephone No. | Email |
| Eddie Rowe | Representative and Country Director | 249912002000 | eddie.rowe@wfp.org |
| Sheldon Yett | Representative | 249912303477 | syett@unicef.org |

PROJECT FINANCING DATA (US\$, Millions)**Maximizing Finance for Development**

Is this an MFD-Enabling Project (MFD-EP)? No

Is this project Private Capital Enabling (PCE)? No

SUMMARY

| | |
|-----------------------------|---------------|
| Total Operation Cost | 100.00 |
| Total Financing | 100.00 |
| of which IBRD/IDA | 100.00 |
| Financing Gap | 0.00 |

DETAILS**World Bank Group Financing**

| | |
|---|--------|
| International Development Association (IDA) | 100.00 |
| IDA Grant | 100.00 |



IDA Resources (US\$, Millions)

| | Credit Amount | Grant Amount | SML Amount | Guarantee Amount | Total Amount |
|--|---------------|---------------|-------------|------------------|---------------|
| National Performance-Based Allocations (PBA) | 0.00 | 100.00 | 0.00 | 0.00 | 100.00 |
| Total | 0.00 | 100.00 | 0.00 | 0.00 | 100.00 |

Expected Disbursements (US\$, Millions)

| WB Fiscal Year | 2025 | 2026 |
|----------------|-------|--------|
| Annual | 40.00 | 60.00 |
| Cumulative | 40.00 | 100.00 |

PRACTICE AREA(S)

Practice Area (Lead)

Social Protection & Jobs

Contributing Practice Areas

CLIMATE

Climate Change and Disaster Screening

Yes, it has been screened and the results are discussed in the Operation Document

SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)

Risk Category

Rating

1. Political and Governance

● High

2. Macroeconomic

● High

3. Sector Strategies and Policies

● Moderate



| | |
|---|---------------|
| 4. Technical Design of Project or Program | ● Moderate |
| 5. Institutional Capacity for Implementation and Sustainability | ● High |
| 6. Fiduciary | ● High |
| 7. Environment and Social | ● High |
| 8. Stakeholders | ● Substantial |
| 9. Other | ● High |
| 10. Overall | ● High |

POLICY COMPLIANCE

Policy

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

Yes No

Does the project require any waivers of Bank policies?

Yes No

Have these been approved by Bank management?

Yes No

Is approval for any policy waiver sought from the Board?

Yes No

ENVIRONMENTAL AND SOCIAL

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

| E & S Standards | Relevance |
|--|------------------------|
| ESS 1: Assessment and Management of Environmental and Social Risks and Impacts | Relevant |
| ESS 10: Stakeholder Engagement and Information Disclosure | Relevant |
| ESS 2: Labor and Working Conditions | Relevant |
| ESS 3: Resource Efficiency and Pollution Prevention and Management | Not Currently Relevant |
| ESS 4: Community Health and Safety | Relevant |
| ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement | Not Currently Relevant |



| | |
|--|------------------------|
| ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources | Not Currently Relevant |
| ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities | Relevant |
| ESS 8: Cultural Heritage | Not Currently Relevant |
| ESS 9: 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).

LEGAL

Legal Covenants

Sections and Description

UNICEF Financing Agreement, Schedule 2, Section 1.A., para. 2: Not later than sixty (60) days after the Signature Date, the Recipient shall establish and thereafter maintain during the implementation of its Respective Parts of the Project, an adequately staffed Project Implementation Unit (“PIU”), based in the Recipient’s offices in the Republic of the Sudan which shall be responsible for the day-to-day management, implementation, and monitoring and evaluation of the Project, with composition, mandate and resources as described in the PIM and in accordance with the ESCP.

UNICEF Financing Agreement, Schedule 2, Section 1.A., para. 3: Not later than thirty (30) days after the Signature Date, the Recipient shall establish and thereafter maintain throughout the implementation of the Project a coordination platform (the “Project Coordination Platform”) with a composition and terms of reference agreed by the Recipient, WFP and the Association.

UNICEF Financing Agreement, Schedule 2, Section I.B, paragraph 1: Not later than thirty (30) days after the Signature Date, the Recipient shall prepare, and thereafter maintain, a Project Implementation Manual for its Respective Parts of the Project, in form and substance acceptable to the Association.

UNICEF Financing Agreement, Schedule 2, Section III. Prior to any procurement and not later than thirty (30) days after the Signature Date, the Recipient shall prepare and furnish to the Association for review the Procurement Plan, prepared in accordance with terms of reference satisfactory to the Association, and thereafter, implement the Project in accordance with such Procurement Plan as shall have been agreed with the Association.

Per UNICEF ESCP, one Social and Environmental Focal Point, one Gender and GBV/SEA/SH Focal Point and one Security Focal Point shall be assigned no later than 60 days after the Signature Date.

WFP Financing Agreement, Schedule 2, Section I.A, paragraph 2: Not later than thirty (30) days after the Signature Date, the Recipient shall establish and thereafter maintain during the implementation of its Respective Parts of the Project, an adequately staffed Project Implementation Unit (“PIU”) within the Recipient’s offices in the Republic of the Sudan as appropriate based on the security situation, which shall be responsible for the day-to-day management and implementation of the Respective Parts of the Project, with composition, mandate and resources as described in the PIM, in accordance with the ESCP.

WFP Financing Agreement, Schedule 2, Section I.A, paragraph 3: Not later than thirty (30) days after the Signature Date, the Recipient shall establish and thereafter maintain throughout the implementation of the Project a coordination platform (the “Project Coordination Platform”) with a composition and terms of reference agreed by the Recipient, UNICEF and the Association.



WFP Financing Agreement, Schedule 2, Section I.B, paragraph 1: Not later than thirty (30) days after the Signature Date, the Recipient shall prepare, and thereafter maintain a Project Implementation Manual for its Respective Parts of the Project, in form and substance acceptable to the Association.

WFP Financing Agreement, Schedule 2, Section III, paragraph 2: Prior to any procurement and not later than thirty (30) days after the Signature Date, the Recipient shall prepare and furnish to the Association for review the Procurement Plan, prepared in accordance with terms of reference satisfactory to the Association, and thereafter, implement the Project in accordance with such Procurement Plan as shall have been agreed with the Association.

Conditions

| Type | Citation | Description | Financing Source |
|--------------|---|---|------------------|
| Disbursement | Schedule 2, Section IV.B.1(b) to the UNICEF Grant Agreement | No withdrawal shall be made under Categories (1) and (2) unless and until the Recipient has prepared, consulted on, disclosed and adopted (i) labor management procedures (LMP); (ii) SEA/SH action plan; (iii) security management framework (SMF); and (iv) social assessment and social risk management framework (SA/SRMF); all in accordance with the Environmental and Social Commitment Plan and in terms satisfactory to the Association. | IBRD/IDA |
| Disbursement | Schedule 2, Section IV.B.1(b) to the WFP Grant Agreement | No withdrawal shall be made for payments under Categories (1) and (2) unless and until the Recipient has prepared, consulted on, disclosed and adopted (i) labor management procedures (LMP); (ii) SEA/SH action plan; (iii) security management framework (SMF); and (iv) social assessment and social development plan | IBRD/IDA |



| | | | |
|--|--|---|--|
| | | (SA/SDP); all in accordance with the Environmental and Social Commitment Plan and in terms satisfactory to the Association. | |
|--|--|---|--|



I. STRATEGIC CONTEXT

A. Country Context

- 1. Since 2019, Sudan has been enmeshed in a rocky transition, which culminated in a conflict leading to widespread loss of life and property.** In 2019, amidst high expectations from citizens and significant macroeconomic instability, the transition government undertook reforms and development partners joined forces to support Sudan in its transition process. However, political instability and violence have thwarted the progress made. On October 25, 2021, a military takeover impacted Sudan's transition to civilian rule, interrupted reforms implementation and caused the World Bank and development partners to pause their programs in Sudan. Furthermore, the recent armed conflict that erupted in mid-April 2023 between Sudanese Armed Forces and the Rapid Support Forces has caused severe and long-lasting damage to human life, the economy, the production base and service facilities.
- 2. The conflict has caused significant displacement within and outside the country.** The conflict has led to loss of life and significant displacement: more than 11 million individuals are now displaced internally in Sudan, while approximately 3 million individuals crossed borders into neighboring countries.¹ As of October 2024, the top states of origin among internally displaced persons (IDPs) were Khartoum (33 percent), South Darfur (19 percent), and North Darfur (15 percent), while the top states of displacement were South Darfur (17 percent), North Darfur (14 percent), and Gedaref (9 percent). Most IDPs have moved to urban areas (60 percent), and approximately 50 percent find refuge with host communities (outside of camps) both in rural and urban areas, while 34 percent are in camps and informal settlements. The majority of cross-border movements were recorded in Egypt (39 percent), Chad (28 percent), and South Sudan (27 percent). Women represent 54 percent of the internally displaced, a similar share to that of children under 18 years, while the young children under 5 represent 26 percent.²
- 3. Conflict related disruptions are impacting economic activity and the country's ability to supply key food items.** Sudan's GDP is estimated to have contracted by 20 percent and 15 percent in 2023 and 2024, respectively, due to the ongoing conflict, which has disrupted economic activity and exacerbated pre-existing challenges.³ The decline in economic activity partly reflects a significant reduction in private and government consumption and investment, which is also affected by a large displacement of the population. A major driver of the contractions is the damage to the services sector (medical, educational, telecommunications, retail and wholesale services), which is mostly concentrated in Khartoum. At the same time, the agriculture sector, a key employer and driver of the Sudanese economy, has been disrupted, resulting in a significant decline in production and soaring food prices. As violence spread, farmers were forced to abandon their lands, while widespread looting of food stocks and agriculture equipment in production areas such as Al Jazira and Kordofan have further crippled the sector. For instance, national cereal production in the 2023/24 agricultural season is estimated at 4.1 million tons, 46 percent below the output obtained in the previous season (2022/23) and 41 percent below the five-year average. Sorghum production is estimated at 3 million tons, 42 percent lower than the previous season

¹ [IOM, 2024](#)

² [IOM, 2024](#)

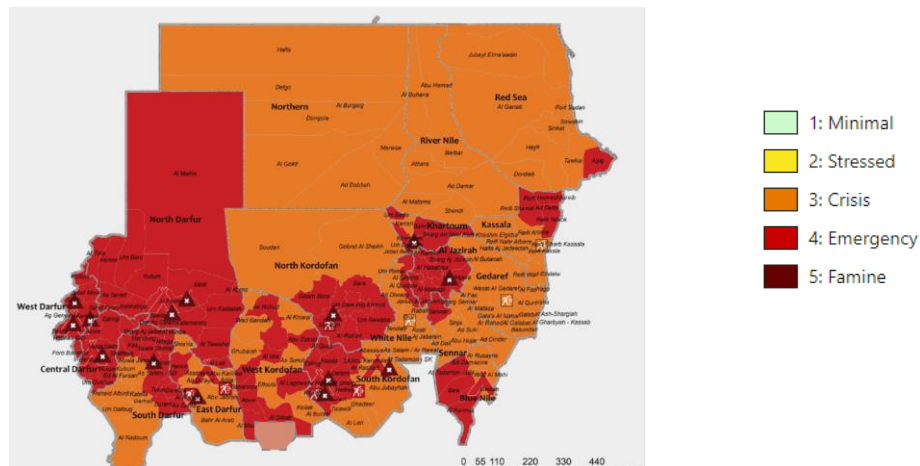
³ World Bank. 2024. Macro-Poverty Outlook for Sudan: October 2024.



and 34 percent below the five-year average.⁴ Inflation remained high at 66 percent in 2023 and surged to an alarming 211 percent in October 2024, primarily driven by sharp currency depreciation, disrupted supply chains and food shortages, and rent hikes.⁵

4. **The deteriorating situation is likely to further increase poverty and worsen the dire food security outlooks.** Over the last decade, poverty has been steadily on the rise in Sudan, with extreme poverty nearly quadrupling from 15.2 percent in 2014 to 56.7 percent in 2024.⁶ Since 2011, Sudan's economy has continuously declined, with an average per capita GDP growth of -3 percent over 2012-2022. The situation has deteriorated significantly in recent years, with the extreme poverty rate almost tripling from 20.4 percent in 2018 to its current level. In 2024, an estimated 25 million people (over half of Sudan's inhabitants), of which 48 percent are children, urgently need humanitarian assistance in the country.⁷ Sudan now also faces extreme levels of food insecurity (Figure 1): the Integrated Food Security Phase Classification (IPC) analysis for the period from June 2024 to September 2024 indicates that more than 25 million individuals were facing high levels of acute food insecurity.⁸ Furthermore, a recent United Nations Development Programme (UNDP) and the International Food Policy Research Institute (IFPRI) report on the socioeconomic impact of the war on urban households documented a reduction in households with full-time wage earners by half, thus signalling concerning shifts in economic stability. The increase in urban household heads without income from 1.6 percent before the conflict to 18 percent indicates an urgent need to address economic resilience. Furthermore, the report estimates that over 50 percent of households face difficulties accessing basic health services.⁹

Figure 1. Sudan Acute Food Security Crisis



⁴ There is some variation across regions: in the Darfurs, sorghum production is estimated to be 78 percent below the five-year average, while in the Kordofans, sorghum production is estimated to be 28 percent below the five-year average. The decreased output in western and southern regions was partly offset by increased output in Sennar, where the output was six times the production of the five-year average due to expanded plantings.

⁵ Central Bureau of Statistics, Inflation Report, November 2024.

⁶ There is currently no recent and credible poverty estimate for Sudan. The most recent official poverty estimates are based on the 2014-15 National Household Budget and Poverty Survey. Projections based on GDP per capita growth, indicate that, extreme poverty rate, the percentage of the population living on less than USD 2.15 per day (2017 Purchasing Power Parity) is estimated to have increased from 15.2 percent in 2014 to 56.7 percent in 2024. World Bank. 2024. Macro Poverty Outlook. Washington, DC: World Bank.

⁷ EU, 2024

⁸ [IPC. 2024](#)

⁹ UNDP & IFPRI, 2024. The report is based on a comprehensive survey of 3,000 households, conducted countrywide from May to July 2024.



Source: IPC – acute food insecurity classification – June 2024.

5. **Food security risks are amplified by displacement challenges and pose severe risk to long term human capital accumulation.** Across the country, around three million children are acutely malnourished and an additional 729,000 children under five are suffering from severe acute malnutrition – the most deadly form of malnutrition.¹⁰ The risk of acute malnutrition increases among children in distressed conditions. Displaced households reported more severe and moderate malnourished cases than those who were not displaced.¹¹ According to humanitarian agencies, access to food is the top reported humanitarian need among IDPs in Sudan. Furthermore, access to food among IDPs was further exacerbated by cash shortages, soaring inflation for basic food items, and on-going insecurity which disrupted supply chains. In July 2024, following a thorough review of available evidence, the Famine Review Committee (FRC) found it plausible that IPC Phase 5 (Famine) is ongoing in July 2024 in Zamzam IDP camp near El Fasher town, with similar conditions likely prevailing in other IDP sites in the El Fasher area, notably in Abu Shouk and Al Salam camps. IPC Phase 5 (Famine) conditions were projected to continue into August till end of October projection period if the conflict continues and no humanitarian assistance is provided.¹² In addition to food insecurity, access to healthcare, water, and sanitation services remained dire, particularly across the Darfur and Kordofan regions.¹³ Many communities lack access to basic medicines for chronic diseases and do not have access to functioning healthcare facilities. Increasing cases of dengue fever, malaria, and measles were reported across several states.

6. **The provision of emergency assistance faces considerable challenges amid precarious security conditions and access constraints on the ground.** This is specifically the case in states such as the Darfurs, Kordofans, Khartoum, and Gazira. The dynamic shifts within armed groups and militias, recently in Sennar, are further complicating the security context and resulting in intra-militia violence and fragmentation. The main challenges are related to crossline and cross-border movements which are deterring operations on the ground and include bureaucratic impediments, politicization of aid, military operations and violence toward civilians and aid workers. Furthermore, widespread insecurity and lawlessness, and extortion and forced levies by armed groups are a compounding factor. As a result, the majority of the commercial transporters, which United Nations (UN) agencies and other actors operating in the country rely on for the delivery of assistance, fear going into contested areas in view of these associated risks.

7. **Climate change is a fundamental fragility driver.** Sudan is among the most vulnerable countries to climate change and variability. Increased frequency of droughts and high rainfall variability over the past few decades have already stressed Sudan's forestry, rainfed agriculture and pastoralist systems, which are the dominant livelihoods in rural areas. The country has experienced a series of extreme weather events in recent times, particularly devastating floods, that underscore this alarming trend. In 2023, 89,000 people were affected by flash floods, with 8,000 houses destroyed and another 8,000 houses damaged.¹⁴ In 2024, the catastrophe has only intensified as evidenced by the recent severe flooding that took place between June 1 and August 12, 2024, displacing about 117,835 individuals, destroying 22,349 houses, and damaging 15,490 houses across 12 affected states.¹⁵ Agriculture provides a livelihood to 54 percent of the population and is the primary source of income, especially in rural areas and for poorer households. Sectors that are vulnerable to rise in temperature and increasing rainfall variability with increased frequency of droughts and floods include rainfed agriculture, aquaculture, natural ecology

¹⁰ Nutrition cluster, 2024.

¹¹ Nutrition cluster, 2024; the 2022 Multi-Sectoral Needs Assessment.

¹² [IPC, 2024](#).

¹³ [IOM, 2024](#).

¹⁴ OCHA (Office for the Coordination of Humanitarian Affairs) (November 5, 2023). Floods: People and Areas Affected.

¹⁵ Displacement Tracking Matrix (August 17, 2024). Natural Disaster Displacement Summary: Floods.



systems and biodiversity, and water resources. Challenges are often exacerbated by additional problems such as the 2019–2021 desert locust upsurge. The effect of climate change on these sectors ultimately increases communities' vulnerability, especially farmers that rely on traditional farming practices, pastoralists and communities that rely on rainfed agriculture.

B. Sectoral and Institutional Context

8. **The World Bank engagement in social protection has been integral to reform and transition efforts over the past years.** These efforts included the development of the “Sudan Economic Revival Program, 2019-2021” with ten Priority Areas to undertake reforms. The government also agreed on a rigorous International Monetary Fund Staff Monitored Program (July 1, 2020–June 30, 2021) to underpin its economic reform. Furthermore, the International Development Association (IDA) approved, in March 2021, the Sudan Reengagement and Reform Development Policy Financing (DPF, P175139) that supported the government’s reform program in areas most critical for correcting macroeconomic imbalances (that is, exchange rate unification and fuel subsidy removal). The DPF program included support to strengthen the social protection system to mitigate the austerity associated with the reforms, specifically the Sudan Family Support Project (SFSP, P173521) which was launched in October 2020, with the support from the Sudan Transition and Recovery Support (STARS) Trust Fund.¹⁶ It aimed to provide support to reach a large part of the population and paid direct cash transfers to 8.7 million people.

9. **Following the October 2021 military takeover, the World Bank-supported programs in the country remain under OP 7.30 Dealings with De Facto Governments.** Under the challenging operating environment, the World Bank responded to the growing food insecurity and humanitarian risks in the country, working together with the STARS TF donors to meet the urgent needs of the Sudanese people. On July 15, 2022, the World Bank approved the US\$100 million Sudan Emergency Safety Nets Project (SESNP, P178989) financed from STARS TF. Given the pause in disbursement to the de facto government under OP 7.30, the funds were provided to the World Food Programme (WFP) as implementing agency. Building on the experience of the paused SFSP, the SESNP provided cash transfers and food to 2.7 million food insecure beneficiaries in 11 states in Sudan before closing in September 2023. The SESNP promptly adapted to the April 2023 armed conflict, by restructuring activities which substantially raised the number of target food beneficiaries including IDPs.

10. **Sudan historically received significant humanitarian assistance from UN agencies for IDPs, refugees, and conflict-affected populations.** The UN, primarily through WFP, United Nations Children’s Fund (UNICEF), and United Nations High Commissioner for Refugees (UNHCR), addresses acute needs of the population, including IDPs, refugees, returnees, and vulnerable residents. Since the beginning of the war, the dependence on this humanitarian assistance has increased given the worsening situation on the ground. Since 2023, UN partners have focused support on delivering food and nutrition assistance, the provision of shelter, non-food household items, as well as support to water, sanitation and hygiene.

11. **Despite the conflict, the World Bank remains engaged in Sudan, including through interventions to improve and sustain service delivery.** More recently, the World Bank approved the Sudan Somoud - Enhancing Community Resilience Project (P181490), which was designed to complement the current humanitarian aid to Sudan by laying a foundation for medium- and longer-term development support in areas with high concentration of IDPs. This US\$130 million project, in partnership with WFP and UNICEF,

¹⁶ STRAS development partners are Canada, the European Union, Finland, France, Germany, Ireland, Italy, the Kingdom of Saudi Arabia, the Netherlands, Norway, Spain, the State and Peace-Building Trust Fund of the World Bank, Sweden, and the United Kingdom.



is sequenced to first provide fast-tracked support to the target communities informed by UN-led local rapid needs assessments of urgent service needs in education, health, water, sanitation, and hygiene (WASH), and gender-based violence (GBV) response. It will also intervene in rural areas that provide food to the target communities where agricultural production is possible to increase resilience, enhance production of select crops, and improve accessibility and affordability of food in local markets.

12. **This project will support households' resilience through emergency unconditional cash transfers.** Over half of the population in the country are now facing deep and persistent shocks that are limiting their ability to meet basic needs and putting at-risk long-term human capital outcomes.¹⁷ The project will contribute to smoothen consumption for the most vulnerable, including the significant share of IDPs in the country. Building on the SESNP experience and considering recent developments in the country, the project will aim to support the aforementioned households to increase the predictability of income and consumption, and maximize impact on both resilience and behavior, to avoid inefficient or harmful coping mechanisms. Furthermore, the project will include a pilot of cash transfers focusing on both food security, and early child development and maternal health. The goal of this pilot is to contribute to the multi-sectoral efforts from the World Bank and other development partners to enhance resilience and service delivery at the community level, as well as to invest in foundational systems that are critical for long-term human capital outcomes.

C. Relevance to Higher Level Objectives

13. **The project contributes to the World Bank's goals and its regional and global strategies, as well as to IDA20 policy commitments.** Specifically, it contributes to the World Bank's vision to create a world free of poverty on a livable planet, the World Bank Evolution Roadmap, and the Eastern and Southern African regional priorities by responding to crisis and helping protect and build human capital. The project is fully aligned with the IDA20 special themes of Human Capital, Fragility, Conflict, and Violence as it promotes resilience in the face of deep and persistent shocks to lives and livelihoods and aims to help mitigate the further deterioration of human capital gains and outcomes. The project is also aligned with the World Bank Group's Strategy for Fragility, Conflict and Violence 2020–2025 and particularly the second pillar of *remaining engaged during conflict and crisis situations to preserve hard won development gains, protect essential institutions, build resilience, and be ready for future recovery*.

14. **The Sudan Country Economic Memorandum (CEM) (under preparation) further supports the need for a more robust and inclusive social protection system** as it outlines specific areas for: (a) tackling persistent poverty; (b) improving targeting of current social transfers; and (c) addressing food insecurity and unemployment challenges.¹⁸ The project is also well aligned with the Sudan country engagement strategic priorities, with its focus on economic and social stability. Further, the project is well aligned with the Country Engagement Note¹⁹ (Objective 1.2: *Mitigating the Impact of Economic Reforms and COVID-19*). This highlights the project's potential contribution to advance social equity and successfully deliver cash to underpin economic stability.

15. **The operation is consistent with the National Adaptation Plan (2016) and Sudan's First Nationally Determined Contribution (NDC, 2021).**²⁰ Project activities contribute to the country's adaptation priorities, such as those related to the mitigation of the socio-economic impacts of climate

¹⁷ EU, 2024.

¹⁸ Sudan Country Economic Memorandum, under preparation.

¹⁹ World Bank. 2020. International Development Association, International Finance Corporation, Multilateral Investment Guarantee Agency Country Engagement Note for the Republic of the Sudan for the Period FY21–22, Report No. 152835-SD.

²⁰ Republic of the Sudan First Nationally Determined Contribution under the Paris Agreement, Updated October 2021.



shocks. The project will contribute to building resilience in priority areas identified by the National Adaptation Plan, including addressing the socio-economic impacts such as climate induced food insecurity, social unrest and internal migration of climate change. Furthermore, the NDC also highlights the interlink between climate shocks, livelihoods and public health. The project is consistent with the NDC goals as it is not expected to create any barriers to achieving a low-carbon pathway, and will contribute to achieving said goals through its focus on vulnerable populations' access to basic health services and income support, as well as its efforts to reinforce awareness at the community level.

II. PROJECT DESCRIPTION

16. **The proposed project is being processed under the World Bank Policy for Investment Project Financing, paragraph 12 of Section III.** Projects in Situations of Urgent Need of Assistance or Capacity Constraints due to conflict, impending natural disaster and capacity constraints. The project will be implemented over a two-year period, through third-party implementation by the WFP and UNICEF.

A. Project Development Objective

PDO Statement

17. To provide Emergency Safety Nets support to vulnerable and food insecure populations in selected areas of the Republic of the Sudan.²¹

PDO Level Indicators

18. **The key project development outcomes and results that will be used to track the progress toward the objective are as follows:**

Beneficiaries of cash-based interventions (Corporate Scorecard indicator, Number of people)

(a) Beneficiaries of cash-based interventions - Female (Number of people)

(b) Beneficiaries of cash-based interventions - Youth (Number of people)²²

(c) Pregnant and Lactating Women (PLW) in selected areas reached with human capital sensitive cash transfers (Number).

B. Project Components

Component 1: Unconditional cash transfers (US\$66.3 million equivalent)

19. **This component will be implemented by WFP and will deliver unconditional cash transfers.**²³ The primary goal of this component is to support vulnerable and food insecure households in areas and localities classified as IPC4 and IPC3 to help them weather multiple shocks (displacement, food shortages and high inflation) that may have long term and persistent consequences in terms of nutrition outcomes, livelihood choices and asset depletion.²⁴ It is designed to contribute to the development goals of the

²¹ Emergency Safety Nets are a set of measures and resources that provide immediate assistance and support to individuals and communities during times of crisis or emergency. These safety nets can include cash transfers, food aid, and other forms of support to help people cope with and recover from unexpected disasters or emergencies.

²² Youth is defined as individuals between 15 and 24 years of age.

²³ This intervention will prioritize IPC4 and IPC3 areas over some of the emerging IPC5 areas to maintain a balance between supporting households and communities from a further deterioration of their outcomes and the ability to deliver support through systems and processes that are transferable, including community level targeting and processes.

²⁴ Even in IPC 3 areas, the support will prioritize households facing IPC 4 levels of food insecurity.



country by helping protect human capital in the short term. This component will aim to have wide geographic coverage taking into account the security risks and access constraints on the ground. The support will also complement existent humanitarian interventions by prioritizing cash (including physical cash, digital cash and e-vouchers) as the main modality to meet the needs of the vulnerable population. State-by-State market assessments in 2023 and 2024, have shown that eastern and northern states have functioning markets with adequate availability of key food items.²⁵ They have also shown that despite the access constraints in the Darfurs and the Kordofans states, support through cash or e-vouchers is possible in some of the localities in these states.²⁶ They have also shown that overall, many of the communities engaged favor cash assistance given the timeliness and choices it offers.²⁷

20. Through this component, the project will help address exposure to deep and persistent shocks and contribute to long term development through the protection of human capital in the short-term. Protecting the poor in the short run is critical to making sure that the situation of already poor and vulnerable households does not worsen, and the scars do not become irreversible. In case of shocks, vulnerable households may turn to negative coping strategies that can put them on a downward spiral. By providing income support, households can meet basic needs and are further incentivized to maintain investments in the future productivity and wellbeing of their children. Given the country's high exposure to both conflict and climate shocks, the targeting of cash transfers will also be particularly geared toward high-risk areas that are particularly exposed to natural and climate disasters.

21. This intervention will also adopt a systems-oriented safety nets approach to deliver emergency support to households and communities. Efforts under this component will further advance the gradual and incremental progress made under previous projects to deploy transferable Social Protection systems and capacity. The SFSP started supporting the issuance of the National ID cards and the reengagement DPF supported the adoption of Mobile Money Regulations, facilitating the utilization of mobile payment systems by private service providers. The current project will continue to consolidate progress made and further strengthen the Grievance Redress Mechanism (GRM), electronic biometric registration, and overall accountability through third-party monitoring (TPM), adapting to security dynamics and connectivity on-ground. To underline this systems-oriented approach in a context of conflict and high volatility, this component will aim to:

- (a) **Build on the systems investments under SESNP.** The SESNP further strengthened social protection systems and provided a foundation for a modern and adaptive social protection delivery system through WFP. This included strengthening the biometric identification of potential beneficiaries; the GRM; and the enrollment and administrative systems at the national and state levels. About 1.4 million beneficiaries were registered by the project using biometric registration (that is, fingerprints or iris identification). This component will leverage the systems built during the implementation of the SESNP and will strive to ensure these systems will feed into the development of future social protection infrastructure by

²⁵ WFP, 2024.

²⁶ A e-voucher is assistance to a targeted individual or household in the form of electronic entitlement redeemable at pre-selected retailers or at specifically organized fairs. Retailers where vouchers can be redeemed are selected and contracted by WFP or its partners based on specific selection criteria. Entitlements are not limited to specific quantities of specific commodities but provide beneficiaries with a choice within a range of items and certain retail networks.

²⁷ Overall, in more central and western states many factors including: (a) poor road infrastructure which hinders supply chains; (b) roadblocks and protection concerns; as well as (c) limited local food production, severely constrain the ability of communities to use cash to meet basic needs. Areas that require in-kind assistance will be prioritize through other Humanitarian support currently implemented by UN partners.



reinforcing capacity and processes that are transferable.

- (b) **Targeting and community outreach approaches will be flexibly designed to adapt to the evolution of the conflict and have a strong focus on supporting capacity at the community level.** The areas of interventions will be guided by the outcome of the IPC analysis, targeting areas that face IPC Phase 3 and IPC Phase 4. In addition, interventions under this component will prioritize areas that meet a minimum threshold of accessibility to carry out community level targeting. Prior to the implementation of community-based targeting, Emergency Food Security Assessments may be conducted if the situation on the ground changed substantially from the IPC analysis. The purpose of these assessments is to ascertain the food security situation among the newly displaced IDPs living in host communities, the situation of households hosting these IDPs, as well as any rapid changes in food security outlooks for the targeted area. Where possible, community-based targeting will follow a participatory approach, through community committees that will be set up and trained and will rely on clear eligibility criteria that will be validated in collaboration with implementing partners and the communities. These criteria are: (a) Female or Child headed Households; (b) Households with young children under five; (c) Households with disabled person(s). If the accessibility status of an area changes over time, the project will include a protocol to shift support to other areas, taking into account a set of prioritization criteria. Further details of targeting mechanisms are presented in Box 1.
- (c) **The transfer value will be calibrated to anchor the safety nets into a sustainable model.** While the humanitarian response in the country aims at harmonizing transfers at around 70 percent of daily calory needs, this component will aim to strike a balance between immediate needs and long-term sustainability. Therefore, transfers will be set around 50 percent of daily calory needs. The 50 percent transfer target is chosen to ensure a value that is sustainable for a future government-led program.

22. **This intervention will closely coordinate with efforts under the Somoud project to strengthen both demand and supply side interventions for food security.** While this project's areas of intervention go beyond what is covered under Somoud, in the common localities among the two projects, the project emergency assistance will focus on cash transfers and further support demand for the locally produced items.

23. **This component will finance unconditional cash transfers, to smoothen consumption needs of targeted beneficiaries for the duration of one year.** These transfers will be prioritized and provided to food insecure households in localities with functioning food markets. The project will provide cash transfers of the equivalent of US\$10 per person per month in the targeted households for a total of one year. The total amount transferred to an individual over a year will provide an equivalent of 50 percent of a ration of the calorific requirements per day (that is 1,000 kilocalories) for one year. There will be no limitation on household size.²⁸ This component will benefit about 552,000 beneficiaries (110,000 households). Fifty percent of the primary grant recipients (the household members receiving the benefits on behalf of the household) are expected to be women. Additional details on the implementation of cash-based transfers will be provided in the Project Implementation Manual (PIM).

24. **Financial service providers (FSPs) will be contracted to deliver the cash transfer to beneficiaries.** This component will aim to reach around 65 percent of its intended beneficiaries with cash in hand, 25

²⁸ This will amount to an average transfer of US\$50 per month per household.



percent with e-vouchers and 10 percent likely via bank accounts or mobile money, varying based on an assessment of feasibility of different payment mechanisms in each of the targeted locations. The choice of modalities is contingent on the volatile dynamics in Sudan, influenced largely by the liquidity crisis, access and security challenges. The project will aim at increasing the number of beneficiaries reached via banks or mobile money agents to the extent possible.²⁹ It will also use information technology for the collection, storage, use, and processing of personal data in connection with the management of the project. All cash beneficiaries that will be served through bank agents will receive a SCOPECARD, containing a chip/QR code, that will be used both for identification and delivery of the benefits. At the time of delivery of the benefit using the point-of-sale devices, the beneficiary will be verified to ensure that the intended person is the one using the card. The WFP will leverage its existing GRM to allow citizens and stakeholders free access to alert on payments difficulties or other malfeasance, free of charge.

Component 2: Human capital sensitive cash transfers (US\$11.7 million equivalent)

25. This component will be implemented by UNICEF and will provide cash transfers to vulnerable and food insecure PLW in selected areas and localities with a strong link to health and nutrition services.

The primary goal of this component is to support vulnerable households to cope with health and nutrition risks by investing in the early days of infants' lives which are linked to long-term returns, as well as enable access to basic services for poor and vulnerable households. This cash transfer support will be linked to critical health services to incentivize take up and foster positive behavioral change, as well as support women empowerment by directly targeting mothers.

26. This component will adapt and build on the existing interventions led by partners on the ground. UNICEF, with support from the German Cooperation through BMZ / Kreditanstalt Fur Wiederaufbau (KfW), has been implementing the Mother and Child Cash Transfer Plus (MCCT+) program targeting PLW to support children during the first 1,000 days of life. The program provides support to vulnerable families with young children through regular and predictable cash transfers to meet critical food and nutritional needs, and offers referrals and linkages with information, knowledge, and social services. The MCCT+ program has been ongoing for the last two years for 300,000 women, children and family members in Kassala and Red Sea States. This component will support the expansion of the program, by adapting some of the intervention features to the needs in the context of rapidly declining food security outcomes, and by closely coordinating in areas of interventions of other World Bank-financed projects that will tackle supply-side constraints: including the Sudan Health Assistance and Response to Emergencies Project (SHARE, P504629). Although this component will provide transfers for only one year, it will lay out the foundations for future support continuation through additional financing or other funding sources.

27. This component will aim to strengthen capacity at the community level to reinforce positive behavioral and contribute to better serviced delivery. More specifically, the intervention will leverage Mother Support Groups (MSGs) at village level as a platform for social and behavior change (SBC), where mothers gain information and enhance knowledge and understanding on key behaviors related to children. An initiative supported by the State Ministry of Health, MSG groups of mothers come together once a month or more to learn about and discuss issues of infant and young child feeding. MSG meetings are facilitated by Mother Leader and held at Primary Healthcare Centers (PHCs) or at the homestead of the members on a rotational basis. The training, empowerment and visibility of Mother Leaders will

²⁹ That will be contingent on the improvement of the connectivity/network in Sudan to allow remote/digital transfers. The initial breakdown of modalities of payments will very much depend on the reality on the ground and may be adjusted over the life of the project.



receive specific support and attention, leverage these important community members as actors of change. Lastly, UNICEF will continuously engage and coordinate its activities with the relevant local administration to the extent possible, leveraging its experience and existing institutional structures, and integrating it in the wider planning of supported services within the framework of the World Bank OP/BP 7.30 (Dealings with De Facto Governments).

28. **Cash transfers will be provided to PLW in relatively stable areas, prioritized based on the UN Famine Prevention Plan.** The intervention will cover 30,000 beneficiary pregnant woman or mothers with children under two who will receive a cash entitlement of US\$30 per month for a period of one year. The payment modality will vary depending on the outcome of the cash feasibility assessment.³⁰ The delivery of cash transfers at the health facilities will also promote the behavior of beneficiaries toward the uptake of key health interventions such as antenatal visits and child immunization which will be tracked through dedicated intermediary indicators.³¹ Additional details on the implementation of cash-based transfers will be provided in the PIM. Payments will be processed and tracked through UNICEF's Humanitarian Cash Operations and Program Ecosystem (HOPE). It will be used to: (a) collect beneficiary data; (b) associate data with cash program; (c) create target populations; (d) manage payment lists; (e) send payment lists to FSPs; (f) reconcile payments; (g) triangulate payment verification information directly from beneficiaries; (h) handle grievances and feedback; and (i) provide reporting on key program metrics. Cash cards and offline payments will be used and prioritized depending on network challenges. Service utilization will be monitored through household surveys and post distribution monitoring surveys.

29. **This component will be implemented in areas with functioning primary health care facilities and align geographically with the support under other World Bank-financed projects.** Primary health care services are delivered through various platforms namely, fixed health facilities, community based, outreaches and campaigns. This component will build on community-level efforts to raise awareness and increase take up of critical health interventions for mothers and children that will promote early childhood development, while providing cash transfers to the most vulnerable households in the selected areas. The vulnerability lens will be applied through geographical targeting including mapping of neighborhoods/communities. Community sensitization meetings will be organized in targeted localities and communities with support of implementing partners and the social welfare, health and community structures. All households, particularly households with PLW are encouraged to attend and are briefed about the critical nature of the early days of life, the objectives, the eligibility criteria, the registration process, verification process and complaint and feedback mechanisms.

Component 3: Project management (US\$22 million equivalent)

30. **This component finances costs associated with the implementation of the first two components of the project.** This includes indirect support costs of WFP and UNICEF, as well as operating costs within their respective Sudan Country Offices for the management of the project. Apart from this, it also extends to costs directly associated with the actual delivery of cash assistance to beneficiaries, namely setting up of delivery mechanisms, contracting implementing partners and Financial Service Providers, as well as costs of implementation, such as for beneficiary selection and targeting, beneficiary registration and identity management, stakeholder engagement and Grievance Redress Mechanisms, environmental and social (E&S) risk management, among others, at the field level, as well as expenses for field offices, such

³⁰ In the case of twins, mothers will receive US\$45, which will be the cap per household.

³¹ Services include ante-natal visits, folic acid supplementation, routine immunization, social behavior change communication and other services.



as facility rents, running costs and equipment, and staffing salaries directly associated with the execution of project activities.

Table 1. Breakdown of the Costs under this project (US\$, millions)

| | Cash Transfers Received by Beneficiaries | Behavioral Change Activities | Delivery Costs | Project Management Costs | Total |
|-------------|--|------------------------------|----------------|--------------------------|-------|
| Component 1 | 66.3 | n.a. | 11.9 | 6.8 | 85.0 |
| Component 2 | 10.9 | 0.8 | 1.5 | 1.8 | 15.0 |
| Total | 77.2 | 0.8 | 13.4 | 8.6 | 100.0 |

Box 1: Geographic- and Household-Level Targeting for Safety Nets Support

Targeting under Component 1

- **Targeting of states and localities.** Geographic targeting will be determined based on the IPC, their accessibility, and the concentration of IDPs. Component 1 will target states and localities with high rates of food insecurity under IPC phase 4 and phase 3, the majority of which are also accessible, including Red Sea, River Nile, Blue Nile, White Nile, Gadaref, Kassala, Khartoum, Northern West Darfur, East Darfur, Sennar, West Kordofan and South Kordofan. If implementation is not possible in some areas (based on changes of security levels, seasonal changes, or others), the project will allow some flexibility in the selection of states and localities, as well as frequency of payments, based on criteria and methodology to be agreed on in the PIM.
- **Targeting of administrative units.** Administrative units in Sudan are below the locality level and include villages and settlements. The number of households to benefit from the project per locality will be determined based on the number of households in IPC 4 who are not receiving assistance. The corresponding total allocation of beneficiaries will also be determined based on the population ratio, and proportion of IDPs hosted by the community as well as whether the security situation in the locality allows for community targeting to be carried out. Given the high displacement rate in the country, most localities will have both IDPs and host communities, with some households consisting of both populations: the household level targeting will take this into account to balance support between both host and displaced people in the community.
- **Targeting of households.** The project will employ objective and transparent targeting criteria that will be elaborated in the PIM and communicated to communities and stakeholders. Community sensitization will emphasize the inclusion of the most food-insecure and vulnerable households with the following characteristics: female/child-headed households, households with children under the age of 5 years old, and households with people with disability. Detailed selection processes and criteria for the households will be presented in the PIM.
- **WFP's partner nongovernmental organizations (NGOs) will facilitate community mobilization, awareness creation, and training community committee members and leaders.** They will also facilitate, oversee, and monitor the targeting process. The goal is to establish or strengthen community committees to make them inclusive of women, youth, and minority groups, as well as displaced populations. In some areas affected by conflict, social dynamics have changed, necessitating a restructuring of the existing community structures established under the SESNP to better reflect the current situation. These structures will help the community to develop lasting capacity.

Targeting under Component 2

Human capital sensitive cash project will focus on localities in relatively stable states with PHCs benefitting from support from World Bank-supported projects including the SHARE project. Following the updated IPC - acute food insecurity (AFI) results, the prioritization exercise carried out by the Nutrition Cluster and partners in



2022/2023 was revised to reflect the updated nutrition situation for the year 2024. The revised prioritization involves consideration of key indicators at the locality level, including: (a) the IPC – AFI; (b) global acute malnutrition among children under the age of 5 years old based on weight for height (WFH) and MUAC; and (c) the proportion of IDPs in a locality. All 190 localities in Sudan were then categorized into three prioritization levels. Only localities at priority level 1 and 2 will be considered for inclusion into this project.

Human Capital sensitive cash transfers will therefore be prioritized for localities in the Red Sea, River Nile and Kassala states. The final selection of localities will be conducted based on a feasibility exercise to better understand the local context, partner mapping, and suitability of cash intervention. The assessment will look at market access and capacity, protection risks and benefits, financial and operational risks, cash transfer mechanisms and delivery options, and cost-efficiency. The final list of localities will be determined by the detailed methodology in the PIM and complimenting other projects supported by the World Bank and UNICEF.

Within the targeted localities, the selection of health facilities will follow the approach taken by the SHARE project. In alignment with universal approach, all PLW from the targeted localities will be eligible to participate in this project.

Corporate Commitments

31. **Climate change.** Project activities are intended to reduce vulnerability to climatic shocks through safety net transfers that enhance households’ adaptive capacity. Sudan is susceptible to climatic shocks ranging from prolonged droughts to flash floods that afflict severe damage to infrastructure and food security. Notably, the Darfur region has experienced a surge in droughts since the 1970s, which has had far-reaching consequences for communities, who largely farm and rear livestock, water shortages have sparked fighting in what has been called the world’s first climate change conflict.³² Water shortage is exacerbated by population growth and agricultural development in the desert north which is dependent on the Nile River as the main source of water supply. The Red Sea is also affected by changes in sea levels and seawater temperature and salinity, negatively impacting access to safe drinking water.³³ Furthermore, according to the Office for the Coordination of Humanitarian Affairs (OCHA), since the onset of the rainy season in July 2023, about 89,000 people in 22 localities across nine states have been affected by heavy rains and flooding. The most affected states were Northern (34,000 people), followed by River Nile (19,000), North Darfur (13,000), South Darfur (16,000), Gedaref (2,000), White Nile (2,000), North Kordofan (1,000), Red Sea (1,000), and South Kordofan (1,000).³⁴

32. **Given the interactive relationship between the conflict and the climate crisis as a major fragility driver that can potentially exacerbate pre-existing challenges related to public health, nutrition, food security and even community tensions, the project will follow a targeting approach that aims to mitigate these multiple shocks.** More precisely, for Component 1 the targeting of localities and states will consider the exposure to droughts and floods as a key factor. For instance, drought risk is assessed using rain incidence versus the seasonal average, expressing the number of the poor growing seasons (times under the average) from 1981 to 2021. Flood-prone areas consider a 100-year return period, expressing water depth probability. For both drought and floods, a natural break based on statistical distribution is adopted to categorize localities from 1 to 3 (1=Low; 2=Medium; 3=High risk). The initial areas considered

³² [United Nations Environment Programme, 2023.](#)

³³ USAID, Climate Change Risk in Sudan: Country Fact Sheet.

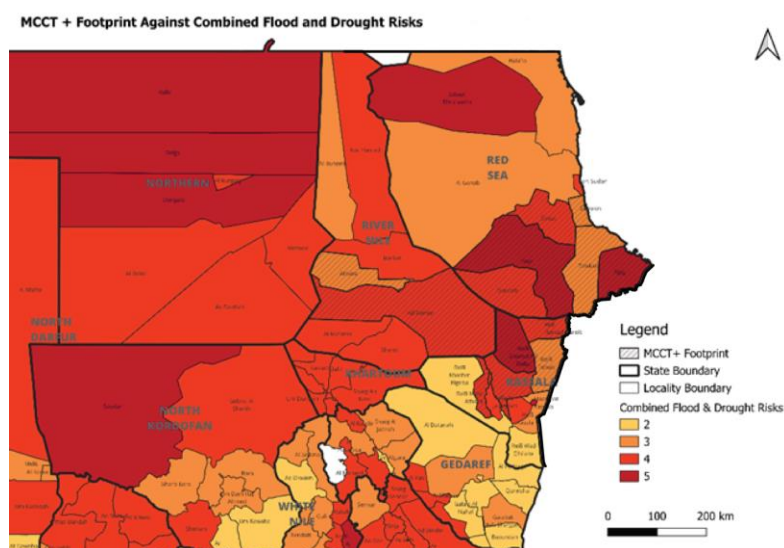
³⁴ [OCHA, 2023.](#)



for support are particularly at risk: as 95 percent of beneficiaries are in locations with Medium to High risk of drought or floods, and 59 percent are in High-risk areas.³⁵

33. For Component 2, while localities choice will be confirmed later given the need to apply additional assessment for health supply capacity and coordination with the SHARE project, a climate screening will also be applied given the interaction between climate shocks and malnutrition outcomes. As part of the 2024 Sudan Humanitarian Need and Response Plan (HNRP), locality-level data on the frequency of flood and drought, its impact on the populations, infrastructure and health were collected under the guidance of UN OCHA. For both flood and drought but separately, localities are classified into five vulnerability levels, ranging from one to five with five being the highest level and one the lowest level.³⁶ The flood and drought vulnerability levels are averaged to obtain the combined level of flood and drought vulnerability and presented as a simplified picture of climate vulnerability at locality level (Figure 2). The selection of the localities will prioritize areas with combined risk of 3 and above.

Figure 2. Climate Vulnerability Levels for Targeted States and Localities under the MCCT+



Source: UNICEF Climate Vulnerability Screening.

34. **Gender:** Despite improvements over the past decades, the maternal mortality rate in Sudan was estimated to be 295 deaths per 10,000 live births in 2020, which is still one of the highest rates globally. About one-quarter of births were not attended by skilled healthcare providers.³⁷ The current conflict and state of displacement is likely to erode past improvements and worsen outcomes. In 2023, of the 11 million people who needed urgent health assistance, 2.64 million were women and girls of reproductive age.³⁸ Over one-third of acutely malnourished children live in extreme and catastrophic severity scale for WASH and health clusters exposing them to heightened morbidity and mortality risks. These needs have significant impact on physical, mental and well-being of children, PLW, and the community in general. PLW represent 23 per cent of the population in need of life-saving treatment and preventive nutrition

³⁵ These figures may change over the life of the project given the evolving nature of the conflict; however, the approach will continue to prioritize areas that are exposed to climate risk to the extent possible.

³⁶ Data pertaining to floods and droughts and other risks come from the 2024 HNRP.

³⁷ [NCBI, 2023.](#)

³⁸ [WHO, 2023.](#)



responses.³⁹ The project will aim to address these challenges, notably with the efforts under Component 2, where the interventions will aim to cover at least 30,000 PLW in selected areas. This support will provide cash assistance which is coupled with information, and awareness campaigns, as well as an integrated health package in coordination with the SHARE project.

35. **Moreover, as part of the project’s accountability to affected people, it will prioritize safe access to safety nets for women to mitigate the risks of GBV.** This is because in the current environment sexual violence is very often used as a weapon of war against young girls and these actions usually result in long-lasting consequences, such as psychological scars or pathological conditions, as well as being exposed to sexually transmitted diseases, early pregnancies, and unsafe abortions. The project will further solidify the gender approach by:

- **Gender-led communication** by using messaging as an effective way to ensure gender-focus. The project will coordinate closely with the SHARE project with regard to public health in general and maternal health in particular by using PHCs as a main platform to raise the necessary awareness. The project will also cover the training and deployment of 300 Mother Leaders in selected communities under Component 2. These community leaders are empowered to be agents of change and to promote positive behaviors, as well as connect beneficiaries to services.
- **Development of a GBV risk-management plan, as part of the SEA/SH Action Plan**, including information disclosure procedures and to identify key GBV-related risks. Complementarities between SHARE and Somoud will be identified in the development of the plan.

36. **Citizen engagement.** Needs assessment exercises will be carried out to dynamically evaluate contextual changes of demands on the ground and respond accordingly with the adequate social assistance modality under Component 1. This will entail coordinating with frontline workers and programming flexibility in terms of operational interventions. Moreover, the project will ensure complementarity with the SHARE and Somoud projects in responding to arising dynamic needs. The M&E activities will incorporate support for the development of social accountability and citizen engagement mechanisms with the support of local-level institutions including community-based organizations (CBOs) and NGOs. Monitoring will also be complemented through a Bank Support and Monitoring Agent (BSMA) that will be hired by the World Bank during project implementation.⁴⁰ The BSMA will also be engaged to assess the satisfaction from beneficiaries throughout implementation, already undertaken by the Recipients as part of distribution and post-distribution monitoring, which is measured as an intermediary indicator of the *Share of Beneficiaries satisfied with the delivery of Safety Nets Support*. Moreover, building trust through long-term community engagement, will help ensure that the project is informed, inclusive, and accepted, and does not inflame or incite social tensions. The engagement of communities will aim to:

- Engage community committees in targeting at household level as a participatory verification approach.
- Leverage the position of community committees and leaders in designing communication messages as well as ensuring outreach.
- Mainstream gender organically across the project activities by utilizing the position of women leaders in communities.

³⁹ [Nutrition Cluster, 2023.](#)

⁴⁰ The BSMA will be hired directly by the World Bank.

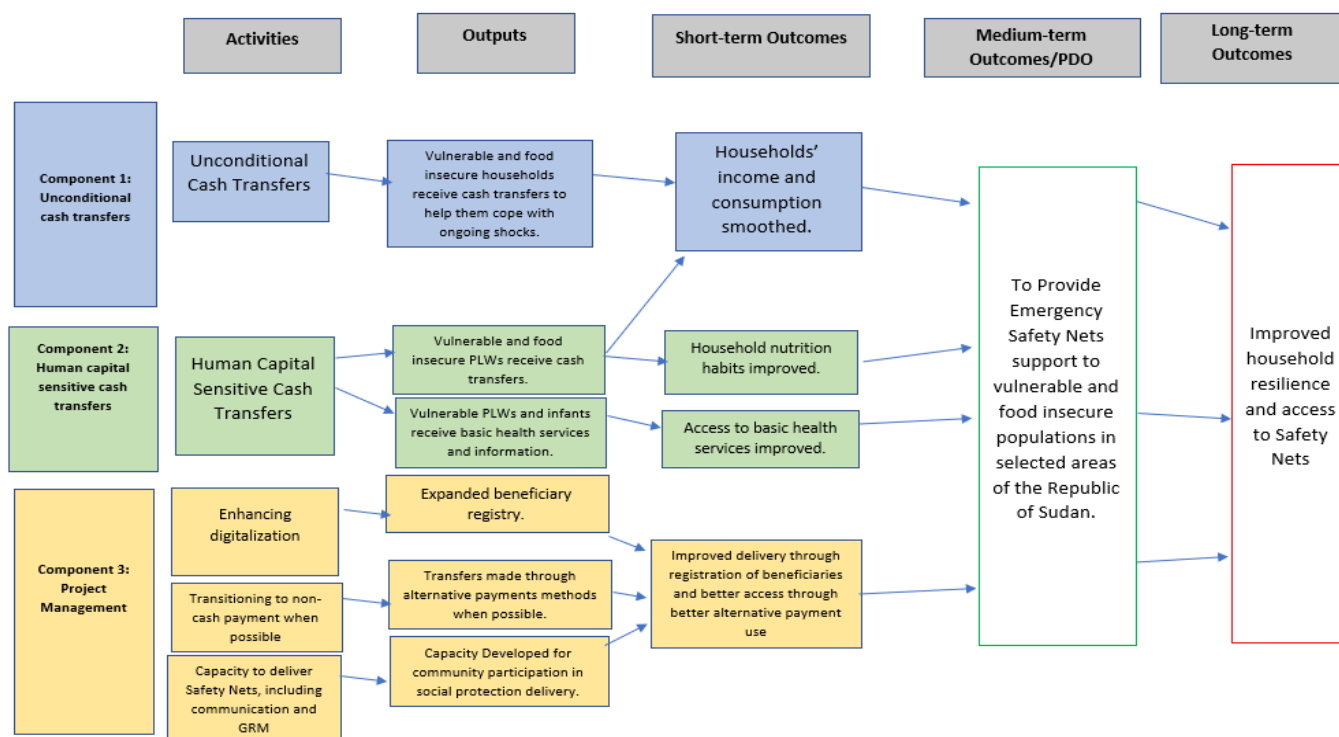


- Consolidate the role of GRM mechanisms by promoting feedback loops via engaging community members, beneficiaries and other stakeholders. Contribute to the project adaptive management approach through feedback and updates on the changing needs and demands on the ground.

C. Project Beneficiaries

37. **The project will target vulnerable households in food insecure localities and states.** About 602,000 beneficiaries (120,000 households) will be reached by this project. Emergency support, which will reach more than 552,000 beneficiaries, will be prioritized for severely food insecure households specifically to: (a) female or child headed households; (b) households with children under the age of 5 years old; and (c) households with members with disability. The human capital sensitive cash transfers will benefit households representing around 150,000 beneficiaries and will be geared toward vulnerable households with PLW, that are also facing malnutrition risks in more stable areas where they can be linked to health services.

D. Results Chain



E. Rationale for Bank Involvement and Role of Partners

38. **The World Bank has the necessary expertise to support Sudan's safety net for vulnerable populations.** In particular, the World Bank brings extensive knowledge and experience in developing social safety net interventions in fragile and conflict-affected contexts. This can help build resilience for households and communities and strengthen humanitarian-development links for short-term emergency response, medium-term recovery, and longer-term development. The World Bank has played a vital role in Sudan's social protection through earlier projects, including the Sudan Social Safety Net Project



(P148349), the Sudan Family Support Project (P173521), and the Sudan Emergency Safety Net Project (P178989). As proposed under this project, the World Bank will continue to support the population of Sudan and contribute to the prevention of human capital deterioration, in line with its strategy to remain engaged in fragility, conflict, and violence (FCV) settings.

39. **The World Bank will leverage its technical expertise and lessons learned from the SESNP and other safety net operations in FCV contexts to inform a flexible approach to project supervision and support partners in effectively providing safety net assistance.** Experience in delivering safety nets in remote and conflict-affected areas that are characterized by social risks, low levels of capacity, and operational challenges will also be used to expand the knowledge base of how to deliver support to high-risk conflict-affected areas and groups. This will help to scale up safety net assistance when Sudan begins to recover and inform operations in other FCV contexts.

40. **The World Bank will partner with the WFP and UNICEF to implement the project, strengthening the nexus between humanitarian efforts and development initiatives.** This collaboration will enhance the connection between immediate humanitarian aid and sustainable development efforts. Furthermore, the delivery of cash transfers through multiple partners may reinforce fragmentation of the sector. The project will build on already existing initiatives with the aim to leverage synergies with other projects and enhance the coordination among multiple stakeholders. The interventions will build on the approach under the Somoud project where coordination between UNICEF and WFP will be facilitated through a Project Coordination Platform: core stakeholders will meet frequently to provide, inter alia, overall guidance and coordination of the project and ensure synergies and project-wide monitoring. Areas of coverage as well as targeted segments of the population will be coordinated and aligned across partners for the support under this project, and transferability of the systems will be strengthened throughout the components.

F. Lessons Learned and Reflected in the Project Design

41. **The following lessons and recommendations are reflected in the project design:**⁴¹

- (a) **Dynamic design and implementation modalities.** The design and implementation of the project will follow flexible and dynamic modalities that consider the challenges in the different states across the country. This will consider the very fluid accessibility issues, as well as the evolving risks related to delivery and relevance of cash transfers. The design takes into consideration the relevance of delivery models and the adaptability to constraints such as network limitations, as well as the safety of workers involved in the delivery of social assistance in an active conflict setting. Giving autonomy to the frontline workers will be crucial for adaptive management as an active conflict environment is contextual and dynamic.
- (b) **Embed gender sensitive design features and mitigation measure early on.** Based on evidence from previous projects, there is a potential risk of intentional and unintentional bias against women beneficiaries, resulting in exclusion and possible acts of GBV. This project design has made women and children the primary target beneficiaries of the project. Safeguard measures must be instituted to mitigate the potential negative consequences associated with cash transfer for women/adolescent girls.

⁴¹ Drawn from the Sudan RRA, the Community Development Fund Project, the Sudan Urbanization Diagnostic, and an independent evaluation of the World Bank administered multi-donor trust fund in Sudan.



- (c) **Prioritize cash over in-kind support where possible.** Experience from other crises has shown that the use of cash transfers is preferable to other forms of (in-kind) support. This is because cash is operationally easier to channel, more cost-effective, and provides beneficiaries the freedom to spend the money in any way they see fit to meet their needs. In the situation of functioning markets, cash assistance allows for more dignified access to a larger variety of food options and other basic needs, as well as the ability to make productive and human capital investments. It also contributes to boost local economy by stimulating demand, offering new livelihood opportunities for local vendors and communities and as such, supports social cohesion.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

42. **Under third-party implementation arrangements, WFP and UNICEF will serve as the implementing agencies and the recipients of the grant.** WFP has extensive experience providing cash and food assistance in fragile contexts, including Sudan, while UNICEF has been implementing an early child development focused social protection program in the country with a strong cash component for the last two years. As the two largest humanitarian agencies in the country, WFP and UNICEF have reached over 10 million beneficiaries in 18 states across Sudan since the conflict started in April 2023.⁴² Each implementing agency will implement its responsibilities and activities under the project in accordance with its internal regulations, rules policies, circulars, directives, manuals, procedures, internal practices, and legal framework (“regulations and rules”), and the terms of the financing agreement concluded between that implementing agency and the World Bank. The project will include provisions to mitigate security risks to project-financed activities. The PIMs will guide the project, which will be developed by WFP and UNICEF and agreed with by the World Bank.

43. **The overall responsibility for project financial management (FM) will rest with WFP and UNICEF.** Both partners’ Country Offices in Port Sudan will conduct the overall implementation of the project and maintain monitoring and oversight responsibilities, including fiduciary and E&S aspects of the project. WFP and UNICEF will each maintain, throughout the project implementation period, an adequately staffed Project Management Unit (PMU), with composition, mandate and resources as described in the PIM. The PMUs will be adequately staffed to ensure effective project management and coordination and compliance with fiduciary requirements. The PMUs’ composition, roles and responsibilities, and resources will be described in the PIM.

B. Results Monitoring and Evaluation Arrangements

44. **The monitoring and evaluation (M&E) function will be the responsibility of WFP and UNICEF by leveraging their current systems, processes, and people as much as possible.** This entails the following: (a) the respective in-house corporate beneficiary management systems, the GRM and, for Component 1, project monitoring dash board, which was developed and used for the implementation of the Sudan Emergency Safety Net Project, would capture and provide the quantitative information needed in M&E reports; (b) for Component 1, participatory process monitoring would continue to leverage national and international cooperating partners and CBOs currently used with the addition of any new ones that may

⁴²[OCHA, 2024](#)



be needed; (c) the master calendar dates for cash payment would be communicated to beneficiaries to enable effective monitoring; (d) financial reconciliation would be carried out within a stipulated timeline with end-to-end audit trail of transactions for cash transfers; (e) all non-digital cash that are given out at community meeting points meet transparency and accountability norms to assist monitoring; (f) monitor the transparency and accuracy of targeting, distribution of cash to beneficiaries; and (g) regular reports on grievance/appeal receipt and resolution trends would continue to come from the GRM maintained by each implementing agency in accordance with its regulations and rules.

45. **Reporting.** The project will provide official quarterly reports. WFP and UNICEF will carry out ongoing information exchange with stakeholders to enable early corrective actions as needed. The timeliness indicators for cash transfers will also be continuously monitored for each payment/transfer cycle. Official reporting from the project will be on a quarterly basis with the Quarterly Report being the main vehicle for project reporting.

46. **WFP and the UNICEF shall collect and process personal data in accordance with their respective mandates, policies, and governing instruments as further elaborated in the Financing Agreement.**

47. **BSMA.** The World Bank will directly contract a BSMA, funded from World Bank funds, not utilizing any project funds. The main purpose of the BSMA, under OP 7.30 stipulations, is to complement the monitoring of project activities, carry out sample monitoring of project progress and implementation in accordance with the Financing Agreements and the Project Operations Manuals. The BSMA consultancy assignment will build on WFP's and UNICEF's M&E functions and will independently monitor the following: (a) cash transfers are going to the intended beneficiaries in time according to the project design; (b) community perceptions about the project; and (c) overall operational roll out of the project. To ensure that the BSMA is effective, WFP and UNICEF management will provide necessary support to the BSMA and provide a point of contact. Detailed terms of reference will be developed by the World Bank based on the above principles and WFP's and UNICEF's data sharing guidance (including clear roles and responsibilities between parties) and will be shared with WFP and UNICEF in advance of contracting for consultation and will be included in the PIM. The World Bank will ensure that the BSMA complies with the World Bank's Environmental and Social Framework (ESF) requirements and the relevant terms of the Financing Agreements between the World Bank and implementing agencies, during the execution of its assignment as applicable to consultant services. With due consideration for FCV context of the intended target areas of the project, and where feasible, the BSMA agent where possible will use the Geo-Enabling Initiative for Monitoring and Supervision (GEMS) to enhance transparency and accountability of the BSMA services.⁴³

C. Sustainability

48. **Addressing the food insecurity of poor and vulnerable households through safety net support is a key challenge due to the armed conflict dynamics.** The ongoing armed conflict has forestalled economic activities and caused profound damage to physical and financial infrastructure. Thus, livelihoods opportunities are expected to remain challenged in the near future in many areas of the country. The worsening economic conditions risk the real purchasing power of the cash transfers provided. The project aims to mitigate the negative and long-term effects of the ongoing shocks and limit the losses to households and communities.

⁴³ Supported by the FCV group of the World Bank, the GEMS initiative enhances M&E and remote supervision by leveraging field-appropriate technology for geo-referenced digital data collection and analysis.



49. **Sustainable impact.** The project invests in activities to support human capital and to strengthen resilience beyond the project. At the level of individual beneficiaries, investments in their human capital will help sustain benefits over time, including improved human development outcomes. This support is expected to improve the resilience of beneficiary households.

50. **Within this FCV context, sustainability entails enabling local conditions that will endure despite a deteriorating political situation.** This involves building community and local instructional capacities to mitigate exclusion and address grievances, foster social cohesion, promote resilience, reinforce accountability, and build citizens' confidence. As identified in the FCV Strategy, these elements are critical in addressing fragility and serving as a foundation for recovery should the country context improve. At the institutional level for longer-term development, enhanced safety net delivery tools will serve as the building blocks of a national social protection system and could also be used for implementation by other projects, supporting a gradual move from humanitarian to development approaches. However, these will be dependent on a minimum level of security and stability and worsening of economic and/or political dynamics could significantly derail expected results and outcomes.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

51. **To improve their consumption and preserve long-term outcomes, the project aims to provide safety nets support to targeted households.** The design and implementation modalities will consider the challenging institutional and social context of delivering such a transfer in an active FCV context. Both WFP and UNICEF, as third-party implementing agencies, will adapt the identification, targeting, and delivery mechanisms to meet the challenges of different states in Sudan. The project will use some of the delivery systems developed by UN partners under similar operations in Sudan and globally, including community targeting, enrollment and registration, GRM, payment systems, and data collection during implementation.

52. **The project builds on regional and international evidence.** Cash transfers have been shown to raise important human capital outcomes and the use of health services for children. For instance, a review of empirical studies shows that cash transfers overwhelmingly have at least one statistically significant effect on food security indicators such as food expenditures, food consumption, nutrient availability, kilocalories and food consumption scores and dietary diversity.⁴⁴ Furthermore, evidence from Togo, Nigeria, Indonesia, and Mexico highlight that cash transfers and information can have significant effects on stunting and children's growth.⁴⁵ In case of shocks, vulnerable households may turn to negative coping strategies that can put them on a downward spiral. By providing food and income support, households are further incentivized to maintain investments in the future productivity and wellbeing of their children.

53. **The project will protect and build the human capital of young children.** The current situation has devastating implications for the country's acutely malnourished children. Malnutrition poses a risk for survival in the most immediate term, and the long-term costs of malnutrition are equally grave. Global evidence indicates that early childhood malnutrition has lasting effects on the loss of cognitive development and productivity, essentially limiting a child's lifetime potential. Sudan's high malnutrition rates, persistent poverty and deprivation, limited access to food, and disruptions of health, nutrition, and social protection services place young children at heightened risk without immediate and lasting support.

⁴⁴ Gentilini, 2016.

⁴⁵ Briaux et al, 2020; Cahyadi et al, 2020; Carneiro et al, 2020; Gutierrez et al, 2019.



Furthermore, experience from early implementation of similar interventions in Sudan are showing promising results: survey results show that the MCCT+ participating women are taking up services at high rate.⁴⁶ An estimated 59 percent of the early beneficiaries reported visiting PHCs more than once over a one-month period and 63 percent of women reported attending health related sessions at these facilities. Furthermore, beneficiaries reported spending more than 70 percent of the cash on nutrition and food items, as well as healthcare.

54. **The project aims to address the differential impact of conflict on gender.** The current crisis is likely to exacerbate gender inequalities, as emergencies are experienced differently by women, men, girls and boys. In Sudan, women continue to be disproportionately affected by conflict, the economic crisis, food insecurity, flooding and disease outbreaks. According to WFP and FAO, more than 18 million people in Sudan were already likely to face acute food insecurity by September 2022. Of these, 75 percent are children and women, and they were additionally exposed to protection risks due to increased risks of violence, abuse, neglect, and exploitation. It is also important to recognize that in Sudan, children are often under the direct care of the women as mothers, and primary caregivers. Thus, women and girls in particular shoulder a heavier burden of care for both households and the community at large. They are also at higher risk for abuse, exploitation and violence- including sexual violence- with little protection and limited legal recourse. There are also pre-existing gender inequalities in the country which tend to increase women's vulnerabilities during times of crisis, with an increased risk of gender-based abuse. To improve the gender parity of beneficiaries and reduce potential GBV/sexual exploitation and abuse (SEA) and sexual harassment (SH) risks, mainstreaming gender across the project spectrum is imperative. Detailed mitigation measures will be highlighted through the development of a SEA/SH Action specific to the project, and a mainstreaming exercise will be conducted to guide actual activities during the implementation of the project.

55. **The operation is aligned with the goals of the Paris Agreement on both mitigation and adaptation.**

- **Assessment and reduction of mitigation risks:** All project activities are Universally Aligned, and thus the project is aligned with the goals of the Paris Agreement on mitigation.
- **Assessment and reduction of adaptation risks:** as described earlier in this document, Sudan is exposed to extreme weather shocks, including devastating floods that can impact lives and livelihoods in a severe way. For instance, floods have recently destroyed infrastructure and displaced people from their homes. The project will identify flood-prone areas where disruptions could be severe and plan to mitigate any impact on the transfers by diversifying to the extent possible the delivery methods. For instance, in areas where there is isolation and lack of access, the project will aim to deliver cash transfers through e-voucher methods. Lastly, given WFP and UNICEF experience in Sudan and the way operations have adapted to recent shocks, the inherent risk is Low, and no climate risk mitigation measures are necessary.

B. Fiduciary

(i) Financial Management

56. **The residual FM risk is High.** The fiduciary risks identified under the project assessed as high. These risks include the country environment, that could impact the implementation of FM arrangements

⁴⁶ UNICEF, 2024.



of the project. Challenges of volatility and the impact of the current conflict ongoing in Sudan could impede access to the intended beneficiaries, and the insecurity, could adversely affect the delivery of the cash transfers and raise the risk of safeguard of funds. Furthermore, project supervision will be challenging due to insecurity, and the verification of project outputs will be difficult and costly due to the inherent physical and logistical constraints of visiting multiple locations. WFP and UNICEF have proven ability to carry out project activities in hard-to-reach areas in Sudan and have adequate systems and mechanisms to ensure project implementation in situations of conflict and insecurity. The organizations’ FM arrangements are well aligned with requirements under the World Bank Policy and World Bank Directive (formerly OP/BP 10.0) on Investment Project Financing. The FM arrangements will be based on the Financial Management Framework Agreement (FMFA), to which WFP and UNICEF are co-signatory. WFP and UNICEF will implement effective FM oversight of project activities through their accounting capacity and systems. WFP and UNICEF will prepare and submit quarterly interim financial reports (IFRs) to the World Bank within 45 days after the end of each quarter. Disbursement of funds will be based on the IFRs. External audit requirements will be satisfied through the entity-level audit function of WFP and UNICEF own external audit conducted in line with the Single Audit Principle as recognized by the World Bank and as set out in the implementing agencies’ relevant frameworks (details in Annex 1).

(ii) Procurement

57. **The residual procurement risk is Substantial.** The risks include exchange rate fluctuations and conflict and political instability leading to government restrictions on US Dollar, as well as lack of qualified FSPs due to challenging operational contexts leading to contract defaults, and underachievement of objectives. To mitigate these risks, the recipients will introduce mitigation measures such as regular monitoring of exchange rates and alert all stakeholders on possible change in distribution plan, as well as conduct regular market assessments to understand the changing landscape of operations. The World Bank will rely on and apply WFP’s and UNICEF’s rules and procedures as Alternative Procurement Arrangements. The World Bank conducted a procurement capacity assessment of the WFP and UNICEF respective Sudan Country Offices, finding that it has good in-house procurement capacity. Therefore, there may not be a staffing gap with the expected increase of workload under this project. If such gaps are identified, agreement will be reached with WFP and UNICEF on how to address them. WFP and UNICEF will submit their respective draft Project Procurement Strategy for Development (PPSD) for World Bank review and a summary of planned procurement. A draft procurement plan will be agreed with the World Bank prior to any procurement and not later than 30 days after the Signature Date of the respective Financing Agreements. WFP and UNICEF will provide updates on progress of procurement implementation as part of their progress reports (details in Annex 1).

C. Legal Operational Policies

| Legal Operational Policies | Triggered? |
|---|------------|
| Projects on International Waterways OP 7.50 | No |
| Projects in Disputed Area OP 7.60 | No |

D. Environmental and Social



58. **Environmental.** The environmental risk of the project is Moderate. The project finances unconditional cash transfers. The unconditional cash transfers will be relatively low, with hardly any savings for investment by the beneficiary households to get involved in the implementation of activities potentially affecting the environment. Unconditional cash transfer could have positive environmental, health and safety (EHS) outcomes to the wider community, and especially to vulnerable households and IDPs. The potential environmental risks and impacts include worker occupational health and safety (OHS) risks associated with cash transfer. Hence, OHS concerns are anticipated to be the main environmental risks because of the project activities. WFP and UNICEF is expected to prepare environmental risk management instruments including OHS risk management as part of the labor management procedures (LMP), WFP, and UNICEF will implement the environmental and social risk management (ESRM) instruments commensurate with the project scope, characteristics and risks. Risk mitigation will be overseen by WFP and UNICEF, which will be managed by their E&S staff in collaboration with the implementing partners.

59. **Social.** Social risk rating of the project is considered High, mainly due to inherent project related social risks including: (a) exclusion of most vulnerable groups including ethnic minorities and IDPs, and beneficiaries in remote areas; (b) security concerns for project staff, workers of FSPs, and beneficiaries; (c) rejection of selection criteria for project benefits; (d) weak and insufficient community engagement during preparation and implementation which could result in elite capture; (e) conflict and social tensions between the host communities and IDPs; (f) illegal activities, such as violence, extortion, theft, armed assault, looting, and vandalism of project materials and properties; (g) risks related to unexploded ordinances due to past and an ongoing active conflict in some of project area; and (h) risk of GBV, including sexual exploitation and abuse and sexual harassment (SEA/SH). The cash transfer might create intra-household tensions as it creates competition between wife and husband over use of cash transferred for the household since the men have the upperhand in decision making power in the household. There are also operational risks linked to remoteness and security, including inadequate monitoring and supervision as well as the need for functional GRM. To mitigate these risks, the recipients will, among other measures, each establish and maintain a Project Implementation Unit (PIU) with qualified staff and resources to support management of such risks and impacts, and will require contractors and implementing partners to provide regular monitoring reports.

60. **The SEA/SH risk for the project is rated as High at this stage.** The following factors could exacerbate SEA/SH risks: (a) location of project activities in conflict-affected areas with large number of IDPs; (b) lack of strong GBV response and referral mechanisms which are not fully accessible in project locations due to insecurity and remoteness of the services; (c) implementation of project activities by FSPs and implementing partners contracted by WFP and UNICEF that could create power differential between project personnel and beneficiaries and could increase risks of women and girls to SEA/SH; and (d) possible exclusion of women and girls from project benefits could exacerbate women and girls risk of SEA/SH.

61. **The risk mitigation measures for the project will rely on the commitments outlined in the Environmental and Social Commitment Plan (ESCP).**

V. GRIEVANCE REDRESS SERVICES

62. **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 complaint 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), visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's Accountability Mechanism, visit <https://accountability.worldbank.org>.

VI. KEY RISKS

63. **Political and Governance (High).** Political and governance risk is rated high owing to the political and institutional fragmentation resulting from the ongoing war and historical instability which has severely afflicted federal authorities and service delivery. The government apparatus has moved its headquarters to the Red Sea state, Port Sudan as a temporary measure that maintains continuity of state functionality and delivery in some areas and domains, despite severe limitations. A considerable number of civil servants are either internally displaced or currently seeking refuge outside the country, which contributes to more limitations in the public sector. However, the Federal level security apparatus, such as the Humanitarian Aid Commission, is functioning at the state level and will require coordination and consultation to ensure smooth implementation and facilitation of project activities. WFP and UNICEF will work with other UN agencies as well as international and local partners to ensure coordination and complementarity of support. More specifically one key challenge in the current context is the ability of NGOs and implementing partners to carry out critical operations such as community targeting without political pressure. To address this risk, regular monitoring through BSMA will allow for possible adjustments, and both WFP and UNICEF will include screening elements in the selection process for NGO implementing partners that will include ensuring that the latter have sufficient mechanisms in place for accountability, particularly for managing feedback and complaints.

64. **Macroeconomic (High).** The macroeconomic risk is rated high due to several fiscal and economic factors but chiefly owed to the damage to the banking sector and the state treasury since the onset of the conflict. Banking regulatory activity is affected by the conflict as the banking sector has suffered massive losses in assets resulting directly from looting and robbery, but also low economic activity. Systemic risks have thus magnified causing liquidity challenges in a very fragmented financial market. To mitigate some of these risks, especially liquidity risks, WFP and UNICEF will adopt proactive approaches including: (a) distribution plan shared with FSPs ahead of time for better planning on the FSP side; (b) Payment and distribution instruction to FSPs prior the start of the physical distribution; (c) Engagement of non-traditional FSPs where necessary and appropriate; and (d) Leveraging the use of other transfer modalities (value e-vouchers, mobile money) where feasible.

65. **Institutional Capacity for Implementation and Sustainability (High).** Project implementation will be led by WFP and UNICEF, which have adequate capacity and local presence to implement the project, including WFP drawing on its experience of implementing SESNP (P178989). The World Bank will use a BSMA to reinforce M&E activities undertaken by UNICEF and WFP in accordance with the Financing Agreements and the PIM. Nonetheless, the operating environment of the project is complex and dynamic, which may challenge the implementing agencies' capacities. As mitigation, both WFP and UNICEF will



collaborate with capable implementing partners and contractors (NGOs, service providers, and Community Committees), making use of their experience and capacity.

66. **Fiduciary (High).** The fiduciary risk is rated high as inherent drivers are identified under the project, mainly those related to the country environment, which impacts the FM arrangements and potentially result in delayed reporting and inaccurate reconciliation. Unreconciled funds for a long period could result in misuse of funds for unintended purposes. This will be mitigated through close coordination between the FM teams of WFP, UNICEF, and the World Bank to ensure the quality and punctuality of reporting and reconciliation. Moreover, project supervision will be challenging in the current precariously fluid context. Thus, in the case of WFP, it plans to overcome these challenges by applying a corporate-led insurance policy throughout the distribution of transfers in order to safeguard funds and assets. Oversight mechanisms such as monitoring, community feedback, and the gradual reintroduction of digital solutions will also support this.

67. **Environmental and social (High).** The E&S risks of the project are rated high due to the inherent project risks that would be exacerbated by the context of the country and ongoing conflict in Sudan. The potential environmental risks and impacts include worker OHS risks associated with cash transfer. The project is expected to address these risks through an OHS management guidelines contained within the LMP. Social risks include exclusion of vulnerable groups, conflict and security concerns, rejection of selection criteria by beneficiaries, weak community engagement, illegal activities, intra-household tensions, and risks of sexual exploitation and abuse. The project aims to manage these risks through instruments that will be prepared by WFP and UNICEF including: (a) a stakeholder engagement plan (SEP); (b) LMP; (c) Security Management Framework (SMF); (d) SEA/SH Action Plan; and (e) a Social Assessment (SA) including Social Risk Management Framework (SRMF).

68. **Stakeholders (Substantial).** The widespread displacement of people within the country may lead to social tensions between IDPs and the host community. To mitigate this risk, WFP and UNICEF will follow practical participatory approaches, mainly underpinned by community leadership from the host and IDPs, in targeting and monitoring.

69. **Other risks (Security, digital network coverage and weaknesses in data governance) (High).** Other risks are rated high due to the multiple and overlapping drivers on the ground. Security risks remain the chief driver as the fighting continues to rise in various areas. Several reports show evidence of grand robbery, thefts, and looting of life-saving aid by soldiers. Additionally, digital and telecommunication networks are severely impacted by the conflict in different geographical areas which could impede not only communications but also payment operations. WFP and UNICEF are expected to provide multiple alternative payment channels, including new innovations developed and utilized by other partners, to ensure punctuality and fitness of transfers. Coordination with telecoms will be paramount in maintaining effective communications for the safety of implementation to ensure fitness of transfers. Moreover, the project will work closely with SHARE project in ensuring data privacy is maintained at PHCs and other facilities that experienced looting and destruction in the recent past.



VIII. RESULTS FRAMEWORK AND MONITORING

PDO Indicators by PDO Outcomes

| Baseline | Closing Period |
|--|----------------|
| To provide Emergency Safety Nets support to vulnerable and food insecure populations | |
| Vulnerable Pregnant and Lactating Women mothers (PLWs) in selected areas reached with human capital sensitive cash transfers (Number) | |
| Dec/2024 | Jun/2026 |
| 0 | 30,000 |
| Beneficiaries of cash-based interventions (Number of people) ^{CRI} | |
| Dec/2024 | Jun/2026 |
| 0 | 602,000 |
| ➤ Beneficiaries of cash-based interventions - Female (Number of people) ^{CRI} | |
| Dec/2024 | Jun/2026 |
| 0 | 350,000 |
| ➤ Beneficiaries of cash-based interventions - Youth (Number of people) ^{CRI} | |
| Dec/2024 | Jun/2026 |
| 0 | 300,000 |

Intermediate Indicators by Components

| Baseline | Closing Period |
|--|----------------|
| Unconditional cash transfers | |
| Beneficiaries reached through additional modalities (outside cash at-hand) (Percentage) | |
| Dec/2024 | Jun/2026 |
| 0 | 35 |
| Beneficiaries satisfied with the delivery of cash transfers (Percentage) | |
| Dec/2024 | Jun/2026 |
| 0 | 80 |
| Newly registered/verified beneficiaries enrolled by WFP using biometric registration (Number) | |



| | |
|---|----------|
| Dec/2024 | Jun/2026 |
| 0 | 180,000 |
| Average number of days for funds to reach beneficiaries (Number) | |
| Dec/2024 | Jun/2026 |
| 0 | 15 |
| Beneficiaries in Medium to High risk of drought or floods areas benefiting from safety nets (Percentage) | |
| Dec/2024 | Jun/2026 |
| 0 | 70 |
| Human capital sensitive cash transfers | |
| Pregnant women benefiting from the cash transfer (Number) | |
| Dec/2024 | Jun/2026 |
| 0 | 15,000 |
| Lactating mothers benefiting from cash transfer (Number) | |
| Dec/2024 | Jun/2026 |
| 0 | 14,000 |
| Mothers Leaders Trained (Number) | |
| Dec/2024 | Jun/2026 |
| 0 | 300 |
| Beneficiary Pregnant Women Receiving at least one antenatal visit (Percentage) | |
| Dec/2024 | Jun/2026 |
| 0 | 70 |
| Project Management | |



Monitoring & Evaluation Plan: PDO Indicators by PDO Outcomes

| Beneficiaries of cash-based interventions (Number) | |
|---|--|
| Description | Number of beneficiaries of cash transfers under both components: counting the household members that benefit from unconditional cash transfers, as well as the household members of the human capital sensitive cash transfers. |
| Frequency | Quarterly |
| Data source | WFP and UNICEF in-house databases, Management Information System (MIS) Reporting, FSPs database and reconciliation report |
| Methodology for Data Collection | WFP and UNICEF in-house Delivery System, available data from WFP and UNICEF in-house MIS and FSPs database |
| Responsibility for Data Collection | WFP and UNICEF |
| Beneficiaries of cash-based interventions - Female (Number) | |
| Description | Number of female beneficiaries of cash transfers under both components: counting the household members that benefit from unconditional cash transfers, as well as the household members of the human capital sensitive cash transfers. |
| Frequency | Quarterly |
| Data source | WFP and UNICEF in-house databases, MIS Reporting, FSPs database and reconciliation report |
| Methodology for Data Collection | WFP and UNICEF in-house Delivery System, available data from WFP and UNICEF in-house MIS and FSPs database |
| Responsibility for Data Collection | WFP and UNICEF |
| Beneficiaries of cash-based interventions - Youth (Number) | |
| Description | Number of youth beneficiaries of cash transfers under both components: counting the household members that benefit from unconditional cash transfers, as well as the household members of the human capital sensitive cash transfers. |
| Frequency | Quarterly |
| Data source | WFP and UNICEF in-house databases, MIS Reporting, FSPs database and reconciliation report |
| Methodology for Data Collection | WFP and UNICEF in-house Delivery System, available data from WFP and UNICEF in-house MIS and FSPs database |
| Responsibility for Data Collection | WFP and UNICEF |
| Vulnerable Pregnant and Lactating Women (PLW) in selected areas reached with human capital sensitive cash transfers (Number) | |
| Description | Captures the number of direct recipients of cash human capital sensitive cash transfers. |
| Frequency | Quarterly |
| Data source | UNICEF in-house database, MIS Reporting, FSPs database and reconciliation report |
| Methodology for Data Collection | Payment Delivery System, available data from MIS and FSPs database |
| Responsibility for Data Collection | UNICEF |

Monitoring & Evaluation Plan: Intermediate Results Indicators by Components

| Component 1: Unconditional cash transfers |
|--|
| Beneficiaries reached through additional modalities (outside cash at-hand) (Percentage) |



| | |
|---|--|
| Description | The indicator measures the proportion of beneficiaries that are reached through e-vouchers, bank or mobile transfers other than cash at hand (i.e. envelope). |
| Frequency | Quarterly |
| Data source | WFP in-house database, WFP in-house MIS Reporting, FSPs database and FSPs reconciliation report |
| Methodology for Data Collection | WFP in-house Delivery System, available data from WFP in-house MIS and FSPs database |
| Responsibility for Data Collection | WFP |
| Newly registered/verified beneficiaries enrolled by WFP using biometric registration (Number) | |
| Description | Indicator measures how many new beneficiaries have been enrolled by WFP using biometric identification. |
| Frequency | Monthly |
| Data source | WFP in-house database, WFP in-house MIS Reporting |
| Methodology for Data Collection | WFP in-house Delivery System, available data from WFP in-house MIS |
| Responsibility for Data Collection | WFP |
| Average days for funds to reach beneficiaries (Number) | |
| Description | Indicator measures how long fund transfer requires from the central account of the project to beneficiaries paid through commercial banks. The program has the objective of delivering benefits from the central account of the project to beneficiaries in 15 days. |
| Frequency | Quarterly |
| Data source | WFP in-house database, WFP in-house MIS Reporting, FSPs database, FSPs reconciliation report |
| Methodology for Data Collection | WFP in-house Delivery System, available data from WFP in-house MIS and FSPs database |
| Responsibility for Data Collection | WFP and FSPs |
| Beneficiaries satisfied with the delivery of cash transfers (Percentage) | |
| Description | Indicator measures percent of project beneficiary satisfaction with the delivery of cash transfers |
| Frequency | Quarterly |
| Data source | Social Accountability tools, Beneficiary satisfaction studies |
| Methodology for Data Collection | Beneficiary survey carried out by the BSMA |
| Responsibility for Data Collection | BSMA |
| Beneficiaries in Medium to High risk of drought or floods areas benefiting from safety nets (Percentage) | |
| Description | Indicator measures percent of project beneficiary that are located in areas that are assessed as High or Medium risk to droughts |
| Frequency | Quarterly |
| Data source | WFP in-house database, MIS Reporting, FSPs database and reconciliation report |
| Methodology for Data Collection | COMET Delivery System, available data from COMET MIS and FSPs database |



| | |
|---|--|
| Responsibility for Data Collection | WFP |
| Component 2: Human capital sensitive cash transfers | |
| Pregnant women benefiting from the cash transfer (Number) | |
| Description | Captures the number of pregnant women benefiting from human capital sensitive cash transfers. This indicator tracks indirectly the ability of the project to connect women to health services during pregnancy. |
| Frequency | Quarterly |
| Data source | UNICEF in-house database, MIS Reporting, FSPs database and reconciliation report |
| Methodology for Data Collection | Payment Delivery System, available data from MIS and FSPs database |
| Responsibility for Data Collection | UNICEF |
| Lactating women benefiting from the cash transfer (Number) | |
| Description | Captures the number of lactating women benefiting from human capital sensitive cash transfers. This indicator tracks indirectly the ability of the project to connect mothers and children to health and nutrition services that are key in the early years. |
| Frequency | Quarterly |
| Data source | UNICEF in-house database, MIS Reporting, FSPs database and reconciliation report |
| Methodology for Data Collection | Payment Delivery System, available data from MIS and FSPs database |
| Responsibility for Data Collection | UNICEF |
| Mothers Leaders Trained (Number) | |
| Description | Captures the number of women trained at the community level to be the interface between the project and the community, and help raise awareness and smooth communication. |
| Frequency | Quarterly |
| Data source | UNICEF in-house database, and NGOs reports. |
| Methodology for Data Collection | Available data from implementing partners. |
| Responsibility for Data Collection | UNICEF |
| Beneficiary Pregnant Women Receiving at least one antenatal visit (Percentage) | |
| Description | Captures the number of pregnant women benefiting from Component 2 that have had least one antenatal visit. The project will encourage women to have the 4 recommended visits. |
| Frequency | Quarterly |
| Data source | UNICEF in-house database, and NGOs reports. |
| Methodology for Data Collection | UNICEF in-house database, MIS Reporting, available data from implementing partners. |
| Responsibility for Data Collection | UNICEF |



ANNEX 1: Implementation Arrangements and Support Plan

COUNTRY: the Republic of the Sudan
Sudan Emergency Crisis Response Safety Net Project

Financial Management

- 1. The project will be implemented by WFP and UNICEF as direct recipients of the IDA grant financing.** WFP has extensive experience in providing cash and food assistance in fragile contexts, with adequate systems and mechanisms to ensure project implementation in situations of conflict and insecurity. WFP recently successfully implemented the Sudan Emergency Safety Project (SESNP-P17899) and has proven ability to carry out project activities in often hard-to-reach areas. Similarly, UNICEF has experience in implementing human capital sensitive cash transfer projects in Sudan. WFP's and UNICEF's FM arrangements are well aligned with the World Bank's requirements under World Bank Policy and World Bank Directive (formerly OP/BP 10.0) on IPF. The FM arrangements will be based on the FMFA to which WFP UNICEF are co-signatories. The FMFA allows UN agencies to use its own FM rules and procedures, including recognition of the UN Single Audit Principle. Under the FMFA, all World Bank FM procedures under the former OP/BP 10.0 are waived in favor of the UN rules.
- 2. Financial Reporting and Budgeting arrangements.** WFP and UNICEF will prepare and submit quarterly IFRs to the World Bank within 45 days after the end of each quarter starting from the project signature date. The IFR format was agreed on during the project negotiations. A mutually agreed IFR format, agreed upon with WFP and UNICEF respectively, was generated separately from each of WFP's and UNICEF's accounting systems and has been reflected in the Disbursement and Financial Information Letter (DFIL). In line with the FMFA, WFP and UNICEF will prepare and submit to the World Bank annual financial statements of account certified by the Chief Finance Officer or an authorized staff, with the format equally agreed upon within the DFIL. The annual financial statements should be submitted within six months of the end of the fiscal year. WFP and UNICEF will prepare and submit a detailed project budget and annual work plan based on planned activities to be executed over the life of the project and this will be agreed with and submitted to the World Bank. Monitoring of budget execution will be done by the World Bank as part of the quarterly IFRs. Any significant variances between actual and budgeted performance that is above 20 percent of the implementing agencies' respective budget cost categories, should be justified and discussed with the World Bank.
- 3. External audit and oversight arrangements.** External audit requirements will be satisfied through entity-level audit in line with the Single Audit Principle and as set out in the entity's relevant framework as recognized by the World Bank. WFP's and UNICEF's Annual Financial Statements prepared following WFP's and UNICEF's respective rules and procedures and encompassing financial transactions from all country offices, including Sudan country office. The Annual Audited Financial Statements and Audit Reports will be issued and published in the Executive Board website within six months after the end of the fiscal year. WFP and UNICEF should notify the World Bank when these reports become available. Without prejudice to the Single Audit Principle, given the high-risk circumstances of the project, the World Bank, WFP and UNICEF agreed to carry out the following due diligence activities: (a) sharing the internal audit report of the country office (WFP's Office of the Inspector General, UNICEF's Office of Internal Audit and Investigation), which would be relevant to the project; (b) WFP sharing the relevant information from the country office's annual risk management process and the condensed risk register; and (c)



implementing partners receiving project funds and sub-contracted by WFP and UNICEF are to be audited and oversight in accordance with WFP and UNICEF respective policies and procedures. The oversight activities will be carried in accordance with WFP's and UNICEF's standard monitoring procedures toward its implementing partners, and WFP and UNICEF will internally share a summary of the audit findings with the World Bank.

4. **Disbursement, banking, and fund flow arrangements.** The disbursement methods may be used under the project will include reimbursement, advance, direct payment, and special commitment as will be specified in the Disbursement and Financial Information Letter and in accordance with the World Bank Disbursement Guidelines for Projects, dated February 1, 2017. The Disbursement and Financial Information Letter will provide details of the disbursement methods, required documentation, and ceiling. Under this project, funds disbursed from the World Bank will be received by WFP in pooled designated account at headquarters in Rome and will be received by UNICEF in pooled designated account at headquarters in New York, used to receive contributions from all partners. The initial advance will be disbursed based on a negotiated lump sum amount based on a six-month cash forecast. Subsequent replenishment of funds will be made upon evidence of satisfactory utilization of the advance, including submission of IFRs. As per the FMFA, WFP, and UNICEF are not required to open separate designated bank account for the project. To enhance accountability over the disbursements, WFP and UNICEF should maintain a separate ledger account for recording the funds channeled into the project. The necessary funds flow arrangements to the implementing partners, and oversight responsibilities will be detailed in the PIM.

5. **Cash transfers to beneficiaries.** WFP will be implementing and delivering unconditional cash transfers to targeted beneficiaries. FSPs will be contracted to deliver the cash transfers to beneficiaries through different payment modalities. UNICEF will be implementing Human capital sensitive cash transfers to vulnerable PLW building on the existing interventions and close collaboration with partners on the ground. For UNICEF, the payment modality will vary depending on the outcome of the cash feasibility assessment and the payment will be processed and tracked through UNICEF's HOPE. Further details on the implementation and monitoring of cash transfers by both WFP and UNICEF will be provided in the PIM.

6. **FM risks.** Given the specific context and operating environment in Sudan, the fiduciary risks identified under the project assessed as high, which includes the country environment that could impact the implementation of FM arrangements of the project. Aside from the risks already mentioned, there are also inherent risks in the project design given the decentralized nature of the project and the fact that it will be implemented in the safer states with potential escalation of the conflicts to these states. There are also broader macroeconomic risks in the portfolio, such as hyperinflation and significant local currency depreciation. These risks will be mitigated through the involvement of specialized third-party agencies such as WFP, UNICEF and their implementing partners and leveraging their experience and capacity of working in FCV contexts. To complement UNICEF and WFP monitoring, the World Bank will finance the appointment of a BSMA to sample monitor and validate the achievement of outputs and results in the various field locations. The coordination between the BSMA, WFP and UNICEF and details of respective roles and responsibilities, as well as any follow-up action, will be outlined in detail in the PIM.

7. **FM supervision plan.** Given that the overall residual FM risk for the project assessed as high, this requiring the World Bank to conduct implementation support supervision every six months. The implementation support supervision will be conducted based on the risk-based approach and through the desk review approach. The supervision activities will include: (a) desk review for the quarterly IFRs and



internal audit report; (b) review of the quarterly project progress report and summary of the Harmonized Approach to Cash Transfer (HACT) oversight reports; (c) review of the Annual Audit Report; and (d) updating the FM rating in the Implementation Status and Results Report (ISR).

Procurement

8. WFP and UNICEF will follow their own respective policies and procurement procedures as APA allowed by the Procurement Policy under Section III.F. of the World Bank: Policy Procurement in IPF and Other Operational Procurement Matters (July 2016). The World Bank prepared an APA Memorandum as needed for Procurement and the CPO was approved it.

9. WFP and UNICEF's respective Policies, Procurement Rules, and Procedures were assessed against the World Bank Core Procurement Principles and Governance requirements, conducted as part of global World Bank engagement by the Operations Policy. The assessment found that WFP and UNICEF procurement rules and procedures meet the World Bank's requirements and are acceptable under agreements with UN agencies. The World Bank also conducted a supplementary procurement capacity assessment of the WFP and UNICEF Sudan offices to manage project procurement with focus on staffing and experience, procurement oversight arrangements, and general country offices' procurement performance. The findings and recommendations were discussed and found acceptable. WFP and UNICEF will ensure that their respective policies for sanctioned and ineligible individuals and firms included in the Consolidated United Nations Security Council Sanctions List are observed through a proper due-diligence process conducted prior to contract award.

10. WFP and UNICEF have rolled out a procurement system that allows to debarred donors/World Bank sanctioned vendors list, including: (a) the UN ineligibility list; (b) the Consolidated United Nations Security Council Sanctions List; and (c) both the World Bank Corporate Procurement listing of non-responsible vendors. WFP and UNICEF have confirmed that the system can accept the World Bank listing of ineligible firms and individuals. WFP and the World Bank have agreed to a mechanism to report to the World Bank cases where WFP intends to issue a contract in connection with the project with a party that has disclosed to WFP that it is subject to any sanction or temporary suspension imposed by the World Bank Group. Such a mechanism will be reflected in the financing agreement between the World Bank and WFP.

11. WFP and UNICEF will undertake project activities by using their staff. Procurement activities envisaged will be mainly consulting services: recruitment of individual consultants, firms, international and NGOs and civil society organization (CSOs), goods and non-consulting services, cash transfers, and non-food items.

12. A draft PPSD for the project will be prepared and submitted to the World Bank, and WFP and UNICEF will prepare a 12-month procurement plan for the project, including cost estimates, selection methods, market approach options, and time schedules. WFP and UNICEF will provide updates on progress of procurement implementations as part of their progress reports.

13. During all procurement processes, the suppliers will be required to complete a disclosure form for any actual or potential conflict of interest during the tendering process, to be signed and included in their solicitation submissions. Similarly, all contractual agreements will include conflict of interest clauses prohibiting such activity. WFP's and UNICEF's respective procurement focal points and members from different procurement-related committees must also complete a form declaring they are free from conflict of interest and have no financial or personal interest in the cases to be reviewed. If it is determined



that a conflict of interest does exist, that person will be fully removed from any involvement in the procurement process.

14. The risk mitigation measures agreed with WFP and UNICEF are summarized in Table 1.1.

Table 1.1. Procurement Risks Mitigations Matrix

| Risk Description | Mitigation Measures | Time Frame | Responsibility |
|---|---|-----------------------|----------------|
| Adverse price increases and exchange rate fluctuations caused by hyperinflation, conflict and political instability leading to government restrictions on US Dollar, material increase of program cost, exchange rate losses, and potential funding gaps. | <ul style="list-style-type: none"> Source selected goods and services internationally to limit the effects of local shortages and dire inflation. Monitor daily exchange rates and alert all stakeholders on possible change in procurement plan The UN exchange rate is now determined every two weeks to ensure more flexibility and limit significant variance due to volatile exchange rate Contractual obligations are agreed in US Dollar to counteract impact of changes in exchange rates Review procurement plan for strategic purchases and long-term agreements for supply and provision of critical services Regular engagement with local suppliers to negotiate prices of products. | During implementation | WFP and UNICEF |
| Lack of qualified FSPs due to challenging operational contexts leading to contract defaults, operational disruptions, and underachievement of objectives | <ul style="list-style-type: none"> Regular market assessments conducted to understand the stakeholders and changing landscape of operation Increase the range of FSPs, offering increased options to find a suitable delivery mechanism for each location | During implementation | WFP and UNICEF |
| Fraud and corruption in procurement process due to inadequate internal controls, insufficient prioritization of fraud prevention, and lack of accountability resulting in loss/diversion of resources and reputational risk | <ul style="list-style-type: none"> Maintain adequate segregation of duties and clear delegation of authority levels Implement procurement committees, vendor due diligence, and vetting protocols, anti-fraud and corruption contractual clauses, and electronic tendering system Watch for conflict of interest | During implementation | WFP and UNICEF |
| Quality /availability of some equipment, goods, or services available in the local market currently does not meet needed technical specifications | <ul style="list-style-type: none"> Provide detailed scope of work and technical specifications during tendering process Build capacities of local suppliers with proper awareness of needed standards and gradually increase the number of local vendors to diversify the sourcing | During implementation | WFP and UNICEF |
| Delays in payment based on invoices or services, as well as approval of evaluation bids reports, signing off and approval of contracts | <ul style="list-style-type: none"> An invoice tracking system will be reinforced by staff to ensure invoices are processed on time | During implementation | WFP and UNICEF |



| Risk Description | Mitigation Measures | Time Frame | Responsibility |
|---|---|-----------------------|----------------|
| | <ul style="list-style-type: none"> Procurement staff for close follow-up and reinforcement of committee and evaluation panel members | | |
| <p>Poor or inconsistent quality and timeliness of partners' deliverables not meeting contracted standards due to inadequate capacity or quality of partners to meet WFP's procedures and standards, lack of training on WFP procedures and standards, low local standards of performance, inadequate monitoring by WFP of partner performance, lack of financial resources to ensure quality standard leading to commitments under FLAs unfulfilled, unmet beneficiary needs, underachievement of objectives, and reputational risk</p> | <ul style="list-style-type: none"> Conduct partner training on implementation, transfer modalities, reporting, accounting practices, and other relevant topics based on need Robust complaints and feedback mechanism Systematic cross-functional spot check missions and regular on-site monitoring of partner activities | During implementation | WFP |
| <p>Poor or inconsistent quality and timeliness of partners' deliverables not meeting contracted standards due to inadequate capacity or quality of partners to meet UNICEF's procedures and standards, lack of training on UNICEF procedures and standards, low local standards of performance, inadequate monitoring by UNICEF of partner performance, lack of financial resources to ensure quality standard leading to commitments under project documents unfulfilled, unmet beneficiary needs, underachievement of objectives, and reputational risk</p> | <ul style="list-style-type: none"> Conduct implementing partner training on implementation, transfer modalities, reporting, accounting practices, and other relevant topics based on needs. Robust complaints and feedback mechanism. Implementation of HACT Framework, including regular project visits, spot checks, and audits. | During Implementation | UNICEF |

15. WFP's and UNICEF's operations are governed by the Charter of the UN and the Convention on the Privileges and Immunities of the UN, which has full juridical personality and enjoys such privileges and immunities as are necessary for the independent fulfillment of its purposes. WFP operations are governed by WFP General Regulations and General Rules, Financial Regulations and Financial Rules, and other relevant rules, internal policies, circulars, directives, manuals, procedures, and legal framework, as applicable and as may be revised from time to time ('WFP Regulations and Rules'). UNICEF's operations are governed by the Charter of the United Nations and the Convention on the Privileges and Immunities



of the United Nations, which has full juridical personality and enjoys such privileges and immunities as are necessary for the independent fulfillment of its purposes.