Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 13-Jun-2019 | Report No: PIDA27189
## BASIC INFORMATION

### A. Basic Project Data

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<td>Zimbabwe Idai Recovery Project</td>
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<td>United Nations Office for Project Services (UNOPS)</td>
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### Proposed Development Objective(s)

The Project Development Objective (PDO) is to address the early and medium-term resilient disaster recovery needs of cyclone-affected people.

### Components

- **Component 1:** Providing Immediate Support for Cyclone Recovery
- **Component 2:** Enabling Medium-Term Cyclone Recovery and Resilience-building
- **Component 3:** Providing Project Management and Technical Assistance

Unallocated Amount

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.

Yes

## PROJECT FINANCING DATA (US$, Millions)

### SUMMARY

<table>
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<td>Financing Gap</td>
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### DETAILS

World Bank Group Financing
Environmental and Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Introduction

1. Cyclone Idai and subsequent flooding and landslides affected Malawi, Mozambique, and Zimbabwe over the period of March 4–17, 2019, with severe repercussions for an already fragile part of Southern Africa and raising the prospects of significant cross-border impact. The cyclone has affected around two million people across the three countries and left a trail of destruction with many people dead, missing or displaced, as well as crops and livestock lost and critical infrastructure destroyed. Regional effects are already being felt through trade disruptions, disease outbreaks, and rising outmigration. The Beira corridor is a trading route for countries, including Malawi, Zambia and Zimbabwe, that links landlocked countries to the ocean through the port of Beira. The cyclone interrupted trade through the Beira corridor, including supply of essential goods, seriously affecting already volatile prices, exchange rates, and trade revenues, particularly in Zimbabwe. Cyclone winds and floods destroyed or damaged critical infrastructure such as roads and bridges, as well as buildings in Beira used to facilitate trade, such as warehouses. The scale of the cyclone and cumulative effects from preceding shocks on an already fragile region could also lead to rising outmigration—to illustrate, about 0.5 million Zimbabweans migrated to neighboring countries as a direct consequence of the droughts in 2002 and 2004, and historical evidence suggests that this is likely to cause severe socioeconomic strain in receiving countries. With the Ministry of Health in Mozambique declaring a cholera outbreak on March 27th, 2019 and over 4,000 cases of cholera recorded along the corridor as of May 1st, 2019, a coordinated regional effort to control the spread of diseases is critical.

2. The unprecedented scale of impact of Cyclone Idai, on Zimbabwe represents the country’s most devastating recorded natural disaster, compounding the country’s already fragile humanitarian situation. Tropical Cyclone Idai made landfall over eastern Zimbabwe on March 15th, 2019, producing heavy rains and strong winds impacting the provinces of Manicaland, Masvingo, and Mashonaland East. The cyclone caused substantial flooding, resulting in numerous deaths and significant damage to infrastructure, property, crops, and livestock. This included damage to water distribution and infrastructure systems. There is also an elevated risk of water-borne diseases, including cholera as Zimbabwe has been experiencing a cholera outbreak since September with a current total caseload of suspected 10,730, of which 317 were confirmed cases. To date, the
cyclone left 270,000 people in need of humanitarian assistance, including 129,600 children, more than 60,000 newly displaced people, and has exacerbated already high emergency-level malnutrition rates.\(^1\) The Government of Zimbabwe (GoZ) declared an emergency on the March 16\(^{th}\), 2019, activating a government-led response directed by the Department of Civil Protection Unit (DCP) in coordination with humanitarian partners, the military, and sub-national flood command centers.

Country Context

3. **Following the change in Government in November 2017, Zimbabwe is undergoing a transition, as it seeks to reengage fully with the international community, attract foreign direct investment (FDI), and restore confidence in the economy.** The new Government, which was elected in August 2018, has promised far-reaching economic and political reforms. However, slow economic growth, rising inflation (75.9 percent in April 2019, year-on-year), increasing poverty, high foreign and domestic debt (US$17 billion), threaten the country’s long-term development and political stability. A widening current account deficit, estimated at 4.5 percent of GDP in 2018, has worsened shortages in foreign exchange, hampering trade and investment, reducing supplies and increasing prices for basic commodities; further compounded by the parallel black market.

4. **Economic trends are indicative of a worsening economic outlook.** In 2017, Zimbabwe’s per capita Gross National Income of US$1,170 fell below the Southern African Development Community median.\(^2\) Between 2014 to 2018, the country’s Gross Domestic Product (GDP) growth averaged 2.7 percent, which is only marginally above population growth and insufficient to improve average per capita income. Deterioration of growth started in the last quarter of 2018 when shortages of foreign currency and basic commodities limited productive sectors’ ability to trade and invest and had a dampening impact on household consumption. The economy is heading into a recession in 2019 as a result of severe drought, deepening shortages of fuel and foreign currency, and quickly accelerating inflation. Average Consumer Price Index (CPI) rose by 10.6 percent in 2018 from less than 1 percent per year in 2014-17 while year-on-year inflation increased by 75.9 percent in April 2019. The unemployment rate has continued to rise, undermining the livelihoods of the population.

5. **Republic of Zimbabwe Arrears Status.** Suffering from decades of decline and hyperinflation, the Government of Zimbabwe has not been able to borrow from international lenders since 1999, when it started defaulting on its debt. It has arrears of around $2.5 billion with the World Bank, the African Development Bank and European Investment Bank. Due to its non-accrual status, the country is ineligible to receive funding from IDA. In turn, this has deprived Zimbabwe of a critical source of predictable development financing and has put a severe strain on stable economic growth and socio-economic development for its population.

6. **The GoZ is pursuing strong reform measures to stabilize the economy and encourage private-sector led growth.** Still, it is challenging within the context of high inflationary pressures, declining economic activity, and the ensuing social and political tensions. The GoZ adopted a Transitional Stabilization Program (2018-20), which consists of implementing structural reforms and enabling macroeconomic stabilization measures. In addition, under a recently agreed International Monetary Fund (IMF) Staff Monitored Program,\(^3\) the Government is implementing a large fiscal adjustment program, restructuring of state-owned enterprises, and other

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\(^1\) Revised 2019 Zimbabwe Flash Appeal.

\(^2\) World Bank’s World Development Indicators.

\(^3\) Approved by IMF Managing Director on May 15, 2019.
interventions aimed at restoring macroeconomic stability with potential for increasing vulnerabilities to the poor if adequate mitigating measures are not implemented. The fiscal deficit in 2018 was reduced to 7.1 percent of GDP from 9.7 percent of GDP in 2017 and the fiscal deficit for 2019 is projected at 4 percent of GDP. Fiscal consolidation has intensified since October 2018 when a higher tax on e-transactions was introduced. A hike in fuel excise in early 2019, restricted wage bill increase, lower support to agriculture and state-owned enterprises are expected to help achieve the planned fiscal deficit in 2019 and discontinue the monetization of fiscal deficit by the Central Bank. Delivery of public services, however, is constrained by rising costs of imported goods and capital inputs, limiting access to basic services to the poor, and reducing space for expanding social assistance.

7. **Those in extreme poverty are most affected by the worsening economy in Zimbabwe.** About 29 percent of the population was living under the extreme poverty line (US$1.9 a day) by end-2017, or 4.6 million people, of which 4.1 million are in rural areas. This is about double the number in 2012 and number of people in poverty is expected to rise further in 2019. Recent economic and political events in late 2018/early 2019 may have led to further impoverishment of the population. Notably, rapid food price inflation (with grain prices rising by 40 percent since October, and cooking oil by 100 percent) may have significantly increased the proportion of food insecure people during the last lean season (51 percent, according to ZIMVAC rapid assessment, with no significant difference between rural and urban areas). The same assessment suggests that poor and vulnerable households increasingly resort to negative coping strategies, such as taking children out of school (school attendance has dropped from 88 percent in 2017 to 72 percent in 2018). Growing difficulties in delivering public services (transport costs, and a severe contraction in public servants’ real wages), and demand from some providers (health) to be paid in US$ is excluding a growing share of population from receiving essential services. The extreme poor already are more likely to have limited access to these basic services, particularly those in rural areas. For example, only 4 percent or rural households have access to flush toilets and less than 11 percent have access to piped water (private or communal). At the national level, only 44 percent of households have access to electricity, which is less than the average of countries in Sub-Saharan Africa and for low-income countries.

8. **Vulnerability Context.** Climate shocks are compounding the economic crisis in Zimbabwe. On average, southern Zimbabwe (300–500 mm/year) receives less rainfall than the northern (700–1000 mm/year) and eastern (above 1000 mm/year) parts of the country. Tropical cyclones are an important feature of Zimbabwe’s rainfall season. The tropical cyclone season stretches from December to March. Depending on their proximity and relative position, tropical cyclones may induce an extended dry spell or give widespread and heavy rainfall within a very short space of time. The 2018/19 lean season (October-April) experienced erratic and low rainfall (40-year low), as well as widespread infestations of crop pests (Fall armyworm and *Tuta absoluta*) and outbreaks of livestock disease (anthrax, foot-and-mouth diseases, and theileriosis), contributing to poor agricultural performance and limited livelihood opportunities. Zimbabwe’s rural poor, heavily reliant on rain-fed agriculture for their livelihoods and food consumption, have been most impacted. The key sectors to boosting Zimbabwe’s economy – including agriculture, water, energy, forestry, tourism, and industry, among others – are also susceptible to abrupt climate variability. The multi-model ensemble projects that the northern and eastern parts of Zimbabwe are likely to experience above normal precipitation in the coming decades. Climate change is likely to adversely impact Zimbabwe’s key economic sectors as well as its livelihoods. With climatic variability

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4 IMF Zimbabwe Staff Monitored Program.
6 The proposed operations has undergone the required climate and disaster risk screening, and has been assessed for climate co-benefits.
increasing, natural disasters are likely to occur more frequently and have the potential to hit the most vulnerable parts of the population, the poor, in a disproportionate way due to their hazard exposure and relatively weak coping mechanisms.

9. **The humanitarian situation is deteriorating** as a result of these climatic and economic shocks, with increased food insecurity and reduced access to basic services. Nearly 5.3 million people in Zimbabwe are estimated to be in need of humanitarian assistance during the 2018/19 lean season. This includes 2.9 million people in rural areas and 1.5 million people in urban areas that are food insecure (Integrated food security Phase Classification [IPC] 3 or higher), resulting in the increased migration of people in search of food. The health sector has also been worsening due to underfunding and shortages of essential medicines and diagnostic supplies, contributing to recent and severe cholera and typhoid outbreaks. Furthermore, Zimbabwe has a high HIV prevalence, affecting 13 percent of the population. The lack of access to food, income, and basic services is particularly impacting women and girls, and could be leading to negative coping strategies.

**Situation in Urgent Need of Assistance**

**Need for Extraordinary Bank Response**

10. **Zimbabwe’s anticipated economic contraction for 2019 is projected to widen in the aftermath of Cyclone Idai**, with annual real GDP projected to decline by 3.1 percent compared to an earlier projected contraction of 1.6 percent. The anticipated deterioration comes as a result of important losses in agricultural production and livestock, along with losses in trade-related activities due to the significant damage caused to critical infrastructure such as roads, buildings, and ports.

11. **The proposed operation meets the emergency provisions under Section III Paragraph 12, Projects in Situations of Urgent Need of Assistance or Capacity Constraints of the “Bank Policy: Investment Project Financing.”** The already acute economic and humanitarian crisis has been worsened by the scale of damages inflicted by Cyclone Idai. Given Zimbabwe’s economic crisis, the GoZ is financially constrained to adequately respond to the humanitarian and development crisis at scale, and large funding gaps for cyclone recovery remain even after factoring in the limited funding available through other development partners. The acute humanitarian crisis and Zimbabwe’s non-accrual status (not eligible for IDA financing) thereby poses extraordinary challenges and warrant an extraordinary and urgent Bank response.

12. As part of the overall regional Bank response, Bank Management has agreed to provide exceptional financing on grant terms from the IDA CRW to the United Nations Office for Project Services (UNOPS) for a Zimbabwe Idai Recovery Project (ZIRP), to mitigate its impact on the most affected communities of Zimbabwe and lay a foundation for regional recovery and longer-term resilience. The proposed operation will target up to nine of the most affected districts, with a focus on immediate recovery and livelihood support and the

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7 [2019 Zimbabwe Flash Appeal](#).
8 The overall estimate of people displaced by the cyclone stands at around 60,000.
9 In its letter of April 8th, 2019, the GoZ requested the World Bank’s assistance for the recovery of the people affected by the cyclone through the mobilization of IDA CRW resources.
11 Manicaland Province: Buhera, Chirumhanzu, Chibhe, Chimbinge Urban, Mutare, Mutare Urban, Mutasa; Mashonaland
restoration of community infrastructure and social services. Given Zimbabwe’s non-accrual status to IDA, the proposed Zimbabwe Idai Recovery Project (ZIRP) will be processed and financed on an exceptional basis, reflecting international recognition of the unprecedented humanitarian crisis caused by the cyclone in Zimbabwe. Mounting an effective response and addressing the spillover effects of this crisis requires an integrated regional intervention from the World Bank. This operation is part of the World Bank’s broader regional package which comprises a set of operations totaling some US$700 million in IDA resources— including up to US$545 million from the International Development Association (IDA) Crisis Response Window (CRW)— to support cyclone response in Malawi, Mozambique and Zimbabwe.

13. **Zimbabwe has been in non-accrual status with the Bank since 2000.** Although the Project will be implemented within the territory of the Republic of Zimbabwe, IDA funding will not be extended to any Zimbabwean government entities directly or indirectly. The project design, implementation arrangements and fund flow mechanisms exclude any transactions through government, hence no legal funds flow means exists under the Project to finance government. To prevent any unintended funding of government during actual implementation, stringent risk mitigation measures will be introduced under the Project Financing Agreement and the Project Operational Manual (POM), along with routine independent auditing of project accounts to detect and mitigate any such occurrences.

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*Province: Chikomba; and Masvingo Province: Gutu.*
Statement from the Chief Risk Officer on World Bank’s Preferred Creditor Treatment

As indicated in their Financial Statements, IDA and IBRD do not provide credits or grants to member countries (or borrowers therein) in nonaccrual status to IDA or IBRD. This policy helps to protect the World Bank’s Preferred Creditor Treatment (PCT), which refers to the practice of borrowers to prioritize debt service to certain creditors, notably the World Bank and the IMF. PCT manifests itself as very low default rates to preferred creditors and high recovery rates on loans in nonaccrual. As PCT underpins the triple-A credit ratings of both IDA and IBRD, and thus their ability to access capital markets at low interest rates, PCT lies at the heart of the World Bank’s financial model.

Zimbabwe has been in nonaccrual status to IDA and IBRD since October 2000. The World Bank portfolio in nonaccrual currently totals US$895 million: US$460 million to IDA and US$435 million to IBRD. As of end-May 2019, overdue debt service (including interest) from Zimbabwe to the World Bank was close to US$1.3 billion. Zimbabwe made token payments of about US$4 million per quarter (total for IDA and IBRD) between January 2015 and June 2017 and a token payment of US$1 million was received in May 2019.

The use of IDA CRW for Zimbabwe requires balancing the need to preserve World Bank practices of not funding into arrears while also recognizing the exceptional nature of the need, given that excluding Zimbabwe from the regional response to Idai would undermine efforts in neighboring countries, through migration and other channels.

Accordingly, on an exceptional basis, it has been agreed that:

- No financing goes to the Government of Zimbabwe, but only to approved UN agencies at work in the country and able to deliver emergency relief;
- Financed activities exclude large scale infrastructure (which might otherwise be financed by the Government of Zimbabwe, to exclude substituting for existing planned public spending);
- An alternative mechanism of funding is being explored (such as trust funds, rather than sourcing funding from World Bank balance sheets) and donor funding sought, to limit the recurrence of such transactions.

In view of the long-established practice of not funding into arrears in order to preserve PCT, and because this practice is disclosed in IDA’s Financial Statements and other official documents, it will be necessary to report this transaction in IDA’s upcoming end-FY19 Management’s Discussion and Analysis and Financial Statements. We have also proactively informed IDA’s credit rating agencies, S&P Global and Moody’s, in the interest of transparency.

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12 See IDA Management’s Discussion and Analysis and Financial Statements, June 30, 2018, Table 27, page 34.
13 One previous emergency relief operation has been provided via UN agencies, for famine relief to Somalia in 2017: “Somalia Emergency Drought Response and Recovery Project (SEDRP)” (IDA/R2017-0183). Under the Somalia package, SDR36.5 million of IDA resources (USD50 million equivalent) were channeled through the International Committee of the Red Cross (ICRC) and the Food and Agriculture Organization of the UN (FAO). The only other cases of IDA financing going to countries in nonaccrual status is the specific exception made for the use of grants from the Arrears Clearance set-aside, mainly to help HIPC countries meet the conditions for debt relief. IDA donors authorized the use of pre-arrears clearance grants for eligible post-conflict countries with
Validation of the Scale of Damages and Needs for Cyclone Recovery

14. In April 2019, the Bank and GoZ initiated a joint exercise to assess the losses and damages arising from the cyclone and to develop a strategy for immediate recovery and longer-term resilience building. The result was the Zimbabwe Rapid Impact and Needs Assessment (RINA) – an effort to assess and quantify cyclone recovery and resilience building needs across 10 sectors. The RINA found that there had been between US$542-616 million in damages or losses due to the cyclone across nine districts. More than half of the damages are in the districts of Chimanimani and Chipinge. Nearly 90 percent of the overall damages are on transport (US$164 million), agriculture (US$155 million), and housing (US$132 million).

15. Unprecedented Scale of Unmet Needs. As compared to the damages reported above, the total need for recovery across the ten sectors is between US$584-803 million. The highest recovery needs are for Transport (US$197 million) followed by Disaster Risk Management (US$106 million), Agriculture (US$60 million), Social Protection (US$60 million), Housing (US$36 million), Environment (US$31 million), and Water Supply and Sanitation (US$28 million). The Bank estimates that a reconstruction and recovery funding gap of US$472 million remains, if building-back-smarter costs are also factored in. A total of US$137.6 million (including the World Bank’s proposed CRW) has been pledged or provided against an estimated recovery and reconstruction need of US$1 billion. The GoZ has provided US$25 million for cyclone response, while the African Development Bank (AfDB) is considering contributing between US$25-30 million.

16. Additionally, the UN’s Flash Appeal of April 2019, which estimates urgent humanitarian needs at US$60 million, remains largely underfunded at the present stage. This is on top of the US$234 million also requested by the UN system to address the dire food and non-food distresses and needs caused by the drought shortly before the cyclone, which also remains heavily under-funded.

Strategy for Responding to the Most Critical Needs of the Cyclone - Affected People

17. Need for Harmonized and Programmatic Multi-Sector Approach: A single, coordinated, and harmonized multi-sector approach to early and medium-term recovery needs is proposed under the Project, which aims to address immediate impacts of the cyclone, in tandem with humanitarian operations, while gradually transitioning to recovery and building resilience to future shocks. The multi-sectoral approach provides a more integrated, holistic, and sustainable solution by combining interventions across sectors to catalyze recovery of

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14 Housing, energy, transport, agriculture and irrigation, water and sanitation, environment, health and nutrition, education, disaster risk management, and displacement. No damages are reported for Displacement, just needs.

15 Note that needs figures are a function of both damages and the proposed recovery strategy for various sectors and are generally higher than the cost of damage due to the costs of building-back-smarter.

16 The figures use the low range of the values, emphasizing a conservative estimate.

17 Calculated using an estimate of US$92 million of funds committed (OCHA FTS)

18 Development partners who have donated include the European Union, African Union, Southern African Development Community, the United Kingdom, the United States, UN-Contingency Emergency Response Component, AfDB, among others.

19 Refer Map 1: Mapping of Partner Activities in the Affected Region.
productive assets, food production, and livelihood systems (i.e., drivers of vulnerability). This further accentuates the need for a central coordinating unit that can ensure adequate harmonization of the project activities across sectors.

18. **ZIRP addresses critical issues at the humanitarian-development nexus**, engaging early in complex crisis, cutting across the perceived divide between the two, coalescing best practices from both post-disaster arenas and illustrating the power of partnerships. The key principles for the design of the operation thus entail: (a) engaging in early recovery and advancing the humanitarian-development nexus by building upon the gains of humanitarian action by other partners; (b) distributing of financing proportional to impact and recovery needs across sectors; (c) using flexible funding approaches that can scale-up existing partner programs; (d) maximizing quick-disbursing components; and (e) investing in medium-term recovery and resilience-building.

### C. Proposed Development Objective(s)

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20 The United Nations Office for Project Services (UNOPS) is proposed to perform this function under the Project.
Development Objective(s) (From PAD)

19. The Project Development Objective (PDO) is to address the early and medium-term resilient disaster recovery needs of cyclone-affected people.”

Key Results

20. The following outcome indicators will be used to measure progress towards the PDO:
   - Number of people benefiting from conditional and unconditional cash transfers for food;
   - Number of households benefiting from provision of agricultural inputs and livestock support; and
   - Number of people benefiting from rehabilitated community infrastructure and risk reduction interventions.

D. Project Description

21. Component 1: Providing Immediate Support for Cyclone Recovery (US$27 million): This component will provide immediate and integrated livelihoods and healthcare solutions to cyclone-affected people, including:
   (a) restoring livelihoods through conditional cash transfers to provide food assistance, and through unconditional cash transfers for most vulnerable groups; (b) restoring agricultural crop and livestock production, including distribution of agricultural inputs for small farmer households, and the re-stocking and treatment of livestock and poultry, and; (c) accelerating the revitalization of basic health services, including the provision of a basic package of health services and referral pathways related to Gender-Based Violence (GBV)/Sexual Exploitation and Assault (SEA), and child protection measures. All activities under this component will specifically target women and female-headed households. This component will also finance project management and overhead costs for the above activities, such as needs and beneficiary assessments, preparation of technical designs and technical quality control, etc.

22. Component 2: Enabling Medium-term Cyclone Recovery and Resilience-building (US$35 million): This component will support the rehabilitation of critical community infrastructure, such as water and sanitation systems, irrigation networks, community schools, and community roads, as well as community level structural mitigation efforts for risk reduction, such as slope protection and environmental rehabilitation. This component will also finance project management and overhead costs for the above activities, such as needs and beneficiary assessments, preparation of technical designs and technical quality control, etc.

23. Component 3: Providing Project Management and Technical Assistance (US$7 million): This component will include:
   - Project Management. This will provide project management support for the United Nations Office for Project Services (UNOPS), for overall coordination and oversight functions and for centralized project services, across all components, such as M&E, environmental and social safeguards performance,

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Community infrastructure could include: (a) small-scale community self-built and self-maintained infrastructure; (b) community infrastructure developed, financed, maintained, and operated through non-public means such as NGOs, bilateral funding programs, etc.; and (c) small-scale community infrastructure that may have been created through public financing but was handed over to or fell into community hands for maintenance and upkeep. Furthermore, this component will exclude government-owned infrastructure, which might otherwise be financed by the Government of Zimbabwe, to exclude substituting for existing planned public spending.
technical quality assurance, grievance redressal, GBV/SEA and referral and protection systems, and for engaging third party monitoring services for project results validation; and

- **Technical Assistance (TA)** will include a range of activities that will be progressively determined on a needs basis, to facilitate the strengthened implementation. These could include, but are not necessarily restricted to: (a) supporting community risk assessments, monitoring and preparedness planning; (b) supporting community infrastructure damage assessments; (c) enhancing existing systems for displacement monitoring and targeting, as well as conducting intention surveys for internally displaced persons (IDPs); (d) developing health information and epidemic surveillance systems; and (e) strengthening project strategic communications and citizen engagement.

24. **Project Duration:** The financing instrument of the proposed Project is a grant-based Investment Project Financing, with a proposed operational life of 48 months. It will be financed through the IDA CRW Grant to UNOPS (Component 1 [40 percent] and Component 2 [60 percent], as a recipient of the proposed Project. While the Project’s immediate support activities are likely to take 9-12 months to complete, an overall 4-year project duration is proposed: (a) to allow the completion of community infrastructure schemes to building-back-smarter standards; and (b) for making the affected communities safer from future hazard risks through structural risk reduction interventions at the community level.

25. **Implementation Readiness:** It is expected that UNOPS will be fully mobilized in the field with the Project Operational Manual, procurement plan and workplan ready prior to project Board Approval to allow the project to commence immediately upon effectiveness. The POM and workplan will include specific details on each type of likely project intervention under the project components above, in terms of their technical content, scope, targeting criteria, and implementation modalities. The Project will also to the extent possible capitalize on opportunities for retroactive financing and advance contracting.

26. **Project design also allows for flexibility and adaptability during implementation, which includes the remaining US$3 million in unallocated funds** to be distributed at midterm based on a set of agreed criteria such as performance of the various components, and the varying levels of support from other development partners, and associated financing gaps in the various components. Such allocation shall be decided by World Bank Management, based on advice from the Task Team Leaders and in consultation with the Consultative Group being set up under the Project.

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<td>Projects in Disputed Areas OP 7.60</td>
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**Summary of Assessment of Environmental and Social Risks and Impacts**

The project is designed to benefit communities affected by the Cyclone Idai and who are prone to future cyclones. Through strengthening of disaster risk management systems and enhancing resilience of the affected communities, the project has the potential to generate positive impacts in the affected districts. Anticipated environmental risks...
and impacts of the project are associated with the small to medium scale civil works entailing rehabilitation and reconstruction of community infrastructure such as roads, bridges, small dams, school buildings, health care centers, irrigations schemes, water supply and sanitation facilities, and livestock vaccination facilities. Civil works and vaccination related activities will likely generate adverse site-specific risks and impacts such as erosion and sedimentation of rivers from earth works and run-off during the construction phase, disposal and management of large amounts of excavated material generated from construction activities during the construction phase, occupational health and safety of workers both during the construction and operational phases, increased level of dust, noise and vibration from moving of construction vehicles and machinery, and community health and safety risk and pollution of surface and groundwater sources. The anticipated social impacts are mainly positive and are not expected to have irreversible social impacts related to land acquisition, community health and safety and cultural heritage. The potential adverse risks and impacts are related to i) inclusion and management of community expectations and relationships; ii) labor conditions and potential minor labor influx; iii) minor impacts on community health and safety (e.g. road safety, water borne diseases, etc.) and iv) gender-based violence (GBV) and sexual exploitation and abuse (SEA). The risk rating and project design also takes into consideration contextual factors such as the complex context of the post-emergency operation and aggravated vulnerabilities of intended beneficiary population, including food insecurity, loss of life, community cohesion and displacement caused by the cyclone. The GBV risks rating for the project has been classified as Moderate.

The anticipated environmental and social risks and impacts can be mitigated by known measures to be included in the Environmental and Social Management Framework (ESMF) to be prepared by UNOPS, consulted upon and disclosed both in-country and in the World Bank’s Infoshop prior to project implementation. The ESMF will provide the criteria and procedures for screening sub-project investments and guide the preparation of site-specific environmental and social management plans (ESMP). It will also assess the institutional capacity of UNOPS and provide measures for capacity building, and an estimated budget required for implementing the ESMF. Furthermore, to mitigate social risks the project is deliberately designed to ensure the inclusion of vulnerable groups, including women-dependent households, child headed households, disabled, elderly, food-insecure and displaced households. The project has also developed a SEP which is a critical tool for project success and for managing community expectations and relationships in such a complex setting.

Site-specific Environmental and Social Impact Assessments (ESIAs) and their associated Environmental and Social Management Plans (ESMPs) will be prepared during the implementation phase of the project when the nature, scope and geographical location of the sub-projects are known. Relevant management plans such as the Contractor’s Environmental and Social Management Plan (CESMP), Occupational Health and Safety Plan (OHP) and Labor Management Plan (LMP), Waste Management Plan (WMP) and GBV/SEA action plan will be included in the site-specific ESMPs, reviewed and approved by the World Bank prior to the start of any construction works. Given that majority of the anticipated environmental risks and impacts will occur during the construction phase, the contractor will be contractually bound to prepare and implement the CESMP, OHP/LMP, TMP and WMP consistent with (i) ESS1 on Environmental and Social Impact Assessment (ESIA), (ii) ESS2 on Labor and working conditions, (iii) ESS3 on Resource Efficiency and Pollution Prevention, and (iv) ESS4 on Community Health and Safety.

Note: To view the Environmental and Social Risks and Impacts, please refer to the Appraisal Stage ESRS Document.

E. Implementation
Institutional and Implementation Arrangements

27. **UNOPS as ZIRP Project Implementation Unit (PIU)**. Given that the proposed Project is funded through an IDA CRW exceptional allocation, it is proposed to be implemented through the provision of the IDA Grant directly to one selected UN Agency. In the case of this Project, UNOPS is proposed to be designated as the Direct Recipient of the IDA Grant. Under the proposed arrangements, the Bank will sign a Financing Agreement with UNOPS who will act both as the IDA Grant recipient and the project implementation unit (PIU) (Figure 2). The proposed implementation arrangement is mirrored on traditional Bank-financed multi-sector operations that involve more than one line-ministry and require coordination among the implementing partners and with a single coordinating PIU responsible for the overall project management and procurement.

28. UNOPS will serve as the PIU and will act as a project management and procurement agent for the other UN organizations. UNOPS will quickly mobilize surge capacity support out of their Regional offices by deploying teams of experts to fit the specific needs of ZIRP. A lean PIU will manage the engagement and contracting of UN agencies, INGOs, NGOs, and private sector providers under Alternative Procurement Arrangements (APA). Their responsibilities would include, overall coordination of project activities and the work plans, consolidated progress and financial reporting, coordination of M&E, coordination and monitoring of compliance with the ESMF requirements across Project components and agreements (contracts) with the providers of goods, works, and services.

29. UNOPS will also be responsible for the implementation of the community infrastructure activities, coordination and reporting on progress of works across components. The Project will use the comparative advantages of different specialized UN agencies (e.g., UNICEF, FAO, WHO, WFP) and INGOs/NGOs to ensure...
prioritized populations benefit from restored access to essential WASH, health, and education services. The UNOPS PIU will be key in ensuring that there are no duplication or gaps in reaching targeted communities and beneficiaries.

30. For ZIRP, UNOPS will mobilize skills from its sub-regional hub in Kenya with support from its regional and corporate offices. The PIU will be based in Harare and the community infrastructure unit will be based in Mutare with sub offices as required. UNOPS will deploy existing active personnel and roster/retainer personnel familiar with the modus operandi and systems of the organization and will rapidly recruit local technical personnel and support staff. UNOPS operates on the basis of a mature project management, procurement and finance system.

31. **Localized and context specific activities will be implemented through INGOs and NGOs.**

UNOPS would also contract INGOs and/or NGOs to support specific project activities. Primarily INGOs/NGOs would be engaged on specific competencies, such citizen engagement and community mobilization, where the UN agencies may not have a comparative advantage or have no presence.

**Coordination with government counterparts and assuring alignment with national development plans**

32. While the proposed Project cannot have the IDA Grant used to support the Government’s coordination of recovery strategies and national development plans, the chosen modality under this Project is to include them solely for technical consultations. Technical consultation related to the project’s components that require involvement of relevant levels of the government would be carried out through the Consultative Group (CG) that will be set up under the proposed Project. UNOPS will act as a Secretariat to the CG comprising the technical leads (focal points of participating UN Agencies (WFP, UNICEF, WHO, FAO and UNDP) and key INGOs) and government counterparts (MDAs) represented by a Senior Government Officer designated by the Chief Secretary to the President and Cabinet. Key MDAs to be involved are Ministry of Labor and Social Welfare (MLSW), District Development Fund (DDF), DCP, Ministry of Lands, Agriculture, Water, and Resettlement (MLAWR), Ministry of Primary and Secondary Education (MoPSE), Ministry of Health and Child Welfare (MoHCW), Ministry of Transport and Infrastructure Development (MTID), Ministry Local Government and Public Works and National Housing (MLGPWNH), Environmental Management Agency (EMA), Chimanimani Rural District Council and Chipinge Town Council.

33. **Consultations will be done at different levels of government depending on the key strategic issues put on the agenda.** Participation of the government in these consultations does not involve any payments from IDA proceeds. Members of the CG would only make recommendations for the Bank’s consideration, and all project-related decisions are taken by the Bank.

34. For broader consultations related to the overall coherence with the national recovery efforts and the country’s development plans, five levels of existing government structures will be engaged. These include: National, Provincial and District, and Ward and Village through Civil Protection Committees (CPCs) (Figure 3). CPCs are responsible for coordination of disaster response activities from the national to the village level. Further, CPCs have several sub-committees dealing with sectors such as health, WASH, social protection, food

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22 UNOPS has experience of working with INGOs such as Save the Children, Oxfam, MSF and Mercy Corp through a sub-contracting type of arrangements.

23 This is to avoid conflict of interest as CG members are also specialized suppliers benefiting from the decisions made.
35. The Cabinet Committee on Environment, Disaster Prevention and Management (CCEDPM) would be responsible for technical advice to ZIRP to assure alignment with the country’s development plans and promoting effecting participation of MDAs in the Project. The Committee’s main responsibility is to integrate disaster risk reduction measures into all development initiatives and preparedness in emergencies and disasters. The CCEDPM is supported by the Working Party comprising of Ministry Permanent Secretaries, chaired by the Chief Secretary, Office of President and Cabinet, and is backed by the technical expertise of the CPCs at national, provincial and district levels of affected areas who are tasked with coordination and management of the disaster. The sectoral departments are set to continue with their portfolio responsibilities at the end of the disaster declaration period to achieve recovery and long-term measures to bring normalcy to the affected communities.

36. Collaboration among government, UN agencies and INGOs/NGOs will be carried through single coordinated structures at national, provincial, district and village level. At each level, a single coordinated structure will involve the existing CPCs, UN/NGO Clusters, and development planning structures. Strengthened
CPCs composed of government, non-government (UN/NGOs), and community structures are the main bodies for collaboration between actors and across sectors (Figure 3). This approach integrates government, community and development partners structures. Bringing together these three structures enhances government and community ownership.

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