

# GEF-8 PROJECT IDENTIFICATION FORM (PIF)

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## General Project Information

### Project Title

Managing Biodiversity and Environmental Risks Associated with the Safer Salvage Operation in the Red Sea

Region

Yemen

GEF Project ID

11056

Country(ies)

Yemen

Type of Project

FSP

GEF Agency(ies):

UNDP

GEF Agency ID

9483

Executing Partner

Ministry of Environment; Ministry of Oil and Minerals

UNDP

Executing Partner Type

Government

GEF Agency

GEF Focal Area (s)

Biodiversity

Submission Date

10/14/2022

Project Sector (CCM Only)

### Taxonomy

Focal Areas, Influencing models, Stakeholders, Gender Equality, Capacity, Knowledge and Research, Biodiversity, Strengthen institutional capacity and decision-making, Local Communities, Private Sector, Gender results areas, Enabling Activities, Learning

Type of Trust Fund

GET

Project Duration (Months)

24

GEF Project Grant: (a)

4,016,210.00

GEF Project Non-Grant: (b)

0.00

Agency Fee(s) Grant: (c)

381,540.00

Agency Fee(s) Non-Grant (d)

0.00

Total GEF Financing: (a+b+c+d)

4,397,750.00

Total Co-financing

77,000,000.00

PPG Amount: (e)

550,000.00

PPG Agency Fee(s): (f)

52,250.00

PPG total amount: (e+f)

602,250.00

Total GEF Resources: (a+b+c+d+e+f)

5,000,000.00

Project Tags

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CBIT: No NGI: No SGP: No Innovation: No

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## Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? (iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. The explanation and justification of the project should be in section B “project description”. (max. 250 words, approximately 1/2 page)

The Floating Storage and Offloading (FSO) vessel Safer containing an estimated 1.148 million barrels of light crude oil is moored approximately 8 km off the coast of Yemen and 50 km northeast off the port of Hodeida. Safer has been under the control of de facto authorities (DFA) in Sana’a since March 2015.

Safer’s age and lack of maintenance have deteriorated its structural integrity putting it at risk of spilling oil due to leakages, an explosion from the accumulation of volatile explosion gases, or a strike from a floating sea mine, which would unleash a humanitarian and ecological catastrophe on a country already decimated by more than seven years of war. Significant spill could occur at any time along Yemen’s Red Sea coastline and towards its neighbouring countries. Heavy contamination and pollution could extend as far as the Bab-El-Mandab strait, with some oil passing beyond the Gulf of Aden. Disaster would quickly surpass national capacity and resources to respond effectively, directly affecting the lives and livelihoods of up to 12 million people, with the unique environment of the Red Sea experiencing enormous damage above and below the water. Recovery from a potential oil spill could take up to 3 years and potentially cost USD 20 billion and life below water could require 25 years to recover. In addition, one of the world’s major shipping lanes could be affected, impacting many more people globally.

The Government of Yemen aims to prevent a catastrophic oil spill occurring in the Red Sea and its potentially disastrous impacts. This shall be achieved by mobilising salvage assets including a Very Large Crude Carrier (VLCC) and installation of a Catenary Anchor Leg Mooring (CALM) Buoy, offloading the oil from FSO Safer to the VLCC, placing an oil-spill contingency response on standby.

In this project, with the support of Global Environment Facility (GEF) and UNDP, the Government aims to strengthen risk management and build in additional measures that integrate biodiversity conservation concerns in the UN-brokered salvage plan for the FSO Safer, so that globally significant marine and coastal biodiversity, as well as fisheries-dependent livelihoods of potentially affected communities, are protected.

## Indicative Project Overview

### Project Objective

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## Managing Biodiversity and Environmental Risks Associated with the Safer Salvage Operation in the Red Sea.

### Project Components

#### 1. Enhancing risk management for the prevention of adverse impacts during the FSO Safer Salvage operation.

GEF Project Financing (\$): 2,810,000.00

Outcome:

1.1. Risk management and biodiversity mainstreaming measures integrated in Phase 1 (ship-to-ship (STS) transfer of oil from the FSO Safer) to mitigate environmental and humanitarian risks.

1.2. Risk management and biodiversity mainstreaming measures integrated in Phase 2 (installation of safe long-term replacement capacity for the FSO Safer) to mitigate environmental and humanitarian risks.

Output:

1.1.1. Environmental and marine biodiversity expertise mobilized to contribute to the FSO Safer oil spill contingency and emergency preparedness plan.

1.1.2. Provision of associated additional measures in the contingency plan (such as equipment – boats, pumps, booms).

1.1.3. Capacity building support provided to technical stakeholders involved in Phase 1 salvage operations to ensure compliance with environmental requirements under International Convention for the Prevention of Pollution from Ships (MARPOL).

1.1.4. Capacity building for clean-up by local stakeholders and communities with emergency livelihood measures in place.

1.2.1. Environmental and marine biodiversity expertise mobilized to contribute to Activity 5 (inspection of subsea structures, closing of Pipeline End Manifold (PLEM), disconnect risers), Activity 6 (installation of CALM buoy), and Activity 7 (removal and support of FSO Safer sale) of Phase 2 of the emergency plan.

1.2.2. Provision of associated additional measures required to ensure that the replacement capacity does not harm biodiversity, particularly ensuring ecosystem restoration to hedge against future risks (such as equipment, training)

1.2.3. Capacity building support provided to technical stakeholders involved in Phase 2 operations to ensure compliance with environmental requirements under MARPOL.

#### 2. Capacity strengthening of the Ministry of the Environment and Ministry of Oil and Minerals to integrate biodiversity considerations into the operations of the oil sector.

GEF Project Financing (\$): 710,000.00

Outcome:

2.1. Ministry of the Environment and Ministry of Oil and Minerals integrate biodiversity considerations into oil sector planning and operations.

Output:

2.1.1. Review of existing national oil spill contingency plan, environmental management and operations, within the oil sector, including assessment of capacity gaps in relation to biodiversity mainstreaming

2.1.2. Training program provided for the ministries and institutions based on review and assessments under 2.1.1.

2.1.3. Review of maritime routes to reduce shipping impact on key biodiversity areas and integration of no-go zones in important marine habitats

2.1.4. Development of marine spatial plans that reduce shipping impacts, including oil transport and tanker traffic on key biodiversity areas

2.1.5. In collaboration with Regional Organization for the Conservation of the Environment of the Red Sea and Gulf of Aden (PERSGA), the transboundary risk mitigation mechanism is strengthened

## M&E

GEF Project Financing (\$): 313,000.00

Outcome:

3.1 Adaptive management of project activities in line with UNDP and GEF M&E and SES policies

Output:

3.1.1 M&E plan developed and under implementation.

3.1.2 Social and environmental safeguards plan (including gender considerations) developed and under implementation.

## Component Balances

Project Components	GEF Project Financing (\$)
1. Enhancing risk management for the prevention of adverse impacts during the FSO Safer Salvage operation.	2,810,000.00
2. Capacity strengthening of the Ministry of the Environment and Ministry of Oil and Minerals to integrate biodiversity considerations into the operations of the oil sector.	710,000.00
M&E	313,000.00

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<b>Subtotal</b>	<b>3,833,000.00</b>
Project Management Cost	183,210.00
<b>Total Enabling Activity Cost</b>	<b>4,016,210.00</b>

Please provide justification

## PROJECT OUTLINE

### A. PROJECT RATIONALE

Briefly describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

Constructed in 1976 as a supertanker and converted a decade later to be a floating storage and offloading facility (FSO) for oil, the Safer is moored about 4.8 nautical miles off the coast of Hodeidah governorate in Yemen. The vessel holds an estimated 1.14 million barrels of light crude oil. Production, offloading and maintenance operations on the Safer were suspended in 2015 because of the war. As a result, the Safer's structural integrity has significantly deteriorated. All assessments indicate that the vessel is beyond repair and at imminent risk of spilling oil due to leakages or an explosion because the systems required to pump inert gas into its tanks ceased functioning in 2017.

The cost of inaction would be extremely high and beyond national capacities of a country already embroiled in war for over seven years. A significant spill would surpass national capacity and resources to effectively respond. The cost of cleanup alone is estimated at USD 20 billion. A major spill would devastate fishing communities on Yemen's Red Sea coast. Half a million people working in the fishing industry there have 1.7 million dependents. Two hundred thousand livelihoods could be instantly wiped out. Whole communities would be exposed to life-threatening toxins. Desalination plants on the Red Sea coast could be closed, cutting off a water source for millions of people. The spill would also produce highly polluted air over a large area, affecting millions of people.

A major oil spill could close the nearby ports of Hodeidah and Saleef – which are essential in bringing food, fuel and life-saving supplies into a country where 19 million people are in need of food assistance. The environmental impact of a major spill on water, coral reefs, life-supporting mangroves and other sea life would be severe. Fish stocks would take 25 years to recover. Depending on the time of year, the spill could reach the African coast and affect any country on the Red Sea.

Vital shipping through the Bab al-Mandab Strait to the Red Sea and the Suez Canal could be disrupted for an extended period, costing billions of dollars of trade losses every day. Tourism in the Red Sea would be affected.

Safer contains Marib Light, an extra-light crude oil as its cargo. This means that if a spill was to occur, a significant fraction of the released oil would evaporate, causing an airborne hazard from the resultant vapours. This is likely to have a detrimental effect on any response efforts, due to the health hazards to response personnel. Additionally, the proximity of the Safer to the shoreline may also make certain mitigation operations (such as dispersant application) more difficult.

FSO Safer oil spill predictions (commissioned by the IMO in 2021) and case studies (Purves & Culmer, 2020) suggest that the unique environment of the Red Sea would suffer enormous damage above and below water.

Cost of inaction:



Q3 oil spill impacts July - September

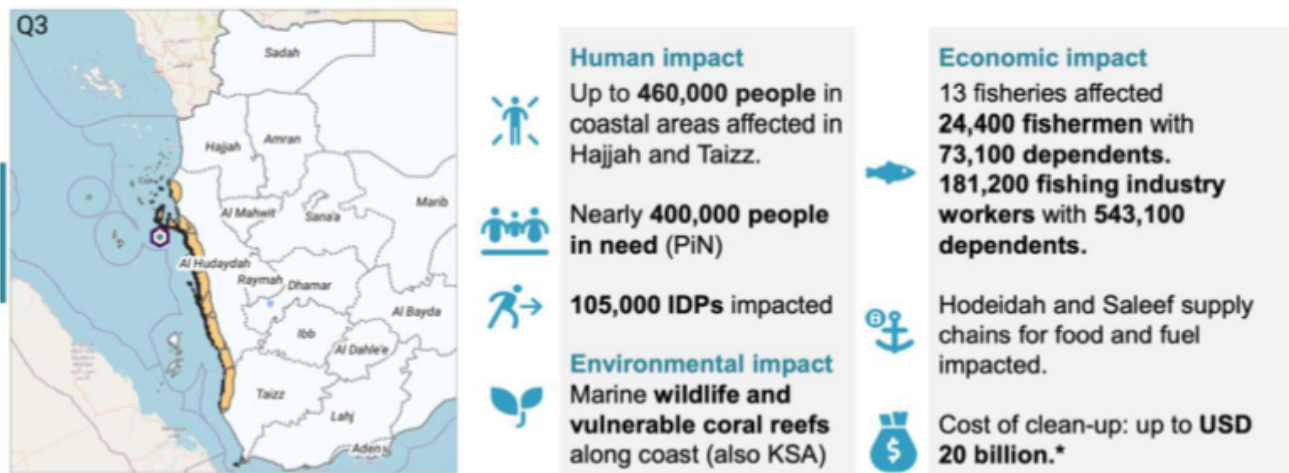


Figure 1: Summary of worst-case predictions for Yemen oil spill from FSO Safer (Ballard & JFA, 2022)

B. PROJECT DESCRIPTION

Project description

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF’s policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the PIF guidance document. (Approximately 3-5 pages) see guidance here

**Background:** Constructed in 1976 as a supertanker and converted a decade later to be a floating storage and offloading facility (FSO) for oil, the Safer is moored about 4.8 nautical miles off the coast of Hodeidah governorate in Yemen. The vessel holds an estimated 1.14 million barrels of light crude oil. Production, offloading and maintenance operations on the Safer were suspended in 2015 because of the war. As a result, the Safer’s structural integrity has significantly deteriorated. All assessments indicate that the vessel is beyond repair and at imminent risk of spilling oil due to leakages or an explosion because the systems required to pump inert gas into its tanks ceased functioning in 2017.

**Global Biodiversity Significance:** The coastline of Yemen is over 2500 km long and includes three different coastal regions, namely the Red Sea, Gulf of Aden and Arabian Sea. The Red Sea region represents about one third of this coastline, with the remainder bordering the Gulf of Aden region. The Red Sea and Gulf of Aden region of Yemen represent a complex and unique tropical marine ecosystem with extraordinary biological diversity and a remarkably high degree of endemism. The Eastern Gulf of Aden and Arabian Sea region is a highly productive fishery region due to the Tropical Upwelling phenomenon, supporting a food web that ultimately sustains fish communities. Both the Red Sea and the Gulf of Aden are designated “special areas” under the international MARPOL convention.

Over 186 islands lie in the seawater of Yemen with distinct climatic and natural characteristics. More than 150 of these islands lie in the Red Sea, including Kamaran Island and Mayoan Island, which is located in the Bab Mandab Strait. Socotra Island, the largest Yemeni island, is situated in the Arabian Sea region of Yemen and hosts a distinctive insular biota with many endemic and endangered species including turtles, dugongs, dolphins, whales, coral reefs and associated ecosystems (seagrasses, mangroves) as well as endemic species of marine fauna, a wide variety of invertebrates and algae, and characteristic fish species. It also harbors seven endemic bird species, including the Island cisticola (*Cisticola haesitata*) and the Socotra bunting (*Emberiza socotrana*).

A national marine protected areas (MPA) system is in place in Yemen. Per the Protected Planet Database, [Yemen](#)'s established MPAs include:

- [Socotra Archipelago](#) World Heritage Site (WDPA ID: 903138; 4,104 km<sup>2</sup>)
- [Socotra Island](#) (WDPA ID: 17286; 3,625 km<sup>2</sup>)
- [Ras Isa Marine Park](#) (WDPA ID: 17188; area not reported)
- [Zurqur Islands](#) (WDPA ID: 17189; area not reported)
- [Detwah Lagoon](#) (WDPA ID: 55554275; 5.8 km<sup>2</sup>). Detwah is a Ramsar site, a wetland of international importance.

**Global Environmental Benefits:** The project is designed to: i) prevent irrevocable damage to globally significant biodiversity in case of an oil spill; ii) prevent degradation of coastal and marine areas with positive impacts for local communities and sectors; and iii) strengthen national capacities and regional partnerships. The project contributes a key component of an international UN-led emergency operation to prevent a potential environmental disaster that could damage globally important marine biodiversity within the territorial waters of Yemen and beyond. The project will contribute to the goals of the [Convention on Biological Diversity](#) in implementing activities identified in Yemen's National Biodiversity Strategy and Action Plan (2017) that seek to protect, recover and restore coastal, marine and terrestrial biodiversity through adequate and effective protected area networks and restoration of degraded ecosystems. The project will contribute directly to the CBD goal for protection of 10% of the marine area globally. It will also support the achievement of the post-2020 CBD Global Biodiversity Framework, which will include a target relating to the conservation and effective management of coral reefs and associated ecosystems in the face of accelerating threats.

**Impacts from an Oil spill:** FSO Safer oil spill predictions (commissioned by the IMO in 2021) and case studies (Purves & Culmer, 2020) suggest that the unique environment of the Red Sea described above would suffer enormous damage above and below water. The oil spill could occur from an explosion aboard the vessel (Cranfield University, 2022), a strike from a drifting sea mine (EODEX, 2021), or corrosion to the hull, each event likely to lead, in varying degrees of severity, to the ingress of water and potential sinking of the entire structure. See Annex C for more details.

If an oil spill happens, the impact on food security would indirectly affect all Yemenis for many months due to hindrance to food aid traveling through ports and adversely affected fisheries. The economic impact of such a spill is difficult to quantify at such a scale, but clean-up alone is estimated at US \$20 billion (ACAPS, 2021) based on Exxon Valdez extrapolation. There would also be knock-on effects to global shipping, with the extent of oil travel compromising main international shipping routes and imposing a toll of tens of billions of dollars on the shipping business and the industries it services. Perspective is provided by the EverGiven

container ship in the Suez Canal, which froze US\$10 billion of trade in one day. Yemeni ports would see heavy oil contamination. Fuel imports and supply chains would be altered. More fuel would be sold through the black market, and prices would likely rise by up to 200%. This would have impacts on electricity production, health services, and transportation provision across the country. Food imports and supply chains would stagnate. The cost to the fishing industry from the environmental impact would be US\$30 million per year. The estimated loss in agricultural production could be US\$ 70 million. Pollution from the oil spill, whether by evaporation or smoke following fire/explosion, would cause cardiovascular and respiratory health issues overwhelming a healthcare system already struggling with COVID-19. Up to 60 humanitarian agencies could suspend services due to unsafe air, cutting services to 7 million Yemenis in affected areas.

**UN-brokered Safer Salvage Operation Project:** The Sana'a-based authorities, who control the area where the vessel is located, signed a memorandum of understanding (MoU) with the UN on 5 March 2022 establishing a framework for cooperation in which the Sana'a-based authorities committed to facilitating the success of the project. The plan, estimated to cost \$113 million, has already received \$77 million in pledges until September 2022. However, the funding gap has already delayed the start of the emergency operation, pushing it into the October-December season when high winds and volatile currents make the work more dangerous and increase the risk of the ship breaking up.

The Safer Salvage Operation will be a two-phase project. In the first phase, the UN will coordinate the ship-to-ship transfer of oil from the FSO Safer as soon as possible to address the immediate environmental and humanitarian threats. In the second phase, the UN will facilitate the installation of a replacement option for the FSO Safer. Based on extensive technical consultations and on political engagement with Yemeni governance institutions, the UN has proposed a floating CALM Buoy, permanently attached to a Very Large Crude Carrier (VLCC) slightly modified to be an FSO as the optimal long-term solution in the Ras Issa environment. The CALM buoy with a permanently attached double-hull VLCC as FSO is the safest, fastest and most flexible option. Under this two-phase approach:

- The emergency operation to mitigate the immediate environmental threat can be completed within 10 months.
- The CALM buoy can be attached and detached from the FSO should the vessel need to be replaced or drydocked. The CALM buoy solution can also be used to load oil directly to tankers from an onshore storage facility.
- The system is proven safe in use by the industry as a long-term Floating Storage and Offloading (FSO) solution. The CALM buoy system is more compatible with other storage options that may be possible in the future, such as connection to onshore storage (i.e. tank farm).

From the latest replacement option plan (UN, 2022), the first phase of operation involves five main activities:

- Activity 1) FSO Safer oil spill contingency plan.
- Activity 2) preparatory works (including the procurement of a Very Large Crude Carrier (VLCC));
- Activity 3) the mobilization of salvage assets to the work site;
- Activity 4) the ship-to-ship (STS) transfer of oil from the FSO Safer to the VLCC, tank cleaning and de-mucking, thereby eliminating the environmental hazard;
- Activity 5) the Inspection of subsea structures, closing of PLEM (Pipeline End Manifold), disconnect risers and removal of FSO Safer;

Phase two of the operation involves the following main activities:

- Activity 1) Procurement of CALM buoy;
- Activity 2) Installation of CALM Buoy and connection of risers;
- Activity 3) Scrapping of FSO Safer;
- Activity 4) Handover of the VLCC and CALM buoy with maintenance plan

Successful implementation of the project Phase 1 activities will minimize the potential for an oil spill from the FSO Safer and the associated environmental, socio-economic and humanitarian consequences and contribute toward Sustainable Development Goals (SDGs) 14,15 and beyond. Successful implementation of Phase 2 activities will provide a replacement option for the FSO Safer. The results of this phase will deliver the potential for economic and industrial dividends to benefit the Yemeni people and can incentivize parties to reach agreement as part of a formal peace process.

**Project Scope:** The aim of this project is to protect globally important marine biodiversity through supporting the UN-brokered salvage plan for the FSO Safer. The project aims to strengthen risk management and build in additional measures that ensure the integration of biodiversity conservation considerations in the UN-brokered salvage plan for the FSO Safer, so that globally significant marine and coastal biodiversity as well as fisheries-dependent livelihoods of potentially affected communities, are protected. There are two components to this project:

1. ***Enhancing risk management for the prevention of adverse impacts during the FSO Safer Salvage operation.*** The outcome for this component includes risk management and biodiversity mainstreaming measures integrated in Phase 1 (ship-to-ship (STS) transfer of oil from the FSO Safer) and Phase 2 (installation of safe long-term replacement capacity for the FSO Safer) to mitigate environmental and humanitarian risks. To this end, environmental and marine biodiversity expertise is mobilized to contribute to the FSO Safer oil spill contingency and emergency preparedness plan during phase 1 and towards Activity 5 (inspection of subsea structures, closing of PLEM, disconnect risers), Activity 6 (installation of CALM buoy), and Activity 7 (removal and support of FSO Safer sale) of Phase 2 of the emergency plan. Provision of associated additional measures in the contingency plan in phase 1 and to ensure that the replacement capacity does not harm biodiversity, particularly ensuring ecosystem restoration to hedge against future risks in ways of equipment and training in phase 2. Capacity building support being provided to technical stakeholders involved in Phase 1 and 2 of salvage operations to ensure compliance with environmental requirements under MARPOL. Capacity building for clean-up by local stakeholders and communities with emergency livelihood measures is put in place.
2. ***Strengthening the capacity of the Ministry of the Environment and Ministry of Oil and Minerals to integrate biodiversity considerations into the planning and operations of the oil sector.*** The outcomes for this would include review of existing national oil spill contingency plan, environmental management and operations within the oil sector, and assessment of awareness and systemic, institutional and individual capacity building needs of ministries and their staff related to biodiversity conservation and management, the results of which are then used to develop and implement a training program for the ministries and institutions. Another output includes development of marine spatial plans that reduce shipping impacts, including oil transport and tanker traffic on key biodiversity areas. Collaboration with regional partnerships such as with Regional Organization for the Conservation of the Environment of the Red Sea and Gulf of Aden (PERSGA) to strengthen transboundary risk mitigation mechanisms is crucial for long-term marine sustainability of the region.

**Gender equality and women's empowerment:** The salvage plan also aims to prevent adverse impacts on women from a potential oil spill, which could affect up to one third of Yemeni population (11.9 million people out of 30.7 million), especially affecting women by directly exposing them to food insecurity as they may not receive food aid because of the closure of Yemeni ports. (Huynh et al., 2021). Food insecurity would further destabilize health security of women, whereby 2.25 million cases of children aged 0 to 59 months, and more than a million pregnant and lactating women are projected to suffer from acute

malnutrition (OCHA, 2021). Research further shows that oil pollution increases the risk of preterm birth, miscarriage, birth defects and gestational diabetes among women in oil polluted communities.

**Stakeholder engagement** – A wide range of stakeholders were consulted in the lead up to and during PIF development (see the stakeholder engagement section). Further consultations will take place during the PPG phase, and relevant interests, roles and responsibilities of individual stakeholders will be defined in a Stakeholder Engagement Plan to be developed before CEO endorsement.

**Role of private sector:** The salvage operation will be contracted to SMIT Salvage (registered in the Netherlands) that will carry out the ship-to-ship transfer of the oil. Additionally, to achieve component two of the project, which aims to strengthen the capacity the Ministry of the Environment and Ministry of Oil and Minerals to integrate biodiversity considerations into the operations of the oil sector, other private sector entities from the shipping, and extractive (oil and gas) industries may be a part of the stakeholder engagement process during the PPG phase.

**Knowledge management and learning:** Under Component 3, the project will develop a knowledge management and learning plan to ensure the capture and analysis of best practices and lessons learnt during the salvage operation. Under Component 2, the project will establish capacity development and training programs to support the mainstreaming of biodiversity objectives and priorities into oil spill mitigation and response into national and local plans and strategies, which will be informed by best practices and lessons learned from previous oil spill operations. Further details will be outlined in the CEO endorsement package. In addition, the project will link with the GEF [IW:Learn](#) programme to ensure the use of and access to best practices, lessons learned, and innovative solutions to oil spill mitigation and response across the GEF International Waters portfolio.

### **Coordination and Cooperation with Ongoing Initiatives and Project.**

Does the GEF Agency expect to play an execution role on this project?

Yes

If so, please describe that role here. Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing

Given the complex working environment in Yemen, and as requested by the GEF Operational Focal Point (OFP) of Yemen<sup>[1]</sup>, this project will be executed by UNDP (through the Yemen Country Office) using the Direct Implementation Modality (DIM). It will be implemented over a period of two years (twenty-four months). UNDP will assure the administrative and financial management of the project. The following implementation services under the Direct Implementation Modality (DIM) will be provided by UNDP for the proposed project:

- Coordinating and managing the overall implementation of project outcomes and activities.
  - Facilitating interactions with GEF Secretariat and related stakeholders.
-



- Accountability of project implementation and reporting on budget performance.
- Quality assurance and accountability for outputs and deliverables at the project development phase, during implementation and on completion.
- Disbursement of funds to contractors and/or Responsible Parties for the implementation of on-the-ground activities.
- Technical oversight to all activities carried out by the contractors and/or Responsible Parties; and
- Managing the centralised procurement of goods and services for the project
- Information and communication management, including maintaining Information Management systems and specific project databases to track and monitor progress – financial and substantive – of project implementation.
- Regional knowledge management, communications and outreach.

UNDP will collaborate with the Executing Entities (Ministry of Environment and Ministry of Oil & Minerals) to carry out activities within the DIM Project. Project progress will be managed by the Project Manager, with the support of the Project Management Unit (PMU) and the Project Steering Committee. The Project Steering Committee will be established to provide guidance and assist with decision-making and will comprise representatives from Ministry of Environment, Ministry of Oil & Minerals, other Ministry agencies associated with the conservation of biodiversity in Yemen, Ministry of Fisheries, NGOs, community and private sector representatives. The PMU and Steering Committee structures will be finalised during PPG phase.

During PPG, UNDP will explore potential for transboundary risk mitigation efforts for contingency and emergency preparedness planning in cooperation with PERSGA.

[1] The official OFP request will be submitted at the time of CEO endorsement in line with GEF policies and procedures.

## Core Indicators

### Indicator 2 Marine protected areas created or under improved management

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
773480	0	0	0

### Indicator 2.1 Marine Protected Areas Newly created

Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0	0	0	0

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
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**Indicator 2.2 Marine Protected Areas Under improved management effectiveness**

Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
773480	0	0	0

Name of the Protected Area	WDP A ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
			773,480.00						

**Indicator 5 Area of marine habitat under improved practices to benefit biodiversity (excluding protected areas)**

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
9,082,237.00			

**Indicator 5.1 Fisheries under third-party certification incorporating biodiversity considerations**

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)

**Type/name of the third-party certification**

**Indicator 5.2 Large Marine Ecosystems with reduced pollution and hypoxia**

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)

LME at PIF	LME at CEO Endorsement	LME at MTR	LME at TE

**Indicator 5.3 Marine OECMs supported**

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

**Indicator 11 People benefiting from GEF-financed investments**

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
<b>Female</b>	1,100,000			
<b>Male</b>	1,100,000			
<b>Total</b>	<b>2,200,000</b>		<b>0</b>	<b>0</b>

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

### Risks to Project Preparation and Implementation

Summarize risks that might affect the project preparation and implementation phases and what are the mitigation strategies the project preparation process will undertake to address these (e.g. what alternatives may be considered during project preparation—such as in terms of consultations, role and choice of counterparts, delivery mechanisms, locations in country, flexible design elements, etc.). Identify any of the risks listed below that would call in question the viability of the project during its implementation. Please describe any possible mitigation measures needed. (The risks associated with project design and Theory of Change should be described in the “Project description” section above). The risk rating should reflect the overall risk to project outcomes considering the country setting and ambition of the project. The rating scale is: High, Substantial, Moderate, Low.

Risk Categories	Rating	Comments
Climate		
Environment and Social	High	The fragility of the tanker and the uniqueness of marine biodiversity create an operational threat in case of an oil spill. Even oil residue from the STS transfer process could leave an impact on local biodiversity. For the duration of the operation, livelihoods of some local fishing communities could be disrupted. Petrochemicals could end up in the food web – increased bio absorption leading to increased health impacts on communities both short and long term. Contingency planning and adequate post-transfer clean-up mechanism must be put in place. During PPG, UNDP will explore grant schemes for community level support under the country programme. A



		community health plan could help monitor and address health concerns arising out of the salvage operation.
Political and Governance	High	<p>Yemen is a country embroiled in a conflict that has both national and regional dimensions. Failure to extend the MoU with DFA could pose a major threat to the salvage operation.</p> <p>Misinformation about the project within the local communities or DFA can risk the stability of the operation. A potential spill could disrupt global trade networks and have economic and geopolitical ramifications. Establishing a Memorandum of Understanding with all major stakeholders in the conflict: the DFA, the IRG and the SLC. A targeted communications strategy can mitigate misinformation threats. Identification of alternate trade routes as part of contingency planning.</p>
Macro-economic		
Strategies and Policies	Moderate	<p>As a multi-agency effort, there could be conflicts of interest and of due credit. Data could be limited and accuracy questionable. Ministry staff retention after trainings in high-risk political environment could be at risk of lost resources and expertise. To utilize the full potential of a multi-agency project, clearly define roles of all agencies and stakeholders involved. Checking and reporting data on-the-go wherever possible could help fill the data gap. Enhanced ability to</p>

		ensure long term institutional memory of capacity building efforts in Ministries through efforts for political stability.
Technical design of project or program		
Institutional capacity for implementation and sustainability		
Fiduciary: Financial Management and Procurement		
Stakeholder Engagement		
Other	High	Operational Risks (High): Risks could stem from misunderstandings or poor communications on site as contract personnel shall be operating in an unfamiliar environment. Risks associated with the vessel and salvage operation – vessel is old, single-hulled and has not been maintained for a long time and is at a risk of disintegrating before, during or after the operation. The pipeline connecting the vessel to Ras Issa containing barrels of oil poses a risk of breakage and spilling during the operation. Failure of the contracted private company to complete the salvage as anticipated. Risk Mitigation Measures: Good contingency planning and liaison can largely mitigate the operational risks involved. Risks associated with working on such a vessel shall be mitigated through the Salvage contractor. Robust booming systems in place can help manage the risk of pipeline rupture. // UNDP organisational risks (High): The project requires significant financial and technical resources that is liable

to change during the course of the operation. High reputational risk given the volatile nature of the salvage operation that could lead to an oil spill in the Red Sea region potentially creating a humanitarian, economic and environmental catastrophe. Risk Mitigation Measures: UNDP to put in place resource mobilization and procurement strategy in place to ensure the financial and technical resources to implement activities. Strengthened risk management and contingency planning must be put in place for the salvage operation. // Security risks (High): Given the political fragility of the region, contractors and workers on board could be at risk of on-board attacks. As in many conflict situations, landmines and sea mines are a remnant of war and pose a risk to the operation. Risk Mitigation Measures: Good liaison and robust communication with differing political entities can help ensure on-board personnel safety. Careful inspection and removal of such mines beforehand could mitigate this risk. Emergency medical facilities must be on standby to tackle any contingencies. // Legal Risks (Low): FSO Safer is owned by SEPOC, a Yemeni state company. Given the volatile political context, there could be conflict over ownership of the oil that is transferred. Sale of the oil is not covered under this project document. Risk

		<p>Mitigation Measures: Robust legal framework prior to the project implementation has been designed to minimize conflict. // Communication risks (Low): Miscommunication in the day-to-day operations could have security, operational and reputational risks. Risk Mitigation Measures: Clear communication strategy is established within the relevant stakeholders as well as the communities surrounding the coastal region near Safer, particularly in preparedness for the upcoming operations. A media strategy for accurate international reporting is established.</p>
Financial Risks for NGI projects		
Overall Risk Rating	High	<p>SAFEGUARDS RATING (PIF LEVEL): There are significant safeguards risks associated with this initiative, specifically in relation to Principle 3: Environmental Sustainability – notably Standard 1: BD conservation and natural resource management; Standard 3: Community Health, Safety &amp; Working Conditions; Standard 4: Cultural Heritage; and Standard 7: Pollution Prevention. A rating of “High Risk” is therefore likely. Given that the project is being prepared under major time constraints due to urgent action required, and noting serious concerns related to the condition of the FSO Safer and risks associated with the recently announced UN-led salvage operation, the full</p>

	<p>Safeguards assessment and screening will take place during the PPG. Additional resources (US\$400,000 (excluding agency fees) for Safeguards assessment) are therefore requested to complete all necessary safeguards related risk analysis and planning for the project including the oil transfer operation as a whole, during project development. These resources will permit the recruitment of a specialist Safeguards team, including international and national consultants, to assess risks and identify mitigation measures based on a two field missions and detailed consultations with national and local stakeholders. The Safeguards team will work in close coordination with the PPG team comprising but not limited to an International (IC) PPG Team Leader, IC Oil Spill Expert, National (NC) Oil Spill Specialist, IC Biodiversity Specialist and NC counterpart, NC Livelihoods Specialist, and NC Gender Specialist, to be recruited with the additional requested PPG funds (additional US\$150,000, making total US\$550,000 for PPG).</p>
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**C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES**

Describe how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how. (max. 500 words, approximately 1 page)

The project aligns with the GEF-8 Programming Directions through the **Biodiversity Focal Area: Objective 1: To improve conservation, sustainable use, and restoration of natural ecosystems (Goals A and B of the GBF) – Biodiversity Mainstreaming in Priority Sectors**. The GEF defines biodiversity mainstreaming as: “the process of embedding biodiversity considerations into policies, strategies and practices of key public and private actors that impact or rely on biodiversity, so that it is conserved and sustainably used both locally and globally.” This project supports the following suite of activities to advance biodiversity mainstreaming:

- Spatial planning to ensure that land, freshwater, and marine resource use is optimized without undermining or degrading biodiversity.
- Improving and changing production practices to be more biodiversity-positive with a principal focus on sectors that have significant biodiversity impacts and specifically the oil sector.
- Developing policy and regulatory frameworks that protect biodiversity and incentivising biodiversity-positive resource use.

#### D. POLICY REQUIREMENTS

##### **Gender Equality and Women’s Empowerment:**

We confirm that gender dimensions relevant to the project have been addressed as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

##### **Stakeholder Engagement**

We confirm that key stakeholders were consulted during PIF development as required per GEF policy, their relevant roles to project outcomes and plan to develop a Stakeholder Engagement Plan before CEO endorsement has been clearly articulated in the Project Description (Section B).

Yes

##### **Were the following stakeholders consulted during project identification phase:**

Indigenous Peoples and Local Communities:

Civil Society Organizations: Yes

Private Sector: Yes

##### **Provide a brief summary and list of names and dates of consultations**

For the baseline UN-brokered Safer Salvage operation, which frames this project, the following stakeholders were consulted:

- National: Internationally Recognized Government (IRG) and De Facto Authority (DFA);
- Regional: The Kingdom of Saudi Arabia, Kuwait, UAE, Oman, Qatar and Egypt

- International: European Union, the Netherlands, Germany, France, Sweden, Norway, Switzerland, the UK, US, Finland, The Grand Duché of Luxembourg
- Private Sector: SEPOC and Faheem Industries; current owners of the SAFER oil (incl Total); the Oil Majors, accessed via the Oil Companies International Marine Forum (OCIMF), based in London

For the PIF development, the following stakeholders have been consulted:

- Intra-agency: UNDP Country Office, UNDP Nature, Climate and Energy team, UNDP Regional Bureau of Arab States, UN Resident Mission in Yemen
- International agencies: International Maritime Organization,
- Private Sector: [I.R. Consilium](#)

Independent Expertise: Dr. David Hugh Vousden, Chair, United Nations Joint Group of Experts on the Scientific Aspects of Marine Environmental Protection & Senior Consultant to the United Nations on Ocean and Coastal Management

- Civil Society Organizations were consulted during a meeting on 2 February 2022, including Greenpeace International, ACAPS; Safer Contingency Plan Working Group Meeting
- Private Sector: Tahma Group, Fahime Group

(Please upload to the portal documents tab any stakeholder engagement plan or assessments that have been done during the PIF development phase.)

### Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in the section B project description?

Yes

### Environmental and Social Safeguard (ESS) Risks

We confirm that we have provided indicative information regarding Environmental and Social risks associated with the proposed project or program and any measures to address such risks and impacts (this information should be presented in Annex D).

Yes

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
High or Substantial			

## E. OTHER REQUIREMENTS

### Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described in the Project Description (Section B)

Yes

## ANNEX A: FINANCING TABLES

### GEF Financing Table

#### Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional / Global	Focal Area	Programmi ng of Funds	Grant / Non-Grant	GEF Project Grant(\$ )	Agency Fee(\$)	Total GEF Financing (\$)
UNDP	GET	Yemen	Biodivers ity	BD STAR Allocation: BD-1	Grant	4,016,2 10.00	381,54 0.00	4,397,750.00
<b>Total PPG Amount</b>						<b>4,016,2 10.00</b>	<b>381,54 0.00</b>	<b>4,397,750.00</b>

### Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

PPG Amount (\$)

550000

PPG Agency Fee (\$)

52250

GEF Agency	Trust Fund	Country/ Regional / Global	Focal Area	Programmi ng of Funds	Grant / Non-Grant	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
UNDP	GET	Yemen	Biodivers ity	BD STAR Allocation: BD-1	Grant	550,000 .00	52,250 .00	602,250.00
<b>Total PPG Amount</b>						<b>550,000 .00</b>	<b>52,250 .00</b>	<b>602,250.00</b>



Please provide justification

There are significant safeguards risks associated with this initiative, specifically in relation to Principle 3: Environmental Sustainability – notably Standard 1: BD conservation and natural resource management; Standard 3: Community Health, Safety & Working Conditions; Standard 4: Cultural Heritage; and Standard 7: Pollution Prevention. A rating of “High Risk” is therefore likely. Given that the project is being prepared under major time constraints due to urgent action required, and noting serious concerns related to the condition of the FSO Safer and risks associated with the recently announced UN-led salvage operation, the full Safeguards assessment and screening will take place during the PPG. Additional resources (US\$400,000 (excluding agency fees) for Safeguards assessment) are therefore requested to complete all necessary safeguards related risk analysis and planning for the project including the oil transfer operation as a whole, during project development. These resources will permit the recruitment of a specialist Safeguards team, including international and national consultants, to assess risks and identify mitigation measures based on a two field missions and detailed consultations with national and local stakeholders. The Safeguards team will work in close coordination with the PPG team comprising but not limited to an International (IC) PPG Team Leader, IC Oil Spill Expert, National (NC) Oil Spill Specialist, IC Biodiversity Specialist and NC counterpart, NC Livelihoods Specialist, and NC Gender Specialist, to be recruited with the additional requested PPG funds (additional US\$150,000, making total US\$550,000 for PPG).

### Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total(\$)
UNDP	GET	Yemen	Climate Change	CC STAR Allocation	
UNDP	GET	Yemen	Biodiversity	BD STAR Allocation	5,000,000.00
UNDP	GET	Yemen	Land Degradation	LD STAR Allocation	
<b>Total GEF Resources</b>					<b>5,000,000.00</b>

### Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
BD-1-4	GET	4,016,210.00	77000000
<b>Total Project Cost</b>		<b>4,016,210.00</b>	<b>77,000,000.00</b>

### Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
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Donor Agency	Governments of the Netherlands, Saudi Arabia, the United States, Germany, the United Kingdom, Sweden, the European Union, Qatar, Norway, Canada, France, Finland, Denmark, Switzerland and Luxembourg	Grant	Investment mobilized	75600000
Private Sector	HSA Group and Crowdfunding	Grant	Investment mobilized	1400000
<b>Total Co-financing</b>				<b>77,000,000.00</b>

Describe how any "Investment Mobilized" was identified

From UN coordinated fundraising efforts - <https://yemen.un.org/en/181199-fso-safer-un-coordinated-proposal-explainer-september-14-2022>

## ANNEX B: ENDORSEMENTS

### GEF Agency(ies) Certification

GEF Agency Type	Name	Date	Project Contact Person	Phone	Email
GEF Agency Coordinator	UNDP	10/14/2022	Pradeep Kurukulasuriya		pradeep.kurukulasuriya@undp.org
Project Coordinator	UNDP	10/14/2022	Midori Paxton		midori.paxton@undp.org

### Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Name	Position	Ministry	Date (MM/DD/YYYY)

Mr. Faisal S. Obaid Al-thalabi	Operational Focal Point, Acting EPA Chairman	Ministry of Water and Environment	10/14/2022
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**ANNEX C: PROJECT LOCATION**

Please provide geo-referenced information and map where the project interventions will take place



Figure 2: The FSO Safer is moored about 4.8 nautical miles off the coast of Hodeidah governorate in Yemen.

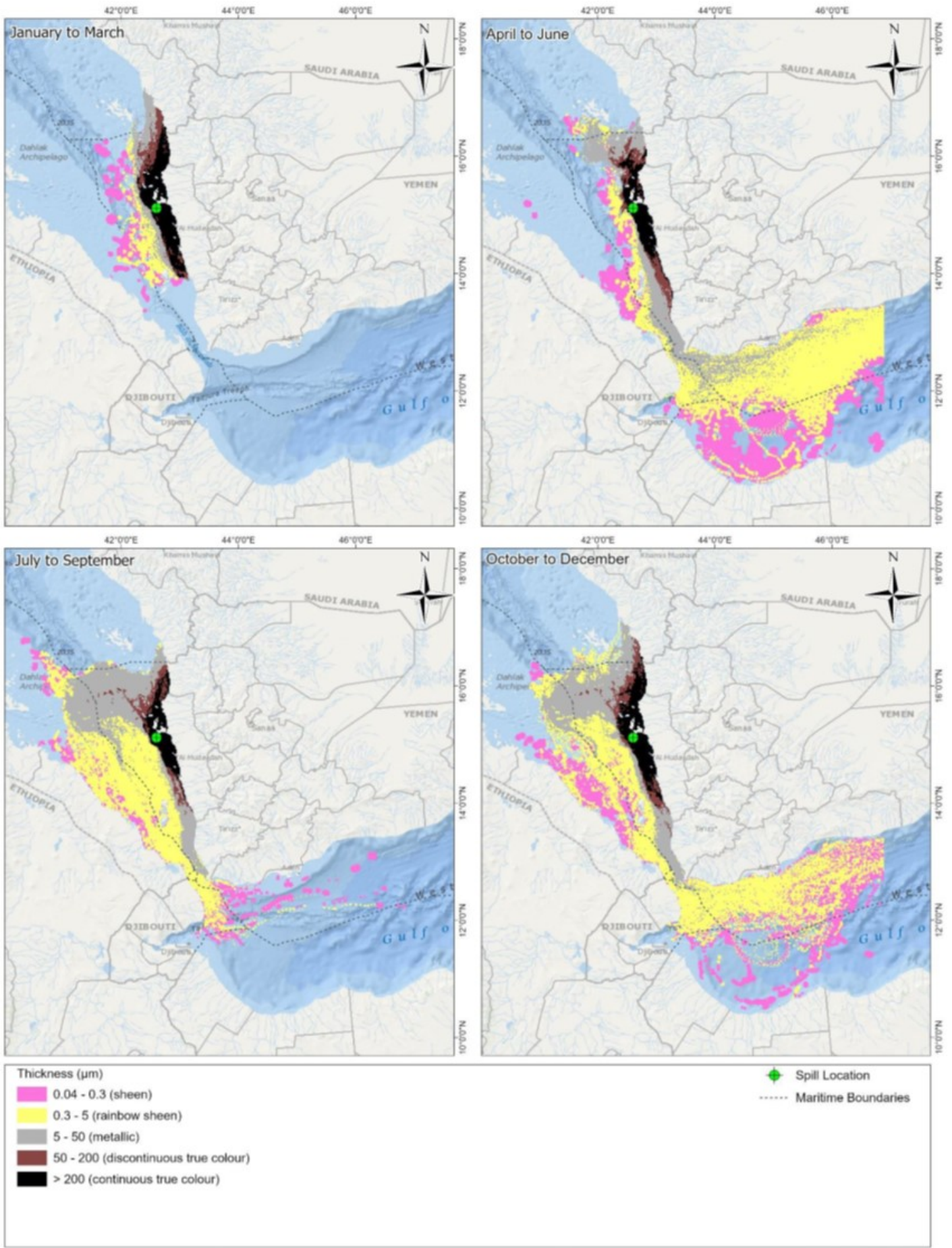




Figure 3: Extent of oil spill by season (worst case scenario) – (IMO, 2021)

The extent of pollution will be very much driven by season, prevailing winds and currents, with environmental risks potentially affecting Saudi Arabia, Eritrea, Djibouti, and Somalia. The impact would be considered worst between July and September. Shipping routes through the Bab al-Mandab Strait and the Red Sea could be disrupted for months, leading to a significant financial impact on global economies.

**ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING**

**(PIF level) Attach agency safeguard screen form including rating of risk types and overall risk rating.**

**ANNEX E: RIO MARKERS**

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
No Contribution 0	No Contribution 0	Principal Objective 2	No Contribution 0

**ANNEX F: TAXONOMY WORKSHEET**

Level 1	Level 2	Level 3	Level 4
Influencing Models	Strengthen institutional capacity/decision-making		
Stakeholders	Stakeholder engagement	Private Sector	Local Communities
Capacity, Knowledge and Research	Enabling Activities	Learning	
Gender Equality	Gender results areas	Results Areas	
Focal Area/Theme	Biodiversity		